



| INSIGHTS

Supply Chain Sustainability

How Certus and [Suppliers Name] address sustainability together

By: Anthony Grech | April 29th, 2022

Introduction

This is a template letter that was sent to a supplier for the purpose of joining Certus in its sustainability mission. Feel free to adapt this letter how you see fit.

Certus and [Supplier name] must address sustainability

Certus Group has decided to become the sustainability leader within our segment. We truly believe that joint efforts in this area will benefit both Certus and [Supplier Name].

We have therefore assigned [Person Name] to drive our efforts and would be grateful if [Supplier Name] could also assign someone to lead this joint initiative.

Our decision is driven from a clear business case as well as a true engagement in making the world a better place.

Certus has been researching and monitoring sustainability trends in the technology industry and it is rapidly becoming an important subject matter for companies to address.

This trend is being fuelled by rising environmental awareness due to increased NGO activism and research, which is altering end-user perceptions, preferences and in turn purchase decisions across various demographics, particularly across the United States and Europe.

There is conclusive evidence indicating that no company can afford to ignore sustainability over the long run. Those that fail to act will lag behind and lose market share.

As a first step, Certus is eager to work with [Supplier Name] to establish a way of measuring the carbon footprint of our products and to develop a process for continuous improvements.



Key sustainability trends backed up by research

There is growing research showing a direct correlation between environmental consciousness in companies and profitability.

More companies (large and small) are taking larger steps towards reducing their carbon footprint. We are even seeing an increasing number of startups make sustainability a part of their core offering win market share from incumbent competitors.

The [Global Corporate Sustainability Report](#) published by global market research firm Nielsen indicated that globally 66% of consumers are willing to spend more on a product if it comes from a sustainable brand. Millennials gave an even more impressive showing, with 73% of surveyed millennials indicating a similar preference.

Separate research published by [McKinsey and Company](#) indicates that the next big generation of buyers, born between 1995-2010 (known as Gen Z)



have a deep respect for sustainable and ethical brands.

Further research and studies

The Conference Board's 2015 report, "[Driving Revenue Growth Through Sustainable Products and Services](#)", found that, on average, 21% of corporate respondents revenue was generated from sustainable products.

The study, which had surveyed 12 Fortune 500 Companies across six industries, concluded that

sustainable products grew six times faster than comparable offerings.

And a separate study published by Deutsche Bank "[ESG and Financial Performance](#)", compiled using over 40 years of data and more than 2000 financial reports, found that 90% of the studies analysed exhibited a non-negative relationship between environmental, social and governance metrics and financial performance. This means running a sustainable and socially responsible company correlates to bottom-line benefits.

