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The Role of Purchasing in Corporate Social Responsibility

By

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Global Supply Chain Management

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Abstract

Purpose - This thesis empirically examines the role of purchasing in Corporate Social Responsibility (CSR) by investigating purchasing practices mentioned in the CSR reports of 35 Canadian companies in 10 different sectors listed on the Dow Jones Sustainability Index (DJSI) World of 2015. The objectives of this study are to 1) identify and describe the current purchasing practices of firms mentioned in their CSR reports, 2) measure the importance of purchasing in firms' CSR, and 3) investigate the impact of the industrial sector on the role of purchasing in CSR. **Design/Methodology/Approach** – A mixed content analysis (qualitative and quantitative) was performed using firms' CSR reports. To use this method, a coding scheme was devised based on previous literature and on the CSR reports analyzed. By performing a qualitative textual content analysis, we identified the purchasing practices mentioned in the CSR reports. The quantitative content analysis was conducted by calculating the frequencies of occurrence of these procurement activities in the CSR reports. These analyses were performed using the 35 CSR reports and per industrial sector.

Findings – All the firms analyzed mentioned purchasing practices in their CSR reports. The results indicate that purchasing activities related to diversity, community, ethics, human rights, safety, and environmental responsibilities are more often mentioned than economic, legal, animal welfare, and philanthropy responsibilities. Also, we find that the role of purchasing differs per industrial sector. We suggest some factors that could explain the differences observed.

Implications/Contributions– This study is, in our knowledge, the first systematic and comprehensive review of the status quo of the role of purchasing in CSR in the private sector in Canada. Our DP Pair matrix contributes to academics by providing a coding scheme for future research in this field; and contributes to management by providing a systematic framework for practitioners to implement sustainability into the purchasing process.

Key words: corporate social responsibility (CSR), purchasing and supply management, purchasing social responsibility (PSR), content analysis (CA)

Sommaire

L'objectif de ce mémoire est d'examiner le rôle de l'approvisionnement dans la responsabilité sociale des entreprises (RSE). Ce mémoire prend pour échantillon 35 entreprises canadiennes de dix industries cotées de la liste de l'indice de durabilité Dow Jones (DJSI).

Les problématiques de recherche faisant sujet de ce mémoire sont : 1) compréhension et l'identification des activités d'approvisionnement des entreprises telles que mentionnées dans leurs rapports RSE, 2) la mesure de l'importance de l'approvisionnement dans la RSE, et 3) l'enquête de l'impact du secteur industriel sur le rôle de l'approvisionnement en RSE. Nous avons alors conduit une analyse de contenu mixte à l'aide des rapports RSE. Un système catégoriel a été confronté avec les littératures précédentes et est refondu pour être adapté au contenu des rapports. En effectuant une analyse qualitative du contenu textuel, nous avons identifié et décrit les activités d'approvisionnement mentionnées dans les rapports RSE. L'analyse quantitative du contenu a été effectuée en calculant les fréquences d'occurrence de ces activités d'approvisionnement dans ces rapports. Les résultats indiquent que les activités d'approvisionnement liées à la diversité et la communauté, à l'éthique, les droits de l'homme et la sécurité, et à l'environnement sont plus souvent mentionnées que les activités économiques, juridiques, ainsi que portant au bien-être animal et à la philanthropie. En outre, nous constatons que le rôle de l'achat diffère selon le secteur industriel. Nous suggérons certains facteurs qui pourraient expliquer les différences observées.

Ce mémoire est, à notre connaissance, le premier examen systématique et complet du statu quo du rôle de l'approvisionnement dans la RSE dans le secteur privé au Canada. Sa contribution mène à la création d'une matrice multidimensionnelle combinant responsabilité sociale d'achat avec une approche d'approvisionnement responsable. Ceci contribue au domaine de la gestion grâce au cadre systématique permettant aux praticiens à mettre en œuvre un processus d'achat durable. Plusieurs voies de recherches futures sont proposées.

Mots-clés : responsabilité sociale des entreprises (RSE), gestion des achats et de l'offre, achat de responsabilité sociale, analyse de contenu

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List of Abbreviations

Corporate Social Responsibility	CSR
Purchasing Social Responsibility	PSR
Supply Chain Management	SCM
Socially and Environmentally Responsible Procurement	SERP
World Business Council for Sustainable Development	WBCSD
Corporate Financial Performance	CFP
Non-Governmental Organizations	NGOs
Social Purchasing	SP
Social Responsible Purchasing/Procurement	SRP
Chartered Institute of Procurement & Supply	CIPS
Triple Bottom Line	TBL
Environmental Purchasing and Supply Management	EPSM
Minority/Women-Owned Business Enterprises	MWBEs
International Labor Organization	ILO
United Nation	UN
Institute for Supply Management	ISM
Global Reporting Initiative	GRI
Organization for Economic Cooperation and Development	OECD
Content Analysis	CA
Operations and Supply Chain Management	OSCM
Down Jones Sustainability Index	DJSI
Corporate Sustainability Assessment	CSA
Global Industry Classification Standard	GICS

1. Introduction

1.1 Background

Globalized competition, outsourcing of non-core activities, shorter product life cycles, and complex demand from customers result in very complex supply management. The driving forces behind outsourcing can be a combination of financial problems, need for clear focus on core competencies, and cost efficiency considerations (Brandes et al., 1997). Extending the supply chain globally into developing countries places new responsibilities on purchasing and supply management, not only to monitor environmental, social, political, and security concerns but also to influence them. To keep a favorable brand image, firms are increasingly garnering attention to Corporate Social Responsibility (CSR). CSR issues broadly cover economic, social, and environmental dimensions. In particular, the issues of labor, human rights, local community communications, management structure and business ethics, environmental policy and management, site environment, and product environment are considered as factors having a certain level of impact on supply chain CSR efforts (Lee et al., 2009).

Researchers have constantly advocated that the role of supply chain management (SCM) must expand to encompass social responsibility, and suggested that purchasing plays a key role in a firm's SCM system (Carter et al., 2004). Because purchasing and supply management influences operational, financial and reputation risk of companies (Johnson et al., 2011). Sustainable procurement or Socially and Environmentally Responsible Procurement (SERP) is an important issue for firms and practitioners because it impacts a firm's reputation and its competitive performance (Hoejmose et al., 2012). There are numerous published papers focusing on CSR in SCM, but research specializing in purchasing CSR (PSR) or sustainable purchasing/procurement is a burgeoning topic that needs to be addressed by scholars (Walker et al., 2012) and practitioners. Our research intends to fill this gap and shed light on the research of the role of purchasing in CSR.

1.2 Purpose of the Study

The objectives of this study are to: 1) identify and describe the current purchasing practices of firms, according to their CSR reports, and 2) to measure the importance of purchasing in firms' CSR by counting the frequency of purchasing practices that appeared in the CSR reports. We first define purchasing social responsibility (PSR) and purchasing activities related to CSR (also refers to PSR activities) by referring to previous literature. Second, we compare these activities to activities mentioned in firms' CSR reports. Third, after comparing and adjusting the preliminary findings, we obtain the list of the purchasing activities that are most relevant for CSR. By performing a content analysis of CSR reports, we will assess the importance of purchasing in firms' CSR activities.

1.3 Research questions

With the research objective mentioned above, this thesis addresses three questions:

RQ1: What are the purchasing activities mentioned in CSR reports?

RQ2: How important is purchasing in CSR?

RQ3: How does the importance of purchasing in CSR vary from sector to sector?

1.4 Summary

In general, with this background, the purpose of this paper is to shed light on the role of purchasing in CSR. This paper is structured as follows: we first established the theoretical basis of this study, which builds on available literature. The literature review serves as a road map to explore the role purchasing plays in CSR by examining purchasing practices in CSR literature. These activities were classified into a purchasing social responsibility (PSR) dimension categories. Then, using these deriving categories we identify purchasing activities in CSR/sustainability reports of 35 listed companies representing ten different sectors chosen by DJSI 2016 for the financial year 2015 using content analysis, which provides this study with a practical perspective. We later adjusted the theoretical framework into eight categories (Legal, Economic, Diversity & Community, Environment, Ethics, Human Rights & Safety, General, Animal Welfare, and Philanthropy) based on the results we obtained and

conducted a frequency analysis with this data. In the results and analysis section, we describe and summarize the purchasing activities in CSR reports by calculating the percentage of the different categories. We analyzed the results by comparing these firms based on internal and external factors. The finding indicates that 30 companies (80%) provide PSR information in their CSR reports, and the level of such disclosure varies across industries. This paper finally concluded by discussing implications, limitations, and future research opportunities.

The contribution of this study is three-fold. First, although CSR is advocated by more and more organizations, little is known about how and what role purchasing plays in CSR. This thesis provides insight and theoretical support for research in this field. Second, this thesis contributes to purchasing literature by testing Carter et al. (2004)'s conceptual PSR model using CSR reports. Some PSR dimensions have been modified and updated according to the content of CSR reports. It is also the first study to combine PSR Dimensions with Purchasing Process to devise a PSR implementation matrix. Furthermore, from a methodology perspective, this thesis extends Carter's model by using a completely different method. Unlike other research that uses survey or interviews, the method we are using in this study is content analysis. Finally, this study provides a systematic framework for companies and practitioners to fully implement PSR practices in the purchasing process.

2. Literature Review

This chapter examines important studies related to our research questions. First, we define and describe the concept of CSR. Second, we review purchasing literature and devised the purchasing process model. Third, we connect CSR and purchasing function to introduce the definition of PSR and its dimensions: Diversity, Environment, Ethics, Human Rights & Safety, and Philanthropy, and the corresponding activities. Next, a PSR implementation matrix is determined by combining PSR dimensions with the steps of the purchasing process. Finally, CSR reporting literature is discussed to guide the selection of samples in the methodology section.

2.1 Corporate Social Responsibility

There is no unanimous agreement on the definition of CSR due to its changing conceptualization in different contexts and schools of thought. An accepted notion often cited by researchers nevertheless is proposed by the World Business Council for Sustainable Development (WBCSD) as “the commitment of business to contribute to sustainable economic development, working with employees, their families and the local communities” (WBCSD, 2001). In other instances, CSR is defined as “actions that appear to further some social good, beyond the interests of the firm and which is required by law” (McWilliams et al., 2001, p. 117). Rodriguez et al. (2006) describe CSR as “instances where the company goes beyond compliance and engages in actions that appear to advance a social cause.” Varying outlooks of what constitutes CSR are results of different assumptions and logic applied to the notion (Godfrey et al., 2007). Different approaches utilized to define the term include the shareholder approach, the stakeholder approach, and the political-societal-ethical approach.

The shareholder approach assumes that firms’ supreme criterion of performance is to maximize shareholder value. Accordingly, CSR is an instrument to help realize this goal and should be aligned with one’s corporate strategy (McWilliams and Siegel, 2001). For example, most papers examining the relationship between CSR and Corporate Financial Performance (CFP) suggest that CSR activities generate CFP which proved “fortune at the bottom of the pyramid” by Prahalad (2006), such as the

improvement of relationships with customers/employees, or the enhancement of future revenue growth (Godfret et al., 2009). Moreover, firms could generate cost advantages by shifting certain activities prohibited or unwelcome in home countries to emerging ones thereby supporting the 'race to the bottom' hypothesis (Javorcik and Wei, 2004), which results in socially irresponsible practices (Surroca and Zahra, 2013).

The stakeholder approach does not view the maximization of shareholder value as a firm's sole purpose. Instead, it proposes that organizations should balance the interests of multiple concerned parties (Freeman, 2010). For instance, whilst a decade ago Nike claimed that it was not responsible for sweatshops in its supply chain, today with the pervasive presence of non-governmental organizations (NGOs), activists and local communities, the firm was pressured into assuming accountability for its actions (Harrison and Scorse, 2010). To date, consensus has been achieved on the fact that CSR encompasses environmental, legal, ethical, and philanthropic responsibilities (Carroll, 1991). Measurements of CSR performance are based on such categories that many frameworks acknowledged, including Carroll's 'pyramid of CSR,' and are widely applied in both academic and practical fields (Carroll, 1991; Schwartz and Carroll, 2003).

The political-societal-ethical approach views firms as citizens with responsibilities for the local community, in other words, companies are responsible to society as a whole, of which they are an integral part (Van Marrewijk, 2003). With globalization and internationalization of firms, such responsibilities must be applied in a global context (Logsdon et al., 2002; Matten and Crane, 2005). More specifically, it requires organizations to adjust and respond in the dynamic and complex societal context which they are a part of, in which their societal missions are likely beyond that of their old ones. This view is still relatively recent since issues like poverty alleviation are often neglected by traditional CSR advocates, who still address environmental and/or labor affairs (Jenkins, 2005).

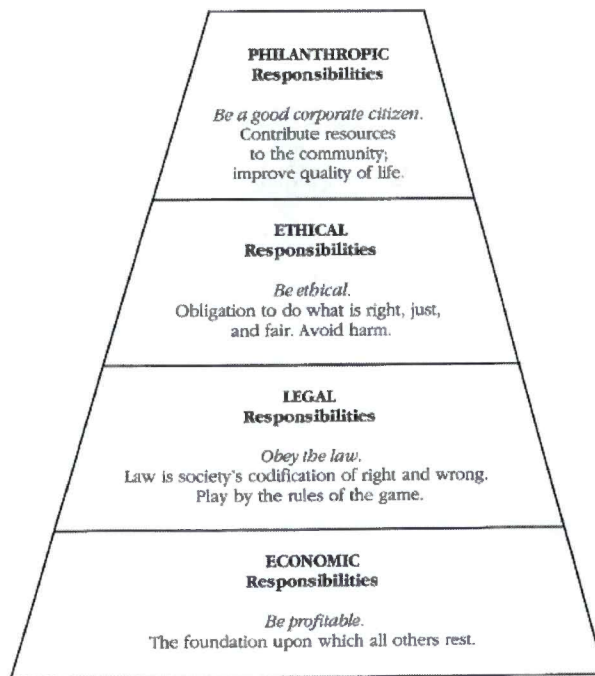
CSR and sustainability are somewhat synonyms— CSR relates to phenomena such as stakeholder dialogue and sustainability reporting, whereas corporate sustainability focuses on value creation and environmental management (Ciliberti et al., 2008).

Although the term “CSR” is used in this paper, other labels can also describe the relationship between corporations and society: corporate sustainability, citizenship and stewardship, responsible business, and the “triple bottom line” (TBL) of economic, social, and environmental performance (Greenall, 2004)

Figure 1 is the conceptual pyramid of Carroll (1991), which is adopted here to provide a working definition of CSR as: “meeting the economic, legal, ethical, and discretionary responsibilities expected by society.” Thus, this definition encompasses activities relating to diversity, the environment, human rights, philanthropy, and safety, as well as activities relating to business ethics. Although economic responsibilities and legal responsibilities are fundamental for others to build upon, CSR literature tends to focus more on the ethical and discretionary dimensions of Carroll’s model, as there is much less debate among managers regarding the need to meet the economic and legal dimensions of the model (Carter and Jennings., 2004), therefore the main focus of our study is on the voluntary responsibilities.

Figure 1 The Pyramid of Corporate Social Responsibility

The Pyramid of Corporate Social Responsibility



Source: Carroll (1991)

2.2 Purchasing and Supply Management

2.2.1 Purchasing, Process, and Activities

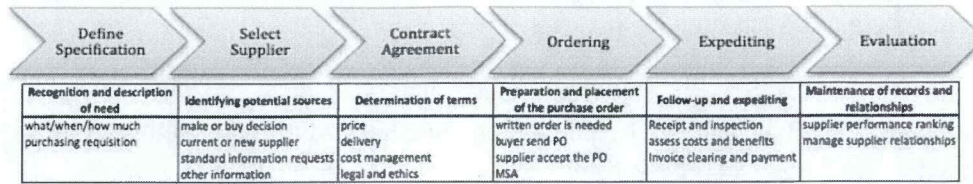
In our study, we use the terminology purchasing, supply management, and procurement interchangeably. The purchasing function is the integration of related functions to provide effective and efficient materials and series to the organizations. We adopt a working definition given by Van Weele (2009) to develop our research:

“Purchasing is the management of the company's external resources in such way that the supply of all goods, services, capabilities, and knowledge which are necessary for running, maintaining and managing the company's primary and support activities is secured at the most favorable conditions.”

Although corporations can purchase goods or services and the purchased materials may vary across firms including raw materials, supplementary materials, semi-manufactured products, components, finished goods or trade items, investment goods or capital equipment, and finally maintenance, repair and operating materials (MRO items) (Leenders et al., 2001), the general purchasing process is somewhat similar. To have a better understanding of purchasing, it is important to understand its process.

A procurement process is a complicated process that can be defined as activities necessary to acquire goods and services to meet user requirements (Novack and Simco, 1991). To understand this process, the procedure and activities associated must be identified. Therefore, we first determine the stages in this process, which includes defining the purchasing specification, selecting suppliers, achieving contract agreement with vendors, placing orders with the supplier, expediting and finally, follow-up and evaluation. We summarized and combined the process provided by Van Weele (2009) and Leenders et al. (2001), and the combined process shown in *Figure 2*.

Figure 2 Purchasing Process Model



Source: Van Weele (2009); Leenders et al. (2001)

The process and activities identified are applicable to the purchase of both goods and services in industrial markets, and this process cuts across both functional (intrafirm) and organizational boundaries (interfirm).

1. **Determining the purchasing specifications** means estimating and setting the quantity and quality of the goods and services that are needed for the user (Van Weele, 2009). Usually, the user is an individual or department within the buyer's firm. In some instances, existing needs must be re-evaluated because they change. Once the need and its measurement (quantity and quality) are identified, the purchasing process can begin with purchasing requisitions to communicate between users (Novack and Simco, 1991; Leenders et al., 2001).
2. **Selecting the best possible supplier** and developing procedures and routines to be able to do this. Under this stage, we first have to identify potential sources, that's to say, we need to make three decisions: (1) the make option or doing it in-house; (2) use current suppliers or look for new suppliers; (3) when we have to buy and present suppliers can not meet needs, we identify new qualified suppliers by looking for sources using tools including online searches, e-catalogs, and company websites. Additional information can be obtained by directly soliciting potential suppliers to facilitate the selection process: (1) Issue a request for information (RFI)- this is optional; (2) request for quotation (RFQ); (3) request for proposal (RFP) and (4) request for bid. Buyers have to notice that certain types of input from outside suppliers have to be purchased even with a make decision.
3. Under the **contract agreement** stage, negotiations with suppliers are prepared and conducted to establish an agreement and arrive at a written legal contract. It includes analyzing the costs, negotiating the price, selecting the

transportation mode and Incoterms, as well as legal and ethical agreements including CSR initiatives established with suppliers.

4. **Ordering** refers to preparing and placing an order and/or to establish routines for ordering and handling of a purchase.
5. **Expediting** includes ensuring suppliers meet delivery promises, conducting inspections such as expedition routines, troubleshooting, field expediting and acceptance testing, assessing risks, benefits and costs of doing business with suppliers, and clearing invoices and finishing payment.
6. **Evaluation**, this stage involves updating records, including supplier performance scorecards, and managing supplier relationships (Van Weele, 2009; Leenders et al., 2001).

These purchasing activities provide basis for this study to identify purchasing activities in firms' CSR reports and help to define the concept of purchasing social responsibility (PSR) in the following section.

2.2.2 Decision Making in the Purchasing Process

Usually, organizational buying involves many people in the decision process with complex interactions between their goals and criteria. This is an extremely complicated process because it often takes place over an extended period of time, requires information from many sources, and encompasses many internal/external organizational relationships (Van Weele, 2009). All of the activities identified during the procurement process are subject to influences. These influences can affect how effectively each activity is performed. These influences referred to environmental, organizational, interpersonal, and individual influences (Webster and Wind, 1972).

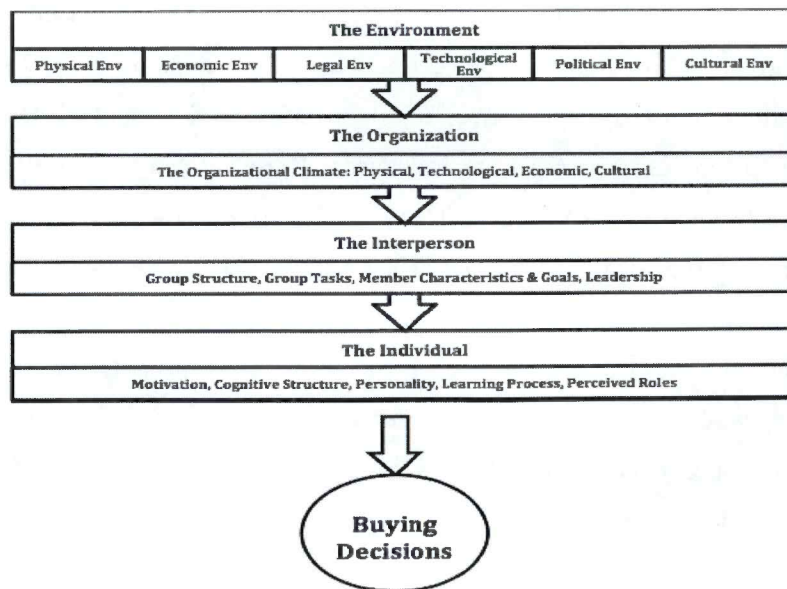
The **environment** influences the impact of the buying process by providing information as well as constraints and opportunities. It includes physical (geographic, climate, or ecological), technological, economic, political, legal, and cultural factors. Environmental influence is exerted through institutions including suppliers, competitors, customers, governments, trade units, political parties, educational and medical institutions, trade associations, and professional groups.

Organizational determinants are directed by the organization's goals and constraints, such as financial, technological, and human resources. Organizational determinants cause individual decision-making.

Interpersonal influences involve several decision-making groups: members who use the purchased products and services; Buyers who have contracts with suppliers; Influencers who provide information or criteria for evaluating alternative buying actions; Deciders who have authority to decide the purchasing actions. These decisions are affected by their goals and tasks, personal characteristics and the leadership within the group. The structure of the group includes communication authority status, rewards and workflow, and problem-solving inventions used by the firms.

Finally, **individual** influences are the center of buying decision-making. They are affected by buyer's psychological processes including personality, perception, cognition, motivation, and learning. *Figure 3* shows the interrelationships of a buying decision-making process (Webster and Wind, 1972).

Figure 3 Decision-Making in the Purchasing Process



Source: Weber and Wind (1972)

2.2.3 The Role of Purchasing in Supply Chain and Corporations

During the last 20 years, purchasing has shifted from a clerical function with the ultimate purpose of buying as cheaply as possible to today's major strategic function. This shift is not surprising, as purchasing is responsible for more than half of the total costs in many companies (Gadde and Håkansson, 1994).

In the early 1970s, purchasing was viewed as having a passive role/administrative role in the business organization (Ellram and Carr, 1994). The importance of purchasing first became heavily stressed by the mid-seventies oil crisis where the raw materials shortage drew attention to purchasing.

Later, Porter underlined the importance of two critical forces – buyer and supplier (Hanghøj, 2014). Also, from a supply chain point of view, he also acknowledged the importance of procurement by listing it as a supportive activity and an integration tool. A support activity is one that spans all of the primary activities and supports their completion. He also stated in his research that effective procurement of goods and services contributes tremendously to the competitive advantage of an organization. The procurement process serves as a critical link between members of the supply chain: the quality of material and service input impacts finished product quality and hence customer satisfaction and revenue (Novack and Simco, 1991).

Purchasing is also viewed as having a supporting role in a firm's strategy. More specifically, some scholars focus on purchasing's role in supporting decisions concerning the breadth of a product line, the geographical area to be served, and the competitive action pursued to achieve a competitive advantage. Some studies show that purchasing facilitates companies to develop strategies to allocate resources efficiently in the long term. Others believe that purchasing can link day-to-day operations to long-term strategy, from the firm's daily operations to its competitive goals (Ellram and Carr, 1994).

Johnson moved a step further by combining purchasing's operational task with its strategic responsibility (Johnson et al., 2011) as:

“ The responsibility of purchasing is not only concerned with the standard steps of procurement process, such as translation the needs into a commercially equivalent description, the selection of a suitable source, and the payment of suppliers. Further responsibilities may involve in other logistics activities and other components of supply chain, such as inbound and outbound transportation, and firm’s suppliers’ suppliers. Apart from operational responsibilities that are part of day-to-day activities of the supply organization, there are strategic responsibilities that focus on long-term supplier relation and commodity plans with the objective of identifying market trends.”

In general, procurement plays a critical role in organizations, because it determines the revenues, costs, and supply chain relationships. It also contributes to a corporation’s strategy (Novack and Simco., 1991; Ellram and Carr, 1994).

2.3 The Role of Purchasing in Corporate Social Responsibility

Owing to globalization and growing interest in outsourcing in developing countries, procurement aspects of CSR have recently attracted the attention of academic and international organizations such as the European Union (EU) and International Labour Organization (ILO) (Antonio, 2011). Purchasing’s involvement with the firm’s corporate responsibility efforts has been coined as Purchasing Social Responsibility, PSR (Carter et al., 2004). Other scholars call it Socially Responsible/Sustainable Buying or Purchasing, SRB/SRP (Drumwright, 1994; Maignan et al., 2002), Purchasing/Procurement and Supply Management Sustainability, P/SMS (Giunipero et al., 2012), Socially and Environmentally Responsible Procurement, SERP (Hoejmose and Adrien-Kirby, 2012).

Maignan et al. (2002) claimed that purchasing professionals were unaware of how they could embrace the growing expectations of social responsibility from their customers. Since then, focus has largely been to establish the research field by defining the concept, dimensions and drivers that comprise PSR (Mørk, 2014).

Walker et al. (2012) suggest that unlike CSR, Social Purchasing (SP) or PSR is a burgeoning and current research topic. *Table 1* summarizes the key academic articles

pertaining to PSR. The first two articles discussing PSR covered environmental and social purchasing sustainability are published in 1994 and 1997. From 2010 onwards, we see a marked increase in papers on multiple aspects of sustainability, such as conflicts of interest issues and social equity. Although the definitions of PSR provided by different studies are similar, we would like to give it a more systematic account. Below, we discuss the relationship between CSR and PSR as well as provide a working definition for PSR.

Table 1 Summary of Key PSR

Source	Purpose	Key findings	Method
Johnsen et al., 2016	Evaluate the extent to which the IMP Interaction Approaches used to underpin or influence the focus of existing research and exploring the opportunities for further research into sustainable purchasing and supply guided by an IMP perspective.	A significant proportion of sustainable purchasing and supply management papers adopt stakeholder theory, institutional theory and resource-based perspectives, however, relatively few papers rely on an IMP Interaction Approach.	A systematic literature review methodology is used to identify 1899 papers that are gradually reduced through a filtering process to 276 papers. The theoretical perspective of each paper is identified and recorded in a database along with methodology, unit of analysis and reported findings.
Thornton et al., 2013	Investigate to which extent socially responsible supplier selection is linked to customer firms' financial performance in three important economic regions.	Firms that consider PSR aspects during the supplier selection process enjoy financial performance advantages versus rivals, however with different outcomes depending on the region. Firms doing business in developing countries should implement PSR as a hedge against future changes.	Exploratory, empirical study. Collects and analyzes a dataset of 479 manufacturing, retail, and service firms in the US, China, and United Arab Emirates.
Giunipero et al., 2012	Identify drivers and barriers currently facing P/SM sustainability implementation efforts.	Purchasing and supply management sustainability efforts are driven by top management initiatives and government regulations, while investment costs and economic uncertainty are barriers to P/SM. Defines supply management sustainability (SSM) and its components.	A literature review of the sustainability literature. Multi-method approach consisting of review, Delphi analysis with a panel of 21 P/SM executives, interviews with 19 additional P/SM executives.
Hoejmose et al., 2012	Examine research in the field of socially and environmentally responsible procurement (SERP).	Finds that SERP literature is at a critical point in its development. Warns that researchers should be aware of the shortcomings and potential defragmented areas in the literature. This is especially important in order for the field to become an established and prominent part of the management literature.	Literature review 2000-2010. Incorporates both quantitative and qualitative techniques in a comprehensive, systematic analysis.
Tate et al., 2012	Explore current environmental purchasing literature and supplier management in order to understand current activities, suggest research.	Most of the environmental purchasing literature is not grounded in theory. Due to the relatively early stage the research field is in, there is a significant opportunity to develop theory and influence practitioner behavior. Research is just starting to appear in major business journals.	Literature review and analysis of corporate reports. Content analyses.
Meehan et al., 2011	Investigate to which extent TBL impacts sustainable procurement practices.	Finds out that the previous literature 1) fail to overcome the inertia in relation to sustainable procurement, and 2) in the few examples where practices have been established, only the environmental element of the TBL is considered.	Survey methodology of sustainable procurement practices in 44 English-based UK Housing Associations.
Antonio, 2011	Examine empirically how a multinational buying office implements social responsibility and codes of conduct in purchasing activities in Hong Kong and Pearl River Delta region.	Finds that environment, ethics, health and safety, and human rights are more important than diversity, community, and financial responsibility for PSR practices in the HK/PRD region. PSR benefits include reduced operating costs, enhanced brand image, and reputation, increased sales and customer loyalty, increased productivity and quality, increased the ability to attract and retain employees and risk management. Challenges include the cost of compliance, communication with uneducated workers, and conflicts among different standards.	Reports a case study. The case study covered the experiences of three sourcing projects of a multinational buying office that had implemented PSR with success.

Leire et al., 2010	Build a model to systematically implement socially responsible purchasing practices.	The model reveals the five elementary steps that are necessary in the implementation of systematic socially responsible purchasing practices: developing internal policies; setting purchasing criteria that regard social issues; applying assurance practices; managing supplier relations; and building internal capacity. The model also points to the different activities in the process and their associated challenges.	Literature Review and analysis of empirical and secondary data on implementation of socially responsible purchasing practices.
Mont et al., 2009	Explore the factors that drive or hinder organizations to implement socially responsible purchasing.	The findings from the literature analysis are compared with findings from Swedish organizations. The study finds that in Swedish organizations, the main drivers for socially responsible purchasing include stakeholder influence and organizational values, media and NGOs' attention and employees' concern. The main barriers are a lack of resources for supplier audits, difficulties to ensure that all suppliers fulfill the code of conduct, differences in culture and management style, low levels of social standards and high levels of corruption in some countries of supply, all of which makes assurance practices a very costly enterprise.	A literature analysis is complemented with empirical data from interviews with 20 private and public Swedish organizations.
Salam, 2009	Understand the drivers of social responsibility in purchasing (PSR).	The study contributes to the nomological validity of concept of PSR or Purchasing Social Responsibility.	A mail survey of 197 respondents from Thailand.
Carter, 2005	Examine how PSR affects firm's costs.	Finds no direct relationship between PSR and cost. PSR leads to improved supplier performance and reduced costs through the mediating variable of organizational learning.	Survey methodology and structural equation modeling. Implements the resource-based view of the firm.
Carter et al., 2004	Identify the activities and drivers of PSR.	Develops and defines the concept of PSR. Activities of PSR: the environment, diversity, human rights, philanthropy, safety. Drivers of PSR: people-oriented organizational culture, top management leadership, individual values of purchasing employees, employee initiatives.	A literature review of CSR and purchasing and supply management. Tests hypotheses through a mail questionnaire sent to purchasers in over 1000 US B2C firms.
Carter, 2004	Examines purchasing social responsibility (PSR) across a large sample of manufacturing and service organizations.	Present strong evidence that PSR is a second-order construct that includes activities surrounding the areas of diversity, the environment, human rights, philanthropy and community, and safety.	A Web-based questionnaire was employed to test the hypotheses.
Carter et al., 2002	Examine the potential impact that PSR might have on supply chain relationships.	PSR has a direct and positive impact on supplier performance as well as an indirect mediated effect through improved trust and cooperation.	A mail survey sent to 1000 purchasing managers and executives in consumer products manufacturing industries.
Maignan et al., 2002	Shed light on the nature of PSR and suggest how firms can implement CSR criteria in purchasing decisions.	Assesses PSR strategies and practice. Argues that selection of PSR strategy is based on a trade-off between costs and the underlying motivations. Presents a framework for PSR implementation.	Case studies and theory development. Practitioner-focused paper.

The involvement of the purchasing function in CSR has been labeled as Purchasing Social Responsibility (PSR). Although somewhat similar to CSR whose relevant stakeholders are involved in the supply chain, namely employees, customers, suppliers, the community, the environment, and shareholders (CIPS, 2013), PSR tends to interrelate with these elements. However, due to the particular position of purchasing function within a firm: purchasing (purchasing managers) spans the boundary between the company's internal functions and its external stakeholders, its distinct role in garnering support from and coordinating with other groups for socially responsible conduct in the company's relationship with suppliers (Carter and Jennings, 2004).

The Chartered Institute of Procurement & Supply (CIPS) has defined "Socially Responsible Procurement (SRP)" / PSR as the CSR practices pertaining to procurement, where it emphasizes how to achieve good social and environmental performance in the supply chain. Similar to CSR in a firm context, in the procurement context, it means that the purchasing professionals must take SRP into account while balancing the interests of stakeholders, such as low-cost sourcing and customer expectations of low prices, as well as compel the legislation. Moreover, it is sometimes beyond the legal boundaries, which requires "voluntary engagement" (CIPS, 2013).

The working definition of PSR we adopted in our study follows Carroll's definition of CSR (Salam, 2007), and the focus is more on the top two layers of the pyramid, thus, it is described as: "purchasing activities that meet the ethical and discretionary responsibility", therefore, PSR encompasses purchasing and supply management activities relating to environment, diversity, ethics and human rights issues, and safety and philanthropy.

The role of purchasing within the firm has changed drastically and still keeps changing: from price bargainers to a more strategic function. Buying at the lowest price and assuring and securing the material is not enough. Purchasing affects a firm's make-or-buy decision, design of supplier-base (number of suppliers needed, vendor selection) structure, and the nature of customer supplier relationship (Gadde, 1994). Also,

purchasing plays a key role in a firm's overall logistics system, such as product design and selection, procurement of transportation and third-party logistics services, and inventory management (Carter and Jennings, 2004).

Consequently, it is crucial to address the role of purchasing. Carter recently examined how PSR activities contribute to the reduction of costs; also it brings benefits to customer satisfaction (Salam, 2007). PSR brings more opportunities, for example, it brings the potential possibilities for companies to work with their suppliers such as in the field of new energy resources. Also, it helps companies to gain more confidence to move to riskier areas such as low-cost offshore sourcing, where key SRP issues (labor conditions, etc.) are raised. Addressing SRP is not just about reputation, regulation, risk or opportunity; CIPSA (CIPS Australia) believes that SRP is important and valuable for the firm's sake (CIPS, 2013). PSR also has a direct and positive impact on supplier performance, as well as an indirect, mediated impact through improved trust, cooperation (Carter and Jennings, 2002) and cost (Carter, 2005). Increasing involvement of socially responsible activities conducted by purchasing managers will positively affect the supplier performance measured by lead times, quality and efficiency (Carter and Jennings, 2002).

2.3.1 Dimensions and Activities of Purchasing Social Responsibility

By combining multiple points of view from academic literature, as well as purchasing standards established by NGOs and governments, we identified several dimensions of PSR. Since economic responsibility to shareholders and legal responsibilities imposed by governments are the basic responsibilities in Carroll's (1991) hierarchy, and they are not voluntary practices for organizations, we will not list them in our PSR model in this study. Therefore, we will mainly focus on five dimensions (in accordance with our definition of CSR and Carter's PSR model): **Environment, Diversity, Ethics, Human rights & Safety**, and **Philanthropy**. More specifically, these dimensions include purchasing activities related to sourcing from minority/women-owned business enterprises (MWBES), environmental and green purchasing, and human rights and safety as well as philanthropy issues at supplier plants.

The Environmental Purchasing Responsibility

Ellram and Carr (1994) suggest that one way in which the purchasing function can contribute to a firm's SRP is through environmental initiatives. Purchasing literature in the area of environmental management includes the use of case studies of environmental supply management (Handfield et al. 1997; Narasimhan et al., 1998), along with survey research employed to study environmental purchasing (Min and Galle 1997), including its antecedents (Carter et al., 1998) and economic consequences (Carter et al., 2000).

Zsidisin and Siferd (2001) define environmental purchasing, or so-called green procurement from three perspectives: **environmental management, environmental management systems, and environmental posture**. Klassen and Mclaughlin (1996, p.1199) define **environmental management** as "all efforts to minimize the negative environmental impact of the firm's products throughout their life cycle, which brings together product and production technologies that are designed to reduce their environmental impact." **An environmental management system** prevents adverse environmental effects and improves environmental performance by institutionalizing various environmental programs and practices such as initiating environment-related performance measures and developing green technologies, processes, and products. Examples of management system programs include employee training and education, internal environmental audits, and continuous monitoring of production processes; From a synthesis of prior research, Klassen et al. (1996, p.185) define **environmental management posture** as "the set of objectives, plans, and management systems that determine manufacturing position and responsiveness to environmental issues and regulations. The postures range from reactive to proactive.

Thus, our definition of environmental purchasing can be summarized as purchasing initiatives encompassing all efforts to minimize the negative environmental impact of the firm's products, services, and the corresponding technologies through a product/service life cycle. The firm should establish a management system to support the implementation

of such initiatives and finally build a responsive posture towards environmental purchasing.

Environmental Purchasing Activities:

Below, we categorize these activities into the three aspects we mentioned above: environmental management, environmental management system, and environmental postures.

Environment management

Environment management centers upon purchasing activities that mainly focus on products that firms produce or buy. Suggested by Carter et al. (2000), these activities are purchasing activities that facilitate recycling, reuse, and resource reduction. Similarly, Min and Galle (2001) define environmentally conscious purchasing practice as initiatives that reduce sources of waste and promote recycling and reclamation of purchased materials without adversely affecting performance requirements of such materials. Resource reduction is the minimization of waste which results in more efficient forward and reverse distribution processes; recycling includes waste source separation to make recycling easier through separating waste materials by source, such as recyclable, non-polluting materials versus non-recyclable, and hazardous materials; reusing is another strategy crucial for source reduction, more specifically, using the same products or parts for the same purpose more than once.

More specifically, purchasing activities related to environmental management suggested by Carter et al. (2000) can be concluded as follows: 1. Purchases recycled packaging; 2. Purchases packaging that is of lighter weight; 3. Uses a life cycle analysis to evaluate the environmental friendliness of products and packaging; 4. Participates in the design of products for disassembly; 5. Participates in the design of products for recycling or reuse. Supplemented by CIPS (2002), green procurement activities can be divided into six product characteristics: 1. Material composition: uses of recycled, renewable, non-toxic materials; 2. Transport: uses short distance transportation to reduce transportation waste, and use more environmentally friendly means of transport; 3. Manufacturing: taking into

account the environmental impact while executing manufacturing processes; 4. Packaging: reduction of packaging, uses recyclable, easily returnable or no packaging; 5. Product-use: manufacturing/choosing/using products that have durability, repairability/upgradeability, compatibility with equipment/user habits, low energy requirements, and safety for users; 6. End of life: produce products that have reusable potential, their components can be dismantled and disposed, for instance, use biodegradable synthetic vegetable-based hydraulic oil for fleet maintenance.

Environment management system

As described above, environment management system improves environment performances by focusing on written or non-written policies and programs.

Tate et al. (2012) categorize environmental purchasing activities into five categories and they have been re-classified to suit the purpose of this study as follows: (1) General Practices and Philosophy include practices that suggest concern for environmental issues but lack specificity as to what actions are being taken. These include mentions in the reports to incorporate environmental issues into a supplier code of conduct and to allow suppliers to access environmental data online. (2) Supplier involvement captures practices in which a supplier is mentioned as being involved in helping the buying firm improve its own environmental practices. This includes institutionalizing supplier involvement in design, in reduction of commodity use, in increased recycled materials use, and in environmental sustainability risk analysis. (3) Supplier development captures practices in which the buyer provides support to the supplier to help the supplier improve its environmental performance, such as providing training and advice, developing supplier environmental sustainability improvement. (4) Supplier selection criteria should be modified to incorporate environmental criteria. (5) And lastly, supplier performance summarized those instances where the buying firm's performance on the main sustainability metrics is linked directly to supplier sustainability outcomes.

According to Zsidisin and Siferd (2001), organizations can select and grade their suppliers according to certain environmental policies. Buying firms can also ask their suppliers to commit to waste reduction goals. These policies can help purchasing

departments to enforce appropriate environmental management systems on suppliers which include: whether organizations make written environmental claims for the packaging; whether the direct suppliers of the organizations audit/review their own suppliers; whether companies facilitate policies pertaining to the use of hazardous chemicals in their products or processes; whether they audit and develop suppliers that follow regulations and standards, such as ISO 14001 and ISO 26000; whether they educate suppliers and make them environmentally commit in these policies. Melnyk et al. (2003) find that environmental management systems are positively related to environmental regulations.

Environmental postures:

Under the pressure of strict laws and regulations, buying firms are increasingly attentive to environmental regulations. For instance, they have begun to perform an environmental compliance audit to review applicable environmental regulations, identify new restrictions, and evaluate how their environmental initiatives help them conform to evolving regulatory guidelines. They are gradually transferring from reactive to proactive.

Table 2 is the summary of environmental purchasing activities mentioned above:

Table 2 Summary of Environmental Purchasing Practices

Categories	Product Characteristics	Purchasing Activities
Environment Management	Material	Purchase materials that recyclable, non-polluting, reusable
	Transportation	Short distance buying such as Local buying Using environmental means to buy products/material/services, e.g. using rail and boat instead of trucks
	Manufacturing	Buying products that are taking into account the environment including emissions and waste
	Packaging	Buying products/materials that use recyclable, easily returnable or no packaging Purchases packaging that is of lighter weight
	Product use	Buying products/material that have long-term durability Buying products/material that have Repairability/Upgradability
		Buying products/materials that have compatibility with equipment/user habits
		Buying products that have low energy requirements
		Purchasing/uses articles that are safe for users
		Participates in the design of products for recycling or reuse
		Uses/buying products that have re-use potential
Environment Management System	End of life	Uses/buying products that are recyclable Uses/buying products that are easily disposal Uses a life cycle analysis to evaluate the environmental friendliness of products and packaging
		Organizations audit/review their suppliers
		Asks suppliers to commit to waste reduction goals
		Choosing suppliers that follow regulations and standards, such as ISO14001 and ISO26000
		Companies facilitate supplier green program, including education and training
		Buying firms should incorporate environmental criteria into supplier selection criteria
		Buying firms incorporate environmental issues into a supplier code of conduct
		Companies have environmental policies towards their suppliers
		Firms have a proactive posture towards environmental sourcing regulations
	Environmental Postures	

Drivers for Environmental Purchasing

Earlier research examined the forces driving environmental management, identifying the major factors such as compliance with regulation and legislation, and cost savings (Green et al., 1998). Anecdotal evidence also suggests that environmental purchasing can improve a firm's economic position by reducing disposal and liability costs, conserving resources, and improving an organization's public image (Min and Galle, 2001; Carter et al., 2000).

Purchasing and supply management plays an important role to help eliminate waste and realize lean supply. For instance, purchasing can identify packaging that can be more easily recycled or reused which is highly significant since packaging materials are considered the largest portion of the municipal waste stream (Carter et al., 2000); and in turn, for upstream members of the supply chain, purchasing managers can help to identify products and their packaging with the materials and components through the design for disassembly and life-cycle analysis, thus contributing to the environmental performance of organizations. Also, several scholars have discussed the green operations of suppliers and its impact on firm performance, while Hollos et al. (2012) show that sustainable supplier cooperation positively affects all three aspects of the triple bottom line (TBL). The consensus of current research is that in general, environmental purchasing and supply management helps improve the organization's performance (Tate et al., 2012).

The Ethical Purchasing Responsibility

The first study that focused on ethics in purchasing was conducted in 1966 by Carlton Guertler, in which he indicated that companies had written standards of ethics for purchasing personnel, such as prohibitions on the acceptance of gifts, requirements for buyers to report any offers of gratuities, and ethical sourcing codes of conduct. Another study, directed by Ernst & Whinney (E&W) in 1975 showed that the periodical audition of the behavior pattern of purchasing personnel could help to enforce the written ethics policies; and it sheds light on buyer-supplier relationships, such as buying from certain suppliers on the basis of reciprocal purchasing arrangements between their firms and

selected suppliers. However, a 1988 study found that although written ethics policies helped to reduce the unethical behaviors of the purchasing personnel, it could be questionable. The reason is that companies appeared to be ambivalent about their ethics policies. There are mainly two reasons resulting in this uncertainty: (1) written policies do not always restrain behaviors of purchasing personnel because the policy can be too general to be applied to each individual buyer; (2) companies were not willing to have a third party to investigate and act upon the ethical problems, for instance, buyers accepting favors from vendors (Forker and Janson, 1990).

Several studies in the 20th century suggested that the ongoing changes in the purchasing function increased the complexity of being ethically responsible, for instance, the increased role of global activities such as outsourcing from cheap labor countries, is likely to add to the ethical dilemmas faced by those in the field of purchasing and supply management in the future. Literature also suggested that the ethical behaviors of purchasing professionals could also be affected by the business environment they are in (Cooper et al., 1997).

Ethical practices are extremely difficult to define, it is often posited that ethics is relative and should be defined by personal option, society's tradition, or the special circumstances of the moment. Different scholars defined ethics in many ways. One way to define purchasing ethics, as is used in this study, is an extension of the trade practices and rules which people in a society regard as important to maintain good relationships (Razzaque and Hwee, 2002).

Ethical Purchasing Activities:

A survey conducted in 1978 reported ethical problems or purchasing practices that might be considered questionable; and two studies conducted separately in 1979 and 1981 revealed some important ethical problems that are particularly troubling for purchasing personnel (Forker and Janson, 1990):

- (1) Exaggerating a buyer's or a supplier's problem to achieve the desired action;
- (2) Giving preferential treatment to purchasers or suppliers that upper management

prefer;

- (3) Allowing personalities to influence buying/selling transactions;
- (4) Engaging in the practice of reciprocity;
- (5) Offering/accepting free gifts, meals, and trips;
- (6) Seeking/ giving information on competitors' quotes;
- (7) Gaining competitive information unfairly;
- (8) Showing bias against salespeople who circumvent the purchasing department.

Some key ethical issues are revealed by the study of Cooper et al. (1997), in which they surveyed 1,500 CIPS:

- (1) Failure to provide products and services of the highest quality in the eyes of the internal customers;
- (2) Failure to provide products and services of the highest quality in the eyes of the external customers (supply chain);
- (3) Failure to provide prompt, honest responses to customer inquiries and requests;
- (4) False or misleading representation of supply requirements or interest in discussions with suppliers or others ("sharp practices");
- (5) Allowing personalities to improperly influence the buying decision;
- (6) Showing partiality toward suppliers preferred by upper management.

Similarly, Razzaque and Hwee (2002) identified some unethical purchasing practices in previous studies:

- (1) It is unethical for purchasers to offer and accept gifts, however, on the other hand, purchasers opinions about the ethicality of gift-giving depended on the value of the gift. For instance, treating a purchaser to a business lunch is commonly viewed by both purchasers and suppliers as an acceptable business conduct and a cost of doing business;
- (2) Revealing confidential bids and allowing the supplier to re-quote are practices perceived as deceiving and unethical;
- (3) Preferential treatment to suppliers preferred by upper management has also been viewed as unethical;

- (4) Reciprocity, or buying from suppliers who in turn buy from the purchaser's company, which tended to disrupt efficient purchasing procedures and increased purchasing cost has also been viewed as unethical. However, reciprocity appeared to have some culture specificity across different countries;
- (5) Exaggerations of situations to get better deals by purchasers have also been perceived as a dishonest practice, a denial to the person involved in the knowledge of truth.

In addition to what has been mentioned above, Wells (2004) suggested that fair trade issues should also be addressed in this category. Fair trade issues related to purchasing include fair trade codes that can cover the purchase of internationally traded commodities. These codes ensure these commodities meet standards set by international certification agencies, including a minimum "fair trade" price that exceeds the world market price when purchasers are buying internationally. In general, these activities are summarized in *Table 3* below:

Table 3 Ethical Purchasing Practices

Purchasing Activities
Exaggerating a buyer's or a supplier's problem to achieve the desired action is prohibited
Not gift/meal/trip is allowed from suppliers to buyers or vice versa
Buyers must not tolerate corruption in any form
Personalities are not allowed to influence buying/selling transactions
Organizations have policies on ethical buying/selling
No practice of reciprocity is allowed
Provide products and services of the highest quality in the eyes of the internal/external customers
No preferred suppliers, suppliers should not have to pay to be included on an approved supplier list
Suppliers should be selected based on fair criteria
Companies should facilitate suppliers to provide prompt, honest responses to customer inquiries
It is not ethical to reveal confidential bids and to allow suppliers to re-quote by the purchasers
Exaggerations of situations to get better deal by purchasers are not allowed
Companies follow the fair trade codes
All suppliers should be treated fairly at all stages of the procurement process
Buyers should discourage the arbitrary or unfair use of purchasing power or influence
Supply relations should follow regulations
Firms should reach agreement with suppliers about the payment terms

Drivers for Ethical Purchasing

According to Carter (2004), ethical behavior can have a positive effect on a firm's image and reputation. Purchasing managers, in particular, can significantly affect a firm's reputation. Their behavior influences how the firm is viewed by suppliers and other outside organizations due to their role sitting at the boundary of externality and internality. Further, unethical practices by purchasing managers might influence production performance and ultimately a firm's overall competitiveness if, for instance, buyers purchase sub-standard inputs from suppliers in exchange for kickbacks. Similarly, if suppliers perceive buyers to be acting unethically, such conduct might negatively affect supplier performance. There are also costs associated with unethical activities, including fines, liability and negative publicity.

Diversity Purchasing

In the case of CSR, the literature pertaining to diversity has largely focused on human resource management, including recruitment and workforce diversity which can leverage a firm's competitive advantages (Worthington, 2009).

Diversity issues in the purchasing management literature center upon purchasing from MWBEs, with the focus tending towards questions of program development, implementation, and operation. Such topics are covered by various scholars, for instance, Giunipero (1981) observes the methods to develop effective minority purchasing programs. Also, drivers, challenges, as well as success factors are addressed separately by Dolinger et al. (1991), Pearson et al. (1993) and Carter et al. (1999) in their studies (Worthington, 2009). Sourcing from some non-profit and social enterprises, whose purpose is to advance a social cause, can directly enhance local social and financial conditions. Sourcing from regions where there is an Aboriginal (in a Canadian context: First Nations, Inuit, Métis) population may wish to find ways to support Aboriginal economic development and job creation by sourcing directly from Aboriginal-owned firms. Local purchasing, "buy-local", means a business gives preference to a certain degree to local suppliers, which can help to increase local tax revenues and civic

infrastructure, local jobs, local economic diversification and enhance community resilience while reducing the environmental burden of shipping goods long distance (Government of Canada, 2016). Facilitators and tools are recurrent themes in much of the literature. More recently, the purchasing diversity literature increasingly appeared on lists of diversity motivators, such as Worthington (2009) and Min (2009) which identify some motivators for supplier diversity (Supplier Diversity in Canada, CCDI, 2016)

The definition provided by Industry Canada will be deployed in this study: diversity purchasing, or supplier diversity, is a form of social purchasing that encourages purchasing from minority- and women-owned businesses, as well as promoting purchasing from a greater variety of businesses, including small businesses, socially and economically disadvantaged businesses, or businesses located in underutilized business zones and inner-cities.

Diversity Purchasing Activities

Employment diversity practices through the supply chain, such as formal supplier diversity purchase programs, may include some firms setting up goals of specific percentages of spending going toward minority-owned businesses. Sourcing from inner city and disabled-owned enterprises is another primary practice, one of the results is to incite these supplying firms to hire people who have employment barriers (Worthington, 2009). And as mentioned in the previous section, companies ought to source from social businesses and NGOs, as well as Aboriginal enterprises.

CAPS Research (2012) uses some criteria to standardize diversity initiatives, such as the percent of organizations with such policies posted on their website; percent of organizations with policies and procedures to promote supplier diversity; and the number of employees assigned to the diversity program. Additional practices to advance supplier diversity include supplier development and mentoring, internal communication and training, targeted advertising, and diversity organizational culture building (Supplier Diversity in Canada, CCDI, 2016). *Table 4* summarizes these diversity related purchasing activities:

Table 4 Diversity Related Purchasing Practices

Purchasing Activities
Companies follow formal supplier diversity purchase program
Companies monitor the process and implementation of such program
Companies source from minority/women-owned business enterprises (MWBEs)
Companies source from small businesses
Companies source from socially and economically disadvantaged businesses
Companies source from businesses located in underutilized business zones/inner cities
Companies source from disabled-owned enterprises
Companies source from social businesses and NGOs
Companies source from Aboriginal businesses
Companies source from local enterprises

Drivers for Diversity Purchasing

Researchers have found that upper management support and policies are positively related to the extent of purchases from MWBEs suppliers. Additionally, some studies suggest that the adoption of purchasing diversity practices is driven not only by social concerns but also by customer considerations as minorities can represent large and growing market segments for many customer organizations (Carter and Jennings, 2004).

Supplemented by research from the Canadian Centre for Diversity & Inclusion (CCDI), we identified the following drivers of having a supplier diversity policy or strategy (Supplier Diversity in Canada, CCDI, 2016):

- (1) To attract the best employees;
- (2) Part of corporate social responsibility or sustainability initiatives;
- (3) Organizations that established social responsibility mandates are more likely to be engaged with supplier diversity;
- (4) For social benefits;
- (5) To improve corporate image;
- (6) Compliance with legal requirements;
- (7) For a competitive advantage;
- (8) For economic benefits, such as the opportunity to realize significant cost savings from working with smaller firms in the supply chain (Worthington, 2009);

- (9) Pressure from customers to meet their expectations for diversity.

Human rights, Safety, and Philanthropy

Studies pertaining to purchasing management in the areas of human rights, philanthropy and safety are rare, which only scant focus on subjects such as human rights issues at suppliers' plants and more general philanthropic issues including volunteering at local charities. More specifically, **human rights** issues center upon selecting suppliers that pay a living wage and that avoid the use of inhumane working conditions in their factories. It also includes **safety** issues such as ensuring safety operations at suppliers' plants. Therefore, we combine human rights purchasing issues with safety issues due to their similar nature. **Philanthropy practices** are voluntary acts a firm engages in, and are not expected by the society to the same extent as its other activities. Purchasing relates to philanthropy through purchasing departments buying from firms that focus on a philanthropic business, such as creating training and employment for people with special needs (Mørk, 2014). Human rights, safety and philanthropy purchasing issues are sometimes repeatedly accentuated as ethical purchasing issues, as a definition given by Innovation, Science and Economic Development Canada (Government of Canada, 2016), ethical sourcing is the process by which businesses seek to improve the working conditions of the people who make the products they buy, which can be attributed to ethical purchasing issues.

Human Rights, Safety and Philanthropy Activities

More and more organizations try to promote purchasing policies and practices related to **Human rights & Safety**. Typically, a business committed to ethical sourcing will adopt a "Supplier Code of Conduct" which sets out their minimum expectations of suppliers regarding wages of work, health and safety, and environmental conditions (Government of Canada, 2016). These policies require suppliers or buying plants to affirm the presence of minimum labor rights and standards, such as the right to unionize and to bargain collectively, enhancement of "anti-sweatshop" purchasing policies, prohibition of forced and child labor, nondiscrimination in employment, limits on hours of work, workplace health and safety provision, minimum wages, and other basic rights and standards

including monitoring the enforcing employer compliance with these codes. Currently, sweatshops have been growing and labor abuses are pervasive (Wells, 2004). Such abuses include threats, beatings, sexual abuse, and killing of workers; failure to meet minimum wage and other pay provisions; forced and excessive overtime; hazardous working conditions; the firing and blacklisting of union activists; and other abuses. Particularly critical is the problem of wages that are so low that it is difficult for many workers to survive, much less support their families. This problem is growing worse as many firms move to China, Vietnam and other extremely low labor cost countries where manufacturing wages are typically 20 or 30 cents an hour.

Certain labor rights and standards can be understood and executed differently due to country specific or cultural difference, some, however, widely espoused in international human rights declarations including the United Nations' Universal Declaration of Human Rights, are universal human rights. The International Labor Organization (ILO), a UN-affiliated agency with labor, business and government representation from 175 nations, has identified four universal labor rights binding on all ILO members, irrespective of their level of development. These are:

- (1) Freedom of association and the right to bargain collectively;
- (2) Elimination of forced labor;
- (3) Equal opportunity and nondiscrimination in employment;
- (4) Abolition of child labor (ILO, 2002a).

CIPS has published its Ethical Purchasing Practices (CIPS, 2013,p2-6), in which relevant legislation, codes, and guidelines are distilled, including:

- The Ethical Trading Initiative (ETI) Base Code;
- The Core Conventions of the ILO;
- The UN Declaration on Human Rights;
- SA8000 (a standard relating to social accountability developed by the Council on Economic Priorities Accreditation Agency in New York – now known as Social Accountability International (SAI))

- The Guidelines for Multinational Enterprises developed by the organization for Economic Co-operation and Development (OECD)

Also, CIPS lists some guidance and codes of practice for buyers and suppliers. The issues related to human rights, safety, and philanthropy are summarized as follows:

- Suppliers should not use forced labor;
- Buyers should ensure that suppliers' employees are free to choose to work for the suppliers and free to leave the supplier after reasonable notice is served;
- Suppliers should have legal contracts with their employees that in accordance with their national law and good practice;
- Suppliers should facilitate freedom of association and collective bargaining at the buyer's side;
- The wages paid to suppliers' employees should meet their basic needs; working hours should also comply with national laws or industry benchmarks, and overtime should be voluntary and not be demanded on a regular basis;
- Under no circumstances should suppliers treat their employees harshly and inhumanely;
- Suppliers should always work within the laws of their country;
- In suppliers' plants, working conditions should be safe and hygienic: buyers should work with suppliers to introduce appropriate health and safety policies;
- Child labor should not be used in any circumstance;
- Any form of discrimination is not allowed: suppliers should have a policy of equality for all in the workplace, with no discrimination on the basis of race, caste, religion, nationality, age, gender, marital status, sexual orientation, disability, union membership or political affiliation.

In addition to adopting "anti-inhumane" practices, numerous organizations have also adopted "fair trade" codes covering the purchase of internationally traded commodities. Fair trade commodities meet standards set by international certification agencies, including a minimum "fair trade" price that exceeds the world market price.

These issues need to be supported by sustainable training programs that build communication and negotiation capacity among workers and managers, and by educating and training of people who are responsible for purchasing and supply management in an organization.

In Carroll (1991), philanthropic responsibility is placed at the top of the pyramid and defined as “the corporate actions that are in response to society’s expectations that businesses be good corporate citizens” (Idowu et al., 2013, p.1824). It requires companies to “actively engage in acts or programs to promote human welfare or goodwill” (Carroll 1991, p.42). The topic pertaining to philanthropy purchasing is relatively vacant (Porter and Kramer, 2002). Purchasing relates to philanthropy in the sense that the purchasing department can buy from firms that focus on a philanthropic business, creating training and employment for people with special needs (Bedey et al., 2009). According to Brammer and Millington (2005), philanthropic activities can include helping to develop local suppliers and auctioning or donating gifts which might be accepted on the pan of the firm from foreign suppliers.

Carter and Jennings (2004) advocated that purchasing involvement in philanthropy includes general corporate philanthropic practices that center upon donation and volunteering at charities. For instance, corporations give donations to aid local civic causes or provide general operating support to universities and national charities in the hope of generating goodwill among employees, customers, and the local community (Porter and Kramer, 2002). It has been discussed in previous literature that such general donation activities are purchasing philanthropic issues, however in our study, we only take activities that purchasing function has philanthropic impacts into consideration.

Purchasing activities related to Human Rights & Safety and Philanthropy are summarized as follows in *Table 5* below:

Table 5 Human Rights, Safety and Philanthropy Related Purchasing Practices

Categories	Purchasing Activities
Human rights & Safety	<p>Suppliers/Buying firms adopt a "Code of Conduct" or an ethical policy</p> <p>Firms enforce employer compliance with these codes</p> <p>Policies require suppliers to guarantee the labor rights, such as unionization and bargain</p> <p>Enhancing anti-sweatshop purchasing policies</p> <p>Prohibition of forced and child labor</p> <p>Prohibition of discrimination employment</p> <p>Suppliers have limits on hours of work, workplace health and safety provision</p> <p>Companies facilitate suppliers to enforce minimum wages</p> <p>Companies monitor suppliers compliance with these codes</p> <p>Companies cooperate with suppliers adopting fair trade to guarantee minimum price of commodities</p> <p>Companies work with suppliers who follow human rights program, e.g. ETI base code, UN Declaration on Human Rights, SAI</p> <p>Buyers should ensure that suppliers' employees are free to choose to work for the suppliers</p> <p>Buyers should ensure that suppliers' employees are free to leave after reasonable notice is served</p> <p>Suppliers should have legal contracts with their employees that in accordance with their national law and good practice</p> <p>Working house should comply with national laws or industry benchmarks</p> <p>Overtime should be voluntary and not be demanded on regular basis</p> <p>Under no circumstances should suppliers treat their employees harshly and inhumanely</p> <p>Working conditions are safe and hygienic at Suppliers' side</p> <p>Buyers should work with suppliers to introduce appropriate health and safety policies</p> <p>Suppliers should always work within the law of their country</p> <p>Buying companies should facilitate supplier sustainable training program</p>
Philanthropy	<p>Buying from suppliers who have voluntary involvement at local charities</p> <p>Buying from suppliers have philanthropy program, in any forms</p>

Drivers for Human Rights, Safety and Philanthropy Purchasing

The increase in global sourcing opportunities has addressed some serious issues in procurement. For many organizations, highlighting the needs of human rights and safety in purchasing is now an economic and reputational imperative, and in some contexts a legal requirement (CIPS, 2013). Many enterprises are implementing procurement policies in the area of human rights, safety and philanthropy because they are becoming aware that corporate responsibility and improved compliance with corporate codes, national laws, and international standards could be harnessed as a competitive advantage, especially in some highly competitive sectors.

Ignorance of human rights and safety in purchasing is not only harmful to employees but also harms the wellbeing of the company itself. For instance, the 2013 Rana Plaza Collapse in Bangladesh, the world's worst garment industry accident, caused the death of 1,100 factory workers due to the poor working conditions. The 29 brands identified as having source products from it have had to face financial compensation and severe public criticism.

Philanthropy is used as a form of public relations or advertising, promoting a company's image or brand. It also intends to increase company visibility and improve employee morale as to create social impact. Although companies get no special tax advantage for spending on philanthropy, they are able to use their charitable efforts to improve their competitive advantage regarding the quality of the business environment in the location or locations where they operate (Porter and Kramer, 2002). Also these companies are able to achieve both social and economic gains. We can assume the same when the corporations work with suppliers who take philanthropic measures. For instance, let's say, the supplier has invested on a talent pool educational program for its local graduates, and these graduates in turn are attracted by the job opportunities provided by this supplying company, the recruiting cost will be alleviated, and quality of work could be guaranteed. One step further, for the buying companies, when they sponsor or work with suppliers who devote themselves into philanthropic practices, they are also able to achieve both social and economic benefits.

Overall Assess

Our literature review which is built upon Carter and Jennings (2004)'s five dimensions of PSR model (Environment, Diversity, Human Rights & Safety, Ethics, and Philanthropy), could also be called purchasing sustainability. From previous studies, we acknowledge that these dimensions are interrelated. However, for viability purposes of our study method (will be discussed in the following chapter), a clear classification is required. Therefore, we classify all activities based on their main function and related impact to firms and society into these dimensions, which might be somewhat subjective for the activities that can be classified into two or more categories. *Table 6* below shows the classification of PSR activities, which provides the basis for our code scheme (Refer to *Appendix 1* for more detailed purchasing activities pertaining to these five dimensions).

We classify purchasing activities including environmental factors in decisions on the purchase of products and/or services into our Environmental Purchasing category. For instance, environmental purchasing activities could be using recycled materials, buying products from local suppliers to eliminate transport waste, and choosing suppliers/producers that have environmental management systems; For ethical procurement, we focus on ethical issues in buyer-supplier relationships, such as using obscure contract terms and showing favoritism when selecting suppliers; Diversity issues in purchasing center upon sourcing from MWBEs, social businesses, NGOs, as well as Aboriginal businesses, which would bring benefits to society as a whole. For purchasing management in the areas of human rights & safety, our research focuses on human rights and safety issues at suppliers' plants, such as minimum wage, inhumane working conditions, and discrimination. More general philanthropic issues include purchasing function volunteering at local charities (Carter and Jennings, 2004).

Table 6 Summary of Purchasing Activities by Dimension

PSR Dimensions	Definition of Corresponding PSR	Example of Purchasing Activities
Environment	Supply management that promotes protection, preservation, and vitality of the natural environment (ISM Principles); Suppliers should be seeking to reduce its emissions and environmental footprint related to product, processes, production, and logistics (Tate et al., 2012).	Green supplier selection and management; buying product that are environment-friendly.
Ethics	Suppliers and their employees should abide by international codes of conduct in purchasing and supply chain management. Buying organizations should not use obscure contract terms to disadvantage their suppliers or show favouritism in supplier selection.	Bribery, corruption, gift giving, reciprocity and preferential treatment issues related to suppliers and buyers (Lau, 2011).
Diversity	Purchasing professionals have the responsibility of attraction and retention of a diverse supply base.	Buying from minority or women-owned suppliers (Carter et al., 2004)
Human Rights & Safety	Suppliers must give their workers a decent wage in addition to a safe working environment, and follow the basic principles of human rights and safety code (Bedey et al., 2008)	Buying firms audit and visit suppliers' plants to ensure that they are following basic human rights and safety standards.
Philanthropy	Buying firms should work with suppliers that incorporate philanthropy concerns in their business, such as training and employing people with special needs in order to include them in the workforce (Bedey et al., 2008)	Buying firms work with suppliers to donate food to local charities.

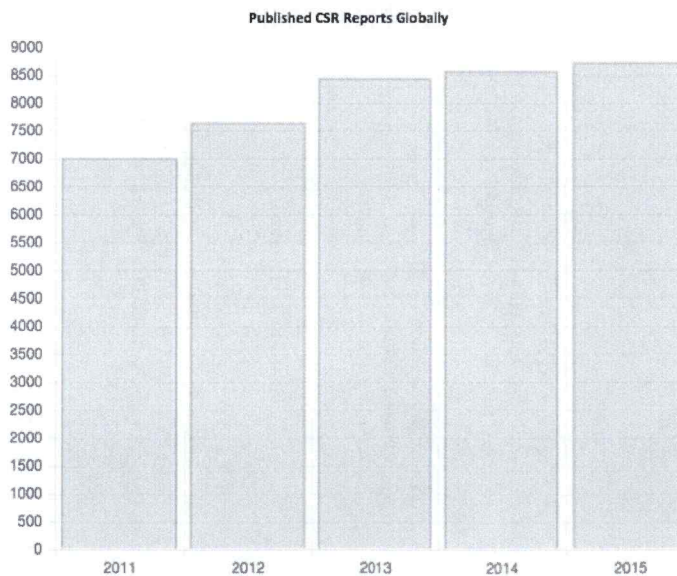
2.3.2 Implementing CSR into Purchasing and Supply Management

Environmental and social standards are integrated into purchasing and supply management by amending the purchasing processes (Koplin et al., 2007). In order to have a better look at how purchasing is engaged in corporation's CSR reports and obtain more systematical implications for companies, we are focusing on how to incorporate sustainability into purchasing processes. Leire and Mont (2010) suggests there are five steps to implement CSR into the purchasing process: 1) developing internal policies, 2) setting purchasing criteria, 3) applying assurance practices, 4) managing supplier relations, and 5) building internal capacity. To render the purchasing function sustainable, buying firms are prone to ensure every segment of the purchasing process sustainable.

2.4 CSR Reporting

There is a dramatic increase (See *Figure 4*) in the number of companies publishing CSR reports due to public interrogation, including national governments, stock exchanges, and customers (CorporateRegister.com, 2016).

Figure 4 CSR Reports Global Issues from 2011 to 2015



Source: Corporate Register (2016)

The literature on corporate sustainability reporting is vast and there is no universally

accepted definition of a corporate sustainability report (Roca and Searcy, 2012). The definition given by the World Business Council for Sustainable Development (WBCSD) is used as working definition in our study: "Sustainable development reports are defined as public reports by companies to provide internal and external stakeholders with a picture of the corporate position and activities on economic, environmental and social dimensions" (Fletcher, 2013, p.92). Also, CSR reports can be defined as reports that go beyond the financial facts and figures of interest to investors to describe a company's relations with the full range of its stakeholders. A good CSR report identifies for each major stakeholder group the most important CSR issues, the stakeholders include: investors, environment, employees, customers, suppliers, communities, and governments (Lydenberg and Wood, 2010).

Table 7 Summary of CSR Issues Concerned by Major Stakeholder Groups

Stakeholders	Investors	Environment	Employees	Customers	Suppliers	Communities	Governments
CSR Issues	Business model and strategy are integrated with CSR; Board-level oversight of CSR; CSR culture of honesty and transparency.	Energy efficiency and climate change; Wastes and toxic emissions reduction; Environmental life cycle design; Identify industry-specific environmental issues; Other key environmental issues including water, clean-up liabilities, fines and spills, green procurement policies.	Health and safety; Union relations; Wages, profit sharing and benefits; Diversity: Promotion of MWBEs; Work/life balance; Invest in human capital including training and mentoring.	Measurements and reports on product quality and safety; Reports on customer satisfaction; Customer private data protection; Innovative programs to communicate on CSR.	Monitor labor standards at suppliers; Suppliers implement CSR programs.	Giving to communities; Match volunteers' skills with the specific community needs; Collaborate with communities to improve infrastructure; Promote communities to provide feedback and suggestions.	Human rights; Support government by paying taxes and lobbying others.

Source: Lydenberg and Wood (2010)

The names used to refer to these reports vary widely, including, "sustainability," "sustainable development," "corporate social responsibility," "corporate responsibility," "stewardship," "accountability" reports, among many others (Roca and Searcy, 2012). A sustainability report is also an intrinsic element of integrated reporting (GRI, 2016). However, integrated reporting, out of consideration for its complicated characteristics, combines the analysis of financial and non-financial performance, in which the financial side is not the objective of this study. However, there is no doubt, integrated reporting has become a more recent development trend.

Sustainability reports are released by companies and organizations of all types, sizes, and sectors from every corner of the world (GRI, 2016). Sustainability or CSR reporting lies in the overarching concepts of sustainability and CSR, which based on TBL focusing on "short-, long- and longer-term perspectives from the perspective of direct and indirect stakeholders (Hahn and Kühnen, 2013). Also, sustainability reporting presents the organization's values and governance model as well as demonstrates the link between its strategy and its commitment to sustainable global economy (GRI, 2016).

Sustainability reporting has in recent years been dominated by large multinational enterprises. There has also been an increase in the scope of the reports, a broadening of potential target audiences, and an increase in integration with financial reports (Roca and Searcy, 2012). It helps the company to communicate the benefits that the company creates for society and the sustainability effects to secure its social acceptance, and in turn, enhances company's participation (Herzig and Schaltegger, 2011).

2.4.1 Reliability of CSR Reporting

Since there is no standard process for writing sustainability reports, many corporations rely on guidelines for corporate sustainability reporting to structure their reports (Roca and Searcy, 2012). In most jurisdictions, corporate sustainability reporting remains voluntary. Major providers of sustainability reporting guidance include The Global Reporting Initiative (GRI), The Organization for Economic Co-operation and

Development (OECD Guidelines for Multinational Enterprises), The United Nations Global Compact (the Communication on Progress), The International Organization for Standardization (ISO 26000, International Standard for social responsibility).

The GRI is the most widely known set of voluntary guidelines for corporate sustainability reporting. The aim of the GRI is to mainstream “disclosure on environmental, social and governance performance (GRI, 2011a). As of 2015, 7,500 organizations used GRI Guidelines for the sustainability reports (GRI, 2016). These guidelines organized sustainability into six major areas: economic, environmental, human rights, labor, society, and product responsibility. GRI produces the world’s most comprehensive Sustainability Framework that enables greater organizational transparency (Dekker, 2013). Thus, CSR reports from GRI’s database are deemed to be reliable. Besides, reports from acknowledged sources such as consulting firms including AccountAbility, SustainAbility, and agencies comprising ACCA-CERES and CorporateRegister.com are deemed to be a good source.

The content of CSR reports demonstrates reliable sources to obtain data from organizations for their following characteristics: (1) go beyond documenting community relations activities (2) provide details on both policies and actual practices (3) report data that is company-wide and systematic, accompanied by illustrative anecdotes, (4) set goals for future social and environmental performance, (5) confront failures as well as promote successes, (6) address the most difficult issues a company faces, particularly those relating to business models (Lydenberg and Wood, 2010).

In general, sustainability reports facilitate transparency, enhance brand value, reputation, and legitimacy, enable benchmarking against competitors, signal competitiveness, motivate employees, support corporate information and control processes, and contribute to corporate sustainability (Hahn and Kühnen, 2013).

3. Methodology

This study is exploratory and its purpose is to understand the role of purchasing in CSR.

The main research questions used to guide this study are:

- 1) What are the purchasing activities mentioned in CSR reports?
- 2) How important is purchasing in CSR?

To address these questions, content analysis (CA) was used as our research method. First, we begin by introducing the concept of CA and the reasoning behind its usage. Next, we focus on the procedure to conduct such a method, including our sample collection and coding method. Finally, the coding category is presented and the quantification method is shown to provide the basis for the subsequent chapters.

3.1 Research Method

In this study, CA was employed to collect and analyze the data. Different methods to analyze data are available, for instance, a case study. However, our study uses a relatively large number (compared to the case study) of samples to explore the general portion and trend of purchasing in a firm's CSR, the efficacy of using other methods rather than CA cannot be guaranteed. Besides, a case/field interviews approach is unlikely to be adopted due to the fact that the time required to conduct a sufficient amount is prohibitive.

CA is a method of analyzing written, verbal, or visual communication messages. It was first used as a method for analyzing hymns, newspapers and magazines, articles, advertisements, and political speeches in the 19th century. Indeed, it has long been used in communication, journalism, sociology, psychology, and business. During the last few decades, its use has shown steady growth.

Abbott et al. (1979) defined CA as "a technique for gathering data that consists of codifying qualitative information in anecdotal and literary form into categories in order to derive quantitative scales of varying levels of complexity" (Milne and Adler, 1999). Also, it has been described as a research method that is a systematic and objective means of

describing and quantifying phenomena (Berelson, 1952; Krippendorff, 2004). Typically, pre-established procedures and coding schemes are used to systematically classify or categorize the communication content before commencing the analytical procedure (Tangpong, 2011).

CA could be either qualitative or quantitative or both (mixed CA). Researchers who use a qualitative CA normally focus on the characteristics of the language as a communication method with attention to the contextual meaning of the text (McTavish and Pirro, 1990; Tesch, 1990; Morris, 1994). It permits researchers to convert qualitative/textual content into a quantitative body, thus making statistical analyses feasible (Tangpong, 2011). This study will combine a quantitative CA method with qualitative text interpretation. Therefore, this thesis begins by identifying certain words related to PSR activities in order to gain a better understanding of the use of those words. The words will be counted to identify patterns in the collected data and to contextualize the codes that have been used. If the CA were terminated after quantifying the data, the analysis performed would be strictly quantitative, because it would primarily focus on the frequency of words (Dekker, 2013). In our study, our focus is not only limited to the frequency of these words but also the content in which these words appear, as well as to what extent these words are being used.

CA is the most commonly used method to assess organizations' social and environmental disclosures and has been widely used in these domains (Milne et al., 1999; Jose et al., 2007). Examples of studies that use CA in social and environmental studies include Guthrie et al. (1989, 1990), Mathews (1993), Gray et al. (1995), Nieminen et al. (2001), Maignan et al. (2002), Sen et al. (2011) and Jariya (2015). Also, CA has been well used in various fields of business and social science research. However, it has rarely been used as a methodological tool in Operations and SCM (OSCM). A methodology review of publications from years 2002 to 2007 in the field of OSCM in leading OSCM journals (2011) revealed that only three out of 900 used CA as a tool to collect and analyze secondary textual/qualitative data (Tangpong, 2011).

Despite CA having rarely been used in OSCM, using CA in this field has various advantages: (1) Data can be sourced from a variety of forms, such as websites, reports, interviews, or even images; (2) Using CA enables researchers to convert qualitative/textual content into quantitative/statistical analysis; (3) CA can be conducted with a small set of samples when the research is exploratory, the size can range from 1 to 10s of units; (4) CA allows researchers to use extensive data and conduct longitudinal research over an extended period of time; (5) CA can be used in concert with other empirical methods, such as surveys, case studies, and secondary research methodologies (Tangpong, 2011).

We need to also note that CA is a research technique for making replicable and valid inferences from texts (or other meaningful matter) to contexts of their use (Krippendorff, 2004). It, therefore, has special requirements of reliability and validity.

3.2 Sample Selection

In this section, we introduce the concept of the Dow Jones Sustainability Index (DJSI), on which our samples are based. We also present a list of the selected companies and why they are selected in this study.

3.2.1 Dow Jones Sustainability Index

The Dow Jones Sustainability Index (DJSI) was introduced in 1999 as the first global sustainable benchmark. The DJSI family tracks the stock performance of the world's leading companies in terms of economic, environmental and social criteria (DJSI, 2016). The indices are the longest-running global sustainability benchmarks worldwide and have become the key reference in sustainability investing for investors and companies alike.

The DJSI family contains one main global index, the DJSI World, and various indices based on geographic regions such as Europe, North America, Asia Pacific, Emerging Markets, etc. Each year, over 3,400 publicly traded companies are invited to participate in RobecoSAM's Corporate Sustainability Assessment (CSA), also referred as the DJSI

Invited Universe. CSA is considered as the starting point of DJSI. Of these, the largest companies by market capitalization are eligible for inclusion in the flagship of DJSI World.

The DJSI uses Global Industry Classification Standards (GICS) and RobecoSAM Industries to classify companies into different industries. GICS is a standardized classification system developed jointly by Morgan Stanley Capital International (MSCI) and Standard and Poor's. In our study, we use GICS instead of RobecoSAM Industries because RobecoSAM industries is derived from GICS and GICS is more broadly accepted.

3.2.2 Sample Collection

The DJSI Invited Universe 2016 as of December 2015 was used to form the basis for finding and analyzing CSR reports. The data for this study pertaining to the reporting of CSR has been collected from Canadian firms that were listed on the DJSI Universe pool. We could choose firms listed in the DJSI Invited Universe, in the DJSI World, or in the DJSI North America. Companies listed in DJSI World or DJSI North America are usually top leaders in terms of sustainability performance. In order to have a more comprehensive overlook of all companies, we chose companies that were listed in the DJSI Invited Universe. Moreover, we chose these public listed companies because they are relatively large and are more likely to disclose information about their social and environmental impacts than smaller companies.

Although CSR disclosure and reporting is currently a voluntary process, Canadian corporations have been active in corporate sustainability. They have already recognized the impact of CSR pertaining in their business and are willing to know what the scope of their societal footprint is. Also, the government of Canada is committed to encouraging responsible business practices (Government of Canada et al., 2017). Therefore, we expect that there will be an abundance of CSR reports from Canadian firms. In addition, the Conference Board of Canada detailed its analysis of CSR practices in Canada in its report, and the key findings of the report are: CSR will continue to be a key business

issue; CSR is being formally integrated into business conduct; two-thirds of the corporations issue a CSR report in Canada; public disclosures tend to focus on processes, not outcomes; there is opportunity for more corporations to understand the benefits of systematically managing human rights issues; new pressures will redefine the relationship between Canada's largest corporations and society (Greenall, 2004).

Despite there being abundant research available on the topic of CSR in Canadian corporations, and sustainable purchasing becoming a global trend, we know little about PSR in Canadian firms. We hope this research can shed light on what role purchasing plays in CSR in a Canadian context, and for future research on a bigger scale. Furthermore, companies were selected from only one given country in order to control for legislation and culture, two variables that are relevant to PSR practices implementation according to the literature review.

84 Canadian companies in 21 different industrial sectors are listed on the DJSI Invited Universe 2016 (See *Appendix 2*). For this study, 35 of these 84 firms were selected. The selection criteria are: 1) full English language versions of their reports can be found, 2) companies have stand-alone reports in terms of CSR or sustainability rather than financial or annual reports, pdf version only, 3) their reports and accounts are available for either 2014 or 2015, and 4) if subsidiaries and their parent companies are listed at the same time, only the parent company will be considered for a more complete picture. No specific size or industrial criteria were employed. As mentioned in the literature review chapter, the GRI database is reliable to provide CSR reports, therefore, we downloaded these reports from the GRI database to ensure the reliability of our data source. This sample selection criteria resulted in a sample of 35 companies in 10 different industries, of which six are banks, three in capital goods, six in energy, two are food and staples retailers, four in insurance, eight in materials, one in retailing and one in media, finally three are telecommunication service providers and one in utilities. *Table 9* depicts the name of the firms, industrial categories and the number of the firms in each category. Although it has been recognized in some studies that a small sample size (35 in our study) and an analysis of only one year (we only downloaded reports of the year 2015)

may not provide conclusive results, the outcome of this study shall present useful insight for carrying out further studies on the same topic (Jariya, 2015). Moreover, the present study is in the form of a pilot work and therefore uses a small sample. This is in accordance with Sen et al. (2011) that claim that the usage of a small sample in research work is justified if it is used to provide an indication for further research. In addition, as previously discussed, CA can be conducted with a small sample, therefore, we believe our sample size is justified using CA as methodology and the results are sound.

Table 8 CSR Reports of 35 Companies of the Year 2015

Company Name	GICS	Number of Companies		
Bank of Montreal	Banks	6		
Bank of Nova Scotia Halifax				
Canadian Imperial Bank of Commerce				
National Bank of Canada				
Royal Bank of Canada				
Toronto-Dominion Bank				
Bombardier Inc. Class B SV	Capital Goods	3		
CAE Inc				
SNC - Lavalin Group Inc				
Cameco Corp	Energy	6		
Canadian Natural Resources				
Cenovus Energy Inc				
Enbridge Inc				
Imperial Oil Ltd				
TransCanada Corp				
Loblaw Companies Ltd			Food & Staples Retailing	2
Metro Inc.				
Industrial Alliance Insurance	Insurance	4		
Intact Financial Corporation				
Manulife Financial Corp				
Sun Life Financial Serv Canada				
Agnico Eagle Mines Limited	Materials	8		
Barrick Gold Corp				
Goldcorp Inc				
Hudbay Minerals				
Kinross Gold Corp				
Methanex Corp				
Teck Resources Limited Class B SV				
West Fraser Timber Co Ltd				
Thomson Reuters Corporation			Media	1
Canadian Tire Corporation Limited NV			Retailing	1
BCE Inc	Telecommunication Services	3		
Rogers Communications Inc B NV				
TELUS Corp				
Canadian Utilities Ltd A NV	Utilities	1		
Grand Total		35		

Information pertaining to sustainability may be disclosed in a variety of media, such as newsletters, annual reports, etc. However, we believe certain types of information may be disclosed in ad hoc/special interest reports rather than corporate annual reports (Zeghal et al., 1990), and traditional annual reporting or financial accounting does not adequately provide for the measurement of social and environmental impact. Also, sustainability accounting and reporting means that the corporation is able to meet the needs of stakeholders, who are no longer restricted to “traditional” stakeholders, such as customers and shareholders in annual or financial reports, but can include workers, environmentalists, and other stakeholder groups (Farneti et al., 2009). The importance of using a separate sustainability report is substantiated by Holland et al. (2003, p.8) as:

“By producing a separate report, the organization may signal (and possibly believe) that it considers CSR as important as financial reporting. Hence, a focus on the annual report may lead to incomplete or incorrect conclusions.”

For this stand, the single most important source in our study is CSR/sustainability reports, although the exclusion of other information sources, such as corporate annual reports and codes of conduct, may result in an incomplete picture of disclosure practices.

As discussed in the literature review chapter, because the high degree of credibility GRI lends to information reported within it, most of the reports used in our study are downloaded from the GRI Sustainability Disclosure Database, which provides access to all types of sustainability reports both GRI-based and otherwise (Sustainability Disclosure Database, 2016). For those we were not able to find in the database, we downloaded from the company’s official website.

After downloading the firms’ CSR reports from the GRI Database, we would like to investigate if companies mention their purchasing function in these reports. We use the word search function in a CA software (Nvivo 10) to filter companies that do not have a purchasing function. By searching for the words “procure”, “purchase”, “buy”, “supply”, “sourcing”, and “ vendor” including their stemmed words (such as procurement, purchasing, buyer, etc.), no report was eliminated because at least one of these words

does appear in each of the reports. However, we first focused on the reports with the lowest frequency of target words (lowest reference in the table below), namely, we picked the reports in which these words only appeared once or twice (e.g. Canadian Utilities). We then manually scanned these reports to see if the presence of purchasing function is relevant to our study (See *Table 9*).

Table 9 Word Search Results of Purchasing Function in CSR Reports

Company Name	Reference	Coverage
Agnico Eagle Mines Limited	157	0.13%
Bank of Montreal	40	0.07%
Barrick Gold Corp	287	0.26%
BCE Inc	100	0.21%
Bombardier Inc.	51	0.21%
CAE Inc	46	0.14%
Cameco Corp	40	0.23%
Canadian Imperial Bank of Commerce	64	0.19%
Canadian Natural Resources	6	0.02%
Canadian Tire Corporation Limited	31	0.22%
Canadian Utilities	1	0.03%
Cenovus Energy Inc	32	0.08%
Enbridge Inc	214	0.14%
Goldcorp Inc	125	0.13%
Hudbay Minerals	67	0.13%
Imperial Oil Ltd	8	0.09%
Industrial Alliance Insurance	7	0.09%
Intact Financial Corporation	7	0.05%
Kinross Gold Corp	157	0.19%
Loblaw Companies Ltd	114	0.56%
Manulife Financial Corp	40	0.11%
Methanex Corp	27	0.07%
Metro Inc.	39	0.40%
National Bank of Canada	14	0.07%
Rogers Communications Inc	87	0.23%
Royal Bank of Canada	84	0.23%
Scotiabank	75	0.13%
SNC - Lavalin Group Inc	71	0.30%
Sun Life Financial Serv Canada	24	0.10%
Teck Resources Limited Class B SV	145	0.14%
TELUS Corp	167	0.17%
Thomson Reuters Corporation	30	0.18%
Toronto-Dominion Bank	81	0.21%
TransCanada Corp	58	0.07%
West Fraser Timber Co Ltd	22	0.05%

To summarize, when it comes to choosing the companies we are going to use to perform a further analysis, we ask ourselves two questions: Do these companies have CSR reports? And do all the companies have a purchasing function? Following these two guidelines in the previous section, no companies were excluded, and a total of 35 companies and their CSR reports were obtained to investigate sustainable purchasing activities. The sample encompassed spans across industries and regions (in terms of provinces in Canada). *Table 10* presents the overall information about the companies and their reports. These reports are usually named as Corporate Responsibilities, sustainability or related terms with a maximum length of 236 pages, a minimum length of 7 pages and an average length of 74 pages (See *Table 10*).

We only selected big companies given that small and medium-sized firms have a smaller scale of operations, resource access constraints, and lower visibility, and thus are less likely to participate in CSR initiatives (Udayasankar, 2008). One step further, we assume that small and medium-sized firms are less likely to pursue PSR initiatives. In our selected sample, although all the companies are publicly listed and are all big multinational companies, the headcount can vary from 1,300 employees to 13,6000 employees, with 31638 employees on average (See also *Table 10*).

Table 10 CSR Reports Overall Information

Company Name	GICS	Title of Report	Total Length	Company Size
National Bank of Canada	Banks	Our Social Responsibility 2015	38	21731
Canadian Imperial Bank of Commerce		CIBC 2015 Corporate Responsibility Report and Public Accountability Statement	83	44424
Bank of Nova Scotia Halifax		2015 Corporate Social Responsibility Report	109	89214
Toronto-Dominion Bank		2015 Corporate Responsibility Report	64	85000
Bank of Montreal		2015 Environmental, Social and Governance Report and Public Accountability Statement	70	46778
Royal Bank of Canada		2015 Corporate Responsibility Report	53	72839
SNC - Lavalin Group Inc	Capital Goods	2015 Sustainability Report	30	37000
CAE Inc		2015 Corporate Social Responsibility Report	60	8000
Bombardier Inc.		2015 Activity report	44	65698
Canadian Natural Resources	Energy	2015 Stewardship Report to Stakeholders	28	6621
Imperial Oil Ltd		2015 Corporate Citizenship Summary Report	14	5263
Cenovus Energy Inc		2015 Corporate Responsibility Report	76	3500
TransCanada Corp		2015 Corporate Social Responsibility Report	106	6059
Cameco Corp		2015 GRI Update	27	3300
Enbridge Inc		2015 CSR Report	146	11000
Loblaw Companies Ltd	Food & Staples Retailing	2015 Corporate Social Responsibility Report	36	136000
Metro Inc.		2015 Corporate Responsibility update	18	65000
Industrial Alliance Insurance	Insurance	2015 Social Responsibility Report	12	5019
Intact Financial Corporation		2015 Public Accountability Statement	21	12000
Sun Life Financial Serv Canada		2015 Sustainability Report	47	30000
Manulife Financial Corp		2015 Public Accountability Statement	56	34000

Methanex Corp	Materials	2015 Responsible Care & Sustainability Report	50	1300
West Fraser Timber Co Ltd		2015 Responsibility Report	24	5000
Hudbay Minerals		2015 Annual and CSR Report	160	1860
Goldcorp Inc		2015 Sustainability Report	176	15800
Teck Resources Limited Class B SV		2015 Sustainability Report	134	13500
Kinross Gold Corp		2015 Corporate Responsibility Report	146	9000
Agnico Eagle Mines Limited		2015 Sustainable Development Report	236	5500
Barrick Gold Corp		2015 Responsibility Report	155	25000
Thomson Reuters Corporation	Media	2015 Corporate Responsibility & Inclusion Report	33	53000
Canadian Tire Corporation Limited NV	Retailing	2015 Environmental Performance and Footprint Report	16	58000
Rogers Communications Inc B NV	Telecommunication	2015 Corporate Social Responsibility Report	66	26000
TELUS Corp	Services	2015 Sustainability Report	169	47700
BCE Inc		2015 Corporate Responsibility Report	75	49968
Canadian Utilities Ltd A NV	Utilities	2015 Sustainability Performance Update	7	7263

	Report Length (Pages)	Company Size (Employees #)
Min	7	1300
Max	236	13600
Average	74	31638

3.3 Content Analysis Process

In order to decide what data to collect and to analyze, specific processes and steps for conducting CA should be stated. Cavanagh (1997) has outlined a specific process for conducting CA. We modified his process and suggest the following steps: (1) Selecting the unit of analysis; (2) Defining categories and coding rules; (3) Assessing reliability and validity; (4) Quantifying coded data; (5) Revising code rules and the coding scheme; (6) Coding and quantifying all the data. In this section, we only describe the results of the first four steps, and the remaining steps will be discussed in the following chapter as our findings.

3.3.1 Selecting the Unit of Analysis

Although there are no universal rules about how to use CA, selecting the unit of analysis is one of the issues researchers should consider when conducting CA (Cavanagh, 1997). The majority of the studies dealing with the disclosures of social performance in annual reports have used the presence and absence of information regarding a subject area as the unit of analysis. However, this does not indicate how much emphasis is given to a particular subject. According to GAO (1982), there are several choices with regards to determining the unit of analysis, such as a word, a group of words, a sentence, a graph, or an entire document (Jariya, 2015). We could use words as the unit of analysis, however, Milne et al. (1998) discredited the coding of single words on reliability grounds as they have no meaning to provide a sound basis for coding without a sentence or sentences for context (Beattie et al., 2007). Using areas of a page as the basis to derive measures of social and environmental disclosures adds unnecessary unreliability (Milne et al., 1999). We could also use a sentence as the unit of analysis. However, it was not adopted because one sentence can convey more than one idea. Consequently, we adopted here a mixed usage of the unit of analysis by using the combinations of words or/and logical sentences (Holsti, 1969).

Because we use mixed CA, once the qualitative content has been coded, we need to quantify it. The quantification may be done in a number of ways (Milne et al., 1999). To quantify the coded content, we need to count them in the reports. Although we use words to count the coded content, it is suggested that the measurement error between

various quantification techniques is likely to be quite negligible: using words, sentences, and proportions of pages would yield the same subsequent analysis and precision of understanding (Milne et al., 1999). Some argue that using sentences as the unit of analysis to quantify coded content seems to ignore the possibility that differences in use of grammar might result in two different writers conveying the same message by using a similar number of words and taking up a similar amount of space but using a different number of sentences. What's more, studies have justified that the measurement of volume in terms of words can record the coded content in greater detail (Unerman, 2000). Also, the computer-aided software we used in our study can only count words, and therefore, we adopted words as our unit of analysis. We believe using words for coding and for measurement are likely to provide complete, reliable, and meaningful data for further analysis.

3.3.2 Defining Categories and Coding Rules

In order to decide what content to code, a review of the literature was carried out with the aim of gathering the category of sustainable purchasing disclosure items found by previous researchers (Holland et al., 2003, p.10). Hence, in this section, we would like to illustrate how our coding frame/matrix was developed and formed. Also, rules for devising a coding frame will be discussed. In short, since the aim of our study is to explore the disclosures pertaining to purchasing and to measure its importance in CSR reports, the volume of disclosures (in terms of the number of words) has been collected and categorized into different themes.

Creating and Defining Coding Categories

We formulated a criterion of definition, derived from a theoretical background and research question, which determined the aspects of the textual material taken into account (Mayring, 2000). In our study, we decided how many concepts to code for by developing a predefined set of concepts and categories obtained from the PSR literature. As suggested by the previous literature, buying firms are prone to ensure every segment of their purchasing process is sustainable in order to render the purchasing function sustainable. Thus, to serve this objective, we combine purchasing processes that we obtained from our Purchasing Process literature chapter with PSR dimensions into a matrix to guide our coding process. This matrix is presented in

Table 11 with purchasing practices examples. We followed the rules for developing a sound coding frame (Schreier, 2012). Coding frames are supposed to meet a number of requirements. A first requirement states that each dimension in the coding frame should capture only one aspect of the material, therefore, a coding frame should be set up so as to avoid “mixing” dimensions. This has also been mentioned by Weber (1990), the content categories of the coding scheme should be mutually exclusive to prevent the violation of the basic statistical assumptions. Another requirement of the coding frame is to be exhaustive if we are able to assign each unit of coding to at least one subcategory in the coding frame. Saturation is a very important criterion that requires the coding frame to be constructed in such a way that the coding frequency for all categories and sub categories equals 1 or higher (Schreier, 2012).

For coding flexibility, we are relatively strict with our existing categories, meaning that no new category other than the pre-defined ones can be introduced during our coding process. This is because using the determined set of categories allows us to examine text for very specific things and keep on our task.

Table 11 The Original PSR and Purchasing Process Matrix

PSR Dimensions	Specification Determination	Supplier Selection	Contract Agreement	Ordering	Expediting	Supplier Evaluation
Environment	Inner customers of the buying firms are prone to buy environment-friendly products.	Selecting the suppliers that follow environmental regulations.	Companies list environmental policies in their contract.	Purchasing department uses environment-friendly PO paper.	Buying firms monitor their suppliers following the environmental policies in the agreement.	Firms evaluate and train suppliers in terms of environmental standards.
Ethics	Purchasing department should not accept gifts from inner buyers to prioritize their needs.	Buying firms do not accept any forms of bribery from suppliers during the bid process.	Have policies such as no gift receiving written in the agreement.		Third party monitors the buying process to ensure no gift receiving in the process.	Firms evaluate and train suppliers regarding to anti-corruption policies.
Diversity		Focal firms source from WMBEs.	Placing contract that specify the terms pertaining to supplier diversity.	Firms facilitate and monitor their suppliers hiring disabled employees.		Firms evaluate and train their suppliers based on their employee diversity criteria.
Human rights & Safety		Buying firms source from suppliers who have a human rights program.	Firms have written terms in the contract regarding to human rights and safety of their suppliers.		Buying firms ensure that their suppliers follow the Code of Conduct, and they execute on-site visit.	Buying firms evaluate the performance of their suppliers taking into account human rights and safety standards.
Philanthropy		Firms buy from suppliers who support philanthropy program.			Firms facilitate philanthropic policies conducted at suppliers' plants.	Firms evaluate their suppliers based on their philanthropic performance.

Defining Coding Rules

After having a sound coding category scheme, two requirements need to be applied to guide the coding process. First, we categorize each activity to one and only one dimension even though an activity can be classified into one or more dimensions, which may have an impact on the result. The same principle is applied to classify activities into the purchasing process. An activity may have involvement in the whole procurement process, however, due to this exclusion principle, we only categorize each activity into one and only one corresponding purchasing process. In other words, we place each activity in only one PSR-Purchasing process dyad. Therefore, although some purchasing activities can be categorized into more than one category, we set up a manual rule to assign each activity to one category only. As our study is preliminary in applying this methodology, future studies could be designed to retest and modify the assignment. Also, seeing as there exists a subjectivity character in such a method, more coders are suggested to be of use to reduce such bias in future studies.

Another rule, is that we allowed broadening the synonyms of concepts under each category along with our analytical process. This is because that different reports of different companies use different words to describe similar or identical concepts, and it is not necessary to code the concepts exactly as they appeared in the predetermined set. Therefore, we allow for the coding of different things that are similar enough to be coded as the same thing under the same category. Specifically, this is for more than subtle differences in tense or spelling but for words that imply the same meaning. We develop our rules for the synonyms for these predetermined PSR activities to ensure a crucial level of consistency and coherence.

3.3.3 Assessing Reliability and Validity

A number of authors have addressed reliability and validity questions in CA (Krippendorff 1980; Holsti, 1969; Weber, 1983; Andren 1981). CA is expected to be reliable, one of the most important characteristics of **reliability** is replicability, which means the results should be identical when applying the same technique to the same data regardless of the

circumstances or timelines; Another important characteristic is stability or the tendency for coders to consistently recode the same data in the same way over a period of time.

A number of strategies have been devised for assessing these issues and two methods are used very often: (1) conducting the research with multiple coders by ensuring no significant differences between the coding done by different coders; (2) by using a reliable coding instrument and defining specified coding and decision guidelines, the need for multiple coders is reduced (ibid) (Dekker, 2013). In other words, although in our study, unlike in other research, the author is the only person performing the CA procedure, this does not mean that our method is not reliable. Because the author was instructed to read each sentence/statement in the CSR reports by referring to relevant existing studies. And all ambiguous statements were checked out with the supervisor of this study. Also, applying a reliable coding scheme increases the reliability of the procedure, which means that we are supposed to articulate the definition of their codes in such a way that any person following the coding procedure will consistently apply the given codes of all documents in a corpus. Computational tools help eliminate many issues associated with human coding (Chuang et al., 2014), and also reinforce face validity (Albertini, 2014).

The **validity** of a CA study refers to the correspondence of the categories to the conclusions, and the generalizability of results to a theory (CSU, 2016). The validity of categories can be achieved, again, by multiple classifiers to arrive at an agreed upon definition of the category. In our case, this problem can be solved by the generalization of synonyms, which allowed us to broaden the concepts included in categories; it is also solved by our detailed and specified classification that comes from a full range of previous studies. For the validity of the conclusions, it is still sought by scholars to reach a universal standard for it. In our research, we will only draw conclusions from the original data or make sure the conclusions can be explained by analyzing our data.

3.3.4 Quantifying Coded Data

As mentioned earlier, we use a mixed CA method. We first describe what purchasing activities were listed in firms' CSR reports. Then a quantitative analysis is conducted. After the categories are set for coding, we would like to code for the frequency of purchasing activities in our coding matrix in order to obtain the significance of purchasing in these CSR/sustainability reports. Specifically, the quantitative analysis is performed by comparing the frequencies of purchasing activities mentioned in CSR reports. The frequency is measured by the total number of words per activity. Because the total number of pages of reports varies significantly, only looking at the total number of words is not a good comparison. Therefore, we compare the ratio of purchasing function presence for each company, regardless of the total length of the reports.

An example of combining qualitative and quantitative CA is illustrated in the following statement, "we purchased nearly \$1.2 billion in goods and services from local suppliers", was counted as 12 words, diversity, and supplier selection. Another statement, "we have green procurement policies", was counted as five words, environment, and internal integration and governance.

3.4 Modifications of PSR Dimensions

In the previous section, the first four steps of content analysis (CA) process have been fully described. Here, we discuss the remaining two steps as the results of this study. To be specific, the rules and the coding scheme have been revised according to the preliminary findings from the reports. The new matrix of combining revised purchasing social responsibility (PSR) dimensions and the responsible procurement approach (Responsible procurement, n.d.) is presented to provide a framework for coding.

During the coding process, we found that our initial matrix obtained from literature could not provide an efficient coding framework for what we were investigating in firms' CSR reports. Based on the critical information in the CSR reports, we identified eight PSR dimensions, Economic, Environmental, Legal, Diversity & Community, Ethics, Human Rights & Safety, General, Animal Welfare, and Philanthropy.

3.4.1 Economic Responsibility

We did not include Economic responsibility into our original matrix because it is not considered to be voluntary. However, we found that a significant number of companies discussed their economic responsibilities in their CSR reports. Therefore, we decided to add **Economic dimension** into our PSR model.

In CSR, Economic responsibility is the basis in which other responsibilities being built upon (Harwood and Humby, 2008). Similarly, economic performance in sourcing is the prerequisite of all other purchasing responsibilities (Schneider et al., 2012).

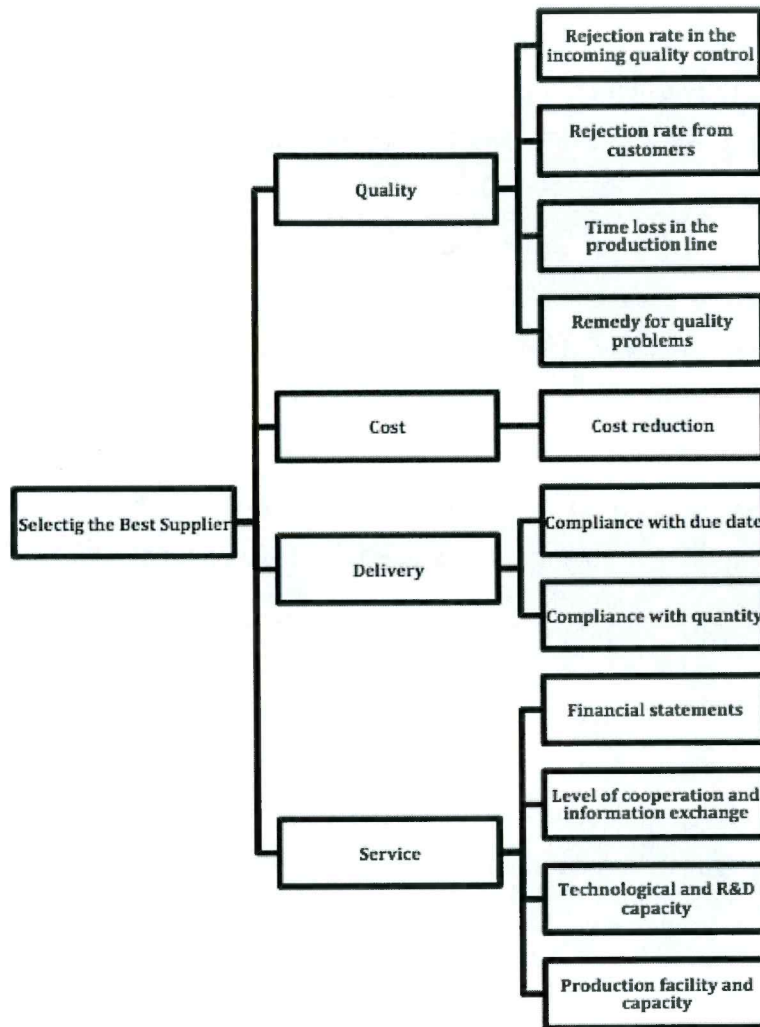
In purchasing management, the goal of Economic responsibility is to find the best source at the best price (Cook, 2007). Overall, the objective of the Economic responsibility of the purchasing function is that it should obtain the right materials (meeting quality requirements), in the right quantity, for delivery at the right time and right place, from the right source (a supplier who is reliable and will meet its commitments in a timely fashion), with the right service (both before and after the sale), and at the right price in the short and long term (Leenders et al., 2001). The quantity, quality, and the price of

purchased items are important criteria to consider because they can affect the quality of the firm's product, the ability to produce it, productivity, and the company's profitability.

One critical activity in purchasing Economic responsibility is selecting suppliers. When comes to supplier selection, the first and primary responsibly (Economic) of the triple bottom line (TBL) should always be considered in the first place, which requires sourcing to ensure the selection of suppliers that provide good economic value at competitive costs (Schneider and Wallenburg, 2012). In this study, we are using Lee's supplier selection criteria to illustrate the economic requirements of the purchasing function and it is structured as a hierarchy in *Figure 5*. Notice that not only traditional criteria such as cost, quality, and delivery are considered, but there are other considerations include suppliers' financial stability, technology and design capability, the compatibility of the top management, and location of production facilities, Firms tend to invest their resources as efficiently as possible and one way is to cooperate with more efficient suppliers (Lee and Kim, 2009). Similarly, Reuter et al. (2012) deemed the economic criteria in purchasing regarding suppliers is designed to account for traditional competitive priorities of certain suppliers, such as price, quality, flexibility, delivery, and service. Non-economic criteria such as social and environmental may have conflicting objectives compared to economic measures such as purchasing managers only concentrate on selecting the cheapest suppliers.

Apart from the supplier aspect, there are more perspectives that buying firms should focus on, such as their internal management. From an organizational point of view, development or optimization of the sustainable purchasing function in the business is significantly more important including purchasing staff awareness and skills development and training (Walker et al., 2012). Those have an impact on the Economic responsibility with regards to costs and efficiency of the purchasing function. Decisions by purchasing professionals have huge impacts on the purchasing profitability, and hence, the qualities and characteristics of these individual members should also be addressed.

Figure 5 Supplier Selection Criteria



Source: Lee et al. (2001)

3.4.2 Legal Responsibility

As discussed earlier in the literature review, the CSR Pyramid (Carroll, 1991) has four levels. The bottom foundation is built-on Economic responsibility. We will now discuss the second level, which is the **Legal responsibility** for the businesses to comply with laws and regulations.

Non-compliance with laws and regulations result in penalties, therefore Legal responsibility is important for the firms. Purchasing function has the responsibility to make purchasing activities in accordance with applicable laws and regulations. To conclude, Legal responsibility concerning purchasing can be expressed as purchasing function that fulfills economic mission within the boundaries of the law.

Legal requirements also cover environmental and social responsibilities. Concerning the environment, there is a variety of legal requirements, such as restriction on hazardous substances (RoHS)/ the waste electrical and electronic equipment (WEEE) directives and hydrofluorocarbons/ chlorofluorocarbons (HFC/CFC) standards. Social problems have also been addressed by legal standards and requirements. Human rights and safety issues such as child labor and overtime work have been incorporated to the extent permitted by law. In some countries, corruption can be viewed as a legal problem rather than an ethical one (ISM, 2012).

Buying firms enforce legal requirements and standards through various ways. This includes buying products from legal sources, ensuring suppliers comply with health and labor laws, establishing guidelines according to the legal requirements to suppliers, and arranging a PSR factory audit (Antonio, 2011).

3.4.3 Diversity & Community Responsibility

During the coding process, we noticed that several companies mentioned their contribution to the local economy by their purchasing decisions. We decided to add **Community responsibility** as a new dimension of PSR. Research about the Community dimension of PSR is scarce because different scholars and institutions categorize purchasing social responsibility differently. In this study, we adopt the definition proposed by Antonio (2011, p. 20) as: *"suppliers should provide support and add value to their communities and supply chain partners and motivate the partners to increase the value to their communities."* Many CSR reports states that simply by buying, firms are contributing to the community economically and socially. Their buying helps to create job opportunities and thus boost the economy of their communities.

The meaning of **Diversity** is twofold: workforce diversity and supply base diversity (ISM, 2012). Workforce diversity is the attraction and retention of a diversified labor force. For example, many firms will ask their suppliers to hire employees equally regardless of their genders. Supply base diversity is the attraction and retention of a diversified pool of suppliers. An example of such diversity is that buying firms source from minority/women-owned business enterprises (MWBEs). By promoting workforce diversity in suppliers' plants and purchasing from WMBEs, firms help to create job opportunities for those particular communities.

Since the Diversity dimension of the purchasing function also contributes to creating value for communities, we combined it with the Community dimension. The related activities between two dimensions are similar and sometimes overlapped under many circumstances. Moreover, both dimensions intend to describe how purchasing function of the buying firms contribute to their communities, which among them, is to buy from diversified suppliers. Therefore, we modified our coding scheme by combining **Community and Diversity** as one dimension of PSR.

3.4.4 Ethics, Human rights & Safety Responsibility

Although Carter (2005) have defined **Ethics** as a stand-alone aspect of PSR –which mainly focuses on bribery and gift receiving in the buyer-supplier dyad – we found during the coding process that firms combine ethics and business conduct in their CSR reports. Business conduct also addresses issues such as human rights and safety. Most companies view unethical gift giving practice is part of business conduct. An example of such combination of practice from the reports is that the supply management professionals have the responsibility to promote ethical conduct and make sure that their suppliers comply with the Code of Ethics.

Likewise, human rights and safety issues at suppliers' plants are always addressed in the Code of Ethics and require the participation of both suppliers and buyers. An example of

combining Ethics dimension with **Human Rights** responsibility is that firms strive to cooperate with suppliers who incorporate human rights issues in their Code of Ethics. Moreover, **Safety** issues can be considered as Human Rights issues. We combine **Ethics, Human Rights, and Safety** as one construct to simplify the coding process.

In the study, we categorized food safety issues into Ethics, Human Rights & Safety category instead of legal responsibility group. According to the World Health Organization (WHO, 2015), foodborne illnesses and food allergies are the two main food safety problems. Despite heightened concerns, some standards are not formal and thus may present challenges for legal enforcement. Furthermore, food safety standards can be applied voluntarily. Due to this point, we consider obeying certain food safety criteria as an ethical behavior rather than the legal act.

3.4.5 Animal Welfare Responsibility

Although Human Rights and Safety issues are addressed in most of the reports, many CSR reports found that food companies also hold responsibilities for **Animal Welfare**. The CSR focuses on the lives and wellbeing of farm animals. It is concluded that, in the year of 2012 and 2013, approximately 70% of companies show leadership in this field. These companies have published policies and commitments that lead to actions that improve Animal Welfare on farms (Sullivan et al., 2017). Regulations and programs have revolutionized livestock concerns. For example, World Trade Organizations have established international standards pertaining to Animal Welfare to be incorporated into agreements (Fraser, 2008). The Business Benchmark on Farm Animal Welfare (BBFAW) conducts an annual evaluation of welfare-related policies of food companies (Sullivan et al., 2017). Also, consumers' concerns and perceptions about Animal Welfare may affect their inclination of livestock consumption (Bennett, 1995).

However, only 34% (2012) and 44% (2013) of companies had published comprehensive Animal Welfare policies. This suggests that Animal Welfare reporting is still a business issue (Sullivan et al., 2017). Fraser (2008) brought forward ways to improve Animal

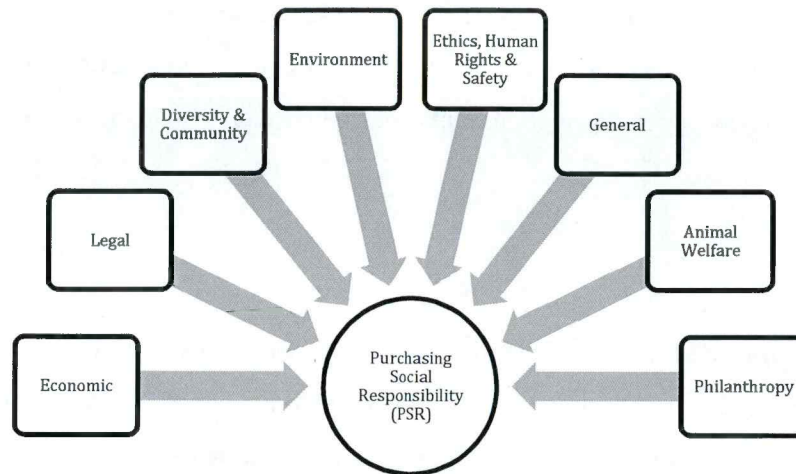
Welfare including: 1) leverage of economic incentive to reduce losses caused by injury, stress, and malnutrition, and 2) applying Animal Welfare standards. From a purchasing perspective, companies can source from suppliers that comply with Animal Welfare, and companies are encouraged to buy products that were fed in a humane way (Loblaw, 2015).

3.4.6 General Responsibility

We add the **General dimension** denoting purchasing activities that are related to more than one dimension. We also group purchasing activities that are too general to be categorized into any specific PSR dimension to this dimension. Examples of such category are: 1) companies source products from suppliers who meet specific environmental, social and economic standards (Loblaw, 2015), and 2) we seek suppliers that commit to sustainability (BCE, 2015).

Our final comprehensive analytical framework is refined and displayed in *Figure 6*. Eight dimensions – Legal, Economic, Diversity & Community, Environmental, Ethics, Human Rights & Safety, General, Animal Welfare, and Philanthropy – are created by combining the proposed dimensions derived from previous literature and purchasing activities in firms' CSR reports.

Figure 6 PSR Analytical Framework



3.5 Responsible Procurement Approach

Since environmental and social standards are integrated into supply management by amending the purchasing processes (Koplin et al., 2007), our original matrix (See page 57 *Table 11*) combined PSR dimensions with a detailed purchasing process. During the coding process, however, we found that we were unable to categorize all the purchasing related activities in the CSR reports using our predefined matrix. One reason is that companies do not list their purchasing activities as detailed as what we assumed shown in the previous matrix. This is possibly because CSR reports focus on corporations' initiatives on economic, environmental, and social wellbeing of all aspects, and purchasing is merely a function of their entire supply chain. As suggested by Responsible procurement (n.d.), a responsible procurement process involves two distinct but complementary approaches: 1) supplier approach: mobilizing and selecting suppliers to foster sustainable development, and 2) product approach: selecting the products that post the best sustainability performances throughout their life cycle. In addition to these two approaches, we identified two more complementary approaches in the CSR reports—internal management and general practices – to integrate sustainability into purchasing function. To sum up, the four complementary approaches for firms to implement sustainability into their purchasing process are: 1) products they purchase, 2) suppliers whom they are sourcing from, 3) the management standards and policies they are asking

their purchasing professionals to follow, and 4) various miscellaneous general purchasing initiatives. Below, a more detailed classification is discussed to identify all the purchasing activities in the CSR reports.

3.5.1 Product

The integration of sustainability criteria/standards into the buying product and production-related decisions take into consideration the environmental and social conditions concerning design, ingredients, production systems, recycling, and disposal (Koplin et al., 2007). The social and environmental criteria can be implemented into purchasing function involvement in new product development (NPD) (Miemczyk et al., 2012). Examples of implementing CSR into purchasing function are buying products that have environmental requirement, have policies regarding buying restricted products; and have procurement improvement and promotion program for certain products. Procuring environmentally and socially sustainable products is good for the buying organization's brand reputation as well as efficiency, quality, and security of supply (CIPS, 2013).

3.5.2 Supplier

This category is defined by all the purchasing activities pertaining to suppliers. Supplier-related purchasing process includes supplier selection and development. More precisely, it includes purchasing-supplier interfaces, such as supply base leveraging, supplier relationship development, and supplier performance evaluation (Schneider et al., 2012). According to Krause et al. (1998), supplier development includes plant visits from buying firms, supplier audits, and supplier training and educating. Walker et al. (2008) suggested supplier-related activities in terms of sustainability include sustainability criteria in contracts, conducting vendor assessment, identifying sustainable supply risks, investigating alternate sourcing, and working with suppliers to encourage innovative responses sustainability in the supply market.

The increasing importance of buyer-supplier-relationship for financial criteria in business also faces environmental and social challenges. For example, should we incorporate

environmental, social and economic value into the selection, evaluation, and management of the supply base? Historically, supply managers have focused almost exclusively on the economic value when evaluating and selecting suppliers. The primary supplier selection factor is who can help their sales and profits increase as well as complying legal regulations (Park et al., 2005). However, recently, supplier selection has taken social and environmental considerations into the supplier management and development as well (Giunipero et al., 2012). Buying organizations should develop and implement these standards into operation, and formulate the criteria that are used in the buyer-supplier relationship (Leire et al., 2010). Close supplier relationships are essential in day-to-day businesses because poor environmental, economic, or social performance in other organizations reflects negatively on the buying firm and will damage its reputation and sales volume more than that of suppliers.

One related trend in terms of environmental responsibility is that the buying companies select their suppliers based on the suppliers adopted standardized environmental management systems (EMS), such as ISO 14001 (Koplin et al., 2007), and social standards, such as basic human rights principles set by the UN. Research on social aspects of sourcing process often deals with assuring ethically sound supplier-buyer relationships and selecting suppliers from a diversified base (Schneider et al., 2012). Early detection of supply-related risks – such as identification of environmental and social risks, and weak points at suppliers – is gaining importance. By asking suppliers to provide environmental and social information, buying companies can evaluate their suppliers regarding the degree of compliance is within company's code of conduct. When placing contracts with suppliers, for instance, buying company can ask its supplier to ensure the same requirements for sub-suppliers along the supply chain. The fulfillment of the specified environmental and social criteria supports the overall sourcing process in terms of the quality and delivery performance of the supplier. Focal companies are also responsible for monitoring and developing their suppliers, which can be achieved by regular revisions and supplier training programs to meet certain sustainability requirements (Koplin et al., 2007).

The purchasing or sourcing functions are responsible for searching, evaluating and monitoring suppliers so that the suppliers 1) provide good economic value at competitive costs, 2) meet high environmental standards, and 3) enforce the buying organization's social values and standards (Tate et al. 2010). Such departments are also responsible for place contracts with suppliers in a socially and environmentally way (Koplin et al., 2007). In one example, the CSR is embedded into the purchasing process, which helps select suppliers that can meet not only economic but also environmental and social standards.

Table 12 presents purchasing activities pertaining to the buyer-supplier dyad. The activities span from supplier selection to supplier evaluation and development. These suggested categories provide a framework for coding and analyzing sustainability considerations regarding suppliers.

Table 12 Buyer-Supplier Purchasing Practices

Aspects	Activities Related to Suppliers
Supplier Selection	Purchasing function conduct vendor assessment. Identifying social and environmental risks of suppliers. Investigating alternative sourcing. Working with suppliers to facilitate sustainable innovations. Selecting suppliers based on their adoption of environmental and social standards.
Placing Contract	Focal firms include sustainability criteria into contracts with suppliers. Asking suppliers to ensure the same sustainable requirements for sub-suppliers.
Supplier Development	Plant visits from focal firms. Supplier audits, training and education. Focal firms evaluate and monitor their suppliers.

3.5.3 Internal Integration and Governance

It is suggested that internal supply management focused on strategies and practices that capture activities that constitute how the purchasing task is carried out in concert with business objectives. These internal tasks relates to organizational design and restructuring, the development and use of business-wide sourcing processes, and the use of purchasing policies and their measurement.

With the focus on internal governance activities, several pieces of literature have suggested that internal governance has had an impact on the actual implementation of sustainable purchasing. Internal integration and governance link corporate responsibilities, staff, knowledge, and management systems (Akhayan et al., 2017).

Internal integration and governance include the commitment of top management executives defining goals and promoting a sustainable corporate culture. This entails the development of internal purchasing strategies, such as internal policy documents including social and environmental pledges, purchasing guidelines and policy and /or a code of conduct. Although most documents are attached to procurement contract to set up standards to their suppliers (Leire and Mont, 2010), we only consider documents and policies that facilitate the participation of purchasing professionals or internal employees as components of this category. The legitimization of such policy can affect the degree of implementation. These guidelines can be enforced through different means, such as manuals, websites, verbally at meetings, conferences, and seminars. An effective corporate governance structure and processes that can ensure top management has proper oversight of implementing sustainable policies to protect the long-term interests of shareholders.

Internal governance is also reflected by designating staff in charge of procurement and supply management to support sustainable procurement. This includes involvement in planning, coordination and goal setting in terms of sustainability (Akhayan et al., 2017). In particular, within the purchasing and supply profession, there is an education requirement of purchasing so supply practitioners can incorporate sustainability criteria in their buying decisions (Walker et al., 2008). A critical aspect of the internal supply management is appointing appropriate people with the right skills, having a measurement scheme that indicates the supply management objectives, and setting clear priorities for supply management as a managerial concern (Day and Lichtenstein, 2006).

Purchasing professionals are supposed to know their missions as well as the norms and standards of their organizations (Salviac et al., 2013). The responsibilities endowed to

purchasing professionals have already gone beyond their basic economic responsibilities. Now professionals need to have good knowledge of the profits, have excellent negotiating skills with suppliers, and communicate well with other departments to identify their needs (Perrotin et al., 2002). Individual values of purchasing employees will affect the socially and environmentally responsible initiatives (Carter and Jennings, 2004).

Management systems help to define and measure the sustainable purchasing process. Management system consists of standards, processes, and tools that provide guidelines and requirements for sustainable procurement. Such systems serve to systematically define, enforce and revise purchasing policies (Akhavan and Beckmann, 2017). Setting up measurable targets and indicators regarding purchasing sustainability performance is a more advanced step. For instance, setting up incentive systems for employees (Leire and Mont, 2010; Akhavan and Beckmann, 2017).

A typical example is that organizations have written policies to encourage their purchasing professionals or employees visit seminars and courses to deepen their understandings of CSR in the field of purchasing and supply management. In Volkswagen, six discourse workshops were used to develop a feasible framework that allows Volkswagen to integrate sustainability issues into its supply policy and supply processes (Koplin et al., 2007).

The above practices related to organizational integration and governance have four aspects: organizational structure, purchasing strategies, purchasing professionals' initiatives, and internal management systems. All of which have been summarized in *Table 13* to provide a conceptual framework for coding.

Table 13 Internal Integration and Governance Purchasing Practices

Aspects	Activities Related to Internal Integration and Governance
Organizational Structure and Design	Top management commitment to sustainable procurement. Focal firms have a centralized purchasing network. Focal firms define goals and communicate a sustainability corporate culture.

Purchasing Strategies	Development of internal purchasing strategies. Setting sustainable purchasing goals. Development of purchasing guidelines and code of conduct.
Purchasing Professionals	Appointing appropriate people with right purchasing skills. Education of purchasing professionals in terms of sustainability.
Management Systems	Setting up measurable targets and indicators regarding purchasing sustainability. Setting up incentive systems for purchasing employees.

3.5.4 General Procurement Approach

In our study, we categorized practices that are too general to be grouped into any approaches into the general procurement approach category. It includes practices that suggest concern for sustainable procurement but lack specificity as to what actions and policies are being taken. We also categorize practices that involve more than one complementary approach into this category. More specifically, these activities include selecting suppliers, purchasing products for operations, and establishing internal organizational strategies. One step further, it includes mentions in the reports to incorporate sustainability criteria into Supplier Code of Conduct, to purchase sustainable products, and to design sustainable purchasing strategies. An example of this category is that “local procurement generates sustainable economic growth” (Goldcorp, 2015). In which, the phrase “local procurement” is too broad to be grouped into any complementary responsible procurement approaches (supplier, product, and internal management). For this reason, we categorized this practices into general approach group.

3.6 New Matrix

In this section, a newly defined matrix is provided as a more practical coding scheme to classify the data under study. PSR constructs have been modified, and responsible purchasing approached has been devised according to the reports. This conceptual category would provide a valuable framework for analyzing the occurrence of purchasing function in CSR reports as well as a guidance to implement sustainability and CSR into purchasing.

In particular, the revised construct of PSR consists of eight dimensions: Economic, Legal, Diversity & Community, Environmental, Ethics, Human Rights & Safety, General, Animal Welfare, and Philanthropy. These dimensions constitute the vertical columns of *Table 14* below. Horizontal columns represent the responsible procurement approach – the four complementary approaches to incorporate sustainability into purchasing, involves selecting product approach, supplier approach, internal management approach, and general approach. We assign each purchasing activity to only one - also the most relevant scheme, as indicated by Weber (1990): coding categories should be mutually exclusive to prevent the violation of the basic statistical assumptions, ensuring our following quantitative analysis is valid and sound. In this table, we list examples of activities for each pair of PSR dimension and responsible procurement approach that we have found in the CSR annual reports. For instance, for Environment and Supplier pair, we were looking for how/what buying firms ask their suppliers to do in terms of environment. An example is that buying firms work with suppliers who exercise green practices.

This matrix is not solely a coding framework but also the working process of implementing PSR practices by combining previous literature and CA findings. It describes how companies integrate sustainability into their purchasing operations and procurement policies. It also involves many subsequent decisions to make for the procurement professionals and other practitioners.

Table 14 Revised Coding Matrix with Examples

Dimensions	Product	Supplier	Internal	General Approach
Economic	Firms purchase the best quality products at the cheapest possible price.	Firms buy from suppliers who offer the best price.	Firms modify procurement structure to facilitate efficiency.	Purchasing function has economic responsibility.
Legal	Firms purchase product that meets legal requirements.	Firms work with suppliers who comply with legal requirements and regulations.	Firms establish inner strategies to facilitate the compliance of laws and regulations.	Firms ensure procuring legally.
Diversity & Community	Purchasing function buys product that contributes to the local economy.	Firms buy from WMBEs suppliers to help the local economy.	Firms have the policy to facilitate work with local suppliers to benefit the local community.	Purchasing function brings benefits to society.
Environment	Focal firms are prone to buy the environmentally friendly product.	Firms ask their suppliers to exercise green practices.	Firms provide green training programs to their purchasing professionals.	Companies ensure environmental procurement.
Ethics, Human Rights & Safety	Firms buy products that are ethically sourced.	Firms ask their suppliers to follow codes of ethics.	Firms establish hotline allowing suppliers to report human rights violations.	Firms ensure their procurement is ethical.
General	Firms buy sustainable products.	Buying firms work with suppliers who understand sustainable risks.	Procurement managers and staff receive CSR training regularly.	Companies are sourcing sustainably.
Animal Welfare	Firms buy animal products that fed in a humane way.	Firms purchase from suppliers who have animal welfare policies.	Firms have internal strategies on facilitating sourcing that takes into animal welfare.	Firms ensure their procurement following animal welfare policy.
Philanthropy	Firms buy from products that have philanthropy value.	Buying firms buy from suppliers who have philanthropy programs.	Purchasing function sets policies to promote philanthropic practices.	Procurement activities take into philanthropic issues.

4. Results

In this chapter, we will present the importance of each PSR dimension and procurement approach pair. Also, the description of these purchasing activities is discussed to provide a preliminary look at what procurement practices that firms have defined in their CSR reports.

4.1 The Role of Purchasing in CSR

In this section, we answer the research questions we brought forward earlier 1) what are the specific purchasing activities in the CSR reports? And 2) how important is purchasing in CSR? We begin by describing the purchasing activities addressed in the CSR reports. Next, we examine the frequency of occurrence of purchasing function in the CSR reports by using our modified PSR dimensions. This is followed by the presentation of frequencies of purchasing social responsibility (PSR) dimensions. Subsequently, we highlight factors that contribute to these variations. *Appendix 3* lists purchasing activities of the 35 companies by PSR/responsible procurement approach pair.

4.1.1 Purchasing Activities by PSR Dimensions in the CSR Reports

In this section, we answer our research question: what are the purchasing activities mentioned in CSR reports? We discuss these activities by PSR dimension and responsible procurement approach pair for further analysis. In order to do it, we list and investigate all purchasing activities corresponding to each PSR dimension and its responsible procurement complementary approaches. By doing so, we are able to identify and develop a practical framework to implement sustainability into purchasing process for professionals in the purchasing field.

Economic Responsibility

Meeting economic responsibility is considered as a base element of PSR, and it is expected by shareholders as well as society. This category can be understood as companies purchasing the best source at the best price for operations. Translating financial concepts into procurement practices concerns supplier involvement,

corporate internal strategy, general procurement approach and product purchased (See *Table 15*).

One approach of taking economic responsibility into purchasing process is to involve suppliers, which includes supplier selection, evaluation, and development. Key practices in firms' CSR reports are itemized as follows:

- Firms select suppliers with the lowest price;
- Every vendor relationship must meet the economic, logistical and sustainability standards;
- Firm's supplier evaluation criteria include supplier strength, their service capabilities, financial considerations, quality, technology and process improvement;
- Firms rely on suppliers to provide the products and goods needed to support their operations;
- Firms source from suppliers that meet minimum safety, quality and cost requirements;
- Firms outsource many operational activities to third parties due to their cost-effectiveness or technical capacities;
- Firms seek mutually beneficial relationships with their suppliers;
- Firms believe working with local suppliers can help to gain social trust;
- Firms focus on supplier governance and relationship management to run their businesses;
- Firms work with suppliers to reduce the quantity of material required for their production.

Apart from supplier involvement, firms can also integrate economic sustainability into sourcing strategy by internal integration and governance. For instance, firms can prioritize economic responsibility by developing new systems. Key practices in firms' CSR reports are:

- Firms have strategic Sourcing Group works to ensure that they have qualified suppliers;
- Firms initiate automated procurement processes to mitigate supply shortages;
- Firms open a global sourcing program to better run their businesses;

- Firms hire CPO to initiate better procurement practices;
- Firms develop a global procurement strategy to consolidate their supplier base to reduce costs;
- Firms have embedded our engineers in their procurement teams to scale up their supply chain capacity;
- Firms centralize procurement to reduce the overlap in spending;
- To improve supply chain efficiency, firms improve their procurement system.

Purchasing necessary products and services for operations is one way to implement economic responsibility into purchasing process. Another way is to buy qualified products to eliminate risk and improve supply chain efficiency. Purchasing activities pertaining to purchased products are listed below:

- Firms procure goods and services to operate their business effectively;
- Firm's purchasing breakdown includes purchased goods and services in marketing and IT & Telecommunications, etc.;
- Firm's purchased equipment is undergoing audits;
- Firms purchase more electricity for operations.

General approach category captures the firms' general purchasing activities that have an impact on its financial and operational performances. Key practices can be concluded as follows:

- A customer checklist will be embedded into firm's purchasing process;
- Firms assess the economic performance of their procurement practices;
- Firms improve their efficiency through procurement;
- Firms leverage procurement process to reduce costs;
- Firms consider traditional criteria such as quality, freshness and product availability in the purchasing process.

Table 15 Summary of Economic Purchasing Practices Categorized by Responsible Procurement Approach

Procurement Approach	Activities
Supplier	Selecting suppliers with the lowest price.
Supplier	Every vendor relationship must meet the economic, logistical and sustainability standards.
Supplier	Ensure that vendors must be capable to reliably deliver the top-quality suppliers or services.
Supplier	Sourcing from suppliers that meet minimum safety, quality and cost requirements.
Supplier	Engaging with suppliers to understand forecasted resource shortage that could impact the mining activities.
Supplier	Identify products that contain chemicals and ingredients of concern through a vendor audit.
Supplier	We have relationships with approximately 2,000 suppliers around the globe to operate.
Supplier	Our supplier evaluation criteria include supplier strength, service capabilities, financial considerations, quality, technology, and process improvement.
Supplier	Our supplier base relates to production operations and capital projects.
Supplier	We rely on suppliers to provide the products and goods needed to support our operations.
Supplier	We outsource many operational activities to third parties due to their cost-effectiveness or technical capacities.
Supplier	Supplier belongs to our business capital inputs to run the business.
Supplier	Our suppliers must meet our basic requirements.
Supplier	Local suppliers have to meet our standards.
Supplier	We seek mutually beneficial relationships with our suppliers.
Supplier	Supplier economic hedging program is part of our business model.
Supplier	We are working with our suppliers to plan for emergencies to guarantee our operations.
Supplier	We believe working with local suppliers can help to gain social trust.
Supplier	We use scorecards focused on financial and non-financial criteria in some of our supplier contracts.
Supplier	We focus on supplier governance and relationship management to run our business.
Supplier	We endeavor to do business with suppliers who share our expectations for quality management and continuous improvement.
Supplier	By working with sustainable suppliers, we are able to keep compliance costs down and satisfy customers with sustainability requirements.
Supplier	We partner with suppliers to ensure we comply with operating efficiency.
Supplier	We work with suppliers to reduce the quantity of materials required in our production.
Supplier	We ask our suppliers to be certified according to Global Food Safety Initiatives.

Supplier	Our teams regularly monitor suppliers who have not obtained certification.
Supplier	We select suppliers based on their capabilities and qualifications before initiating a contract.
Product	Electricity is purchased from provincial or federal utilities.
Product	We procure goods and services to operate our business effectively.
Product	Our purchasing breakdown includes purchased goods and services in marketing and IT & Telecommunications, etc.
Product	Parts of our products are purchased from vendors for operations.
Product	Our two main products are from purchased zinc.
Product	We procure goods and services that support large-scale mining and refining operations.
Product	We purchased more electricity for operations.
Product	Our purchased equipment is undergoing audit.
Internal	Supply chain management team ensures each item is safely and responsibly sourced cost-effectively on time.
Internal	Automating procurement processes to mitigate supply shortages.
Internal	We centralized sourcing process enabling to better maintain relationships with suppliers.
Internal	We build website and email to interact with our suppliers.
Internal	Our Strategic Sourcing Group works to ensure that we have qualified suppliers.
Internal	Our strategic sourcing can be divided into five categories to support our operations.
Internal	We created an online contractor and vendor management system to allow our suppliers to identify their capabilities for future work.
Internal	Our supply management has a low impact on business.
Internal	We create a proactive sourcing strategy to attract candidates to lower our turnover rates.
Internal	We help to strengthen supplier governance practices to lower our costs.
Internal	To improve supply chain efficiency, we improve our procurement system.
Internal	We centralize procurement to reduce the overlap in spending.
Internal	We hire CPO to initiate better procurement practices.
Internal	We developed a global procurement strategy to consolidate our supplier base to reduce costs.
Internal	We have embedded our engineers in our procurement teams to scale up our supply chain capacity.
Internal	We have solid plan to reduce procurement costs.
Internal	Our transformation initiatives impact procurement costs.

Internal	We open a global sourcing program.
General Approach	We assess the economic performance of our procurement practices.
General Approach	We improve our efficiencies through procurement.
General Approach	A customer checklist will be embedded into our purchasing process.
General Approach	We procure products from suppliers for operations.
General Approach	We leverage procurement process to reduce costs.
General Approach	We consider traditional criteria such as quality, freshness and product availability in the purchasing process.

Legal Responsibility

Purchasing function is expected to comply with legal obligations imposed by governments and regulatory agencies. Legal requirements cover environmental and social perspectives. Translating legal concepts into procurement practices has focused on supplier involvement, corporate internal strategy, general practices and product purchased, and the corresponding purchasing practices in firms' CSR reports are summarized in *Table 16* below.

Supplier involvement in this category captures practices in which suppliers comply with environmental and social regulations. They are described as follows:

- Firms expect their suppliers aligned with environmental and labor legislation;
- Suppliers must comply with relevant laws, including anti-corruption legislation;
- Firms encourage suppliers to comply with laws and regulations.

Product category in terms of legal responsibility concerns buying products or services to meet economic responsibility while complying laws and regulations. It is stated in the CSR report as we source products from sources that comply with applicable laws and regulations.

General approach category describes general sourcing activities that are provided under law. No activity pertaining to the Internal category is mentioned in the reports.

Table 16 Summary of Legal Purchasing Practices Categorized by Responsible Procurement Approach

Procurement Approach	Activities
Supplier	We enforce legal standards to our suppliers.
Supplier	We increase regulatory scrutiny over third-party relationships.
Supplier	Suppliers must comply with laws, including anti-corruption legislations.
Supplier	We expect our suppliers aligned with environmental and labor legislations.
Supplier	We work with suppliers to help them comply with regulations/ legislations.
Supplier	We encourage suppliers to comply with laws and regulations.
General Approach	The company provides procurement activities under the law.

Diversity & Community

Table 17 provides an overview of purchasing activities in terms of Diversity & Community Dimension. Implementing Diversity & Community responsibilities into purchasing process makes sense for companies for many reasons, including capacity development, business network creation, local knowledge enhancement, local employment creation, and reputation leverage.

Supplier involvement received the most attention in Diversity & Community category. There are various ways to address Diversity & Community responsibilities including supporting supplier diversity as noted in the firms' code of conduct; working with local and indigenous suppliers; and paying the goods and services acquired from their suppliers. By addressing such issues, buying firms could not only financially contribute to the suppliers but also economically and socially impact on the society. Key PSR activities in firms' CSR reports pertaining to supplier involvement are itemized below:

- Firms spend millions/billions in procurement to suppliers;
- Firms pay suppliers for goods and services which generate social and economic values to the community;
- Firm work with suppliers ranging from multinationals to small businesses;
- Firms work with local firms to make an impact in the community;
- We engage work with indigenous people as our suppliers.
- Firms create positive economic impacts that benefit their suppliers;
- Firms assess their suppliers based on their impacts on society;
- Firms help their suppliers to fulfill social and environmental responsibilities;
- In selecting suppliers, firms have focused on ensuring the supplier has a diverse team to support their work;
- Firms co-host with suppliers to host supplier diversity workshops;

Companies also adopt internal strategy in terms of Diversity & Community. This category frequently concerns incorporating Diversity & Community elements into corporate agenda. For instance, firms initiate local procurement program to benefit the community they operate in. Key activities are listed below:

- Firms complete and formalize their Supplier Diversity program;

- Firms initiate Local Procurement Standard;
- Firms train their procurement managers on engaging diverse suppliers;
- Firms develop internal targets for local procurement;
- Firms adjust their local procurement based on their organizational structure;
- Firm's procurement group incorporates supplier diversity into their corporate diversity and inclusion strategy.

The next sets of practices, general approach category, concern general mentions of PSR, which capture general purchasing process contributes to the community and the society. Key PSR practices in the reports are summarized as:

- Local procurement generates sustainable economic growth;
- Local procurement initiatives bring social and economic benefits to community;
- Sourcing locally will help to build our capacities and enhance our local knowledge;
- Procurement brings economic impacts to communities;

Product category occurred much less frequently compared to the categories mentioned above. Whereas suppliers and internal involvement can be implemented in various forms, Product category solely focuses on buying products to contribute to the community. Purchasing practices are listed below:

- Firms create economic impact on the value of goods and services they purchased globally/locally;
- Firms spent millions/billions buying goods and services;
- Purchase of goods and services can generate economic, social or environmental impacts;
- Firms purchase goods and services in the local community;
- Spending on local goods and services is one of the ways in which firms contribute to sustainability of their host communities.

Table 17 Summary of Diversity & Community Purchasing Practices Categorized by Responsible Procurement Approach

Procurement Approach	Activities
Supplier	We have a positive social impact through the suppliers we buy from.
Supplier	We pay our suppliers for goods and services which generates economic value.
Supplier	Our billions of dollars of purchases from thousands of suppliers are critical to the community.
Supplier	Manage contract with suppliers ranging from multinationals to small businesses.
Supplier	Encouraging diversity of gender, ages, cultures, backgrounds and skills throughout suppliers.
Supplier	In selecting vendors, we have a primary focus on ensuring that the service provider has a diverse team that supports our work.
Supplier	Supporting Canadian suppliers.
Supplier	We sourced locally from small and mid-size producers.
Supplier	Our investment in our facilities was directly distributed to our suppliers.
Supplier	We spent millions/billions in procurement to our suppliers.
Supplier	We influence our suppliers to use responsible practices to strengthen our communities.
Supplier	We compensate our suppliers and support local small business.
Supplier	We have a certain proportion of spending on local suppliers.
Supplier	We focus on our local suppliers.
Supplier	Our top 50 suppliers represented 75% of our spending in 2015.
Supplier	Our communities of interest include suppliers and contractors.
Supplier	Millions of dollars spending in procurement from indigenous suppliers.
Supplier	We engage with suppliers to mitigate social risks.
Supplier	We connected with vendors to continue generating benefits.
Supplier	We invest communities by the payment to suppliers.
Supplier	We benefit the community from the support to indigenous suppliers.
Supplier	40% of our local purchases go to Inuit companies.
Supplier	We help our local suppliers to be more competitive.
Supplier	We evaluated local suppliers based on their record of safety and their capability.
Supplier	We engage work with indigenous people as our suppliers.

Supplier	We make efforts to reduce the impact of supplier contracts after a mine closes.
Supplier	We use local suppliers to make an impact in the community.
Supplier	We increase our procurement from qualified local suppliers.
Supplier	We extended our outreach to engage our suppliers to give back to the community.
Supplier	We established economic growth for suppliers.
Supplier	We co-hosted supplier diversity workshop.
Supplier	We provide economic opportunities to Aboriginal contractors and suppliers.
Supplier	We are helping local business comply with our vendor systems.
Supplier	We create positive economic impacts that benefit our suppliers.
Supplier	We help our suppliers diversify.
Supplier	We assess our suppliers based on their impacts on society.
Supplier	We provide town residents with supplier opportunities.
Supplier	We work with more than 7,000 suppliers from around the world.
Supplier	We invest in communities by mentoring suppliers.
Supplier	We mentor and train our suppliers.
Supplier	We set up procurement budget for local suppliers.
Supplier	We established guidance to look way to increase the amount of goods we purchase from diverse suppliers.
Supplier	We invest in our communities by supporting local suppliers.
Supplier	We work hard to maintain relationships with local Aboriginal businesses.
Supplier	We invest in our suppliers.
Supplier	We work closely with our suppliers to help them improve their performance.
Supplier	We help our suppliers and contractors to maintain stable community presence.
Supplier	We spent millions/billions with indigenous suppliers over the past five years.
Supplier	We provide economic support to our local communities including supplier development.
Supplier	We hire suppliers to create employment to society.
Supplier	We support and encourage local suppliers in fulfilling their social responsibilities.
Supplier	We help our local suppliers to fulfill social and environmental responsibilities.
Product	Purchases of goods and services in local community.

Product	We give priority to local and regional fresh products.
Product	We spent millions/billions buying goods and services.
Product	Purchase of goods and services can generate economic, social or environmental impacts.
Product	We create economic impact from value of goods and services we purchased globally/locally.
Product	We contribute to local development through the goods and services we purchase from local businesses.
Product	Buying products has economic impacts.
Product	Spending on local goods and services is one of the ways in which we contribute to sustainability of our host communities.
Product	Our catering buys from local bakery.
Product	We spent money on the procurement of local goods.
Product	We help to strengthen Canada's economy through our purchase of goods for our operations.
Product	We locally sourced pipe.
Product	We purchase electricity from local utilities in the regions where we operate.
Internal	Adjust local procurement based on our organizational structure.
Internal	Our representatives meet local stakeholders to initiate local procurement programs.
Internal	We conduct consumer survey about the importance of local sourcing to them.
Internal	Our vendor development managers support local growers across Canada.
Internal	Our procurement group incorporated supplier diversity into our corporate diversity and inclusion strategy.
Internal	We completed and formalized our Supplier Diversity program.
Internal	We worked with different organizations to facilitate Supplier Diversity program.
Internal	We embedded supplier diversity processes into Procurement staff annual performance objectives.
Internal	We developed performance metrics to evaluate the success of our Supplier Diversity Program.
Internal	All Procurement Managers will participate in responsible procurement training sessions.
Internal	We increase accessibility for diverse suppliers.
Internal	We are member of diverse supplier organizations.
Internal	Our Supplier Diversity program received several awards.
Internal	We educate our employees to raise awareness of our Supplier Diversity Program.
Internal	Our mentorship program helps our diverse suppliers to develop their business.
Internal	One of our priorities is to focus on local procurement.

Internal	We finalized our Local Procurement and Employment Standard.
Internal	Our local purchasing is guided by several principles.
Internal	We work with local community development committees to support local suppliers.
Internal	We completed gap analysis for local procurement.
Internal	One of our 2015 goals was for operations to enhance local procurement opportunities.
Internal	We used different approach to track local procurement.
Internal	Increases and decreases in local procurement are influenced by the availability of suppliers in the local area.
Internal	Closure of an operation leads to decline in local procurement.
Internal	We developed tools to increase local supplies.
Internal	A lower proportion of our total spending on indigenous suppliers due to the challenging market conditions.
Internal	Reductions in capital spending impact local procurement.
Internal	Our cost cutting strategy reduced local procurement.
Internal	We have programs to facilitate local procurement.
Internal	Our local procurement program is managed by our supply chain representative.
Internal	We commit to assessing ways to improve the local procurement standards.
Internal	We have framework that outlines local procurement program.
Internal	We launched local procurement guide.
Internal	Our local content ensures stable supply base.
Internal	We have local procurement program integrating suppliers to system.
Internal	We have local content framework to support our procurement teams.
Internal	We developed internal target for local purchases.
Internal	We carried out local purchasing policy.
Internal	We train our procurement manager on engaging diverse suppliers.
General Approach	We facilitate local procurement.
General Approach	Local procurement generates sustainable economic growth.
General Approach	Local procurement initiatives bring social and economic benefits to community.
General Approach	Local procurement from regional and national sources accounts for more than \$1 billion of spending.
General Approach	Responsible procurement generates economic impact.

General Approach	Our responsible procurement contributes to community.
General Approach	We spent millions/billions in goods purchased from local businesses.
General Approach	We have increased engagement with local communities through local procurement.
General Approach	Local procurement in turn ensures our procurement sustainability.
General Approach	Sourcing locally will help to build our capacities and enhance our local knowledge.
General Approach	We established criteria for local procurement.
General Approach	Our persistent low commodity prices impact our local procurement.
General Approach	We procured from indigenous sources.
General Approach	We maximize local well being through local procurement.
General Approach	We spent \$63 million in Canada on procuring goods and services from Native American.
General Approach	Grievances from local sourcing were addressed.
General Approach	Through local procurement, we directly help host communities and individuals enjoy the rights to work, to food and property.
General Approach	We support local suppliers by sourcing local products and services to support our business.
General Approach	Procurement brings economic impacts to communities.
General Approach	We purchased millions/billions worth of goods and services from suppliers.
General Approach	We procure goods and services from local providers whenever possible.
General Approach	Local purchasing can lower costs in the long run and contribute to our social license to operate.

Environmental Responsibility

The table below lists purchasing activities relating to environmental responsibility in firms' CSR reports. Translating environment-related concepts into procurement practices has focused on supplier involvement, internal corporate strategy, general responsible procurement approach, and product companies purchased. This category includes mentions in the reports to purchase environmentally sound products, to incorporate environmental criteria into supplier selection and development, to initiate green purchasing strategy and to implement environmental elements into the purchasing process.

The results show that there is a greater proportion of product related practices being discussed compared to other purchasing process practices in this category. Key practices related to products mentioned in the reports, including:

- The electricity firms purchased generate GHG;
- Firms purchase renewable energy;
- Firms source paper from certified forest;
- Firms purchase high-quality voluntary carbon credits to offset any remaining emissions;
- Firms achieve GHG reductions from green power purchases;
- Most of the product firms purchased are recyclable;
- Firms purchase paper that contained recycled content;
- Firms' Recycled materials are sourced internally;
- Firm's indirect GHG emissions produced from electricity and steam purchases;
- Firms purchased biological products;
- Firms reduce their purchased energy intensity.

The second category, supplier, captures practices in which suppliers are mentioned as being involved in supporting buying firms incorporate environmental initiatives. Key practices are displayed below:

- Firms are committed to using paper from suppliers certified by the Forest Stewardship Council (FSC);

- Firms are vigilant to suppliers that operate in countries cited for environmental violations;
- Firms track environmental incidents related to transportation between our operating locations and suppliers;
- Firm's Supplier Code of Conduct addressed the way that suppliers manage the environment;
- Firms help to manage the environmental impact of our suppliers;
- Firms partner with suppliers on investment in new energy-efficient technology;
- Firms have supplier environmental assessment;
- Firms consider the environmental performance of suppliers and contractors;
- Suppliers are asked to minimize environmental impacts;
- Firms analyze their suppliers based on their environmental impact and disclosures.

The third category, internal governance, and structure, summarizes those mentions where the buying firms integrate environmental responsibility into their corporate agenda and operations, including:

- Firms have green/environmental procurement policies to guide their purchasing;
- Firms are mindful of environmental considerations when we make decisions about our purchasing;
- Firms re-engineered the supply process to improve green traceability;
- Firms' responsibilities for managing environmental footprints are shared by leaders in procurement.

Finally, the fourth category of practices, general approach, captures general purchasing process that involves environmental elements. Key practices in the reports are:

- Firms commit to removing chemicals of concerns from sourcing;
- Firms consider the environmental impacts in their procurement process.

Table 18 Summary of Environmental Purchasing Practices Categorized by Responsible Procurement Approach

Procurement Approach	Activities
Supplier	Be vigilant to suppliers that operate in countries cited for environmental violations.
Supplier	Supplier responsibilities on energy use and climate change.
Supplier	Paper reduction and waste/recycling at supplier's side.
Supplier	We monitor waste through our waste management vendors.
Supplier	We collaborate with our food vendors to use environmentally responsible containers.
Supplier	We will help to manage the environmental impact of our suppliers.
Supplier	We consider the environmental performance of suppliers and contractors.
Supplier	We have supplier environmental assessment.
Supplier	A certain percentage of our new suppliers that were screened using environmental criteria.
Supplier	We tracked environmental incidents related to transportation between our operating locations and suppliers.
Supplier	We took into account the energy use of our suppliers.
Supplier	Our Supplier Code of Conduct addressed the way that suppliers manage the environment.
Supplier	We prioritized suppliers to work with our environmental program.
Supplier	We partnered with suppliers to determine environmental impacts.
Supplier	We seek out opportunities to educate our suppliers to reduce emissions.
Supplier	We ask our suppliers to provide vehicles that use greener fuel.
Supplier	We partner with suppliers on investment in new energy-efficient technology.
Supplier	We have projects to build relationships with suppliers to expand our interests in green power.
Supplier	Suppliers are asked to minimize environmental impacts.
Supplier	We have environmental requirements in procurement activities for our suppliers.
Supplier	We will only engage with suppliers who meet or exceed the requirements including environmental care
Supplier	We seek suppliers who can demonstrate energy efficiency and an environmental management system.
Supplier	Our waste contractors are managed through a rigorous procurement, full life cycle management process.
Supplier	We partner with suppliers to ensure we comply with environmental standards.
Supplier	We work with suppliers to tackle environmental challenges.

Supplier	We encourage our suppliers to use environmentally friendly packaging material
Supplier	We partner with our vendors to realize annual energy and waste save.
Supplier	We analyzed our suppliers based on their environmental impact and disclosures.
Supplier	We use approved vendors to dispose of or recycle electronic equipment responsibly.
Supplier	We are committed to using paper from suppliers certified by the Forest Stewardship Council (FSC).
Product	Managing the sourcing of water including recycling and tailing management.
Product	Recycled materials are sourced internally.
Product	Sourcing paper from certified forest.
Product	We are one of the largest purchasers of renewable energy.
Product	We achieve GHG reductions from green power purchases.
Product	We purchased Ecology-certified green electricity.
Product	We purchase RECs and Offsets equivalent to our electricity use and GHG emissions.
Product	We purchase renewable energy credits.
Product	The fuel we purchased generates GHG.
Product	Our indirect GHG emissions produced from electricity and steam purchases.
Product	We purchased hydro electricity.
Product	We purchased seeds to help biodiversity.
Product	We procure alternative source with fewer pollutions.
Product	We purchase electricity from external suppliers.
Product	Our indirect emissions are from purchased lime.
Product	We purchase renewable energy.
Product	We purchase paper that contains recyclable components.
Product	We reduced the number of cardboard boxes purchased.
Product	Most of the steel we purchased was recyclable.
Product	17.6% of our electrical power was sourced from renewables.
Product	We purchased biological product.
Product	Our electricity was purchased from national/regional grid.

Product	Our consumables are bought new and are not able to be recyclable.
Product	We take environmental criteria into consideration when purchasing technology equipment.
Product	We purchase green power.
Product	We source renewable energy where technically and economically feasible.
Product	We purchased paper that contained recycled content.
Product	We purchased high-quality voluntary carbon credits to offset any remaining emissions.
Product	The electricity we purchased generated GHG.
Product	We measure the energy use and GHG emissions from transporting product from vendors.
Product	We only purchase paper that contains recycled content.
Product	We incorporate the emissions with respect to electricity purchases into our CSR report.
Product	We reduce our purchased energy intensity.
Product	We purchased energy with bioenergy from wood waste.
Internal	We developed packaging guidelines.
Internal	We are mindful of environmental considerations when we make decisions about our purchasing.
Internal	Our Paper Reduction and Sourcing sub-committee oversees our paper performance and responsible paper-sourcing initiatives.
Internal	Our Publishing Paper Procurement Practices also guide our purchasing decisions for paper used for publishing.
Internal	We have developed Eco-strategic sourcing.
Internal	We make efforts to reduce our paper purchases.
Internal	Responsibilities for managing environmental footprint are shared by leaders in procurement.
Internal	We defined our green supply chain management including material sourcing and selection.
Internal	We re-engineered the supply process to improve green traceability.
Internal	Our procurement standards describe the procurement of goods and services that may have adverse environmental impacts.
Internal	We plan water sourcing to minimize our impact on the environment.
Internal	We have green/environmental procurement policies.
General Approach	We committed to removing chemicals of concerns from sourcing.
General Approach	We consider the environmental impacts of products and services in our procurement process.

Ethics, Human Rights & Safety

Table 19 below lists purchasing activities relating to Ethics, Human Rights & Safety in firms' CSR reports. Translating ethical and human rights related concepts into procurement practices has focused on supplier involvement, internal corporate strategy, and general approach. The results show that supplier involvement practices occurred much more frequently than other purchasing process practices in this category. Key purchasing practices pertaining to suppliers mentioned in the reports, including:

- Firms ask suppliers to adhere to the Code of Supplier Conduct;
- Firms ask suppliers not to use children/forced labor;
- Firms ask suppliers to have policies on conflict minerals and not to support unethical authorities;
- Firms allow suppliers to enjoy the freedom of association and collective bargaining;
- Suppliers should uphold the human rights of their workers;
- Firms should screen and remove suppliers or contractors are in violation of human rights compliance;
- Firms ensure ethics and corporate responsibility among suppliers;

Internal purchasing strategy practices had been discussed second commonly in Ethics, Human Rights & Safety dimension, which captures corporate involvement in ethical purchasing strategy and in organizational structure design that facilitates ethical procurement performance. Key practices are listed as follows:

- Firms initiate and update Supplier Code of Conduct;
- Firms establish applicable policies and standards regarding suppliers in terms of ethics;
- Our procurement staff receive procurement training regarding suppliers' ethics and safety issues;
- We have policies and programs to restrict the bribery of suppliers;

General approach category concerns general mentions of PSR, which tends to be less predominant. It includes more general purchasing activities such as firms encourage

ethical sourcing. No practice summarizing mentions product was observed in Ethics, Human Rights & Safety dimension.

Table 19 Summary of Ethics, Human Rights & Safety Purchasing Practices Categorized by Responsible Procurement Approach

Procurement Approach	Activities
Supplier	Ensuring ethics and corporate responsibility among suppliers.
Supplier	Selecting suppliers with lower risks of corruption and human rights violations.
Supplier	Sourcing from suppliers that meet the ethical requirements.
Supplier	Screening and removing suppliers or contractors are in violation of human rights compliance.
Supplier	Suppliers are expected to uphold the human rights of workers.
Supplier	Ethical governance with suppliers.
Supplier	Supplier agreed to our Supplier Code of Conduct and Business Conduct Guidelines.
Supplier	We conducted an Ethical Procurement Practices survey with our suppliers
Supplier	All colleagues must ensure that vendors understand and comply with the Code of Conduct.
Supplier	Suppliers are our partners to uphold the same ethical values.
Supplier	We contribute to the improvement of working conditions for the employees of our suppliers.
Supplier	Suppliers have to complete an annual Workplace Conditions Assessment (WCA).
Supplier	Our audit team has been working on the ground in plants of the emerging markets.
Supplier	Suppliers enjoy the freedom of association and collective bargaining.
Supplier	We are working with suppliers to modify the lighting system to reduce potential safety problems.
Supplier	We conduct a risk-based screening of our transportation providers based on the volume and commodity transported.
Supplier	Our Code of Conduct demands that our suppliers uphold the highest standards of human rights.
Supplier	Our suppliers do not employ child/forced labors.
Supplier	Our safety and ethics standards are extended to suppliers.
Supplier	Supplier Standards of Conduct are formalized as contractual obligations in contracts.
Supplier	We introduced additional guidelines on human rights of suppliers.
Supplier	We want to do business with suppliers that share our commitment to corporate responsibility and ethical conduct.
Supplier	Human rights and safety are our number one priorities among suppliers.
Supplier	Contractors must be pre-qualified in terms of safety to do work.
Supplier	We ask our suppliers to have policies on conflict minerals and do not support unethical authorities.

Supplier	We have implemented a Contractor Safety Incentive Program to promote safe practices
Supplier	We involve our suppliers in industry-organized safety roundtables.
Supplier	We improve the human rights requirements to our vendors.
Supplier	We implement vendor onboarding standards for anti-corruption.
Supplier	We identify suppliers' corruption risks.
Supplier	Suppliers are asked to minimize health and safety impacts.
Supplier	We received grievances and resolved them for our suppliers.
Supplier	We developed human rights program to help our suppliers.
Supplier	Our human rights policy is applicable to our contractors and suppliers.
Supplier	Our human rights policy includes due diligence for suppliers.
Supplier	We assess human rights diligence on our vendors.
Supplier	We seek to educate potential suppliers on our human rights expectations before we enter into a relationship with them.
Supplier	We expect our suppliers to uphold our principles of ethical business conduct.
Supplier	We provide focused training and investing to certified suppliers under our Human Rights Policy.
Supplier	We only deal with suppliers that accept Supplier Code of Conduct.
Supplier	90% of suppliers received due-diligence screening.
Supplier	Suppliers are required to report corruption issues.
Supplier	We conducted supplier spot check to ensure that they have adhered to Supplier Code of Conduct.
Supplier	We encourage suppliers to comply with the Code of Ethics/business conduct.
Supplier	We partner with suppliers to ensure we comply with safety issues.
Supplier	We are ensuring the health and safety of our suppliers.
Supplier	We ensure our suppliers are never harassed.
Supplier	Suppliers have access to our Ethics Hotline.
Supplier	We established safety requirement for our contractors.
Product	We purchased our own devices for avoiding safety issues.
Internal	Following up software guides staff in assessing vendors' risks in corruption and human rights violations.
Internal	We update our Supplier Code of Conduct to address evolving risks and expectations.

Internal	Be vigilant to suppliers that operate in countries cited for human rights violations.
Internal	We have had a Supplier Code of Conduct.
Internal	Our Soppier Code of Conduct addresses various human rights and ethical issues.
Internal	We added controls in our centralized procurement process to identify suppliers that sell conflict minerals.
Internal	We have established a cross-functional team including procurement to review our safety issues.
Internal	We have a formal grievance process that allows potential suppliers to appeal.
Internal	We will implement a new procurement screening process that will identify conflict minerals in our suppliers.
Internal	Our Sourcing Group assess slavery actions.
Internal	Our vendor onboarding process ensures no corruption and bribery before engaging vendors.
Internal	We developed disclosures to ensure the bargain rights of our suppliers.
Internal	We incorporated Supplier Code of Conduct into our CSR annual report.
Internal	We established applicable policies and standards regarding suppliers in terms of ethics.
Internal	Our Supplier Code of Conduct contains non-discrimination issues.
Internal	Supplier Standards of Conduct include zero-tolerance policy for corruption.
Internal	Our procurement staff receive annual procurement training.
Internal	Our Supplier Code of Conduct addressed forced/child labor issues.
Internal	Our Supplier Code of Conduct addressed anti-corruption issues.
Internal	We have policies and program to restrict the bribery from suppliers.
Internal	Our human rights policy is supported by Supplier Code of Ethics.
Internal	We are including diligence into our Supplier Code of Conduct.
Internal	We developed ethical sourcing and supplier labor practices.
Internal	We established a preferred health and safety supplier list to minimize safety issues.
Internal	We developed a program to evaluate suppliers who share our safety value.
General Approach	We encourage ethical sourcing.
General Approach	We procure locally while meeting ethics standards.
General Approach	We demonstrate avoidance of sourcing from controversial sources.

General

Table 20 provides a breakdown of the activities of sustainable procurement in terms of General dimension in firms' CSR reports. As has been defined in the previous chapter, General category can be understood as the management of all aspects of purchasing process or as general concern for sustainable purchasing issues but lack specificity. Translating General PSR dimension related concepts into procurement practices has focused on supplier involvement, internal corporate strategy, general approach, and finally purchased products. The results indicate that supplier involvement practices occurred much more frequently than other purchasing process practices in this category. Key practices pertaining to suppliers mentioned in the reports, including:

- Firms partner with suppliers that embrace environmentally and socially responsible business activities;
- Firms lead various mentorship activities including formal mentoring of certified suppliers and hosting supplier development workshops;
- Firms conduct materiality/CR issues survey with suppliers;
- Firm's procurement team actively interacts with suppliers;
- Firms commit to being responsible through the value chain ranging from the origins of the goods that we buy;
- Firms have integrated the protocols into their contract process;
- Firms collaborate with suppliers to leverage sustainability;
- Firms conduct monthly, quarterly and annual supplier reviews;
- Firms educate their suppliers.

Internal purchasing strategy practices had been discussed second frequently in General dimension, which concern that companies systematically set sustainable purchasing guidelines, obtain the governance structures and capabilities to operationally integrate sustainability into sourcing decisions as well as develop strategy to drive purchasing sustainability. Key practices related to internal strategy are listed as follows:

- Firms have introduced responsible sourcing policies;
- Firm's CR approach emphasizes procurement activities;

- The procurement and supply team of firms focus on integrating sustainability into the buying process;
- Managing suppliers' risks is the purchasing team's priority;
- Firms develop and use tools to audit and monitor suppliers;
- Supplier selection is overseen by our SVP, Procurement & Supplier Management;
- Responsible procurement is one of our key performance indicators;
- Firms engage with procurement experts to make sure their reporting is relevant;
- Firms update standards to define the requirements that their employees must fulfill when entering into commercial relationship with suppliers.

General approach category practices capture general purchasing process/all aspects of purchasing process pertaining to sustainability. Key PSR practices are summarized as:

- Firms ensure that they have a strong sound procurement process/practices;
- Firms are sourcing responsibly;
- Firms integrate sustainability into procurement practices;
- Firms partner with other organizations to promote responsible procurement.

Product category occurred much less frequently compared to the categories mentioned above. This category discusses buying environmentally and socially friendly products. Practices pertaining to products are listed below:

- Products are responsibly sourced;
- Firms source certified products;
- Firms increase the number of purchased products covered by sustainable criteria.

Table 20 Summary of General Purchasing Practices Categorized by Responsible Procurement Approach

Procurement Approach	Activities
Supplier	We seek out suppliers who demonstrate communications to CSR.
Supplier	We added sustainable criteria as part of the regular contract-renewal cycle.
Supplier	We partner with suppliers that embrace environmentally and socially responsible business activities.
Supplier	Ask suppliers for RFP and RFI.
Supplier	Our procurement team interacts with suppliers.
Supplier	Site visits to supplier factories and offices.
Supplier	We engage with our suppliers via supplier selection.
Supplier	We led various mentorship activities including formal mentoring of certified suppliers and hosting supplier development workshops.
Supplier	Our suppliers are assessed against our responsible procurement requirements.
Supplier	Suppliers continue to improve their practices.
Supplier	Our supplier evaluation criteria include corporate culture and it CSR policies and procedures.
Supplier	Our activities with supplier have economic, environmental and social impacts.
Supplier	We commit to being responsible through the value chain ranging from the origins of the goods that we buy.
Supplier	We have integrated the protocols into our contract process.
Supplier	We have related programs to select and evaluate our potential suppliers.
Supplier	We select suppliers to screen based on certain assessment criteria.
Supplier	Suppliers are assessed depending on their impacts on society.
Supplier	We have launched Supplier Portal to ensure their meeting sustainability criteria.
Supplier	Our Supplier Code of Conduct asks our suppliers to comply with environmental and social regulations.
Supplier	We collaborate with suppliers to leverage sustainability.
Supplier	We ask our suppliers to complete supplier risk assessments as a part of the selection process.
Supplier	We partner with suppliers that share similar value of sustainability.
Supplier	We forge relationships with suppliers who have environmental, social and governance factors built into their strategies.
Supplier	We monitor our suppliers in terms of sustainability.
Supplier	We work with suppliers to ensure that they are fully aligned with our standards.

Supplier	We have pre-qualification program to select suppliers.
Supplier	We manage sustainability issues amongst our suppliers.
Supplier	We integrate environmental, social and governance factors into our supplier selection and relationship management.
Supplier	We ask our suppliers to report material issues.
Supplier	Our commitment to responsible mining is supported by suppliers and contractors.
Supplier	Our goal is to bring our existing vendor system to achieve 100% compliance with our high-risk vendors.
Supplier	We conduct monthly, quarterly and annual supplier reviews.
Supplier	Suppliers are evaluated based on social and environmental criteria.
Supplier	We have ongoing conversations with our suppliers to address social and environmental issues.
Supplier	Supplier compliance is part of materiality matrix.
Supplier	Sustainability remains a key criteria for supplier selection and qualification.
Supplier	We work with our suppliers to ensure we source sustainable materials.
Supplier	We conduct meetings and vendor forums as well as manage a better relationship with supplier.
Supplier	We deepen relationships with our suppliers through our CR approach.
Supplier	We engage on environmental practices, human rights and workplace issues with our suppliers.
Supplier	We hold events and conferences to engage our suppliers.
Supplier	We conduct materiality/CR issues survey with suppliers.
Supplier	We extend our sustainability responsibilities to our suppliers.
Supplier	We educate our suppliers.
Supplier	We continued implementing a process to screen our suppliers' practices.
Supplier	All of our suppliers must adhere to our requirements regarding safety, security and the environment, as well as Standards of Business Conduct.
Product	We committed to sourcing only sustainable seafood.
Product	Products are responsibly sourced.
Product	Focus on where and how our products are sourced.
Product	Seafood is sourced from certified third-party to ensure that products meet specific environmental, economic and social standards.
Product	We purchase palm tree oil from suppliers comply with sustainable standards.
Product	Sourcing certified cocoa.

Product	Increasing the number of purchased products covered by sustainable criteria.
Product	We continued to implement procurement criteria wild and farmed species.
Internal	Updating standards to define the requirements that our employees must fulfill when entering into commercial relationship with suppliers.
Internal	The CSR Committee supports sourcing pillar.
Internal	We have introduced responsible sourcing policies.
Internal	We are employing a risk-rating procedure to audit our suppliers.
Internal	Implementing sustainable sourcing guidelines for food category management teams.
Internal	Improving responsible procurement program.
Internal	We engage with procurement experts to make sure our reporting is relevant.
Internal	Responsible procurement is one of our key performance indicators.
Internal	We developed sustainable criteria for products purchased through the centralized procurement group.
Internal	We developed supplier risk management questionnaire to be added to our centralized procurement process.
Internal	We developed and use tools to audit and monitor suppliers.
Internal	Developing new supplier survey.
Internal	Supplier selection is overseen by our SVP, Procurement & Supplier Management.
Internal	We establish guidelines to audit our suppliers.
Internal	Our priority is to purchase goods and services responsibly.
Internal	We executes our responsible procurement policies.
Internal	Before completing supplier selection, business teams involved in the sourcing activity will evaluate suppliers according to their CSR profile.
Internal	Changes in the location of suppliers, or in relationships with suppliers should be reported.
Internal	The objective of responsible supply management is to ensure that we minimize the impact on people or to the environment.
Internal	Our supply management group's priority is to manage risks.
Internal	We developed a Supply Management Best Practices Implementation Manual to support supply management teams.
Internal	We enhanced our risk management standards of our contractors.
Internal	Our procurement and supply team focus on integrating sustainability into the buying process.
Internal	Sustainable procurement enjoys lower relevance to stakeholders.
Internal	We incorporate sustainability into supply chain through the purchasing process.

Internal	Our employees should uphold sustainable value with suppliers.
Internal	We use a Vendor Audit Program to detect non-compliance and find areas for improvement.
Internal	We use tool to screen supplier's sustainability.
Internal	We have a committee to oversee suppliers' sustainability performance.
Internal	We provide education on lands purchase.
Internal	We developed supplier risk assessment processes, supplier governance, and relationship management framework.
Internal	We have extensive procedures to assess supplier risk and to govern our contracted supplier relationships.
Internal	We founded programs to support suppliers' best practices in terms of sustainability.
Internal	Our CSR committee interacts with suppliers.
Internal	Our CR approach puts emphasis on procurement activities.
Internal	We also plan to integrate environmental and social criteria into our purchasing habits.
General Approach	Introducing guidelines that cover procurement and suppliers selection.
General Approach	Sourcing is incorporated in our CSR pillars.
General Approach	We are sourcing responsibly.
General Approach	We ensure that we have a strong sound procurement process/practices.
General Approach	Integration of sustainability into procurement practices.
General Approach	We screened procurement engagements against our responsible procurement requirements.
General Approach	Sustainable procurement is our engagement.
General Approach	Our strategic sourcing takes CSR into considerations.
General Approach	We assessed our performance on sustainable procurement.
General Approach	We have implemented several initiatives with respect to responsible procurement practices.
General Approach	We partner with other organization to promote responsible procurement.

Animal Welfare Responsibility

Animal Welfare is a special dimension that has been discussed only by companies that procure animal products. In our sample, only two companies, Loblaw and Metro, have Animal Welfare content in their CSR reports. As has been discussed earlier, Animal Welfare policies can help companies to leverage its operational efficiency and brand reputation.

This category involves a remarkably broad spectrum of purchasing activities including that firms source product that is produced in a humane way, that firms source products from vendors that comply with animal welfare policies, and that firms work with suppliers to incorporate animal welfare into their strategy. Neither General approach category nor Internal category of practices was discussed in this dimension (See *Table 21* below).

Table 21 Summary of Animal Welfare Purchasing Practices Categorized by Responsible Procurement Approach

Procurement Approach	Activities
Supplier	We only source pork from vendors that comply with animal welfare policies.
Supplier	We work closely with suppliers to identify the best practices with respect to farm animals.
Product	Our products are produced and sourced in a humane way.

Philanthropy Responsibility

Evidence suggests that Philanthropy is not one of the sustainability priorities for many organizations. In firms' CSR reports, we only found philanthropic purchasing activities that exclusively focus on supplier involvement, which is: firms work with suppliers to raise and donate money/goods (See *Table 22* below).

Table 22 Summary of Philanthropy Purchasing Practices Categorized by Responsible Procurement Approach

Procurement Approach	Activities
Supplier	We raised and donated \$64 million with the help of our suppliers.
Supplier	We work with our vendors to donate leftover food.

4.2 The Importance of Purchasing in CSR

In this chapter, we discuss the importance of purchasing in CSR by examining the frequency of presence of purchasing activities in firms' CSR reports.

4.2.1 General Descriptions

Table 23 The Proportion of Companies that Incorporated PSR Practices in the CSR Reports

PSR Dimensions	PSR	Economic	Legal	Environment	Social	General	Animal Welfare
Company Presence	35	21	8	28	33	26	2
Percentage	100%	60%	38%	80%	94%	74%	6%

PSR practices are mentioned in all the CSR annual reports analyzed. As indicated in *Table 23*, among 35 companies, all companies have elaborately explained their PSR practices in their CSR reports. Based on the quantitative results, it can be concluded that purchasing plays a critical role in companies' CSR efforts. 33 out of 35 (94%) companies stated Social (in terms of Diversity & Community, Ethics, Human Rights & Safety, and Philanthropy) procurement practices in their CSR reports; 28 companies (80%) reported Environmental purchasing activities; 26 (74%) companies used more General terms to interpret their effort of integrating components of CSR into purchasing function, such as sustainable sourcing practices; 21 out of 35 (60%) set up Economic targets for its purchasing function; eight (38%) implemented purchasing Legal responsibility, and two (6%) illustrated purchasing Animal Welfare responsibility in their CSR reports.

Table 24 Summary of Word Count/Frequency of PSR Practices in the CSR Reports

Company Name	Total	PSR	Frequency
Agnico Eagle	80099	1422	1.78%
Barrick Gold	72811	2595	3.56%
BCE	29944	888	2.97%
BMO	31768	534	1.68%
Bombardier	17139	799	4.66%
CAE	20480	477	2.33%
Cameco	11796	557	4.72%
Canadian Natural Resources	17264	27	0.16%
Canadian Tire	7815	156	2%
Canadian Utilities	2486	1	0.04%
Cenovus Energy	23240	581	2.50%
CIBC	20336	744	3.66%
Enbridge	94700	3762	3.97%
Goldcorp	58791	1746	2.97%
Hudbay	34667	1051	3.03%
IA insurance	3972	2	0.05%
Imperial	5190	137	2.64%
Intact	9518	15	0.16%
Kinross Gold	55718	1951	3.50%
Loblaw	11493	1694	14.74%
Manulife	24107	231	0.96%
Methanex	20141	19	0.09%
Metro	6815	1211	17.77%
National Bank of Canada	13584	139	1.02%
RBC	23377	795	3.40%
Rogers	22812	1180	5.17%
Scotiabank	34909	710	2.03%
SNC	13795	854	6.19%
Sun life	14520	254	1.75%
TD	25940	943	3.64%
Teck	67806	2106	3.11%
Telus	62129	2719	4.38%
Thomson Reuters	10668	458	4.29%
Transcanada	44714	609	1.36%
West Fraser	7178	362	5.04%
Average	28621	907	3.47%
Min	2486	1	0.04%
Max	94700	3762	17.77%
Total Words	1001722	31729	3.17%

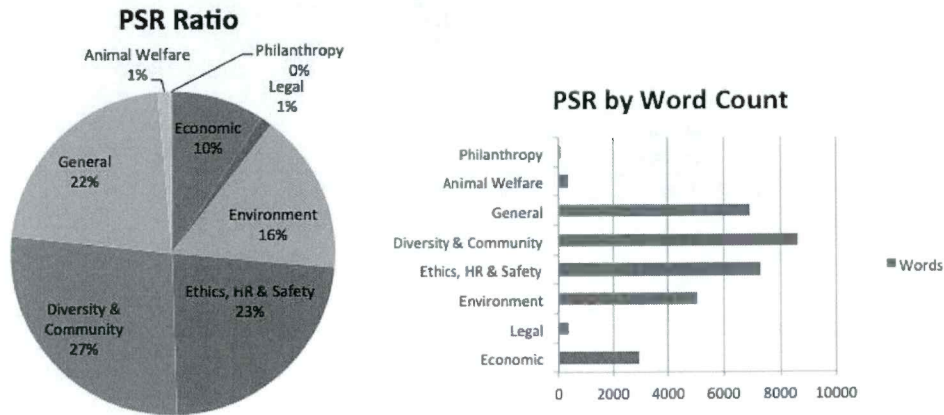
CSR reports from 35 companies include 31,729 words about PSR out of a total of 1,001,722 words. They averaged 907 words of purchasing disclosures of annual CSR reports. The results from these 35 companies are listed in *Table 24* above. The content percentage of purchasing practices is in total 3.17% (31,729/1,001,722), measured as frequency count of the sum of all the purchasing sustainability constructs in all reports. Metro and Loblaw have the highest percentage of sustainable purchasing practices with a presence of 17.77% and 14.74% respectively in their CSR reports. However, purchasing practices only represent 0.04% of the whole CSR report for Canadian Utilities.

Although it has been suggested that Economic and Social dimensions of sustainable procurement are lack of attention of corporate agendas compared to Environmental aspects, in our study, however, Social procurement disclosures (excluding Philanthropy) are the most frequently mentioned in firms CSR reports. *Table 25* (as well as *Figure 7*) provides the frequency of each PSR dimension. Our sampled companies mainly focus on four dimensions: Diversity & Community (0.86%), Ethics, Human Rights & Safety (0.73%), General (0.69%), and Environment (0.51%). There is a fair amount of dispersion in the frequency of Economic category (0.29%). Legal Category is represented in the same numbers as Animal Welfare Category (both 0.04%). Philanthropy purchasing disclosures (0.01%) are only mentioned a few times in the sustainability reports.

Table 25 Summary of Word Count/Frequency of PSR Dimensions

	Total	Economic	Legal	Environment	Ethics, HR & Safety	Diversity & Community	Philanthropy	General	Animal Welfare
Words Count	31729	2928	384	5076	7317	8639	68	6947	370
Ratio	3.17%	0.29%	0.04%	0.51%	0.73%	0.86%	0.01%	0.69%	0.04%

Figure 7 Frequencies of PSR Dimensions



4.2.2 PSR Dimensions and Responsible Procurement Approach

As indicated in the previous chapter, there are four complementary approaches for companies to implement sustainability into the purchasing process, including Supplier

Involvement, Internal Integration and Governance, Product Procurement and General Responsible Approach.

Supplier involvement includes supplier selection, contract and agreement negotiations, supplier evaluation and training, and supplier relationship development. **Internal Integration and Governance** category focus on organizational structure and culture, purchasing strategies, and purchasing professionals management. It includes adopting organizational structure and culture, and promoting the pivotal role of individuals in facilitating and embedding sustainability in procurement and in the entire organization. The role of the development of policies, guidelines, and training on sustainability to encourage procurement to make decisions that encompass Environmental, Economic and Social elements is highlighted in the annual reports. **Product** category has been defined as "incorporating Economic, Environmental and Social criteria into products buying decisions." **General approach** category represents the general procurement practices that are too general to be grouped into any specific categories and/or that involve more than one complementary approach.

In an effort to gain a better understanding of which sustainable responsibilities companies are seeking to implement into the purchasing process, combinations of **PSR Dimensions and Responsible Procurement Approach** (shortened form: PSR/Approach) Pairs with the correspondent percentages are shown in *Table 26* and will be discussed in the following section.

Table 26 Summary of Word Count/Frequency of PSR/Approach Pair

PSR/Approach	Internal	General Approach	Product	Supplier	Total PSR
Animal Welfare	0	0	259	111	370
Economic	677	383	508	1360	2928
Environment	354	225	2541	1956	5076
General	2053	364	247	4283	6947
Legal	0	38	100	246	384
Diversity & Community	2119	1460	1073	3988	8640
Ethics, HR & Safety	2248	0	79	4990	7317
Philanthropy	0	0	0	68	68
Total	7451	2470	4807	17002	31730

PSR/Approach	Internal	General Approach	Product	Supplier	Total PSR
Animal Welfare	0	0	0.82%	0.35%	1.17%
Economic	2.13%	1.21%	1.60%	4.29%	9.23%
Environment	1.12%	0.71%	8.01%	6.16%	16.00%
General	6.47%	1.15%	0.78%	13.50%	21.89%
Legal	0	0.12%	0.32%	0.78%	1.21%
Diversity & Community	6.68%	4.60%	3.38%	12.57%	27.23%
Ethics, HR & Safety	7.08%	0	0.25%	15.73%	23.06%
Philanthropy	0	0	0	0.21%	0.21%
Total	23.48%	7.78%	15.15%	53.58%	100%

Diversity & Community /Responsible Procurement Approach

As indicated in *Table 26*, purchasing activities that have Suppliers' involvement in **Diversity & Community** dimension are the most mentioned in the annual reports (12.57%), followed by Internal governance and strategy purchasing practices (6.68%). General sourcing approaches (4.60%) and Product category (3.38%) are addressed less frequently compared to Supplier involvement and internal governance.

In regard to the PSR/Approach pair of **Diversity & Community/Supplier**, an example provided by Agnico Eagle (2015) is that "we buy from indigenous suppliers to support them." In terms of **Internal strategy**, Diversity dimension was provided by Goldcorp (2015) in its CSR report "We adjust our local procurement based on our organizational structure." For **Product** category, Rogers (2015) listed its purchasing activities as "We were impacting the economy indirectly by procuring goods and services." Goldcorp (2015) illustrated **Diversity & Community/General Approach** dyad as "Our local procurement initiatives bring social and economic benefits to the community," in its 2015 CSR report.

Ethics, Human Rights & Safety/ Responsible Procurement Approach

Supplier involvement has a huge impact on the implementation of sustainable procurement in terms of Ethics, Human Rights & Safety. Therefore, related activities are discussed very frequently (15.73%) in CSR reports. **Internal** purchasing governance and strategies regarding this dimension (7.08%) is the next most commonly discussed in the reports. **Product** category (0.25%) was mentioned in only a few reports. **General Approach** category has not been addressed in Ethics, Human Rights & Safety dimension.

An example of combining **Human Rights & Safety with Supplier Involvement** was stated by Loblaw (2015) as "we contribute to the improvement of working conditions for the employees of our suppliers." In terms of **Internal Governance/ Ethics, Human Rights & Safety** dyad, TD (2015) committed to asking its sourcing group to assess slavery actions of its suppliers (2015). An example of taking ethical standards into **Products** buying is that companies purchased their own products for avoiding safety issues (Barrick Gold, 2015).

General/ Responsible Procurement Approach

General dimension can be expressed as general purchasing practices without specifying detailed actions. Among all the complementary approaches, **Supplier Involvement** (13.50%) is considered as the most important tache to incorporate General dimension into procurement. **Internal integration** category (6.47%) is the next most commonly discussed in the reports. Only a few reports mentioned **General Approach** practices (1.15%) and **Product** Procurement category (0.78%) in their reports.

An example of **General/Supplier** pair is listed by TD (2015) as "we work with suppliers to run a sustainable business." Taking General responsibility into **Internal** strategy can be stated by West Fraser (2015) as "we demonstrate sound procurement practices." In terms of **General Approach** category, an example (Telus, 2015) is that "we focus on integrating sustainability into the buying process." In regard to **Products** buying, General dimension had been discussed in Loblaw's CSR report (2015) as "we commit to sourcing only sustainable seafood."

Environment/ Responsible Procurement Approach

Environmental dimension is the fourth frequently discussed in the CSR reports. **Product** category practices (8.01%) are listed more than other categories in Environmental dimension, followed by **Supplier Involvement** category (6.16%). **Internal Integration** (1.12%) and **General Approach** category (0.71%) are discussed less frequently in the reports.

Examples of taking environmental standards into products buying are that companies purchased certified paper (Rogers, 2015). **Environmental and Supplier** dyad was listed in Teck (2015)'s CSR report as "We select our suppliers using environmental assessment questionnaire." In terms of **Internal Strategy** category, BCE (2015) developed environmental purchasing guidelines. An example of **Environment/General Approach** pair is that "We committed to removing polluted chemical from sourcing" (Loblaw, 2015).

Economic / Responsible Procurement Approach

Supplier Involvement (4.29%) is predominantly on the Economic element of PSR. **Internal Strategy** practices (2.13%), which addressed the economic direction for purchasing function, are the next most frequently discussed. This is followed by **Product** procurement (1.6%), which addressed what products companies chose to purchase. Practices in regard to **General Approach** category is less commonly listed in this dimension.

Economic responsibility in purchasing represented buying goods or services at the best possible price taking into considerations of quality, quantity, time and location of the goods for company to function (Van Weele et al., 2009). An example of **Economic/Supplier** pair, Bombardier (2015) claimed in its reports as "We collaborate with suppliers to ensure they can provide us with cost benefits." In terms of **Economic/Internal Integration** dyad, buying firm improves its procurement system to leverage its supply chain efficiency. An example of buying goods (**Economic/Product**) that measuring economic criteria is that we procured operational equipment for our daily production (Kinross Gold, 2015). In regard to **Economic/General Approach** pair, Agnico Eagle (2015) stated in its CSR report as "We improve our efficiency through procurement."

Legal / Responsible Procurement Approach

Only a few companies listed Legal responsibility purchasing activities in their reports. **Supplier Involvement** has relatively important impact on the implementation of the Legal responsibility. Therefore, related activities have been discussed more frequently (0.78%) in CSR reports. Practices in **Product** procurement category (0.32%) are discussed next frequently followed by **General Approach** category (0.12%) in this dimension. Surprisingly, practices in **Internal Integration and Governance** are not discussed in the reports.

As mentioned earlier, Legal responsibility in purchasing represented purchasing function fulfills economic mission within the boundaries of the law. An example of **Legal/Supplier** pair, CAE (2015) listed in its reports as “we encourage suppliers to comply with laws and regulations.” In regard to **Legal/Product** pair, SNC (2015) illustrated in its CSR report as “We provide procurement activities under law.”

Animal Welfare / Responsible Procurement Approach

In general, there are fewer companies reporting Animal Welfare disclosures, for it is limited to certain industries, such as food companies.

Animal Welfare has been seen as a standalone category in our study, which can be defined as purchasing function taking animal wellbeing into consideration. It targeted areas such as **Supplier and Product** selection geared to Animal Welfare. In regard to the of **Animal Welfare/Supplier** pair, an example provided by Loblaw (2015) is that “we only source products from vendors that comply with animal welfare policies.” **Product** category practice is also provided by Loblaw (2015) in this dimension as “We source our products in a humane way.”

Philanthropy / Responsible Procurement Approach

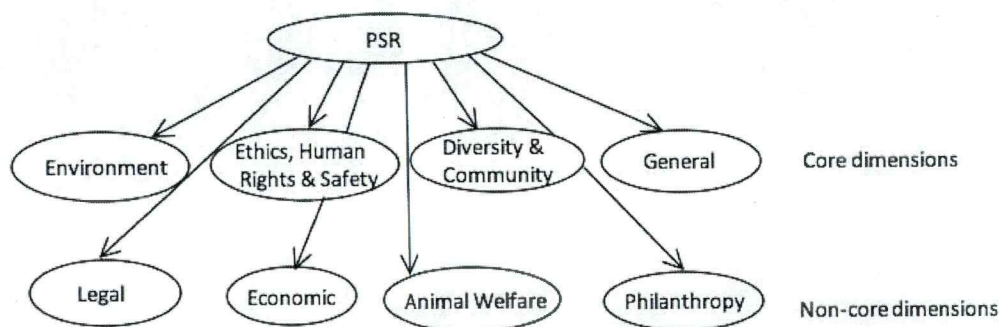
Although general philanthropic issues were frequently discussed in firms' CSR reports, this category is the least discussed in the CSR reports. Only two companies (Rogers and Loblaw) mentioned that purchasing function had philanthropic responsibility.

Philanthropy regarding purchasing can be expressed as: firm's purchasing function engages in voluntary activities that are not expected by the society. Only **Supplier Involvement** was found to be addressed in this dimension. Loblaw (2015) illustrated an example of Philanthropy/Supplier pair in its report as "We raised and donated millions of dollars with the help of suppliers."

5. Analysis

In the previous chapter we have identified the different PSR practices mentioned in firms' CSR reports. *Figure 8* groups these dimensions into the core and non-core dimensions according to the percentage of their presence in the reports. Buying organizations focus their resources on the core dimensions: Environment, Ethics, Human Rights & Safety, Diversity & Community, and General, and pay less attention to the non-core dimensions. We will discuss possible reasons why companies prioritize their purchasing activities in such pattern in the later chapter. In order to do so, we grouped those 35 companies into ten groups based on their industries and explored the pattern according to their industrial categories.

Figure 8 Core PSR Dimensions and Non-Core PSR Dimensions



5.1 Comparison Between Industrial Sectors

In this section, we evaluate the purchasing social responsibility (PSR) activities by industry. We believe that firms in different industries have implemented PSR differently. The purpose of this section is to analyze how industrial sectors differ in their implementation of PSR.

5.1.1 PSR and Industrial Sectors

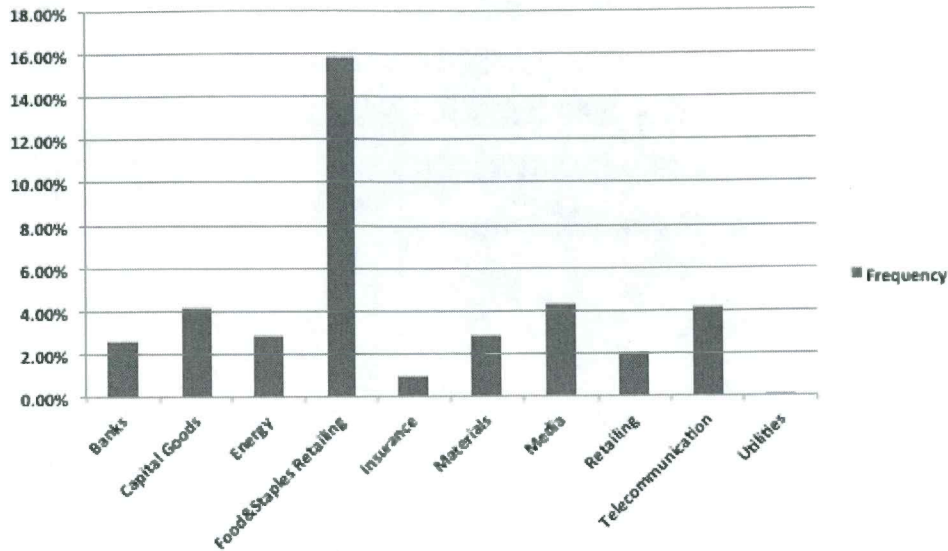
In *Table 27* below (as well as *Figure 9*), the companies have been separated into ten groups based on their industry as categorized by the Global Industry Classification Standard (GICS). As we can see from the table, the results show that the companies disclosing the most PSR information were those in the Food and Staples Retailing

industry with a total percentage of 15.87% (2,905 words of 18,308 words). Media, Telecommunication Services, and Capital Goods obtained similar share following Food and Staples Retailing Industry with a percentage of 4.29%, 4.17% and 4.14% separately. Companies in Energy (2.88%), Materials (2.83%), Banking (2.58%) and Retailing (2%) industries disclosed fewer PSR practices in their CSR reports. The frequency of practices mentioned in Insurance (0.96%) sector was quite a bit lower than in other sectors. With a score of 0.04% of the words, Utilities industry made the least disclosures.

Table 27 PSR Word Count/Frequency by Sector

Sectors	Total Words	PSR	PSR Ratio
Banks	149914	3865	2.58%
Capital Goods	51414	2130	4.14%
Energy	196904	5673	2.88%
Food & Staples Retailing	18308	2905	15.87%
Insurance	52117	502	0.96%
Materials	397211	11252	2.83%
Media	10668	458	4.29%
Retailing	7815	156	2.00%
Telecommunication Service	114885	4787	4.17%
Utilities	2486	1	0.04%
Mean	100172	3173	3.98%
Std.dev.	123716	3487	4.40%
Total	1001722	31729	3.17%

Figure 9 PSR Word Count/Frequency by Sector

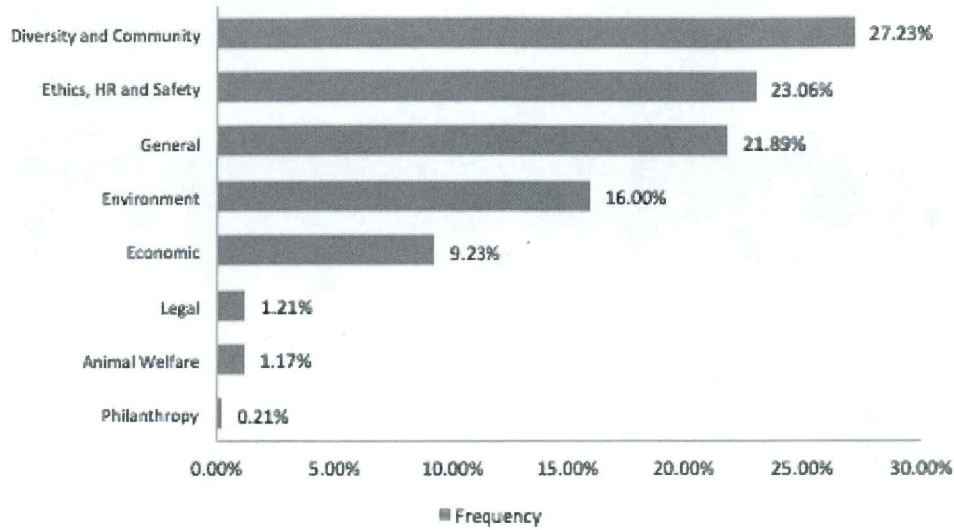


After having a general understanding of the extent of PSR presented in each industry, we will discuss the degree of presence of each PSR construct per sector to see which PSR dimension(s) is/are most/least important on an industrial basis. *Table 28* (as well as *Figure 10*) suggests the word count per dimension of purchasing disclosures in the annual reports.

Table 28 Word Count/Frequency per PSR Dimension

PSR	Words Count	PSR	Frequency
Philanthropy	68	Philanthropy	0.21%
Animal Welfare	370	Animal Welfare	1.17%
Legal	384	Legal	1.21%
Economic	2928	Economic	9.23%
Environment	5076	Environment	16.00%
General	6947	General	21.89%
Ethics, HR and Safety	7317	Ethics, HR and Safety	23.06%
Diversity and Community	8640	Diversity and Community	27.23%
Mean	3966	Mean	12.50%
Std.dev.	3489	Std.dev.	11.00%
Total	31730	Total	100.00%

Figure 10 Word Count/Frequency per PSR Dimension



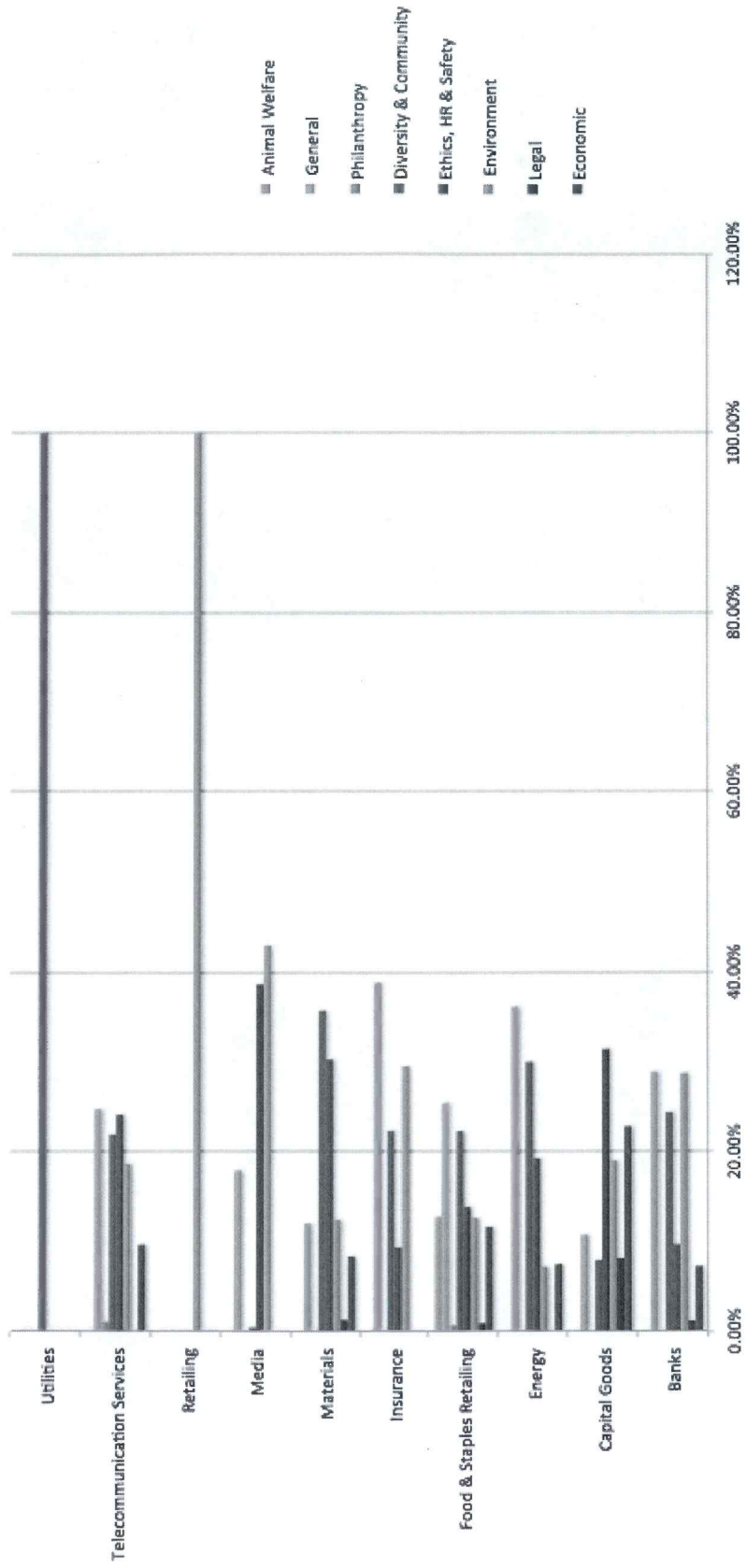
To better understand the pressure and practices of the industry that appears to be the most advanced regarding PSR practices, these ten industries (Banks, Capital Goods, Energy, Food & Staples Retailing, Insurance, Materials, Media, Retailing, Telecommunication Services, and Utilities) are reviewed in greater depth. *Table 29* (as well as *Figure 11*) above shows the extent to which each PSR dimension was incorporated per industrial sector. Again, it can be concluded that companies put more emphasis on Environment, Diversity & Community, General, and Ethics, Human Rights & Safety purchasing categories than on other dimensions. Interest in Legal and Economic aspects of PSR is significantly less pronounced in firms' CSR reports probably because these two are the base for other voluntary PSR dimensions. CSR reports tend to focus more on the social and discretionary dimensions, as there is a unanimous need to meet economic and legal dimensions of business. The least practices had been observed in Philanthropy category. The standard deviation indicates that there is a larger variation among industries in terms of the frequency of Environment and Diversity & Community purchasing practices compared to other PSR activities.

Table 29 Word Count/Frequency of per PSR Dimension by Sector

Sectors	Economic	Legal	Environment	Ethics, HR & Safety	Diversity & Community	Philanthropy	General	Animal Welfare	PSR
Banks	280	44	1110	373	942	0	1116	0	3865
Capital Goods	486	173	404	669	169	0	229	0	2130
Energy	424	0	406	1092	1701	0	2051	0	5674
Food & Staples Retailing	338	25	366	402	647	19	738	370	2905
Insurance	0	0	148	47	112	0	195	0	502
Materials	938	142	1398	3403	4018	0	1353	0	11252
Media	0	0	197	177	2	0	82	0	458
Retailing	0	0	156	0	0	0	0	0	156
Telecommunication Services	462	0	891	1154	1048	49	1183	0	4787
Utilities	0	0	0	0	1	0	0	0	1
Mean	293	38	508	732	864	7	695	37	3173
Std.dev.	306.34	64.90	465.58	1029.16	1248.03	15.98	706.94	117.00	3487.09
Total	2928	384	5076	7317	8640	68	6947	370	31730

Sectors	Economic	Legal	Environment	Ethics, HR & Safety	Diversity & Community	Philanthropy	General	Animal Welfare	PSR Percentage
Banks	7.24%	1.14%	28.72%	9.65%	24.37%	0	28.87%	0	12.18%
Capital Goods	22.82%	8.12%	18.97%	31.41%	7.93%	0	10.75%	0	6.71%
Energy	7.47%	0	7.16%	19.25%	29.98%	0	36.15%	0	17.88%
Food & Staples Retailing	11.64%	0.86%	12.60%	13.84%	22.27%	0.65%	25.40%	12.74%	9.16%
Insurance	0	-	29.48%	9.36%	22.31%	0	38.84%	0	1.58%
Materials	8.34%	1.26%	12.42%	30.24%	35.71%	0	12.02%	0	35.46%
Media	0	0	43.01%	38.65%	0.44%	0	17.90%	0	1.44%
Retailing	0	0	100%	0	0	0	0	0	0.49%
Telecommunication Services	9.65%	0	18.61%	24.11%	21.89%	1.02%	24.71%	0	15.09%
Utilities	0	0	0	0	100.00%	0	0	0	0.003%
Mean	6.72%	1.26%	27.10%	17.65%	26.49%	0.17%	19.47%	1.27%	10.00%
Std.dev.	7.27%	2.63%	28.43%	13.35%	28.45%	0.36%	13.73%	4.03%	10.99%

Figure 11 Word Count/Frequencies of per PSR Dimension by Sector



To specify, purchasing information had a larger share in General (28.87% for Banks; 38.84% for Insurance) and Environmental dimensions (28.72% for Banks; 29.48% for Insurance) followed by Diversity & Community (24.37% for Banks; 22.31% for Insurance) responsibility and Ethics, Human Rights & Safety (9.65% for Banks; 9.36% for Insurance) responsibility for the **Banks** and **Insurance** categories. Neither of them mentioned Philanthropy nor Animal Welfare purchasing issues in their CSR reports. Unlike the manufacturing sector, the Banking and Insurance sectors do not necessarily cause direct emissions. Banks and Insurance companies spend significant money each year on goods and services. For instance, the office supplies they buy to run the business. Therefore, integrating social and environmental standards into their procurement process makes the whole difference for banking and insurance firms.

In the **Capital Goods** group, there is a greater emphasis on purchasing disclosure of Ethics, Human Rights & Safety dimension (31.41%) followed by Economic (22.82%) and Environment dimension (18.97%); Diversity & Community (7.93%) purchasing practices occurred much less frequently in Capital Goods sector. In terms of Animal Welfare and Philanthropy responsibility, no purchasing activities were stated in the reports. Ethics, Human Rights & Safety practices were disclosed most frequently may imply Capital Goods companies rely heavily on human capital. This sector is related to the manufacture or distribution of products and thus contains manufacture machinery to create capital goods, engineering and construction projects and aerospace equipment. Projects in this sector are usually long-term, capital intensive and high-value/cost. This means organizations in this group are investing more and more in people development. Therefore, leveraging long-term relationships with suppliers and being able to deal with supply assurance and compliance issues around ethics and legislation are the main focus of procurement in this sector (CIPS, 2017). Also, the fact that the main customers of this industry are mainly businesses instead of individual consumers suggests that it is less pronounced with respect to the Diversity & Community category (Holder-Webb et al., 2009).

General (36.15%) and Diversity & Community (29.98%) dimensions are the most frequently indicated PSR dimensions followed Ethics, Human Rights & Safety (19.25%) in the **Energy** industry. Economic (7.47%) and Environment (7.16%) activities were observed less frequently with similar frequencies. There is no Legal,

Philanthropy or Animal Welfare activities mentioned in this sectorial group. The results could indicate that there are significant social issues like worker health and safety, bribery and corruption, and community and Aboriginal relations in Energy industrial group. In addition, Energy companies are major emitters of greenhouse gas (GHG) and other pollutants that contribute to global environmental problems (McLeans, 2012).

Food & Staples Retailing was the only sector that disclosed PSR information of all types, which could be explained by the fact that this sector has close ties with the consumers and the community and thus try to make the most intensive efforts to increase sustainability presence of all aspects to leverage its image. General (25.40%) and Diversity & Community (22.27%) purchasing practices were discussed more frequently in the CSR reports followed by Ethics, Human Rights & Safety (13.84%). It was also found that Procurement activities pertaining to Environment (12.60%) and Animal Welfare (12.74%) had a similar extent of presence. Economic (11.64%) dimension was listed in the reports. Finally, Legal (0.86%) and Philanthropy (0.65%) procurement issues were less revealed in this sector. As the main customers for this sector are mainly individual consumers, many purchasing issues should be considered including quality and price value, environmental and social concerns, animal welfare and food safety. Economic dimension was discussed less frequently probably because its businesses are less sensitive to economic cycles.

With regard to **Materials** industry, companies portrayed Diversity & Community (35.71%) and Ethics, Human Rights & Safety (30.24%) as most important PSR aspects in their CSR reports. Environment (12.42%) and General (12.02%) disclosures accounted for similar proportion in the reports. Economic (8.34%) responsibility was less concerned. Legal responsibility (1.26%) was barely mentioned. Philanthropy and Animal Welfare responsibilities remained vacant in this sector. As defined by GICS, the Material sector includes companies that manufacture chemicals, construction materials, glass, paper, forest products and related packaging products, and metals, minerals, and mining companies. Similar to Capital Goods sector, the manufacturer heavily relies on human capital, and therefore the related issues focus more on ethical and community perspectives. And as companies in this

sector may source from Africa, guidelines related to sourcing conflict minerals were discussed in the CSR reports under Ethics, Human Rights & Safety category.

For **Media**, the most discussed practices in their CSR reports fell into the Environment (43.01%) followed by Ethics, Human Rights & Safety (38.65%) purchasing disclosures. General (17.9%) practices were also disclosed in the CSR reports. The percentage of Diversity & Community (0.44%) responsibility within PSR practices was relatively low. In this industrial sector, our sample companies in the media sector had no focus on Economic, legal, Philanthropy or Animal Welfare purchasing perspectives in their reports. Both Environment and Social aspects of PSR were frequently disclosed in this sector, perhaps could be explained by the fact that the media has a critical role in educating people and shaping the society, in both environmental and social manner.

Retailing industries entirely focused on environmental disclosures (100%). For most retailers, the most important thing is the frontline relationship with customers. The way that retailers deal with social and environmental issues can have a direct impact on companies' reputation in this industry (Macleans, 2012). However, our result was not in accordance with the expectations (no social procurement presence) perhaps because only one company represented the whole industry.

For companies in **Telecommunication Services**, General (24.71%) and Ethics, Human Rights & Safety (24.11%) purchasing practices were discussed more frequently than any other procurement activities. The frequency of practices in Diversity & Community (21.89%) was slightly higher than that of Environment (18.61%) dimension. Economic (9.65%) practices were discussed less frequently. Surprisingly, Philanthropy (1.02%) purchasing practices were mentioned in companies in this industrial sector. No Animal Welfare purchasing activities were mentioned due to its industrial nature. The results perhaps could be explained by the social impacts looming large for this group, most importantly the working conditions of employees of suppliers as well as the responsible sourcing of conflict minerals. Energy efficient product might be in high demand in this sector which has contributed to the presence of the environmental purchasing dimension.

Companies in **Utilities** industry devoted all its percentage of words to Diversity & Community (100%). As defined by GICS, the Utilities sector comprises utility companies such as electric, gas and water utilities. To our surprise, there is no environmental purchasing issues were disclosed as the industry could generate a significant portion of GHG emissions. Lack of other purchasing information in this industrial category probably suggests the limited number of our sample firms in this industry.

The results above suggest that different industries have implemented PSR at different levels and emphasized in various aspects. In general, companies disclosing the most PSR practices were those in the Food & Staples Retailing group, Utilities sector made the least disclosures. Five (Energy, Banks, Food & Staples Retailing, Insurance, and Telecommunication Services) out of ten industries had the highest levels of PSR penetration in General practice category. Retailing companies in our sample had entirely focused on Environment PSR practices and Utilities Company only disclosed purchasing activities related to Diversity & Community. The companies in our study considered the Philanthropy the lowest priority in relation to PSR implementation in purchasing as we predicted in the literature: only two industries talked about Philanthropy, they are Food & Staples Retailing industry (0.65%) and Telecommunication Services industry (1.02%). Although only the Food & Staples Retailing sector discussed Animal Welfare (12.74%) PSR practices in their reports, its frequency is relatively high. Compared to other dimensions, the extent of presence related to Legal and Economic purchasing disclosures was lower except for Capital Goods sector. This probably because sustainability criteria are voluntary which go beyond legal and economic requirements.

5.1.2 PSR and Responsible Procurement Approach

In the previous section, we have already investigated to see if firms with different industrial nature have the different preference in assuming PSR. The results suggest industry-driven differences in PSR disclosure behavior. In this section, we give practical how-to advice and support to implement sustainable procurement in sectors whose PSR ratio are lower than industrial mean (3.98%), namely, companies in the Utilities (0.04%), Insurance (0.96%), Retailing (2%), Banking (2.58%), Materials

(2.83%) and Energy (2.88%) sectors. More specifically, we look into each purchasing social responsibility and responsible procurement approach (PSR/Approach) pair to identify how companies can increase their PSR presence into the purchasing process. It also informs practitioners how to include sustainable procurement factors into the decision-making process.

Utilities

Table 30 Summary of Word Count/Frequencies of PSR/Procurement Approach Pair of Utilities Sector

Utilities	Supplier	Product	Internal	General Approach	Total PSR
Environment	0	0	0	0	0
Diversity & Community	1	0	0	0	1
Economic	0	0	0	0	0
Ethics, HR & Safety	0	0	0	0	0
General	0	0	0	0	0
Legal	0	0	0	0	0
Animal Welfare	0	0	0	0	0
Philanthropy	0	0	0	0	0

Utilities	Supplier	Product	Internal	General Approach	Total PSR
Environment	0	0	0	0	0
Diversity & Community	100%	0	0	0	100%
Economic	0	0	0	0	0
Ethics, HR & Safety	0	0	0	0	0
General	0	0	0	0	0
Legal	0	0	0	0	0
Animal Welfare	0	0	0	0	0
Philanthropy	0	0	0	0	0

For Utilities sector in our sample, Diversity & Community-related purchasing issues are the only concern (See Table 30). Such issue was discussed in the sustainability report through the involvement of suppliers as "We contributed to the community by payment to suppliers." The reason that Utilities sector had more focus on suppliers probably because its operations were outsourced to suppliers which imply that its PSR impact depends on the PSR impacts of the members of its supply chain.

As Utilities sector is the largest contributor of CO₂ (Shim, 2015) and customers have increased their focus on sustainable energy efficiency solutions, Environmental aspect should also be addressed. To facilitate environmental impacts of purchasing activities, companies in this sector can implement green elements in their purchasing procedures, such as that they can set up internal goals and guidelines for green purchasing; consider the environmental performance of suppliers; encourage purchasing the green and renewable product.

Purchasing function in Utilities companies is also responsible for social concerns such as labor conditions and human rights issues at the suppliers' side. Purchasing professionals should recognize the need to comply with ethical rules such as following anti-bribery policies and abiding by the transparent procedure for awarding contracts.

Insurance

Table 31 Summary of Word Count/Frequency of PSR/ Procurement Approach Pair of Insurance Sector

Insurance	Supplier	Product	Internal	General Approach	Total PSR
Environment	30	116	0	2	148
Diversity & Community	8	26	57	21	112
Economic	0	0	0	0	0
Ethics, HR & Safety	26	0	21	0	47
General	195	0	0	0	195
Legal	0	0	0	0	0
Animal Welfare	0	0	0	0	0
Philanthropy	0	0	0	0	0

Insurance	Supplier	Product	Internal	General Approach	Total PSR
Environment	20.27%	78.38%	0	1.35%	100%
Diversity & Community	7.14%	23.21%	50.89%	18.75%	100%
Economic	0	0	0	0	0
Ethics, HR & Safety	55.32%	0	44.68%	0	100%
General	100%	0	0	0	100%
Legal	0	0	0	0	0
Animal Welfare	0	0	0	0	0
Philanthropy	0	0	0	0	0

Unlike manufacturing companies, the Insurance sector has different requirements for the role of purchasing. There are several aspects to which PSR can be implemented, such as Facilities Maintenance (Elevators, Food Service, Security, etc.), IT Services and Software Licensing, Office Supplies and Equipment, and Marketing and Advertising (Sourceoneinc, 2017).

The results (See *Table 31*) show that General practices that suggested concern for PSR issues but lack specificity were most commonly mentioned within this industrial category. An example in the report was expressed as " we ask our suppliers to be sustainably responsible." The results also suggest that there was a lack of Economic, Legal, and Ethics, Human Rights & Safety focus.

Purchasing practices pertaining to Economic dimension include internal purchasing cost reduction and resource optimization; and economic impacts resulting from the

behavior of the suppliers, such as negotiating with favorable supplier contracts that improve product quality and service levels. These issues can be addressed by selecting suppliers with the best price and establishing corporate sourcing guidelines based on cost efficiency. For Ethics, Human Rights & Safety category, Insurance companies can incorporate sustainability criteria for all suppliers; develop product specific guidelines; monitor and conduct regular audits and assessments against Human Rights at suppliers.

Banks

Table 32 Summary of Word Count/Frequency of PSR/ Procurement Approach Pair of Banks Sector

Banks	Supplier	Product	Internal	General Approach	Total PSR
Enviornement	244	806	42	18	1110
Diversity & Community	303	123	399	117	942
Economic	212	23	45	0	280
Ethics, HR & Safety	217	23	156	0	396
General	614	0	413	89	1116
Legal	44	0	0	0	44
Animal Welfare	0	0	0	0	0
Philanthropy	0	0	0	0	0

Banks	Supplier	Product	Internal	General Approach	Total PSR
Enviornement	21.98%	72.61%	3.78%	1.62%	100%
Diversity & Community	32.17%	13.06%	42.36%	12.42%	100%
Economic	75.71%	8.21%	16.07%	0	100%
Ethics, HR & Safety	54.80%	5.81%	39.39%	0	100%
General	55.02%	0	37.01%	7.97%	100%
Legal	100%	0	0	0	0
Animal Welfare	0	0	0	0	0
Philanthropy	0	0	0	0	0

Purchasing spend is a major cost to any organization including banking sector. If it is managed properly, financial performance can be leveraged. The objective of procurement is to ensure operations and competitiveness (Mjomba, 2016). Banks strive to improve procurement processes and policies to reduce costs.

As the results suggest (See *Table 32*), the banking sector has issues with respect to the need to focus more on Legal, Ethics, Human Rights & Safety categories. The items involved in banking procurement range from simple office supplies to large commercial projects, such as the development of infrastructure. Current Legal purchasing activities have only focused on Supplier Involvement. However, corporate Internal support can also help to enhance the regulatory compliance. The banking industry also needs to take into account social and ethical aspects over the whole

sourced product or service lifecycle. For instance, companies can introduce ethical standards into supplier selection process. Also, banks can hold a regular training session to increase moral awareness of their procurement professionals.

Retailing

Table 33 Summary of Word Count/Frequency of PSR/ Procurement Approach Pair of Retailing Sector

Retailing	Supplier	Product	Internal	General Approach	Total PSR
Environment	156	0	0	0	156
Diversity & Community	0	0	0	0	0
Economic	0	0	0	0	0
Ethics, HR & Safety	0	0	0	0	0
General	0	0	0	0	0
Legal	0	0	0	0	0
Animal Welfare	0	0	0	0	0
Philanthropy	0	0	0	0	0

Retailing	Supplier	Product	Internal	General Approach	Total PSR
Environment	100%	0	0	0	100%
Diversity & Community	0	0	0	0	0
Economic	0	0	0	0	0
Ethics, HR & Safety	0	0	0	0	0
General	0	0	0	0	0
Legal	0	0	0	0	0
Animal Welfare	0	0	0	0	0
Philanthropy	0	0	0	0	0

It is universally recognized that supplier-related activities are of importance in the Retailing industry. Today, retailers must focus not only on customers but also on suppliers. Therefore, the procurement teams in the retailing industry need to be more involved with suppliers. This probably could explain why our sample has only focused on the Involvement of Suppliers.

In our sample (See *Table 33*), the Retailing sector disclosed entirely on Environmental issues. It is insufficient for purchasing function to only focus on Environmental issues. Lower retail prices pushed down by customers, pressures on all parts of the business to increase sustainability, and global outsourcing supply network, all lead to a more efficient procurement process. Therefore, it is important to improve the quality of procured products while reducing costs, maintain good relationships with key suppliers and leverage sustainable reputation.

In terms of the Economic dimension of PSR, retailers can cooperate with suppliers who can meet the safety, quality and cost requirements in order to realize financial

savings. Incorporating social responsibilities into procurement is also expected by customers to retailers. Therefore, Internal procurement structure that in favor of social issues can be first established to guide specific sourcing actions. Since the behavior of suppliers impacts the image of buying companies, retail procurement organizations should maintain close relationships with their suppliers, for example, they can include social and labor standards into vendor assessment model.

Materials

Table 34 Summary of Word Count/Frequency of PSR/ Procurement Approach Pair of Materials Sector

Materials	Supplier	Product	Internal	General Approach	Total PSR
Environment	432	824	99	43	1398
Diversity & Community	1182	494	1104	1238	4018
Economic	309	213	184	232	938
Ethics, HR & Safety	2468	213	856	0	3537
General	966	0	339	48	1353
Legal	42	100	0	0	142
Animal Welfare	0	0	0	0	0
Philanthropy	0	0	0	0	0

Materials	Supplier	Product	Internal	General Approach	Total PSR
Environment	30.90%	58.94%	7.08%	3.08%	100%
Diversity & Community	29.42%	12.29%	27.48%	30.81%	100%
Economic	32.94%	22.71%	19.62%	24.73%	100%
Ethics, HR & Safety	69.78%	6.02%	24.20%	0	100%
General	71.40%	0	25.06%	3.55%	100%
Legal	29.58%	70.42%	0	0	100%
Animal Welfare	0	0	0	0	0
Philanthropy	0	0	0	0	0

Similar to Capital Goods sector as mentioned in the previous section, projects in Materials sector are capital intensive, high-cost and often long-term, thus requiring procurement function to invest more in supplier relationships including supply assurance and compliance as well as procurement expertise development to maximize performance efficiency (CIPS, 2017). And this can probably explain why materials sector had more emphasis on Supplier Involvement. For instance, it is important for procurement people to ask their suppliers to comply with ethical and safety standards to reduce the risk of accidents. Also, this sector also faces huge Environmental issues, which can be addressed by implementing sustainability standards into its procurement process.

Materials companies less frequently disclosed Legal and Economic purchasing issues in their CSR reports. We can conclude from the table above (See *Table 34*) that the

Materials sector can emphasize Legal dimension through the procurement process including Procurement and Internal process in order to increase the Legal presence of its purchasing activities, such as the management level establishing related laws and regulations. This industry is characterized by fluctuating demand, placing a large emphasis on supply chain sustainability and cost effectiveness to drive performance (OECD et al., 2014). Therefore, it is important to address the Economic responsibility in Materials sector. It can be more engaged by strategic financial planning for purchasing function. Ensuring a financially sound sourcing governance helps to encourage economic savings in buying products and building cost-effective supplier relationships.

Energy

Table 35 Summary of Word Count/Frequency of PSR/ Procurement Approach Pair of Energy Sector

Energy	Supplier	Product	Internal	General Approach	Total PSR
Environment	226	163	0	17	406
Diversity & Community	1353	240	53	55	1701
Economic	267	47	110	0	424
Ethics, HR & Safety	375	47	717	0	1139
General	1164	0	885	2	2051
Legal	0	0	0	0	0
Animal Welfare	0	0	0	0	0
Philanthropy	0	0	0	0	0

Energy	Supplier	Product	Internal	General Approach	Total PSR
Environment	55.67%	40.1%	0	4.19%	100%
Diversity & Community	79.54%	14.1%	3.12%	3.23%	100%
Economic	62.97%	11.1%	25.94%	0	100%
Ethics, HR & Safety	32.92%	4.1%	62.95%	0	100%
General	56.75%	0	43.15%	0.1%	100%
Legal	0	0	0	0	0
Animal Welfare	0	0	0	0	0
Philanthropy	0	0	0	0	0

As shown in the table above, Internal Integration and Governance played a significantly important role in implementing PSR in this industrial sector. According to a survey from KPMG (2013), in this sector, procurement had moved into a strategic role within organizations: many organizations in this group have an operating model and strategy for procurement. Chartered Institute of Procurement & Supply (CIPS) also confirmed the importance of ensuring good and strategic governance for procurement function due to the ever-more competitive and volatile market. And the enforcement of Internal Governance of procurement is likely a result

of specialized procurement functions operating in foreign markets to secure scarce resources.

Legal purchasing activities had been discussed less frequently in the Energy sector. This could be consistent with Carroll's CSR pyramid (1991), as the Legal requirement is not voluntary but mandatory. Thus Legal category was limited in the CSR reports. However, for Energy companies, it is important to maintain its business green as Energy sector has the most impact on public wellness and environmental stability (Shim, 2015). General internal strategy and policy pertaining to environment sourcing should be established to guide product sourcing and supplier management. Companies operating in the Energy sector should understand the environmental impacts they created by their operational and sourcing activities, like scarcity of the resource, climate change, and pollution. Programs that underline the issues encountered by energy procurement staff, such as educating to source products using life cycle assessment, encouraging ethical and resilient practices, and maintaining cost-effective supplier relationships, should be developed to optimize the performance of procurement professionals.

In general, the objective of this section is to identify and analyze the gap in implementing sustainability into the purchasing process from an industry point of view. We provide a matrix or a checklist for companies in different sectors to systemically implement CSR into the purchasing process according to the industry average. Based on our conceptual framework, organizations need **Internal Structures and Governance** to identify and bridge the gap in the process of implementing PSR. Also, leveraging relationships with **Suppliers** helps to increase performance efficiency and protect against market volatility. Purchasing socially and environmentally preferable **Products** is also one approach to incorporate sustainability into the procurement process. Finally, **General** mention of sustainable procurement practices in the CSR reports can serve as a good start to systematically implement sustainability into purchasing process later on. These four approaches are interconnected and interrelated, which means the change of one approach will have an impact on the other approaches.

6. Conclusion

This thesis provides an insight into the role of purchasing in CSR by examining purchasing practices mentioned in the CSR reports of 35 Canadian companies listed in the DJSI World of 2015. By using content analysis, the specific purchasing activities in the CSR reports have been identified and classified. A PSR implementation matrix has been provided by combining modified PSR model with the responsible procurement approach. We came up with eight critical PSR dimensions (Economic, Legal, Diversity & Community, Ethics, Human Rights & Safety, Environment, General, Animal Welfare and Philanthropy) and four responsible procurement approaches (Product, Supplier, Internal Management, and General Approach) in our matrix. The frequency of purchasing activities in the CSR reports has been calculated and analyzed to show the degree of importance of purchasing function within organization's CSR. Industrial types have an impact on the extent of the presence of purchasing activities in the CSR reports. This thesis fills the void in academic research pertaining to the role of purchasing in the company's CSR, and provides a systematic framework for companies to implement sustainability into the procurement process.

6.1 Implications

The concept of CSR has gained immense importance in all industries. However, little is known about the role of purchasing in organizations' CSR. In this study, we provide the first systematic and comprehensive insight into the status quo of the importance of purchasing in organizations' CSR in private sector organizations in Canada. The contribution of this paper addresses the gap in the current knowledge to inform sustainable procurement policy development at the organizational level.

6.1.2 Academic Implications

This study modified and extended the model of CSR in purchasing by Carter et al. (2005). It is also the first study to empirically examine the dimensions and came up an implementation matrix. This contributes to developing the knowledge in the PSR field.

As mentioned in the Methodology Chapter, the method we used in this study is content analysis. We used qualitative content analysis to investigate sustainable procurement practices and quantitative content analysis to obtain some statistical results (frequencies) to serve sectorial analysis. This combination of the qualitative and quantitative method allows us not only to understand the content of procurement practices in the CSR reports but also to analyze the importance of purchasing function in the CSR. This method is relatively rare because most studies in the PSR field use case study, survey, or interviews. Since the method can be replicated, the implementation matrix can be used over time.

6.1.3 Practical Implications

Given the early stages of PSR practice and research development, there is a significant opportunity in this area to influence practitioner behavior. The paper identifies what are the sustainable purchasing practices in the CSR reports and its importance in different companies by computing the frequency of purchasing practices mentioned in the reports. For companies who look for ways to increase their purchasing importance in CSR, our study gives insights on how sustainable purchasing policies and practices can vary across industries. This provides purchasing professionals and practitioners insights into identifying the facilitators and practices to effectively implement PSR in the purchasing process. More specifically, it helps to answer such questions like what PSR practices should the company initiate and at which step in the purchasing process to improve their sustainability footprint. In summary, the matrix displayed in *Table 36*, purchasing professionals and practitioners can identify the gap and develop their own sustainable purchasing practices by referring to our matrix.

The empirical results obtained from our studies also address the cooperation among different departments and the support of top management. It also underlines the need for companies to transfer purchasing away from traditional operational role to a corporate strategic role. Also, this study is applicable to the Canadian environment.

Table 36 PSR Practices Implementation Matrix

PSR/Approach	Internal	Product	Supplier	General Approach
Economic				
Legal				
Diversity & Community				
Ethics, HR & Safety				
Environment				
General				
Philanthropy				
Animal Welfare				

6.2 Limitations and Future Research

This thesis has its limitations. First, the selection of the sample is open to being criticized. All the companies in our sample are sustainability leaders in their industry and in the private sector, the status quo of other companies who are not in the DJSI Universe list. Second, not all the industries are represented in our sample. Only ten industrial sectors are covered and categorized by GICs. Also, due to the time limit, we only examined reports from 2015. Since our study only investigated the purchasing disclosures of Canadian firms, the cultural and geographical aspects could not be generalized to represent that of other countries. Further, the industrial classification and associated number of companies are subject to limitations, as some industrial sectors are represented by only one or two firms. Finally, sustainability or CSR reports should not be the only source to analyze. Sustainable procurement information from corporate websites and newsletters, third-party reports, and interviews with purchasing professionals are other sources that should be considered. In addition to the limitations mentioned previously, multiple coders are encouraged to be used to increase the reliability of using such method.

There are opportunities for future studies. First, future research could investigate public sector purchasing, because the emphasis may differ from that of the private sector. Second, the role of purchasing in CSR reports should also be studied in small and medium enterprises as well to add more depth on the current analysis. Third, although our archetype of PSR and research propositions have been validated by using 35 CSR reports, we can test our framework by using a larger-scale sample by analyzing the importance of purchasing in CSR implementation in longer time frame, which might offer more significant results. Fourth, it would be valuable to combine

our secondary data with primary data, such as surveys or interviews with purchasing professionals to obtain a more comprehensive picture. Also, statistical method could be employed to supplement the quantitative analysis in order to improve the reliability of the results of this study. For instance, chi-square test can be applied to examine if there is a significant relationship between PSR frequencies and industrial sector. Finally, although Canada was the only country we used, and it could be extended to other contexts to yield insight to provide a basis for other research.

7. Appendix

Appendix 1 PSR Practices

Environment	Ethics	Diversity	Human Rights and Safety	Philanthropy
Purchase materials that recyclable, non-polluting, reusable	Exaggerating a buyer's or a supplier's problem to achieve a desired action is prohibited	Companies follow formal supplier diversity purchase program	Suppliers/Buying firms adopt a "Code of Conduct" or an ethical policy	Current purchasing function volunteers at local charities
Short distance buying such as Local buying	Not gift/meals/trips is allowed from suppliers to buyers or vice versa	Companies monitor the process and implementation of such program	Firms enforce employer compliance with these codes	Current purchasing function donates to philanthropic organizations
Using environmental transportation means to buy products/material/services, such as using rail and boat instead of trucks	Buyers must not tolerate corruption in any form	Companies source from minority/women-owned business enterprises (MWBES)	Policies require suppliers to guarantee the labor rights, such as unionization and bargain	Buying from suppliers who has voluntary involvement at local charities
Buying products that are taking into account the environment including emissions and waste	Personalities are not allowed to influence buying/selling transactions	Companies source from small businesses	Enhancing anti-sweatshop purchasing policies	Buying from suppliers have philanthropy program, in any forms
Buying products/materials that use recyclable, easily returnable or no packaging	Organizations have policies on ethical buying/selling	Companies source from socially and economically disadvantaged businesses	Prohibition of forced and child labor	
Purchases packaging that is of lighter weight	No practice of reciprocity is allowed	Companies source from local enterprises	Prohibition of discrimination in employment	
Buying products/material that have long-term durability	Provide products and services of the highest quality in the eyes of the internal/external customers	Companies source from disabled-owned enterprises	Suppliers have limits on hours of work, workplace health and safety provision	
Buying products/material that have Reparability/Upgradability	No preferred suppliers, suppliers should not have to pay to be included on an approved supplier list	Companies source from social businesses and NGOs	Companies facilitate suppliers to enforce minimum wages	
Purchasing/uses articles that are safety for users	Suppliers should be selected based on fair criteria	Companies source from Aboriginal businesses	Companies monitor suppliers compliance with these codes	

Buying products that have low energy requirements	Companies should facilitate suppliers to provide prompt, honest responses to customer inquiries and requests	Companies source from businesses located in underutilized business zones and inner-cities	Companies cooperate with suppliers adopting fair trade to guarantee minimum price of commodities
Buying products/materials that have compatibility with equipment/user habits	It is not ethical to reveal confidential bids and to allow suppliers to re-quote by the purchasers		Companies cooperate with suppliers who follow human rights program, such as ETI base code, UN Declaration on Human Rights, SAI ...
Participates in the design of products for recycling or reuse	Exaggerations of situations to get better deal by purchasers are not allowed		Buyers should ensure that suppliers' employees are free to choose to work for the suppliers and free to leave the supplier after reasonable notice is served
Uses/buying products that have re-use potential	Companies follow the fair trade codes		Suppliers should have legal contracts with their employees that in accordance with their national law and good practice
Uses/buying products that are recyclable and easily disposal	All suppliers should be treated fairly at all stages of the procurement process		Working house should also comply with national laws or industry benchmarks, and overtime should be voluntary and not be demanded on regular basis
Uses a life cycle analysis to evaluate the environmental friendliness of products and packaging	Buyers should discourage the arbitrary/unfair use of purchasing power or influence, supply relations should follow regulations		Under no circumstances should suppliers treat their employees harshly and inhumanely
Firms have a proactive posture towards environmental sourcing regulations	Firms should reach agreement with suppliers about the payment terms		In suppliers, working conditions are safe and hygienic: buyers should work with suppliers to introduce appropriate health and safety policies
Organizations audit/review their suppliers	Firms purchase from suppliers who follow the code of ethics		Suppliers should always work within the law of their country
Asks suppliers to commit to waste reduction goals			Buying companies should facilitate supplier sustainable

Choosing supplier follow regulations and standards, such as ISO14001 and ISO26000

Companies facilitate supplier green/education program

Companies have environmental policies towards their suppliers
Current purchasing function asks suppliers to commit to waste reduction goals

Buying firms incorporate environmental issues into a supplier code of conduct
Buying firms should incorporate environmental criteria into supplier selection criteria

training program

Current purchasing function ensures the safe, incoming movement of product to our facilities

Current purchasing function visits suppliers' plants to ensure that they are not using sweatshop labor

Appendix 2 Canadian Firms listed on DJSI Invited Universe 2016

Company Name	GICS	Number of Companies
Linamar Corp	Automobiles & Components	2
Magna International Inc		
Bank of Montreal	Banks	6
Bank of Nova Scotia Halifax		
Canadian Imperial Bank of Commerce		
National Bank of Canada		
Royal Bank of Canada		
Toronto-Dominion Bank		
CAE Inc	Capital Goods	2
SNC - Lavalin Group Inc		
Progressive Waste Solutions Ltd.	Commercial & Professional Services	2
Ritchie Bros Auctioneers Inc		
Gildan Activewear Inc A	Consumer Durables & Apparel	1
Restaurant Brands International Inc.	Consumer Services	1
CI Financial Corp	Diversified Financials	3
Element Financial Corp.		
Onex Corp Subvtg		
AltaGas Ltd.	Energy	20
ARC Resources Ltd.		
Cameco Corp		
Canadian Natural Resources		
Canadian Oil Sands Limited		
Cenovus Energy Inc		
Crescent Point Energy Corp		
Enbridge Inc		
EnCana Corp		
Husky Energy Inc		
Imperial Oil Ltd		
Inter Pipeline Ltd.		
Keyera Corp.		
Pembina Pipeline Corporation		
Peyto Exploration & Development Corp.		
PrairieSky Royalty Ltd.		
Suncor Energy Inc		
Tourmaline Oil Corp		
TransCanada Corp		
Vermilion Energy Inc.		
Alimentation Couche Tard Inc. Class B SV	Food & Staples Retailing	5
Empire Company Limited		
George Weston Ltd		
Loblaw Companies Ltd		
Metro Inc.		
Saputo Inc	Food, Beverage & Tobacco	1
Fairfax Financial Holdings Limited	Insurance	8

Great-West Lifeco Inc		
Industrial Alliance Insurance		
Intact Financial Corporation		
Manulife Financial Corp		
Power Corporation of Canada		
Power Financial Corp		
Sun Life Financial Serv Canada		
<hr/>		
Agnico Eagle Mines Limited	Materials	13
Agrium Inc		
Barrick Gold Corp		
CCL Industries Inc. Class B NV		
First Quantum Minerals Ltd		
Franco-Nevada Corp		
Goldcorp Inc		
Methanex Corp		
Potash Corp of Saskatchewan		
Silver Wheaton		
Teck Resources Limited Class B SV		
Turquoise Hill Resources Ltd		
West Fraser Timber Co Ltd		
<hr/>		
Shaw Communications Inc B	Media	2
Thomson Reuters Corporation		
<hr/>		
Valeant Pharmaceuticals International Inc.	Pharmaceuticals, Biotechnology & Life Sciences	1
<hr/>		
Brookfield Asset Management Inc	Real Estate	2
RioCan Real Estate Invmt Trust		
<hr/>		
Canadian Tire Corporation Limited NV	Retailing	2
Dollarama Inc		
<hr/>		
CGI Group Inc. Class A SV	Software & Services	4
Constellation Software Inc.		
DH Corporation		
Open Text Corp		
<hr/>		
BlackBerry Limited	Technology Hardware & Equipment	1
<hr/>		
BCE Inc	Telecommunication Services	3
Rogers Communications Inc B NV		
TELUS Corp		
<hr/>		
Canadian National Railways	Transportation	2
Canadian Pacific Railway Ltd		
<hr/>		
Canadian Utilities Ltd A NV	Utilities	3
Emera Inc		
Fortis Inc		
Grand Total		84

Source: DJSI Invited Universe 2016, listed companies as of 31.12.2015

Appendix 3 Sustainable Purchasing Activities by Company

Agnico Eagle

Procurement Approach	PSR Dimension	Purchasing Practice
Product	Diversity & Community	We spent \$5 million on the procurement of local goods.
Supplier	Diversity & Community	We invest communities by the payment to suppliers.
Product	Diversity & Community	We support the community from procurement of local goods.
Supplier	Diversity & Community	We benefit the community from the support to indigenous suppliers.
Supplier	Diversity & Community	40% of our local purchases go to Inuit companies.
Internal	Economic	Our supply management has low impacts on business.
General Approach	Economic	We improve our efficiencies through procurement.
Product	Environment	Our indirect GHG is from purchased electricity.
Supplier	Environment	We took into account the energy use of our suppliers.
Supplier	Environment	Suppliers are scanned using environmental criteria.
Supplier	Environment	Our Supplier Code of Conduct addressed the way that suppliers manage the environment.
Internal	Ethics, HR & and Safety	We incorporated Supplier Code of Conduct into our CSR annual report.
Supplier	Ethics, HR & and Safety	Our Code of Conduct demands that our suppliers uphold the highest standards of human rights.
Supplier	Ethics, HR & and Safety	Our suppliers do not employ child/forced labors.
Internal	Ethics, HR & and Safety	We have adopted Supplier Code of Conduct.
Supplier	General	Suppliers are assessed depending on their impacts on society.

Barrick Gold

Procurement Approach	PSR Dimension	Purchasing Practice
General Approach	Diversity & Community	We purchased \$1.2 billion in goods and services from local suppliers.
Internal	Diversity & Community	We commit to assessing ways to improve the local procurement standards.
Internal	Diversity & Community	We have the framework that outlines local procurement program.
General Approach	Diversity & Community	Grievances from local sourcing were addressed.
General Approach	Diversity & Community	We contribute to social and economic development through buying locally.
Internal	Diversity & Community	We launched local procurement guide.
Internal	Diversity & Community	Our local content ensures stable supply base.
Product	Diversity & Community	We purchase local products whenever possible.
Internal	Diversity & Community	We have local procurement program integrating suppliers to the system.
Internal	Diversity & Community	We have a local content framework to support our procurement teams.
Supplier	Diversity & Community	The payment to suppliers and its employees generates economic impact.
General Approach	Diversity & Community	Through local procurement, we directly help host communities and individuals enjoy the rights to work, to food and property.
Supplier	Diversity & Community	We help our suppliers diversify.
Internal	Diversity & Community	We developed internal targets for local purchases.
Supplier	Diversity & Community	We assess our suppliers based on their impacts on society.
General Approach	Economic	We procure products from suppliers for operations.
Internal	Economic	To improve supply chain efficiency, we improve our procurement system.
Product	Environment	The electricity we purchased produced emissions.
Product	Environment	17.6% of our electrical power was sourced from renewables.
Product	Environment	We purchased biological products.
Product	Environment	Our electricity was purchased from national/regional grid.
Product	Environment	Our consumables are bought new and are not able to be recyclable.
Supplier	Environment	Suppliers are asked to minimize environmental impacts.
Supplier	Ethics, HR & and Safety	We improve the human rights requirements to our vendors.
Internal	Ethics, HR & and Safety	We have policies and program to restrict the bribery from suppliers.
Supplier	Ethics, HR & and Safety	We implement vendor onboarding standards for anti-corruption.
Supplier	Ethics, HR & and Safety	We identify suppliers' corruption risks.
Product	Ethics, HR & and Safety	We purchased our own devices for avoiding safety issues.
Internal	Ethics, HR & and Safety	We established a hotline for suppliers to report code violations.
Supplier	Ethics, HR & and Safety	Suppliers are asked to minimize health and safety impacts.
Supplier	Ethics, HR & and Safety	We received grievances and resolved them for our suppliers.
Supplier	Ethics, HR & and Safety	We developed human rights program to help our suppliers.
Supplier	Ethics, HR & and Safety	Our human rights policy is applicable to our contractors and suppliers.
Supplier	Ethics, HR & and Safety	Our human rights policy includes due diligence for suppliers.
Internal	Ethics, HR & and Safety	Our human rights policy is supported by Supplier Code of Ethics.
Supplier	Ethics, HR & and Safety	We assess human rights diligence on our vendors.
Internal	Ethics, HR & and Safety	We are including diligence into our Supplier Code of Conduct.
Supplier	Ethics, HR & and Safety	We seek to educate potential suppliers on our human rights expectations before we enter into a relationship with them.
Supplier	Ethics, HR & and Safety	We expect our suppliers to uphold our principles of ethical business conduct.
Supplier	Ethics, HR & and Safety	We provide focused training and investing to certified suppliers under our Human Rights Policy.
Supplier	Ethics, HR & and Safety	We only deal with suppliers that accept Supplier Code of Conduct.
Supplier	Ethics, HR & and Safety	90% of suppliers received due-diligence screening.
Supplier	General	We ask our suppliers to report material issues.
Supplier	General	Our commitment to responsible mining is supported by suppliers and contractors.
Internal	General	We provide education on lands purchases.
Supplier	General	Our goal is to bring our existing vendor system to achieve 100% compliance with our high-risk vendors.

BCE

Procurement Approach	PSR Dimension	Purchasing Practice
Internal	Diversity & Community	Our procurement group incorporated supplier diversity into our corporate diversity and inclusion strategy.
Supplier	Diversity & Community	Bell's billions of dollars of purchases from thousands of suppliers are critical to the community.
Product	Diversity & Community	We spent \$8 billion buying goods and services.
Product	Diversity & Community	Purchase of goods and services can generate economic, social or environmental impacts.
Internal	Economic	Bell centralized sourcing process enabling to better maintain relationships with suppliers.
Product	Environment	Generating GHG emissions associated with the consumption of purchased electricity.
Internal	Environment	Be vigilant to suppliers that operate in countries cited for environmental violations.
Internal	Environment	We developed packaging guidelines.
Internal	Ethics, HR & Safety	Be vigilant to suppliers that operate in countries cited for human rights violations.
Internal	Ethics, HR & Safety	We have had a Supplier Code of Conduct.
Supplier	Ethics, HR & Safety	Suppliers are expected to uphold the human rights of workers.
Internal	Ethics, HR & Safety	Bell's Supplier Code of Conduct addresses various human rights and ethical issues.
Internal	Ethics, HR & Safety	We added controls in our centralized procurement process to identify suppliers that sell conflict minerals.
Internal	Ethics, HR & Safety	We have established a cross-functional team including procurement to review our safety issues.
Supplier	Ethics, HR & Safety	We ask our major suppliers to implement controls of using conflict minerals.
Internal	General	Improving responsible procurement program.
Internal	General	We engage with procurement experts to make sure our reporting is relevant.
Internal	General	Responsible procurement is one of our key performance indicators.
Product	General	Increasing the number of purchased products covered by sustainable criteria.
Internal	General	We developed sustainable criteria for products purchased through the centralized procurement group.
Internal	General	We developed supplier risk management questionnaire to be added to our centralized procurement process.
Internal	General	Bell develops and uses tools to audit and monitor suppliers.
Supplier	General	We seek out suppliers who demonstrate communications to CSR.
Supplier	General	We added sustainable criteria as part of the regular contract-renewal cycle.

BMO

Procurement Approach	PSR Dimension	Purchasing Practice
Product	Diversity & Community	We support the economic prosperity in our communities through the purchase of goods and services.
General Approach	Diversity & Community	We purchased \$4.7 billion worth of goods and services from 16,000 suppliers.
Product	Environment	We purchased renewable energy.
Product	Environment	We purchased high-quality voluntary carbon credits to offset any remaining emissions.
Supplier	Ethics, HR & Safety	We have a Code of Conduct that outlines our ethical expectations for suppliers.

Bombardier

Procurement Approach	PSR Dimension	Purchasing Practice
Internal	Economic	We centralize procurement to reduce the overlap in spending.
Internal	Economic	We hire CPO to initiate better procurement practices.
Internal	Economic	We developed a global procurement strategy to consolidate our supplier base to reduce costs.
General Approach	Economic	We leverage procurement process to reduce costs.
Internal	Economic	We have embedded our engineers in our procurement teams to scale up our supply chain capacity.
Supplier	Economic	We collaborate with our suppliers to ensure they can provide us with cost benefits.
Internal	Economic	We have solid plan to reduce procurement costs.
Supplier	Economic	By working with suppliers who incorporate sustainability into their practices, we are able to keep compliance costs down and satisfy customers with sustainability requirements.
Internal	Economic	Our transformation initiatives impact procurement costs.
Supplier	Ethics, HR & Safety	We conducted supplier spot check to ensure that they have adhered to Supplier Code of Conduct.
Supplier	General	We have ongoing conversations with our suppliers to address social and environmental issues.
Supplier	General	Supplier compliance is part of the materiality matrix.
Supplier	General	Sustainability remains key criteria for supplier selection and qualification.
Internal	General	We founded programs to support suppliers' best practices in terms of sustainability.
Supplier	Legal	We work with suppliers to help them comply with regulations and legislations.

CAE

Procurement Approach	PSR Dimension	Purchasing Practice
Supplier	Diversity & Community	We work with more than 7,000 suppliers from around the world.
Supplier	Diversity & Community	We invest in communities by mentoring suppliers.
General Approach	Diversity & Community	We support local suppliers by sourcing local products and services to support our business.
Supplier	Diversity & Community	We contribute to communities by the payment to suppliers.
Supplier	Diversity & Community	We mentor and train our suppliers.
Supplier	Diversity & Community	We set up procurement budget for local suppliers.
Supplier	Economic	We partner with suppliers to ensure we comply with operating efficiency.
Internal	Economic	We open a global sourcing program.
Supplier	Economic	We work with suppliers to reduce the quantity of materials required in our production.
Supplier	Environment	We partner with suppliers to ensure we comply with environmental standards.
Supplier	Environment	We work with suppliers to tackle environmental challenges.
Product	Environment	We source renewable energy where technically and economically feasible.
Supplier	Ethics, HR & Safety	We informed our suppliers of conforming to conflict materials requirements.
Supplier	Ethics, HR & Safety	We encourage suppliers to comply with the Code of Ethics/business conduct.
Supplier	Ethics, HR & Safety	We partner with suppliers to ensure we comply with safety issues.
Supplier	Ethics, HR & Safety	We are ensuring the health and safety of our suppliers.
Internal	Ethics, HR & Safety	We established a preferred health and safety supplier list to minimize safety issues.
Supplier	Ethics, HR & Safety	We ensure our suppliers are never harassed.
Internal	General	Our CSR committee interacts with suppliers.
Supplier	General	We work with our suppliers to ensure we source sustainable materials.
Supplier	Legal	We encourage suppliers to comply with laws and regulations.

Cameco

Procurement Approach	PSR Dimension	Purchasing Practice
General Approach	Diversity & Community	We purchased services from local suppliers.
Product	Diversity & Community	We purchase electricity from local utilities in the regions where we operate.

Canadian Natural Resources

Procurement Approach	PSR Dimension	Purchasing Practice
Supplier	Diversity & Community	We hire suppliers to create employment to society.
Product	Diversity & Community	We created economic contributions by buying \$10 billion worth of goods and services.
Supplier	Ethics, HR & Safety	We established safety requirement for our contractors.

Canadian Tire

Procurement Approach	PSR Dimension	Purchasing Practice
Supplier	Environment	We partner with our vendors to realize annual energy and waste save.
Product	Environment	The electricity we purchased generated GHG.
Product	Environment	We measure the energy use and GHG emissions from transporting product from vendors.

Canadian Utilities

Procurement Approach	PSR Dimension	Purchasing Practice
Supplier	Diversity & Community	We contributed \$1.592 million by payment to suppliers.

Cenovus

Procurement Approach	PSR Dimension	Purchasing Practice
General Approach	Diversity & Community	We procure goods and services from local providers whenever possible.
Supplier	Diversity & Community	We work hard to maintain relationships with local Aboriginal businesses.
Supplier	Diversity & Community	We invest in our suppliers.
Supplier	Diversity & Community	We work closely with our suppliers to help them improve their performance.
Supplier	Economic	We select suppliers based on their capabilities and qualifications before initiating a contract.
Internal	Environment	We plan water sourcing to minimize our impact on the environment.
Internal	Ethics, HR & Safety	We developed a program to evaluate suppliers who share our safety value.
Supplier	General	We conduct meetings and vendor forums as well as manage a better relationship with suppliers.

CIBC

Procurement Approach	PSR Dimension	Purchasing Practice
Internal	Diversity & Community	We initiate supplier diversity program.
Product	Diversity & Community	We support economic growth and prosperity by purchasing local goods and services.
Supplier	Economic	We focus on supplier governance and relationship management to run our business.
Supplier	Environment	We have environmental requirements in procurement activities for our suppliers.
Supplier	Environment	We will only engage with suppliers who meet or exceed the requirements including environmental care
Internal	Environment	Our procurement standards describe the procurement of goods and services that may have adverse environmental impacts.
Supplier	Environment	We seek suppliers who can demonstrate energy efficiency and an environmental management system.
Product	Environment	We use Forest Stewardship Council (FSC)-certified paper stock.
Product	Environment	We take environmental criteria into consideration when purchasing technology equipment.
Product	Environment	We purchase green power.
Internal	Ethics, HR & and Safety	We developed ethical sourcing and supplier labor practices.
Supplier	Ethics, HR & and Safety	Our suppliers must abide by our global Supplier Code of Conduct.
Internal	Ethics, HR & and Safety	We developed Supplier Code of Conduct.
Supplier	Ethics, HR & and Safety	Suppliers are required to report corruption issues.
Internal	General	We developed supplier risk assessment processes, supplier governance, and relationship management framework.
Supplier	General	We conduct monthly, quarterly and annual supplier reviews.
Supplier	General	Suppliers are evaluated based on social and environmental criteria.
Internal	General	We have extensive procedures to assess supplier risk and to govern our contracted supplier relationships.

Enbridge

Procurement Approach	PSR Dimension	Purchasing Practice
Product	Diversity & Community	We locally sourced pipe.
Supplier	Diversity & Community	We provide economic opportunities to Aboriginal contractors and suppliers.
Supplier	Diversity & Community	We are helping local business comply with our vendor systems.
Supplier	Diversity & Community	We work with suppliers to contribute to the overall economy.
General Approach	Diversity & Community	We spent \$63 million in Canada on procuring goods and services from Native American.
Supplier	Diversity & Community	We continue to generate and distribute economic impacts to suppliers.
Supplier	Diversity & Community	We create positive economic impacts that benefit our suppliers.
Supplier	Economic	Supplier economic hedging program is part of our business model.
Supplier	Economic	We are working with our suppliers to plan for emergencies to guarantee our operations.
Supplier	Economic	We believe working with local suppliers can help to gain social trust.
Supplier	Economic	We use scorecards focused on financial and non-financial criteria in some of our supplier contracts.
Product	Environment	The electricity we buy generated scope 2 emissions.
Supplier	Environment	We ask our suppliers to provide vehicles that use greener fuel.
Supplier	Environment	We partner with suppliers on investment in new energy-efficient technology.
Supplier	Environment	We have projects to build relationships with suppliers to expand our interests in green power.
Product	Environment	Most of the steel we purchased were recyclable.
Supplier	Ethics, HR & and Safety	We have implemented a Contractor Safety Incentive Program to promote safe practices
Supplier	Ethics, HR & and Safety	We involve our suppliers in industry-organized safety roundtables.
General Approach	General	We assessed our performance on sustainable procurement.
Internal	General	Sustainable procurement enjoys lower relevance to stakeholders.
Internal	General	We incorporate sustainability into supply chain through the purchasing process.
Internal	General	Our employees should uphold sustainable value with suppliers.
Supplier	General	We work with suppliers to ensure that they are fully aligned with our standards.
Internal	General	We use a Vendor Audit Program to detect non-compliance and find areas for improvement.
Supplier	General	We have pre-qualification program to select suppliers.
Supplier	General	We manage sustainability issues amongst our suppliers.
Supplier	General	We integrate environmental, social and governance factors into our supplier selection and relationship management.
Internal	General	We use tool to screen supplier's sustainability.
Internal	General	We have a committee to oversee suppliers' sustainability performance.

Goldcorp

Procurement Approach	PSR Dimension	Purchasing Practice
Supplier	Diversity & Community	Manage contract with suppliers ranging from multinationals to small businesses.
Supplier	Diversity & Community	Encouraging diversity of gender, ages, cultures, backgrounds and skills throughout suppliers.
Supplier	Diversity & Community	Payments to suppliers for goods and services generate benefits for communities.
Supplier	Diversity & Community	In selecting vendors, we have a primary focus on ensuring that the service provider has a diverse team that supports our work.
Supplier	Diversity & Community	Proportion of spending on locally based suppliers.
Product	Diversity & Community	Purchases of goods and services in local community.
General Approach	Diversity & Community	Local procurement
General Approach	Diversity & Community	Building local capacity through procurement.
General Approach	Diversity & Community	Local procurement generates sustainable economic growth.
General Approach	Diversity & Community	Economic impacts are delivered via procurement.
General Approach	Diversity & Community	Local procurement initiatives bring social and economic benefits to community.
General Approach	Diversity & Community	Local procurement from regional and national sources accounts for more than \$1 billion of spending.
Internal	Diversity & Community	Adjust local procurement based on our organizational structure.
Internal	Diversity & Community	Our representatives meet local stakeholders to initiate local procurement programs.
Supplier	Economic	Selecting suppliers with the lowest price.
Supplier	Economic	Every vendor relationship must meet the economic, logistical and sustainability standards.
Supplier	Economic	Ensure that vendors must be capable to reliably deliver the top-quality suppliers or services.
Supplier	Economic	Sourcing from suppliers that meet minimum safety, quality and cost requirements.
Supplier	Economic	Engaging with suppliers to understand forecasted resource shortage that could impact the mining activities.
Product	Economic	Electricity is purchased from provincial or federal utilities.
Internal	Economic	Supply chain management team ensures each item is safely and responsibly sourced cost-effectively on time.
Internal	Economic	Automating procurement processes to mitigate supply shortages.
Product	Environment	Recycled materials are sourced internally.
Product	Environment	5% of energy is sourced from renewable sources.
Product	Environment	Sourced the power consumption from clean and renewable sources.
General Approach	Environment	Managing the sourcing of water including recycling and tailing management.
Supplier	Ethics, HR & Safety	Ensuring ethics and corporate responsibility among suppliers.
Supplier	Ethics, HR & Safety	Ethical corporate culture must extend to the chain of vendors and suppliers.
Supplier	Ethics, HR & Safety	Selecting suppliers with lower risks of corruption and human rights violations.
Supplier	Ethics, HR & Safety	Sourcing from suppliers that meet the ethical requirements.
Supplier	Ethics, HR & Safety	Screening and removing suppliers or contractors are in violation of human rights compliance.
Supplier	Ethics, HR & Safety	Suppliers have the right to exercise freedom of association and collective bargaining.
Internal	Ethics, HR & Safety	Following up software guides staff in assessing vendors' risks in corruption and human rights violations.
General Approach	General	Introducing guidelines that cover procurement and suppliers selection.
Internal	General	Updating standards to define the requirements that our employees must fulfill when entering into a commercial relationship with suppliers.

Hudbay

Procurement Approach	PSR Dimension	Purchasing Practice
Product	Diversity & Community	We contribute to local development through the goods and services we purchase from local businesses.
Internal	Diversity & Community	One of our priorities is to focus on local procurement.
Supplier	Diversity & Community	We focus on our local suppliers.
Product	Diversity & Community	Buying products creates economic impacts.
Supplier	Diversity & Community	Our top 50 suppliers represented 75% of our spending in 2015.
Supplier	Diversity & Community	We support and encourage local suppliers in fulfilling their social responsibilities.
General Approach	Diversity & Community	We spent \$25.9 million in goods purchased from local businesses.
Supplier	Diversity & Community	We spent \$17.7 million from suppliers.
Internal	Diversity & Community	We finalized our Local Procurement and Employment Standard.
Product	Diversity & Community	Spending on local goods and services is one of the ways in which we contribute to the sustainability of our host communities.
General Approach	Diversity & Community	Local purchasing can lower costs in the long run and contribute to our social licence to operate.
Internal	Diversity & Community	Our local purchasing is guided by several principles.
Supplier	Diversity & Community	We help our local suppliers to fulfill social and environmental responsibilities.
Internal	Diversity & Community	We work with local community development committees to support local suppliers.
Product	Diversity & Community	Our catering buys from the local bakery.
Internal	Diversity & Community	We developed local procurement standards.
Internal	Diversity & Community	We completed gap analysis for local procurement.
General Approach	Economic	We assess the economic performance of our procurement practices.
Supplier	Economic	Our supplier base relates to production operations and capital projects.
Product	Economic	Our two main products are from purchased zinc.
Internal	Economic	We created an online contractor and vendor management system to allow our suppliers to identify their capabilities for future work.
Supplier	Environment	We tracked environmental incidents related to transportation between our operating locations and suppliers.
Internal	Ethics, HR & Safety	Our vendor onboarding process ensures no corruption and bribery before engaging vendors.
Supplier	Ethics, HR & Safety	We are working with suppliers to modify the lighting system to reduce potential safety problems.
Internal	Ethics, HR & Safety	We developed disclosures to ensure the bargain rights of our suppliers.

IA

Procurement Approach	PSR Dimension	Purchasing Practice
Internal	Environment	We have green procurement policies.

Imperial

Procurement Approach	PSR Dimension	Purchasing Practice
Supplier	Diversity & Community	We spent \$1.5 billion with indigenous suppliers over the past five years.
Supplier	Diversity & Community	We provide economic support to our local communities including supplier development.
Supplier	Diversity & Community	We dealt with more than 7,000 suppliers ranging from large national companies to locally based businesses.
Product	Diversity & Community	We spent \$9.5 billion on the purchase of goods and services.
Supplier	General	All of our suppliers must adhere to our requirements regarding safety, security and the environment, as well as Standards of Business Conduct.

Intact

Procurement Approach	PSR Dimension	Purchasing Practice
General Approach	Diversity & Community	We economically contributed to the society by purchasing goods and services from suppliers.

Kinross Gold

Procurement Approach	PSR Dimension	Purchasing Practice
General Approach	Diversity & Community	We facilitated local procurement to create economic value.
General Approach	Diversity & Community	We have contributed \$4.8 billion to economies of our host countries via procurement.
General Approach	Diversity & Community	Local sourcing helps to maximize economic opportunities.
Internal	Diversity & Community	Our cost cutting strategy reduced local procurement.
Supplier	Diversity & Community	We help our local suppliers to be more competitive.
Supplier	Diversity & Community	We spent \$1.9 billion from 9,000 suppliers.
Internal	Diversity & Community	We have programs to facilitate local procurement.
Internal	Diversity & Community	Our local procurement program is managed by our supply chain representative.
Supplier	Diversity & Community	We evaluated local suppliers based on their record of safety and their capability.
Supplier	Diversity & Community	We engage work with indigenous people as our suppliers.
Supplier	Diversity & Community	We increase our procurement from qualified local suppliers.
Supplier	Diversity & Community	We make efforts to reduce the impact of supplier contracts after a mine closes.
Supplier	Diversity & Community	We use local suppliers to make an impact in the community.
Supplier	Economic	Local suppliers have to meet our standards.
Product	Economic	We purchased more electricity for operations.
Product	Environment	We purchase electricity from external suppliers.
Supplier	Environment	We are working closely with our suppliers to find a chance to reduce our energy intensity through the use of technology.
Product	Environment	We purchased renewable energy to reduce GHG emissions.
Product	Environment	Our indirect emissions are from the purchased lime.
Supplier	Ethics, HR & Safety	Our safety and ethics standards are extended to suppliers.
General Approach	Ethics, HR & Safety	We procure locally while meeting ethics standards.
Supplier	Ethics, HR & Safety	Supplier Standards of Conduct are formalized as contractual obligations in contracts.
Supplier	Ethics, HR & Safety	We introduced additional guidelines on human rights of suppliers.
Internal	Ethics, HR & Safety	We established applicable policies and standards regarding suppliers in terms of ethics.
Internal	Ethics, HR & Safety	Our Supplier Code of Conduct contains non-discrimination issues.
Internal	Ethics, HR & Safety	Supplier Standards of Conduct include a zero-tolerance policy for corruption.
Supplier	Ethics, HR & Safety	We want to do business with suppliers that share our commitment to corporate responsibility and ethical conduct.
Supplier	Ethics, HR & Safety	Suppliers must sign up and adhere to our Supplier Code of Conduct.
Internal	Ethics, HR & Safety	Our procurement staff receives annual procurement training.
Supplier	Ethics, HR & Safety	Human rights and safety are our number one priorities among suppliers.
Supplier	Ethics, HR & Safety	Contractors must be pre-qualified in terms of safety to do work.
Internal	Ethics, HR & Safety	Supplier Standards of Conduct is one of our policies.
Supplier	General	We have launched Supplier Portal to ensure their meeting sustainability criteria.
Internal	General	We enhanced our risk management standards of our contractors.

Loblaws

Procurement Approach	PSR Dimension	Purchasing Practice
Product	Animal Welfare	Our free-run eggs are produced and sourced in a humane way.
Supplier	Animal Welfare	We only source pork from vendors that comply with animal welfare policies.
Internal	Diversity & Community	We conduct consumer survey about the importance of local sourcing to them.
Internal	Diversity & Community	Our vendor development managers support local growers across Canada.
Product	Diversity & Community	We give priority to local and regional fresh products.
Supplier	Diversity & Community	Supporting Canadian suppliers.
General Approach	Environment	We committed to removing chemicals of concerns from sourcing.
Product	Environment	Sourcing paper from the certified forest.
Internal	Ethics, HR & Safety	We update our Supplier Code of Conduct to address evolving risks and expectations.
Product	Ethics, HR & Safety	Our PC free from products are raised without the use of antibiotics or hormones.
Supplier	Ethics, HR & Safety	All colleagues must ensure that vendors understand and comply with the Code of Conduct.
Supplier	Ethics, HR & Safety	Suppliers are our partners to uphold the same ethical values.
Supplier	Ethics, HR & Safety	We contribute to the improvement of working conditions for the employees of our suppliers.
Supplier	Ethics, HR & Safety	Suppliers have to complete an annual Workplace Conditions Assessment (WCA).
Supplier	Ethics, HR & Safety	Our audit team has been working on the ground in plants of the emerging markets.
Supplier	Ethics, HR & Safety	Identify products that contain chemicals and ingredients of concern through a vendor audit.
General Approach	General	Sourcing is incorporated in our CSR pillars.
General Approach	General	We are sourcing responsibly.
Internal	General	The CSR Committee support sourcing pillar.
Internal	General	We have introduced responsible sourcing policies.
Internal	General	We are employing a risk-rating procedure to audit our suppliers.
Internal	General	Implementing sustainable sourcing guidelines for food category management teams.
Product	General	We committed to sourcing only sustainable seafood.
Product	General	Products are responsibly sourced.
Product	General	Focus on where and how our products are sourced.
Product	General	Seafood is sourced from certified third-party to ensure that products meet specific environmental, economic and social standards.
Product	General	We purchase palm tree oil from suppliers comply with sustainable standards.
Product	General	Sourcing certified cocoa.
Supplier	Legal	We enforce legal standards to our suppliers.
Supplier	Philanthropy	We raised and donated \$64 million with the help of our suppliers.

Manulife

Procurement Approach	PSR Dimension	Purchasing Practice
General Approach	Diversity & Community	Procurement brings economic impacts to communities.
General Approach	Diversity & Community	We spent \$1.8 billion in goods and services purchased from suppliers.
Supplier	Diversity & Community	We established guidance to look way to increase the amount of goods we purchase from diverse suppliers.
Internal	Diversity & Community	We train our procurement manage on engaging diverse suppliers.
Product	Environment	We purchased renewable energy.
Product	Environment	We purchased paper that contained recycled content.
Supplier	Ethics, HR & Safety	Suppliers have access to our Ethics Hotline.
Supplier	Ethics, HR & Safety	We have Vendor Code of Conduct which applies to all suppliers.

Methanex

Procurement Approach	PSR Dimension	Purchasing Practice
Product	Diversity & Community	We contribute to the countries, regions, and communities by purchasing local goods and services.
Supplier	General	We educate our suppliers.

Metro

Procurement Approach	PSR Dimension	Purchasing Practice
Internal	Animal Welfare	We included animal welfare into our purchasing practices.
Internal	Diversity & Community	We carried out local purchasing policy.
Supplier	Diversity & Community	We invest in our communities by supporting local suppliers.
Supplier	Economic	We ask our suppliers to be certified according to Global Food Safety Initiatives.
Supplier	Economic	Our teams regularly monitor suppliers who have not obtained certification.
General Approach	Economic	We consider traditional criteria such as quality, freshness and product availability in the purchasing process.
Supplier	Environment	We encourage our suppliers to use environmentally friendly packaging material
Internal	General	Our CR approach puts emphasis on procurement activities.
General Approach	General	We have implemented several initiatives with respect to responsible procurement practices.
Product	General	We continued to implement procurement criteria wild and farmed species.
Internal	General	We also plan to integrate environmental and social criteria into our purchasing habits.

National Bank of Canada

Procurement Approach	PSR Dimension	Purchasing Practice
Product	Diversity & Community	We spent \$1 billion on goods and services.
Product	Environment	We purchased certified carbon credits.
Supplier	General	We continued implementing a process to screen our suppliers' practices.
General Approach	General	We partner with other organization to promote responsible procurement.
Supplier	Legal	We seek to promote discussion with suppliers in keeping with applicable legislation.

RBC

Procurement Approach	PSR Dimension	Purchasing Practice
General Approach	Diversity & Community	Responsible procurement generates economic impact.
Supplier	Diversity & Community	We have a positive social impact through the suppliers we buy from.
Product	Diversity & Community	We create economic impact from the value of goods and services we purchased globally.
Supplier	Diversity & Community	We pay our suppliers for goods and services which generates economic value.
Internal	Diversity & Community	We completed and formalized our Supplier Diversity program.
Internal	Diversity & Community	We worked with different organizations to facilitate Supplier Diversity program.
Internal	Diversity & Community	We embedded supplier diversity processes into Procurement staff annual performance objectives.
Internal	Diversity & Community	We developed performance metrics to evaluate the success of our Supplier Diversity Program.
Internal	Diversity & Community	All Procurement Managers will participate in responsible procurement training sessions.
Product	Economic	Our purchasing breakdown includes purchased goods and services in marketing and IT & Telecommunications, etc.
Product	Environment	We are one of the largest purchasers of renewable energy.
Product	Environment	We achieve GHG reductions from green power purchases.
Product	Environment	We purchased Ecology-certified green electricity.
Product	Environment	We sourced our paper from certified suppliers.
Supplier	Ethics, HR & Safety	Our suppliers adhere to Supplier Code of Conduct.
Internal	Ethics, HR & Safety	We will implement a new procurement screening process that will identify conflict minerals in our suppliers.
General Approach	General	We screened procurement engagements against RBC's responsible procurement requirements.
Internal	General	Our priority is to purchase goods and services responsibly.
General Approach	General	Integration of sustainability into procurement practices.
Supplier	General	We led various mentorship activities including formal mentoring of certified suppliers and hosting supplier development workshops.
Supplier	General	We partner with suppliers that embrace environmentally and socially responsible business activities.

Rogers

Procurement Approach	PSR Dimension	Purchasing Practice
Supplier	Diversity & Community	We sourced locally from small and mid-size producers.
Product	Diversity & Community	We are impacting the economy indirectly by procuring goods and services.
Supplier	Diversity & Community	Our investment in our facilities was directly distributed to our suppliers.
Supplier	Diversity & Community	We have a lot of suppliers who are Canadian or have significant operations in Canada.
Product	Economic	We procure goods and services to operate our business effectively.
Supplier	Environment	Supplier responsibilities on energy use and climate change.
Supplier	Environment	Paper reduction and waste/recycling at suppliers side.
Internal	Environment	We are mindful of environmental considerations when we make decisions about our purchasing.
Product	Environment	Electricity purchases left carbon footprints.
Internal	Environment	Our Paper Reduction and Sourcing sub-committee oversees our paper performance and responsible paper-sourcing initiatives.
Internal	Environment	Our Publishing Paper Procurement Practices also guide our purchasing decisions for paper used for publishing.
Product	Environment	The paper we purchased is certified.
Supplier	Environment	We monitor waste through our waste management vendors.
Supplier	Environment	We collaborate with our food vendors to use environmentally responsible containers.
General Approach	Ethics, HR & Safety	We encourage ethical sourcing.
Supplier	Ethics, HR & Safety	Ethical governance with suppliers.
Supplier	Ethics, HR & Safety	Supplier agreed to our Supplier Code of Conduct and Business Conduct Guidelines.
Supplier	Ethics, HR & Safety	We ensure that our suppliers adhere to both our Contractor Code of Conduct and Rogers Business Conduct.
Internal	Ethics, HR & Safety	We have a formal grievance process that allows potential suppliers to appeal.
Supplier	Ethics, HR & Safety	We conducted an Ethical Procurement Practices survey with our suppliers
Supplier	General	Ask suppliers for RFP and RFI.
Supplier	General	Our procurement team interacts with suppliers.
Supplier	General	Site visits to supplier factories and offices.
Internal	General	Developing new supplier survey.
Supplier	General	We engage with our suppliers via supplier selection.
General Approach	General	We ensure that we have a strong sound procurement process.
Internal	General	Supplier selection is overseen by our SVP, Procurement & Supplier Management .
Internal	General	We establish guidelines to audit our suppliers.
Supplier	Philanthropy	We work with our vendors to donate leftover food.

Scotia Bank

Procurement Approach	PSR Dimension	Purchasing Practice
Product	Diversity & Community	Providing economic opportunities through procuring goods.
Supplier	Diversity & Community	One of our GRID Aspects is Supplier Assessment for Impacts on Society.
Product	Diversity & Community	We provide economic opportunities and development through procuring goods and services.
Supplier	Diversity & Community	We have a certain proportion of spending on local suppliers.
Supplier	Economic	The bank has relationships with approximately 2,000 suppliers around the globe.
Internal	Economic	Our strategic sourcing can be divided into five categories to support our operations.
Supplier	Economic	Our supplier evaluation criteria include supplier strength, their service capabilities, financial considerations, quality, technology and process improvement.
Internal	Environment	We implement sound environmental practices in our sourcing decisions.
General Approach	Environment	We have environmental procurement policy.
Supplier	Environment	We consider the environmental performance of suppliers and contractors.
General Approach	Environment	We consider the environmental impacts of products and services in our procurement process.
Product	Environment	The fuel we purchased generates GHG.
Product	Environment	Our indirect GHG emissions produced from electricity and steam purchases.
Supplier	Ethics, HR & Safety	All Scotia bank suppliers and third-party are expected to uphold the principles set out in the Banks' Guidelines for Business Conduct and the Anti-Corruption Policy.
General Approach	General	Sustainable procurement is our engagement.
Internal	General	Before completing supplier selection, business teams involved in the sourcing activity will evaluate suppliers according to their CSR profile.
Supplier	General	Our supplier evaluation criteria include corporate culture and it CSR policies and procedures.
General Approach	General	Our strategic sourcing takes CSR into considerations.
Supplier	Legal	Suppliers must comply with relevant laws, including anti-corruption legislations.

Sun Life

Procurement Approach	PSR Dimension	Purchasing Practice
Supplier	Diversity & Community	We have diversity requirements for our suppliers.
Product	Environment	We only purchase paper that contains recycled content.
Product	Environment	We incorporate the emissions with respect to electricity purchases into our CSR report.
Supplier	Environment	We are committed to using paper from suppliers certified by the Forest Stewardship Council (FSC).
Supplier	Ethics, HR & Safety	We ask our suppliers to adhere to Code of Conduct.
Supplier	General	We extend our sustainability responsibilities to our suppliers.

SNC

Procurement Approach	PSR Dimension	Purchasing Practice
Product	Economic	Parts of our products are purchased from vendors for operations.
Product	Environment	We purchased hydro electricity.
Product	Environment	Our purchases involved GHG.
Supplier	Environment	We have supplier environmental assessment.
Supplier	Environment	A certain percentage of our new suppliers that were screened using environmental criteria.
Supplier	Ethics, HR & Safety	Suppliers enjoy the freedom of association and collective bargaining.
Supplier	Ethics, HR & Safety	Suppliers are required for not using child labor.
Supplier	Ethics, HR & Safety	No forced or compulsory labor is allowed at suppliers' plants.
Supplier	Ethics, HR & Safety	Suppliers are screened by our human rights policy.
Supplier	General	Our activities with supplier have economic, environmental and social impacts.
Internal	General	Changes in the location of suppliers, or in relationships with suppliers should be reported.
General Approach	Legal	The company provides procurement activities under the law.

TD

Procurement Approach	PSR Dimension	Purchasing Practice
Supplier	Diversity & Community	We distributed \$6 billion in procurement to our suppliers.
Supplier	Diversity & Community	We influence our suppliers to use responsible practices to strengthen our communities.
Internal	Diversity & Community	We increase accessibility for diverse suppliers.
Supplier	Diversity & Community	We compensate our suppliers and support local small business.
General Approach	Diversity & Community	Our responsible procurement contributes to community.
Internal	Diversity & Community	TD is a member of diverse supplier organizations.
Internal	Diversity & Community	TD's Supplier Diversity program received several awards.
Internal	Diversity & Community	We educate our employees to raise awareness of our Supplier Diversity Program.
Internal	Diversity & Community	Our mentorship program helps our diverse suppliers to develop their business.
Internal	Economic	We build the website and email to interact with our suppliers.
Internal	Economic	TD Strategic Sourcing Group works to ensure that we have qualified suppliers.
Supplier	Environment	TD will help to manage the environmental impact of our suppliers.
Product	Environment	We purchase RECs and Offsets equivalent to TD's electricity use and GHG emissions.
Internal	Environment	TD has developed Eco-strategic sourcing.
Product	Environment	We purchase renewable energy credits.
Supplier	Ethics, HR & Safety	We ask our suppliers to report conflict minerals.
Internal	Ethics, HR & Safety	TD has Supplier Code of Conduct which provides further transparency.
Internal	Ethics, HR & Safety	TD Sourcing Group assesses slavery actions.
Supplier	General	Our suppliers are assessed against TD's responsible procurement requirements.
Supplier	General	TD work with suppliers to run a sustainable business.
Internal	General	TD executes its responsible procurement policies.
Supplier	General	TD suppliers must complete surveys.
Supplier	General	Suppliers continue to improve their practices.
Supplier	Legal	We increase regulatory scrutiny over third-party relationships.

Teck

Procurement Approach	PSR Dimension	Purchasing Practice
Supplier	Diversity & Community	We spend \$1.8 billion on suppliers (including fuel and energy, operating supplies, maintenance and repair supplies).
Supplier	Diversity & Community	Our communities of interest include suppliers and contractors.
Supplier	Diversity & Community	Payments to suppliers, contractors, and service provide support local community economic development.
General Approach	Diversity & Community	We contribute economically via local procurement.
Supplier	Diversity & Community	% of spending on locally based suppliers.
Supplier	Diversity & Community	Millions of dollars spending in procurement from indigenous suppliers.
General Approach	Diversity & Community	We have increased engagement with local communities through local procurement.
General Approach	Diversity & Community	Local procurement in turn ensures our procurement sustainability.
General Approach	Diversity & Community	Sourcing locally will help to build our capacities and enhance our local knowledge.
Internal	Diversity & Community	One of our 2015 goals was for operations to enhance local procurement opportunities.
General Approach	Diversity & Community	We established criteria for local procurement.
Internal	Diversity & Community	We used a different approach to track local procurement.
Internal	Diversity & Community	Increases and decreases in local procurement are influenced by the availability of suppliers in the local area.
General Approach	Diversity & Community	Our persistent low commodity prices impact our local procurement.
Internal	Diversity & Community	Closure of an operation leads to the decline in local procurement.
Supplier	Diversity & Community	We engage with suppliers to mitigate social risks.
Supplier	Diversity & Community	We connected with vendors to continue generating benefits.
General Approach	Diversity & Community	We procured from indigenous sources.
Internal	Diversity & Community	We developed tools to increase local supplies.
Internal	Diversity & Community	A lower proportion of our total spending on indigenous suppliers due to the challenging market conditions.
Internal	Diversity & Community	Reductions in capital spending impact local procurement.
General Approach	Diversity & Community	We maximize local well-being through local procurement.
Supplier	Economic	We rely on suppliers to provide the products and goods needed to support our operations.
Supplier	Economic	We outsource many operational activities to third-parties due to their cost-effectiveness or technical capacities.
Supplier	Economic	Supplier belongs to our business capital inputs to run the business.
Product	Economic	We procure goods and services that support large-scale mining and refining operations.
Supplier	Economic	Our suppliers must meet our basic requirements.
Supplier	Environment	Our overall environment management includes supplier environment assessments.
Product	Environment	We procure alternative source with fewer pollutions.
Product	Environment	We produced GHG from our purchased electricity.
Product	Environment	We purchased seeds to help biodiversity.
Supplier	Ethics, HR & Safety	We conduct a risk-based screening of our transportation providers based on the volume and commodity transported.
Supplier	Ethics, HR & Safety	We expect suppliers to adhere commitment for human rights.
Supplier	General	We commit to being responsible through the value chain ranging from the origins of the goods that we buy.
Internal	General	The objective of responsible supply management is to ensure that we minimize the impact on people or to the environment.
Internal	General	Our supply management group's priority is to manage risks.
Supplier	General	We have integrated the protocols into our contract process.
Supplier	General	We have related programs to select and evaluate our potential suppliers.
Supplier	General	We select suppliers to screen based on certain assessment criteria.
Internal	General	We developed a Supply Management Best Practices Implementation Manual to support supply management teams.
Supplier	Legal	We expect our suppliers aligned with environmental and labor legislation.

Telus

Procurement Approach	PSR Dimension	Purchasing Practice
Internal	Diversity & Community	We have established supplier diversity program.
Supplier	Diversity & Community	We extended our outreach to engage our suppliers to give back to the community.
Supplier	Diversity & Community	We established economic growth for suppliers.
Supplier	Diversity & Community	We choose local suppliers.
Product	Diversity & Community	We help to strengthen Canada's economy through our purchase of goods for our operations.
Supplier	Diversity & Community	Our payment to vendors creates value to the society.
Supplier	Diversity & Community	We co-hosted supplier diversity workshop.
Internal	Economic	We create a proactive sourcing strategy to attract candidates to lower our turnover rates.
General Approach	Economic	A customer checklist will be embedded into our purchasing process.
Internal	Economic	We help to strengthen supplier governance practices to lower our costs.
Supplier	Economic	We seek mutually beneficial relationships with our suppliers.
Product	Environment	We make efforts to reduce our paper purchases.
Internal	Environment	Responsibilities for managing environmental footprint is shared by leaders in procurement.
Product	Environment	We purchase renewable energy.
Supplier	Environment	We prioritized suppliers to work with our environmental program.
Supplier	Environment	We partnered with suppliers to determine environmental impacts.
Supplier	Environment	We seek out opportunities to educate our suppliers to reduce emissions.
Product	Environment	We purchase paper that contains recyclable components.
Product	Environment	We defined our green supply chain management including material sourcing and selection.
General Approach	Environment	We re-engineered the supply process to improve green traceability.
Product	Environment	We reduced the number of cardboard boxes purchased.
Supplier	Ethics, HR & Safety	We ask our suppliers to have policies on conflict minerals and do not support unethical authorities.
Internal	Ethics, HR & Safety	Our Supplier Code of Conduct addressed forced/child labor issues.
Internal	Ethics, HR & Safety	Our Supplier Code of Conduct addressed anti-corruption issues.
Supplier	General	Our Supplier Code of Conduct asks our suppliers to comply with environmental and social regulations.
Supplier	General	We collaborate with suppliers to leverage sustainability.
Supplier	General	We ask our suppliers to complete supplier risk assessments as an apart of the selection process.
Supplier	General	We partner with suppliers that share similar value of sustainability.
Supplier	General	We forge relationships with suppliers who have environmental, social and governance factors built into their strategies.
Internal	General	Our procurement and supply team focus on integrating sustainability into the buying process.
Internal	General	We conduct supplier risk workshop.
Supplier	General	We monitor our suppliers in terms of sustainability.

Thomson Reuters

Procurement Approach	PSR Dimension	Purchasing Practice
Supplier	Environment	We analyzed our suppliers based on their environmental impact and disclosures.
Supplier	Environment	We use approved vendors to dispose of or recycle electronic equipment responsibly.
Supplier	Ethics, HR & Safety	We ask our suppliers to comply with Supply Chain Ethical Code.
Supplier	General	We deepen relationships with our suppliers through our CR approach.
Supplier	General	We engage in environmental practices, human rights and workplace issues with our suppliers.
Supplier	General	We hold events and conferences to engage our suppliers.
Supplier	General	We conduct materiality/CR issues survey with suppliers.

Transcanada

Procurement Approach	PSR Dimension	Purchasing Practice
Supplier	Diversity & Community	We provide town residents with supplier opportunities.
Supplier	Diversity & Community	We engaged more than 1,579 suppliers and generated CAD\$5.1 billion in business for our suppliers.
Internal	Diversity & Community	We developed Supplier Diversity and Local Participation program.
Supplier	Economic	We endeavor to do business with suppliers who share our expectations for quality management and continuous improvement.
Supplier	Economic	We aim to identify and work with high-quality vendors.
Supplier	Environment	Our waste contractors are managed through a rigorous procurement, full life cycle management process.

West Fraser

Procurement Approach	PSR Dimension	Purchasing Practice
Supplier	Diversity & Community	We help our suppliers and contractors to maintain the stable community presence.
Product	Economic	Our purchased equipment is undergoing an audit.
Product	Environment	We reduce our purchased energy intensity.
Product	Environment	We purchased energy with bioenergy from wood waste.
General Approach	Ethics, HR & Safety	We demonstrate avoidance of sourcing from controversial sources.
General Approach	General	We demonstrate sound procurement practices.

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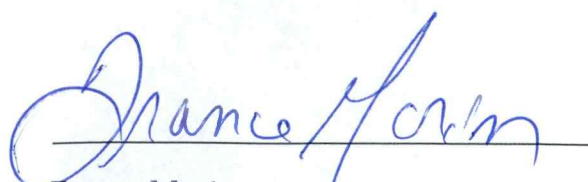
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