

amazon business

2024 State of Procurement Report

The Trends Shaping the Future of Business Buying



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Executive summary — A note from Amazon Business

Procurement is fundamental. Business buyers manage everything from day-to-day purchases to measuring sustainability to future-proofing operations for long-term growth. It's a wide spectrum of mission-critical responsibilities, spanning all business functions. **To achieve their ever-growing list of goals, procurement is transforming at lightning speed.**

For the third year in a row, Amazon Business conducted its annual study to shed light on today's challenges and tomorrow's priorities. In July 2023, we surveyed 3,108 procurement decision-makers and executive leaders around the globe in partnership with KRC Research. I'm delighted to present the results of the study, along with interview insights from procurement leaders and Amazon Business executives, in our [2024 State of Procurement Report](#).

Armed with these insights, procurement leaders have the opportunity to glean valuable lessons from their peers and reshape their organisations. For instance, our research revealed that 80% of respondents are willing to integrate AI into their procurement processes within the next two years. AI holds the potential to enhance purchasing by recommending lower-cost products based on past purchases or by empowering chatbots to gather information and provide guidance – to name just a few applications. If you find yourself among the 20% who haven't incorporated AI into your strategic roadmap, **it's time to reconsider.**

Heading into 2024, our focus shifts to equipping procurement teams with the skills, tools and strategies to lead their organisations into the future. **By embracing smart business buying technologies that expand visibility and drive efficiency, the procurement function can boost their organisation's agility.**

Amazon Business is here to help procurement leaders achieve their strategic goals. We're proud to support the purchasing and digital transformation efforts of millions of business customers worldwide – ranging from large enterprises to small non-profits. Together, armed with the necessary insights and cutting-edge technologies, we can **buy smarter, dream bigger and thrive, in any economy.**

Alexandre Gagnon

Vice President, Amazon Business Worldwide

2024 Business necessities

Predictive procurement

Today, success hinges on harnessing automation, data analytics and AI. Procurement leaders must not only predict, but also prevent, disruptive events. Investing in predictive technology, tools and partners boosts confidence and resilience – two of the most integral competitive differentiators. [See Section two: Transforming procurement.](#)

The employee experience

To attract, retain and train top talent, procurement leaders must provide employees with the same frictionless buying experiences that they know and love as consumers. Striking the right balance in their organisation's human-machine collaboration will be paramount. [See Section four: Collaboration and purchasing democratisation.](#)

The customer experience

Procurement has an impact on the entire customer journey. From initial purchase to final delivery, customers expect white-glove service, unwavering reliability, responsible supply chains and absolute peace of mind. Procurement can make or break a brand. [See Section three: ESG improvements.](#)

The supply chain cost equation

In times of scarcity, supply costs surge. But as demand and supply find their equilibrium, product costs aren't necessarily falling. To reclaim savings without sacrificing responsible purchasing goals, high visibility and fast access to data are critical when negotiating with suppliers. [See Section one: Key challenges and priorities.](#)

Key findings

44%

of respondents listed efficiency and complexity as a challenge facing procurement. They're ranked as the No. 1 challenge today.

98%

of respondents are planning investments in analytics and insights tools, automation and AI for their procurement operations in the next few years.

95%

of decision-makers say that their organisation has to outsource procurement activities to third parties.

95%

of decision-makers say that procurement has room for optimisation.

53%

of respondents say that their procurement budgets will be higher in 2024 compared to 2023.

81%

of respondents have internal or external mandates to purchase from different types of certified sellers. Many of those – 4 out of 10 – who don't have required responsible purchasing goals still take supplier ESG factors into consideration.

85%

of respondents say that the difficulty of sourcing suppliers that follow sustainable practices prevents their company from setting or achieving sustainability goals for procurement.

“Two years ago, you never heard of a CEO on an earnings call talking about sourcing or supply chain. Now, it’s a big part of every earnings call. All of a sudden *[procurement’s role]* is **geopolitical, it’s economic.**”

Head of Procurement, multinational telecommunications company | United Kingdom

“*[Navigating complex and changing]* supply chains remains a critical issue. And the bigger the company, the greater the opportunity there is to **mitigate risk.**”

Vice President of Purchasing, global bank/credit union | United States

A young man with dark hair and glasses, wearing a white button-down shirt, is seated at a table in what appears to be a cafe or office setting. He is looking off to the side with a thoughtful expression. The background is blurred, showing other people and trees. The entire image has a blue color overlay.

Section one

Key challenges and priorities

As responsibilities increase, procurement operations naturally grow more complex.

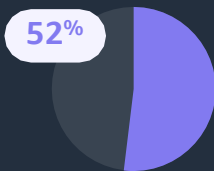
Internal procedures, decision-making and prioritisation now require more strategic deliberation, additional steps and greater input from stakeholders than ever. Concurrently, the impact of global and regional headwinds – such as market fluctuations, evolving regulations and persistent supply chain disruptions – is reverberating throughout procurement’s day-to-day operations.

Top internal challenges facing procurement:

1	Complexity of systems/processes	47%
2	Accessing a wider range of sellers/products that meet our needs	33%
3	Ensuring compliance with spending policies	31%

Top external challenges facing procurement:

1	Rising costs for purchases	36%
2	TIE: Preparing for unexpected economic changes; ESG/CSR mandates	34%
3	Working with suppliers that cannot support digital procurement needs	33%



of procurement decision-makers are responsible for making purchases for multiple locations. Of this group, 57% make purchases for multiple countries.

Industry spotlight

Among various industries, procurement professionals see certain challenges as more pressing than others. However, respondents across sectors unanimously agree that **complex systems and processes are the No. 1 challenge facing their department today.**

Industry	Top internal challenge facing procurement	Top external challenge facing procurement
Government	Complexity of systems or processes	TIE: Rising costs for purchases; Preparing for unexpected economic changes
Finance		Changing regulations or laws affecting procurement
Hospitality		Working with suppliers that cannot support digital procurement needs
Healthcare		Changing regulations or laws affecting procurement
Manufacturing		Rising costs for purchases
Medical/Pharmaceuticals		ESG and CSR mandates
Retail		Rising costs for purchases
Tech		Disruptions in supply chains
Telecoms		Working with suppliers that cannot support digital procurement needs

These challenges are only compounded as decision-makers plan for the future. By trade, procurement professionals are forward-thinking, often strategising months (if not years) in advance to anticipate their organisations' future buying needs and evolving network of suppliers.

More recently, they are also contributing to higher-level, organisational goals. Many of the top risks identified by respondents have the potential to disrupt procurement operations with little warning, underscoring the need for preparedness.

Top risks facing procurement for the next one to two years:

1	Costs and budgets	29%
2	Markets and supply chain volatility	25%
3	Security and technologies	22%
4	Politics and regulations	21%
5	Staffing issues	14%

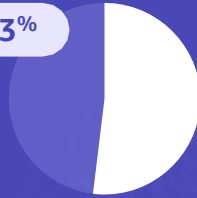
I've personally seen cases where suppliers may be asking for even a 40% or 50% increase in price, and that's not budgeted. In some cases, we may have only budgeted a 10% increase. So the challenge for procurement increases. And that's not going away."

Vice President of Purchasing,
global bank/credit union | United States

Rising procurement budgets

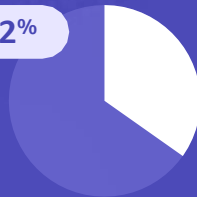
Organisations are funnelling more resources towards procurement needs to help leaders counteract the impact of skyrocketing supply costs and other unforeseen economic hurdles. Global events, such as inflation and geopolitical conflicts, are a major point of concern for both the respondents and executives we interviewed.

53%



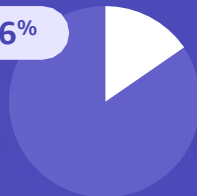
of respondents say that their purchasing budgets will be higher in 2024 compared to 2023.

32%



say that their budgets will stay the same.

16%



say budgets will decrease

[Our biggest challenges] are **competition from similar companies and rising costs.** We might have to sacrifice on quality if not provided with the required amount of money to make purchasing decisions.”

General Manager,
large public sector organisation | United Kingdom

Procurement departments are making plans to guard against these challenges and risks. Over the next year, it's no surprise that organisations want to prioritise initiatives that aim to increase efficiency and reduce costs – including talent acquisition and retention. By focusing on these core priorities, businesses are able to fortify their procurement operations and also improve overall organisational resilience, ensuring that they remain agile and competitive.

Top priorities facing procurement for the next one to two years:

1	Retaining and developing existing talent	86%
2	Attracting or hiring top new talent	84%
3	Reducing costs in purchasing	82%
4	Establishing or refining procurement standards across the organisation	81%
Tie		
4	Building resilient and agile supply chains	81%

“Careless management, lack of training and preparation of personnel are some of the risks that can represent a threat to the organisation.”

Manager of Supply Chain,
small hospitality and food services company | Spain



“Developing procurement capacity, agility and innovation are top priorities. To achieve these goals, procurement leaders must streamline the time spent on low-value activities, like gathering information for reports, manually entering data into disparate systems and trying to contact suppliers for delivery updates. Beyond reducing administrative burdens, buyers need enhanced visibility into purchasing data and supplier information to cultivate the ability to make swift and assured decisions.”



Aster Angagaw

VP, Head of Commercial, Public, & Strategic Sector
Amazon Business

Section two

Transforming procurement



Business buyers are looking to enhance and streamline back-office operations

As the procurement function broadens in scope while facing staffing shortages, **traditional ways of operating must change**. Namely, procurement has an opportunity to evolve to realise greater efficiencies and improve the employee experience – both within and beyond procurement’s walls. Many of the challenges respondents ranked highest are ripe for improvement and could benefit from the aid of digital tools (including AI).

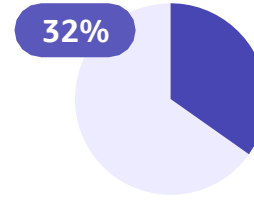
Top activities that procurement wants to spend less time/energy on:

1	Costs and budgets	38%
2	Spending lengthy periods on gathering information or data for reporting	37%
	Trying to contact suppliers for information, updates or corrections; Sourcing suppliers for simple purchase	37%
Tie		
	Doing activities or reviews that could be automated	37%
	Working across systems or tools that could be integrated	37%

Top activities that procurement wants to invest in:

1	Investing in technology or tools to be more efficient	36%
2	Taking steps to mitigate risks in the face of economic or geopolitical challenges	35%
3	Setting or meeting goals for ESG or for buying from certain types of suppliers	33%
4	Decentralising purchasing so others can more easily buy for their own teams	30%
5	Integrating more closely with other parts of the organisation	29%

A significant number of organisations recognise this necessity to digitally transform and are already taking advantage of advanced procurement technologies – but there’s certainly room for improvement. Consider this: Only **half** of organisations report using digital invoices in 2023.



of procurement decision-makers say that their procurement processes are nearly or fully integrated within a procurement system.

Technologies currently in use by procurement operations:

1	Procurement analytics or reporting tools	62%
2	Automation of manual procurement processes	54%
3	Digital or online invoice	51%
4	AI-driven optimisation of purchasing decisions	47%
5	Voice technology	41%

“Making investments in the right tools and technology *[is critical]* because you rely on data as a procurement organisation. There is... spend data, contractual data, invoices and more. **Without the right tools in place, you can only do so much *[with your data]*.**”

Vice President of Purchasing,
global bank/credit union | United States

Looking ahead, the majority of respondents are working to further transform procurement best practices within their organisations. In fact, 98% of decision-makers are **already planning investments or upgrades in analytics and insights tools, automation and AI-driven optimisation** of purchasing decisions in the next few years. The same amount are interested in discovering or learning about new digital tools that could scale up their procurement operations.

In addition to transforming their internal operations, **procurement leaders are looking for ways to enhance their purchasing mechanisms**. Just as business buyers appreciate the advantages of digital buying experiences in their personal lives, they're ready to introduce online distribution avenues to their respective organisations. At the time of this survey, two thirds of buyers had planned to make more than 41% of purchases through online distribution channels in 2023.



“The use and investment in new technologies have the biggest risks. It is important to diversify the marketing channels to react to changes in the market.”

Vice President of Finance & Accounting,
financial services company | Germany

AI in procurement

With AI on every leader's list these days, it's reassuring to discover that virtually all respondents are interested in learning about the use of AI/machine learning (ML) in procurement, including opportunities for:

1	Quicker or deeper data analysis	44%
2	Time savings	43%
Tie		
2	Different systems to connect more seamlessly	43%

Just under half (45%) of respondents would be willing to incorporate AI into their procurement efforts immediately or within a year – 80% would be willing to do so within two years. Looking at industries,

it's no surprise the tech sector (52%), followed by telecom (51%) and medical/pharmaceuticals (49%), is leading the charge to adopt AI immediately or within a year. Healthcare services are the least likely to do so (38%), followed by government respondents (39%).

Procurement professionals also ranked security and technology (22%) and technological changes/AI (11%) as an overall challenge/risk in the next year. Concerns largely arise around data security and whether the technology is ready for real-world applications. As procurement teams welcome emerging technologies, there's a growing need to strike the right balance between improvements and security best practices.

However, time is also of the essence. Even a delay of a year or two can open a window to even greater advancements in AI, meaning that laggards only fall further behind competitors that more quickly adopt emerging procurement solutions.

Which digital tools do I implement and how? They're coming very quickly – you've got everybody using automation, machine learning and AI. Do I buy a tool now? Do I wait? Do I outsource those services? These are all questions that are coming at *[the procurement department]*."

By investing in tools that digitise, automate and streamline core functions and processes, procurement leaders can empower their **teams to focus less on function and more on strategy**. This realignment of priorities is beneficial for procurement teams, as well as for the rest of their organisations. It's an important milestone for businesses looking to drive innovation and efficiency."



Doug Gray

VP, Technology
Amazon Business

Section three

ESG improvements



Responsible purchasing is both a requirement and an opportunity for organisations. Each of the countries surveyed has laws or regulations stipulating either that governmental entities must consider the environmental impact of products when evaluating bids or that businesses must significantly reduce carbon emissions [Appendix 1]. Some countries, such as the United States, set aside a percentage of contracts for [small](#) or [disadvantaged](#) businesses.

Forming more [sustainable](#) supply chains and [inclusive](#) vendor ecosystems can support compliance with these guidelines and also grant businesses a [competitive advantage](#) – helping them form deeper, more value-based relationships with customers and employees. In addition to supplier ownership credentials and sustainability information, procurement requires access to a range of responsible purchasing considerations about the goods they buy and the sellers with who they engage.

Considerations important for procurement to know about:

1	The location from where the products you purchase originate	94%
2	The HR policies and standards of the organisations you purchase from	92%
3	The type of transport used to ship the products you purchase	90%
4	The ESG policies of the organisations you purchase from	89%
Tie		
4	The DEI policies of the organisations you purchase from	89%
5	The route and the stops that the products you purchase make on their way to your organisation	88%

Most of the segments of companies like us are **focused on sustainability and carbon reduction, which most affect the market image and growth of all companies.**"

SVP of Supply Chain,
mid-sized hospitality or food services company | Japan

From an environmental standpoint, we are working on a 50% reduction in our net carbon emissions by 2030. So, we require that all of our suppliers to sign a Code of Conduct. We're doing a lot more screening of suppliers to ensure that they're behaving as they should... they're abiding by laws, they're disposing of waste properly, they have risk mitigation plans in place for natural disasters... any of these things and more.

Vice President of Global Procurement,
technology company | Germany

At the time of this survey, 81% of respondents reported having internal or external mandates to purchase from different types of certified sellers. Depending on the country, this could include sustainable, local or small businesses, or sellers that are owned by historically disadvantaged groups. Many of those respondents – 4 out of 10 – who don't have required purchasing goals still take supplier ESG factors into consideration.

Respondents who have mandates to purchase from certified-seller groups:



The challenges to our company include facing environmental concerns, reducing our carbon footprint and adopting sustainable practices. **Political instability or changes in government policies can create uncertainties and have an impact on businesses, in particular in regions with volatile political environments. Changes in market competition, emerging technologies or new market operators can upset existing business models and require organisations to adapt in order to remain relevant.”**

HR Manager,
small medical or pharmaceutical company | Italy



With a clear vision for more responsible purchasing, the question is whether or not organisations are positioned to execute on that goal. Despite the fact that nearly 6 out of 10 respondents have mandates for sellers that follow sustainable practices – and many more would like to purchase from these sellers even if not required – 85% of respondents say that the **difficulty of sourcing suppliers who follow sustainable practices prevents their company from setting or achieving sustainability goals** for procurement.

Suppliers, take note

Gathering ESG and CSR information from suppliers is increasingly painstaking, with research difficulty levels rising in tandem with buyers feeling short on time. While about 4 out of 10 decision-makers find that their suppliers are exceeding various expectations, half feel that suppliers are just meeting those expectations. Respondents indicate that suppliers could improve in many areas, such as communication, responsiveness, strategic partnership and providing purchasing data. It's important for suppliers to proactively communicate information about their products, standards and company operations to better support buyers' responsible purchasing efforts.



One way in which suppliers can better support procurement is through innovation, such as making investments in tools and technology. Having better visibility into inventory management systems, for example, would be a huge win for us.'

Vice President of Purchasing,
global bank/credit union | United States

On the buyers' side, smart business buying facilitates connections with certified vendors. Our online purchasing tools offer user-friendly search and filter features, a platform on which to communicate directly with suppliers and informational summaries for suppliers to explain key ESG information. In this way, **online buying becomes a valuable resource for reducing the time and effort it takes to vet suppliers and make progress toward responsible purchasing goals.** With the right tools in place, procurement teams can help their organisations tackle goals related to environmentalism, diversity and more.'



Chris Costello

General Manager, Strategic Accounts
Amazon Business

Section four

Collaboration and purchasing democratisation

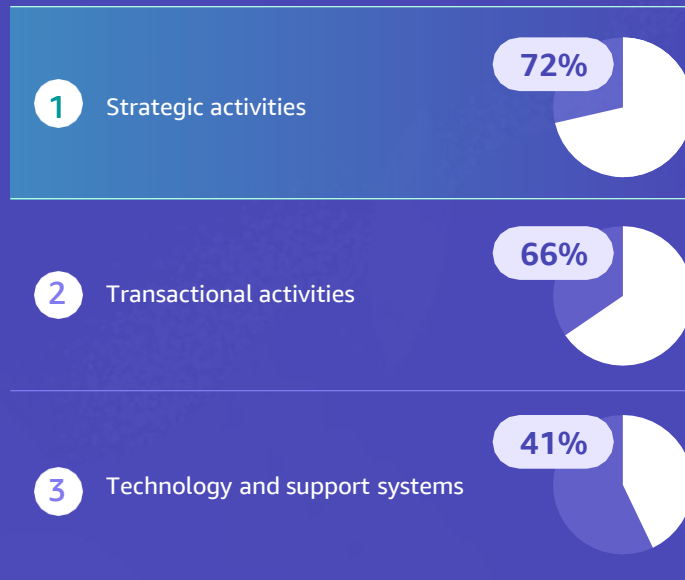


As procurement's role in the organisation evolves, the way business buyers collaborate with their counterparts across other departments is also maturing. And with good reason.

Namely, procurement teams are looking to reduce the time they spend on low-value purchases to free up their resources for more strategic work, despite staffing shortages. Currently, 91% of respondents say that their organisation's purchasing processes are centralised in a way that **only allows specific staff in procurement to make purchases.**

The historically centralised nature of business buying often requires procurement workers to look beyond their organisation for support: 95% of decision-makers say that their organisation outsources procurement activities to third parties. Of this group, 70% say that all or most activities are outsourced. The reasons why procurement teams outsource so much activity is two-fold: limited capacity (45%) and a need for agility (53%).

Top activities procurement outsources:

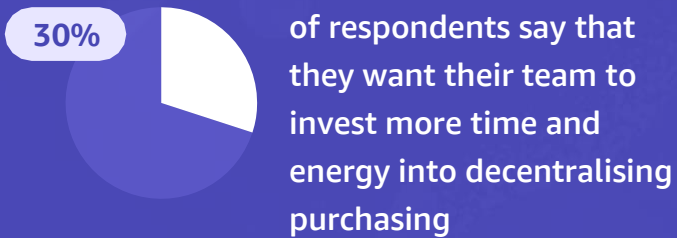


We're growing faster than we can hire or implement systems to adequately support *operations*. We need support from outside of procurement to get our projects done.'

Vice President of Global Procurement, technology company | Germany

Manufacturing is the least likely industry to outsource procurement activities (89%), while medical/pharmaceutical (98%) are the most likely.

One key area of opportunity resides in the managed spend category: purchases that are negotiated and contracted. Currently, 95% of respondents say that the purchases they make mostly fall into managed spend. Managed spending is often planned for months, if not years in advance – a prime opportunity to recruit other stakeholders across departments versus outsourcing purchasing responsibilities. Equipping domain experts to support routine purchasing activities allows procurement to raise its focus and take on higher priorities across the organisation, while still maintaining oversight of purchasing patterns overall.



Democratised purchasing reduces barriers to sourcing specialist items

Since purchasing needs often include highly specific products by department or business unit – such as semi-finished components or specialist industrial equipment – empowering business leads to research their preferred products and provide recommendations is an under-tapped avenue for improving operational efficiency and democratising purchasing practices.

Top five purchasing categories that procurement handles:

1 IT peripherals

2 Semi-finished products and components

Tie

2 Maintenance, repair and operating items

3 Finished goods or products

4 Safety products

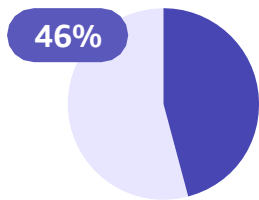
Despite being purchasing experts, procurement professionals often lack the associated domain expertise to easily evaluate products with nuanced specifications. Their time is better spent ensuring that their peers across the organisation are prepared to research these purchases on their own – within predetermined guidelines.

Emphasis on guidelines. From our series of executive interviews, it's clear that when it comes to making purchasing commitments and negotiating options, domain stakeholders shouldn't overstep. A pain point that nearly all procurement executives named was a reluctance to cede control because doing so can easily undermine procurement's purchasing influence and strategic leverage, which has been hard-earned in recent years. But a happy medium does exist – domain stakeholders should handle purchasing for straightforward, one-off tail-spend items (after gaining proper approvals) and only take on research responsibilities for larger, planned expenditures.

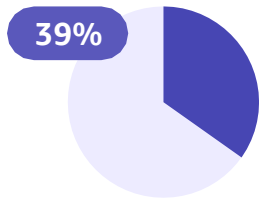
In this scenario, procurement teams reduce involvement in time-consuming, simpler tasks, while still playing a central role in executing transactions that add the most value – and have the highest stakes. Procurement teams can lead the charge in striking and maintaining this balance, with technology reinforcing this new relationship between procurement and peers.



Across the board, decentralising buying and researching activities addresses over-outsourcing, reduces the time and costs to complete purchases, and enhances agility to help procurement professionals concentrate on higher-value strategic activities. However, the reason why only one in 10 respondents currently have decentralised purchasing may boil down to ongoing difficulties in collaborating with other departments.

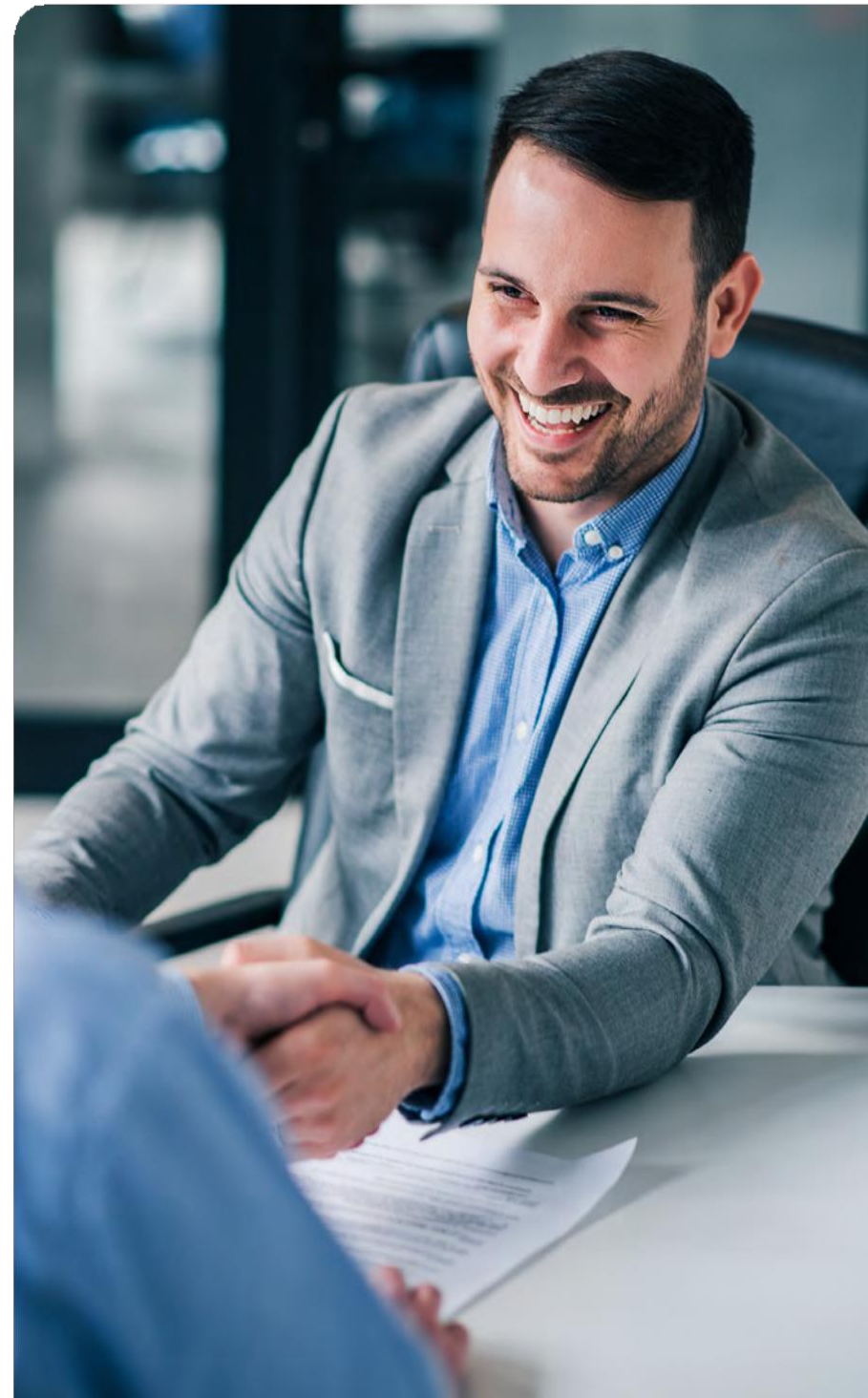


of procurement decision-makers **completely** agree that employees outside of procurement follow their policies and procedures



of business leaders say that they believe procurement is 'highly coordinated' with groups like finance, compliance, legal and technology

While decentralising purchasing requires upfront education of stakeholders on proper policies, the buying method offers long-term time savings that outweigh any initial time investments. As procurement operations digitise and purchasing environments evolve, many are now realising that it's easier and less time-consuming to implement purchasing guardrails and equip domain leaders to purchase and research low-value supplies on behalf of the procurement team.



Nearly every event that you see in the news affects procurement: creating new challenges for CPOs. Today, procurement is one of the key levers in the broader transformation and growth story for organisations. Of course, this is an ever-evolving dynamic that looks different from one company to the next – and it will continue to mature alongside emerging technologies, such as AI. But across industries and sectors, smart business buying mimics the familiar consumer buying experience that all workers are familiar with, making it intuitive for employees outside of procurement to search for and buy the products they need most.'



Todd Heimes

Director and General Manager
Amazon Business Worldwide

Conclusion

The future of procurement looks bright, albeit complex. With the impact on finance, technology and corporate social-responsibility goals, procurement serves as a direct influencer in the employee experience, customer experience and organisational success

Procurement plays a key role in achieving a diverse range of business goals, and in turn, has secured a place at the decision-making table of the board and C-suite. These challenges and opportunities are prompting procurement leaders to step up and transform the ways in which they purchase, collaborate with others and overcome risk.

Leaders are looking to innovate through tools like automation and AI to enhance efficiency. By embracing digital transformation to form more agile and strategic operations, procurement can influence the ways in which their organisations innovate and adapt to change. And procurement leaders don't have to go it alone – Amazon Business is your strategic partner throughout.



Find out more about our
smart business buying
solutions.

Contact us





About Amazon Business

Amazon Business helps millions of customers worldwide – from small businesses, schools, hospitals, non-profits and government agencies to large enterprises with global operations – to reshape their procurement with cost and time savings, greater productivity and insightful purchasing analytics. Procurement and business leaders enjoy convenient delivery options on hundreds of millions of supplies across categories like office, IT, janitorial, food service and professional medical supplies. Customers also have access to a variety of business-tailored features and benefits, including a curated site experience, Business Prime,

business-only pricing and selection, single- or multi-user business accounts, approvals workflow, purchasing system integrations, payment solutions, tax exemptions and dedicated customer support. Amazon Business is currently available in the United States, Canada, the United Kingdom, Germany, France, Italy, Spain, India and Japan. For more information, visit business.amazon.com, www.amazonbusinessblog.com, and [@AmazonBusiness](https://twitter.com/AmazonBusiness).

Methodology

The 2024 State of Procurement Report was fielded online by KRC Research from 6 June to 14 July 2023, among 3,108 procurement decision-makers and senior leaders familiar with procurement operations at their organisation. Respondents were located in the US, France, Germany, Italy, Japan, Spain and the UK. Respondents spanned nine industries and all commercial sector respondents worked at organisations with a minimum revenue threshold set based on geography.

The study was designed to explore: procurement challenges, priorities, and needs; key attributes and assessments of suppliers; procurement trends related to ESG and technology; and differences between industry or country segments. Quotes included in the report were sourced through opened-ended survey questions and supplemental in-depth thought leadership interviews – as well as directly from Amazon Business executives.

Title:

Decision-makers ('DMs'):

2,505 respondents who work in B2B purchasing or procurement roles for their organisations. All respondents are VP level or above.

C-suite or leaders ('Senior leadership'):

603 respondents familiar with their organisations' procurement practices/policies, but do not necessarily have daily procurement job functions. All respondents are SVP+.

Revenue minimums for private sector respondents:

US	\$250 million+
France	€10 million+
Germany	€10 million+
Italy	€10 million+
Japan	¥500 million+
Spain	€10 million+
UK	£10 million+

Respondent count by location:

US	1,301
France	302
Germany	300
Italy	300
Japan	303
Spain	302
UK	300

Respondent count by industry:

Government	586
Financial services	313
Hospitality and food serv.	293
Healthcare services	322
Manufacturing	313
Medical or pharma	329
Retail	325
Technology	319
Telecom	308

Appendix 1

1. The following laws/regulations stipulate that governmental entities must consider the environmental impact of products when evaluating bids or that businesses must significantly reduce carbon emissions. This list is not comprehensive:

a. United States:

i. The Executive Order on Tackling the Climate Crisis at Home and Abroad requires the US federal government to purchase 100% carbon pollution-free electricity by 2030 and achieve net-zero emissions by 2050:

<https://www.whitehouse.gov/briefing-room/presidential-actions/2021/12/08/executive-order-on-catalyzing-clean-energy-industries-and-jobs-through-federal-sustainability/>

ii. In support of Presidential Executive Orders on Climate-Related Financial Risk and Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability, the Federal Administration proposed the Federal Supplier Climate Risks and Resilience Rule, which would require major Federal contractors to publicly disclose their greenhouse gas emissions and climate-related financial risks and set science-based emissions reduction targets:

<https://www.sustainability.gov/federal-sustainability-plan/fed-supplier-rule.html>

b. France:

i. The Climate and Resilience Law introduced article L. 3-1 into the French Procurement

Code and requires public authorities to consider environmental and social criteria in their procurement decisions: <https://iclg.com/practice-areas/environment-and-climate-change-laws-and-regulations/france>

c. Germany:

i. The German Public Procurement Act requires all procurements of goods, works and services with a procurement value to consider environmental, social and innovative aspects. In addition, contracting authorities can exclude companies that have violated environmental, social or labour law obligations from procurement processes:

<https://www.oecd-ilibrary.org/sites/280042ae-en/index.html?itemId=/content/component/280042ae-en#:~:https://www.bundesregierung.de/resource/blob/975292/730844/81d656d8e61813>

[deutsche-nachhaltigkeitsstrategie-neuaufgabe-2016-download-bpa-data-pdf?download=1](https://www.oecd-ilibrary.org/sites/280042ae-en/index.html?itemId=/content/component/280042ae-en#:~:https://www.bundesregierung.de/resource/blob/975292/730844/81d656d8e61813)

d. Italy:

i. The Italian Public Procurement Code requires public authorities to consider sustainability, environmental and social criteria in their procurement decisions:

<https://iclg.com/practice-areas/public-procurement-laws-and-regulations/italy>

e. Japan:

i. The Act on Promoting Green Purchasing directs the national government, independent administrative agencies and special corporations under the national government to procure products and services that reduce the environmental impact of these goods and services <https://www.lea.org/policies/684-law-on-promoting-green-purchasing-law-concerning-eco-friendly-goods-and-services-by-the-state-and-other-entities>

f. Spain:

i. Law 9/2017 includes certain provisions requiring environmental protection to be considered when designing and awarding a public contract: <https://iclg.com/practice-areas/environmental-social-and-governance-law/spain>

g. United Kingdom:

i. The UK Procurement Policy Note requires public authorities to consider environmental, social and economic criteria in their procurement decisions: <https://www.mayerbrown.com/en/perspectives-events/publications/2020/10/esq-in-uk-public-procurement-taking-social-value-seriously>

ii. The UK government has a target of achieving net-zero emissions by 2050. It requires prospective suppliers bidding for contracts above €5 million a year to have committed to the government's target of net zero by 2050 and have published a carbon-reduction plan: <https://www.gov.uk/government/news/firms-must-commit-to-net-zero-to-win-major-government-contracts>