

Best Practices for Sustainable Purchasing through

Amazon Business



SUSTAINABLE
PURCHASING
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COUNCIL

Amazon Business

Every year, 5 million organizations spend \$25 billion through Amazon Business (AB). Over the last several years, Amazon has invested in changes to its offerings for institutional purchasers prioritizing sustainability. Guided Buying Policy programs like Climate Pledge Friendly and Small and Diverse Owned Sellers assist purchasers with meeting their sustainable procurement goals by directing purchases to preferred products or vendors. On-demand access to detailed purchasing data also helps – this visibility provides useful insights into opportunities for sustainable procurement improvements.

Although the current sustainability offerings from Amazon Business represent progress in meeting the needs of the sustainable procurement community, a number of priorities for sustainable procurement professionals remain unaddressed. In order to develop guidance for enabling sustainable procurement with currently available tools and to provide recommendations to Amazon for future improvements, the SPLC convened an Online Purchasing Action Team charged with developing a list of best practices. Those practices range from actions to take now (for offerings currently available through AB) to requests that procurement professionals can make to ensure AB prioritizes specific unmet needs for future updates. This collective action centers on implementing current AB programs and requesting new programming to address unmet needs and can benefit all institutional purchasers who purchase through Amazon business.

Key purchaser priorities

- **Align purchases with their organizational priorities** - in the case of purchasing through AB, this means purchasers need the ability to refine the Guided Buying Policies to meet their needs. It also means asking AB to allow material restrictions (e.g. polystyrene).
- **Reduce the impacts of delivery** - including emissions associated with packaging and last mile delivery. Increasing delivery by electric vehicles is also important, and purchasers want to be able to track EV use associated with delivery to their sites.
- **Measure the sustainability impacts of their purchases** - accessing metrics for any relevant environmental, social, and economic impacts associated with purchasing products covered under the Guided Buying Policies is crucial for determining baselines and tracking progress.

SPLC's Online Purchasing Action Team

The Online Purchasing Action Team convened monthly for one year to:

- gain insight into AB's current offerings that support sustainable procurement
- discuss their unmet sustainable procurement needs - among themselves and with Amazon Business teams
- distill their learnings and discussions into a set of clear best practices for institutional purchasers doing business with AB.

The Action Team recognized the power of collective action when working with a supplier as large as Amazon and committed to develop an output that could be leveraged by the broader sustainable procurement community.

During the first several months, the Action Team invited subject matter experts from various Amazon and AB programs to clarify their programs and capabilities. During these sessions, several Action Team participants were made aware of AB offerings they were not yet taking advantage of. AB also used these sessions to gain insight into the priorities of sustainable procurement professionals, allowing them to make targeted refinements to sustainability offerings. This buyer-supplier dialogue was productive for all involved.

Once the participants had a solid understanding of current AB offerings, the monthly discussions were used to document the sustainable procurement needs of all participants and identify shared priorities. The Action Team served as a "collective think tank", allowing participants to explore ideas together and determine the best courses of action, often based on the experiences of other Action Team participants. The process also gave participants newer to sustainable procurement a place to start considering how they could ensure online ordering supported their sustainable procurement goals and strategy. Sustainability professionals gained insight into how to partner with the procurement department on driving sustainability through AB. Procurement professionals new to sustainable procurement gleaned talking points for integrating sustainability into supplier requests and requirements.

The work of the Online Purchasing Action Team conducted throughout 2022 culminated in the recommended "Best Practices for Sustainable Procurement through Amazon Business" provided below. The best practices are based on what is currently offered through Amazon and point to the unmet needs the Action Team felt needed the most immediate attention.

The SPLC invites organizations to commit to implementing the recommended best practices, and to communicating their decision to do so to their AB customer support team, sending a clear market signal to Amazon Business by consistently articulating the shared sustainability priorities of institutional purchasers. By aligning our asks of AB, the sustainable procurement community will more efficiently communicate critical needs for adjustment and additions and AB will be better able to meet these asks when they are made clearly and consistently by purchasers representing significant spend.

Who should use these best practices

The best practices that follow are designed for institutional purchasers with a central Amazon Business account for their department or organization. If your organization does not implement policies or recommendations that apply to all users of your AB account, you may not be able to implement many of the best practices. Instead, you may consider training individual purchasers on how to identify sustainable products within the AB platform until you are able to develop a more centralized approach.

Actions to Take Now

Institutional purchasers interested in purchasing more sustainably through Amazon Business should take the following actions immediately.

ACTION 1

Turn on the following guided buying policies:

- [Climate Pledge Friendly](#)
- [Small and diverse owned sellers*](#)
- Buy Local

** Note: Purchases made from small and diverse owned sellers through Amazon impact Tier 2 reporting.*

The ENVIRONMENTAL impacts of the Buy Local Guided Buying Policy are not yet clear. Since Amazon defines the business location by the address on the company's W-9 and not the location from which the product is shipped, the emissions reductions associated with a local purchase are not always guaranteed. As such, we recommend turning this policy on for the ECONOMIC benefits associated with supporting local businesses.

ACTION 2

Create a centralized delivery location and commit to Amazon Day deliveries by setting delivery preferences to reduce the number of trips required and reduce local emissions.

- Adjust delivery preferences by navigating to Business Settings > Delivery Preferences > Amazon Day

Consolidating deliveries can reduce the air quality and climate impacts of last mile delivery. By creating a central delivery location and limiting the majority of orders to 1-2 preferred days of the week, your institution can opt to distribute orders in the most efficient manner available (e.g. via an electric vehicle).

ACTION 3

Leverage existing reporting capabilities through Amazon Business and analyze opportunities for improvement (e.g. increasing number of products with sustainability certifications in high spend categories):

- Pull the Amazon "Credentials" report for your desired time frame from the Business Analytics page of your institution's admin account. This report indicates the following information for all purchases, as applicable:
 - Sustainability Certification (i.e. Climate Pledge Friendly)
 - Sustainability Certification Type (i.e. USDA Organic, FSC, Compact by Design)
 - Frustration Free Packaging
 - Small and Diverse Owned sellers

ACTION 4

Choose the [Frustration-Free Packaging](#) option whenever it's offered to reduce the use of additional and unnecessary packaging materials.

Since Amazon Certified Frustration-Free Packaging is recyclable and comes without excess packaging materials, opting for it can support packaging reduction goals. Filtering for products available in Frustration-Free Packaging may impact your search results (e.g. some Climate Pledge Friendly products may be eliminated), so purchasers should only choose this option if packaging reduction is a top priority.

Requests to Make

Purchasers can send a clear market signal to Amazon by making the following requests in every quarterly business review (at a minimum).

GUIDED BUYING POLICIES AND OTHER PURCHASING REQUIREMENTS

- Give purchasers control over their organization's guided buying policy hierarchy so they can align their purchasing preferences with their organizational priorities
- Give purchasers the ability to restrict or prohibit material types (e.g. polystyrene, single use plastics, soft plastics, plastic film)
- Share the methodology behind the selection of certifications included in the Climate Pledge Friendly program
- Establish a way to identify sellers based on shipping location to allow purchasers interested in reducing emissions to select for local suppliers (vs. current "local" designation based on address in W-9, that may not dictate shipping location)

PACKAGING

- Establish a Frustration-Free Packaging guided buying policy so that purchasers can prioritize this preference alongside other guided buying policies
- Incorporate reusable packaging in Amazon's Sustainable Packaging goals and offer reusable packaging for high frequency purchasers
- Take back harder to recycle packaging:
 - Items deemed nonrecyclable per Amazon's packaging website: gel packs, foil bubble insulation bags
 - Additional nonrecyclable or harder to recycle packaging: plastic film, pallets, foam coolers, tetrapacks

REPORTING

- Offer purchasers a standard sustainability summary during quarterly business reviews (with ability to break data down by category and by business/administrative unit):
 - % Frustration-Free Packaging
 - Climate Pledge Friendly
 - Small + Diverse
 - Local
 - Green item summary
 - # EV deliveries
 - Weight/amount of takebacks
 - Recommendations for improvements
- Offer impact reporting on relevant environmental, social, and economic impacts associated with products covered under Guided Buying Policies (e.g. greenhouse gas emission reductions associated with Climate Pledge Friendly purchases)
- Provide updates on fleet electrification during each quarterly business review - percent of overall fleet transitioned and status of fleet electrification in purchaser's region

Online Purchasing Action Team Members

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