

2024-2026

Procurement policy and strategy



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SDU 

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Purchasing policy and strategy

1.1 Foreword

Each year, SDU makes purchases for around DKK 500 million. As a public institution, SDU thus has an obligation to consider where we use our funds so that they are used as best possible. When we are aware of our responsibilities, our consumption and our financial purchasing power, we can make the right demands of our suppliers to ensure the best price and quality, taking sustainable development into account.

As an educational and research institution, SDU is in an entirely unique position to offer solutions to global challenges, and we must not be afraid to explore new ways and opportunities to form a more sustainable future.

Therefore, we must make a difference and help secure a sustainable transformation of the entire university through our purchasing. We must consume wisely. This means minimal, circular and sustainable.

SDU will thus take an active social responsibility through the demands we place on our suppliers. The prevailing requirements for compliance with international fundamental rights regarding human and labour rights, environment, and production methods etc.

With our purchasing policy, set out in SDU's Purchasing Strategy, we are setting a new standard for our purchasing. Our purchasing must be characterised by 5 criteria, all of which contribute to SDU's professional purchasing organisation. The criteria are illustrated below in figure 1



Figure 1: SDU's five criteria for purchasing



1.2 Background and content

SDU's procurement policy and strategy supports SDU's overall strategy and ambitions to implement sustainability and climate considerations in the university's operations. Read more about SDU's strategy towards 2030 [here](#). In this context, SDU has established a procurement strategy in the form of a consumption reduction program, which includes a range of different initiatives and activities that support SDU's climate goals and ensure compliance with SDU's 5 criteria for procurement.

The procurement policy describes SDU's visions and frameworks for the procurement and purchasing area in relation to the external environment and employees. On the other hand, the consumption reduction program is solely directed towards employees at SDU who are involved in procurement or purchasing. This includes managers with financial responsibilities, employees with a need for purchasing goods or services, as well as those who have an operational role in the procurement or purchasing process.

1.3 Approval and review

The Executive Board approves the procurement policy, while the procurement strategy is approved by the Procurement Steering Committee. The next revision is scheduled for 2026

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Purchasing policy

2.1 Introduction

As a public institution, SDU is subject to the EU's procurement directives and the Danish procurement act, known as the Public Procurement Act (Udbudsloven). This means we are obligated to put up a wide variety of tasks and goods for procurement and observe certain procedural rules.

2.2 Sustainable and circular consumption

SDU works towards sustainable development through our procurement practices by responsibly managing and utilizing natural resources. Our definition of sustainability encompasses a holistic approach, wherein we consider environmental, social, and economic factors - also known as ESG (Environmental, Social, Governance)

SDU is committed to promoting environmentally conscious and responsible procurement, and we aim to change our consumption patterns by optimizing resource usage, reducing consumption, and promoting innovative solutions.

We demand products and services that are environmentally sound, socially responsible and economically viable. The environmentally sound aspect might involve e.g. choosing products where the production, use and disposal are thought to have lower energy levels, less CO2 emissions, recyclability and less use of harmful chemicals and pesticides.

SDU has already initiated several projects, including furniture and electronics recycling, to implement circular principles. Our ambition is to expand our existing solution for recycling of used equipment so that it also includes used instruments/appliances and laboratory equipment. Recycling must be the natural choice at SDU where possible.



SDU's internal marketplace

In SDU's procurement system, there is an internal marketplace. This marketplace functions as a second-hand goods exchange, offering SDU employees the opportunity to advertise, share, and purchase used items across the university. Essentially, when a purchaser searches for a specific product, such as a desk, on the internal marketplace, the used items will always be presented first in the search results. In this way, the marketplace contributes to promoting reduced and circular consumption internally, fostering awareness of recycling and sustainability at SDU.

23 User solutions and collaboration

In collaboration with SDU's users, who possess important knowledge and experience regarding specific needs, we work to solve procurement tasks as efficiently and innovatively as possible. The users' influence is crucial to ensuring sustainability and quality in our procurement practices. SDU not only focuses on economic gains but also views user input as the key to delivering the right quality at the most advantageous price to create sustainable solutions. To this end, we strategically utilize procurement legislation to enter into procurement agreements that are in our collective best interest and support SDU's core tasks.

Through the use of our shared procurement agreements, SDU's users can be confident that we operate according to applicable rules and policies. This occurs while supporting SDU's core tasks and contributing to more efficient resource utilization.

SDU sets a focus on individual purchasers to better enable us to purchase professionally. This must be done through compulsory competence courses and knowledge sharing across the university.



SDU Green Lab



SDU Green Lab is an ongoing project at SDU focused on improving sustainability in laboratories, such as by reducing energy consumption, waste, and procurement. Creating sustainable solutions in laboratories requires close collaboration between laboratory technicians, purchasers, project managers, and procurement consultants. This collaboration ensures that the most energy-efficient equipment is offered and purchased for the laboratories, while also considering reductions in packaging and plastic in daily operations.

24 Supplier collaboration and partnerships



SDU places great emphasis on being a professional and responsible collaborator with our suppliers. We strive to be at the forefront of e-commerce and digitalization, working closely with our suppliers to implement and develop new solutions for mutual benefit. Our goal is to make the process of being a supplier to SDU simple, seamless, and digital. We value dialogue and believe that sustainable solutions emerge through collaboration.

At SDU, we prioritize innovative solutions, which require collaboration across disciplines and sectors, as well as dialogue with the market before procurement. Market dialogue is essential to ensure that our procurement considers quality, price, and sustainability. This dialogue provides us with insights into our needs and existing solutions, allowing us to make the best and most sustainable purchases for the benefit of both ourselves and society.

Through collaboration, we work to advance our interests and goals. To support our efforts towards sustainable procurement, SDU has chosen to join the Partnership for Public Green Procurement (POGI). In this partnership, we collaborate with various entities including government institutions, regions, and municipalities to promote green transition by collectively setting ambitious goals. We see the partnership approach as crucial for increasing the share of public procurement budgets allocated to green and sustainable purchases.



Market dialogue

SDU actively engages in market dialogue through the use of a digital dialogue tool. This enables SDU to more effectively gain a better understanding of what the market can deliver in terms of innovation and environmental considerations. Furthermore, it encourages the market to develop products that can meet SDU's needs.

SDU also hosts physical dialogue meetings and supplier days, where suppliers are invited to engage in discussions and collaborate on how we collectively promote sustainable procurement and tendering.

25 Efficient purchasing & procurement processes

We are constantly working to optimize and streamline our procurement processes to allocate resources to SDU's core tasks, reduce costs, and promote sustainable development. Our goal is to create a digital and sustainable procurement process where we prioritize electronic commerce (e-commerce) to save time and resources. We aim to be at the forefront of digitalization and will promote innovation in collaboration with our users, suppliers, and partners.

Digital solutions assist us in engaging with the market, procurement processes, and internal processes at SDU. Through the digitalization of our procurement processes, we have the opportunity to promote green and sustainable purchases. Sustainable procurement involves changing behavior, and through our procurement system, we enable users at SDU to make sustainable choices based on informed decisions.

Additionally, we actively utilize our procurement data to gain insights into purchasing behavior, finances, and carbon footprint. The carbon footprint from our purchases significantly impacts SDU's overall climate account. By understanding more about procurement, behavior, and carbon footprint, we can make better

decisions regarding optimizing purchases and implementing initiatives related to sustainability, finances, and user needs.

SDU's Procurement System



The procurement management system at SDU is designed to provide all employees and purchasers with an overview of all contracts and goods covered by SDU's procurement agreements. This system enables quick access to information about sustainable contracts and goods, including those that are certified or otherwise meet sustainability standards.

Furthermore, SDU has established a central inventory, which is accessible via the procurement management system. From here, goods can be ordered and delivered by SDU's internal service and logistics function. This initiative contributes to streamlining the procurement process by enabling larger orders while minimizing transportation needs to and from the university.



2.6 Responsible and sustainable economics

We will work towards sustainable procurement based on societal considerations, holistic thinking, and total economic considerations. Our goal is to reap benefits by increasing demand for sustainable products, which can lead to lower prices for these choices.

We strive for long-lasting solutions by assessing the product's lifespan and ongoing costs, including service, operation, maintenance, and waste management, to find the most economically advantageous solution. Additionally, we prioritize reusable solutions to integrate a circular economy approach into our procurement. This may mean investing slightly more in a product if it proves to be the most cost-effective solution in the long run.

Total economic thinking also means challenging conventional thinking and being open to making tough decisions, including whether SDU should change its approach to task completion to make it simpler, more efficient, and sustainable. We ensure that the level of quality is determined by real needs in relation to price aspects and total costs, as well as in accordance with the organization's business conditions and needs. In addition to reducing the university's total costs, we also aim to reduce suppliers' transaction costs by bidding on procurement tasks.

Analysis



SDU utilizes Total Cost of Ownership (TCO) analyses and calculations in the decision-making process to select sustainable and economically responsible solutions. For instance, when choosing a coffee solution or considering a switch to electric vehicles, we do not solely analyze the direct acquisition costs but also consider the long-term costs such as operation, maintenance, and disposal.

Moreover, SDU also employs the TCO tool provided by the Danish Agency for Public Finance and Management in our work. This tool serves as a valuable starting point for identifying and assessing the total costs of a solution throughout its lifecycle.

3

Purchasing strategy

3.1 Introduction

The procurement strategy is based on SDU's overall strategic objectives and aims to ensure that our procurement of goods and services remains focused on quality and efficient resource utilization. The strategy also aims to contribute to a sustainable and responsible economy through good agreements and, not least, their use. For SDU, coordinating procurement and tendering is an important tool for achieving concrete quality and efficiency gains while considering environmental, occupational health, and social and ethical standards.

3.2 Purpose

SDU has established a procurement strategy in the form of a consumption reduction program, that creates a common framework for future work on procurement and tendering. The objective is to coordinate efforts regarding strategic competition exposure and operational procurement.

The consumption reduction program consists of several main initiatives supported by multiple support activities.

Main initiatives:

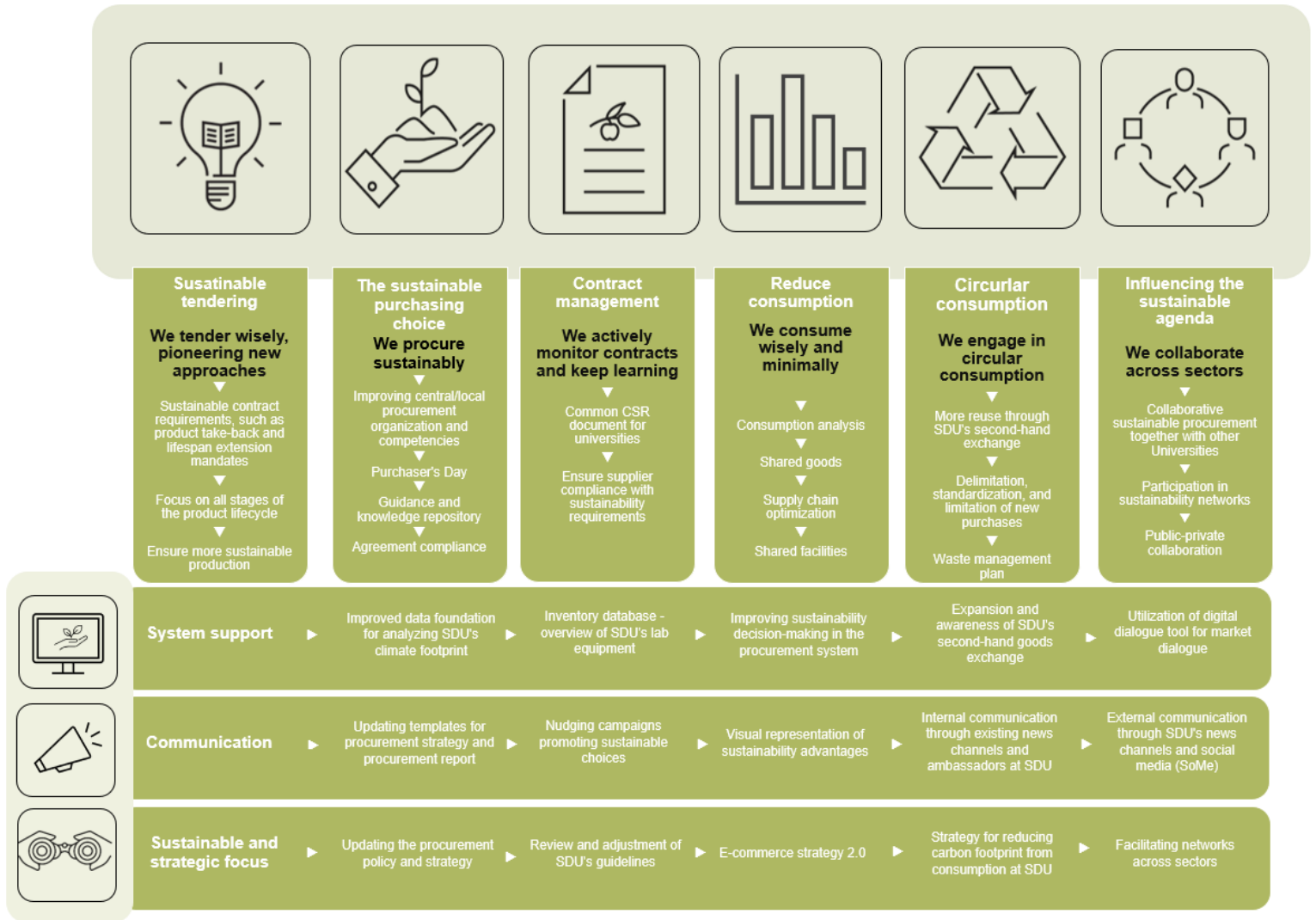
- Sustainable tendering
- Sustainable procurement choices
- Contract follow-up
- Reduced consumption
- Circular consumption
- Influencing the sustainable agenda

Support activities:

- System support
- Communication
- Sustainable and strategic focus



Figure 2: SDU's reducing consumption program





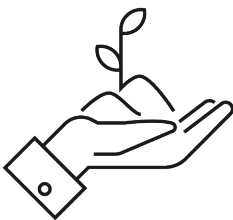
3.3 Sustainable tendering

"We tender wisely, pioneering new approaches"

SDU's ambition is to make our tenders more sustainable through concrete initiatives. This includes:

- Requirements for product lifespan extension: We will set specific requirements for suppliers to develop products designed to last longer and have a reduced environmental impact over time.
- Responsible production: We collaborate with and seek suppliers who actively promote responsible production, including environmentally friendly production methods and working conditions.
- Recycling: We will promote the recycling of materials and products in our contracts to reduce waste and resource consumption.
- Take-back schemes: We are working to implement schemes where products/equipment can be taken back and reused or recycled at the end of their lifespan.
- Reduction of packaging and waste: We seek suppliers who reduce packaging and waste volumes in their production and delivery of products and services.

We believe it is crucial to include the entire lifecycle of the product or service in our tendering strategy, so we consider environmental and social considerations in all phases. We also aim to experiment with new tendering methods and flexible tendering formats to explore new avenues towards increased sustainability in our procurement.



3.4 The sustainable purchasing choice

"We procure sustainably"

SDU strives to make sustainable purchasing choices by implementing the following initiatives:

- Sustainable procurement: We prioritize the purchase of products and services that meet environmental and social criteria to promote sustainability.
- Central/local procurement organization and capacity building: Our procurement structure combines both central and local organization and is continuously strengthened through capacity building.
- Purchaser's Day: We celebrate the importance of the purchaser's role by annually marking "Purchaser's Day," where we acknowledge the purchaser's contribution to sustainable procurement practices.

- Guidance and knowledge repository: We provide guidance and access to a knowledge repository, equipping our purchasers with the necessary tools and information to make sustainable choices.
- Purchases on contracts: We enhance our partnerships and collaborations with suppliers to achieve sustainable outcomes through long-term agreements and commitments.



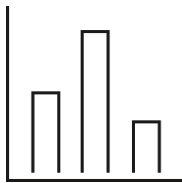
3.5 Contract management

"We actively monitor contracts and keep learning"

When it comes to contract management and sustainability efforts, the following measures are being implemented:

- Contract management and continuous learning: We prioritize monitoring our contracts to ensure they meet our sustainability requirements. This includes regular evaluation and learning from our experiences to improve our future contract agreements.
- Development of CSR documents (Corporate Social Responsibility) for use in all tenders and subsequent follow-up. In collaboration with other universities, efforts are being made to develop a common CSR document for joint contracts. This ensures that we are all working towards the same sustainability goals and standards in our procurement.

It is important for us to ensure that suppliers comply with the sustainability requirements we set, and therefore, we will establish processes and procedures for this purpose. This may include measuring and reporting their performance against the established criteria.



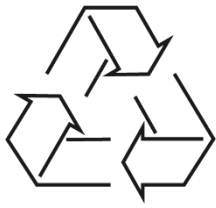
3.6 Reduce consumption

"We consume wisely and minimally"

SDU prioritizes responsible resource usage and a smart approach to consumption, aiming to reduce unnecessary waste and overconsumption. We aim to achieve this by implementing the following measures:"

- Shared facilities: We explore opportunities for shared facilities and resources across units to optimize resource utilization and space requirements to the fullest extent possible.
- We promote the use of shared goods in categories that can be standardized and are suitable for sharing across units.
- Logistics optimization: We are working to optimize our logistics and supply chains to reduce transportation costs and environmental impact while maintaining efficient deliveries.
- Consumption analysis: We conduct analyses of our consumption patterns to identify areas where we can further reduce consumption and minimize

our environmental impact.



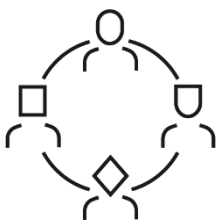
3.7 Circular consumption

“We engage in circular consumption, giving products new life”

SDU is committed to promoting circular consumption, and in this regard, we will implement the following measures:

- We engage in circular consumption, giving products new life: Our approach to circular consumption involves actively extending the lifespan and value of products. This means that we seek to repair, upgrade, and reuse products whenever possible instead of replacing them, such as furniture and IT equipment.
- More reuse through SDU's second-hand exchange: Increasing the number of goods and purchases through SDU's second-hand exchange in the procurement system supports the reuse and sharing of products within our organization. This creates a platform where employees can give products new life and promote circular consumption.
- Delimitation, standardization, and limitation of new purchases: We aim to delimit new purchases and standardize products and components, ensuring that we only buy what is necessary. This reduces unnecessary consumption and waste.
- Waste management plan and responsibility for circular consumption: We will develop a waste management plan that promotes circular consumption. This involves responsible disposal methods, including recycling and proper treatment of products that can no longer be used.

All employees in the organization have a responsibility to actively participate in circular consumption and disposal in line with our strategy.



3.8 Influencing the sustainable agenda

“We collaborate across sectors”

SDU aims to influence the sustainable agenda through collaboration with other organizations and businesses to exchange knowledge and experiences. We will achieve this, for example, by:

- Collaborative sustainable procurement together with other Universities: We participate in joint sustainable procurement initiatives across Danish Universities (DU) to exert greater influence and push towards more sustainable procurement practices.
- Participation in sustainability networks: We actively engage in sustainability networks, where we exchange knowledge and collaborate with other organizations and experts to promote sustainability, for example, the Partnership for Green Public Procurement (POGI).

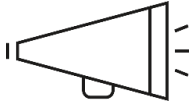
- Public-private collaboration: We collaborate with both public and private sectors to establish partnerships that promote sustainability and sustainable procurement. We aim to work together on ambitious goals to influence the sustainable agenda on a broader scale.

3.9 Support activities

To support SDU's overall main efforts, we will engage in a range of support activities including system support, communication, and sustainable strategic focus. These initiatives are implemented to strengthen our procurement practices and sustainability efforts across the organization - read more about SDU's procurement organization [here](#)



- System support: We invest significantly in improving our system support for analysis, procurement, and facility management. This ensures more accurate analysis of our carbon footprint and promotes better decision-making for sustainable procurement choices and resource allocation.



- Communication: We support the communication of our sustainability efforts through nudging campaigns and visualization of sustainability benefits. This also includes active internal communication utilizing existing news channels and involving ambassadors at SDU. These initiatives aim to create broader awareness of our sustainability goals and engage employees at all levels.



- Sustainable and strategic focus: We will continuously update and revise our procurement policy and strategy, as well as review and adjust our guidelines to ensure management support and focus on sustainable development at SDU.

Overall, these support activities reflect our commitment to creating a more sustainable procurement practice and integrating sustainability at all levels of our organization.



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