

ISO 20400

The first international standard
on sustainable procurement
to achieve best practice

MARIE d'HUART
CAP CONSEIL



WHO IS CAP CONSEIL?

14 years in
Sustainability &
Social
Responsibility



Strategy, research, training & reporting
Specialties:

- SR & ethics in business,
- sustainable & fair trade, supply chain,
- stakeholders dialogue

Auditors SA8000, ISO 14001, AA1000 Assurance & Stakeholder Engagement

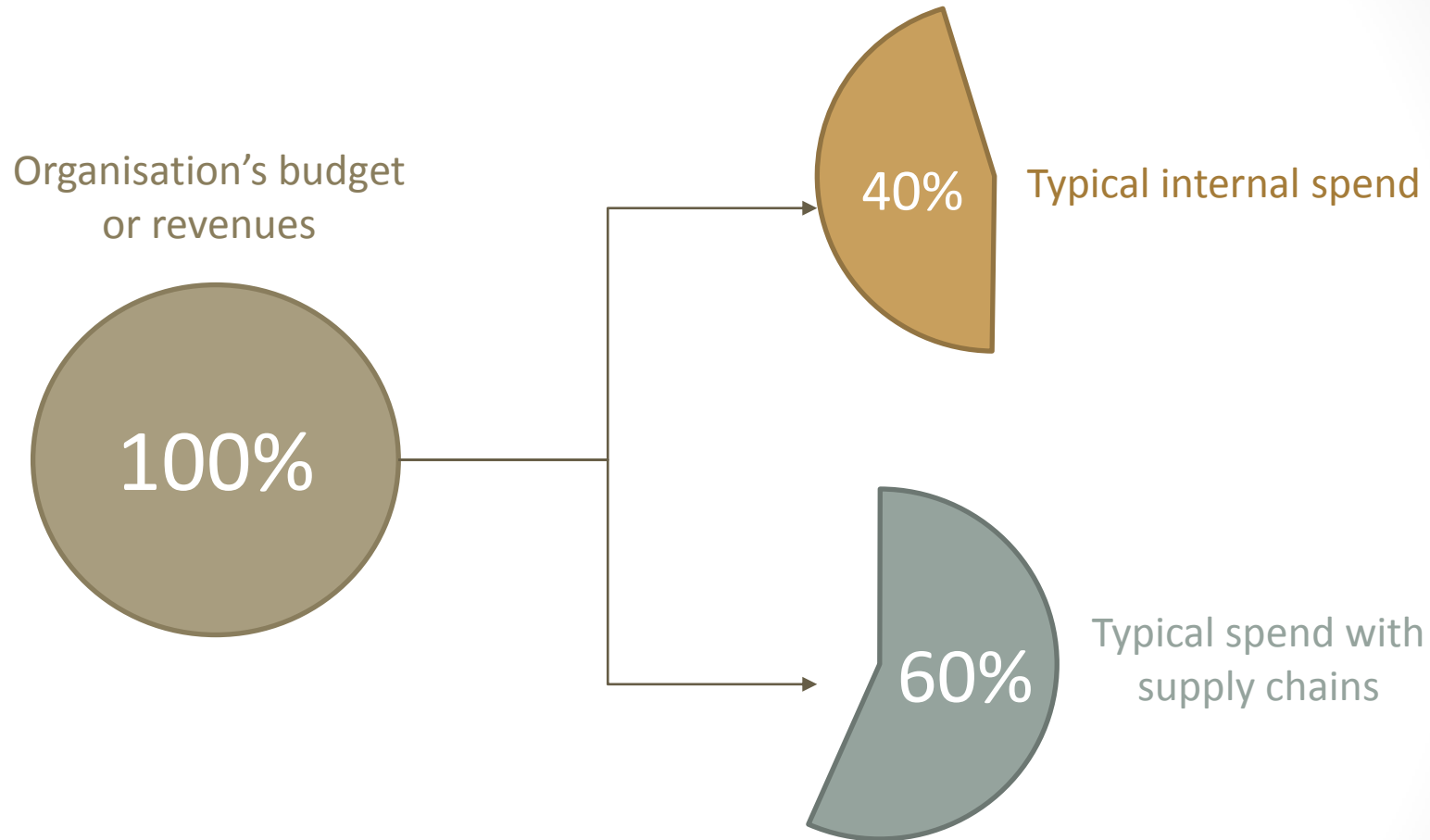
Experts ISO 26000, GRI, LCA (Simapro), Bilan Carbone ©, OHSAS 18001
Africa, Asia, Europe, Canada





Why an ISO standard on sustainable procurement

Organisations typically spend more than half of their revenues with their supply chains.



=> Sustainability objectives cannot be fully achieved without the contribution of supply chains.

Sustainable procurement is good for business

Sustainable procurement leaders:

- **90%** improve their brand reputation
- **70%** develop stronger, more reliable and longer-lasting supplier relationships
- **50%** have more innovative, sustainable products and services that result in increased sales
- **45%** improved ranking in 'green' financial indices
- **30%** delivered cost savings

Source: Ecovadis and HEC, 2017 - 7th Sustainable Procurement Barometer on 120 companies in Europe and the US





Who developed it and how

52 countries involved through their national standards organisations and under the umbrella of ISO (PC277) - From 2013 until 2017

Secretariat ■

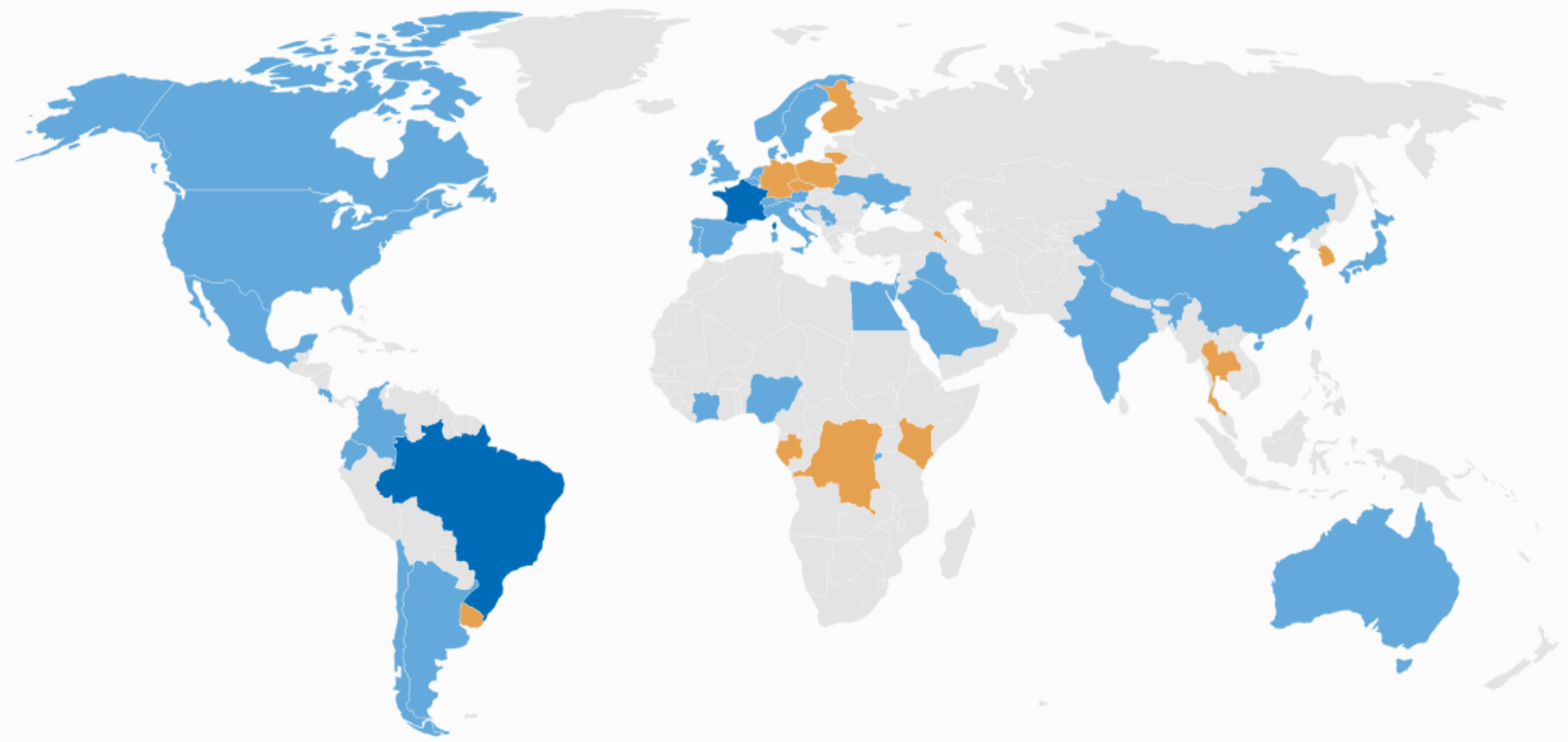
France - Association française de normalisation (AFNOR)

Twinned Secretariat ■

Brazil - Associação Brasileira de Normas Técnicas (ABNT)

Participating Members (38) ■

Observing Members (14) ■



65%

world population

85%

world GDP

73%

world CO2 emissions



Liaisons with international organisations and ISO standards

International organisations



Liaison committees from ISO / PC277

- ISO 26000 Social Responsibility
- ISO/TC 207 Environmental Management
- ISO/PC 278 Anti-bribery Management System
- ISO/TC 262 Risk Management



What it is
How to use it⁽¹⁾

What is ISO20400?

- It is a guidance standard on SP.
It's a flexible framework including recommendations.
 - NOT certifiable, NOT for third-party audit.
- Provides an understanding of:
 - What SP is;
 - How sustainability impacts the different levels of the procurement activity: policy, strategy, organisation, process; and
 - how to implement SP practically.
- Applies to:
 - any organisation, regardless of its sector, size and location.
 - any stakeholder involved in or impacted by procurement decisions and processes.
- Does not replace legislation, policy and ethical frameworks that regulate procurement activities.



ISO20400 definition

*‘Procurement
that has the **most positive**
environmental, social &
economic **impacts** possible
over the entire life cycle.’*

Note 1 : SP involves the sustainability aspects related to the goods or services and to the suppliers along the supply chains.

Note 2 : SP contributes to the achievement of organizational sustainability objectives and goals and to sustainable development in general.

Which Impacts?

Sustainability is defined based on the 7 core subjects of ISO 26000 - Guidance on Social Responsibility



ISO 20400: made for Procurement

Final version – Extracts

1. SCOPE

2. NORMATIVE REF.

3. DEFINITIONS

4. FUNDAMENTALS

5. POLICY/STRATEGY

6. ORGANISATION

7. PROCESS





Key notions & advices

Adopt a logic in 3 layers

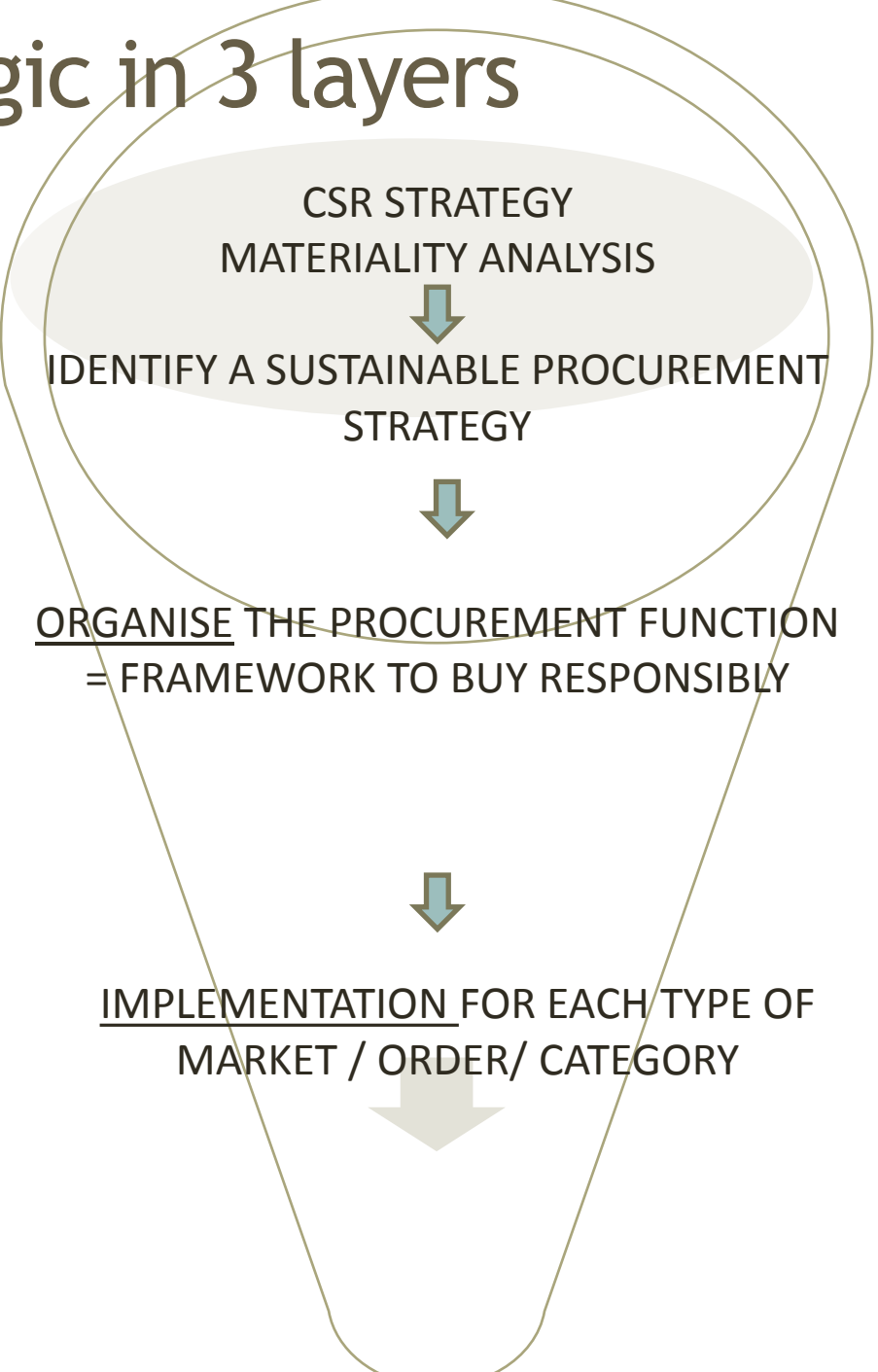
« **FUNDAMENTALS** »
= **DECIDE**



« **ENABLERS** »
= **ORGANISE**



« **PROCESS** »
= **IMPLEMENT**



EXCO



PROCUREMENT



BUYERS



Who is accountable for what?

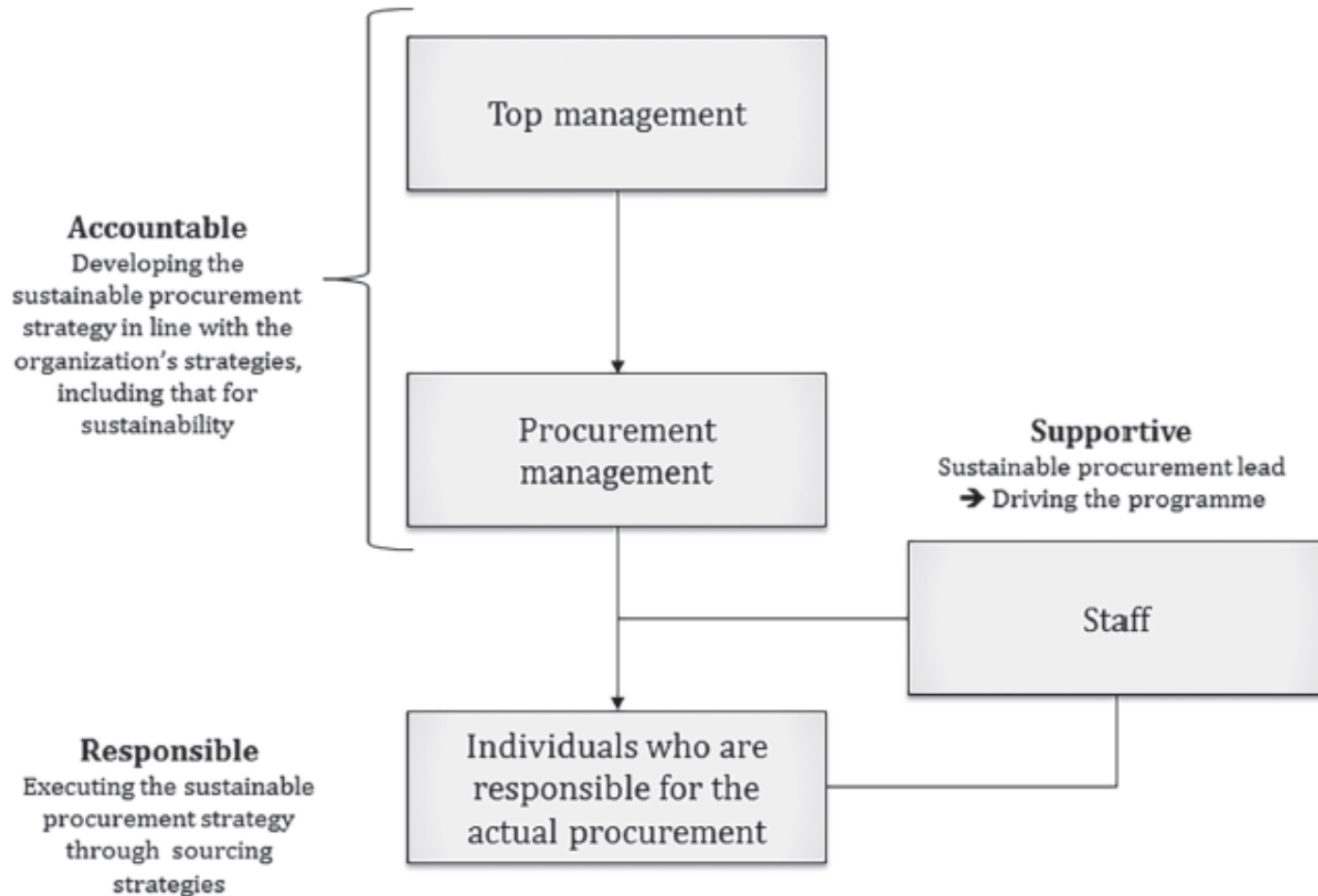


Figure 2 — Example of roles and levels of accountability for sustainable procurement

Questioning the needs: the start of any responsible procurement

Which functions are (un)necessary for post agents in urban areas?



After reviewing the needs with users, design of a tailor-made electric quad.



Minus 3 Ton CO₂
emissions /y



Saving on fuel



Easy to use: less fatigue,
easy parking

Map sustainability issues and risks by category and level of impact

Sustainability issues Purchase category	Issue 1 (e.g. climate change)	Issue 2 (e.g. health and safety)	Issue 3 (e.g. local employment)	Issue n
Category 1 (e.g. cleaning services)	Low impact	High impact	Low impact	Low impact
Category 2 (e.g. building construction)	Medium impact	High impact	High impact	Medium impact
Category 3 (e.g. packages)	Medium impact	Low impact	Low impact	Medium impact
Category n	High impact	Medium impact	Medium impact	Low impact



High impact



Medium impact

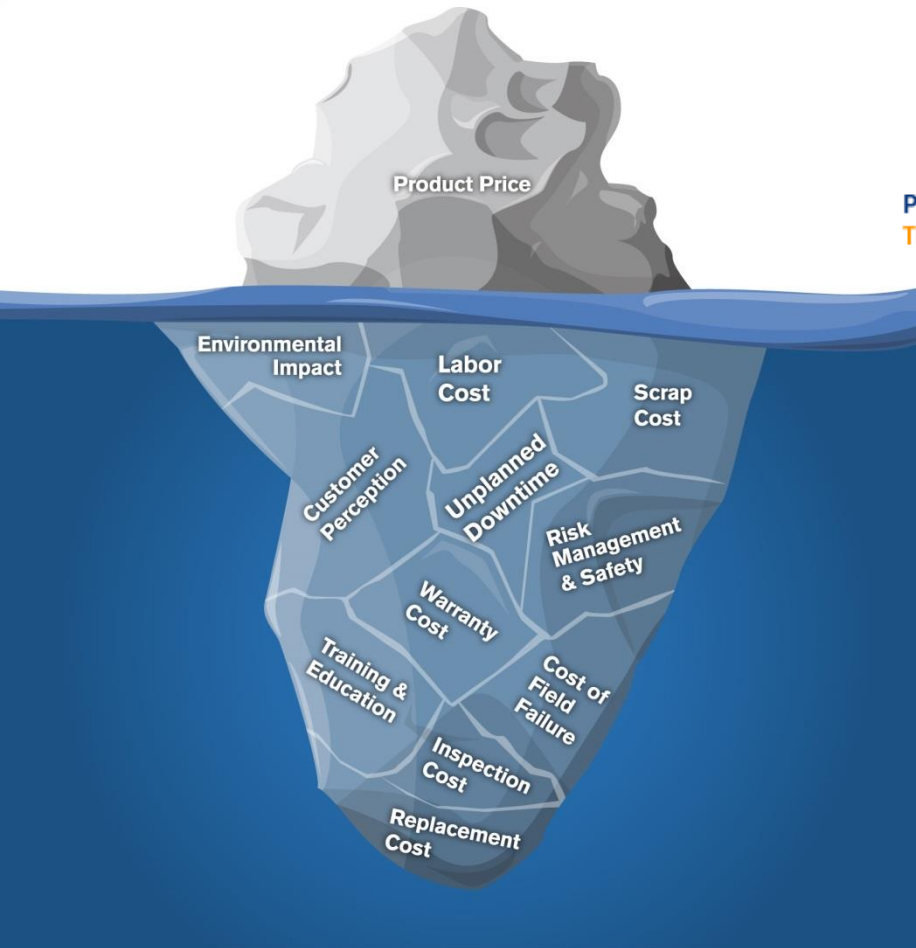


Low impact

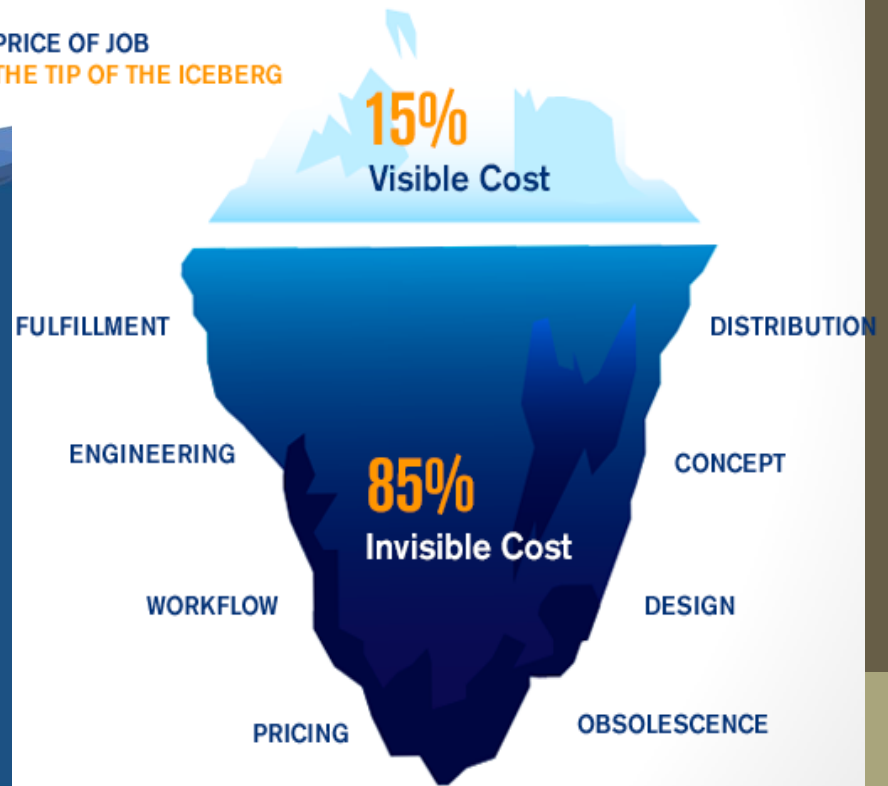
Adapt the normal buying process, don't create a new one



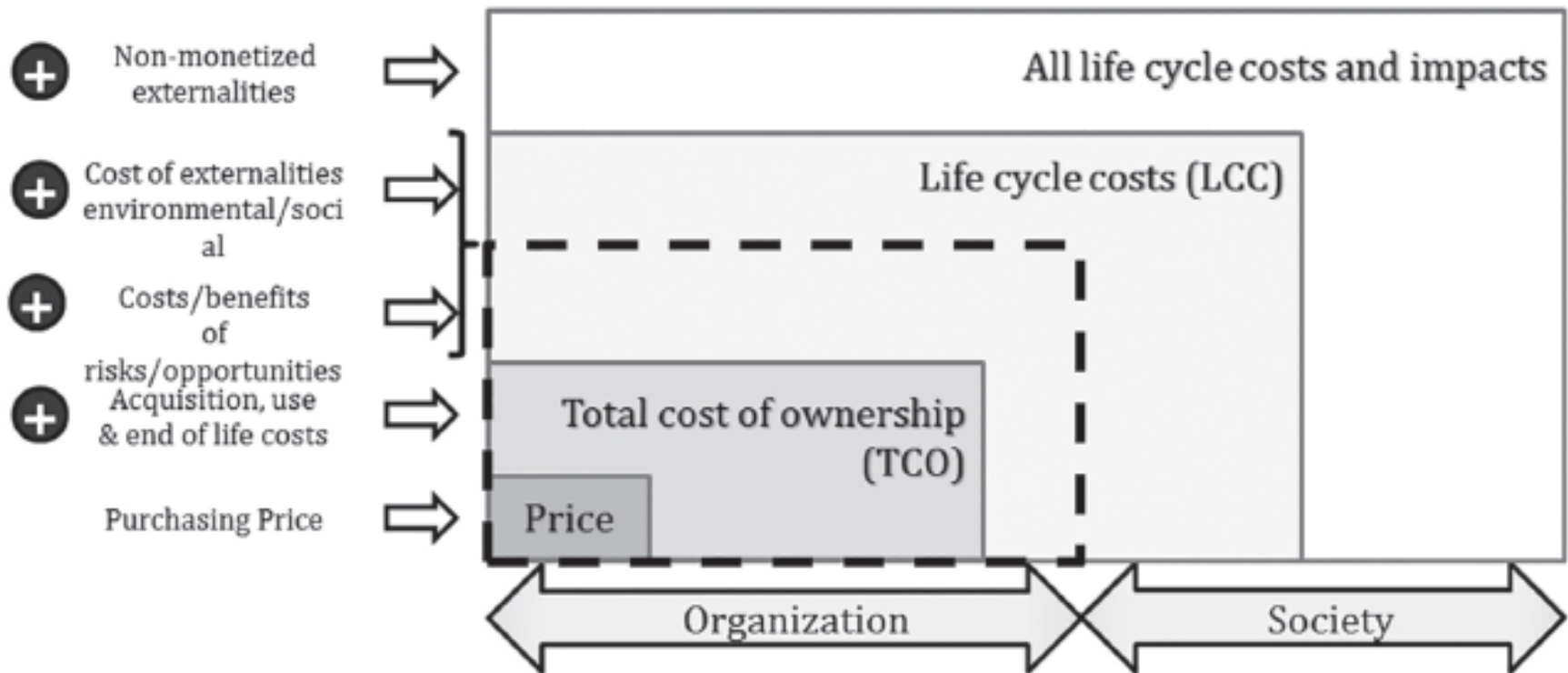
What hides behind a price...



PRICE OF JOB
THE TIP OF THE ICEBERG



Life cycle costing: know the real price!



TCO is recommended when cost of use > 10-15% of the purchasing price



Case study IBA Belgium

Parameter	Value
1	0.00
2	0.00
3	0.00
4	0.00
5	0.00
6	0.00
7	0.00
8	0.00
9	0.00
10	0.00
11	0.00
12	0.00
13	0.00
14	0.00
15	0.00
16	0.00
17	0.00
18	0.00
19	0.00
20	0.00
21	0.00
22	0.00
23	0.00
24	0.00
25	0.00
26	0.00
27	0.00
28	0.00
29	0.00
30	0.00
31	0.00
32	0.00
33	0.00
34	0.00
35	0.00
36	0.00
37	0.00
38	0.00
39	0.00
40	0.00
41	0.00
42	0.00
43	0.00
44	0.00
45	0.00
46	0.00
47	0.00
48	0.00
49	0.00
50	0.00
51	0.00
52	0.00
53	0.00
54	0.00
55	0.00
56	0.00
57	0.00
58	0.00
59	0.00
60	0.00
61	0.00
62	0.00
63	0.00
64	0.00
65	0.00
66	0.00
67	0.00
68	0.00
69	0.00
70	0.00
71	0.00
72	0.00
73	0.00
74	0.00
75	0.00
76	0.00
77	0.00
78	0.00
79	0.00
80	0.00
81	0.00
82	0.00
83	0.00
84	0.00
85	0.00
86	0.00
87	0.00
88	0.00
89	0.00
90	0.00
91	0.00
92	0.00
93	0.00
94	0.00
95	0.00
96	0.00
97	0.00
98	0.00
99	0.00
100	0.00

Parameter	Value
1	0.00
2	0.00
3	0.00
4	0.00
5	0.00
6	0.00
7	0.00
8	0.00
9	0.00
10	0.00
11	0.00
12	0.00
13	0.00
14	0.00
15	0.00
16	0.00
17	0.00
18	0.00
19	0.00
20	0.00
21	0.00
22	0.00
23	0.00
24	0.00
25	0.00
26	0.00
27	0.00
28	0.00
29	0.00
30	0.00
31	0.00
32	0.00
33	0.00
34	0.00
35	0.00
36	0.00
37	0.00
38	0.00
39	0.00
40	0.00
41	0.00
42	0.00
43	0.00
44	0.00
45	0.00
46	0.00
47	0.00
48	0.00
49	0.00
50	0.00
51	0.00
52	0.00
53	0.00
54	0.00
55	0.00
56	0.00
57	0.00
58	0.00
59	0.00
60	0.00
61	0.00
62	0.00
63	0.00
64	0.00
65	0.00
66	0.00
67	0.00
68	0.00
69	0.00
70	0.00
71	0.00
72	0.00
73	0.00
74	0.00
75	0.00
76	0.00
77	0.00
78	0.00
79	0.00
80	0.00
81	0.00
82	0.00
83	0.00
84	0.00
85	0.00
86	0.00
87	0.00
88	0.00
89	0.00
90	0.00
91	0.00
92	0.00
93	0.00
94	0.00
95	0.00
96	0.00
97	0.00
98	0.00
99	0.00
100	0.00

World leader in cancer treatment by protontherapy

iba

1

Cyclotron

Using magnetic fields, the cyclotron can accelerate the hydrogen protons to two-thirds the speed of light.

2

Electromagnets

The magnets focus the proton beams toward the gantry.

4

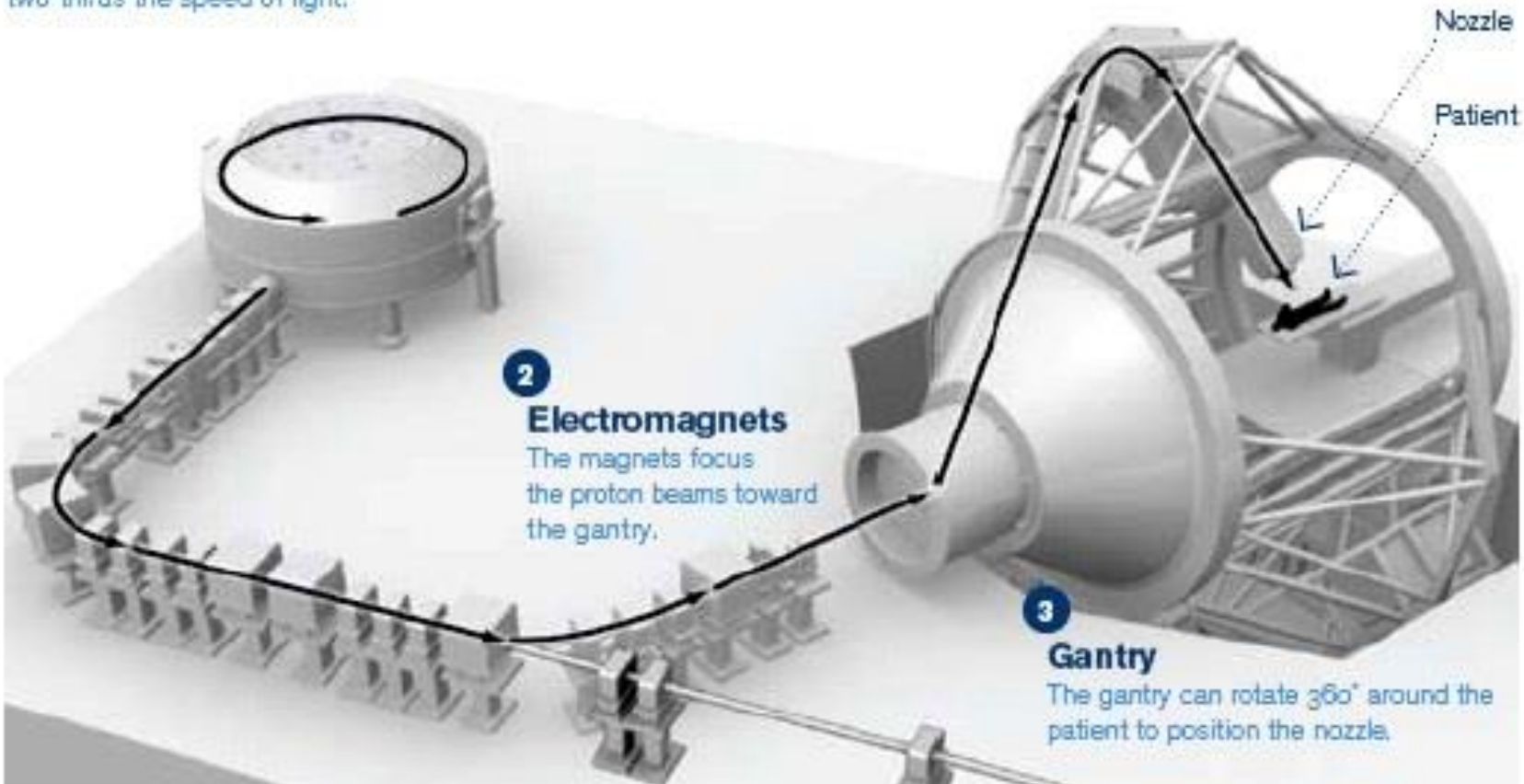
Nozzle

A 21,000-pound magnet guides the beam to the patient through a nozzle.

3

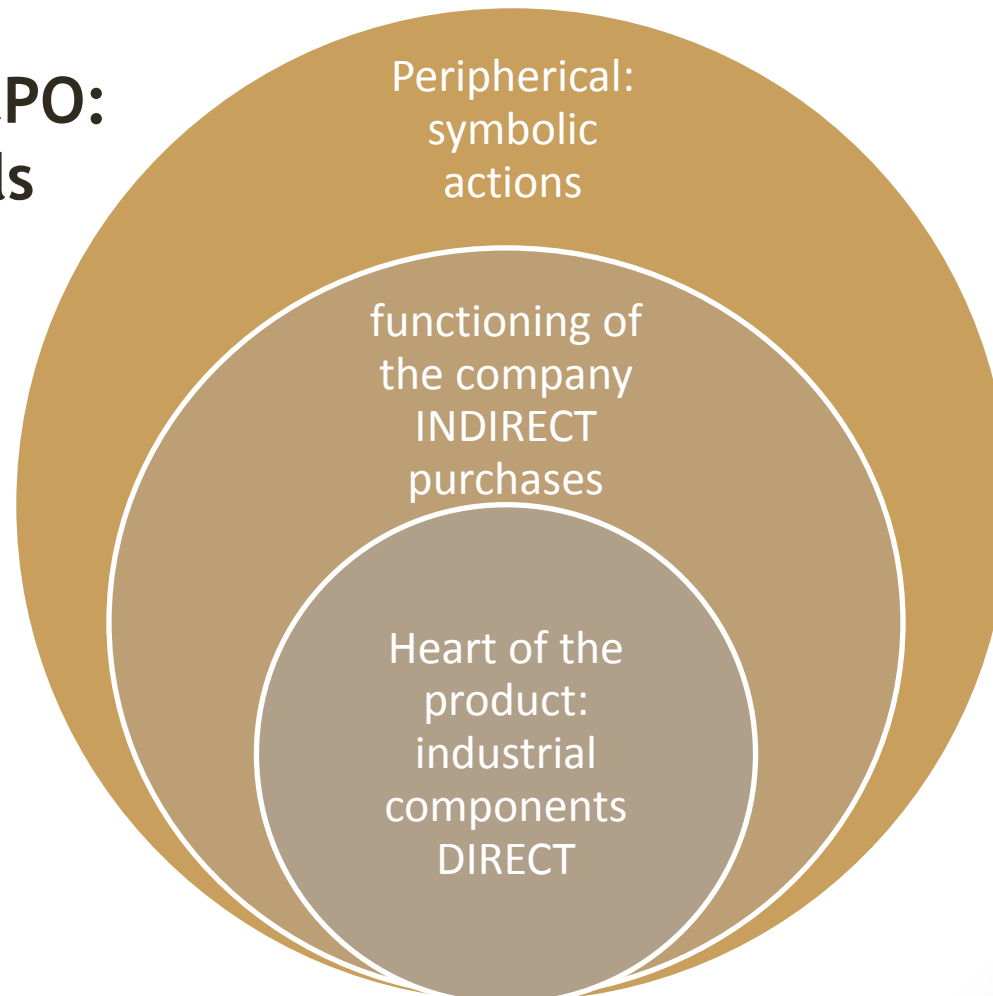
Gantry

The gantry can rotate 360° around the patient to position the nozzle.



~100 Mio € purchase /year
1/3 indirect - 2/3 direct

**Decision of CPO:
act at 3 levels**



Start: Diagnostic of the procurement function according to ISO 20400

Titre du graphique

Série1



SECTIONS			Max
TOP	1.	Understanding the fundamentals	5
	2.	Policy and Strategy	5
MIDDLE	3.1.	Governing procurement	5
	3.2.	Enabling people	5
	3.3.	Identifying and engaging stakeholders	5
	3.4.	Setting sustainable procurement priorities	5
	3.5.	Measuring and improving performance	5
	3.6.	Establishing a grievance mechanism	5
BUYERS	4.	Procurement Process	5



Risk mapping of indirect purchases

Product category	Annual amount (2015)	Environment						Social (human and labour rights)						Ethics & Governance						Total
		Climate & energy	Air pollution & emissions	Biodiversity	Soil contamination	Environment & Waste	Water use	Freedom of association	Working hours	Labour exploitation & human trafficking	Child labour	Discrimination & gender	Health & safety	Wage & remuneration	Corruption	Land use & property rights	Community rights	Animal Welfare	Consumer interests & product safety	
Prestations intellectuelles		0	0	0	0	0	0	0	6	0	0	6	6	0	6	0	6	0	0	30
Frais de déplacement		15	4	20	17	15	20	5	11	9	5	11	0	6	0	6	17	6	0	167
Promotion et marketing		0	0	0	0	12	0	0	0	0	0	0	0	0	6	0	6	0	0	24
Bâtiments et facility management		0	6	6	6	6	6	0	6	6	6	6	5	6	0	0	6	0	0	71
Systèmes d'information		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ressources humaines		0	0	0	0	0	0	6	6	6	0	6	6	6	0	0	6	0	0	42
Télécommunication		15	15	6	20	15	20	6	12	6	20	6	25	6	0	13	11	0	6	202
Assurances et services financiers		6	0	6	0	6	0	0	6	10	6	6	6	4	15	0	11	4	6	92
Office and stationery supplies		0	12	6	12	18	0	0	0	0	0	0	0	0	0	0	6	0	11	65
Energie et environnement		30	12	27	6	6	18	6	6	6	6	6	22	6	21	12	25	0	0	215
Transport et logistique		15	11	22	23	5	0	0	19	15	0	6	11	6	9	13	6	3	4	168
Papier		6	6	12	26	6	12	0	0	0	0	0	6	0	6	0	0	0	0	80
Furnitures		4	0	4	0	0	0	0	0	0	0	0	0	0	10	0	0	8	6	32
Clothes		7	6	0	7	12	17	6	6	15	15	0	11	15	0	0	5	0	0	122
TOTAL		98	72	109	117	101	93	29	78	73	58	53	98	55	73	44	105	21	33	

A heat mapping for each category reflects priority supply chains to monitor



Result of collective brainstorming

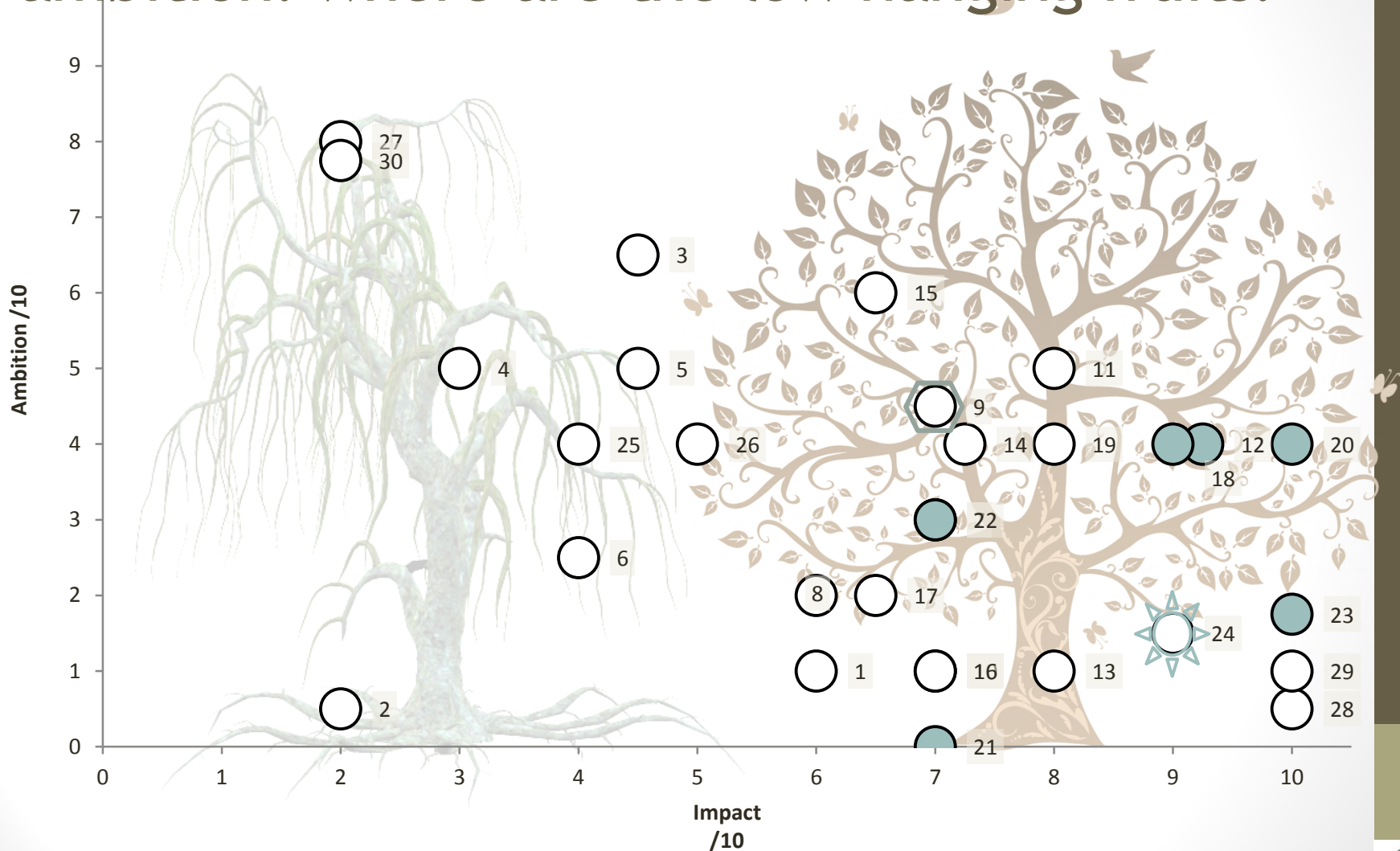
A catalogue of 67 actions

Internal & external



Group policies	Human resources	Clients
Partnerships	Suppliers	Transversal intra-IBA
Pure Indirects	Tools/ monitoring	Logistics / transport

Measure actions by their level of impact and ambition: where are the low hanging fruits?





AS A CONCLUSION

ISO 20 400 benefits

- ✓ Get a **practical** framework for procurement, CSR and other key functions to work together
- ✓ Protect your **reputation** by efficiently managing sustainability risks in your supply chains
- ✓ Get **ahead** of future client and regulatory requirements
- ✓ Take a competitive **advantage** in your industry by seizing opportunities to innovate
- ✓ Demonstrate supply chain **engagement** to the GRI, DJSI or other indices

To go further...

- For sale on iso.org
- Free resources on www.iso20400.org
- Or contact me:
marie.dhuart@capconseil.be
+32 10 24 25 47



THANK YOU & GOOD LUCK!

