

**ISO
20400.org**



**ISO 20400
2017-2021
Progress
Report**

By Ross Primmer

December 2021

Foreword



Shaun McCarthy OBE

In December 2016 the committee developing the ISO 20400 standard finally finished four years of painstaking work to develop a robust standard for sustainable procurement. The standard was published in April 2017 with various events around the world to celebrate the launch. I led the UK delegation of the committee and have since sponsored and hosted a free global knowledge sharing platform www.iso20400.org. The international steering committee behind this platform commissioned this report to gain some insight into how the standard has been used and what lessons we may learn from the experience.

My thanks go to Ross Primmer for his diligent research and to the many people who supported him by taking part in interviews.

So, what have we learned? The first important lesson is the standard works as a practical framework to deliver sustainable procurement regardless of country, culture, sector, or business size. This is a great compliment to those people who worked for many hours over a four-year period to reach international consensus about what works and what does not. ISO 20400 is a guidance standard that cannot be certified, many users find this approach refreshing, others would like to see a certificate on the wall. This debate will doubtless continue as the standard reaches its five-year review.

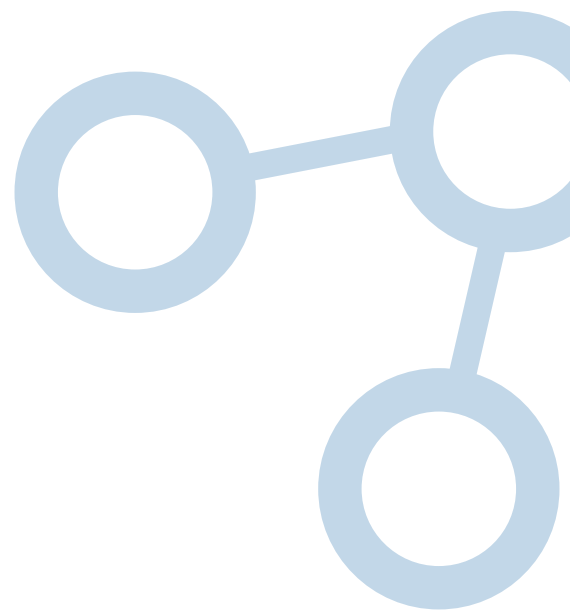
The emphasis on sustainability around the world has amplified many times since the standard was published and the realisation that most things, that most organisations deliver are done through supply chains is becoming more and more apparent. This report also concludes that more must be done to inform, educate and inspire people to understand how they manage their supply chains in a different way. We all have a responsibility to do this. Big purchasers need to lead the way and those providing education, training and professional qualifications need to help people to understand that the proven methodology recommended by this standard can make a difference to the world we live in.

A handwritten signature in blue ink, appearing to read 'Shaun McCarthy'.

Shaun McCarthy OBE

Director, Action Sustainability

Author



Ross Primmer

Ross Primmer is an experienced sustainability professional with approximately 10 years' experience in the consultancy sector. Within the Action Sustainability team Ross plays a lead role in the development of e-learning modules for private clients and the award-winning Supply Chain Sustainability School. In addition, he led the development of the Homes and Wales departments of the school and combines a professional understanding of sustainability issues with a creative edge. Ross has also played a key role in consultancy projects for a range of public and private sector clients.

Prior to Action Sustainability Ross worked for a multinational environmental consultancy on ESHIA assessments, primarily in the mining, oil and gas and infrastructure sectors.

However, sustainability isn't just something which occupies Ross during working hours. Outside of work he has recently built himself a sustainable bicycle made from bamboo (used daily!) and enjoys the odd surfing trip to the West Country.



Ross Primmer
Consultant at Action Sustainability.



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Executive summary

This report provides an assessment of how the ISO 20400 standard has been used since its launch in 2017 to 2021. The report has been informed by a series of 20 semi-structured interviews, conducted online, globally across 8 countries. The interviews were undertaken with a range of procurement and sustainability professionals, including consultants, procurement managers and academics.

The report identifies some significant successes. Almost universally interviewees felt that the methodology presented is excellent and works well. Even experienced procurement professionals reported that engaging with ISO 20400 has given them a new perspective. In some instances, ISO 20400 has also been a catalyst for greater co-operation between sustainability and procurement teams within organisations.

Interviews reveal that how the standard is used can vary greatly and often driven by key advocates in particular geographies connected to the ISO20400.org community. Use of ISO 20400 ranges from organisations who are simply seeking to validate their existing procurement approach, to those who have reorganised their procurement and sustainability teams to function as one. Many organisations see using the standard as a journey and value how the guidance model approach allows them to adapt and use ISO 20400 in a way that works best for them.

Opinions vary on if the standard should be certified or not. Several interviewees stated that certification would bring value to the standard, however, others are happy with the guidance model approach. There was some evidence to suggest that organisations who have been using the standard for longer become familiar with the guidance model approach and see the benefits of it. Better communication of what a guidance standard is, what the benefits are, and how it should be applied could bring benefits and wider uptake of ISO 20400 in the future.

The ISO20400.org Steering Group has been an effective platform for the ISO 20400 community to meet, share ideas and globally drive the standard forward through a global community of practice.

In the 5 years since the publication of ISO 20400 sustainability has become an increasingly prominent issue for business. Sustainability is also multi-faceted and interest in different elements of it change over time (e.g., carbon, single use plastic, modern slavery etc.). Sustainable procurement must be seen as a core part of how an organisation delivers on their sustainability objectives and ISO 20400 must be seen as integral in allowing organisations to do this.



ISO 20400 Progress Report

1 Introduction

This report has been commissioned by the steering group of the ISO 20400.org website to provide a pulse check on the use of the ISO 20400 Standard for Sustainable Procurement.

ISO 20400 has been in the public domain since April 2017 and the time has come to gain an insight into how the standard has been used globally. The findings of this report will be used to inform and improve how the standard is used in the future.

Data for this report was obtained by running a series of 20 semi-structured interviews with a series of procurement professionals, ISO 20400 users, consultants, and sustainability professionals. These interviews were used to gain their views on the use of the standard in their sector and country.

The report also completes a high-level review of the ISO 20400 self-assessment data provided on the ISO20400.org website

Special thanks should be given to

Report Development

- Dr. Erica Russel – interview coding, data analysis

2 Interview Methodology

Semi structured interviews were conducted using Microsoft Teams between January and April 2021. Interviews were conducted around a series of questions (copy provided in Appendix A).

Interviews were recorded and transcripts automatically generated using Microsoft Stream software. These transcripts were then manually coded based on the key themes that emerged across each discussion and allow qualitative analysis.

2.1 Interviews

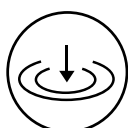
Interviewees were found by contacting members of the ISO 20400 community, a request on the ISO 20400.org website, LinkedIn, and other social media. 23 participants from 8 countries and the UN participated in 20 interviews. A list of interviewees is provided in Appendix B.

2.2 Coding of Responses

Responses were coded based on common themes which emerged from the semi-structured interviews. Coding was undertaken using the following headings:



Certification or
Guidance



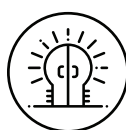
Impact of
the Standard



Methodology



Motivation



Opportunities



Risk



Use

3 Interview Findings

3.1 Certification or Guidance

The issue of standard certification or guidance was a key area of discussion in all interviews. Several interviewees spoke of how incorporating an element of certification would bring benefits and potentially drive increased use of ISO 20400. On the other hand, the current guidance model works well for many existing users – and especially for organisations who have been using the standard for longer periods of time.

There were also regional differences. Interviewees in the UK, USA and Australia were both more in favour of the guidance standard approach whereas those in France and India stood out as more in favour of certification. France has developed its own responsible purchasing label, Label Relations Fournisseurs & Achats Responsables (RFAR). RFAR incorporates ISO 20400 in the assessment and has been adopted by several French multinationals including Michelin and Safran.

There is, perhaps, a lack of clarity with many users regarding the difference between an certified and guidance standard. Many organisations encountering the standard for the first time simply see the ISO number and assume it can be certified. Professional support is often needed for them to fully understand what a guidance standard is, and how a guidance standard should be used to benefit their business.



*The RFAR
Responsible
Purchasing Label*

3.1.1 For Certification

The interviews reveal that certification, or an element of certification could be a way to encourage more widespread use of ISO 20400. For many organisations, the ability to have the 'tick box' that certification provides tangible value in the form of a clear, externally verified, differentiator and potential competitive advantage. External verification is also a form of assurance which can be useful for business' seeking external investment, developing new clients, or developing a common approach in joint ventures.

Without certification the standard doesn't have the same lustre, it just has less weight

Don Bowman,
London Universities Purchasing Consortium

The benefits an organisation may realise from achieving accreditation could include:



A form of assurance for clients, who can set a clear benchmark for their suppliers.



An opportunity to outwardly demonstrate best practice, to gain competitive advantage.



Risk reduction for investors, who are given a parameter to manage investment decisions and manage sustainability risk.



Easier to incorporate into bids and tenders, an accreditation provides a simple pass/fail metric which can be incorporated into prequalification documentation.

Many companies use short certifiable standards, ticking the boxes, when they often could benefit even more from using longer guidance standards such as ISO 26000 and ISO 20400

Staffan Soderberg,
AMAP Sustainability

Some organisations may also have established procurement process and simply want to use certification as a form of external verification for their existing approach as best practice.

3.1.2 For Guidance

Younger folks, younger than your typical greybeard investor, know more and are more conscious about their investments

Josh Jacobs,
WAP Sustainability

Guidance and requirements standards are totally different. If there was a desire to have a certified ISO standard for sustainable procurement, a new process would have to be started to develop a standard from scratch. Given the development period was four years this needs to be taken into consideration.

The interviews also reveal that there are several advantages associated with the current guidance standard approach.

The flexibility that the guidance standard approach offers allows organisations to think more deeply about what aspects of sustainable procurement are most relevant to them. This then makes the standard more about driving positive change, using the methodology that it presents to shine a light into the darker parts of their procurement processes and supply chains, without fear of retribution.

What's the value of a certificate, who are you trying to impress? It's about genuinely wanting to understand where you are and what you need to do to improve the position you are in

Aaron Reid,
Balfour Beatty



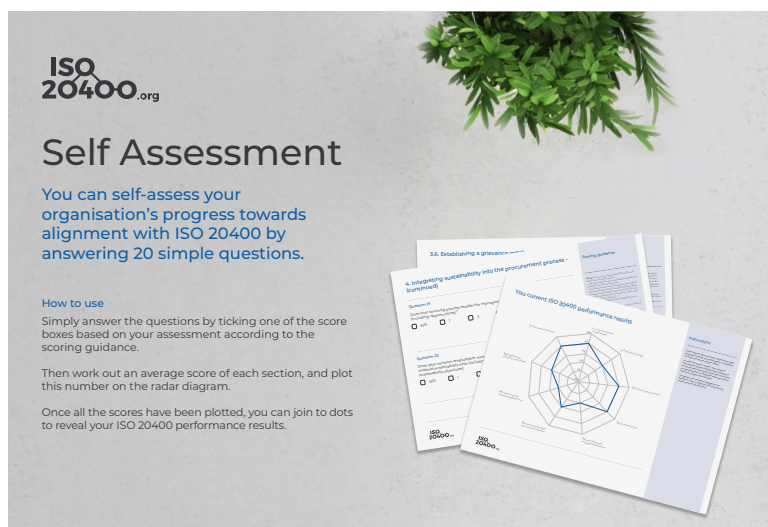
It means that we can see the good from the bad, and we're able to do this more clearly as the framework is not a pass or fail standard

Katherine Rusack,
Balfour Beatty

The additional flexibility that guidance offers also means that organisations can use and adopt elements of the standard that are relevant to their business without having to go through a traditional audit.

The existing independent evaluation model which allows organisations to benchmark themselves or seek independent advice has been successful. To date, over 450 self-assessments have been completed on the ISO20400.org website. The offline version of the tool has also been downloaded 120 times. Consultancy-led evaluations against the standard vary from country to country. In the UK Action Sustainability alone has completed 25 independent assessments against ISO 20400.

A guidance lead approach allows organisations to choose how they make any assessment findings public. This can make using the standard seem less daunting as the process behind formal certification can sometimes appear costly, complex and tied to an ongoing requirement for audit and recertification.



We've picked little bits out and worked them into a strategy to drive forward with the business. It's fair to say we're at the start of this journey, we're still working out where we want to be

Dan Apps,
Siemens Mobility

Cultural differences can play a part. Josh Jacobs made the point that in the USA companies tend to want to follow their own path and shy away from any sort of external verification.

We're not a guidance country. From our standpoint we will take information and digest it, but we won't specifically say this is what we are doing. I definitely think ISO 20400 is purchased, read, and looked at but it's not going to form the basis. I don't think anyone is going to be evaluating them against ISO 20400 anytime soon

Josh Jacobs,
WAP Sustainability

3.2 Impact of the Standard

When the standard was launched in 2017 there was a flurry of interest in it. Since then, some interviewees report that interest has plateaued and at present the use of ISO 20400 revolves around key advocates in several countries. For example, in the UK Action Sustainability has been a key advocate for the standard. In New South Wales, Australia Tanya Lalor and others have worked with Local Councils to align their procurement practices with the standard.

For the organisations who have aligned with the standard there have been many positive impacts. There are instances where the standard has enabled established procurement professionals to think differently about what they do.

The focus of the standard is on the good it can create, as opposed to bottom line money-making. Having a blend of global experts coming together to develop best practice gives it more credibility

Sarah Collins,
CIPS New South Wales

In addition, the impact may be underestimated as the standard may be used internally to inform how an organisation operates without referring to it publicly. In many interviews it was clear that that the standard has had a greater impact than publicly available information suggests.

The standard has been a catalyst for closer working relationships between sustainability and procurement professionals. From a procurement perspective, adopters of the standard are now much more aware that sustainability is an intrinsic part of what they do. In the case of Balfour-Beatty in the UK the standard has also been an instrumental in changing the structure of the business and their integration of the Sustainability and Procurement teams into one.

As an organisation it was really useful for us because we knew there were gaps in our knowledge, but we didn't know there were gaps until we saw the standard and that has been really useful

Don Bowman,
London Universities Purchasing Consortium

I think we need better alignment overall with our sustainability colleagues in the business

Dan Apps,
Siemens Mobility

At present the inconsistent measurement of sustainability data makes understanding specific impacts of the standard a challenge. The lack of data makes it difficult to understand how the standard has helped to deliver business benefits, such as work winning, cost savings, efficiency benefits and better client relationships. Whilst it is fair to say that sustainability data reporting is in its infancy globally, more and more quantitative information is becoming available. As sustainability reporting becomes more mature this may pave the way for the future wider use of ISO 20400.

3.3 Methodology

The methodology of the standard is almost universally accepted as clear, concise, and effective.

The methodology is really very clear, when you go through the standard the steps to take are very clear

Neha Patel,
Apollo Tyres

Interviewees felt that the ‘golden thread’ that the standard presents was one of the most valuable elements of the standard. It can be applied almost universally across countries, different business sizes and sectors. The process it presents can also be used as a blueprint for managing and developing any sustainable business objective, beyond just procurement. Figure 3.1 illustrates the structure of the standard.

In The Netherlands, the methodology has been developed into the “Dutch Wheel”. The Dutch Wheel is closely aligned with the standard ISO 20400 methodology, with the most significant differences being that this methodology has three key steps incorporating a flow line indicating the “purchasing and supply management process” and return for “evaluation and monitoring”. This difference perhaps more implicitly communicates the process of continual improvement which the methodology aims to deliver. However, the Dutch model is also less detailed in relation to the specific building blocks at each stage of the process, Figure 3.2.

The CSR manager loved this kind of approach to assess the process of purchasing, taking of course the outputs and the good and the bad of each situation. After that the people involved were very satisfied with the results of the process

Luca Guzzabocca,
Right Hub

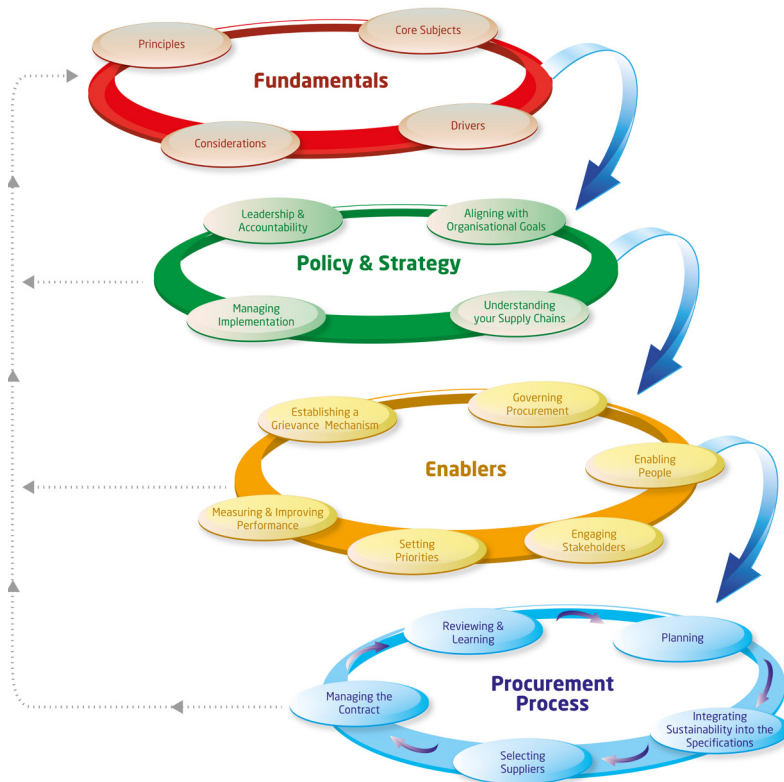


Figure 3.1 Illustration of ISO 20400 structure
Copyright Action Sustainability

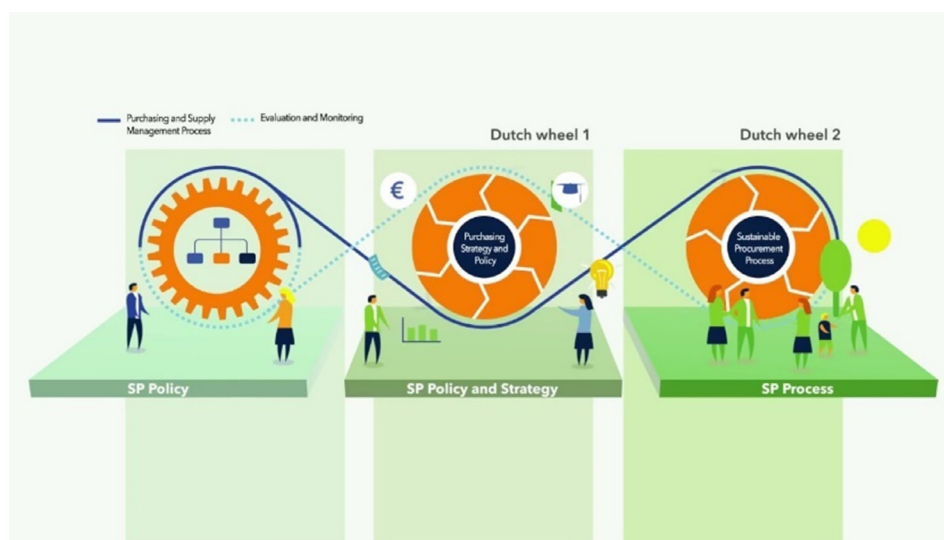


Figure 3.2 The Dutch Wheel (copyright NEVI)

Appropriate terminology was carefully considered throughout the development of the standard. However, the interviews revealed that terminology remains a key issue for many users globally. Words can have subtly different meanings which then have potential to impact how the standard is used – for example, in the USA the term “procurement” is almost exclusively used in the public sector, whereas in Europe procurement is relevant to the public and private sector. Certain terms can also be defined differently - for example in New Zealand an SME is an organisation with less than 19 employees, in Europe it is less than 250.

3.4 Motivation

During all discussions it was apparent that sustainability is an increasingly important and mainstream topic globally. Organisations are more motivated to incorporate it into the way they do business.

The driver's section of the standard makes it very clear that there are several factors that can influence why an organisation needs to procure sustainably and that each organisation's drivers will be unique to them. Understanding the key drivers is a fundamental first step for any organisation aligning with ISO 20400.

I've actually found the conversation around ISO 20400 is starting to taper off now. There was a lot of attention – particularly in the first 18 months. We produced the Australian business case for sustainable procurement and since then we've not heard so much about 20400

Tanya Harris,
Edge Environment

Organisations adopted the standard immediately, in the first year it was a great start, then the attention was less, it was more for circular economy, then climate change etc.

Karin Van IJsselmuiden,
NEVI

Several interviewees believed that, outside of the ISO 20400 community, **many organisations are yet to link sustainability and procurement as related topics**. From single use plastic to carbon, modern slavery and the circular economy, there are a lot of sustainability topics in the public domain which gain and lose popularity over time. The sheer volume of sustainability topics in the public domain means that many organisations do not make the link that sustainable procurement is an enabler for them to deliver against all their sustainability objectives.

However, this is against a backdrop of growth in other regions, such as the UK, where use of the standard is seen to be more mainstream.

We are reaching more and more people and more and more people are coming to us

Helen Carter,
Action Sustainability

We very much feel like pioneers in our space and now it is becoming more mainstream

Aaron Reid,
Balfour Beatty

I think it certainly raises your profile with customers



Alison Bettany,
EMCOR UK

It's important for us to start doing this now, as oppose to a year down the line or two years down the line when we need to deliver a project like HS2

Dan Apps,
Siemens Mobility

Organisations who have embraced the standard see themselves as pioneers and use it to gain competitive advantage with clients. It was also interesting to note how organisations such as EMCOR UK and Siemens Mobility recognise how the standard can raise their profile with clients and potentially gain competitive advantage in bids.

There appears to be a difference between organisations who are seeking a level of external validation for their existing procurement processes versus those who are seeking to incorporate the ISO 20400 methodology into what they do.

-  Those seeking **external validation** may be motivated by showing alignment with sustainability criteria like the UN SDGs or for investor confidence.
-  Those who wish to **incorporate the methodology** may be more motivated to improve their performance or collaborating with clients. They may not even refer to ISO 20400 in any of their public documentation or policies.

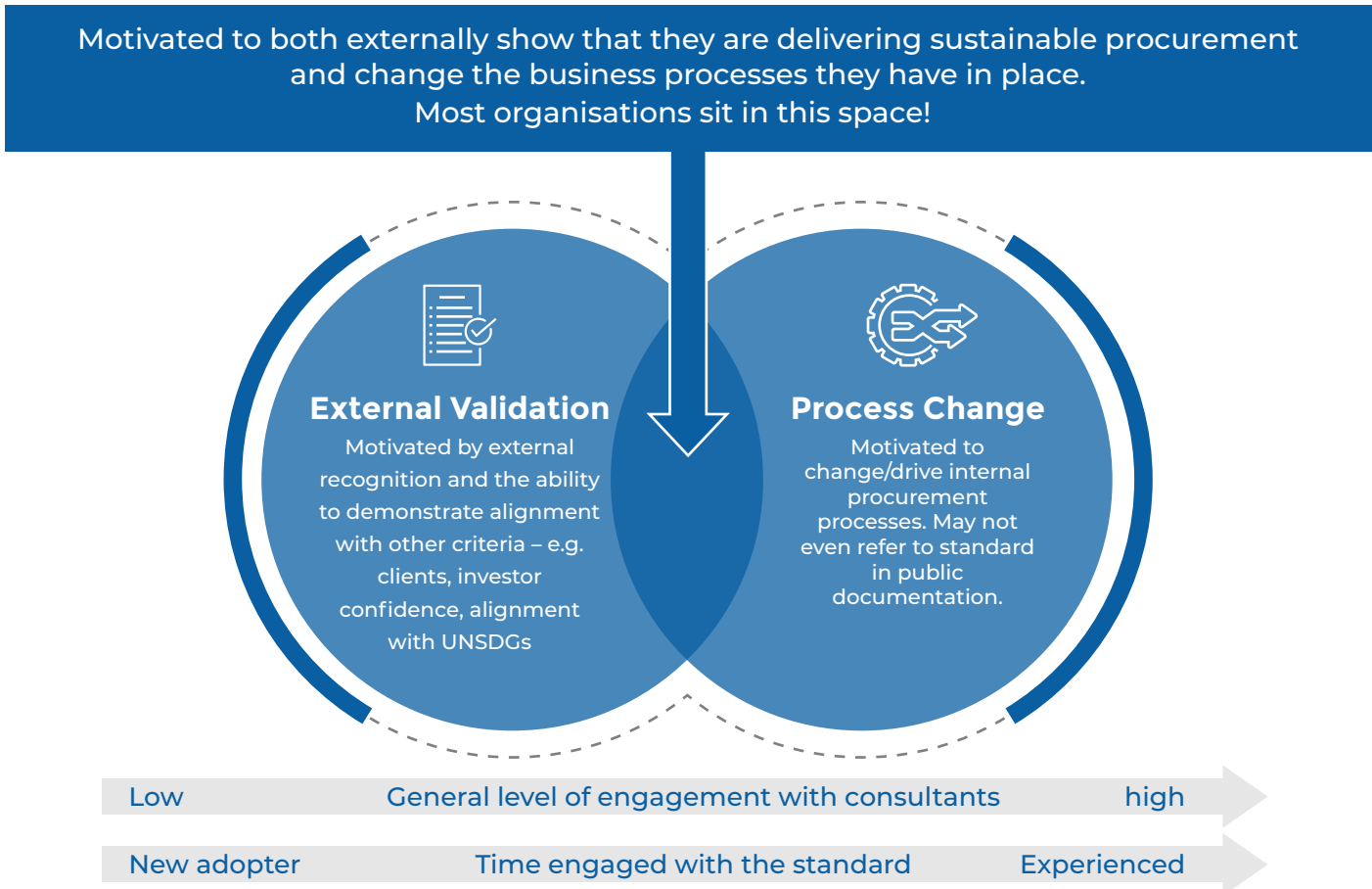


Figure 3.3 Motivations for using ISO 20400

The fact that a successful application of ISO 20400 takes time and effort was a discussion point in several interviews. If a business makes a commitment to invest time and effort in something there should be a clear value to that business by making them better at procurement (more efficient, reducing supply chain risks etc..) and increasing the probability of them winning work.

Several interviewees also commented that **the drivers’ model is an effective way to explore motivation for delivering sustainable procurement.**

The drivers exercise was a great way for us to explore our motivations and gain traction with the wider business

Dan Apps,
Siemens Mobility

The 15 drivers provided by the exercise and the 10-point gradation system provides a clear and comprehensive way for organisations to understand what is important to them, where to prioritise their efforts and how sustainable procurement can affect all aspects of their business. Figure 3.3 shows the output from a driver’s exercise undertaken by Action Sustainability with a UK client. In the radar diagram you can clearly see that this organisation’s top priority is ethics and risk, followed closely by leadership and talent management.

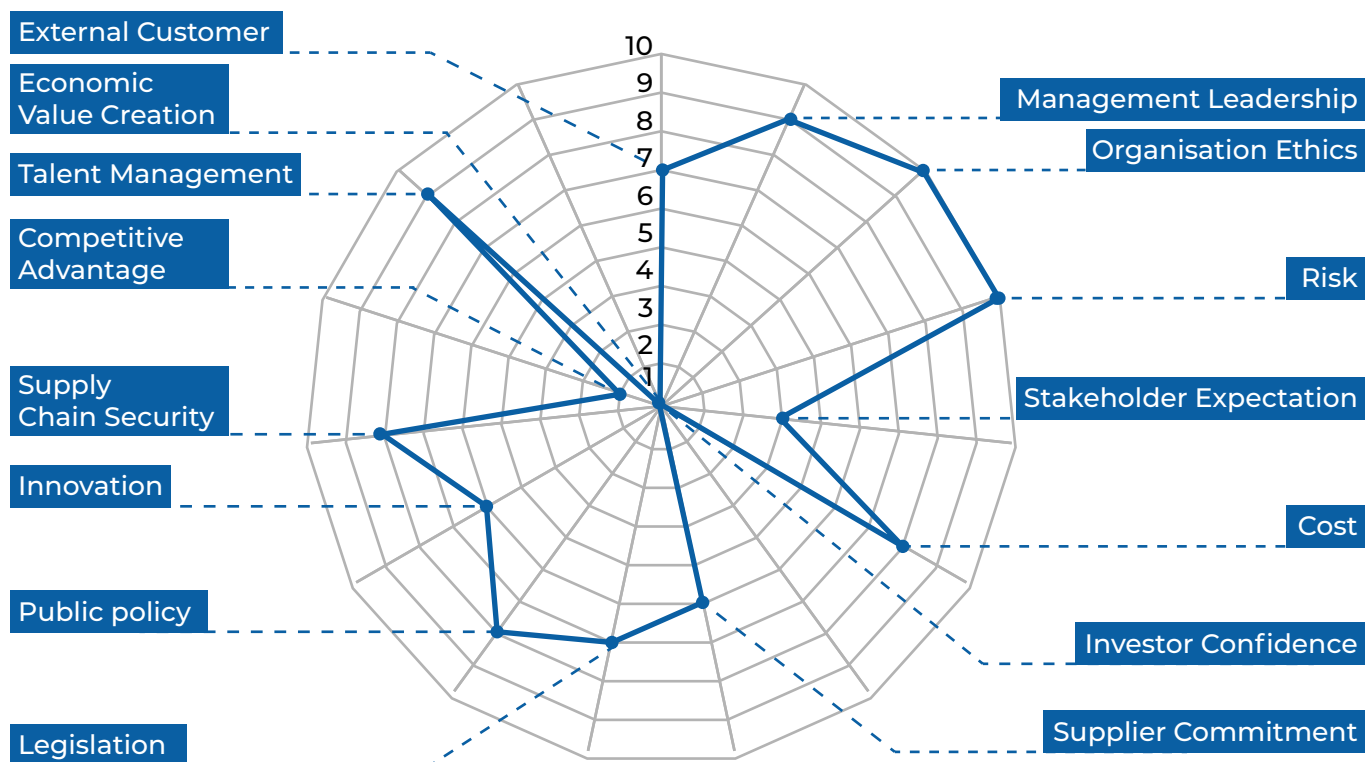



Figure 3.4 Example drivers exercise output from an Action Sustainability ISO 20400 drivers' workshop

3.5 Opportunities

The discussions raised a wide range of opportunities for the standard. In this section these have been categorised as:

 **Opportunities to improve how we use ISO 20400:** how we can enhance usability and adoption.

 **Opportunities for wider use of ISO 20400:** how the standard can be applied in the wider world of sustainability.

3.5.1 Opportunities to improve how we use ISO 20400

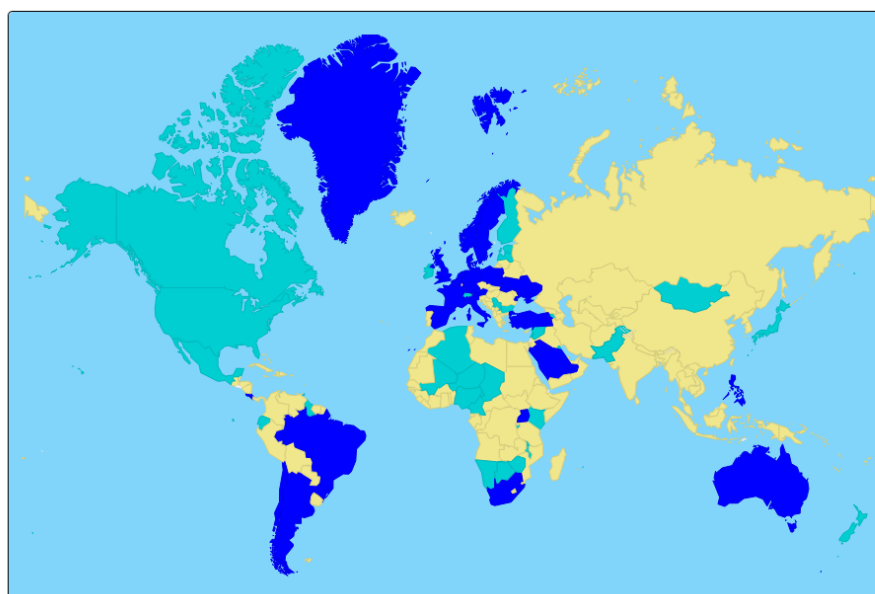
Aside from the key topic of a *certification* vs *guidance* standard there were several interesting opportunities discussed to improve use of the standard. These included:

3.5.1.1 Self-Assessment

The existing self-assessment tools are widely used and seen as a good way of introducing an organisation to the ISO 20400 methodology and providing a clear path for improvement. However, by their very nature the 1-5 scale means that they can be completed. In the UK, Balfour Beatty, who consider themselves to be scoring 4s and 5s in many areas are interested to know what the next step is once they have “completed” the self-assessment.

3.5.1.2 Adoption Map

National Standards Body Adoption



Select a country to view the current status of National Standards Body adoption.

- Adopted and available for sale
- Not adopted but available for sale from this country's National standards body
- Available for sale from the ISO website
- No current information

Zoom out

*Adopted means the National Standards Body (NSB) of a country has formally adopted the standard and has given it a designation in their own standards naming convention. For example BS: ISO 20400 (2017). The standard may have been translated into the local language and available for sale through the NSB website.

Figure 3.5 Image of the www.iso20400.org interactive world map in December 2021

The development of an adoption map would be a highly useful way of demonstrating which countries have formally adopted ISO 20400 and what the global reach of the standard is. It is also an easy way of finding out where you can buy the standard and in what language without going to multiple sites. This has now been developed by the www.ISO20400.org team.

3.5.1.3 Sustainability standards decision tree

In several interviews, the UNSDGs and standards such as ISO 26000 were topics of conversation. Although links between these standards exist, they are not always obvious to the uninitiated. A decision tree or infographic which visually demonstrates how these standards link together may be useful to drive increased use of the standard in future.



There may be opportunities to further this in the future through collaboration with national standards bodies as they work towards smart standards. In the UK, BSI is using ISO 20400 as one of the pilots for its Smart Standards initiative.

3.5.1.4 Develop a technical working group for sustainable procurement

Although an informal group already exists through www.iso20400.org it has no formal status. A more formal working group which can provide additional guidance on what “good looks like” may be of benefit as an alternative to a costly and time-consuming revision or re-write of the standard.

3.5.1.5 Better links with academia & professional institutions

Better links between organisations using the standard, academia and professional institutions could increase awareness and drive better use of the standard.

There is a lot of good work going on in academia that could really informally help on the ground

Dr. Anne Staal,
AUT

Professional institutions such as CIPS should embed ISO 20400 into their teaching and qualifications to ensure that procurement professionals are equipped for the challenges they face

Shaun McCarthy,
Action Sustainability

3.5.2 Opportunities for wider use of ISO 20400

There were also many opportunities for ISO 20400 as the concept of sustainability develops globally. These include:

3.5.2.1 Wider use of the 20400 methodologies

Several contributors stated that the ISO 20400 methodology can be applied for almost any sustainable business initiative, not just procurement, e.g., an overall sustainability strategy, reducing carbon, local spend, etc...

It is a framework, both in name and literally, you can use it to focus on specific impacts or sustainability more widely. It is a thought process.

James Cadman,
Action Sustainability

3.5.2.2 Social Benefits

The concept of ***wider community and social benefits is a sustainability topic of increasing interest and importance.***

Particularly in the UK and Australia the concept of social value is becoming more intertwined with procurement, particularly in the public sector. This is especially relevant when local councils and government bodies are facing increased pressure to deliver procurement which delivers the maximum benefit to the communities in which they work – e.g. collaboration in the supply chain to deliver more apprenticeships in the UK or improving opportunities for indigenous suppliers in Australia. There is a potential opportunity for ISO 20400 to become recognised as part of the methodology behind delivering social value.



3.5.2.3 Supply Chain Risk Mitigation

Interviews with Pirelli Tyres and Apollo Tyres showed that ISO 20400 forms part of their risk management strategy for the sourcing of natural rubber. Natural rubber is a vital ingredient for tyre manufacture which relies on small-scale producers in less economically developed countries. In 2019, Michelin Tyres also achieved the RFAR sustainable procurement label in France.

In the case of natural rubber, you might find upstream the risk of deforestation. This is very significant and requires management. We agree a clear plan and road map of activities with our suppliers that they have agreed with us. The problem is the context – you are in countries like Indonesia where the supply chain is much harder to control.

Elenora Pessina,
Pirelli Tyres

There is also increasing legislation in many countries which is mandating organisations address the key risks in their supply chains. For example, both the UK and Australia have Modern Slavery Acts and the French Supply Chain Due Diligence legislation.

In the future it may be beneficial to more implicitly link the methodology provided by ISO 20400 and the management of supply chains or products deemed 'high risk'.



3.5.2.4 Supply chain collaboration and support:

The standard also represents an opportunity for different people within an organisation to collaborate to develop common approaches and solve supply chain and sustainability problems. The standard provides the common ground for this to happen and exploring this further could drive the standard forward. The Supply Chain Sustainability Schools in UK and Australia are good examples.



The Supply Chain Sustainability Schools in UK and Australia are good examples.

You really do need the collaboration between the procurement team, the contract management folks, project management folks and the sustainability people who are relevant to that, so they all bring their knowledge and experience together to deliver

James Cadman,
Action Sustainability

3.6 Challenges & Risks

However, there are some challenges and risks associated with the standard.

3.6.1 Ownership

The standard makes it very clear that top management leadership is fundamental for successful implementation and that implementation needs to be led by procurement teams. However, some interviewees reported that many organisations have distinct procurement and sustainability teams. As sustainable procurement sits across these often-separate teams it can be difficult for organisations to allocate overall responsibility for the implementation of the standard. The standard provides some useful guidance on this subject including an illustration in Figure 3.6.

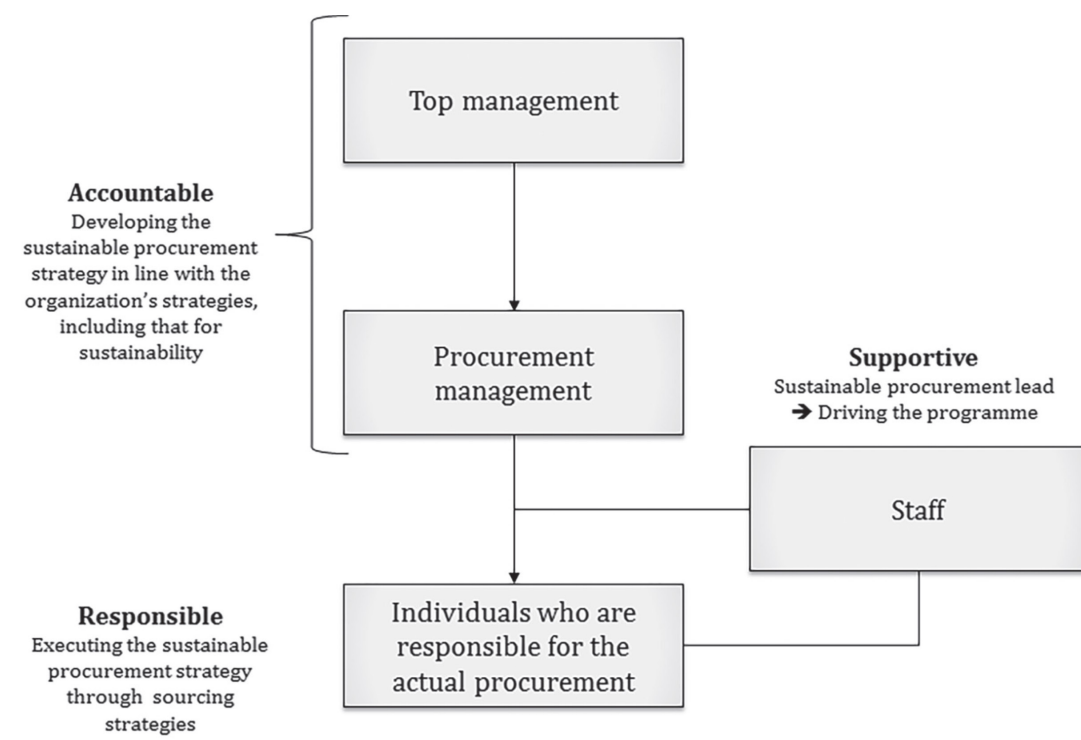


Figure 3.6 Accountability/Responsibility guidance from the standard

One of the challenges is the general knowledge about sustainability with the procurement professional, how to apply sustainability criteria into the procurement decision, it's lacking. Most of the time they will look for the easiest one and say OK if it is some kind of label or ecolabel. They don't have ideas around many of the concepts like social procurement, life cycle costing and it's a challenge

Sanjay Kumar,
Indian State Railways

Sanjay also makes the point that it is easy for a procurement professional to make decisions based on distinct criteria, such as eco-labels. However, sustainability is a complex topic which incorporates significantly more than simply ecolabels. Incorporating more complex elements such as lifecycle costing is significantly more difficult, and therefore considered less often. Section 7.3.5 of the standard provides guidance on this issue.

There is evidence to suggest a lack of recognition of sustainability as a core competency for procurement professionals and recognition of procurement is a core competency for sustainability professionals. Section 6.2.1 of the standard recommends a mixture of training and professional support and advice for procurement professionals in the same way they would seek professional advice on other subjects such as technical, legal, financial etc.

Early sustainable procurement adopters such as Balfour Beatty have integrated their sustainability and procurement teams to ensure that sustainability and procurement professionals can work together.

We embedded sustainability into the procurement team, so we were there all the time. When they were having meetings about traditional procurement subjects, we could identify where we could insert and integrate sustainability into what they did

Aaron Reid,
Balfour Beatty

3.6.2 Wording

Whilst there was almost universal agreement that the structure recommended by the standard can be applied in a practical way across sectors, regions and cultures, the accessibility of the information was challenged. There is a 20-question online assessment and a practical pdf guide for this purpose on www.iso20400.org but some interviewees feel more needs to be done.

It's not practical enough. People don't want to read anymore; they're not used to going through 60 pages of text. I mean, it's like a law book

Dr. Anne Staal,
AUT

3.6.3 Interpretation

As a guidance standard ISO 20400 has been designed to be adapted and used by organisations in a way that is best for them. However, this also presents a key challenge as it leaves the use of the standard open to interpretation.

This presents a challenge as two organisations may outwardly equally claim to clients that they have aligned with ISO 20400. However, the reality can be that the level of adoption between organisations can be very different. This leads to frustration as organisations which have spent time and effort to go the extra mile as they are not recognised for doing this.

To enable the bar to be lifted higher, there must be consistent application of Sustainability measurement from public and private sector clients, main contractors and supply chain, to promote businesses that are leading and implementing positive change

Dale Turner,
Skanska

3.6.4 Wider sustainability agenda

Sustainability is a very broad topic area. New topics rise to the top of the agenda all the time, to the detriment of others. In some respects, interest has shifted to other topics such as carbon, plastics, and the circular economy. Users can confuse “topics” such as circular economy with enablers such as sustainable procurement.

It will be beneficial to publish more case studies to demonstrate how it can be a methodology to deliver sustainability objectives, such as reduced carbon, plastic, or SME/Local supplier engagement. The current case studies can be viewed [here](#).

3.7 Performance

To date, users of the standard across the geographies and sectors have indicated that it can be difficult to demonstrate how adopting the standard has directly improved business performance. Detailed papers setting out the business case for sustainable procurement from UK and Australia can be found on www.iso20400.org but some respondents remain sceptical.

Organisations are increasingly looking to mandate and quantify their sustainability performance – such as making statements like “33% of our suppliers are ethical”. However, these statements can mean different things. For example, terms like *SME*, *ethical*, even the term *procurement* mean different things in different geographies or even sectors.



In addition, some organisations may make exaggerated claims about their business. Two different businesses may make similar statements about how “ethical” their supply chain is when, in reality one may have a much more rigorous process than another. Demonstrating which organisations have made the most effort in a way which is simple and clear for clients can then also be a challenge.

What is the true price? I think that’s a challenge, we can try to do something, but it is very, very difficult. Supply chains need to recognise the true price

Karin van Ijsslmuide,
NEVI

In other interviews the concept of the “true price” of goods and services was discussed. These discussions focussed on how **procurement needs to not just look at price but the environmental and social dimensions of any procurement decision.**

3.8 Use

Interviewees reported that the online assessment tool was useful first step to gain an understanding of the standard.

The gap analysis online is a fantastic place to start

Sarah Collins,
CIPS New South Wales

A summary of the use of the standard in different geographies is summarised below:



The UK: Most significant take up in the construction sector, driven by Action Sustainability being an advocate for ISO 20400. Some organisations, such as Balfour Beatty, are now strongly aligned with the ISO 20400 methodology. Construction clients increasingly understand what ISO 20400 is and request that their contractors are aligned to it. This is particularly the case for larger projects, such as HS2.

Growth in other sectors has been slower but with some key successes – even seasoned procurement professionals with many years-experience have learnt from the standard.

It was just a great learning tool for us, as much as you think you know everything, you really don’t

Don Bowman,
London Universities Purchasing Consortium



Australia: Similar to the UK, insofar as it has been driven by key individuals who are strong advocates for the standard. ISO 20400 is in use by several organisations with a focus on procurement teams in local councils. Local councils do not publicly state that they have used the standard.



The Netherlands: A new public sector amendment means that ISO 20400 will have increasing importance in public sector contracts.



France: There are a number of certifications that organisations can get to demonstrate their sustainability credentials. ISO 20400 needs to fit within this framework, hence the development of the RFAR Responsible Purchasing Label. Obtaining this certification has been limited to larger organisations such as The Ministry of Defence and Michelin.



India: Use of the standard is driven internally by specific organisations who are interested in improving their sustainability performance. Very large organisations like Indian State Railways find the ISO 20400 methodology as useful common guidance for employees.



Sweden: In Sweden the public procurement system has recently been updated and now includes elements of sustainable procurement. The government procurement criteria do not include a specific reference to ISO 20400 (despite the standard being adopted) and subsequently use of the standard is low.



The USA: The sustainability and sustainable procurement agenda is becoming a more important topic. However, corporate culture in the US tends to push back against anything which has been developed internationally. The standard has not been formally adopted in USA, but the National Standards Body offers it for sale in several languages.

I would say that sustainable procurement has advanced exponentially. In North America I would say that 20400 is not the basis of the concept or even a main talking point. Some of the concepts are there but it's being driven much more now by financial institutions

Josh Jacobs,
WAP Sustainability



New Zealand: ISO 20400 is an adopted standard and public sector organisations have used it to develop procurement plans. However, there may be a disconnect between strategy and day to day procurement activity.

In conversation with a procurement professional...

I said well, in 2017 your strategic procurement plan was based on ISO 20400, so what is your experience in using it? He looked a bit like a rabbit in headlights and he said well, a consultancy put that in, and we don't actually use it

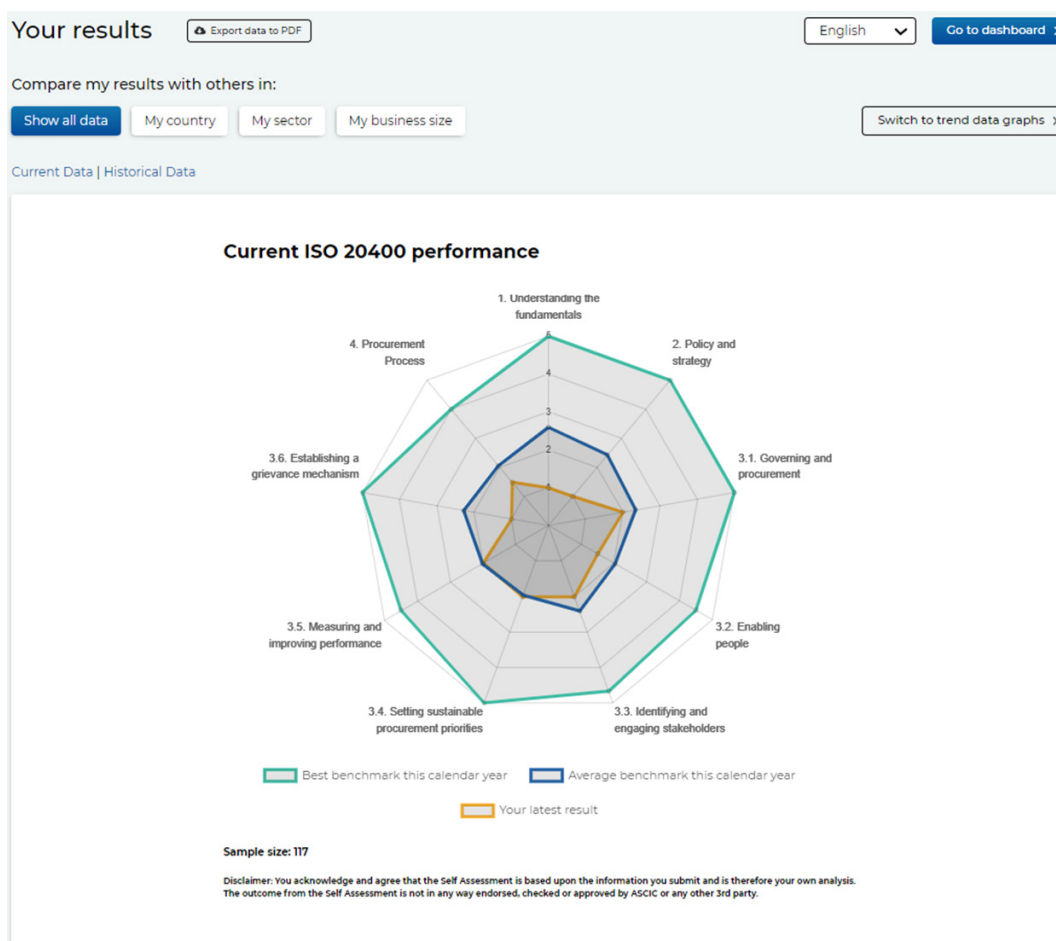
Dr. Anne Staal,
AUT



Rubber companies: It is interesting to note that ISO 20400 has been used by several rubber companies. Both Pirelli and Apollo Tyres were interviewed as part of this work and have used the standard to verify and improve their procurement processes. In France it is also interesting to note that Michelin has achieved RFAR certification. These multinationals are dependent on natural rubber, a product which has a complex and sometimes unreliable supply chain. There may be an opportunity for future research to understand if ISO 20400 has helped with this process.

4 Self-Assessment Data

A review of the self-assessment data available from the ISO20400.org website. Trend data will be considered in Section 4.1, but organisations can also benchmark their own self-assessments overall or by country, sector, or business size. A typical example is shown below.



4.1 Performance 2019-21

Self-assessment data reveals that in the period 2019-2021 the maturity levels in the different stages of the procurement process have remained relatively consistent between the levels of 2.6-1.9 overall. To date (October 2021) 316 online self-assessments have been completed from 27 countries. Average benchmarks by business size show slightly higher scores for small businesses of less than 50 employees but as the sample size is only 30 at present it is hard to draw specific conclusions from this. It is possible to analyse data by sector and country but in most cases the sample size is too small to draw any conclusions at this stage.

It is interesting to note that in many categories, maturity has marginally decreased. Lowest scores have been recorded in *setting sustainable procurement priorities* and highest in *understanding the fundamentals*, Figure 4.1

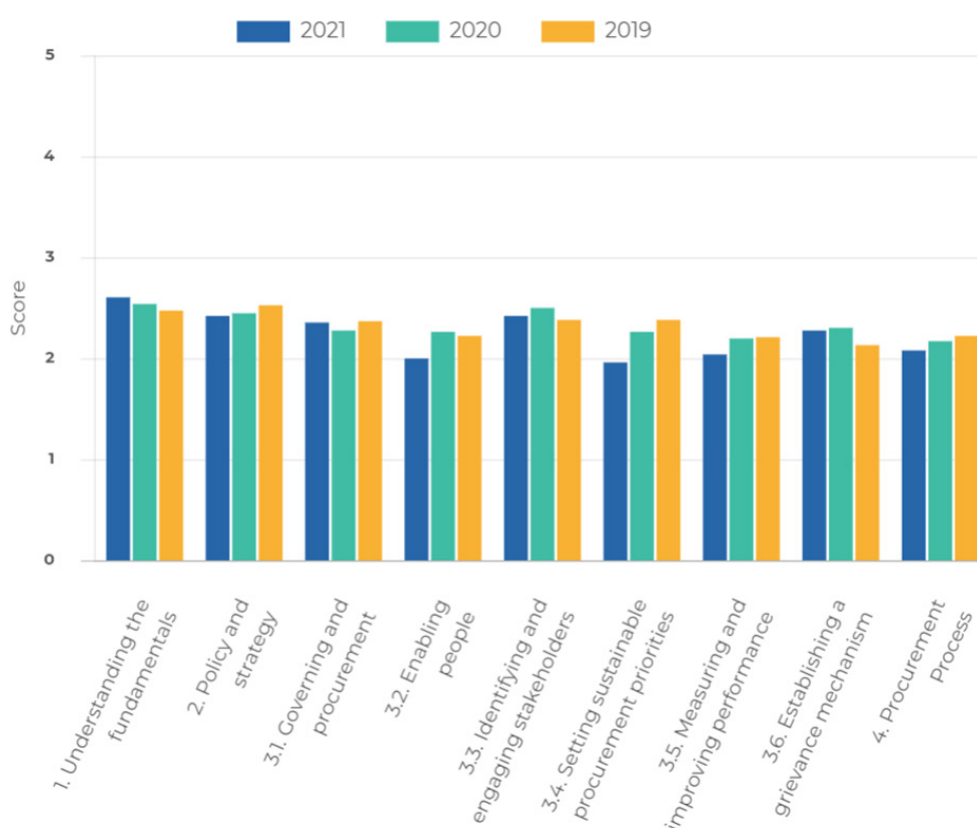


Figure 4.1 ISO 20400.org Self-Assessment Data by Year

5 Discussion

All interviewees were advocates for the standard and in future it may be beneficial to gain insights from people who are aware of the standard but have actively decided not to use it.

In many discussions it was apparent that there is a need for education to improve procurement professionals' knowledge of sustainability and sustainability professionals' knowledge of procurement. Procurement professionals need to know enough to understand when they need professional advice and sustainability professionals need to understand procurement in a better way in order to give effective advice. Very few people are qualified in both disciplines, but this level of qualification may be required in future.

5.1 Sustainability

At present, use of the standard is slightly at odds with corporate interest in sustainability. Interviewees from the Netherlands and Australia reported that uptake of the standard peaked shortly after launch and, although its use is still growing, interest has tapered off. This is at odds with the wider sustainability agenda which is growing exponentially. In UK growth is stronger.

By its very nature sustainability is complex and multi-faceted, interest in specific topics, for example labour rights, carbon or plastics, changes quickly. Sustainable procurement needs to be seen as a process, which allows organisations to deliver on their sustainability objectives.

Section 6.2.1. of ISO 20400 does explain how alignment with the standard relies on collaboration between individuals to be successful. The standard may benefit from some targeted marketing towards the individuals who should be taking a lead on bringing ISO 20400 to their organisation in the first place.


5.2 Value

Uptake of the standard may increase by better demonstrating the tangible value it can bring to business. Notably delegations from the UK and Australia have produced documents which demonstrate this, however, there may be benefits arising from articulating and marketing these benefits more effectively.

Broadly across all geographies advocates of the standard value most the fact that the standard demonstrates that they are aligned with best practice. This can provide a wide range of benefits, from attracting financial investment to tendering and winning contracts with clients.

5.3 Certification or Guidance

For many organisations, the fact that ISO 20400 is a guidance standard is still misunderstood. The majority of ISO standards are certified, and many organisations simply assume that the same is the case with ISO 20400.



"Alignment with the standard relies on collaboration between individuals to be successful"

The interviews informing this report indicate that a level of certification for would be popular with organisations who are relatively new to the ISO 20400 standard . However, organisations who have been using the standard for longer periods of time increasingly value the flexibility that the guidance approach offers.

However, a certified standard would require a completely new standard. This would mean a significant investment in time and resource from an expert committee to develop (the original standard took 4 years and involved 40+ national delegations). Considering the successes of the existing approach, the time invested in delivering this change would need to be justified. The issue of certification may be better addressed by understanding that organisations new to ISO 20400 are less familiar with what a guidance standard is and need more information on how to use it.

This raises a fundamental question for the future of sustainable procurement standards. Is the existing guidance methodology presented by ISO 20400 the optimal way of driving the sustainable procurement agenda, or would an additional element of external verification or formal certification be beneficial? Future development may also need to accept that many organisations may be using it without declaring publicly.

5.4 Use

The interviews revealed that the methodology represented by the standard is universally accepted as clear and effective.

Fundamentally the standard needs to be practical enough for all procurement professionals to use. The reality is that few people will read the entire standard and some sort of practical “how to” document may bring significant benefits in terms of use and outcomes, or better marketing of the [existing guidance documentation](#).

Dr. Anne Straal in New Zealand pointed out that the challenge lies more in engaging and encouraging procurement professionals on the ground to do things differently, and less in encouraging organisations to develop strategies aligned to the standard.

It is also important to recognise how the use of the standard might differ between SMEs and larger organisations, and the benefits that it can bring to both. In some instances the cost of the standard could be a barrier, particularly in developing nations.



6 Conclusions

6.1 The Methodology Works

Since its launch in 2017 ISO 20400 has been globally successful in facilitating many organisations on a path towards more sustainable procurement. Almost universally interviewees agreed that the ISO 20400 methodology has been successful and works across a wide range of geographies and sectors. This helps to confirm the inherent robustness of the standard.

6.2 Use is driven by Key Advocates

Use of the standard itself continues to grow, however, it is still largely driven by key advocates and is not yet part of common business practice in the way that other ISO standards are (ISO 14001, ISO 9001 etc...). Increasing the uptake of ISO 20400 may be as simple as increasing awareness with those likely to use it. Better engagement with academia and professional bodies such as the Chartered Institute of Procurement and Supply, would help to drive best practice among people new to the profession.

6.3 Education and marketing is needed, sustainability for procurement and procurement for sustainability?

ISO 20400 would benefit from some new and potentially innovative marketing to increase awareness and drive increased use.

The standard sits across the professions of sustainability and procurement and many other professionals who either contribute to procurement decisions or work with suppliers. At present there is a lack of knowledge with sustainability professionals of the importance of procurement and vice-versa with procurement professionals.



"ISO 20400 has been globally successful in facilitating many organisations on a path towards more sustainable procurement."

ISO20400.org already thinks beyond the traditional .pdf resources and uses video, podcasts, live and virtual events etc. Better awareness is likely to drive increased use of the standard. However, this responsibility cannot lie only with a small social enterprise. Those providing higher education, professional standards and CPD training have a responsibility to recognise the value of the standard and promote it to their students and members.

The ISO20400.org self-assessment data also indicates that current maturity is relatively constant and suggests that education across a range of sustainable procurement topics would be beneficial. There is some evidence to suggest that in 2021 scoring in the “enablers” sections was slightly lower than other elements of the standard and could be a focus for any future guidance.

6.4 The guidance standard approach is not universally understood

Many organisations do not understand what a guidance standard is and how to apply it. Those who have been using the standard for longer periods of time value the flexibility that the guidance approach offers.

A significant investment of time and resource would be required for the standard to become certified. This could also have negative implications for organisations who have successfully aligned with the guidance standard model. The question remains if an effort towards an certification would be worth it, or if time and resource may be better spent articulating how the guidance standard model works.

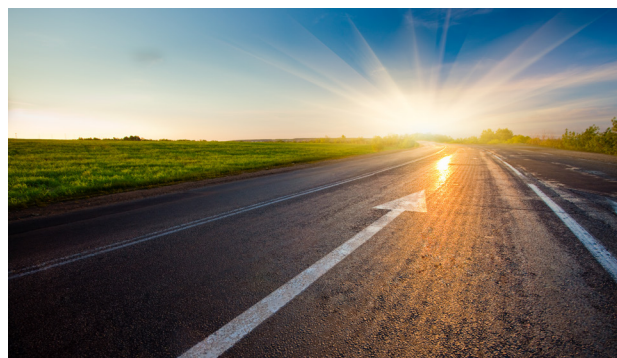
6.5 Different organisations using the standard in different ways is a good thing

Some organisations have used the standard as a fundamental part of how they approach sustainability as a business – to the point where sustainability and procurement professionals work together in the same department. Others use the standard as simply a way of externally verifying their existing procurement processes. Some have engaged with external consultancies, some have not, and some organisations have used the standard but do not make this public.

A significant number of organisations have gained value from using the standard in their own way. This helps to support the value of the guidance model approach.

7 Next Steps

Within 5 years from publication all standards are systematically reviewed and the ISO membership votes on a set number of options: withdraw; confirm (as is); revise/amend and abstain. The systematic review of ISO 20400 will be carried out automatically in 2022. The research undertaken for the development of this report provides useful information to inform any revisions or edits to the standard. Any review of interconnected standards, such as ISO 26000, also need to be factored into any potential revisions of ISO 20400.



The successes achieved since launch need to be maintained, however, the research undertaken to develop this report also reveals that change may also drive increased use. Any changes need to be sensitive to the feedback that the standard’s methodology has been universally well received and that several organisations are successfully using it.

Evidence from the interviews indicates that the standard may benefit from the following:

- 1) **Consider a change to a certified standard:** by far the most extreme measure. This would require a significant investment in time and resource by the ISO 20400 federation and the development of an entirely new certifiable ISO standard.. It would also likely be unpopular with organisations who have already aligned themselves with the guidance standard approach. However, it may drive increased uptake and interest in the standard from organisations not familiar with it.
- 2) **Development of the existing standard and maintain the guidance model approach:** ISO 20400 will soon be subject to a vote on a 5-year review. Subject to the outcome of this vote there may be the opportunity to make changes.
- 3) **Keep the ISO 20400 Standard in its present form:** this would leave ISO 20400 unchanged whilst also allowing the iso20400.org steering group and others to continue its work in promoting the use and developing supplementary guidance or resources as required.

Appendix A: Interview Questions

- 1) What trends have you seen in the last 4 years in terms of ISO 20400 use in your region or industry?
- 2) Do you think the current guidance standard is the best approach?
- 3) To what degree does your organisation/your client assessments follow the Fundamentals/Policy & Strategy/Enablers/Procurement Process outlined in the ISO 20400 standard?
- 4) How closely have you followed the methodology for ISO 20400 assessments provided by the ISO20400 website?
- 5) How has your approach differed?
- 6) (If methodology is different) Why have you taken a different approach?
- 7) Has your methodology changed over time?
- 8) What successes have you had?
- 9) What challenges have you faced?
- 10) What learnings would you like to share with the wider ISO 20400 community about your experiences so far?
- 11) How do you plan to use the standard in the future?

Appendix B: Interviewees

- Dan Apps: Siemens Mobility, Chippenham, UK
- Dale Turner: Skanska, UK
- Sarah-Jane Waith: Transport for Wales, Cardiff, UK
- James Cadman and Helen Carter: Action Sustainability, London, UK
- Aaron Reid and Katherine Rusack: Balfour Beatty, London UK
- Don Bowman: LUPC, London, UK
- Alison Bettany: EMCOR, Manchester, UK
- Annie Sorel: Ecochats, France
- Sanjay Kumar: Indian State Railways, India
- Neha Patel: Apollo Tyres, India
- Luca Guzzabocca: Right Hub, Milan, Italy
- Elenora Pessina and Sara Moruzzi: Pirelli Tyres, Milan, Italy
- Staffan Soderberg, Freelance Consultant, Sweden
- Josh Jacobs, UL, USA
- Farid Yaker: United Nations, Paris
- Tanya Harris: Edge Environment, Melbourne, Australia
- Tanya Lalor: LGP, Sydney, Australia
- Sarah Collins: Procurement Consultant, Australia
- Karin Van IJsselmuide: NEVI, The Netherlands
- Anne Staal: Auckland University of Technology, New Zealand