

Green Procurement and Ethical Sourcing in Emerging Markets

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Abstract: *Green procurement and ethical sourcing have emerged as important components of sustainable supply chain management, particularly in emerging markets where rapid industrialization, expanding international trade, resource constraints, environmental degradation, and social concerns have increased pressure on organizations to adopt responsible purchasing practices. Green procurement refers to the integration of environmental considerations into purchasing and supplier-selection decisions, whereas ethical sourcing emphasizes social responsibility, human rights, fair labour practices, transparency, and responsible supplier relationships. This research paper examines the development, significance, practices, challenges, and organizational implications of green procurement and ethical sourcing in emerging markets during the period 2010–2022.*

Keywords: Green Procurement, Ethical Sourcing, Social Responsibility, Responsible Sourcing

I. INTRODUCTION

Procurement represents a critical organizational function because purchasing decisions influence suppliers, production systems, resource consumption, product quality, costs, environmental impacts, and social conditions throughout the supply chain. During the period 2010–2022, sustainability became increasingly integrated into purchasing and supply-chain management research. Green procurement expanded the traditional purchasing decision from considerations of price, quality, and delivery toward environmental characteristics such as energy efficiency, emissions, recyclability, waste reduction, renewable materials, and life-cycle impacts.

Ethical sourcing extended this perspective by incorporating social and governance considerations including labour rights, occupational safety, fair wages, non-discrimination, freedom of association, prevention of child and forced labour, and supplier transparency. Hoejmoose and Adrien-Kirby (2012) observed that socially and environmentally responsible procurement had become an important managerial research area, while Appolloni et al. (2014) identified green procurement as an increasingly developed area of private-sector sustainability research. Kim et al. (2018) further demonstrated that ethical sourcing research had developed into a distinct field concerned with responsible supplier relationships and social sustainability.

The importance of these practices is particularly visible in emerging markets because many emerging economies have become important production, sourcing, manufacturing, agricultural, textile, electronics, mineral, and service centres within global value chains. Sustainable supply-chain research covering emerging economies from 2010 onward shows increasing academic attention but also indicates that research in these economies has lagged behind research in developed countries (Valle et al., 2020).

The specific institutional, economic, technological, and regulatory conditions of emerging markets influence the adoption of sustainable procurement. For example, small and medium-sized suppliers may have limited financial resources to invest in cleaner technologies, certification, environmental management systems, worker training, and traceability mechanisms. Consequently, multinational buyers and large domestic organizations increasingly need to combine supplier requirements with supplier development and collaboration rather than relying exclusively on

contractual requirements. Research on developing countries identifies government regulation, customer demand, and supplier performance as important drivers of green supply-chain adoption (Asif et al., 2020).

CONCEPT OF GREEN PROCUREMENT

Green procurement is the process of incorporating environmental criteria into purchasing decisions and supplier management. Instead of selecting suppliers exclusively on the basis of purchase price and delivery performance, organizations evaluate environmental characteristics such as energy consumption, emissions, material efficiency, waste generation, recyclability, use of hazardous substances, packaging, transportation impacts, and product life-cycle performance. Appolloni et al. (2014) identified green procurement as a significant field within private-sector sustainability and emphasized its connection with environmental management and purchasing practices. Green procurement can therefore influence environmental performance from the earliest stages of product and supplier selection.

In emerging markets, green procurement can be particularly relevant because procurement decisions influence industrial development and resource consumption. Companies purchasing environmentally preferable materials may encourage suppliers to adopt cleaner production systems, energy-efficient technologies, renewable energy, waste reduction, and improved environmental management. Green purchasing can also stimulate innovation because suppliers may need to develop products that satisfy environmental specifications. According to Asif et al. (2020), green purchasing is among the important green supply-chain practices that can be adopted in developing-country contexts, particularly when supported by collaboration between firms, suppliers, governments, and customers.

Table 1. Major Dimensions of Sustainable Procurement

Dimension	Major Focus	Examples of Criteria
Green procurement	Environmental protection	Energy efficiency, emissions, waste reduction
Sustainable materials	Resource conservation	Recycled, renewable and low-impact materials
Ethical sourcing	Social responsibility	Fair wages, worker rights, safe workplaces
Human-rights sourcing	Protection of people	No child labour, no forced labour
Responsible supplier management	Accountability	Audits, supplier codes, monitoring
Circular procurement	Resource efficiency	Reuse, repair, recycling and life-cycle value
Transparent procurement	Governance	Traceability, disclosure and documentation

The integration of both approaches enables organizations to assess suppliers from environmental and social perspectives. A supplier may offer environmentally friendly products but still have poor labour practices; similarly, a supplier may provide acceptable labour conditions while generating substantial environmental damage. Therefore, sustainable procurement requires multidimensional evaluation rather than dependence on a single sustainability criterion. The literature on sustainable purchasing emphasizes the importance of considering sustainability across organizational boundaries and supply-chain relationships (Pagell et al., 2010; Hoejmose & Adrien-Kirby, 2012).

GREEN PROCUREMENT PRACTICES IN EMERGING MARKETS

Green procurement practices include green supplier selection, environmental criteria in purchasing contracts, eco-friendly materials, life-cycle assessment, green packaging, energy-efficient products, low-emission transportation, supplier environmental certification, and environmental performance monitoring. Supplier selection is particularly important because purchasing organizations can influence supplier behaviour through their selection criteria and contractual expectations. Masudin et al. (2022) reviewed research on green procurement and supplier selection and showed the growing academic attention given to environmental criteria in supplier-selection processes.

Table 2. Major Green Procurement Practices

Green Procurement Practice	Main Objective	Expected Outcome
Green supplier selection	Select environmentally responsible suppliers	Lower environmental risk
Eco-friendly materials	Reduce resource and pollution impacts	Resource conservation

Green packaging	Reduce packaging waste	Lower material consumption
Energy-efficient purchasing	Reduce energy consumption	Lower emissions and costs
Supplier environmental audits	Monitor supplier compliance	Improved environmental performance
Life-cycle costing	Consider long-term impacts	Better purchasing decisions
Recycled-material purchasing	Increase material recovery	Circular resource use
Green transportation	Reduce logistics emissions	Lower carbon footprint

Emerging-market firms may face difficulties implementing these practices because environmental criteria can increase initial purchasing costs. Nevertheless, the literature suggests that the evaluation of procurement should consider longer-term operational and environmental consequences rather than focusing only on initial purchase price. UNEP's sustainable procurement framework also emphasizes approaches such as life-cycle costing and evaluation of value beyond upfront price (UNEP, 2021).

DRIVERS OF GREEN PROCUREMENT AND ETHICAL SOURCING

The adoption of sustainable procurement is influenced by internal and external pressures. Government regulation can require environmental compliance, labour protection, disclosure, and responsible business practices. Customers can influence procurement by demanding environmentally responsible and ethically produced goods. Investors and financial institutions may increasingly consider sustainability risks. Multinational customers can also impose environmental and social requirements on suppliers located in emerging markets.

Table 4. Major Drivers

Driver	Influence on Procurement
Government regulation	Establishes minimum environmental and social requirements
Customer expectations	Creates demand for responsible products
International buyers	Transfers sustainability requirements through supply chains
Supplier capability	Determines feasibility of implementation
Corporate reputation	Encourages responsible supplier relationships
Environmental pressure	Encourages resource-efficient purchasing
Cost reduction	Supports energy and material efficiency
Investor expectations	Increases sustainability disclosure requirements
Competitive pressure	Encourages differentiation through sustainability
Stakeholder pressure	Promotes accountability and transparency

Asif et al. (2020) identified government regulation, customer demand, and supplier performance among important drivers of green supply-chain adoption in developing countries. Similarly, research on Asian emerging economies indicates that firm characteristics, industry type, ISO certification, and export orientation can influence relationships between green supply-chain practices and organizational performance (Geng et al., 2017).

Table 5. Barriers in Emerging Markets

Barrier	Effect
High initial investment	Slows adoption of green technologies
Limited supplier capability	Reduces compliance capacity
Lack of sustainability expertise	Weak implementation
Poor traceability	Makes supplier monitoring difficult
Weak enforcement	Reduces compliance incentives
Lack of reliable data	Complicates supplier evaluation
Short-term purchasing focus	Prioritizes price over life-cycle value
Certification costs	Creates burden for smaller suppliers
Fragmented supply chains	Increases monitoring complexity

Limited collaboration

Restricts supplier improvement

ROLE OF SUPPLIER SELECTION

Supplier selection is one of the most important mechanisms through which organizations can integrate sustainability into procurement. Traditional supplier-selection models commonly emphasize price, quality, delivery, and capacity. Sustainable supplier selection adds environmental and social criteria. These can include carbon emissions, environmental certifications, waste management, energy efficiency, labour practices, occupational safety, human-rights compliance, transparency, and ethical governance.

Masudin et al. (2022) demonstrate that green procurement through supplier selection has become an important research theme. In emerging markets, supplier selection can create market incentives for responsible production because suppliers that satisfy sustainability criteria may obtain longer-term contracts or access to international markets. However, organizations should avoid treating supplier selection as a one-time process. Continuous supplier evaluation is necessary because sustainability performance can change over time.

IMPACT ON ORGANIZATIONAL PERFORMANCE

Green procurement and ethical sourcing can influence several dimensions of organizational performance. Environmental benefits may include reduced waste, lower emissions, lower resource consumption, and improved material efficiency. Operational benefits may include improved process efficiency, better supplier relationships, and reduced material losses. Economic benefits may result from energy savings, waste reduction, resource efficiency, and improved market access. Social benefits can include improved worker welfare and stronger stakeholder relationships.

Geng et al. (2017), through a meta-analysis of evidence from Asian emerging economies, reported relationships between green supply-chain management practices and economic, environmental, operational, and social performance. However, performance effects are not necessarily immediate or uniform across organizations. Firm size, industry characteristics, certification, export orientation, technological capability, and institutional conditions can influence outcomes.

Table 6. Potential Outcomes

Sustainability Practice	Environmental Outcome	Social Outcome	Business Outcome
Green supplier selection	Lower environmental risk	Responsible suppliers	Better supply-chain quality
Energy-efficient procurement	Lower energy use	Indirect community benefits	Cost savings
Ethical labour standards	Lower social risk	Better worker welfare	Reputation improvement
Waste reduction	Lower waste generation	Cleaner workplace	Resource savings
Supplier training	Improved environmental capability	Improved labour practices	Supplier development
Traceability	Better environmental monitoring	Better human-rights visibility	Risk reduction
Circular procurement	Reduced material use	Sustainable consumption	Long-term resource efficiency

ROLE OF GOVERNMENT AND INSTITUTIONS

Government institutions have an important role in creating an enabling environment for green procurement and ethical sourcing. Public procurement can be used to create demand for environmentally preferable products and responsible suppliers. Regulations can establish minimum environmental and social requirements, while financial incentives can encourage investments in cleaner production and sustainability systems.

UNEP's work on sustainable public procurement emphasizes the use of procurement as a strategic mechanism for sustainable consumption and production. Its 2021 implementation guidelines provide a methodology for governments and other stakeholders to develop sustainable procurement policies and action plans (UNEP, 2021). Earlier global reviews also documented the development of sustainable procurement activities across countries (UNEP, 2017).

II. CONCLUSION

Green procurement and ethical sourcing have become important components of sustainable supply-chain management during the period 2010–2022. Green procurement incorporates environmental criteria into purchasing and supplier-selection decisions, whereas ethical sourcing focuses on labour standards, human rights, social responsibility, transparency, and responsible supplier relationships. The literature indicates that these approaches can contribute to environmental protection, resource efficiency, operational improvement, supplier development, worker welfare, and broader organizational sustainability.

Their implementation, however, is affected by cost constraints, limited supplier capabilities, inadequate traceability, insufficient information, fragmented supply chains, and institutional differences in emerging markets. Research also indicates that government regulation, customer requirements, organizational commitment, supplier performance, and collaboration can support sustainable procurement adoption. Future research should focus on longitudinal evidence, lower-tier supplier monitoring, integrated environmental-social supplier-selection models, digital traceability, sector-specific studies, and comparative research across emerging economies. Overall, the literature supports the development of procurement systems in which environmental responsibility and ethical responsibility are incorporated into supplier selection, supplier development, monitoring, and long-term supply-chain strategy.

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