

BME Business Awards 2023

20 October 2023

TÜV SÜD wins the 2023 Sustainable Supply Award

Munich. TÜV SÜD AG's Corporate Procurement function is the winner of the 2023 Sustainable Supply Award presented by the German Association of Supply Chain Management, Procurement and Logistics (BME). According to the jury, the TÜV SÜD receives the award for its innovative and comprehensive design and implementation of the sustainable restructuring of its procurement organisation and procurement processes. This restructuring is a role model for how transformation of a procurement organisation and procurement processes can be directed to significantly improve sustainability by making use of global supply chains.

“In the innovative project, realised by the company itself, the Corporate Procurement function of TÜV SÜD AG succeeded in building and implementing an in-depth understanding of supply-chain sustainability, while establishing transparency and appreciation of the topic in the company”, says Dietmar Hauser, Chief Procurement Officer of TÜV SÜD AG. “We are particularly proud of this project because, as a procurement organisation, we initiated it at global level and realised it almost exclusively with internal funds, resources and employees.”



Holistic, long-term approach

Starting from the group's corporate strategy and sustainability goals, the project team drew up measurable sustainability KPIs for procurement that grow more ambitious every year. The team also implemented the organisational structure in global procurement in order to harmonise and drive the topic of sustainability at global level. Central elements are the [TÜV SÜD Supplier Code of Conduct](#), which was adopted at that stage, and the introduction of a harmonised process to integrate sustainability aspects and ESG requirements throughout the supplier life cycle.

Integration of internal and external stakeholders as a factor of success

One of the challenges faced by TÜV SÜD in the implementation of its new procurement concept was the company's heterogeneous procurement landscape, involving around 10,000 suppliers, some of them low-volume suppliers. In this case, the company aimed at building up dedicated supplier management to ensure that small- and medium-sized suppliers also comply with or develop sustainability standards. Close coordination with internal stakeholders was one of the key factors of success. Using integrated and, above all, digitalised processes supported by artificial intelligence (AI) and the provision of resources, TÜV SÜD started to build up know-how in the sustainability of procurement and supply chains. In doing so, the company took steps to ensure that all employees working in procurement and specialist technical departments developed a shared understanding of the company's sustainability goals.

Competencies and solutions developed in-house

In designing the sustainability strategy, Corporate Procurement relied on a solution developed in-house for the acquisition of internal know-how. They defined initial KPIs with targets subject to annual adjustment up to 2026. The first tangible measure in the field of sustainability was the development and worldwide implementation of a Supplier Code of Conduct. In addition, Corporate Procurement also set up a multi-year action plan to define and structure long-term sustainability targets. The plan enables prioritisation to be applied to sustainability initiatives and resources and ensures control of the operational procurement business during the year. At the same time, the Procurement Managers of the shared service organisation were given authority to implement the goals in their spheres of responsibility. The achievement of those goals is followed up via KPIs that are firmly anchored in the annual targets.

Improvement through continual monitoring

To monitor the defined standards, the project team established a risk management system comprising risk analysis, risk evaluation, risk reporting and risk monitoring. The existing procurement manual, procurement guidelines and contract templates were further improved with regard to the topic of sustainability. Corporate Procurement also set up a SharePoint system in which all activities and information are collected and documented for access by all employees worldwide. Dashboards give an overview of the progress of sustainable activities. By showing all relevant KPIs and performance indicators, they track target achievement and provide information for stakeholders.

Note for editorial staff: The press release and the high-resolution photo can be found at www.tuv-sud.com/newsroom.

Caption: TÜV SÜD's Purchasing Division with the Sustainable Supply Award 2023 of the German Association of Materials Management, Purchasing and Logistics (BME). From left to right: Dietmar Hauser, Chief Procurement Officer TÜV SÜD AG, Anna Tillmann, Global Commodity Manager, Dennis Schütte, Global Supplier Manager and Thomas Sjöberg, Service Line Manager Purchasing Germany.

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Media Relations

Heidi Atzler TÜV SÜD AG Corporate Communications Westendstr. 199, 80686 Munich	Tel. +49 (0) 89 / 57 91 – 23 64 Fax +49 (0) 89 / 57 91 – 22 69 Email heidi.atzler@tuvsud.com Internet www.tuvsud.com/presse
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