

Sustainable Procurement Newsletter

The International CSR and Supply Chain Newsletter



Jacques
Schramm

A2 Consulting CEO

*President of the
ISO 277 PC (ISO
20400 Sustainable
Procurement
standard)*

*President of the
Achats et Relations
d'Affaires
Commission*

Editorial - ISO 20400: publication scheduled for mid-April!

Following the ISO 20400 standard's adoption by the delegations attending the last international meeting in Rio, a consultation of all the ISO country members was held in January, with an irrevocable result: 22 countries voted in favour of the standard as it is, definitively confirming ISO 20400's publication. A publication in French and in English is therefore expected to take place in mid-April!

That is a great success for all ISO 277 PC members, and is the result of three years of hard work that involved about fifty countries.

Jacques Schramm, as the ISO 277 PC president, revisits in this edition these last 3 years of collaborative work and unveils challenges ahead in an interview with the AEF.

It is also important to note that part of the ISO 20400 standard's success is due to the fact that many liaisons contributed to its development (UNEP, OHCHR, ITUC, IATA, UN Global Compact, EU, OECD), which helped produce a text that matches the main guidelines put forward by these international organizations.

The OECD participated extensively in achieving this alignment with its own guidelines. In response to the organizations's public consultation on its new guide under development «Due Diligence Guidance for Responsible Business Conduct», the ISO 277 PC has expressed related comments in order to ensure that the connection with the ISO 20400 is duly highlighted in the text's content. In this edition, we will discuss the nature of this contribution.

Finally, Annie Sorel, French commission member and a participant to the last international Rio meeting, provides us with a first review of the second Global Forum held in Rio on December 5th, 2016, «II Global Forum On Sustainable Procurement»: an opportunity for worldwide experts and Brazilian companies to make presentations on the implementation of sustainable procurement within their organization, to share their experience and to discuss the coming ISO 20400 standard's impact on their approach. More Global Forum panel discussions will be presented in the Newsletter's next edition.

Wishing you all a happy reading!

In this Edition

Editorial – ISO 20400: publication scheduled for mid-April!

ISO 20400- AEF interview with Jacques Schramm, following the final vote on the standard

ISO 20400 and OECD Due Diligence Guidance for responsible business conduct - Why the combination of the two approaches brings added value ?

II GLOBAL FORUM ON SUSTAINABLE PROCUREMENT of RIO- December 5th, 2016

Contacts

Jacques Schramm

06 60 54 44 38

Jacques.schramm@a2consulting.fr

Editorial committee>>>

Jacques Schramm

Eric Prinnet

Eric Boespflug

Annie Sorel

Isabelle Lambert

Guy Isimat-Mirin

Alexandra Sosso



ISO 20400- AEF interview with Jacques Schramm, following the final vote on the standard (1/3)



Jacques Schramm

A2 Consulting CEO
President of the ISO
277 PC (ISO 20400
Sustainable
Procurement
standard)

Resulting from the consultation which ended on January 31st 2017, the positive vote from 22 countries on the ISO 20400 will now lead to the sustainable procurement standard's publication in a few weeks. It is meant to be applied by businesses and administrations' purchase departments, but also by their stakeholders (rating agencies, suppliers). Jacques Schramm, the French project initiator and president of the international task force which carried the work during three and half years, answered questions from the AEF in mid-January 2017, revisiting learning and diplomacy achievements from this experience, as well as the standard's content. Building on this new know-how, the French delegation said it was now ready to tackle the next issues: promoting ISO 20400, and setting up a future European standard for purchases in the services sector.

Interview by Ana Lutzky, www.aef.info News N° 554261

This news item is transmitted on an exceptional basis and only for consultation. Any reproduction or transmission of this news item is strictly forbidden, except with the formal agreement of AEF.

AEF: You have just completed several years of ISO 20400 standardization work. What did that globally mean for you?

We are indeed ending a three year long story. About fifty countries were involved in the work group, including 37 participants, among which were China, India, Argentina, Congo, Japan, Norway and the United States, plus 13 observers. The project's international outreach became all the more significant in the last run because of the formal discussions held with the OECD, with three divisions of the United Nations (United Nations Environment Programme, Global Compact, The High Commission for Human Rights), and with the European Union, in order to match their human rights, intellectual property and due diligence requirements. This is not a small ISO group: each international meeting gathered representatives from 15 to 20 countries, with 2 or 3 participants per delegation, discussing matters over a week at each meeting.

AEF: What role did you play, as its president?

My job was to insure that parties reach agreement on the standard's content in English. I prepared the meetings with the Brazilian co-president, and we then led the

debates. The challenge consisted in reaching a consensus on amendment proposals by the end of the week, given that at least 1 000 comments had to be reviewed in most cases.

How did you decide this would be the final text?

Its final adoption was recorded during the work group's last meeting in early December 2016 in Rio (Brazil). The 14 attending delegations had unanimously reached that decision, as well as the one to publish the standard in March 2017, subject to a formal vote by the 37 participants at the end of January. The condition was that half of the votes should be in favour of it and that votes against it do not exceed a quarter of the total.

The standard was effectively adopted in the end of January, with 22 countries voting in favour of it and 2 opposing it (Singapore and Croatia). Other countries abstained, which is not unusual. The standard's approval rate by attending delegations who had expressed their vote therefore reached 92%: this is a very high score for ISO standards, underlining the significant consensus that was reached at an international level. It is now a readily available tool!

In this Edition

Editorial – ISO 20400: publication scheduled for mid-April!

ISO 20400- AEF interview with Jacques Schramm, following the final vote on the standard

ISO 20400 and OECD Due Diligence Guidance for responsible business conduct - Why the combination of the two approaches brings added value ?

II GLOBAL FORUM ON SUSTAINABLE PROCUREMENT OF RIO- December 5th, 2016

Contacts

Jacques Schramm

06 60 54 44 38

jacques.schramm@a2consulting.fr



ISO 20400- AEF interview with Jacques Schramm following the final vote on the standard (2/3)

AEF: What made the discussions a little hard?

In the last run, Singapore was unhappy about how the standard contributed to territorial development and local employment through purchases, arguing it was against WTO regulations. The consensual answer by the group proved it was not so. Moreover, Singapore considered that, regarding human rights criteria, one should observe national regulations first and foremost.

The consensus stated that international standards should serve as a basis for such issues when national regulations proved inadequate.

For its part, Croatia contested an ISO procedure: to which an answer was given, showing that this complaint was not valid.

AEF: Whom does this standard apply to?

As a matter of priority, it is intended for businesses purchase departments. In France, purchasing activities involve hundreds of thousands of people. We had better speak their language. Moreover, we did not want anything too heavy or too complex: therefore, we ended up with a 50 page overview. This is lighter than the ISO 26000 standard, which deals with CSR in general and incloses 130 pages. This standard may also be of interest to other stakeholders, such as the companies' suppliers, who can therefore better understand what is expected from them by their customers in order to develop their markets more easily.

AEF: What are its features?

Should one remember just a few, let's remind it is first of all a worldwide standard, as it is intended for the public as well as the private sector, for SMEs and micro businesses and multinational corporations alike, and for all sectors. In addition, it is what we call a recommendation standard and not a

compelling one: it is rather a guide, we are helping people improve.

Just like ISO 26000, the 20400 standard provides some flexibility.

It assesses a maturity level, helping make a distinction between players who are beginners in terms of sustainable procurement and those who are already involved in such issues, those who are experienced and those who are exemplary. In fact, regarding such issues, one cannot expect perfection: one is rather not too bad on one subject, or can be expected to improve on another one. It is indeed not a binary standard, unlike management standards that lead to certification or associated labelling.

AEF : What is its content, practically?

Its construction includes several key chapters. One regarding first of all what is due diligence or risk management within the supply chain. Then, it focuses on the role of companies' or public organizations' top management and how they can help their purchase departments adopt a more cross-functional approach within the organization: company legal advisers have a role to play, since they prepare contracts, financial officers pay suppliers, engineers devise products, parts of which will be ordered later... purchase department is not the only one in charge.

Another chapter is about purchasing management, and levers to be activated. It includes risks and opportunities assessment to be sought, with reporting tasks. A forth chapter is about the purchasing process: definition of needs, suppliers selection, contract management. For each stage, the standard presents operational recommendations. These four chapters are the standard's core substance. An appendix transposes the ISO 26000 into the purchasing function.

In this Edition

Editorial – ISO 20400: publication scheduled for mid-April!

ISO 20400- AEF interview with Jacques Schramm, following the final vote on the standard

ISO 20400 and OECD Due Diligence Guidance for responsible business conduct - Why the combination of the two approaches brings added value ?

II GLOBAL FORUM ON SUSTAINABLE PROCUREMENT of RIO- December 5th, 2016

Contacts

Jacques Schramm

06 60 54 44 38

jacques.schramm@a2consulting.fr



ISO 20400- AEF interview with Jacques Schramm following the final vote on the standard (3/3)

AEF: Why can the standard be considered to have been driven by the French?

The French delegation fought for some major concepts. First of all, the global cost economic methodology which spans over a product's life-cycle (life cycle costing), and which buyers are encouraged to use. Following the Rana Plaza accident in the textile industry, the purpose lies in taking into account a broader economic impact including all costs and revenues incurred by purchasing.

Another relevant concept tied to the Rana Plaza case: that of the CSR themes priority setting: the supplier from whom you are ordering is not the only one who matters, nor is what you are buying, but you should actually consider how you are buying. The power to give quick purchase orders and counter-orders completely breaks down the supply chain. This needs to be factored in. SMEs' issues and taking into account their capacities were thoroughly discussed.

AEF : What are your next challenges?

Promoting the standard, of course. Besides, the CEN/TC 447's first European meeting was held on July 7th and 8th. This European standardization structure, monitored by England, aims at developing horizontal standards on services along key thematic lines, such as purchases, contracts and agreements, as well as performance measurement. When you realize that services account for 70% of the European GDP, it goes without saying you must be involved in this work! I am the head of the French delegation, and we have taken the leadership on procurement issues.

To get the ISO 20400 standard once published, visit the AFNOR shop by clicking [HERE](#)

In this Edition

Editorial – ISO 20400: publication scheduled for mid-April!

ISO 20400- AEF interview with Jacques Schramm, following the final vote on the standard

ISO 20400 and OECD Due Diligence Guidance for responsible business conduct - Why the combination of the two approaches brings added value ?

II GLOBAL FORUM ON SUSTAINABLE PROCUREMENT of RIO- December 5th, 2016

Contacts

Jacques Schramm

06 60 54 44 38

jacques.schramm@a2consulting.fr

ISO 20400 and OECD Due Diligence Guidance for responsible business conduct - Why the combination of the two approaches brings added value ? (1/3)



Jacques Schramm

A2 Consulting CEO

President of the ISO
277 PC (ISO 20400
Sustainable
Procurement
standard)

The OECD is currently developing a general Due Diligence Guidance for Responsible Business Conduct (click [HERE](#)), “to provide practical support to companies on the implementation of the OECD Guidelines for Multinational Enterprises. The Due Diligence Guidance contains plain language explanations of the due diligence recommendations and associated provisions in the OECD Guidelines.”

In the framework of the public consultation held by the OECD on this draft document, the ISO PC 277 have made some comments on the text.

Indeed, as a careful review underlines, OECD Guidance is especially focused on certain CSR stakes and risk categories. ISO 20400 future standard also considers those concepts to be essential for procurement sustainable practices. A potential link can then be made between those two texts.

In fact, it is a necessity that the OECD guidance draws on the ISO 20400 to strengthen its efficiency in deploying such concepts along international supply chains. Indeed, as we will see in this article, ISO 20400 covers a wider scope than the OECD guidance regarding to supply chain risks and opportunities typology, and this might provide high value for the OECD Due Diligence Guidance and organizations who wish to adopt more sustainable practices.

How should the connection between ISO 20400 and OECD Due Diligence Guidance be made?

The connection with ISO 20400 should be made at the beginning of the Due Diligence Guidance, because it is a priority for decision makers to understand right from start that both approaches can be or should be connected, and that they should design their deployment strategy and policy accordingly. We, as the ISO PC 277 working on ISO 20400, proposed to add a mention in the OECD guidelines’ introduction (in the clause titled “links to other OECD processes”), that highlights the OECD liaison’s intervention in ISO 20400’s development, explains the way the Due Diligence concept was aligned in the standard with the one expressed in the OECD guidelines, and describes how this notion in the ISO 20400 brings additional value.

What are the benefits of such a connection for multinational businesses?

1. Covering a larger scope of businesses’ interests

OECD guidance focuses only on risk management. However, as stated by ISO 20400 (4.4 Drivers for sustainable procurement), multinational companies might want to deploy sustainable procurement on a wider scope than risks for strategic reasons, so as they become a source of opportunities, such as innovation, competitive advantage, customer expectations, broader risk management, and even cost optimization.

2. Simplifying procedures in the Due Diligence implementation for businesses

Multinational companies might face increased complexity, duplication of procedures and deployment costs if both approaches are not better integrated and combined from the beginning, whereas this is entirely possible thanks to the joint and successful efforts by the ISO PC 277 and OECD teams to align Due Diligence concepts.

3. Harmonizing international directives on Due Diligence good practices

Multinational companies understand better the need to do things, and allow more adequate resources to such a project when international organizations and governments provide strong political support through joint communication.

UNEP already explained that ISO 20400 supports their policy. The European Commission and other UN branches will probably do the same in 2017. It would be an added value for decision-makers and stakeholders if OECD adopts the same communication. From its part, ISO 20400 also mentions its connection with these organizations.

In this Edition

Editorial – ISO 20400: publication scheduled for mid-April!

ISO 20400- AEF interview with Jacques Schramm, following the final vote on the standard

ISO 20400 and OECD Due Diligence Guidance for responsible business conduct - Why the combination of the two approaches brings added value ?

II GLOBAL FORUM ON SUSTAINABLE PROCUREMENT of RIO- December 5th, 2016

Contacts

Jacques Schramm

06 60 54 44 38

Jacques.schramm@a2consulting.fr

ISO 20400 and OECD Due Diligence Guidance for responsible business conduct - Why the combination of the two approaches brings added value ? (2/3)

What are the benefits of such a connection for OECD Due Diligence guidance?

It is important to recognize first that due to important efforts conducted by the workgroup during the last ISO meetings (especially during the May 2016 Sydney meeting, enhanced by the one in Rio in December 2016, which brought UN/OHCHR inputs), a **full alignment with Due Diligence concept and scope** - as defined by OECD and the UN - has been achieved:

- relevant guidance for multinational enterprises, of all sizes
- due diligence stakes belonging to core subjects and main areas as described in ISO 26000
- same due diligence definition
- same definition of leverage
- practical steps for implementing due diligence are included
- grievance (remediation) mechanisms are included
- ...

The OECD guidance includes more detailed provisions, and for that reason remains very useful on top of ISO 20400, but the **general logic is the same**, so that correct application of ISO 20400 should lead in itself to a correct global deployment of Due Diligence guidelines in supply chains.

We also need to consider that **ISO 20400's scope is wider and more specific**: such a wide application of social responsibility in supply chains provides additional benefits to Due Diligence, as we will see in the following chart:

Item	Value added by the ISO 20400	Benefits for OECD Guidance and the application of Due Diligence
Application scope	ISO 20400 guidelines are intended not only for private organizations but also for public ones	Public procurement policies might add support to Due Diligence guidelines by influencing their private suppliers
	ISO 20400 guidelines are appropriate for "long" international industrial supply chains as well as short domestic driven service supply chains	ISO 20400 will help deploy Due Diligence in developed countries as well as in developing countries
	ISO 20400's international scope might be wider than the OECD guidance one: 161 member countries around the world, 50 countries and international organizations such as the UN, EU, IATA participated in the PC 277 work group. With a high acceptance score (92%), the standard's legitimacy will be recognized internationally and will be widely applied	ISO 20400 will help deploy Due Diligence guidance key concepts into countries which are not members of the OECD, and will help involve their national purchasing organizations better
Alignment with ISO 26000	ISO 20400 offers, in its annex A, a full transposition of ISO 26000 core subjects and main areas into the procurement function, and covers in that way broader subjects than the OECD guidance itself, such as: <ul style="list-style-type: none"> • SME access to market and fair business practices with larger procuring organizations • Intellectual property protection • Procurement impact on territorial economic development 	ISO 20400 can help cover specific risks regarding specific stakeholders which, at the end, allows to indirectly mitigate adverse impacts identified by Due Diligence. For example, if a faulty supplier introduces counterfeit products for half the usual price in a country where national suppliers well observe IP rights, it might cause adverse impacts for these suppliers, workers, families, local populations: they will stop recruiting, cut existing jobs and could even go bankrupt

In this Edition

Editorial – ISO 20400: publication scheduled for mid-April!

ISO 20400- AEF interview with Jacques Schramm, following the final vote on the standard

ISO 20400 and OECD Due Diligence Guidance for responsible business conduct - Why the combination of the two approaches brings added value ?

II GLOBAL FORUM ON SUSTAINABLE PROCUREMENT of RIO- December 5th, 2016

Contacts

Jacques Schramm

06 60 54 44 38

ISO 20400 and OECD Due Diligence Guidance for responsible business conduct - Why the combination of the two approaches brings added value ? (3/3)

What are the benefits of such a connection for OECD Due Diligence guidance? (next)

Item	Value added by the ISO 20400	Benefits for OECD Guidance and the application of Due Diligence									
Risk concept	<p>ISO 20400 provides a definition of risk that is wider than Due Diligence risks:</p> <table border="1"> <tr> <td></td> <td>Negative (or adverse) impacts</td> <td>Positive impacts (opportunities)</td> </tr> <tr> <td>Impacts on society</td> <td>Due diligence</td> <td>Short mention at top of the two-page summary</td> </tr> <tr> <td>Impacts of the procuring organization</td> <td>Out of scope of OECD guidance</td> <td>Out of scope of OECD guidance</td> </tr> </table>		Negative (or adverse) impacts	Positive impacts (opportunities)	Impacts on society	Due diligence	Short mention at top of the two-page summary	Impacts of the procuring organization	Out of scope of OECD guidance	Out of scope of OECD guidance	<p>By addressing opportunities as well as risks on organizations, ISO 20400 will raise multinational organizations' motivation to promote good practices in their supply chains, because it is their strategic interest to do so: improve the company's reputation, increase market development, attract investors, reduce cost risks, ...</p>
	Negative (or adverse) impacts	Positive impacts (opportunities)									
Impacts on society	Due diligence	Short mention at top of the two-page summary									
Impacts of the procuring organization	Out of scope of OECD guidance	Out of scope of OECD guidance									
Life cycle costing concept	<p>ISO 20400 provides the "life cycle costing" (LCC) concept, which aims to help procurement professionals better assess the broader economic impact of their decisions, rather than simply the cost of products and services bought, or even the total cost of ownership, which would only reflect mere economic impacts on the procuring organization</p>	<p>LCC includes economic societal impacts (monetized or non monetizable) and will therefore add motivation for organizations to consider all sorts of economic impacts resulting from Due Diligence good or bad practices</p>									
Application to procurement processes	<p>ISO 20400 goes deeper in each step of the procurement process than the OECD guidance does. The standard describes the Due Diligence process, plus remediation, both being included in clause 6. Then it develops a full 7th clause explaining what are the operational recommendations made to people taking part in the procurement process, and making day-to-day decisions. These apply globally to procurement objectives and priorities, and include Due Diligence issues</p>	<p>Using the standard could provide a valuable operational help for implementing Due Diligence within the procurement process</p>									

In this Edition

Editorial – ISO 20400: publication scheduled for mid-April!

ISO 20400- AEF interview with Jacques Schramm, following the final vote on the standard

ISO 20400 and OECD Due Diligence Guidance for responsible business conduct - Why the combination of the two approaches brings added value ?

II GLOBAL FORUM ON SUSTAINABLE PROCUREMENT of RIO- December 5th, 2016

Contacts

Jacques Schramm

06 60 54 44 38

Jacques.schramm@a2consulting.fr

II GLOBAL FORUM ON SUSTAINABLE PROCUREMENT of RIO-December 5th, 2016 (1/4)



Annie Sorel

ASEA President
A2C Partner

Prior to international work on the ISO 20400 standard which lasted 4 days, on December 5th, world leading experts and Brazilian companies shared their experience on how they implemented sustainable procurement within their organization and on the benefits brought by the coming ISO 20400 standard.

Panel 1: SP and its impact in the supply chain

Sustainable procurement involves not only the organization's direct suppliers (Tier 1) but also the other tiers in the supply chain. Taking into account social, environmental and economic criteria within the supply chains requires having strategies and actions to ensure its effectiveness.



Bruno Kohn, Procurement Manager for the Rio Olympic Games and Paralympic Games that were held in August and September 2016



In this Edition

Editorial – ISO 20400: publication scheduled for mid-April!

ISO 20400- AEF interview with Jacques Schramm, following the final vote on the standard

ISO 20400 and OECD Due Diligence Guidance for responsible business conduct - Why the combination of the two approaches brings added value ?

II GLOBAL FORUM ON SUSTAINABLE PROCUREMENT of RIO- December 5th, 2016

Contacts

Annie Sorel

06 23 22 42 13

asorel@ecoachats.com

The Olympic movement has been linked with sustainable development issues: Turin in 2006 relied upon the ISO 14001 standard, and London in 2012 on the ISO 20121 “Sustainable development standard on events”; Rio in 2016 wished to put in place a sustainable procurement program covering the whole supply chain in addition to the ISO 20121 standard, with a new challenge to face: having the lowest organizing budget compared to recent editions.

The 5 steps of the Sustainable Supply Chain Program were described in ad hoc guides:

- 1) Set clear requirements and guidelines
- 2) Develop the local market and support foreign companies
- 3) Implement sustainable requirements in the bidding process
- 4) Monitor the compliance of suppliers
- 5) Manage products' and installations' end-of-life

2,400 suppliers were involved in the Rio Games, 85% of them being Brazilian. 2 gigantic warehouses, housing 30 millions items, were built for the Games' logistics.

The SEDEX portal (Supplier Ethical Data Exchange) was used to monitor supplier data regarding 4 main issues: labor practices, health and safety, environment and fair business conduct (see <https://www.sedexglobal.com/>).

The 38,000 SEDEX members are spread over more than 150 countries, and cover more than 30 industrial sectors. Since it was launched in 2004, more than 26,000 organizations worldwide have chosen this platform to manage data on fair and sustainable business practices within their supply chain.

II GLOBAL FORUM ON SUSTAINABLE PROCUREMENT of RIO- December 5th, 2016 (2/4)



Juliana Prado, NATURA



Natura Brasil is the largest cosmetics company in Brazil and employs nearly 7,000 people in the seven countries in which it operates, i.e. Brazil, Argentina, Chili, Mexico, Peru, Colombia and France.

Thanks to its early commitment to sustainable development and to its goal to achieve by 2020 a positive environmental, social et economic footprint, Natura Brasil was also the first B Corp certified enterprise in the world and the first listed company on the stock exchange to receive this certification in December 2014 (see <https://www.bcorporation.net/>).

Natura Brasil set up a «forestry products' suppliers certification program» to ensure that Brazilian flora ingredients are grown and harvested in a respectful approach to the environment, and in a socially responsible manner: more than 870 suppliers were audited in 2016 (see <https://www.naturabrasil.fr/>).



Juliana Scalon, DNV-GL



DNV GL provides technical compliance, engineering and certification services for the maritime, oil and gas and energy sectors. It is active in more than 100 countries (see <https://www.dnvgl.fr/>).

Risks within the supply chain have consistently risen given the supply chains' complexity and the increasing awareness of and influence on all various stakeholders.

- In 1995, the Brazilian government acknowledged the reality of forced labor and has not managed to fully eradicate it, especially in the agricultural and construction sectors: forced labor affects 14.2 million people in the world.
- In 2013, 75% of companies went through supply shortages, because of degrading work conditions or energy, water or wood scarcity.

The primary issues are about how external stakeholders' behavior can be influenced, about mapping the supply chain at several levels and associated risks.

For this purpose, one must rely on international conventions (ILO, UN Declaration of Human Rights, UN Child Rights Convention), international initiatives (SA 8000 , SMETA, EICC, ETI) and local laws and standards.

“Show me your suppliers and I will tell you who you are”. Juliana Scalon

Panel 2: the strategic dimensions of SP

How can sustainable procurement help organizations and governments achieve their sustainable development objectives?

In this Edition

Editorial – ISO 20400: publication scheduled for mid-April!

ISO 20400- AEF interview with Jacques Schramm, following the final vote on the standard

ISO 20400 and OECD Due Diligence Guidance for responsible business conduct - Why the combination of the two approaches brings added value ?

II GLOBAL FORUM ON SUSTAINABLE PROCUREMENT of RIO- December 5th, 2016

Contacts

Annie Sorel

06 23 22 42 13

asorel@ecoachats.com

II GLOBAL FORUM ON SUSTAINABLE PROCUREMENT of RIO- December 5th, 2016 (3/4)



Farid Yaker, Coordinator of the 10 year Sustainable Public Procurement Program, led by UNEP, jointly with ICLEI and KEITI .



The program was approved in Rio in 2012 (RIO+20 Conference). It gathers more than a 100 partners, spread over more than 40 countries and aims to promote international cooperation and the markets' switch towards sustainable consumption and production, both in industrialized and developing countries.

Buying responsibly is the process whereby organizations meet their needs for goods, services, works and utilities in a way that achieves "value for money on a whole life basis" in terms of generating benefits not only to the organization, but also to society and the economy, whilst minimizing, and if possible avoiding, damage to the environment.

The global life-cycle cost valuation, as outlined in a diagram in the future ISO 20400 standard, with UNEP's very firm support, is clearly backed by a long list of impacts and opportunities in the environmental, social and economic fields.

Sustainable public procurement is therefore a huge opportunity to promote sustainable development. It now represents 17% of global spending and can have a significant impact on a more virtuous offering of products and services (see <http://web.unep.org/10yfp/programmes/sustainable-public-procurement>).

In this Edition

Editorial – ISO 20400: publication scheduled for mid-April!

ISO 20400- AEF interview with Jacques Schramm, following the final vote on the standard

ISO 20400 and OECD Due Diligence Guidance for responsible business conduct - Why the combination of the two approaches brings added value ?

II GLOBAL FORUM ON SUSTAINABLE PROCUREMENT of RIO- December 5th, 2016

Contacts

Annie Sorel

06 23 22 42 13

asorel@ecoachats.com



Shaun McCarthy, Action Sustainability

<http://www.actionsustainability.com/>



Action Sustainability is specialized in the construction sector, including an involvement in the 2012 London Olympic Games.

According to Shaun McCarthy, whether regarding suppliers or purchasers, what is of interest is not about filling out questionnaires which are disregarded at the end, but more about pushing suppliers to change their behavior, and making the whole supply chain more competitive ultimately.

Launched in 2012, the Supply Chain Sustainability School helps promote skills in the construction industry supply chain in sustainable development matters. Large construction companies are member partners in this action and fund the program, in order to give a free access to SMEs within their sectors.



Staffan Söderberg, AMAP

<http://www.amap.se>



Staffan Söderberg created AMAP (As Much As Possible) SUSTAINABILITY to support enterprises in their sustainable-oriented strategy. How do large groups function, what are their goals? «If you do not know where you are going, any road (and consultant) will take you there...». In 2011, Europe strengthened its CSR definition, stating «the responsibility of enterprises for their impacts on society».

Now, large Swedish groups are getting involved in CSR issues and that means strong signals for markets. Provided with a precise and relevant approach, purchasers will do their job, as they will have an excellent tool at hand: the ISO 20400 standard. ***Sustainable procurement is an integral part of an overall accountability endeavor.***

II GLOBAL FORUM ON SUSTAINABLE PROCUREMENT of RIO-December 5th, 2016 (4/4)



Panel 3: Sustainable public procurement and ISO 20400



Rosimeri Fauth, Itaipu Binacional

<https://www.itaipu.gov.br/en>



The Itaipu dam is a bi-national public company managed by 2 countries (Brazil and Paraguay). It is the world's 2nd biggest hydroelectric power plant, and intends to become a world leader in terms of renewable and clean energy.

A structured sustainable procurement program was launched in 2013. The program's success is based on the top management's high level of commitment and on a bi-national committee, with also a gradual increase in power from 2013 to 2020, objectives being reviewed annually.

A common methodology is used to assess risks, prioritize the purchase of products and services, send questionnaires, evaluate the life-cycle global cost, analyze markets and determine criteria requirements; and the results were successful!



Adriana ALONSO

<http://www.icontec.org>



ICONTEC is an association which helps companies with their quality procedures in South America.

Colombia is South America's 5th most competitive economy; it has followed CSR guidelines since 2010 (ISO 26000 standard), but high tax level and corruption still hinder business.

2 Colombian public companies active in the energy sector are put forward:

- ISAGEN has studied the 3 CSR fields with all its stakeholders. Its 2016 priorities were to stand by its suppliers on human rights, health and safety at work and ethical behavior issues.
- EPM (Empresas públicas de Medellín) is Colombia's No 1 public company and the most admired one, according to 2016 figures. Its Code of Conduct with suppliers and its sustainable procurement approach is very mature.

These 2 public companies have taken part in ISO 20400 standardization work with the Colombian delegation.



Raquel BRADA DOS SANTOS, Brazilian Ministry of the Environment



Public procurement is not only an administrative procedure that aims at supplying public administration with goods, services and works needed for its functioning. It should be oriented to implement public policies that promote production and consumption patterns that serve the public interest of a society that is more fair and egalitarian, without compromising the well-being of future generations.

The Ministry provides guidance and implements policies in order to achieve the 17 sustainable development objectives recommended by the United Nations and describes how these actions can help achieve them. It has developed an illustration on objective 5 («Gender equality»).

More Global Forum panel discussions will be presented in the Newsletter's next edition !

In this Edition

Editorial – ISO 20400: publication scheduled for mid-April!

ISO 20400- AEF interview with Jacques Schramm, following the final vote on the standard

ISO 20400 and OECD Due Diligence Guidance for responsible business conduct - Why the combination of the two approaches brings added value ?

II GLOBAL FORUM ON SUSTAINABLE PROCUREMENT of RIO- December 5th, 2016

Contacts

Annie Sorel

06 23 22 42 13

asorel@ecoachats.com