



Financial Ethics Research Committee: Report on Purchasing Policy

Prepared by Adam Winer, FERC Coordinator

Introduction:

In the Winter semester of 2012, SSMU Council adopted the Purchasing Policy put forward by the FERC committee. The Purchasing Policy, which formally replaces the Ethical Business Policy, aims to put into action SSMU's constitutional commitments to social justice and environmental sustainability. These core values of the SSMU have been realized in a number of ways. However, the FERC committee found that SSMU's purchasing patterns did not fully live up to our organizational ideals. In the Purchasing Policy, the FERC is mandated to create a Preferred List of Suppliers Database (PLSD), which ranks SSMU's major suppliers (defined as annual suppliers above \$500) against their closest competitors on the basis of social ethics, sustainability, and cost efficiency. The Purchasing Policy provides a very wide array of criteria pertinent to sustainability and social justice by which each product and supplier is to be ranked. The 2012-13 FERC committee began the year eager to put together the PLSD, but found the research element of this task untenable. As confirmed by critical feedback from a number of other SSMU committees and staff members, the FERC committee found that an enormous amount of effort would need to be devoted to giving even one company a score within the PLSD. Moreover, given the FERC's limited capacity, we came to the consensus that our efforts should not be directed towards an exhaustive knowledge of each one of our suppliers. We were willing to sacrifice the thoroughness of the PLSD for the goal of quicker impact.

Five-Year Purchasing Plan

Along these lines, the FERC chose to expand upon the framework provided in the Purchasing Policy in developing a five-year Purchasing Plan for the SSMU. This plan will be animated by the exact same priorities as is the Purchasing Policy, but will replace the Purchasing Plan's focus on thorough research with a series of action items. In putting together our draft of the Purchasing Plan, intensive research was conducted into best practices amongst non-profits and student unions. The Concordia Student Union's purchasing plan was particularly instructive in this regard. The SSMU's Purchasing Plan will aim to do the following:

I: Spark a Culture of Sustainability at SSMU:



The FERC will conjoin our efforts with the broader sustainability push at SSMU in the following ways:

- Work with the Environment Committee, as well as SSMU executives and permanent staff, to reduce consumption in the SSMU office.
- Introduce sustainable purchasing into the job descriptions of relevant executives and staff.
- Develop workshops for SSMU staff on reduced consumption and sustainable purchasing,
- Recommend that SSMU makes only re-usable purchases

II: Work with Clubs and Services

The linchpin of the Concordia Student Union's purchasing plan is the conduct of their clubs and services. Like the CSU, we aim to:

- Introduce a mandatory sustainability training session for clubs and services at the beginning of the year.
- Work with the Green Events Coordinator and Environment Committee to maximize the use of local and organic food and drinks at SSMU events
- Only fund re-usable purchases by clubs (excepting food)

III: Engaging our Suppliers

- The FERC will initiate conversations about sustainability and social ethics with our current major suppliers, starting with our largest ones. We will communicate our organizational priorities to these partners, and search for ways to effect positive change within their organizations. This promises to be an effective tactic, as SSMU purchases from many relatively small, local suppliers. In this way, SSMU will capitalize upon relationships that we have already formed.
- We will only consider ending our relationship with a supplier if they both fail to meet our basic standards of social justice and sustainability, and refuse to make reasonable efforts to improve their performance.
- We will pare down the criteria by which we rank suppliers to the absolute minimum, and will utilize these only when deciding whether to withdraw our funds from a particular supplier, or in searching for a new supplier.

IV: New Suppliers

- FERC will draft a supplier code of conduct that outlines our basic expectations. We will require that each new supplier signs the code of conduct, indicating that they identify with our core values and recognize that their relationship with SSMU is contingent upon their fulfilment of these values.



- When searching for new major suppliers, we will include concerns of ethics and sustainability within our Request for Proposals (RFP's).
- Implement a policy of diversity purchasing: whenever possible, SSMU will purchase from companies owned by First Nations, women, or minority groups, and/or located in economically depressed areas of Montreal.

V: Annual Goals

Above, we have laid out the general long-term goals of the Purchasing Plan. We hope to set clear and achievable annual goals:

- Engage 15 current suppliers per year
- Document all positive changes made by suppliers
- All new major suppliers sign code of conduct
- Conduct annual midpoint review

Consultation and Implementation

As should be clear, the FERC is not currently putting this policy up for adoption by SSMU Council. Although we stand by the principles and action items listed here, we have been largely occupied with the task of reviewing SSMU's investment portfolio over the course of the past semester. Most committee members were more interested in this task than in the Purchasing Plan, so it was not the subject of as much discussion and research. The FERC only wishes to submit the Purchasing Plan after discussion with multiple key stakeholders, including the Environment Committee, Green Events Coordinator, current and incoming SSMU executives, McGill Office of Sustainability, McGill Procurement Services, Policy Committee, SSMU's General Manager, Divest McGill, and SSMU's financial and accounting staff. We hope to receive careful and critical feedback from these individuals and groups in the month of May. The FERC committee will then submit the Purchasing Plan for adoption by Council in the early Fall of 2013.