

# SUPPLIER ENGAGEMENT

A step-by-step guide for small to medium-sized organisations in Bristol and beyond.

# Introduction

For many organisations, supplier engagement is a critical part of reducing emissions. This involves actively involving and collaborating with your supply chain towards more sustainable practices.

This guide will take you through an eight-step process for how to engage your suppliers. We will be focusing on engaging them around carbon, but you may want to consider integrating other topics such as nature and social impact.

This guide was created by Bristol Climate & Nature Partnership in close collaboration with sustainability consultants 3ADAPT. 3ADAPT created the eight-step process which is the basis of this resource.

The guide forms part of the Partnership's Climate Action Programme, which aims to help organisations reduce their carbon emissions through a series of events, resources and peer-to-peer learning opportunities.





# Why is it important?

Engaging with your suppliers around climate action can help you to:

- ☰ Reduce scope 3 emissions — these often make up a large percentage of most organisations' footprint
- 👤 Better understand, measure and report on the sustainability impacts of your supply chain;
- ✳️ Meet your sustainability targets, supported by your supply chain;
- 🕒 Identify opportunities and needs of your suppliers;
- 👉 Encourage and enable suppliers to take climate action



# Supplier engagement - eight steps





# Step 1

## Map supply chain





# Step 1: Map supply chain

Mapping your supply chain is an important first step, to identify where engagement is likely to have the most impact and which suppliers to prioritise.

This will help ensure your engagement is as effective as possible even if your capacity is limited.

Mapping can either be done by spend or by carbon.



## Ranking suppliers by spend - if you have not worked out their emissions

- 👤 Mapping by spend is a great starting point for prioritisation and does not require detailed analysis.
- ★ Consider if any spend areas should be excluded e.g. council tax.
- 👏 Rank suppliers by largest spend — this will be limited to the amount spent and does not consider the carbon impact of spend.

## Ranking suppliers by carbon

- 🕒 Calculate carbon emissions, either based on spend data and carbon conversion factors by SIC code (see resources) or by obtaining supplier specific emissions data.
- 👏 This approach will rank suppliers based on their contribution to supply chain emissions which will focus on more emission-intensive suppliers and can become more accurate as your emissions calculations become more refined.
- 👏 Calculating carbon by spend is usually the most accessible way to conduct an initial assessment but can be misleading in terms of the carbon impact of different products and services.

# Prioritising suppliers

- Once you've ranked suppliers, look through your list and decide how many you need to target to get desired spend or emissions coverage e.g. you might only need to target the top 20 suppliers to cover 50% of emissions.
- Select suppliers to prioritise. In addition to emissions or spend, you may want to consider other supplier aspects which might help your prioritisation:
  - Whether they are one-off or recurring suppliers;
  - When the contract is being renewed — contract renewal is a great opportunity to incorporate sustainability;
  - How much influence you have over the supplier;
  - Their current climate credentials (e.g. do they have a climate action plan / target);
  - Their emission reduction potential.





# Step 2

## Get buy-in







# Step 2: Get buy-in

Achieving support from key internal stakeholders is essential, as it is likely that you will need the backing and involvement of different functions for supplier engagement to be effective and aligned with other processes or initiatives.

- Identify relevant stakeholders who will have an interest or influence over supplier engagement, e.g. management, sustainability, procurement, contract managers, finance;
- 👤 Consider what their key concerns and/or interests might be, what level of sustainability knowledge they have and what support might be required;
- 👂 Determine how the benefits of supplier engagement can be framed for particular stakeholders;
- ★ Define clear responsibilities and implications for each person / department, and at what stage in the process their input will be needed;
- 🌱 Work with stakeholders to ensure alignment and integration with current processes and respond to their concerns/questions.



# Step 3

## Set goals





# Step 3: Set goals

Setting a target for your supplier engagement provides direction and accountability and will help you communicate your goals with suppliers and others. There are 3 main approaches to setting a goal:

**1. Absolute emissions reduction:** A target for a % reduction in emissions from your supply chain compared to baseline year, irrespective of business growth. Example: Reduce absolute scope 3 emissions from Purchased Goods and Services by 50% by 2030 from a 2022 baseline year.

**2. Emissions intensity reduction:** A target for a % reduction in emissions relative to a specific business metric, e.g. unit of product purchased or £ spent, compared to baseline year. This enables you to account for decreased carbon intensity per unit whilst increasing spending. Example: Reduce scope 3 emissions by 50% per unit of product by 2030, from a 2022 baseline year.

**3. Supplier engagement:** A target to engage a proportion of suppliers to set their own net zero or science-based targets. Example: Suppliers covering 70% of emissions will set science-based targets by 2027.

There are other ways to set targets if you are not ready to take any of these approaches. For example, your target could be to:

- 👤 Collect carbon data from a percentage of priority suppliers by a target year
- ★ Engage with a percentage of priority suppliers by a target year
- 📍 Conduct mapping exercise of suppliers to identify priorities

Check out how other companies are framing their targets through [SBTI's target explorer](#). Note that these tend to be large organisations.





# Step 4

## Establish methodology





# Step 4: Establish methodology

Establishing how you are going to engage your suppliers and what data you want to collect will allow you to be confident that your approach matches your objectives.

- What are your reasons for engaging suppliers at this stage? This will influence your method.
- ⌚ What data, if any, do you want to collect at this stage?
- 🌿 What is the scope of your goals? Is it focused on carbon reduction, or does it also include biodiversity and / or social impact? Tying to existing organisational goals is a good starting point.
- 🌱 What metrics will you be tracking? Are you going to be collecting qualitative or quantitative data? How will you ensure the data you collect is consistent?
- ✳️ Are you going to have a different approach for goods, services and works?
- 👤 How are you going to store any data received and who will have access to it?



Resources to help:

- 🏛️ [Local Government's Social Value Act and Toolkit](#)
- 👤 [ISO 140001](#)
- ✳️ [Greening Government Commitments](#)



# Step 5 Engage





# Step 5: Engage

How you go about engaging your suppliers is likely to have a big impact on its effectiveness.

- Set and communicate clear sustainability goals and expectations with your suppliers so they understand what they are being asked for and why, and how the information is going to be used.
- 👤 Consider the language you use in any communication, avoiding jargon and modifying the complexity of your request depending on the size of supplier.
- ✳️ Build collaborative relationships to make it feel like a supportive two-way process, rather than just something being demanded of them. Focus on providing incentives, understanding their challenges, and treating them like partners.
- 🔗 Support suppliers in focusing on key areas for emissions reduction, rather than worrying about tackling everything at once. For example, switching to renewable energy tariffs, shifting to more sustainable transport options, or identifying energy efficiency opportunities.
- 🌱 Provide support and resources to help your suppliers come on the journey with you. Ideas include organising workshops and carbon literacy training, directing them to external tools and guidance, offer ad-hoc one-to-one support or peer learning.
- ➡️ Innovate together. Explore working with suppliers to find solutions to challenges.





# Step 6 Embed in procurement





# Step 6: Embed in procurement

It is important that sustainability is embedded into procurement processes, rather than it feeling like an additional step.

- **Explore** — understand your existing procurement policies and practices, how can these be adapted to incorporate climate needs? How can climate considerations be included as a standard part of processes and supplier dialogue? Map out the framework and process and identify the touchpoints and who is involved.
- 👤 **Prioritise** — don't try and do everything all at once. Consider whether you want to start with key areas of your supply chain.
- 👂 **Educate** — inform and support procurement teams internally alongside suppliers. Help them understand your climate goals, the importance of emissions reductions, and the role of procurement in meeting those goals. Consider partnering with organisations in your sector to overcome challenges and build a stronger case for supplier change.
- ★ **Learn** — learn from suppliers to enable you to adapt your approach.





# Step 7

## Track progress





# Step 7: Track progress

Tracking progress will enable you to understand what is working, report on your progress, adapt your approach and celebrate successes. It is important to engage with suppliers (step 5) and understand where they are at before requesting information from them, to ensure responses come with context and understanding.

- 👤 Decide on the frequency of your review and when progress will be tracked. Reflect on the goals you set and how much monitoring would be helpful.
- ★ Decide what metrics you will be using to track progress. This could be as simple as the number of suppliers engaged, but it is important to determine this in advance.
- 📶 Assess supplier compliance with your sustainability standards through regular reviews or self-assessment questionnaires.
- 🌱 Recognise and note which actions have and have not worked well. Request feedback from suppliers and internally to build this picture.
- ✳️ Adjust strategies and targets based on progress, feedback and evolving sustainability guidance.

There are various tools available for organisations to request and manage data from suppliers (e.g. Supply Chain Sustainability Tool), however most SMEs are more likely to benefit from simpler methods such as using a simple survey or form using in house survey tools.

Data can be managed through Excel based files for ease and simplicity, and the types of questions asked should be formed based on the goals (step 3), methodology (step 4) and insights gained from engagement (step 5).





# Step 8

## Review and improve





# Step 8: Review and improve

Reviewing progress against the supplier engagement goals you set is important and will allow you to adapt your approach.

- Review the outcomes and feedback from internal and external stakeholders on your supplier engagement and supply chain sustainability work.
- Conduct an annual update to your supply chain emissions calculations and other key metrics, aiming to improve the accuracy of data over time.
- Improve your supplier engagement process based on feedback and progress towards your supply chain sustainability goals and actions.
- Share your successes and challenges internally and with your peers externally to build shared knowledge.



# Engagement templates

Together with the Climate Leaders group we created some template wording and questionnaires as a guide to engaging with suppliers.

It is important that the first steps in the process and possibly other forms of engagement are done before diving in and sending a questionnaire. By understanding your goals and what you will do with the data, you may find that a questionnaire is not the best approach.

Note that this is just a guide, you are likely to need to tailor wording to suit your needs and suppliers.

## Sample intro text (to be tailored accordingly)

[Insert organisation] is working hard to reduce its impact on the environment, and as part of this we are aiming to be net zero by 2030.

This includes looking at the emissions arising from our supply chain, which account for a large percentage of our total footprint. We're therefore asking our suppliers about their emissions and climate goals.

This is increasingly going to be a common requirement, so we hope that we can work together to ensure both of our organisations are ready for the future.

It is okay if you're unable to answer any of these questions or are unsure, at this stage we're just trying to understand where you are at.





# Sample questions for larger suppliers (to be tailored accordingly)

- 1) Does your organisation currently measure its carbon emissions?
- 2) What methodology or tools have you used to calculate your carbon emissions data?
- 3) What is the reporting year you will be using?
- 4) What are your total Scope 1 emissions in Tonnes CO<sub>2</sub>e for this reporting year?
- 5) What are your total Scope 2 emissions in Tonnes CO<sub>2</sub>e for this reporting year?
- 6) Have you started to measure your Scope 3 emissions?
- 7) Do you know what percentage of your emission data is attributed to your contract with [insert organisation name]? If so, please detail.
- 8) What are your main challenges in reporting on your carbon emissions?
- 9) Does your company have emission reduction targets?
- 10) If so, what are they?
- 11) Are the targets verified by organisations such as SBTi or similar?
- 12) Has your organisation undertaken activities to reduce its emissions in the past three years? If so, please provide an overview.
- 13) Are you addressing your biodiversity impact / impact on nature?
  - It's not yet part of our thinking
  - It's part of our thinking, but we're not yet sure how to do this
  - We're exploring what we can do
  - We are actively measuring and addressing our impact
  - We are seeking to offset our impact





# Sample questions for smaller suppliers (to be tailored accordingly)

- 1) Does your organisation currently measure its carbon emissions?
- 2) What methodology or tools have you used to calculate your carbon emissions data?
- 3) What is the reporting year you will be using?
- 4) What is your total carbon footprint?
- 5) What activities do you cover in your carbon footprint?
  - Business Travel
  - Staff commuting
  - Waste
  - Direct energy use
  - Digital
  - Purchased goods and services
  - Other
- 7) Do you know what percentage of your emission data is attributed to your contract with [insert organisation name]? If so, please detail.
- 8) What are your main challenges in reporting on your carbon emissions?
- 9) Does your company have emission reduction targets?
- 10) If so, what are they?
- 11) Has your organisation undertaken activities to reduce its emissions in the past three years? If so, please provide an overview.





# Useful resources on supplier engagement

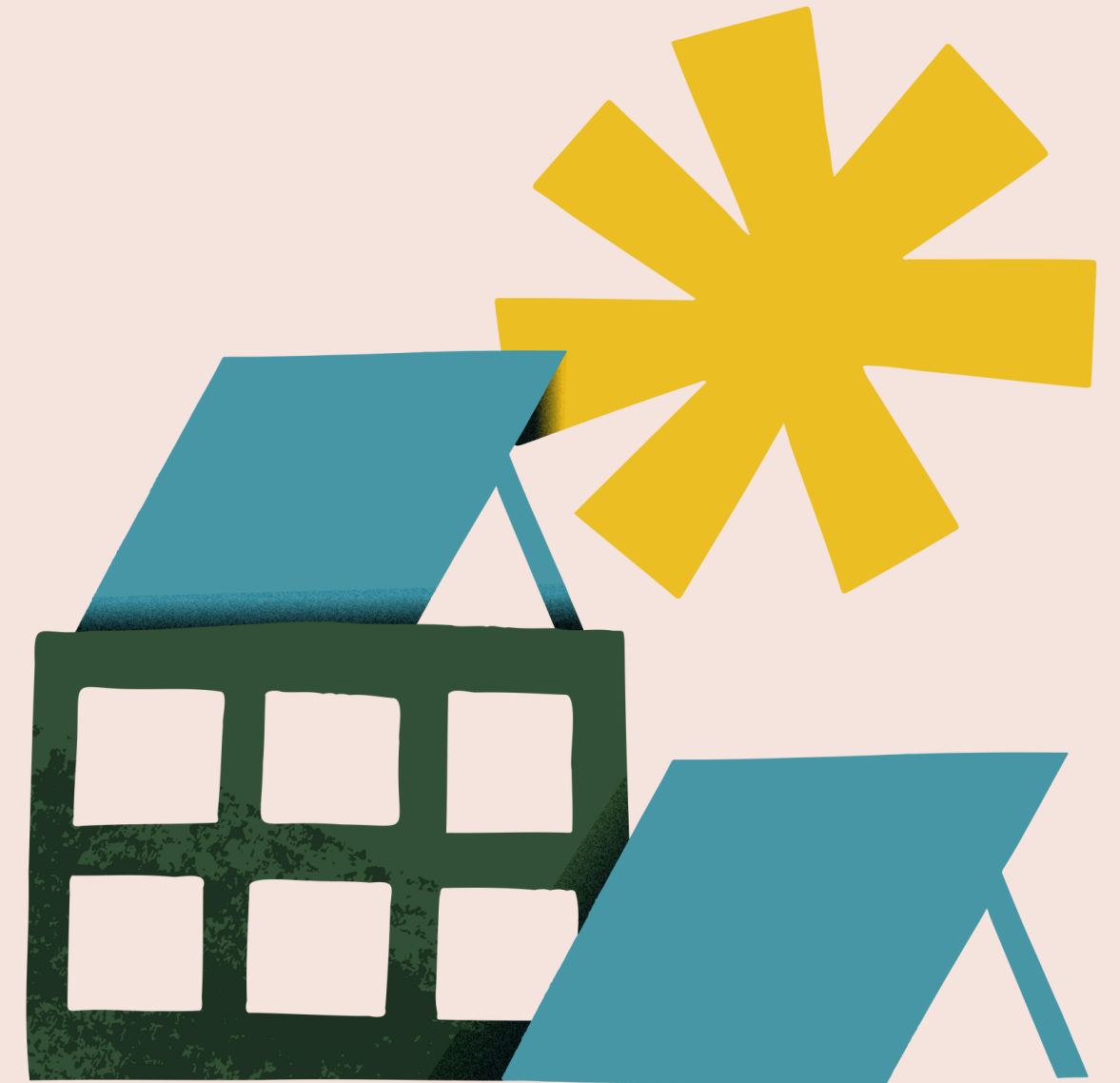
- 👤 SBTI's [Engaging supply chains on the decarbonization journey](#)
- 🌱 BSR's [Supplier engagement guide](#)
- 🌿 [UK government conversion factors](#)
- ✳️ [Scope 3 Evaluator](#) (Greenhouse Gas Protocol)
- 📊 [3ADAPT's maturity survey](#) – to self-assess where your organisation currently stands with supplier engagement





# Useful resources for suppliers

- 🌿 Bristol Climate & Nature Partnership's [Climate Action Programme resources](#), including a [guide to measuring and managing carbon emissions](#) and a [guide to creating an engaging business plan](#).
- 👤 The Carbon Trust's [A guide: Carbon footprinting for businesses](#)
- 🌿 DEFRA's [Small business user guide: Guidance on how to measure and report your greenhouse gas emissions](#)
- 👤 NatWest Group's toolkit [Supporting businesses with climate-related supply chain reporting](#)
- 🌿 [SME climate hub](#)
- ★ SSE Energy Solutions' [carbon footprint calculator](#)
- 🌿 WWF's [Emission Possible Guide](#)





# Find out more

Thank you for using this guide, we hope you found it useful and we'd love to hear your feedback about the guide and what other resources would be useful to you. Please get in touch at [contact@bristolclimatenature.org](mailto:contact@bristolclimatenature.org).

This guide is part of Bristol Climate & Nature Partnership's Climate Action Programme, offering events, communications and resources to help organisations at all stages of their climate action journey reduce their carbon emissions. This also includes the Climate Leaders Group. Find out more about the programme [here](#).

If you aren't already one of the Partnership's 1,300+ member organisations and would like to join, please visit [our website](#) to register. You'll be the first to hear about our events, activities and opportunities to get involved and support our work. You'll be in good company.

## Acknowledgments

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