



Glossary of Sustainable Procurement Terms



Acquisition

Business transaction in which the ownership of companies, other business organizations, or their operating units are transferred to or consolidated with another company or business organization.

Advocacy

An activity by an individual or group that aims to influence decisions within political, economic, and social institutions.

Alternative Fuels

Power sources that serve, at least partly, as a substitute for fossil oil sources in the energy supply. Alternative fuels include bio-diesel, bio-alcohol (methanol, ethanol, butane), refuse-derived fuel, chemically stored electricity.

Alternative Materials

Replacements to traditional engineered building materials such as asphalt, concrete, natural aggregates, and others.

Anti-Competitive Practices

Business, government or religious practices that prevent or reduce competition in a market.

Assessment

Assessment here is defined as the process of identifying and ranking priority environmental, social and economic/governance issues, based on criteria specific and material to an organization and/or its stakeholders.

Beneficial Owners

Beneficial owner is a legal term for the individuals who ultimately control and profit from a corporation. Public interest organizations, such as [Global Witness](#), the [B Team](#), and [Transparency International](#), have documented how anonymous, opaque companies enable corruption, fraud, organized crime, tax evasion, and impunity for abusers of human rights and the environment. Recognizing that knowing the true identity of ones suppliers is a prerequisite for effective due diligence, procurement organizations are increasingly requesting beneficial ownership transparency from their suppliers. In 2017, [Open Ownership](#), a global registry of beneficial ownership information launched to support the tracking of beneficial ownership information.

Benefit Corporation

A legal entity with a Board of Directors required by law to consider the impact of their actions on all stakeholders, rather than their stockholders alone. In most cases, they must publicly disclose their social and environmental performance, assessed against a 3rd-party standard (ex. Certified B Corp).

Bid Evaluation

The organized process of examining and comparing bids to select the best offer in an effort to acquire goods and services necessary to achieve the goals of an organization. Generally, evaluation criteria can be categorized into three categories including (i) mandatory criteria, (ii) weighted criteria and (iii) weighted criteria with mandatory elements.

Bio-Based Product

A product (other than food or feed) that is produced from renewable, plant-based contents and residuals but does not include products made from forestry materials.

Bioaccumulative

Chemicals that are toxic, persist in the environment and accumulate in food chains and, thus, pose risks to human health and ecosystems. The biggest concerns about these chemicals are that they transfer rather easily among air, water, and land, and span boundaries of programs, geography, and generations.

Biodegradable

A product or material capable of decomposing in nature within a reasonably short period.

Biodiversity

The variability among organisms on Earth and within an ecosystem. Maintaining biodiversity is necessary to preserve the health and survival of an ecosystem.

Biodiversity Preservation

The practice of protecting and preserving the wealth and variety of species, habitats, ecosystems, and genetic diversity on the planet.

Biomimicry

A design discipline that studies nature's elements, processes, and designs and uses these ideas to imitate or design new solutions to human problems sustainably.

Biotechnology

Technology that utilizes biological systems, living organisms or parts of this to develop or create different products.

Bulk Pack

A large amount of a commodity stored for transportation or selling.

Business Case

A justification for a proposed project or undertaking on the basis of its expected commercial benefit.

Byproduct

An incidental or secondary product made in the manufacture or synthesis of something else.

Carbon Footprint

The total amount of greenhouse gases emitted directly or indirectly through an activity, or from a product, company or person, typically expressed in equivalent tons of either carbon or carbon dioxide.

Carbon Neutral

Achieving a balance between the greenhouse gases put into the atmosphere and those taken out. ([National Grid](#))

Carbon Sequestration

The uptake and storage of carbon. Trees can be used for carbon sequestration because they absorb carbon dioxide, release the oxygen, and store the carbon.

CFLs

Compact fluorescent lamps.

Chemical Products

Products purchased for application in liquid, gel, or powder form, such as cleaning and sanitizing products; building maintenance products; and landscaping maintenance products, whether these products are purchased directly or through a service agreement, such as a cleaning or landscaping contract.

Chlorofluorocarbon (CFCs)

The family of compounds of chlorine, fluorine, and carbon. CFC's contribute to the depletion of the stratospheric ozone layer, and have been used as an ingredient for refrigerants, solvents, and for blowing plastic-foam insulation and packaging. The Montreal Protocol on Substances that Deplete the Ozone Layer calls for complete elimination of CFC production.

Circular Economy

Economy that is restorative and regenerative by design, and which aims to keep products, components and materials at their highest utility and value at all times, distinguishing between technical and biological cycles.

Climate Change

Climate change is the significant variation of average weather conditions becoming, for example, warmer, wetter, or drier—over several decades or longer. It is the longer-term trend that differentiates climate change from natural weather variability. ([World Bank](#))

Closed-Loop Recycling

The process of utilizing a recycled product in the manufacturing of a similar product or the remanufacturing of the same product.

Competitive Bid

A proposal by one company seeking to offer services to another company or organization.

Competitive Dialogues or Consultations

Competitive dialogue is a public-sector tendering option that allows for bidders to develop alternative proposals in response to a client's outline requirements. Only when their proposals are developed to sufficient detail are tenderers invited to submit competitive bids.

Compostable

A product is capable of breaking down into natural elements in a compost environment.

Cradle-To-Cradle

A design philosophy put forth by architect William McDonough that considers the life-cycle of a material or product. Cradle-to-Cradle design models human industry on nature's processes, in which materials are viewed as nutrients circulating in healthy metabolisms.

Culturally Responsive Services

Demonstrate intimate knowledge of lived experience of the community, including but not limited to the impact of structural and individual racism or discrimination on the community; knowledge of specific disparities documented in the community and how that influences the structure of their program or service; ability to describe the community's cultural practices, health and safety beliefs/practices, positive cultural identity/pride/resilience, immigration dynamics, religious beliefs, ect. and how their services have been adapted to those cultural norms.

Culturally Specific Services

Demonstrate an alignment of mission with the community proposed to be served and alignment with the outcomes desired by the program.

Deforestation

The conversion of forested land to other non-forested uses by the removal and destruction of trees and habitat. Deforestation is cited as one of the major contributors to climate change and species extinction.

Dematerialization

The reduction of mass in a product that does not diminish the quality or intended service for the consumer.

Design for the Environment (DFE)

A philosophy applied to the design process that advocates the reduction of environmental and human health impacts through materials selection and design strategies.

Dimensional Volume

The combined length, width, and height of a figure.

Dioxins and Furans

A group of chemical compounds that are classified as persistent, bioaccumulative, and toxic by the EPA.

Direct Purchasing

An organization's total direct purchasing refers to all purchases of goods and services that are directly incorporated into a product being manufactured or bought for resale. In contrast, indirect purchasing refers to purchases of goods and services that are not directly incorporated into a product being manufactured or resold.

Disclosure

For purchasers to be able to understand and take responsibility for the environmental, social, and economic impacts associated with the full life-cycle of the goods and services they buy, they must be able to gain access to material information about those impacts. Disclosure of material information by suppliers to purchasers (and other stakeholders) can be done confidentially or publicly.

Disparity Analysis

Analysis to determine if inequities exist in public procurement and contracting that adversely affect Disadvantaged Businesses / minorities and/or women.

Distributor

An agent who supplies goods to stores and other businesses that sell to consumers.

Diversion Rate

Ways of measuring waste disposal. A diversion rate is a calculation explaining the amount of waste that is diverted away from landfills.

Ease of Recycling

The degree of difficulty required to recycle an item.

Ecolabel / Sustainability Label

Marks placed on product packaging or in e-catalogs that can help consumers and institutional purchasers quickly and easily identify those products that meet specific environmental performance criteria. For a comprehensive list of ecolabels, go to www.ecolabelindex.com.

Ecometrics

Measures materials and energy inputs and outputs for use in benchmarking and monitoring environmental progress.

Ecosystem

A place having unique physical features, encompassing air, water, and land, and habitats supporting plant and animal life, including humans.

Education

Providing internal and/or supplier-level sustainable procurement training in order to effectively address key impacts and opportunities.

Efficient Demand Management

Demand management of purchased items which both meet end user and/or manufacturing-related requirements while minimizing and/or eliminating excess inventory and related costs.

Elemental Chlorine

Chlorine in its purest form.

Eligible Procurements

The total value of procurements to which a strategy or process could reasonably be applied. The respondent may determine the portion of their organization's purchasing that would be eligible for a specific action.

Embodied Carbon

The greenhouse gas emissions arising from the manufacturing, transportation, installation, maintenance, and disposal of materials or products. Embodied carbon is the carbon footprint of a material or product.

Emission Reduction Credit (ERC) / Carbon Offset

An emission reduction credit represents avoided or reduced emissions often measured in tons. ERCs are generated from projects or activities that reduce or avoid emissions. A carbon offset refers to a specific type of ERC that represents an activity that avoids or reduces greenhouse gas (GHG) emissions or sequesters carbon from the atmosphere.

Employee Health and Well-Being

The overall mental, physical, emotional, and economic health of your employees.

Encroachment

Gradual entrance upon another's territory or usurpation of another's rights or possessions.

End User

A person who ultimately uses or is intended to ultimately use a product.

Energy Efficiency

Using less energy to fulfill the same function or purpose; usually attributed to a technological fix rather than a change in behavior, examples include better insulation to reduce heating / cooling demand, LED bulbs to replace incandescent, or proper tire inflation to improve gas mileage.

Energy Use

The use of primary energy before transformation to other end-use fuels.

Enterprise-Wide Sustainability

The extent to which a company has integrated sustainability across its total enterprise.

Environmental Justice

Environmental justice is the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income, with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies. ([EPA](#))

Environmental Management System

A set of processes and practices that enable an organization to reduce its environmental impacts and increase its operating efficiency.

Environmental Product Declarations (EPDs)

An environmental product declaration (EPD) is a Type III eco-label that provides a shorter, simplified summary of a product's life-cycle assessment (LCA) information.

Environmental-Social Governance (ESG)

A sustainability metric or metrics that take into consideration an organization's environmental impact, social responsibility (diversity, human rights, consumer protections, etc.), and governance practices (business ethics, accounting, transparency, etc.). Frameworks such as the GRI Initiative help to guide related ESG public reporting.

Environmentally Preferable Products (EPP)

Products or services that "have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose." This comparison may consider raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance or disposal of the product or service.

E-Procurement Systems

System that enables organizations to request, order and buy goods and services online through a supplier's closed system.

EPP Certification

Process by which products or services are certified as Environmentally Preferred Products (EPPs). The certification addresses all stages of the product's/ service's life-cycle, incorporates key environmental and human health issues relevant to the category, and undergoes outside stakeholder review.

Equity

Equity is an ideal and a goal, not a process. It ensures that everyone has the resources to succeed. ([Rise to Win](#))

Ethical Animal Husbandry / Welfare

Consideration for all aspects of animal well-being, including proper housing, management, nutrition, disease prevention and treatment, responsible care, humane handling, and, when necessary, humane euthanasia.

Ethical Handling of Community Concerns

Actively striving to do what is right for participants and for the community, and treating everyone – participants, staff members, funders, the community at large – in an ethical way.

Ethical Handling of Customer Concerns

Being socially responsible to your clients by following the moral principles that reflect your company's corporate values.

Ethical Trade

Retailers, brands and their suppliers take responsibility for improving the working conditions of the people who make the products they sell.

Extended Producer Responsibility

A strategy to add all of the environmental costs associated with a product throughout the product life cycle to the market price of that product.

External Stakeholders

External stakeholders to an organization's sustainable purchasing program can include customers, investors, public interest organizations, taxpayers, and community members, to name a few. Suppliers are also external stakeholders, however, SPLC Benchmark asks questions about them separately because they are an important group of external stakeholders that have a consistent relationship to sustainable purchasing programs in all types of organizations, whereas some organizations have investors and others don't, etc.

Fair Wages - Minimum Wage / Living Wage

Compensation fairly and reasonably commensurate with the value of the services or class of service rendered.

Forward Commitments

An agreement to purchase a product or service that currently does not exist, at a specified future date, providing it can be delivered to agreed performance levels and costs.

Fossil Fuel

Any petroleum-based fuel source such as gasoline, natural gas, fuel oil, etc.

Fuel-Cell Battery Hybrid Vehicle

Vehicles powered by an internal combustion engine and one or more electric motors, which uses energy stored in batteries.

Fuel-Cell Vehicle

An electric vehicle that uses a fuel cell, sometimes in combination with a small battery or supercapacitor, to power its onboard electric motor.

Fulfillment

Fulfillment can be defined as the process of receiving, preparing, and delivering orders. Fulfillment plays a big part within the supply chain and is the last step in providing products to end customers.

Full-Cost Accounting (FCA)

Full cost accounting (FCA) is a method of cost accounting that traces direct costs and allocates indirect costs by collecting and presenting information about the possible environmental, social and economic costs and benefits or advantages for each proposed alternative.

Global Warming

This refers to a specific type of climate change, an increased warming of the Earth's atmosphere caused by the buildup of man-made gases that trap the sun's heat, causing changes in weather patterns and other effects on a global scale. These effects include global sea level rise, changes in rainfall patterns and frequency, habitat loss, and droughts. ([National Geographic](#))

Good Faith and Fair Dealings

A general presumption that the parties to a contract will deal with each other honestly and fairly.

Green

To use the word "Green" in sustainability work typically refers to focusing on an environmental consideration or factor. Example: Green your business means to bring in environmental practices into your business operations or service delivery that have a positive effect by lowering GHG emissions.

Green Building

A comprehensive process of design and construction that employs techniques to minimize adverse environmental impacts and reduce the energy consumption of a building, while contributing to the health and productivity of its occupants; example metrics for evaluating green buildings include the LEED (Leadership in Energy and Environmental Design) certification and Australia's Green Star program.

Green Market Basket

A representative sample of the entire spend an organization intends to take out to market for quotation with a focus on sustainability.

Greenhouse Effect

The trapping of heat within the Earth's atmosphere by greenhouse gases such as carbon dioxide, which accumulates in Earth's atmosphere and acts as a blanket keeping heat in.

Greenhouse Gases (GHG)

These gases are so named because they contribute to the greenhouse effect due to high concentrations of these gases remaining in the atmosphere. The GHGs of most concern include carbon dioxide (CO₂), methane (CH₄), nitrous oxides (N₂O).

Greenwashing

The process by which a company publicly and misleadingly exaggerates or embellishes the environmental attributes of itself or its products, while participating in environmentally- or socially-irresponsible practices.

Heavy Metals

Any metallic chemical element that has a relatively high density and is toxic or poisonous at low concentrations.

Human / Labor Rights

Legal rights and human rights relating to labor relations between workers and employers.

Human / Social Services

Services that provide programs or facilities for meeting basic health, welfare, and other needs of a society or group (e.g. Head Start, employee prevention and wellness services, etc.).

Hybrid Life Cycle Assessment

Hybrid life cycle assessment (LCA) is a method for combining detailed data about specific facilities with average data about an entire industry sectors to provide an approximate understanding of the sustainability performance an industry supply chain that includes those facilities and sectors. [More on Hybrid LCA](#).

Impact Analysis

A step-by-step process for determining the potential positive and negative consequences of a business decision.

Impacts

Impacts of a purchased good or service include all of the direct or indirect consequences of production, distribution, use, and disposal of that good or service. Impacts may be positive or negative, and improving impacts includes both enhancing positive impacts and reducing negative impacts.

Indirect Purchasing

An organization's total indirect purchasing refers to all purchases of goods and services that are not directly incorporated into a product being manufactured or bought for resale. In contrast, direct purchasing refers to purchases of goods and services that are directly incorporated into a product being manufactured or resold.

Indoor Air Quality (IAQ)

Refers to the contents of interior air that could affect the health and comfort of occupants. Acceptable IAQ is air in which there are no known concentrations of harmful contaminants.

Industrial Ecology

An interdisciplinary field that focuses on the sustainable combination of environment, economy, and technology.

Integrated Pest Management (IPM)

The use of a combination of pest control methods including improved sanitation, mechanical, physical, biological, or chemical means.

Integration

Embedding sustainability-related tasks, processes, systems, and reporting into existing tasks, processes, systems, and reporting which manage the purchase of goods and services for an organization.

Intellectual Property (IP) Protection

Inventors, designers, developers and authors can protect the ideas they have developed. The aim is to prevent others from wrongly profiting from their creations or inventions.

Internal Stakeholders

[Those] whose interest in a company comes through a direct relationship, such as employment, ownership, or investment. In sustainable procurement, internal stakeholders might include the Chief Procurement Officer (CPO), sustainability executives, category management, commodity management, supply chain executives, etc.

Investment in Innovation / Procuring Innovation

When a purchaser or group of purchasers acts as a launch customer(s) for innovative goods or services. These are typically not yet available on a large-scale commercial basis. In some cases, the purchasers may also help to fund relevant development and deployment efforts.

Land Use Changes

The conversion of an area of land's use by humans from one state to another.

LEED™ (Leadership In Energy And Environmental Design)

A green building rating system encouraging and accelerating global adoption of sustainable green building and development practices through the creation and implementation of environmental tools and performance criteria.

LGBTQ2+

An abbreviation that stands for: lesbian, gay, bisexual, transgender, queer (or sometimes questioning), and two-spirited. The plus-sign signifies a number of other identities.

Life Cycle Assessment

Life cycle assessment (LCA) is a method for assessing environmental (or other) impacts associated with all the stages of a product's life, from raw material extraction through materials processing, manufacture, distribution, use, repair and maintenance, and disposal or recycling. [More on LCA.](#)

Life Cycle Costing (LCC)

A method for calculating the costs of goods or services throughout their life cycle. It includes total cost of ownership (TCO) and positive or negative externalities which can be monetized, both to the organization and to society.

Local Community Development

A process where community members are supported by agencies to identify and take collective action on issues which are important to them.

Long-Tail Suppliers

Suppliers that realize significant profits by selling low volumes of hard-to-find items to many customers.

Marine Degradation

Substances used or spread by humans, such as industrial, agricultural and residential waste, particles, noise, excess carbon dioxide, or invasive organisms enter the ocean and cause harmful effects.

Market Analysis

The process of analyzing prices and trends in the competitive marketplace to compare product availability and set prices with market alternatives to establish the reasonableness of offered prices. ([NIGP](#))

Market Shift

A significant change in the structure of the industry – the way product/service is designed, manufactured, distributed, or sold.

Market Transformation

Market transformation is the strategic process of intervening in a market to create lasting change in market behavior.

Master Services Agreement (MSA)

Master Services Agreements are legal contracts that establishes fundamental agreements between two parties. MSAs allow vendors and clients to agree on basic terms at the outset of business relationship before any business commences.

Material Reduction

A significant decrease in the benefits of a service.

Materiality / Hot Spot Analysis

A spatial analysis and mapping technique interested in the identification of clustering of spatial phenomena.

Materiality Assessment

Materiality assessment is the process of identifying and ranking priority environmental, social and governance issues, based on criteria specific to an organization and/or its stakeholders. [More on materiality assessment.](#)

Multi-Stakeholder

A practice of governance that employs bringing multiple stakeholders together to participate in dialogue and decision making.

Multi-Stakeholder Efforts

Collaborative projects or programs that leverage the collective knowledge and influence of marketplace actors (e.g., buyers, suppliers, regulators, public interest organizations).

Natural Capital

The flow of ecosystem goods and services that interact with the human economic system. The idea of natural capital expands economic models to include natural resources that have value to humanity but no inherent price.

Non-Disclosure Agreement (NDA)

Non-disclosure agreements (NDAs) are agreements in contract law where parties agree that certain information will remain confidential.

Non-Financial Award Criteria

Bid evaluation criteria that factors in performance on criteria other than cost, such as giving weight to factors such as energy efficiency or actual CO2 emissions.

Appreciative gestures, recognition and incentives that are not monetary based. Incentives which cannot be offered in terms of money are known as non-monetary / non-financial incentives.

Overpack Carton

An enclosure used by a single shipper to contain one or more packages and to form one handling unit for convenience of handling and stowage

Performance-Based Specifications

A performance specification for materials establishes performance indicators measured by standard test methods with defined acceptance criteria stated in contract documents and with no accompanying restrictions on proportions.

A performance specification specifies the operational requirements of a component or installation. Simply put, a performance specification tells the contractor what the final installed product must be capable of doing.

Photovoltaic Cells (PV Cells)

Also called Solar Cells, they convert sunlight directly into electricity. PV cells are made of semiconducting materials similar to those used in computer chips. When sunlight is absorbed by these materials, the solar energy knocks electrons loose from their atoms, allowing the electrons to flow through the material to produce electricity.

Polylactic Acid (PLA)

A biopolymer made from renewable resources. It is thermoplastic and can be used to make fibers, packaging and other products as an alternative to petroleum-based plastics. It is derived from bacterial fermentation of agricultural by-products such as corn, sugar, or wheat. PLA is not only made from renewable resources but is also biodegradable. PLA is currently manufactured by Cargill, PURAC, Hycail, and several other companies.

Post-Consumer Recycled Content

Material that is recovered after its intended use as a consumer product, then reused as a component of another product. Examples of post-consumer waste that are recycled include carpet tiles (for new yarn and tile backing), aluminum cans, PET soda bottles, and office paper.

Post-Industrial Recycled Content

Also known as Pre-Consumer Recycled Content, it is waste material from manufacturing processes that is reused as a component of another product. Post-industrial recycled content comes from material that would have otherwise been waste and has undergone some physical recycling process. Examples of post-industrial waste that are recycled include yarn extrusion waste, metal scrap, and fiber in paper manufacturing.

Preconsumer Material

Material or by-products generated after the manufacture of a product is completed but before the product reaches the end-use consumer. Preconsumer material does not include mill and manufacturing trim, scrap, or broke which is generated at a manufacturing site and commonly reused on-site in the same or another manufacturing process.

Preferred Supplier

A register of pre-assessed, agreed suppliers that your business will use to purchase goods and services from.

Preliminary Market Consultations

The market consultation aims to actively approach the market to find out about the state of the art and current development in the related sector, and gather valuable feedback.

Primary Carton

The packaging in direct contact with the product itself.

Prioritized Spend

Prioritized spend categories are those categories or areas of spend where an organization has an opportunity to significantly improve relevant category impacts, whether by virtue of volume of category spend, intensity of impact, or both.

Procurement Staging Analysis

Examination of a company's methods to procure other services, equipment, and construction for the total project implementation.

Product Sustainability Attributes

Aspects of a product that contribute to safety, environmental impact, social responsibility, etc.

Purchase Order

A purchaser's written document to a supplier formalizing all terms and conditions of a proposed transaction.

Purchasing Contract

A legally binding contract between a buyer and seller. These agreements usually relate to the buying and selling of goods.

Purchasing Requisition

A document that an employee within your organization creates to request a purchase of goods or services.

Qualified Supplier

A supplier that a procuring entity recognises as having satisfied the conditions for participation.

Rapidly Renewable Fiber

A term defined by the USGBC (United States Green Building Council) as plant-based materials that harvest in a 10-year cycle or less.

Raw Materials

Crude or processed material that can be converted by manufacture, processing, or combination into a new and useful product.

Recovered Material

Fragments of products or finished products of a manufacturing process, which has converted a resource into a commodity of real economic value, and includes preconsumer and postconsumer material but does not include excess resources of the manufacturing process.

Recovery Standards

The percentage standard of recovery as set out in each particular Processing Plan.

Recyclable

A designation for products or materials that are capable of being recovered from, or otherwise diverted from waste streams into an established recycling program.

Recycled Content

Refers to the amount of recycled materials in a product – typically expressed as a percentage.

Recycling

The series of activities, including collection, separation, and processing, by which materials are recovered from the waste stream for use as raw materials in the manufacture of new products.

Remanufactured Product

Any product diverted from the supply of discarded materials by refurbishing and marketing said product without substantial change to its original form.

Renewable Energy

Renewable energy is energy from sources that are naturally replenishing but flow-limited; renewable resources are virtually inexhaustible in duration but limited in the amount of energy that is available per unit of time. ([EIA](#))

Renewable Resources

A resource that can be replenished at a rate equal to or greater than its rate of depletion. Examples of renewable resources include corn, trees, and soy-based products.

Repurposing

Cleaning or refurbishing that allows a product to be reused again in its current form, thereby extending its useful life.

Request For Proposal

Document that solicits proposal, often made through a bidding process, by an agency or company interested in procurement of a commodity, service, or valuable asset, to potential suppliers to submit business proposals.

Request for Quote

A document that asks suppliers to provide price quotes for the chance to fulfill a task or project

Resource Depletion

The consumption of a resource faster than it can be replenished.

Resource Reuse

A method to reduce waste by reusing existing materials and products rather than purchasing new ones. Resource management technologies often facilitate this practice when it is contained within a purchaser's organization. Leasing rather than purchasing allows for reuse amongst multiple purchaser organizations.

Reuse

Any change in an arrangement that has the effect of reducing the present value of the projected benefits to be provided by five percent or more.

Scope 1 GHG Emissions

Direct GHG emissions from sources that are owned or controlled by the company. ([WRI](#))

Scope 2 GHG Emissions

GHG emissions from the generation of purchased electricity consumed by the company. ([WRI](#))

Scope 3 GHG Emissions

All upstream (i.e. cradle-to-gate) emissions from the production of goods (tangible products), as well as services and subgrants (intangible products). ([WRI](#))

Small and Medium Enterprise (SME)

Small and medium enterprises are businesses whose personnel numbers fall below certain limits (often <100 personnel for "small" and 100-500 personnel for "medium"). SMEs outnumber large companies by a wide margin and also employ many more people. SMEs are also said to be responsible for driving innovation and competition in many economic sectors.

Small and Medium Enterprise-Friendly

There are various ways of making procurement processes more open to SMEs and encouraging first tier contractors to do the same. For example, ensuring that the minimum insurance requirements for suppliers are proportionate to the risk and value of the contract being tendered removes an undue burden on SMEs wishing to compete for low-risk business. Example SME-friendly procurement policy.

Social Enterprise

An organization that applies commercial strategies to maximize improvements in financial, social and environmental well-being. This may include maximizing social impact alongside profits for co-owners.

Social Equity

The pursuit to create full and equal access to opportunities for all people that enable them to attain their full potential.

Sole-Sourced

Products that are only produced by only a single supplier.

Source Reduction

Products that result in a net reduction in the generation of waste compared to their previous or alternate version and includes durable, reusable and remanufactured products; products with no, or reduced, toxic constituents; and products marketed with no, or reduced, packaging.

Specification

A detailed description or assessment of requirements, dimensions, materials, etc.

Spend Analysis

The process of collecting, cleansing, classifying and analyzing expenditure data with the purpose of decreasing procurement costs, improving efficiency, and monitoring controls and compliance.

Stakeholder

Any entity, group, or individual that can place a claim on an entity's resources or services or is affected by what the entity does or the services it provides. ([NIGP](#))

Standards

Governmental or privately-created lists of criteria used to regulate or evaluate the products or behavior of corporations. Standards can play a critical role in stimulating the market and giving companies information to create better products or change corporate behavior. An example is the LEED green building rating system for buildings.

Standard Operating Procedure (SOP)

An SOP is a procedure specific to your operation that describes the activities necessary to complete tasks in accordance with industry regulations, provincial laws or even just your own standards for running your business.

Standing Offer Suppliers (SOS)

A contractual arrangement between the Province and a pre-approved supplier. Under the terms and conditions of a standing offer, the supplier agrees to provide certain goods or services on an “as required” basis, during a particular period of time and at a predetermined price or discount.

Statement of Work (SOW)

A Statement of Work is a legally binding agreement between a client and a vendor that describes the terms and conditions for the execution of a project’s scope of work.

Sub-Contractor

An individual or (in many cases) a business that signs a contract to perform part or all of the obligations of another’s contract.

Supplier Business Review

A routine and systematic process that business undertake with their supplier covering all salient elements of both the supplier relationship and their performance.

Supplier Diversity

Sourcing from businesses that are owned or operated by individuals who belong to groups) that have historically faced barriers to employment and/or economic opportunity. These may include, for example, businesses that are owned or operated by women, minorities, veterans,. A supplier diversity program encourages sourcing from businesses that are: owned and/or operated by historical minorities, women, veterans, or LGBT individuals; or have been historically disadvantaged in the marketplace for other reasons. Supplier diversity has many benefits, including customer satisfaction, cost savings, and investor relations.

Supplier Financial Ethics

Monitoring suppliers for compliance to ethical financial practices (e.g. accounting, taxes, philanthropy, investments, lobbying, etc.).

Supplier Inclusion & Diversity

An organization’s efforts to support a supply chain that incorporates businesses owned by diverse individuals or groups.

Supplier Innovation

A supplier’s initiative that offers its strategic customers a competitive edge or offers a service initiative that generates enhanced services.

Supplier Onboarding Process

The process of collecting and analyzing supplier information in order to register that supplier in a company’s system, securely purchase goods from them, and ensure compliance.

Supplier Scorecard

A document businesses use to rate their vendors or suppliers on a specific scale for their performance.

Supplier Sustainability Code of Conduct

Sets out values and expectations, including our sourcing principles, as well as the labor, human rights, environmental, and legal compliance principles that a company expects their Suppliers to uphold.

Supplier Sustainability Performance

Companies’ efforts to consider the environmental and human impact of their products’ journey through the supply chain, from raw materials sourcing to production, storage, delivery and every transportation link in between.

Supplier Sustainability Risk Management

The ability to assess, monitor, and address supplier activities that pose a risk to a purchasing organization’s ongoing sustainability performance. Ideally, a supplier sustainability risk management system is integrated into the organization’s overall supplier risk management system - tracking and managing risks attached to supplier financial performance, geopolitics, news sentiments, judicial filings, and regulatory compliance.

Supply Chain

A network of facilities that procure raw materials, transform them into intermediate goods and then final products to customers through a distribution system.

Supply Chain Transparency

Accurately identifying and collecting data from all links in your supply chain (ie. visibility) and communicating that information, both internally and externally, at the level of detail required or desired (ie. disclosure). Transparency is a fundamental principle to build momentum for and create healthy market competition to improve relevant ESE impacts, fosters collaboration, and catalyzes innovation.

Supply Chains with A High Risk of Hidden Impacts

The production and distribution of some products and services are known to have a greater risk of negative social, environmental, and economic impacts, such as human trafficking, labor abuses, corruption and bribery, natural resources theft, and more. Buyers of these products and services need to require greater transparency and conduct more thorough due diligence when buying from these supply chains to ensure their purchases are not sponsoring such harmful behavior. There are many tools and service providers available to help buyers evaluate which supply chains have a higher risk of hidden impacts. The SASB Materiality Map is a free resource that can serve as a starting point.

Sustainability

The aspiration to ensure that meeting the needs of the present does not compromise the ability of future generations to meet their own needs, the most widely accepted definition comes from "Our Common Future," Report of World Commission on Environment and Development, commonly called The Brundtland Report).

Sustainability Criteria

Requirements pertaining to the sustainable quality of a product and its sustainable production, which have to be fulfilled in order to acquire a sustainability status or certification.

Sustainability Performance

The extent to which a product, service, or supplier supports the natural, social, and economic systems on which we depend, now and in the future.

Sustainability Report

The disclosure and communication of environmental, social, and governance (ESG) goals—as well as a company's progress towards them.

Sustainability Spend Analysis

A process for identifying: 1) sustainability-related risks and opportunities across an organization's overall portfolio of spending; an 2) priorities for action based on the relative significance of particular spend categories, suppliers, purchasers, regions of origin, or other factors. Reed a comparison of conventional and sustainability spend analysis.

Sustainable Procurement

The act of taking responsibility for the environmental, social, and/or economic consequences of purchased goods and services by obtaining the best value for money, while purchasing the most sustainable goods and services from the most sustainable suppliers, in support of the organization's stated purpose and strategic goals. Also known as sustainable purchasing and supply chain sustainability.

Sustainable Procurement (SP) Assessment

The process of identifying and measuring progress towards leadership in sustainable procurement based on prioritized criteria specific and material to an organization and/or its stakeholders.

Sustainable Procurement Guidance

A multi-stakeholder developed resource which aids purchasers in identifying prioritized impacts of a specific good or service (or set of goods and services), strategies for addressing these impacts, and tools to execute on them such as specifications, sustainability labels, Environmental Product Declarations (EPDs), etc.

Sustainable Purchasing Program

A sustainable purchasing program is the set of activities undertaken by an organization to implement sustainable purchasing, whether unified as a centrally-managed program/policy or decentralized as a collection of potentially uncoordinated programs/policies.

Takeback / Reentry Programs

A program by which the manufacturer and/or distributor of a product and/or its related packaging "takes back" the product and/or its related packaging for either reuse and/or proper recycling.

Third-Party Verification

When a company uses an outside organization to review and confirm a customer's information and intentions to ensure accuracy.

Tier 1 And 2 Suppliers

Tier 1 Suppliers: direct suppliers of the final product. Tier 2 suppliers: suppliers or subcontractors for your tier 1 suppliers.

Total Annual Spend

Comprises all expenditure items, i.e. operating costs and finance costs.

Total Cost Of Ownership (TCO)

A financial estimate intended to help buyers and owners determine the direct and indirect costs of a product or system. When incorporated in any financial benefit analysis, TCO provides a cost basis for determining the total economic value of an investment.

Toxic Emissions

Pollutants that are known or suspected to cause cancer or other serious health effects, such as reproductive effects or birth defects, or adverse environmental effects.

Toxics

A man-made compound containing or being poisonous material, especially when capable of causing death or serious debilitation.

Toxins

An antigenic poison or venom of plant or animal origin.

Verified Safer

A safety-focused third-party program that aims to verify and amplify safer chemical alternatives.

Volatile Organic Compounds (VOCs)

Compounds that evaporate from many housekeeping, maintenance and building products made with organic chemicals. Insufficient quantities, VOCs can cause irritation and some are suspected of causing or exacerbating acute and chronic diseases.

Waste

Any substance discarded after primary use, or is worthless, defective and of no use.

Waste-to-Energy

The burning of waste in a controlled-environment incinerator to generate steam, heat, or electricity.

Water Quality

Chemical, physical, and biological characteristics of water based on the standards of its usage.

Water Use

Utilization of water by agriculture, industry, energy production, and households.

Zero Waste

The conservation of all resources by means of responsible production, consumption, reuse, and recovery of products, packaging, and materials without burning and with no discharges to land, water, or air that threaten the environment or human health. ([EPA](#))

