EC PAR

Espace de concertation sur les pratiques d'approvisionnement responsable

SUSTAINABLE PROCUREMENT BAROMETER 2020

CONTRIBUTION OF SUSTAINABLE PROCUREMENT TO THE UNITED NATION SUSTAINABLE PROCUREMENT GOALS

Canada

UNIVERSITÉ LAVAL

CIRAIG[MC]
Centre international de référence sur le cycle de vie des produits, procédés et services

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CIRAIG[MC]
Centre international de référence sur le cycle de vie des produits, procédés et services

The International Reference Centre for the Life Cycle of Products, Processes and Services (CIRAIG) is a centre of expertise in life cycle analysis that is globally recognized for its research and initiatives built on sound science and some 15 years of practical experience. The centre supports industries, governments, organizations and consumers in sustainability approaches driven by life cycle thinking. Based at Polytechnique Montréal and École des sciences de la gestion de l'Université du Québec à Montréal (ESG UQAM), CIRAIG merges engineering and social sciences to offer research programming rooted in multidisciplinarity.

UNIVERSITÉ LAVAL
Laboratoire interdisciplinaire de la responsabilité sociale des entreprises (LIRSE)

LIRSE contributes to the development of initiatives to foster the implementation of market infrastructures in addition to the law that maximize the social and environmental benefits of organizations and markets, including management tools, social responsibility indicators, responsible business models, social innovation, cooperative movement, collaborative economy, responsible management tools and capacity building led by consumers. Based in the Faculty of Business Administration at Université Laval, LIRSE brings together researchers from a range of social science disciplines.

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A word from the rector of Université Laval

Through their personal and collective commitments, individuals, communities and organizations are called upon to actively contribute to the solutions set out to attain the 17 Sustainable Development Goals (SDGs) adopted by the member states of the United Nations. Indeed, the SDGs constitute “a blueprint to achieve a better and more sustainable future for all.”

Université Laval has joined the global initiative as it pursues its role as a committed and contributing academic leader to transform our world. The partnership with the Espace de concertation sur les pratiques d’approvisionnement responsable is a tangible example in which the ties between researchers and practitioners give impetus to the determination and activation of levers for improvement within organizations.

In addition to institutional support, the contributions of members of Université Laval’s faculty serve to further build the methodology of the Sustainable Procurement Barometer, which provides insight into the progress in responsible procurement practices made by businesses, institutions and organizations in Québec and Canada and thus directly strengthens SDG 12 to ensure sustainable consumption and production patterns and, by extension, all the SDGs.

On behalf of Université Laval, I applaud the work carried out by all the individuals who contributed to the success of the 2020 Sustainable Procurement Barometer.

Sophie D’Amours
Rector of Université Laval

A word from the Chair

The 2020 edition of ECPAR's Barometer will enable participants to determine the level of maturity of their sustainable procurement practices and compare them to those implemented by Canadian organizations guided by this same principle. The range of tools, training courses and services offered by ECPAR aims to ready members for the implementation of an effective action plan to further develop their sustainable procurement practices and broaden the impact on their organization and its reputation. Ultimately, the outcome will be a measurable and lasting improvement in the organization's contribution to all facets of sustainable development.

When 2020 took a dramatic and unexpected turn, Aéroports de Montréal (ADM) was forced to reconsider its project portfolio in order to mitigate the repercussions of the pandemic. Despite this challenging context, ADM remains committed to sustainable development and is better targeting its actions. In this regard, the 2020 edition of ECPAR's Barometer will enable ADM to update its action plan and heighten the significance of its procurement procurement policy as part of its sustainability pledge.

As the chair of ECPAR's board of directors, I am proud to be part of an alliance whose mission is to enhance the competitiveness, efficiency and resilience of organizations through sustainable procurement. By way of the Barometer and other strategic projects that influence critical sustainability issues, ECPAR is pursuing its commitment to bring about changes to best practices in sustainable procurement and enable its members to adopt them in effective ways. I sincerely hope that the 2020 Barometer will support your efforts to renew your commitment to the application of best practices in sustainable procurement.

Philippe Stas
Chair of the Board of Directors of ECPAR
Director, Strategic Procurement, Aéroports De Montréal

A FEW WORDS FROM OUR PARTNERS

ESTABLISHING
a benchmark and looking to leaders

The International Reference Centre for the Life Cycle of Products, Processes and Services (CIRAIG) is very pleased to have lent its support to the 2020 Sustainable Procurement Barometer. Determined to strengthen the progress of sustainable procurement assessment in Canada, we are convinced of the key role the Barometer plays in the deployment of best practices in this area. In addition to enabling organizations to benchmark their performances, it constitutes a sound tool to educate and build awareness.
We hope that the 2020 results will inspire Canadian organizations to integrate best practices in sustainable procurement into their development strategies, business practices and management processes. Though the challenges are significant, they are by no means insurmountable. We can all contribute to making a convincing dent in the environmental and social footprints of our respective activity sectors. ECPAR, its members and its partners constitute a key anchor point that clearly demonstrates how we can work together to propel Canada in its efforts to achieve its sustainable development goals.

Sophie Fallaha, *BEng, MScA*
Executive Director, CIRAIG

ASSESS
and transform

It is with pride and enthusiasm that the members of the Laboratoire interdisciplinaire de la responsabilité sociale des entreprises (LIRSE) contributed to the 2020 edition of the Sustainable Procurement Barometer, and we are very pleased to have renewed our support for the second consecutive year. More than ever, the imperatives of the protection of individuals and ecological transition demand a clearer understanding of the choices and practices of Canadian organizations in order to help them target these requirements more effectively. Sustainable procurement is a particularly interesting tool for sustainable action at the core of key business operations.
The Barometer is a measurement tool to establish the profile of sustainable procurement in Canada and a self-assessment tool that provides all participating organizations with the opportunity to determine where they stand relative to the levels of maturity of the Barometer and other Canadian organizations. It is also an instrument to disseminate best practices that opens the door to other academic and industrial research projects led by networks and partnerships. As such, the Barometer benefits from all the experience and expertise gained by ECPAR and its members. It was designed to integrate the most recent and relevant scientific knowledge.
We are very pleased to be associated with this initiative, which combines practical and scientific knowledge. The Barometer perfectly embodies intentional research that facilitates the transfer of expertise in all the sectors that are active in sustainable procurement and makes it possible to consider how we will collectively define new practices to guide the operations of organizations toward more sustainable development. These are the very reasons why LIRSE's collaboration with ECPAR and its other partners is wholly in line with our mission.

Martin Dumas
Co-Director, LIRSE

PRESENTATION OF THE PARTNERS

Université Laval

Driven by innovation and the pursuit of excellence, Université Laval is one of Canada's leading research universities, ranking 7th in the country, with over $400 million in research funding last year. A leader in distance education, it boasts more than 1 650 professors, as well as 2 300 lecturers and other academic and research staff who share their knowledge with some 45 000 students, 27% of whom are enrolled in graduate studies. The university values diversity and is proud of the members of its community, who hail from 135 countries. The oldest French-language university in North America, Université Laval has, to this day, educated more than 319 000 people who each contribute in their own way to the advancement of society.

Canadian Business for Social Sustainability (CBSR)

Canadian Business for Social Responsibility (CBSR) is a 25-year-old think tank and professional association for sustainability leaders across Canada, who are championing business as a force for good. For more than two decades, CBSR has conducted influential research, convened important conversations, and helped Canadian businesses put sustainability concepts into action. Their Purpose is helping Canadian businesses build and benefit from a sustainable future. They strive to accelerate and scale corporate social and environmental responsibility by bringing together stakeholders to collectively tackle issues and influence progressive public policy towards their purpose. In February 2020, CBSR entered into a formal partnership with the Constellation that includes The GLOBE Series, Delphi Group, EXCEL Partnership, and Leading Change in order to consolidate and accelerate corporate sustainability leadership in Canada. As they grow, they will continue to support their partners through their traditional roles and by creating new tools and unique, inclusive opportunities to help Canadian businesses make an enduring and positive contribution to the world.

Canadian Collaboration for Sustainable Procurement (CCSP)

The Canadian Collaboration for Sustainable Procurement(CCSP), formerly the Municipal Collaboration for Sustainable Procurement (MCSP), is a member-based network of 30 Canadian public-sector institutions working together to better address green, social, ethical, and Indigenous risks and opportunities in their supply chain. Their members meet virtually to network, share information, and co-create tools to implement best practice programs and publish the Annual Report on the State of Sustainable Public Procurement in Canada.

PRÉSENTATION DES PARTENAIRES

Ontario Public Buyers Association (OPBA)
The Ontario Public Buyers Association (OPBA) is a not-for-profit professional association representing public procurement professionals throughout Ontario. They promote the ethical and effective expenditure of public funds and encourage excellence in public procurement through our continuing professional development opportunities, the encouragement of certification programs and through networking among their members. Their volunteer-driven organization includes procurement professionals from local, regional and provincial government, as well as from school boards, universities, public safety agencies and other entities entrusted with the prudent and responsible spending of public funds. Their members manage and/or authorize the expenditure of millions of tax dollars on behalf of these agencies and work at all levels of responsibility in the public sector.

Recycling Council of Ontario (RCO)
The Circular Innovation Council – originally established as Recycling Council of Ontario in 1978 – believes solutions for greater resource efficiency is to advance the circular economy, which decouples economic activity from the consumption of finite resources. By putting circular economy concepts into action through collaboration and inclusion we discover solutions through circular business models that design waste out of production and consumption.

Thank you to the Laboratoire interdisciplinaire de la responsabilité sociale des entreprises (LIRSE) at Université Laval and the International Reference Centre for the Life Cycle of Products, Processes and Services (CIRAIG), which supported the 2020 Barometer through their research funding.

Thank you to our communication partners, CBSR, CCSP, OPBA and RCO, which enable us to reach such a large number of organizations across Canada.

Thanks to the Université de Laval for their financial contribution. Thanks also to the Government of Canada who, in addition to supporting the project as members of ECPAR, have contributed financially to the dissemination of this report through the Sustainable Development Goals program.

EXECUTIVE SUMMARY

In 2020, Canadian organizations remain committed to sustainable procurement.

The Barometer provides an account of organizational practices according to five maturity levels **(little concern, commitment, progress, maturity and exemplarity)** for each of the five aspects of sustainable procurement **(vision, policy and governance, stakeholder mobilization, operationalization** and **assessment).**

In 2020, the attainment of the 2020 United Nations Sustainable Development Goals, climate action, circular economy and social development are at the core of the concerns of sustainable organizations. The methodology of the 2020 Barometer was expanded to account for these dimensions.

Highlights of the 2020 Barometer

- 142 Canadian organizations took part in the process. Their average level is **commitment.**
  - They made the most advancement in terms of vision to reach **progress** level.
  - **Progress,** the highest level of maturity, was observed for the *accountable hierarchical levels* indicator.
  - The **little interest** level of maturity was observed for four indicators: procurement criteria identification methods, formal adoption and implementation of commitments, percentage of products/services affected and capacity building – population covered.
  - Organizations with larger procurement volumes perform better.
- With regard to the United Nations Sustainable Development Goals, 26% of organizations take them into consideration to guide their sustainable procurement strategies.
- When accounting for the three issue categories (environmental, social and economic), the organizations reach an average maturity level of **commitment.**
  - **Progress** level is attained for the **vision** phase.
  - For the **policy and governance** phase, 47% of organizations reached the **maturity** or **exemplarity** level when accounting for the three issue categories, as well as the Sustainable Development Goals, GHG emissions and contributions to social and circular economy.
  - In the **operationalization** phase, organizations remain at the **commitment** level.
  - In terms of **impact assessment,** the economic aspect consistently dominates.
- With regard to the influence of practices on supply chains, organizations are at the **progress** level for the **operationalization** phase:
  - 44% involve suppliers and their subcontractors in their approaches.
  - 24% collaborate with suppliers.
- Regarding the volume of affected purchases, organizations have moved up to the second level, **commitment** (**little interest** in 2016).
- Regarding sustainable procurement incentives and obstacles:
  - The moral values of the organization and commitment of the senior leadership team are the main incentives. Compliance with laws and regulations ranks fourth (53%) (versus second in 2016).
  - The search for the lowest purchase price, rather than cost-effectiveness that considers sustainable development, remains the most significant obstacle for most organizations (83%).

INTRODUCTION

SUSTAINABLE PROCUREMENT IN 2020

In 2015, the United Nations adopted an ambitious plan, the Sustainable Development Goals (SDGs), to promote economic growth and protect the planet and its inhabitants[1]. Comprising 17 objectives and 169 targets to attain by 2030, the SDGs reaffirm the strong connection between environmental protection, sustainable development and public procurement. Sustainable procurement is a powerful tool of the 2030 program and specifically Goal 12: responsible consumption and production. It also leads to the attainment of a number of other objectives. Canada joined this international effort with the adoption of its 2030 Agenda for Sustainable Development and committed to supporting the implementation of the SDGs at the national and international levels.

The climatic and ecological risks we face today are inextricably linked to major economic and societal issues, thus making the adoption of sustainable policies and measures critical for political and economic stakeholders. The environmental risks, including the failure of climate policy, biodiversity loss[2] and ecosystem damage caused by human activity, constitute the main long-term concerns of businesses and public organizations. Participants at the World Economic Forum held in Davos in January 2020 were reminded of this when they were asked to set a 2050 net-zero emissions target. In order to achieve their goal, they must leverage procurement. There is now an ISO standard, ISO 20 400, dedicated to sustainable procurement. It accounts for the environmental, social and economic impacts of purchased products and services throughout their useful lives.

In Canada, there is current and upcoming sustainable procurement legislation. Last February, Bill S-211 *An Act to enact the Modern Slavery Act*[3] was introduced. A number of other nations, including Great Britain, Australia and several US states have also taken legislative action. Led by the Centre for Greening Government of the Treasury Board of Canada Secretariat, Canada will work as a global leader in net-zero, resilient and green government operations. More specifically, sustainable procurement based on life cycle principles and the adoption of green technologies, products and services will be set in motion. Six concrete practices have been set out, including the implementation of criteria pertaining to goods, services and suppliers.

Québec's new 2022–2027 sustainable development strategy, which is currently being ratified, reaffirms the provincial government's commitment to sustainability. The pandemic led the current administration to promote local procurement. Many stakeholders have implored the Québec government and municipalities to include procurement contracts among the strategic tools for economic development driven by innovation, the ecological transition, circularity, diversity and equity. The Ministère de l'Agriculture, des Pêcheries et de l'Alimentation du Québec set the tone when it launched its very first strategy to foster the purchase of Québec goods by public institutions in September 2020. The city of Montréal mobilized its teams to make procurement one of the levers of an economic recovery focused on sustainability, noting that any laws that create barriers must be rewritten. These commitments and positions are a source of hope.

[1] *https://www.un.org/sustainabledevelopment/fr/objectifs-de-developpement-durable/*
[2] *http://www3.weforum.org/docs/WEF_Global_Risk_Report_2020.pdf*
[3] *https://parl.ca/DocumentViewer/en/43-1/bill/S-211/first-reading*

INTRODUCTION

From 2016 to 2020, ECPAR and its members confirmed that sustainable procurement begins when a need is formulated and ends when a product is reused or when its components or materials become part of new applications. Procurement must therefore be considered in its broadest sense without being limited to the moment of purchase (transaction) or the time the request is made. Indeed, ECPAR sought to ensure that major contract givers use their procurement power to generate demand for sustainable and circular contracts in Québec and Canada. Because this is only possible when parties work in collaboration, ECPAR is dedicating its efforts to mobilizing contract givers and suppliers around neutral centres for exchange and aims to codevelop practices, criteria and certifications to provide access to sustainable products, services and technologies.

The third edition of the Sustainable Procurement Barometer must therefore reach organizations across Canada. Funding from the government of Canada under the 2030 National Agenda Strategy makes this possible, along with the pledge that the recommendations will be formally submitted so as to ensure that Canadian organizations contribute to the Sustainable Development Goals of the United Nations.

The third edition of the Sustainable Procurement Barometer was developed within this context based on a key message:
SUSTAINABLE PROCUREMENT, MORE RELEVANT THAN EVER.

2020 BAROMETER

The 2020 Barometer enables organizations in Québec and Canada to objectively self-assess and compare themselves to their peers and over time. In keeping with the political commitment to contribute to the attainment of sustainable development, the 2020 Barometer also evaluates the contribution of sustainable procurement to the Sustainable Development Goals (SDGs) set out by the United Nations Environment Programme (UNEP). Thanks to our communication partners, the number of respondents doubled. In addition, the Barometer now considers the participation of a significant number of Canadian organizations based outside Québec (38% of respondents versus 12% of respondents based outside Québec in 2012).

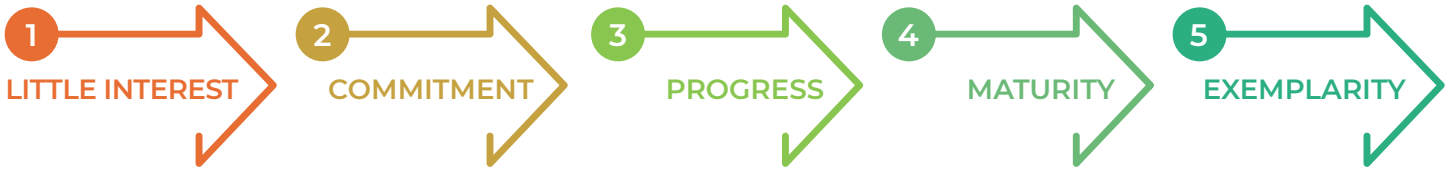
The first part of the 2020 Barometer details the methodology, indicators and components of sustainable procurement. The second presents the results and detailed analyses of four aspects: contribution of sustainable procurement to the United Nations Sustainable Development Goals (Section 2.1), positioning of Canadian organizations with regard to sustainable procurement (Section 2.2), governance changes within organizations to provide a sustainable procurement framework (Section 2.3) and approaches and tools used to operationalize it (Section 2.4).

METHODOLOGY

5 COMPONENTS, 20 INDICATORS, 5 LEVELS OF PERFORMANCE

The 2020 Barometer relies on the methodology developed for the 2016 edition, 5 components, 20 indicators and 5 levels of performance.

The Barometer assesses the sustainable procurement performances of organizations based on a practice ranking system. The practices were evaluated according to 20 equally weighted indicators. Each indicator is associated with a variable number of answers to a questionnaire. The 20 indicators are reported in terms of five sustainable procurement components: **vision, policy and governance, stakeholder mobilization, operationalization** and **assessment** (see Table 1 Components and indicators). The scale to determine performance is based on five levels: **little interest, commitment, progress, maturity** and **exemplarity**. It is important to note that the indicators account for all five levels in the 2020 edition of the Barometer.



To determine the performance of organizations with regard to different indicators, the performance scale developed in 2016 was updated for consistency. The review was conducted based on comparisons with other benchmarks and advancements documented in the literature. It was also validated by several experts. The questionnaire was the focus of consultations with practitioners to coherence with their professional practices. To reflect emerging issues in sustainable procurement, this edition of the Barometer integrates new practices into performance assessment. These new practices are related to five key themes: total costs of ownership, social economy, circular economy, GHG emissions and UN SDGs. Also, in 2020, the organizations that rank at the **maturity** and **exemplarity** levels had to provide supporting documents.

The results presented in this report are based on the average levels of maturity achieved by respondents on the topics that were analyzed. They are detailed in Section 2 of this report. In addition, the organizations that filled in the Barometer's questionnaire received a personalized assessment of its sustainable procurement performance and a comparison with other respondents for each component and indicator.

1.1 SUSTAINABLE PROCUREMENT COMPONENTS AND INDICATORS

Like the 2016 edition, the 2020 Barometer assumes that sustainable procurement is in line with managerial logic. First, organizations determine their vision for sustainable procurement. Then, they formalize the vision in terms of commitments in their policies and governance structures. Next, they integrate their commitments into their activities and assess the progress and impacts. Finally, they ensure the cross-cutting mobilization of their stakeholders so their sustainable procurement management meets stakeholder expectations and key impacts of the activity.

The Barometer identifies five sustainable procurement components: **vision, policy and governance, stakeholder mobilization, operationalization** and **assessment**. For each component, indicators to pinpoint progress were established (see table on the following page).

5 components of sustainable procurement : vision, policy and governance, mobilization of stakeholders, operationalization and measurement.

TABLE 1 Components and indicators

COMPONENTS AND INDICATORS OF SUSTAINABLE PROCUREMENT	
COMPONENT	**INDICATORS**
Vision	▸ Social development issues considered to determine social responsibility related to purchasing ▸ Impact identification methods (calculation of total costs of ownership, supply chain mapping, risk determination, etc.) ▸ Practice prioritization objectives (regulatory compliance, complete integration of sustainable development into the purchasing model, mitigation of image-related risks, etc.) ▸ Purchasing criteria identification methods (market trends analysis, consultation of sustainable procurement guides and information sheets, life cycle analysis, etc.)
Policy and governance	▸ Hierarchical levels held accountable ▸ Formalization and implementation of commitments (sustainable procurement criteria, implementation plan, resource allocation, etc.) ▸ Impact of supply chain commitments (targeted stakeholders and impact of commitments on suppliers and sub-contractors) ▸ Sustainable development issues considered in commitments
Stakeholder mobilization	▸ Stakeholder mobilization (clients, requisitioners, NGOs, etc.) ▸ Mobilization activities undertaken (stakeholder collaborations, joint projects, regular reporting, etc.) ▸ Dissemination of the approach and results (social responsibility reports, annual report with a section on sustainable procurement, public reporting, etc.)
Operationaliza-tion	▸ Capacity building: actions (implementation of operational tools, specialized staff allocation, contribution to networks that share best practices, etc.) ▸ Capacity building: target groups (senior executives, new hires, requisitioners, etc.) ▸ Targeted steps in the procurement process (market analysis, supplier qualifications, contract follow-up, etc.) ▸ Implemented practices (lease vs. purchase, calculation of total costs of ownership, integration of circular systems (waste becomes input), etc.) ▸ Percentage of products/services targeted by sustainable procurement (Everyday products / Strategic products) ▸ Impact of practices on supply chains (supplier performance assessment, supplier codes of conduct, innovative supplier strategy, etc.) ▸ Impact of practices on sustainable development
Assessment	▸ Indicators (GHG emissions of product transport, economic gains from the reuse of in-house assets, number or proportion of priority suppliers assessed using social criteria, etc.) ▸ Impacts assessed (GHG emissions of product transport, economic gains from the reuse of in-house assets, economic gains from purchases made from rehiring firms, etc.)

1.2. RESPONDENT PROFILES AND REPRESENTATIVENESS

From June 8 to October 23, 2020, the questionnaire of the 2020 *Sustainable Procurement Barometer* was made available online on ECPAR's website. Thanks to our Canadian partners, a significant number of Canadian organizations were approached through their respective networks and contacts. Emails were sent to potential respondents based on the lists compiled for earlier editions of the Barometer, newsletter subscribers and sector associations. ECPAR members remain a major vehicle for the dissemination of the initiative within their networks. Online social networks such as Facebook and LinkedIn were also mobilized. In 2016, 76 organizations contributed to the Barometer. This year, 142 organizations participated, 29 of which were among the respondents in 2016.

In total, **142 organizations** took part in the study:

- **26% businesses; 26 % organizations and government departments (Québec and Canada); 26 % municipalities and 11% education system institutions;**
- **38% are based in Canada, outside Québec: 4% in Alberta; 9% in British Columbia; 20% in Ontario;**
- **20% of the organizations are ECPAR members.**

FIGURE 1 Profile of Respondent Organizations by provinces (n = 142)

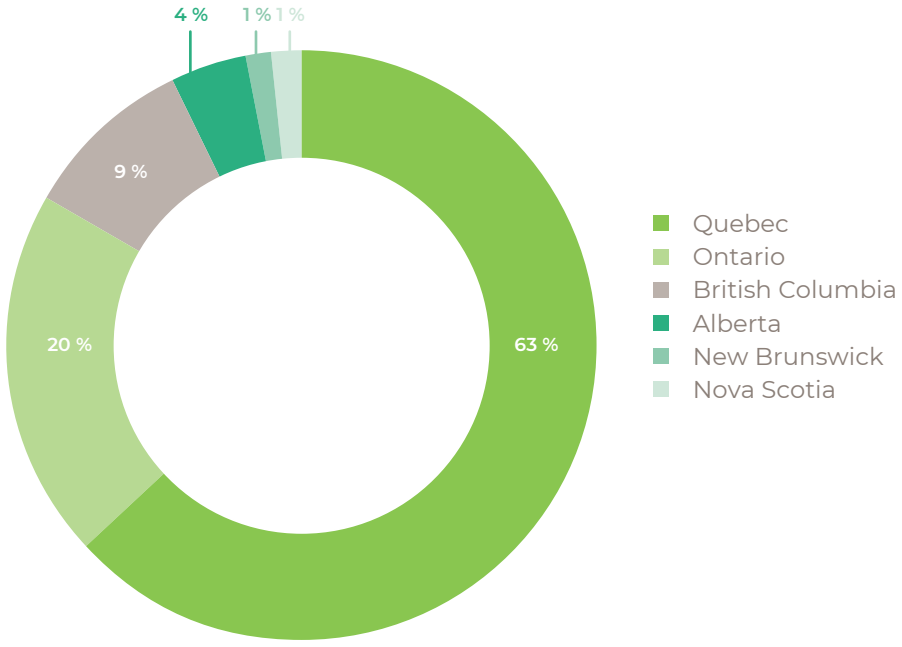


FIGURE 2 Profile of Respondent Organizations by corporate name (n = 142)

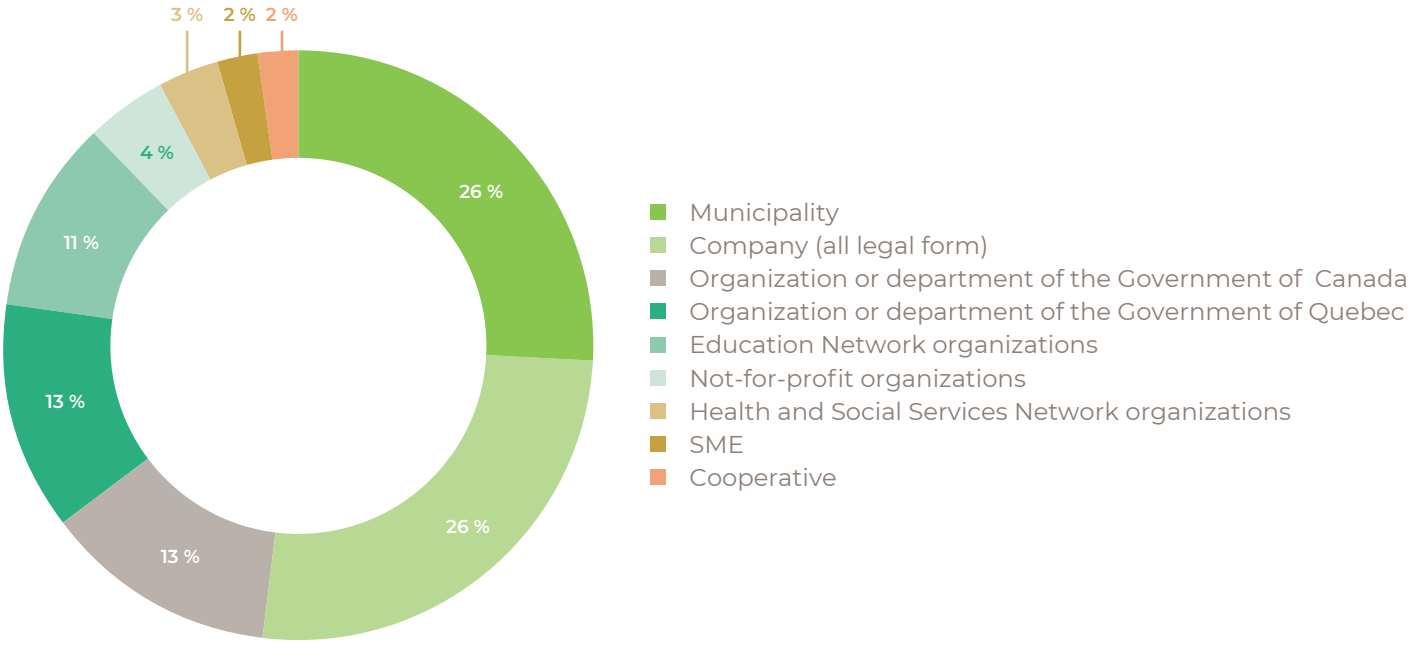
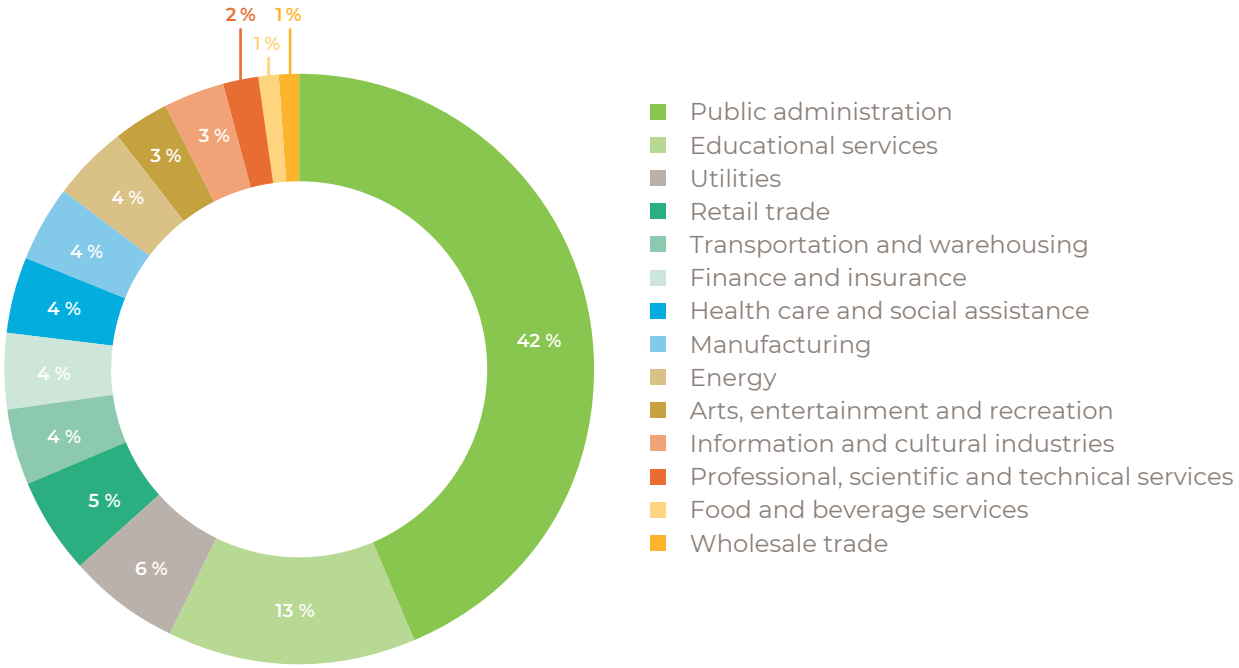


FIGURE 3 Profile of Respondent Organizations by sector/industry (n = 142)



RESULTS

All the results related to the performance levels presented in this section of the report are based on the average results of survey respondents.

2.1. CONTRIBUTION OF PROCUREMENT TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs) established by the United Nations are an essential framework to understand and implement sustainable agendas. The 17 SDGs constitute a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity[4]. They establish 169 objectives and 232 measurable indicators that enable UN member states to achieve this ambitious agenda and make progress toward sustainability. In view of the magnitude of the challenges, all businesses and civil society organizations were called to contribute to the SDGs[5] and make them operational, specifically in their procurement processes[6].

In Canada, few organizations have explicitly integrated SDGs into their acquisition processes. The 2020 Barometer highlights the fact that only 26% of respondents look to the SDGs to guide their procurement strategies. Of these organizations, over half of the respondents that say they account for SDGs are government agencies such as municipalities, government departments and government corporations. Proportionally, fewer businesses and private organizations implement procurement policies rooted in the SDGs. Be that as it may, the results of the Barometer show that even when they do not explicitly integrate them into their sustainable procurement approaches, organizations still contribute to a number of SDGs through their sustainable procurement.

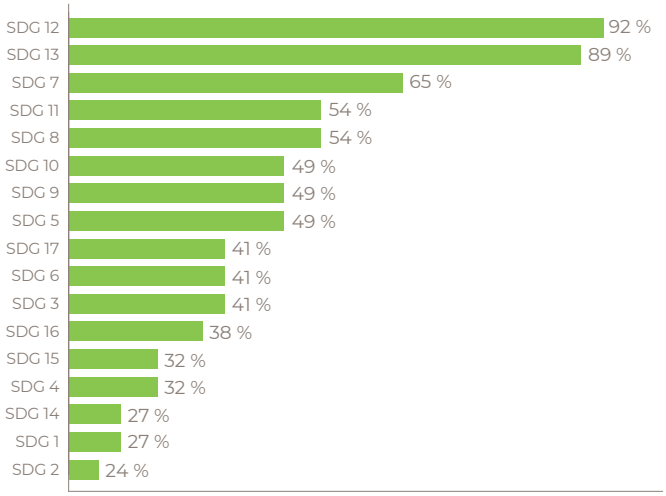
Figure 4 on page 18 presents the SDGs that organizations explicitly integrate into their processes to establish sustainable procurement strategies.

[4] *https://www.undp.org/content/undp/en/home/sustainable-development-goals.html*
[5] *https://sdgcompass.org/sdgs/*
[6] *https://www.oneplanetnetwork.org/sites/default/files/memo_spp_and_sdgs-opn_22_april-mhc.pdf*

FIGURE 4 United Nations Sustainable Development Goals considered in organizations' directions (n=37)

SDG 12 and SDG 13 stand out as the goals that are most integrated into organizations' sustainable procurement approaches.

Organizations most often integrate SDG 12 to consider sustainable consumption and production patterns in their sustainable procurement approaches. Indeed, it is the only goal to directly address the issue of sustainable procurement to promote public procurement practices that are sustainable, in accordance with national policies and priorities (Target 12.7). Federal government agencies stand out, since they have integrated SDG 12 much more extensively than the respondent organizations. In addition, nearly one quarter of respondents are public entities, and government agencies' commitments through SDG 12 constitute a strong point given the significance of their contracts, which represent 15 to 30% of the annual gross domestic product (GDP) of OECD countries[7]. Public procurement can therefore exercise significant influence on the economy and markets.



The second most commonly integrated SDG is SDG 13 to take urgent action to combat climate change and its impacts. The World Economic Forum's *Global Risks Report 2020* affirmed that the failure of climate policies is the leading global risk for the future. The results of the Barometer confirm the growing importance of the fight against climate change for organizations.

While respondents do not always explicitly integrate SDGs into their sustainable procurement approaches, the practices they implement can still contribute to SDG attainment. For example, indicator 18 of the 2020 Barometer (relevance of practices to sustainability challenges) looks at the labels, standards and certifications considered when selecting products and suppliers. Some certifications are directly related to the SDGs, including the Marine Stewardship Council label that aims to identify sustainable seafood products in connection with SDG 14 to conserve and sustainably use the oceans, seas and marine resources. The organizations that take the label into account are thus contributing to the attainment of SDG 14. However, not all the Barometer's indicators are related to the SDGs. These indicators tend to be more closely related to management systems than sustainable development challenges per se. Table 2 presents the SDGs considered by each of the Barometer's indicators.

Among all the indicators in the 2020 Barometer, three stand out as being strongly correlated with the SDGs: indicators 1, 8 and 18. They cover sustainability challenges related to several SDGs. The boxes in this report detail the links between the Barometer's indicators and the SDGs.

[7] *https://www.oneplanetnetwork.org/sites/default/files/memo_spp_and_sdgs-opn_22_april-mhc.pdf*

TABLEAU 2 Summary of the consideration of sdgs by the barometer's indicators

SDG	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1. Sustainable development issues considered	●	●	●		●	●	●	●	●	●	●	●	●	●		●	
2. Impact identification method																	
3. Practice prioritization goals																	
4. Purchasing criteria identification methods																	
5. Accountability of hierchical levels																	
6. Formal adoption and implementation of commitments												●					
7. Scope of commitments on the supply chain																●	
8. Sustainable development issues considered in commitments	●	●	●		●	●	●	●	●	●	●	●	●	●		●	
9. Mobilized stakeholders																	
10. Mobilization efforts undertaken																	●
11. Communication of the approach and results																	
12. Capacity building - efforts undertaken				●													●
13. Capacity building - population covered				●													●
14. Targeted steps in the procurement process																	
15. Types of practices implemented											●	●					●
16. Percentage of products/ services affected																	
17. Scope of practices on affected supply chains																	●
18. Scope of pratices on sustainable procurement issues	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	
19. Types of indicators used												●					
20. Types of impacts assessed												●					

2.2. WHAT ABOUT CANADIAN ORGANIZATIONS AND SUSTAINABLE PROCUREMENT?

2.2.1. Ranking of Canadian organizations

In terms of the overall results, when equally weighting the 20 indicators of the Barometer, Canadian organizations are at level 2 (**commitment**) out of 5—the same level as in 2016. This particular result may be interpreted as stagnation with regard to sustainable procurement, but it is important to consider the fact that the levels of maturity were expanded in 2020 based on the literature and progress in practices. More robust sustainable procurement approaches are now required to reach levels 4 and 5. In addition, for the first time, supporting documents were mandatory for levels 4 and 5, and the organizations that failed to submit the information fell to a lower ranking. Finally, in keeping with its mission to disseminate best practices, the 2020 Barometer includes a higher number of organizations embarking on their sustainable procurement journey than previous editions. In light of this, the 2020 Barometer demonstrates that there is room for improvement but also indicates the growing commitment of Canadian organizations.

- This year, with regard to **vision,** organizations are at level 3 **progress.**
- In terms of **policy and governance,** organizations are at level 2 **commitment**—the same level as in 2016. This particular component is detailed on page 31.
- When looking at **stakeholder mobilization,** organizations are at level 2 **commitment**—the same level as in 2016. This particular component is detailed in page 33.
- With regard to the **operationalization** of sustainable procurement, the performances of each indicator vary, but the overall result for the component is also at the same level as 2016: level 2 **commitment.** This particular component is detailed in page 37.
- **Performance assessment** remains a challenge for organizations. Even so, practices are under development, and there is progress. As compared to 2016, organizations moved up to level 2 **commitment** with regard to the methods to assess the impacts of sustainable procurement. This particular component is detailed on page 35.

TABLE 3 Overall results

	Average level of canadian organizations					
1. Vision	0	1	2	3	4	5
1. Sustainable development issues considered	0	1	2	3	4	5
2. Impact identification method	0	1	2	3	4	5
3. Practice prioritization goals	0	1	2	3	4	5
4. Purchasing criteria identification methods	0	1	2	3	4	5
2. Policy and governance	0	1	2	3	4	5
5. Accountability of hierarchical levels	0	1	2	3	4	5
6. Formal adoption and implementation of commitments	0	1	2	3	4	5
7. Scope of commitments on the supply chain	0	1	2	3	4	5
8. Sustainable development issues considered in commitments	0	1	2	3	4	5
3. Stakeholder mobilization	0	1	2	3	4	5
9. Mobilized stakeholders	0	1	2	3	4	5
10.Mobilization efforts undertaken	0	1	2	3	4	5
11. Communication of the approach and results	0	1	2	3	4	5
4. Operationalization	0	1	2	3	4	5
12. Capacity building – efforts undertaken	0	1	2	3	4	5
13. Capacity building – population covered	0	1	2	3	4	5
14. Targeted steps in the procurement process	0	1	2	3	4	5
15. Types of practices implemented	0	1	2	3	4	5
16. Percentage of products/services affected	0	1	2	3	4	5
17. Scope of practices on affected supply chains	0	1	2	3	4	5
18. Scope of practices on sustainable development issues	0	1	2	3	4	5
5. Assessment	0	1	2	3	4	5
19. Types of indicators used	0	1	2	3	4	5
20. Types of impacts assessed	0	1	2	3	4	5
Overall level of maturity of Canadian organizations	0	1	2	3	4	5

2.2.2. Incentives and obstacles

The primary motivation for organizations to adopt sustainable procurement practices remains moral values. The commitment of the senior leadership team ranks second. Membership to a network or organization that gives priority to sustainable procurement is also an important factor and ranks third. These results suggest that sustainable procurement approaches are chiefly based on benevolent and voluntary motivations. This bodes well, since scientific literature suggests that a sustainable procurement policy has a better chance of leading to tangible results when they stem from internal factors rather than external pressures such as the need to comply with laws and regulations.

The prioritization goals structure and steer sustainable procurement approaches. The most frequently cited prioritization objective is the alignment with sustainable development objectives or a pre-existing social responsibility approach within an organization. Ranked second and third are compliance with laws, regulations and government guidelines that apply to public bodies and environmental risk management.

Again this year, the search for the lowest purchase price rather than a quality-price ratio that considers sustainable development is the most common obstacle faced by respondents. The challenge of implementing a sustainable procurement follow-up system and the lack of internal resources are the second and third most frequently cited obstacles, respectively.

FIGURE 5 Drivers (n=142)

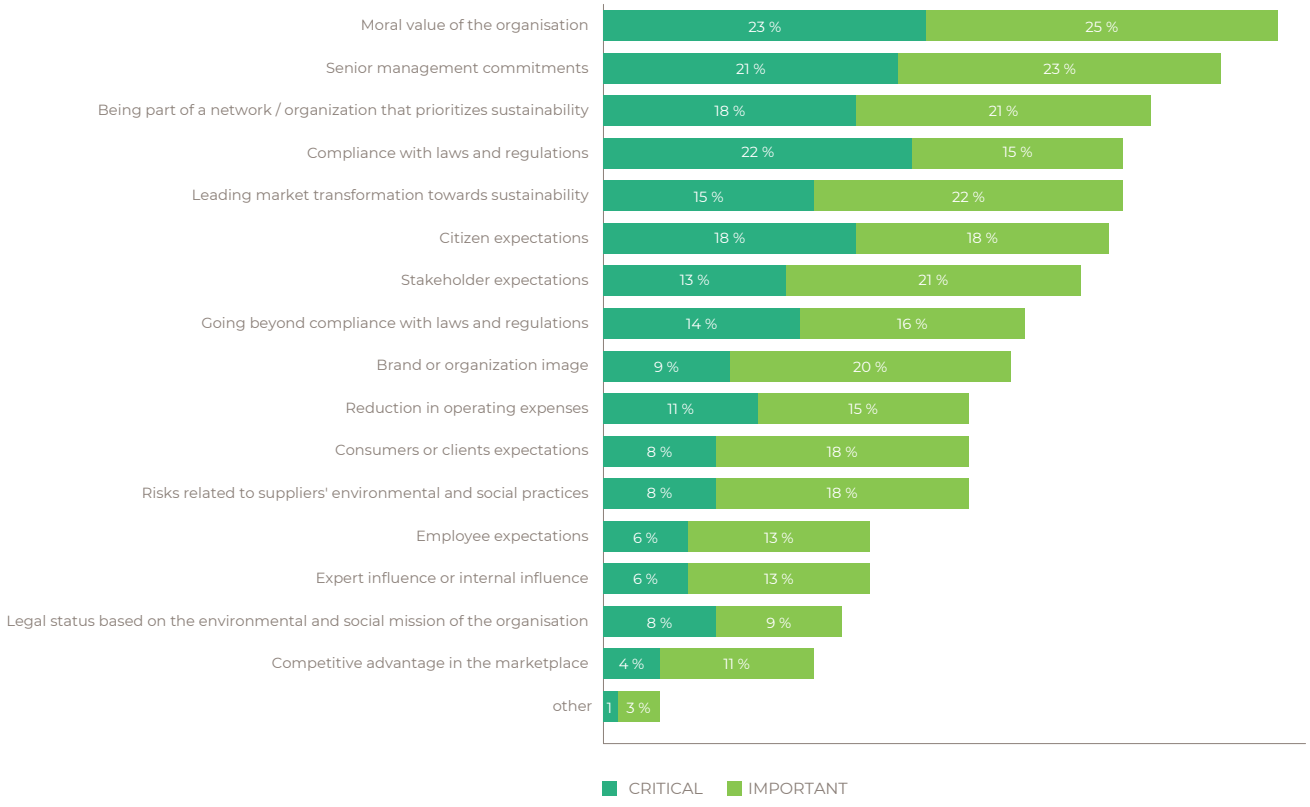


FIGURE 6 Prioritization objectives (n=142)

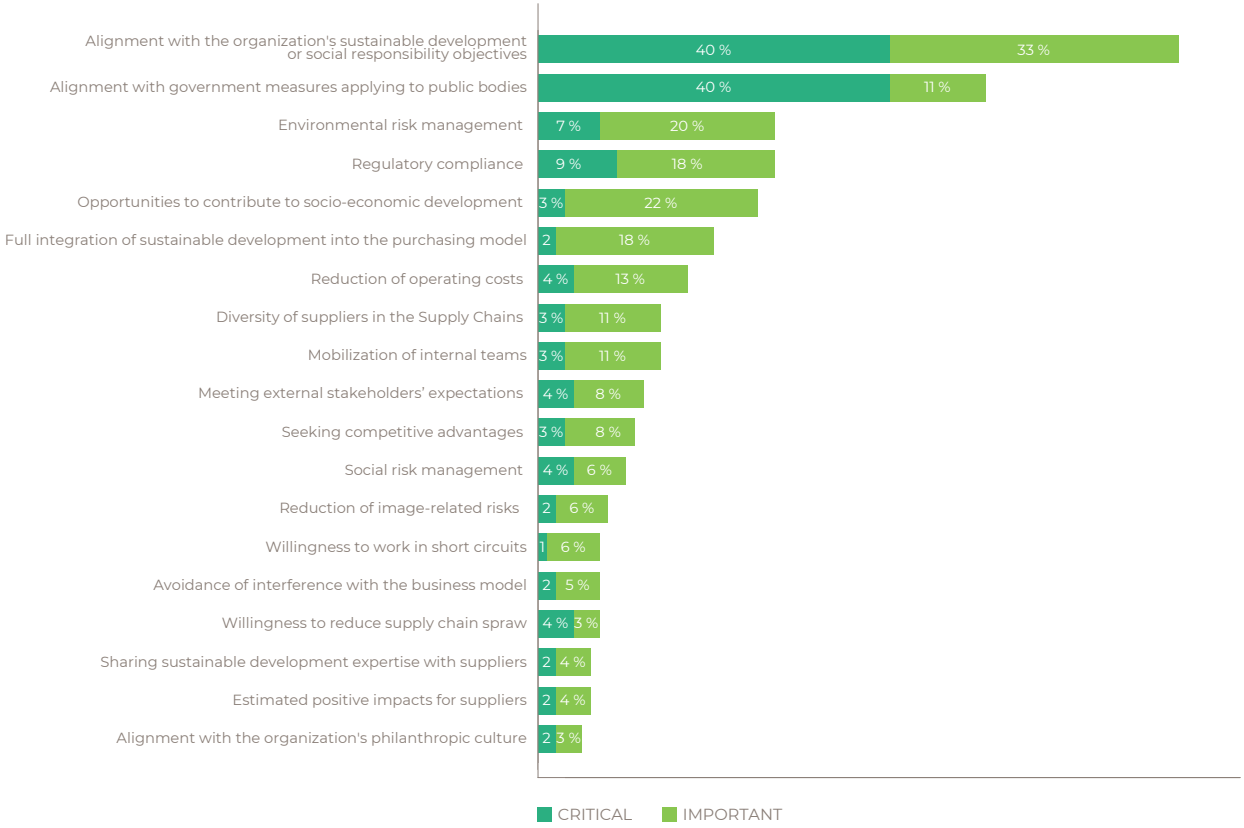
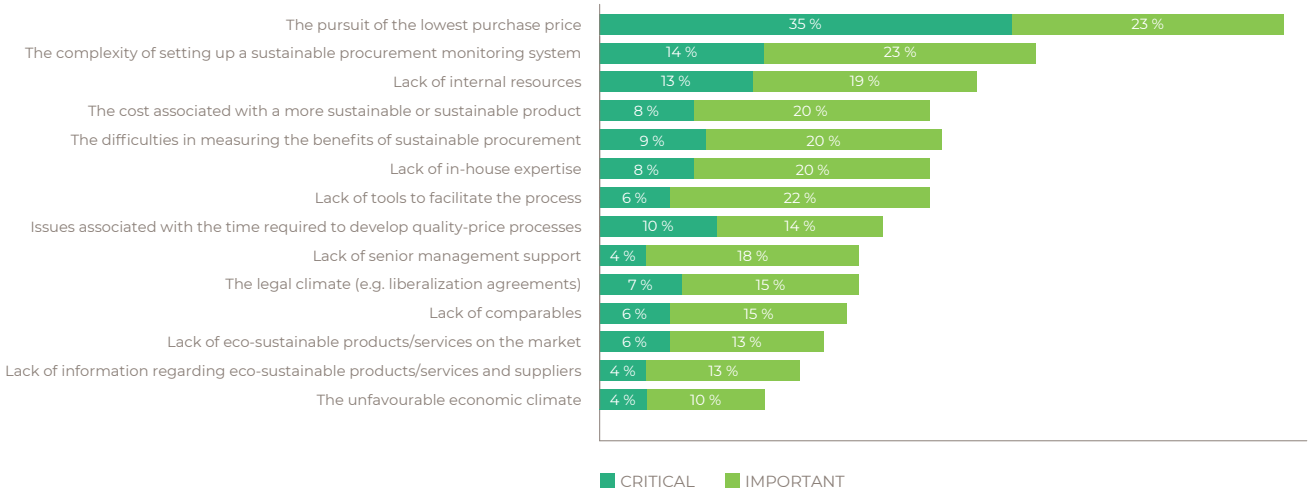


FIGURE 7 Obstacles (n=142)



2.2.3. Volumes purchased through sustainable procurement

Among the core elements used to assess an organization's involvement in sustainable procurement is the share of purchases made through sustainable procurement. In this respect, the Barometer reveals the following:

- In 2016, 53% of respondents were able to indicate the volume of purchases made through a sustainable procurement strategy. This year, the rate is 57%, which represents a slight increase of 4%.
- Only 7% of respondents rely on sustainable procurement for at least 80% of the volume of their strategic product and service purchases, and only 4% rely on it for at least 80% of the volume of their commonly used products and services.

The implementation of methods and systems to collect and follow-up on these data constitutes a major challenge for the organizations that currently practice sustainable procurement. In this respect, respondents are at the **commitment** level (2).

FIGURE 8 Volume affected - Everyday products and services (n=140)

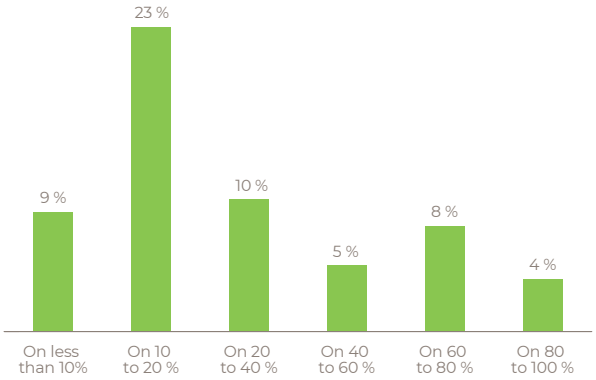
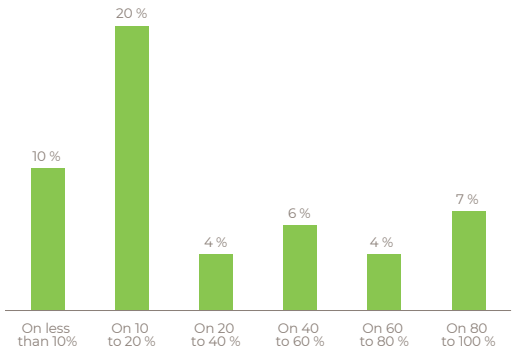


FIGURE 9 Volume affected - Strategic products and services (n=140)



2.2.4. Impact of practices and commitments

The impact of sustainable procurement practices and commitments on supply chains is a good indicator to assess the implementation of sustainable procurement within organizations. The scientific literature shows that the more an organization engages with its supply chain stakeholders, the more successful its sustainable procurement initiatives will be. The Barometer establishes two indicators to document how organizations engage their suppliers and stakeholders: impact of practices on the supply chain (indicator 17) and impact of commitments on the supply chain (indicator 7), which evaluates the formalisation of undertakings in in-house and external documents (e.g. supplier codes of conduct, procurement guidelines, sustainable development reports, etc.). Indicator 17 focuses on supplier practices.

Impact of practices on supply chains

- Supplier awareness remains the most effective means to engage suppliers in a sustainable procurement approach (40%). The co-development of improvement schemes to enhance supplier performances (26%) ranks second ahead of collaboration to develop more sustainable products and processes (24%).
- In terms of an organization's capacity to determine the risks associated with their suppliers (e.g. in risk analysis or supply chain mapping), 30% of organizations identify the risks related to their first-tier suppliers and 19% those of their first- and second-tier suppliers. Only 6% of organizations can pinpoint the risks related to their third-tier suppliers[8]. To move toward the increased sustainability of supply chains, it is critical to reach third- and lower-tier suppliers, which are often located in nations in which social and environmental regulations are less stringent.

Impact of commitments on the supply chain

- Written documents to formalize an organization's sustainable procurement commitments are generally aimed at staff (68%), as well as suppliers and their subcontractors (42%).
- Nearly half of organizations formalize their commitments in public documents (44%) as part of a more transparent approach.

FIGURE 10 Impact of commitments (n=70)

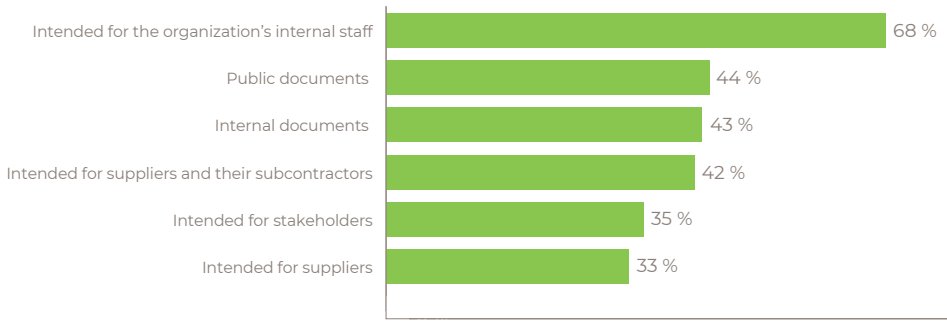
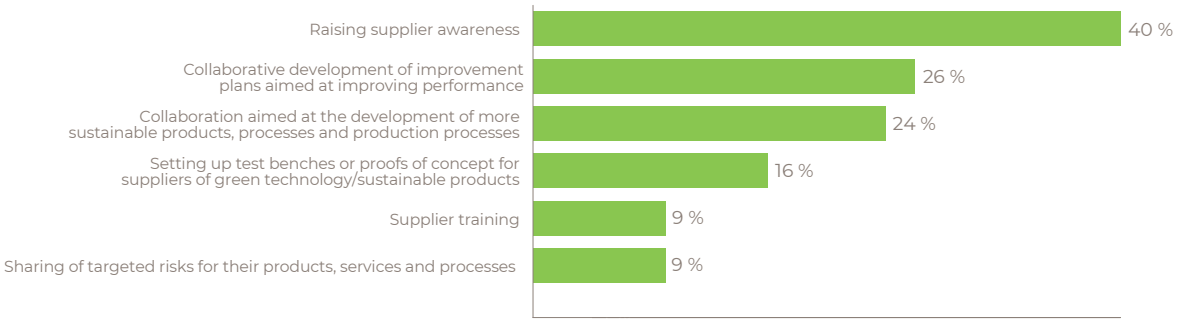


FIGURE 11 Collaboration with suppliers (n=106)



[8] *Villena, V. H., & Gioia, D. A. (2020). A more sustainable supply chain companies tend to focus on their top-tier suppliers, but the real risks come lower down. Harvard Business Review, 98(2), 84-93.*

2.2.5. Accounting for sustainable development issue

A sustainable procurement approach aims to account for three categories of sustainable development issues: environmental, social and economic. These issues may contribute to a number of key themes considered by the 2020 Barometer (total costs of ownership, circular economy, social economy and GHG emissions reductions) and are related to the SDGs.

Like the 2016 edition, the 2020 Barometer determines the degree to which organizations address the sustainable development issue categories. The consideration of these issues is measured through four of the Barometer's five components: **vision, policy and governance, operationalization** and **assessment.**

Contribution to SDGs

SDG 16.6: *Develop effective, accountable and transparent institutions at all levels.*

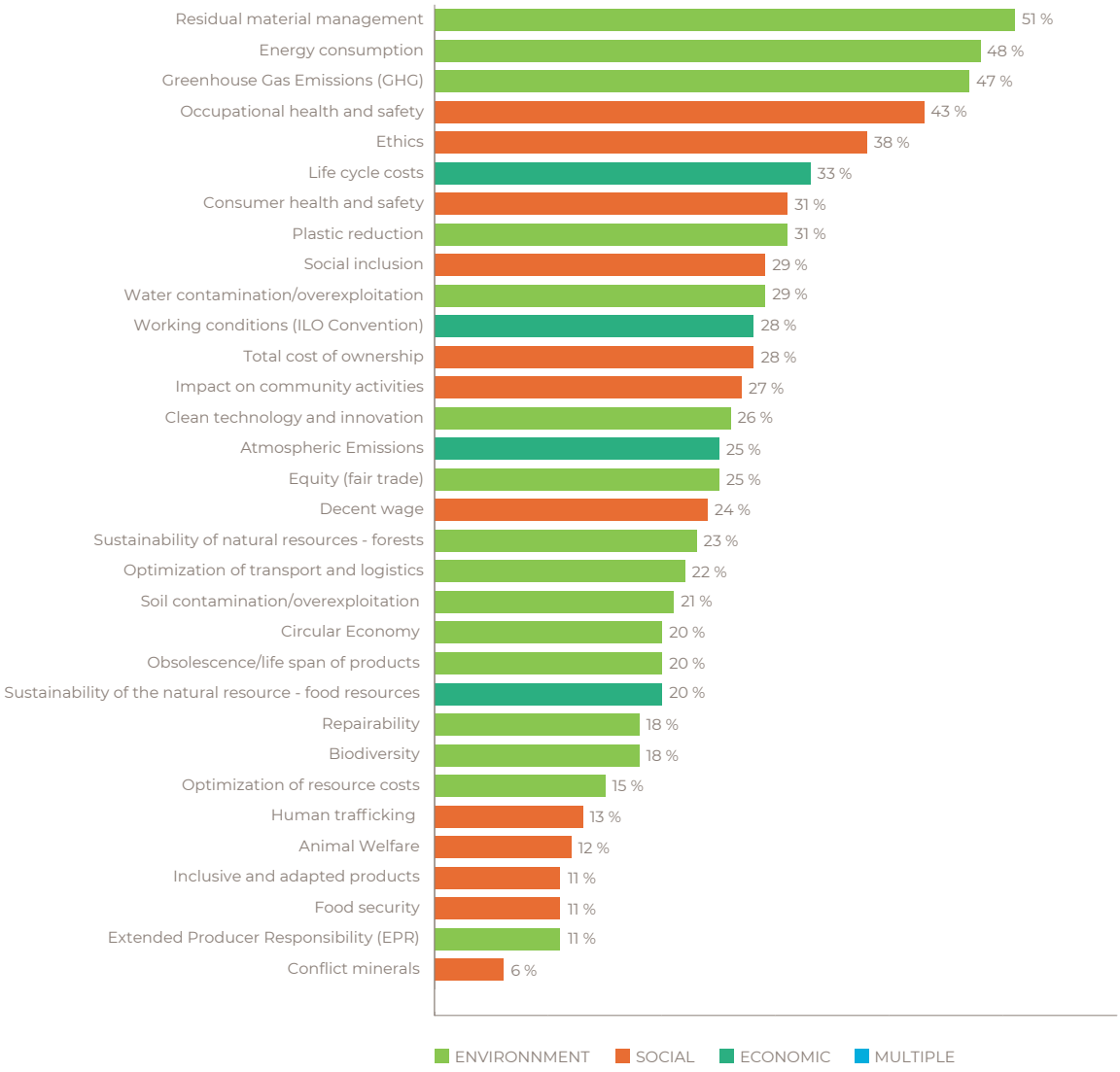
SDG 17.16: *Enhance the global partnership for sustainable development complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources.*

Impact of commitments on sustainable development issues

- When establishing a sustainable procurement policy, accounting for issues related to the three aspects of sustainable development and key themes stands out as an important factor to achieve success. Organizations that adopt this approach tend to develop more comprehensive and efficient sustainable procurement policies than their peers. In this respect, organizations reached level 2 **progress**.
- Though the issues mentioned by organizations are largely the same in the **vision** and **policy and governance** phases, they are not all considered when prioritizing the objectives. Organizations attained level 2 commitment in terms of the formalization of issues in their **commitments.**
- Regarding the **policy and governance** component, organizations mainly account for the environmental aspect of sustainable development (53%), and waste management is the commonly integrated issue, followed by energy consumption and GHG emissions.

> ***The sustainable procurement approach aims to take into account the three categories of sustainable development issues: environmental, social and economic***

FIGURE 12 Issues raised in commitments (n=142)



Impact of practices on sustainable development issues

- When considering certifications and sustainable procurement criteria and requirements applied to products and services, environmental issues prevail among those covered by sustainable procurement practices.
  - ENERGY STAR, Forest Stewardship Council (FSC) and Leadership in Energy and Environmental Design (LEED) are the most common certifications (32%) sought by respondent organizations. This figure is unchanged with respect to the 2016 Barometer.
  - Similarly, organizations most commonly consider energy performance, recyclability and GHG emissions in their sustainable procurement criteria and requirements (28%).
- With regard to supplier performance criteria, the social dimension is most often cited in the processes to select and manage suppliers. Nearly 53% of respondents apply social criteria, and 25% have adopted environmental ones.
  - 32% of respondents choose to purchase from local suppliers, 27% from social economy and collective enterprises and 15% from Indigenous businesses. This criterion achieved significant growth, since, in 2016, only 1% of organizations chose to purchase from Indigenous organizations and 14% from local suppliers.
  - When considering supplier performance, the most prevalent assessment criteria are occupational health and safety (10%), observance of labour rights (8%) and ethics (8%).

How does sustainable procurement contribute to key themes?

- *Accounting for the service lives of products and their warranty, considering the sustainability of natural resources, fostering products made of biodegradable materials, applying the 3R-R and relying on second-hand materials all constitute sustainable procurement measures that, when applied to the purchase of a product or service, contribute to the* ***circular economy.***
- *For example, fostering procurement from social and collective enterprises and ensuring that suppliers implement social inclusion, employment equity and living wages support the development of the* ***social economy.***
- *Considering energy consumption and GHG management and requiring that suppliers comply with the requirements of the Carbon Disclosure Project (CDP) help reduce* ***GHG emissions.***

FIGURE 13 Certification - Selection of products or services (n=106)

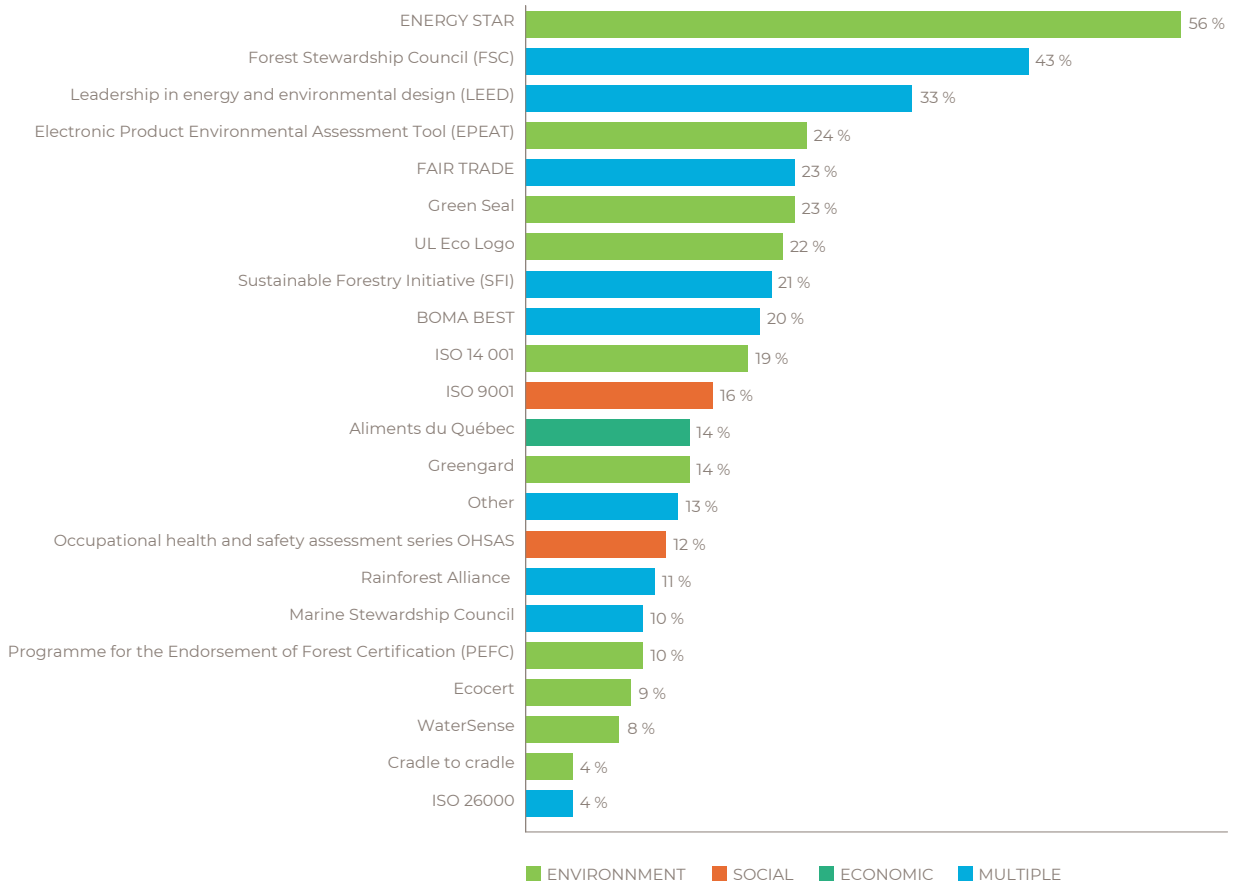


FIGURE 14 Criteria/requirements - performance or sustainability attributes of products/services (n=102)

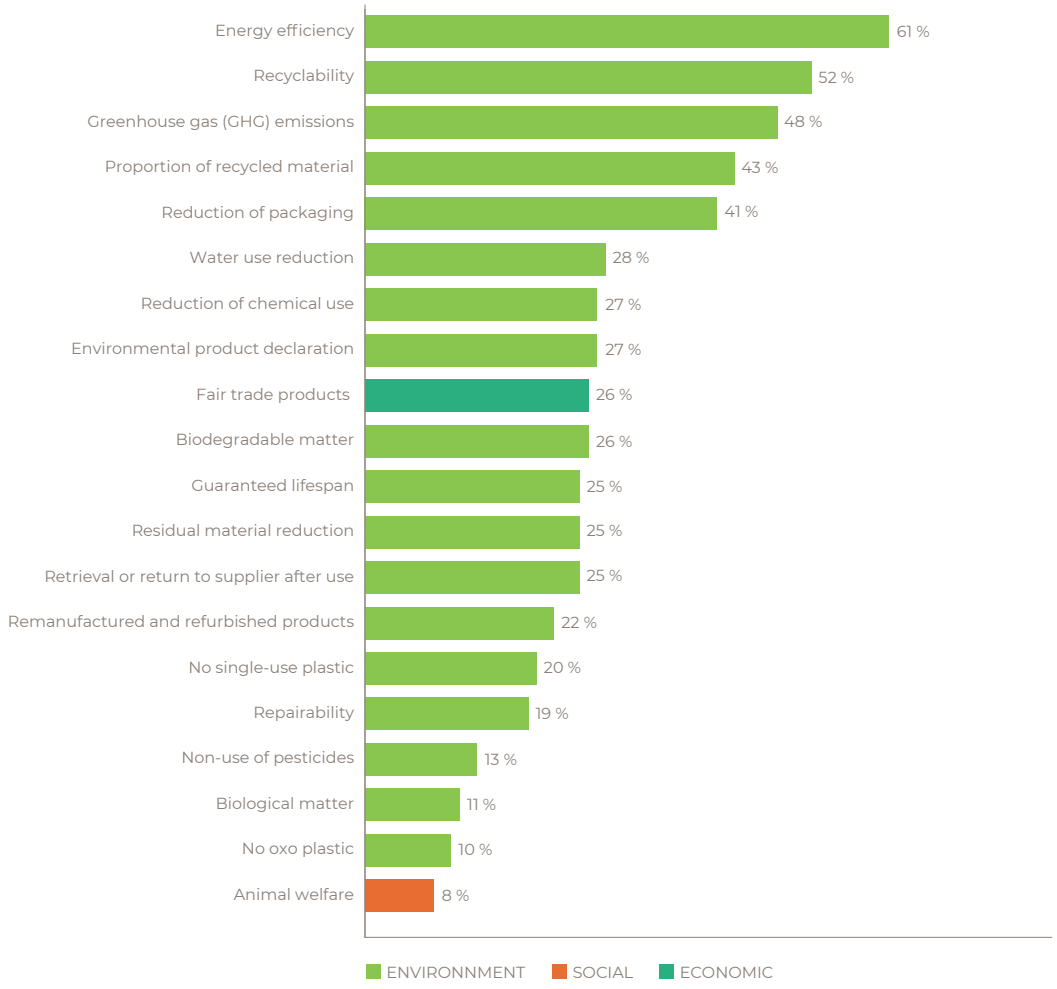


FIGURE 15 Criteria – specific suppliers (n=75)

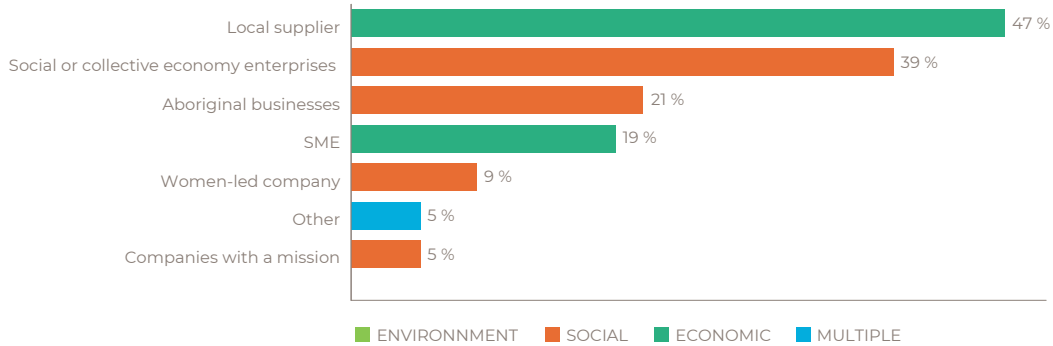
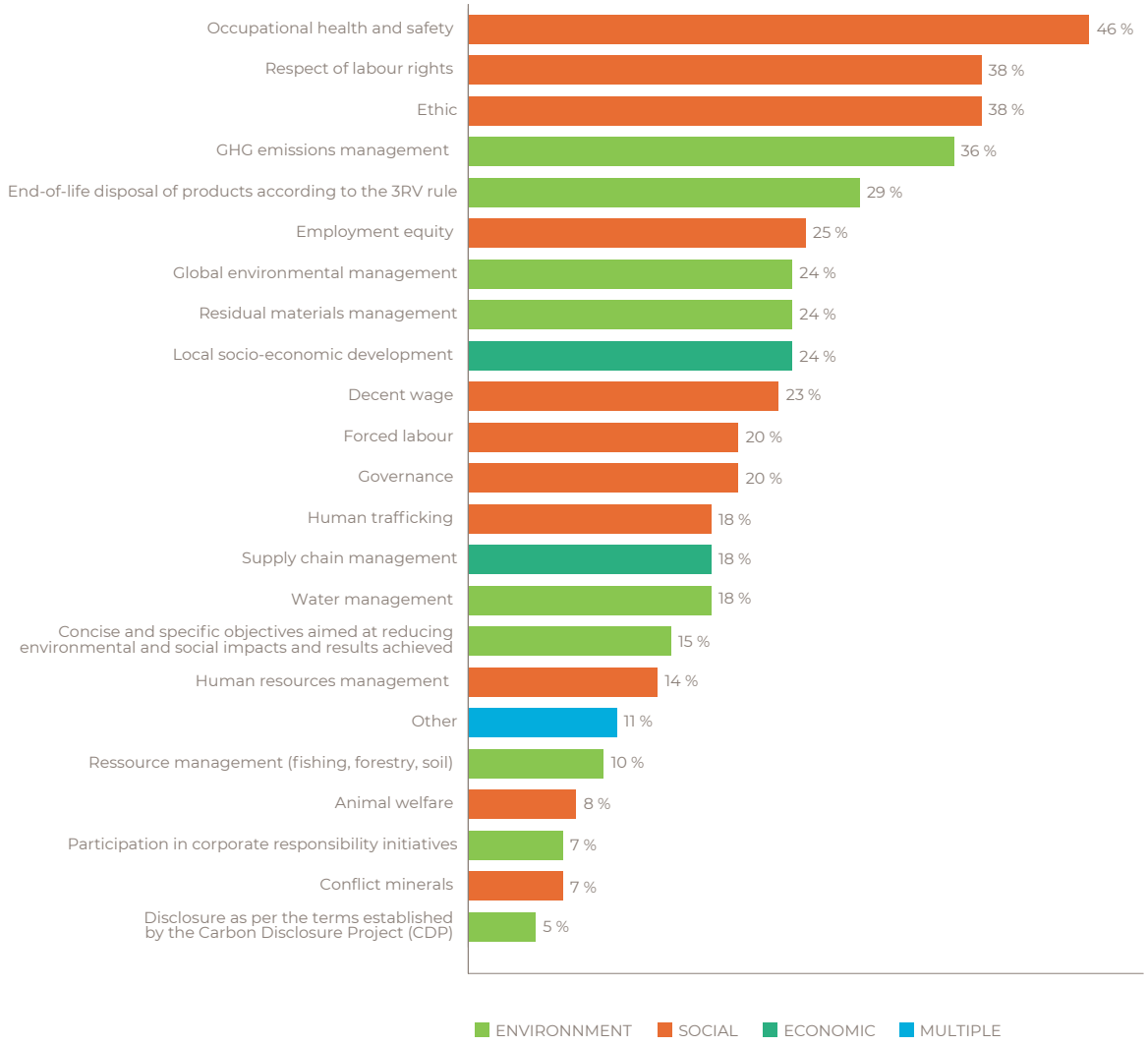


FIGURE 16 Criteria/requirements - suppliers' performance or sustainability characteristics (n=84)

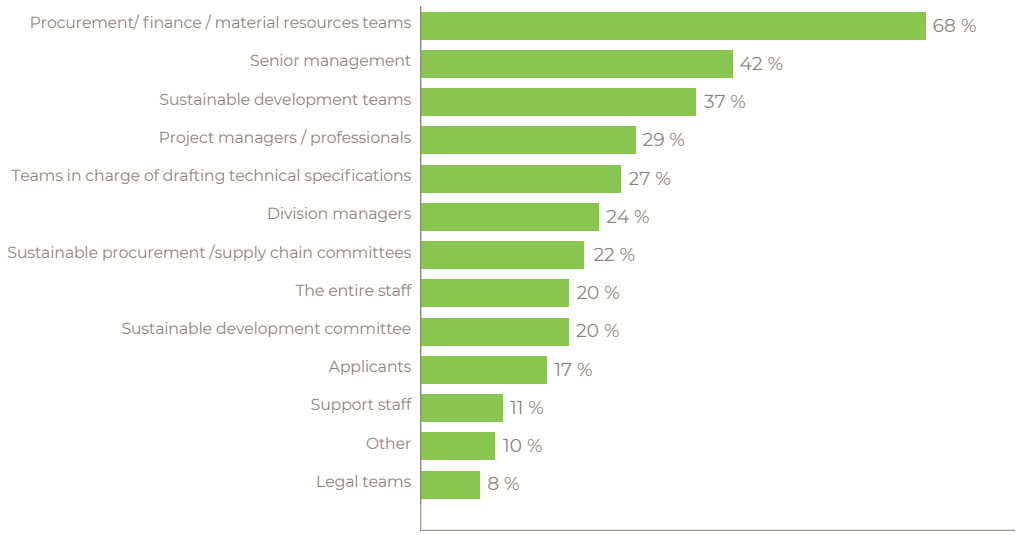


2.3. SUSTAINABLE PROCUREMENT GOVERNANCE

2.3.1. Accountability

The commitment of leadership teams grew significantly: in 2016, 36% of organizations held senior executives accountable for sustainable procurement. This year, the figure rose to 42%. Sustainable procurement policies are generally more successful when they call upon the accountability of senior executives. In such cases, the policy is perceived as an important priority. In addition, leaders have the power to back the teams that implement sustainable procurement and support their strategies to reach policy objectives. Accountability is the only indicator in the 2020 Barometer to reach **maturity** level.

FIGURE 17 Functions/divisions accountable for sustainable procurement (n=142)



2.3.2. Commitments

In 2020, nearly 70% of organizations had formalized their approach in written documents. This figure is similar to the one reported in 2016. In total, 40% of respondents include commitments in their documents (31% do not). The literature indicates that documents with clearly detailed objectives, timelines, follow-up mechanism and indicators to assess the attainment of the objectives are vital to the implementation of a credible sustainable procurement policy. On average, organizations are at level 1 **little concern** with regard to this indicator.

- The key information that is most commonly included in respondents' documents involves references to the organizations' strategic and sustainable development directions (58%) and general sustainability principles (52%) on which procurement must be based.
- According to the 2020 Barometer, 26% of organizations set targets, 18% establish timelines, 26% formalize follow-up mechanisms and 28% consider assessment indicators.
- 16% of respondents refer to the SDGs in the documents that formalize their commitments.
- To ensure the implementation of their commitments, 50% of respondents make follow-up by the leadership team their first priority. The dedication of specific financial resources is cited by 19% of respondents and remains a significant measure for effective implementation.

FIGURE 18 Key information contained in the documents (n=106)

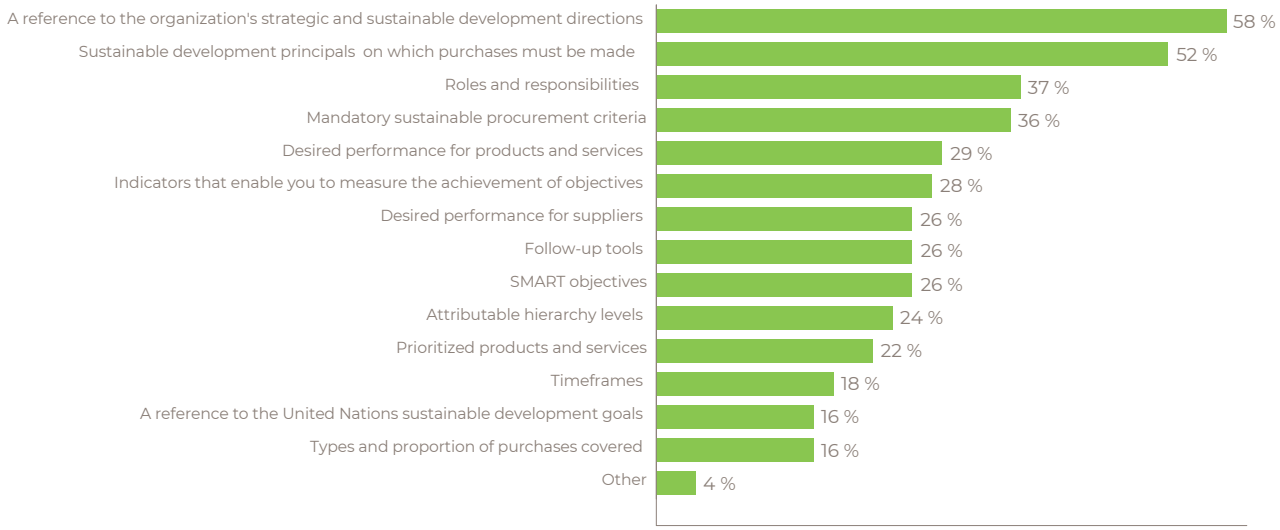
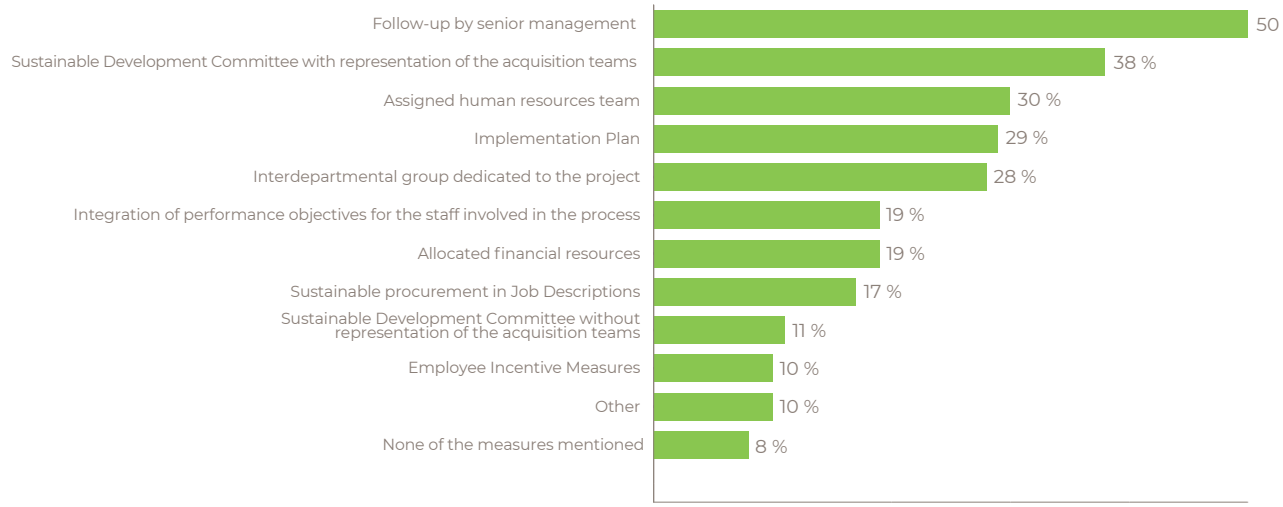


FIGURE 19 Resource measures to ensure the implementation of commitments (n=106)



2.3.3. Stakeholder mobilization

The Barometer measures stakeholder mobilization through three aspects: stakeholder involvement, actions undertaken with stakeholders and means to communicate the sustainable development approach. Organizations reached level 2 **commitment** for this component.

In terms of mobilized stakeholders, the sustainable procurement approach is chiefly aimed at procurement teams (73%). It then involves in-house clients (28%) and first-tier suppliers (25%). In addition, organizations tend to mobilize internal stakeholders (56%) more than external ones (44%).

For this indicator, respondents are at level 2 **commitment**, which may be largely explained by the fact that too few external stakeholders are mobilized.

Contribution to SDGs

Target 12.6: *Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.*

Objectif 16 : *Develop effective, accountable and transparent institutions at all levels.*

When looking at the actions undertaken with stakeholders, nearly 51% of respondent organizations collaborate with their stakeholders. The literature indicates that collaboration is a highly effective way to improve suppliers' sustainable development performances.

With respect to the means used to communicate sustainable procurement approaches:

- 56% of organizations share information through ad hoc in-house communications.
- Nearly 49% of respondents communicate their approaches through public accountability in compliance with GRI standards.
- Only 3% of organizations communicate the specific risks related to external products, services and suppliers.

> ***The sustainable procurement approach is primarily aimed at the purchasing teams. Organizations tend to mobilize more internal stakeholders.***

FIGURE 20 Stakeholder involvement (n=142)

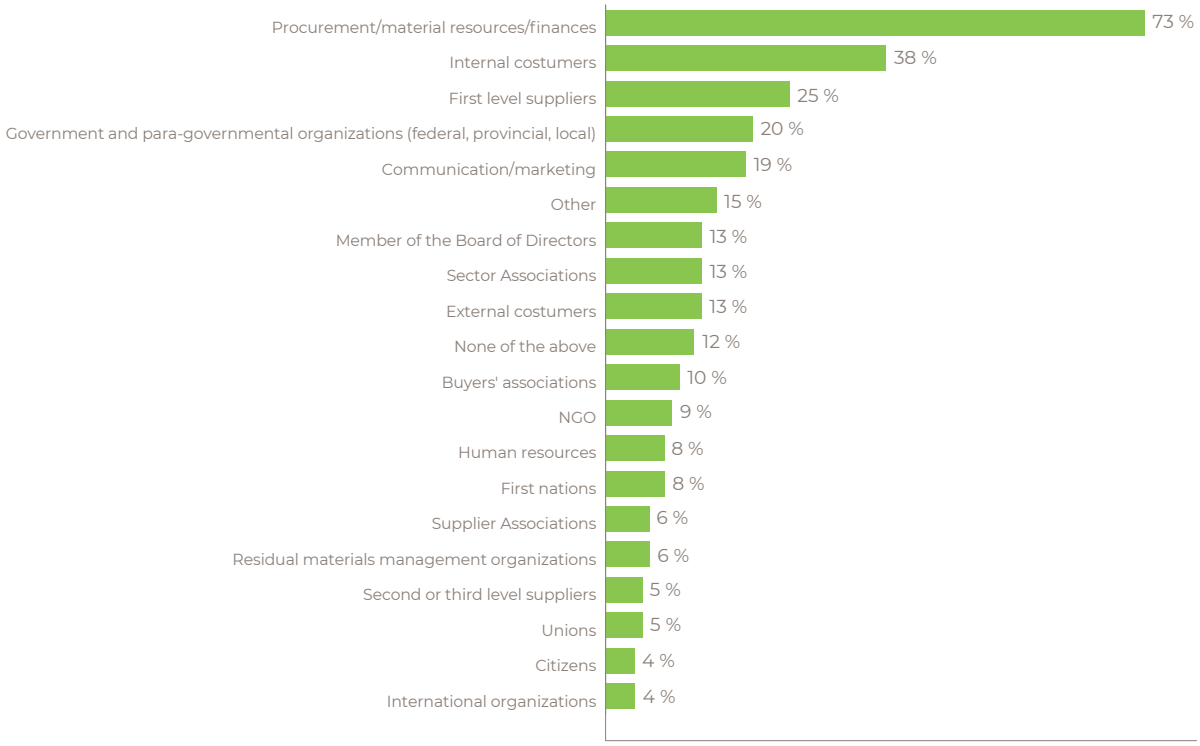


FIGURE 21 Actions undertaken with stakeholders (n=142)

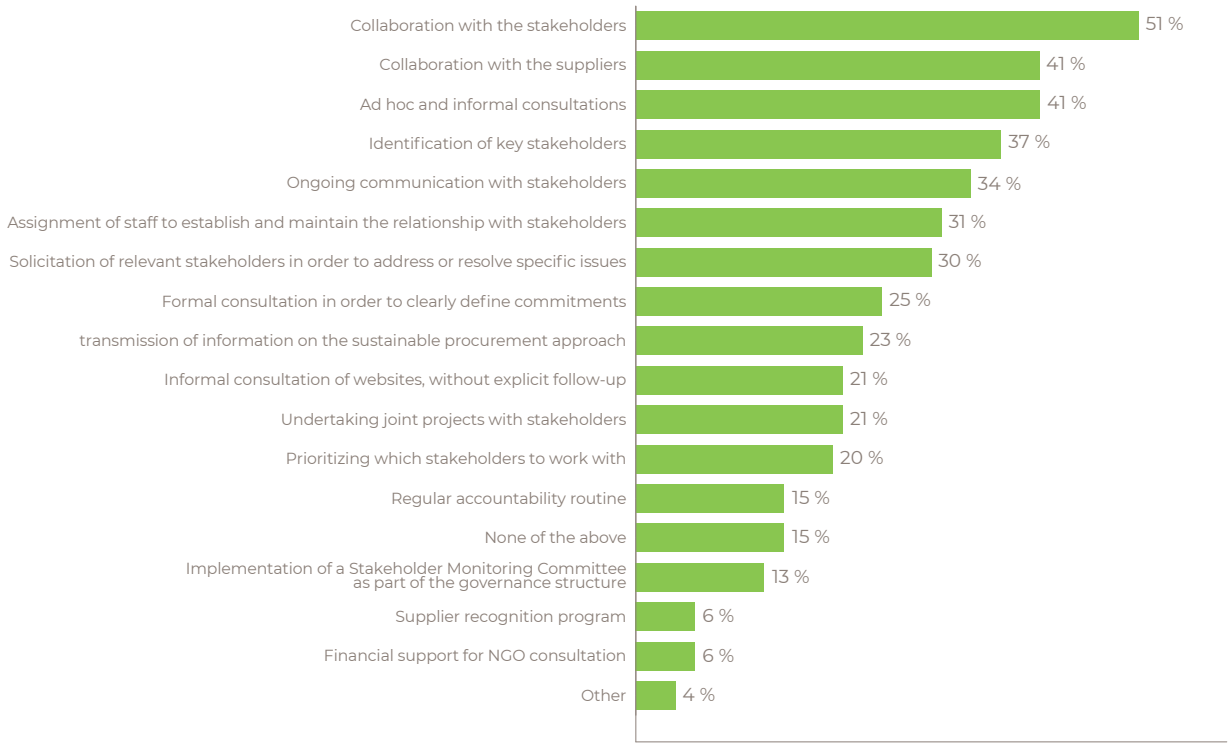
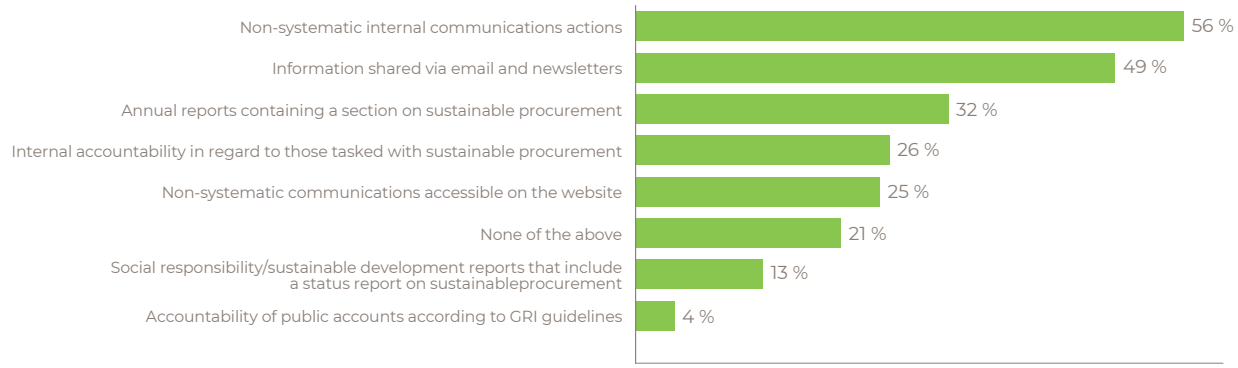


FIGURE 22 Means to communicate approaches (n=140)



2.3.4. Assessment

The results show that sustainable procurement assessment often falls to the wayside. The only way to undertake an in-depth assessment of the real benefits of sustainable procurement is to create specific indicators for sustainable procurement implementation practices to then make targeted improvements, motivate stakeholders and quantify sustainable procurement policies. In terms of assessment, in 2016, respondents were at level 1 **little concern**. Progress was noted in 2020 as organizations attained level 2 **commitment.**

Contribution to SDGs

Target 17.16: *Enhance the global partnership for sustainable development complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources.*

- Organizations tend to assess in-house implementation indicators rather than impact indicators.
- The most commonly assessed in-house implementation measure is the number or percentage of products and services for which sustainability requirements are established.
- In the Barometer questionnaire, six indicators focused on gains stemming from GHG reductions. Over 68% of organizations rely on at least one of these indicators.
- Organizations essentially implement impact indicators focused on environmental and economic gains.

FIGURE 23 Implementation indicators (n=142)

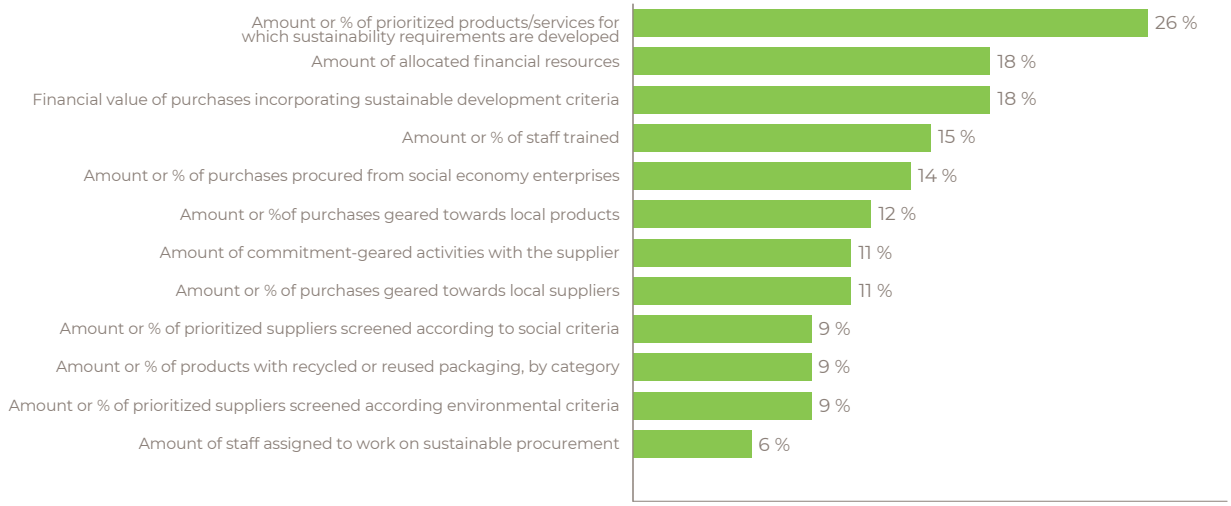
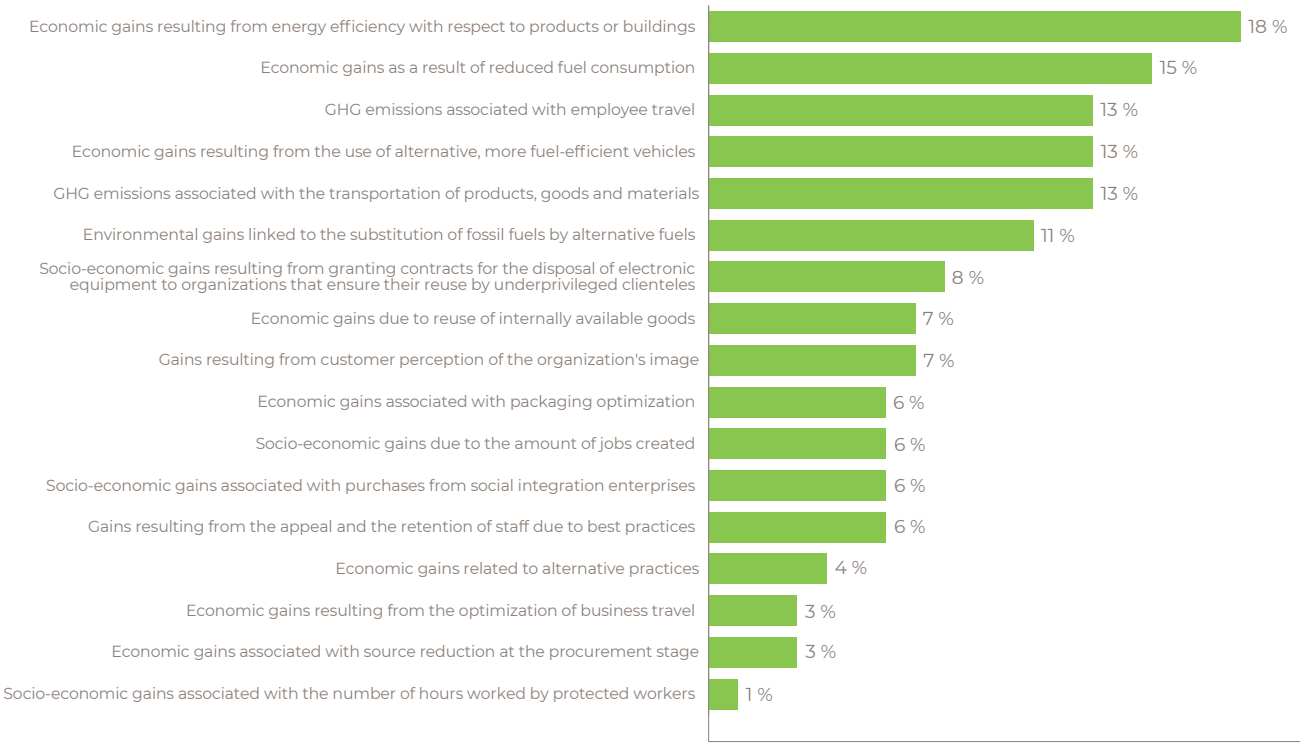


FIGURE 24 Impact indicators (n=142)



Following the process to implement sustainable procurement, 51% of organizations assess the situation at least once a year, while 2% carry out assessments every two years and another 2% every five years. Close to 28% of respondents never study their results, and 17% have yet to implement indicators to measure the frequency at which the results of their sustainable procurement policies are assessed.

Following the assessment of their implementation processes, nearly 43% of organizations review their objectives and strategies systematically or often. A total of 22% report than they sometimes make adjustments and 36% rarely or never do so.

2.4. OPERATIONALIZATION APPROACHES AND TOOLS

2.4.1. Building organizational capacities

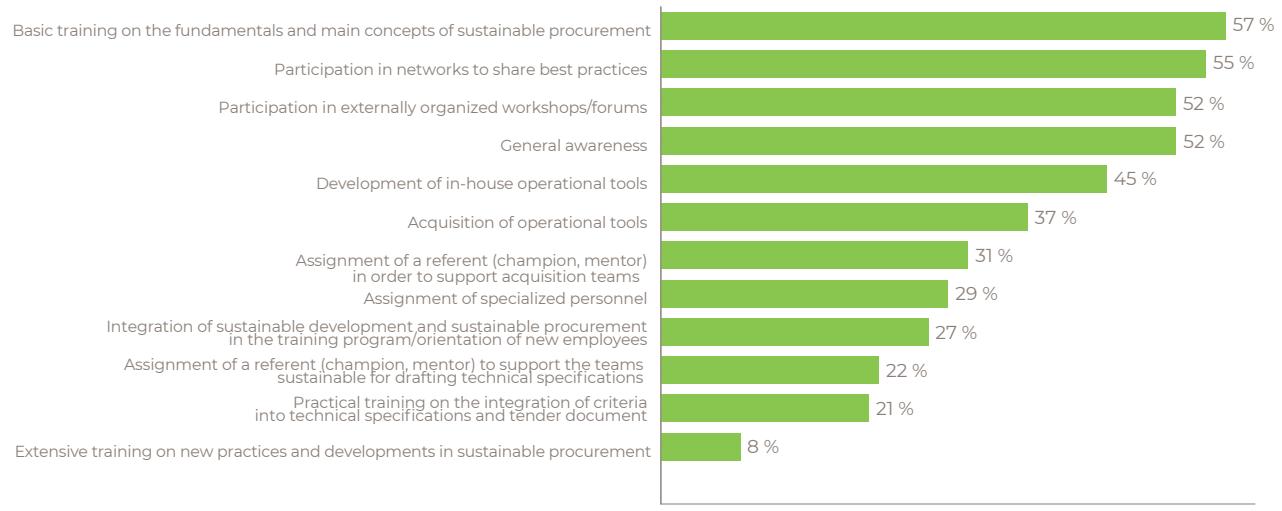
In terms of building organizational capacities, respondents are at level 2 **commitment.** Over 84% undertake capacity-building actions.

Contribution to SDGs

Target 12.7: *Promote public procurement practices that are sustainable, in accordance with national policies and priorities.*

- Nearly 68% of respondents provide their employees with training to build their in-house capacities. Among them, 20% offer annual sessions. Only 8% of organizations offer courses two to four times a year and 9% when needs arise.
- In total, 51% of respondents dedicate fewer than four hours a year to training, 15% dedicate four to eight hours and only 4% dedicate over eight hours.
- Core training is the most commonly offered session on key sustainable procurement principles (57% of organizations). In addition, 27% of respondent organizations have made sustainable procurement training part of programs aimed at new staff. Practical and advanced training options (21% and 8%) are the least common activities.
- With regard to training support, nearly 88% of respondents acquire or design their own operational tools. This figure points to a trend toward the internalization of sustainable procurement training skills development.

FIGURE 25 Organizational capacity building activities - Actions carried outs (n=119)



2.4.2. Types of sustainable procurement practices implemented

When assessing the types of sustainable procurement practices implemented, respondents reach level 3 **progress.** Practices that target goods and services are far more prevalent than those aimed at suppliers.

- Product and service selection based on certifications has remained the most prevalent practice since the very first edition of the Barometer. Over 61% of organizations rely on such practices.
- Among the practices that target suppliers, strategies to promote reliance on innovative suppliers (38%) or have suppliers sign a code of conduct (35%) are the most prevalent. Nearly 32% of respondents choose to purchase from one or several types of specific suppliers, as well as local suppliers and those in the social economy sector.

Contribution ODD

Objectif 4 : *Acquisition of the knowledge and skills needed to promote sustainable development [...] including sustainable development and lifestyles.*

Objectif 17 : *Strengthen multi-stakeholder partnerships to mobilize and share knowledge, specialized knowledge, technologies and financial resources.*

- Practices rooted in the circular economy are relatively uncommon. This may be due to the fact that circular economy is a concept that remains underdeveloped in Canada. Still, 25% of respondents integrate circular systems and 20% have implemented tools to self-assess their needs in order to reduce them at the source and avoid unnecessary purchases.
- Allotment involves dividing calls for tenders into small contracts to be awarded to smaller suppliers (e.g. social economy enterprises). Presented as an emerging practice in the literature, allotment has been implemented by 12% of organizations.

> ***Practices aimed at products and services are much more widespread than those aimed at suppliers.***

FIGURE 26 Type of sustainable procurement practices implemented (n=142)

2.4.3. Products and services targeted by sustainable procurement practices

Over 40% of respondents use sustainable procurement criteria to purchase specific products and services, although more so for products.

Of the services, cleaning and maintenance is the most targeted category (17%), as it was in 2016 (19%). The most commonly targeted everyday products are paper (28%), IT equipment (24%), cleaning products (22%) and ink cartridges (22%).

TABLEAU 4 Everyday products and services most and least affected by sustainable procurement

8 PRODUCTS/SERVICES MOST AFFECTED	8 PRODUCTS/SERVICES LEAST AFFECTED
Energy	Messenger Services
Office supplies	Steel
Toilet paper	Aluminium
Packaging	Communication and publishing service
Ink cartridges	Accommodation services
Cleaning products	Moving Services
IT equipment	Delivery services
Paper	Event services

Key themes (circular economy, social economy, GHG emissions and total costs of ownership) applied to products and services were noted this year.

- The products and services most affected by **GHG emissions reduction** criteria are energy, IT equipment, lighting and light fixtures, light vehicles and paper.
- Paper, delivery and courier services, energy and cleaning products constitute the products and services for which organizations establish criteria targeting supplier performances with regard to **GHG emissions reduction.**
- Practices favourable to procurement from **social economy enterprises** mainly target catering, cleaning and maintenance, food concession, office supply and workwear services.
- **The calculation of the total costs of ownership** is chiefly applied to products such as energy, lighting and light fixtures, light and heavy vehicles and IT equipment.
- Ink cartridges, paper, plastic, packaging and office supplies are especially targeted by criteria related to **material circularity.**

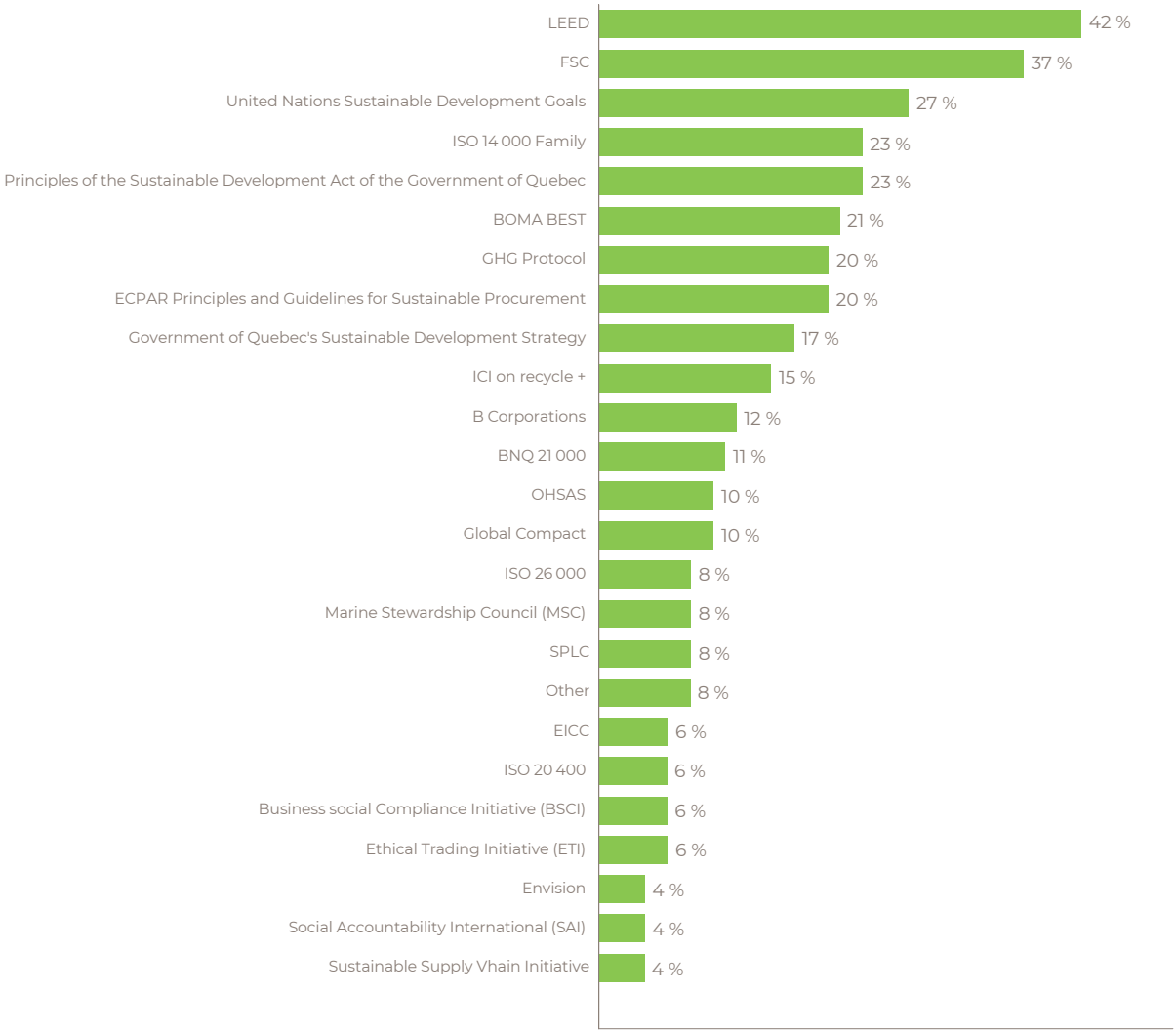
2.4.4. Certifications, standards and guidelines used

Certification, standards and guidelines constitute tools to select and apply the sustainable procurement principles raised by respondents. Certifications are also excellent means to contribute to the SDGs.
The trend has continued since 2016, with 54% of respondents affirming that they use such tools.

- Among the most widespread certifications in 2020 are LEED (42%) and FSC (37%). These results are similar to those recorded in 2016, when 43% and 36% of respondent organizations were issued ENERGY STAR and FSC certifications, respectively. As far as LEED certification, it gained significant ground, since only 27% of respondents had earned it four years ago.
- Environmental certifications, standards and guidelines remain more common than socially-driven ones, just as they were in 2016.
- The SDGs are the third most commonly used standards, and nearly 27% of respondents adhere to them.
- 19% of respondents say that they follow the sustainable procurement guidelines issued by ECPAR.
- Very few organizations (6%) apply the ISO 20 400 that regulates sustainable procurement.

We invite you to follow the pan-Canadian proposal in order to make progress, by visiting the barometre2020.org campaign website.

FIGURE 27 Certifications, standars or guidelines used (n=142)



CONCLUSION

The *2020* Sustainable Procurement Barometer reveals that sustainable procurement continues to gain importance among public institutions and businesses. The increase in the number of respondents accelerated from 61 in 2012 to 76 in 2016 and 142 for the 2020 Barometer. These figures reflect the growing interest of Canadian organizations, as well as the strong involvement of governments and the sustainable procurement networks that contributed to this report: the CCSP, RCO, CBSR and OPBA.

Several trends have taken root since the earlier editions, though an organization's moral values remain the key motivator to initiate a sustainable procurement approach. Economic imperatives such as the lowest bid rule and the costs of the approach still constitute the main obstacles to sustainable procurement. The weakest link is the management of sustainable procurement follow-ups. New elements emerged from this edition, including the decline in the importance of legal compliance as both an incentive and prioritization method. The significance of belonging to network or organization that makes sustainable procurement a priority stands out as one of the three main incentives for the very first time.

With respect to the three sustainable development issue categories affected by sustainable procurement, there is a clear and growing trend to take them into account, though organizations focus more on environmental rather than social issues. Even so, as compared to the 2016 Barometer, social issues have gained some ground among respondent organizations.

The *2020* Sustainable Procurement Barometer highlights the ways in which sustainable procurement contributes to the United Nations Sustainable Development Goals (SDGs). The data gathered indicate that few organizations explicitly consider them when defining and developing their sustainable procurement processes. However, the 2020 edition reveals how organizations contribute to the SDGs through the practices implemented as part of their sustainable procurement policies.

On the face of it, the overall performance of respondent organizations is stagnant as compared to 2016. With respect to the components of sustainable procurement (**vision, policy and governance, stakeholder mobilization, operationalization** and **assessment**), the organizations that took part in the 2020 edition have made the most progress with their vision. While they are committed to other components, the results still point to the fact that there is room for improvement in order to strengthen practices and advance sustainable procurement. However, this finding should be qualified in light of the notable increase in the number of respondents in 2020, updated assessment criteria based on the most recent sustainable procurement practices and requirement to provide supporting documents for levels 4 and 5, which make the Barometer more rigorous. With this in mind, while the overall result in 2020 is similar to the last edition's, it still confirms the progress of stakeholders' commitments to sustainable procurement in a more demanding context.

CONCLUSION

This Barometer was produced during the COVID-19 pandemic. As it does for all of society, the virus presents considerable procurement challenges. More specifically, the global crisis shook entire segments of the economy, including retail, restaurants and services, and demonstrates how procurement issues are also national sovereignty issues in sectors such as food and pharmaceuticals. For these reasons, there is a high degree of congruence between the solutions developed with sustainable procurement in mind and the obstacles brought about by the pandemic. The Barometer highlights the significant intensification of the emphasis placed on choosing local suppliers. Indeed, 14% of respondent organizations had integrated this type of criterion into their approaches in 2016. In 2020, this figure rose to 35%.

It is important to note that the 2020 edition of the Barometer entails certain limitations. From a methodological perspective, the sample of 142 Canadian organizations is multisectoral but still does not adequately represent all Canadian organizations and thus restricts the generalization of the results. Also, the Barometer is a universal tool and therefore does not account for the specificities of the practices implemented by individual organizations, which differ from one sector, industry and entity to the next. More specifically, while purchase volume remains the main determinant of the sustainable procurement performance of organizations, a number of guides and tools aiming to democratize sustainable procurement for smaller organizations emerge from this edition of the Barometer and invite these smaller structures to further reflect on their sustainable procurement practices.

This third edition of the Sustainable Procurement Barometer examines how Canadian organizations have integrated sustainable procurement and outlines insights to pursue its development. Thanks to the networks that mobilized to produce the 2020 Barometer and many respondents, a significant volume of data was collected, thus making it possible to generate complementary analyses of specific organization profiles and continue to improve sustainable procurement assessment.

This valuable information will enable ECPAR and its partners to adapt their offer, specifically to propose the implementation of a Canadian sustainable procurement network. Finally, the third incentive to integrate sustainable procurement is the fact that it is a robust means to meet the needs of Canadian organizations and ensure their progress.

GLOSSARY

Circular procurement/procurement: Is known as a different way of acquiring goods and services that promotes consideration of the whole lifecycle of products throughout their supply chain. A focus on the use and services provided by a product instead of the ownership catalyses the development of new business models, which are expected to be necessary to promote a circular economy.

Commonly used product/commodity: General-purpose goods that most organizations acquire on a regular basis in order to ensure their operation.

Economic dimension: Refers to the importance of maintaining the economic system on which the financial system is based in a stable state in the interest of economic efficiency. Economic issues include not only the total costs of products and services over their entire life cycle, but also proper financial management (discouraging monopolies, open bidding, eliminating conflicts of interest, economic resilience, etc.) and the need to ensure that the financial system is efficient. The main objective is to ensure that local authorities are not undermined by corrupt practices).

Environmental dimension: Refers to the importance of maintaining the natural system on which living things rely in a stable state now and in the future. Environmental issues include emissions to air, land and water, climate change, biodiversity, natural resource use and water scarcity throughout the product life cycle.

Green procurement/procurement: Is the procurement of products and services that have a reduced impact on the environment. It helps protect the environment by reducing greenhouse gas emissions, the use of hazardous and toxic substances, and pollution, including plastic waste.

Life cycle cost (LLC): In addition to total cost of ownership, refers to the broader list of costs related to externalities (environmental or social) throughout the life cycle of the product or service.

Local procurement/procurement: There is a lack of formal or consensual definition, however, this expresses a desire to procure goods and services near their original place of production, processing or use. The criteria used to define local purchase are generally the geographical region, the distance from the place of production (ranging from 50 to 160 km depending on the definitions), and the origin of the enterprise (for example the percentage of capital held locally, the place of registration, the composition of key personnel, as well as volume of purchases, investments and local taxes).

Procurement/expenditure analysis: Refers to the act of segmentation of purchases or expenditures in various product and service categories in order to determine the dollar volumes for each category.

Requestor: An organization's staff member who takes the initiative to undertake a procurement process.

Risk analysis: Proactively analyzing environmental and social stakes in order to identify an organization's degree of vulnerability.

Social dimension: Concerns the importance of maintaining the system on which society relies in a stable state now and in the future. Social issues include social justice and equity, health and safety, human rights (including labour rights), employment conditions and impacts on communities.

Social economy enterprise: An enterprise operated, in accordance with the principles set out [...], by a cooperative, mutual society or association endowed with the legal personality of non-profit organization (NPO) and whose activities include selling or exchanging goods or services. Social economy enterprises include social integration enterprises, adapted enterprises and cooperatives.

Strategic goods and services: Refers to assets that are considered necessary for the accomplishment of an organisation's core mission.

GLOSSARY

Supply chain mapping: Refers to the act of segmenting purchases by goods and services categories. Establishing a global portrait of the suppliers that make up the supply chain allows a better understanding of its strength and weaknesses. This also enables the outlining of various opportunities for improvement in terms of durable development and corporate responsibility.

Sustainability clauses in contractual agreements: Clauses that ensure the continuous monitoring and improvement of social or environmental performance for the duration of the contract.

Sustainable and circular procurement: Is also used by both public and private sector organizations to ensure that their procurement reflects broader goals linked to resource efficiency, climate change, social responsibility and economic resilience, for example.

Sustainable development: Development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Sustainable development is based on a long-term vision that takes into account the inseparable nature of the environmental, social and economic dimensions of development activities.

Sustainable procurement: Means making sure that the products and services an organisation buys achieve value for money and generate benefits not only for the organisation, but also for the environment, society and the economy. Sustainable procurement entails both Green Procurement and socially sustainable procurement.

Total Cost of Ownership (TCO): Refers to the total cost that an organization must bear for a good or service, from the time it is purchased, through its use and until it is disposed of at the end of its useful life.

SUSTAINABLE PROCUREMENT BAROMETER 2020

CONTRIBUTION OF SUSTAINABLE PROCUREMENT TO THE UNITED NATION SUSTAINABLE PROCUREMENT GOALS

The *2020 Sustainable Procurement Barometer* assesses the advancement of sustainable procurement among organizations in Québec and Canada. This tool constitutes the third edition of the Barometer. The first was released in 2012 and the second in 2016.

The project was led by ECPAR in collaboration with the Laboratoire interdisciplinaire de la responsabilité sociale des entreprises (LIRSE) and International Reference Centre for the Life Cycle of Products, Processes and Services (CIRAIG).

Enormous thanks to the organizations that took part in this year's study! We look forward to catching up with you in 2024!

The Espace de concertation sur les pratiques d'approvisionnement responsables (ECPAR) is a network of sustainable procurement leaders. Its mission is to improve the competitiveness, efficiency and resilience of organizations through sustainable procurement and sustainable development in supply chains.

In addition to fostering the sharing of expertise among its members' representatives—some one hundred sustainable procurement and sustainable development experts—ECPAR provides models, tools and support that make sustainable procurement accessible and cost effective. The organization is recognized for its assessments of the advancement of sustainable procurement: the 2012, 2016 and 2020 editions of the *Sustainable Procurement Barometer*.

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