

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 organizations. 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 organizations into the future. **By embracing smart business buying technologies that expand visibility and drive efficiency, the procurement function can boost their organization'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 nonprofits. 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 they know and love as consumers. Striking the right balance in their organization's human-machine collaboration will be paramount. [See Section four: Collaboration and purchasing democratization.](#)

The customer experience

Procurement impacts 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 surged. 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 their organization has to outsource procurement activities to third parties.

95%

of decision-makers say procurement has room for optimization.

53%

of respondents say 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—four in 10—who don't have required responsible purchasing goals still take supplier ESG factors into consideration.

85%

of respondents say 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-camera to the right with a thoughtful expression. The background is softly 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.

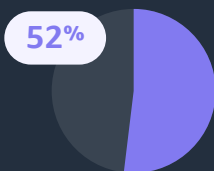
Internal procedures, decision-making, and prioritization now require more strategic deliberation, additional steps, and greater input from stakeholders than ever. Concurrently, the impact of global and regional headwinds—such as market fluctuations, evolving regulations, and persistent supply chain disruptions—is 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 to 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 is 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 only compound as decision-makers plan for the future. By trade, procurement professionals are forward-thinking, often strategizing months (if not years) in advance to anticipate their organizations' future buying needs and evolving network of

suppliers. More recently, they are also contributing to higher-level, organizational 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%

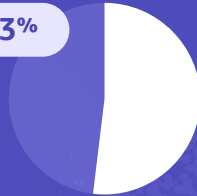
“I’ve personally seen cases where suppliers may be asking for even a 40% or 50% increase in price, and that’s not budgeted. In some cases, we may have only budgeted a 10% increase. So the challenge for procurement increases. And that’s not going away.”

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

Rising procurement budgets

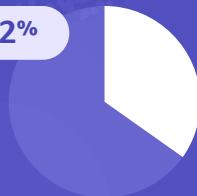
Organizations are funneling more resources toward procurement needs to help leaders counteract the impacts of skyrocketing supply costs and other unforeseen economic hurdles. Global events, such as inflation and geopolitical conflicts, are a major point of concern for both the respondents and executives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

53%



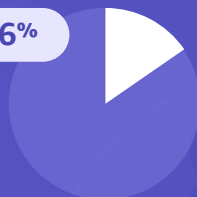
of respondents say their purchasing budgets will be higher in 2024 compared to 2023.

32%



say 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 the required amount of money to make purchasing decisions.”

General Manager,
large public sector organization | United Kingdom

Procurement departments are making plans to guard against these challenges and risks. Over the next year, it's no surprise organizations want to prioritize initiatives that aim to increase efficiency and reduce costs—including talent acquisition and retention. By focusing on these core priorities, businesses can not only fortify their procurement operations but also improve overall organizational resilience, ensuring 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 organization | 81% |
| Tie | | |
| 4 | Building resilient and agile supply chains | 81% |

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

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 realize 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).

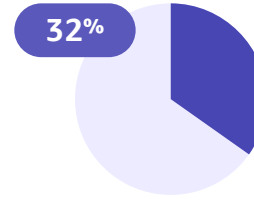
Top activities procurement wants to spend less time/energy on:



Top activities procurement wants to invest in:



A significant number of organizations recognize 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 organizations report using digital invoices in 2023.



of procurement decision-makers say 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 optimization 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 organization. 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 at their organizations. In fact, 98% of decision-makers are **already planning investments or upgrades in analytics and insights tools, automation, and AI-driven optimization** 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 organizations. 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 the 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 year or two delay can open a window to even greater advancements in AI, meaning 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]."

Head of Procurement, multinational telecommunications company | United Kingdom



By investing in tools that digitize, 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 organizations. It's an important milestone for businesses looking to drive innovation and efficiency."



Doug Gray

VP, Technology
Amazon Business

Section three

Environmental, social, and governance improvements



Responsible purchasing is both a requirement and an opportunity for organizations. 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, like 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, 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 they engage with.

Considerations important for procurement to know about:

1	The location where the products you purchase originate	94%
2	The HR policies and standards of the organizations you purchase from	92%
3	The type of transportation used to ship the products you purchase	90%
4	The ESG policies of the organizations you purchase from	89%
Tie		
4	The DEI policies of the organizations you purchase from	89%
5	The route and the stops that the products you purchase make on their way to your organization	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 all of our suppliers to sign a code of conduct. We're doing a lot more screening of suppliers to make sure they're behaving like 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—four in 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:

- | | | |
|---|---|-----|
| 1 | Sellers that follow sustainable practices | 59% |
| 2 | Certified small businesses | 40% |
| 3 | Local businesses | 39% |
| 4 | In the US, UK, and Japan, diversity-owned is also a consideration | 25% |

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 the regions with volatile political environments. Changes in market competition, emerging technologies, or new market operators can upset existing business models and require organizations to adapt 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 organizations are positioned to execute on that goal. Despite the fact that nearly six in 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 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 four in 10 decision-makers find that their suppliers are exceeding various expectations, half feel suppliers are just meeting those expectations. Respondents indicate 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 suppliers can better support procurement is through innovation, like 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 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 organizations tackle goals related to environmentalism, diversity, and more."



Chris Costello

General Manager, Strategic Accounts
Amazon Business

Section four

Collaboration and purchasing democratization



As procurement's role in the organization evolves, the way business buyers collaborate with their counterparts across other departments is also maturing. And for 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 their organization's purchasing processes are centralized in a way that **only allows specific staff in procurement to make purchases**.

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

Top activities procurement outsources:

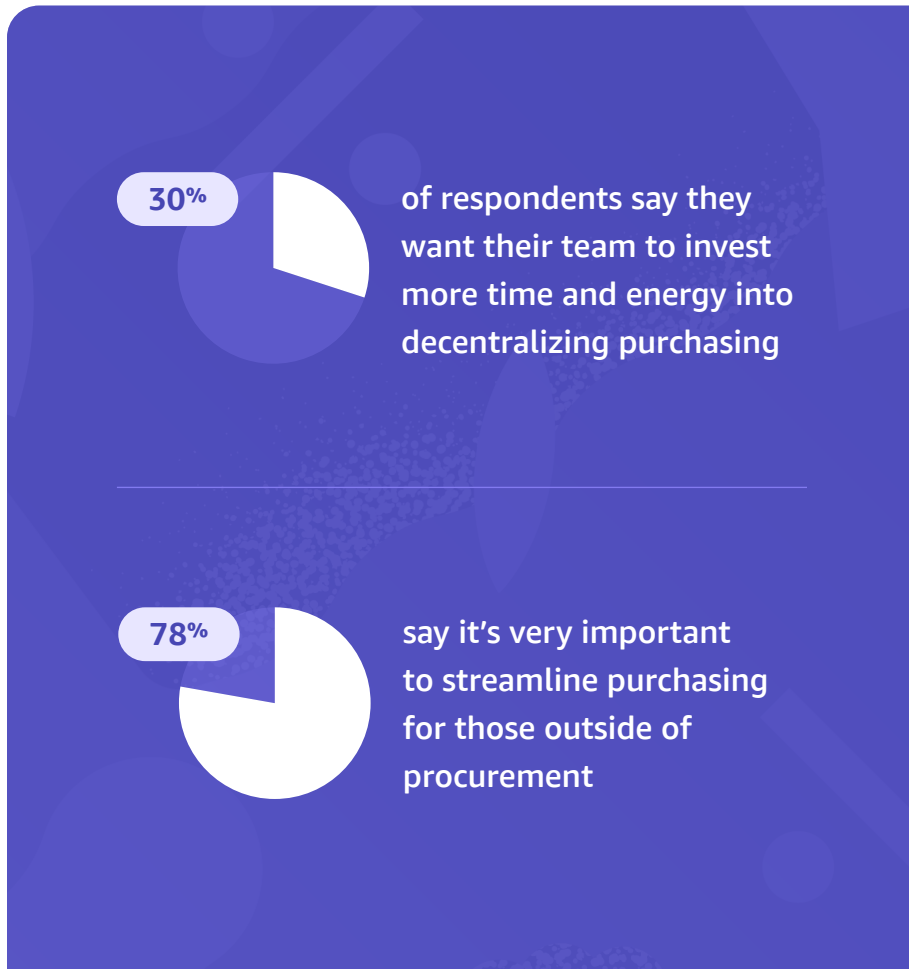


“We’re growing faster than we can hire or implement systems to adequately support *[operations]*. We need support from outside of procurement to get our projects done.”

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 the purchases they make mostly fall into managed spend. Managed spending is often planned for months, if not years ahead of time—a prime opportunity to recruit other stakeholders across departments versus outsourcing purchasing responsibilities. Equipping domain experts to support routine purchasing activities allows procurement to uplevel its focus and take on higher priorities across the organization, while still maintaining oversight of purchasing patterns overall.



Democratized purchasing reduces barriers to sourcing specialty items

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

Top 5 purchasing categories 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

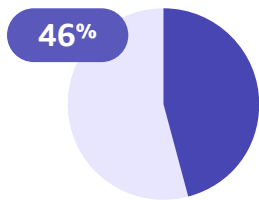
Despite being purchasing experts, procurement professionals often lack the associated domain expertise to easily evaluate products with nuanced specifications. Their time is better spent ensuring their peers across the organization are prepared to research these purchases on their own—within predetermined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

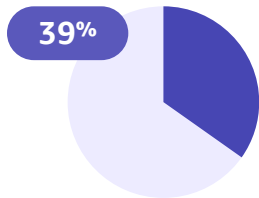
In this scenario, procurement teams reduce involvement in time-consuming, simpler tasks, while still playing a central role in executing transactions that add the most value—and have the highest stakes. Procurement teams can lead the charge in striking and maintaining this balance, with technology reinforcing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



Across the board, decentralizing 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 decentralized purchasing may boil down to ongoing difficulties collaborating with other departments.



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



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

While decentralizing 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 digitize and purchasing environments evolve, many are now realizing 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 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 organizations. 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 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 its impacts on finance, technology, and corporate social responsibility goals, procurement serves as a direct influencer in the employee experience, customer experience, and organizational success

Procurement plays a key role in achieving a diverse range of business goals, and in turn, have secured their 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 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 their organizations innovate and adapt to change. And procurement leaders don't have to go it alone—Amazon Business is your strategic partner through it all.



Learn more about our **smart business buying solutions.**

Contact us





About Amazon Business

Amazon Business helps millions of customers worldwide—from small businesses, schools, hospitals, nonprofits, and government agencies to large enterprises with global operations—reshape their procurement with cost and time savings, greater productivity, and insightful purchasing analytics. Procurement and business leaders enjoy convenient shipping 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, China, 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 June 6 to July 14, 2023, among 3,108 procurement decision-makers and senior leaders familiar with procurement operations at their organization. Respondents were located in the U.S., France, Germany, Italy, Japan, Spain, and the UK. Respondents spanned nine industries and all commercial sector respondents worked at organizations 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 organizations. All respondents are VP level or above.

C-suite or leaders (“Senior leadership”):

603 respondents familiar with their organizations’ 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 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/federsustainabilityplan/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 labor 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/975292/730844/81d656dbe61813ec647c5e3f86e252ec/>

[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/975292/730844/81d656dbe61813ec647c5e3f86e252ec/)

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.iea.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/esg-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>