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Sustainable Procurement at Gruppo Montepaschi: delivering efficiency, delivering value

The global economic, social and political backdrop is changing today, with the emergence of the concept of **sustainable development** - “*development that meets the needs of the present without compromising the ability of future generations to meet their own needs*”. This concept also applies to global supply chains, thus procurement professionals must now integrate a new set of environmental and social criteria into their sourcing decisions. Organizations are vulnerable if they do not systematically identify potential risks in the area of sustainable development and manage them responsibly and adequately. Leading organizations have long since established **Supply Management** as a key process to transform their suppliers into a key competitive advantage: this involves tight collaboration between procurement and engineering departments with suppliers, to ensure that cost, quality and delivery are constantly optimized. **Sustainable Supply Management** is the new process which brings together the principles of supply management and corporate social responsibility to make suppliers a sustainable source of value, anticipating environmental issues rather than reacting to them, and improving the labour standards throughout the supply chain.

This is also a way to **demonstrate company CSR commitment** to key stakeholders: **Customers, Shareholders, Employees**, and of course **Suppliers**, in particular SME's, who are also concerned by sustainable development challenges but are asking more support from their customers and standardisation of demands.

Gruppo Montepaschi launched early 2009 the “**Sustainable Procurement Policy**” with the aim to find a real trade-off between sustainability and competitiveness objectives when we buy products and services from the supply market, furthermore with the aim to co-operate with Suppliers measuring and developing their CSR profile.