

# **Demanding Circular Through Sustainable Procurement: Real and Perceived Risks**

Circular Procurement Summit

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# A Changing Mindset



# Reexamining Risk

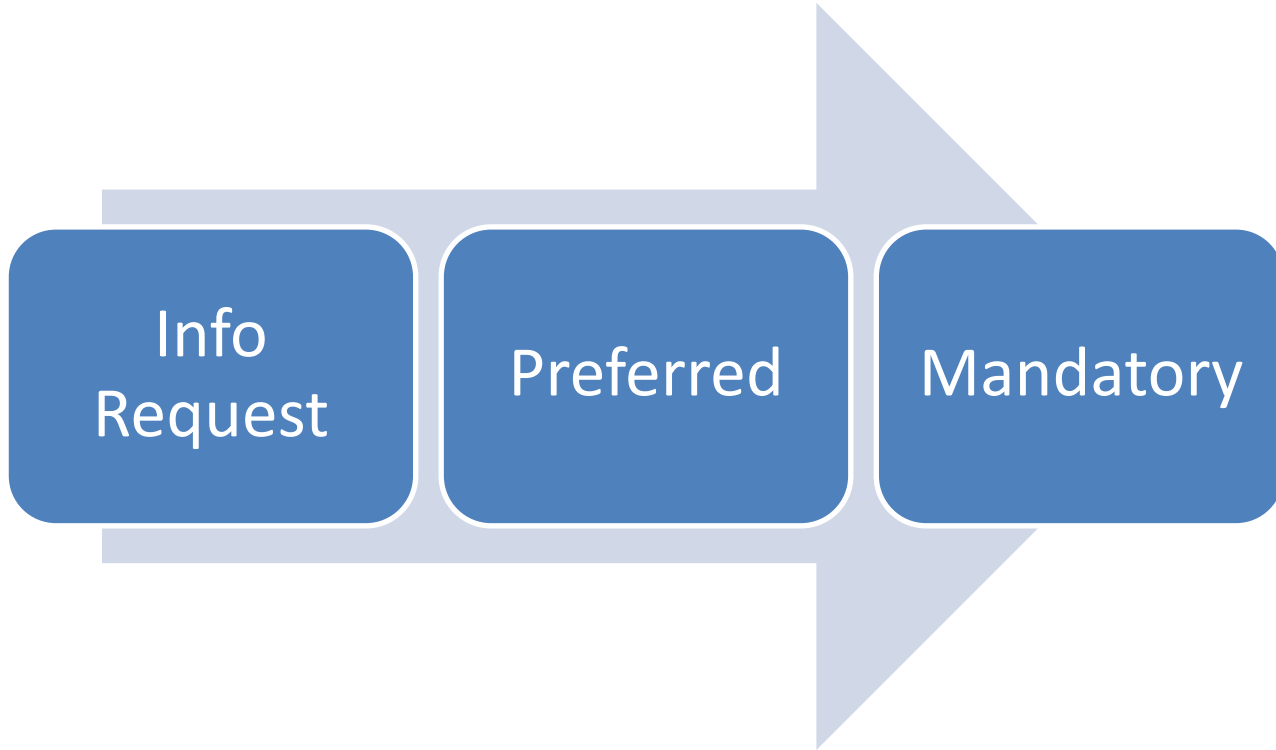
Probability	Severity				
	Minor 1	Moderate 2	Severe 3	Major 4	Catastrophic 5
Unlikely 1	1	2	3	4	5
Remote 2	2	4	6	8	10
Likely 3	3	6	9	12	15
Possible 4	4	8	12	16	20
Very Likely 5	5	10	15	20	25

High	Medium	Low
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# The Risk of Limiting Bids



# Levels of Integration



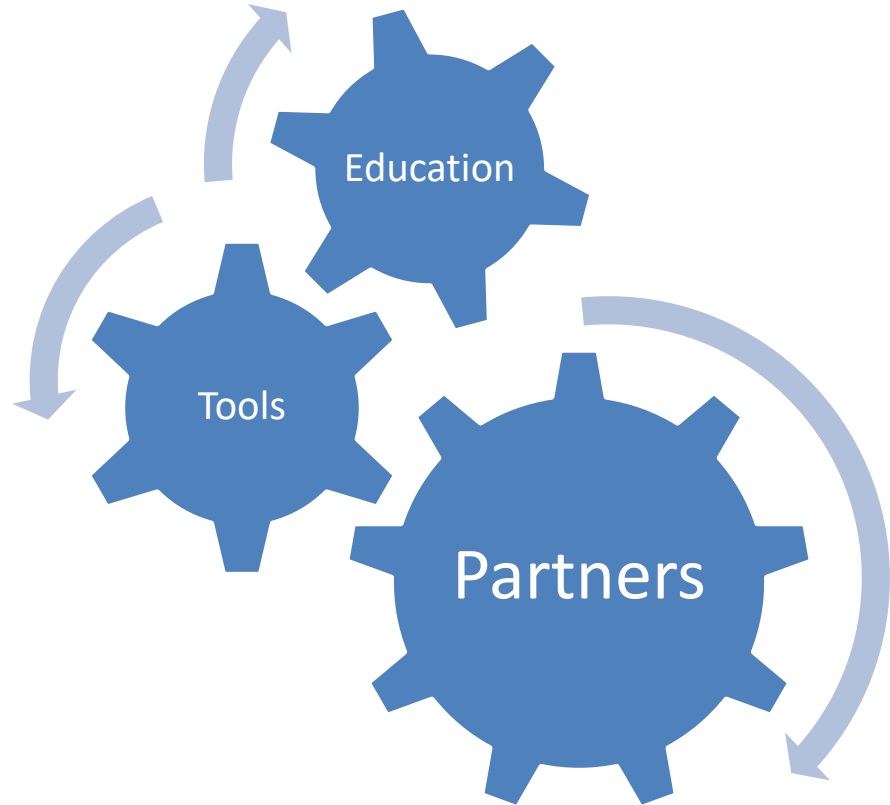
# Ecolabels



# The Risk of Increased Cost



# The Risk of Lack of Resources



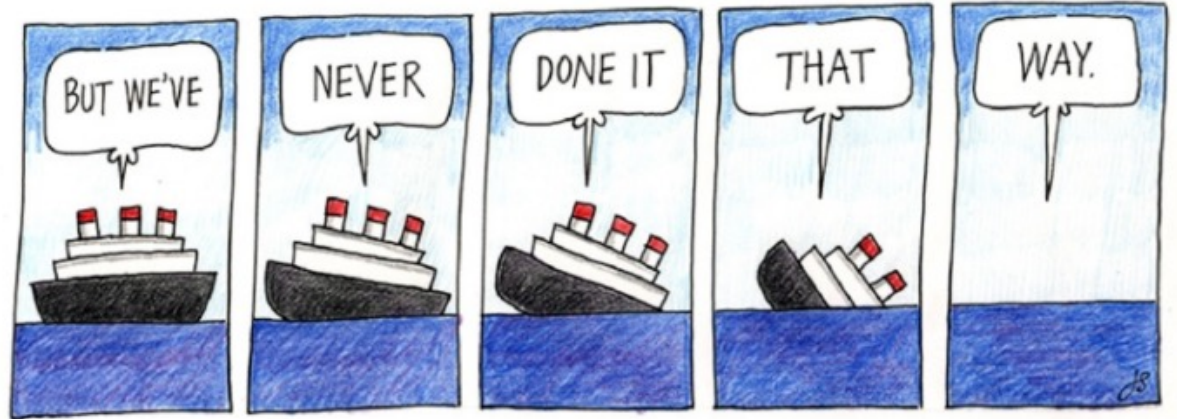


# Asking Deeper Questions

- How is it being produced?
- Who is producing it?
- Is it designed for longevity or for obsolescence?
- Is there social value?
- Does it support the community?



# The Risk of Innovation



Copyright, Jay Sidebotham

# The REAL Risks

Climate-related issues  
dominated all of the  
top-five long-term  
risks in terms  
of likelihood

# Brand and Reputational Risk

Police suspect hate crime after nooses found at Michael Garron Hospital construction site

Construction company's CEO 'appalled and outraged' at what he calls 'hateful and racist actions'

[Derick Deonarain](#) · CBC News · Posted: Jun 11, 2020 10:42 PM ET | Last Updated: June 12, 2020



A construction worker overlooks the future site of Michael Garron Hospital's Ken and Marilyn Thomson Patient Care Centre near Coxwell and Sammon avenues. (Martin Trainor/ CBC News)



COURTESY CARPENTERS' DISTRICT COUNCIL OF ONTARIO — Outside of the Michael Garron Hospital construction site in Toronto, where multiple racially motivated hate crimes occurred, community members pasted posters and art condemning the acts.

## 'Despicable act': Noose found at Crosstown LRT construction site in Leaside



**Bryann Aguilar** CP24 Web Content Writer  
@BryannAguilar | [Contact](#)

Published Thursday, March 11, 2021 6:30 PM EST

# Risk of Misalignment

News release

## Mississauga Declares Climate Emergency

The City of Mississauga is joining a growing number of Canadian municipalities who are taking action on climate change.

Environment | June 24, 2019



City of Mississauga  
**Corporate Green Building Standard**



MISSISSAUGA  
**City Business Plan  
and Budget**



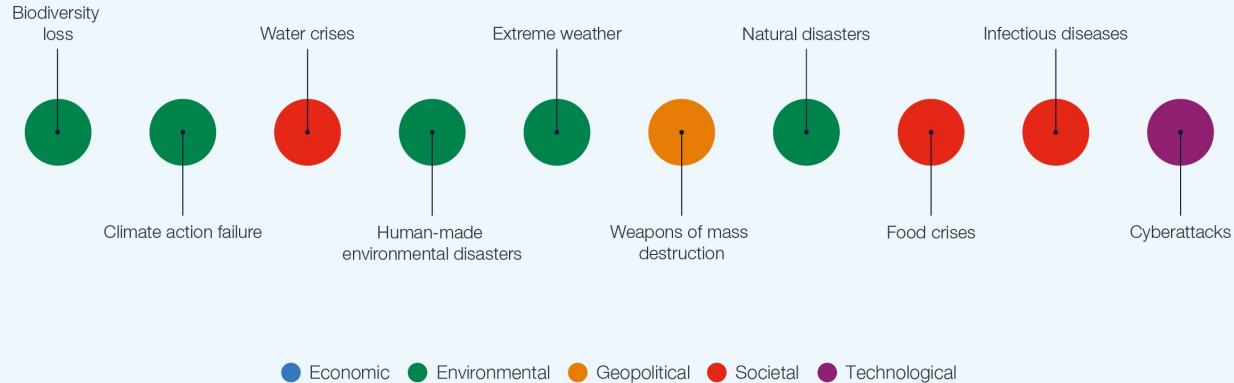
# Climate Change Risk

TOP 10 RISKS OVER THE NEXT 10 YEARS

## Long-Term Risk Outlook: Impact



### Global Shapers



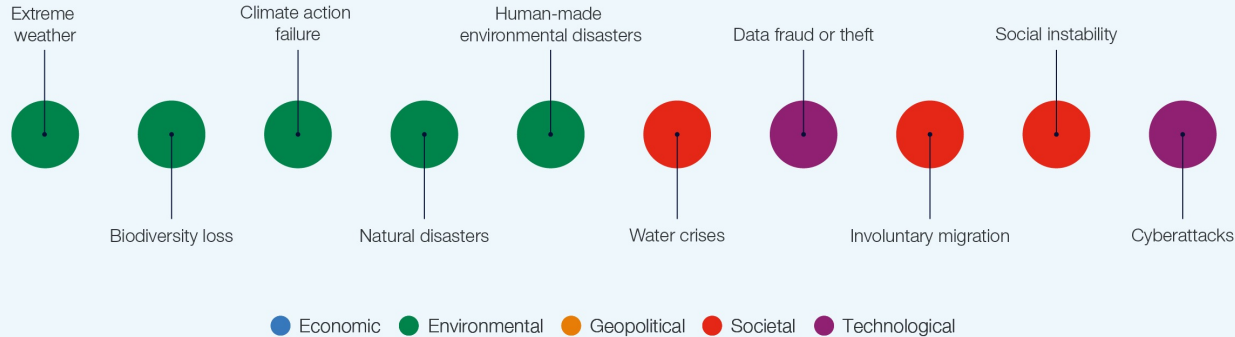
# Climate Change Risk

TOP 10 RISKS OVER THE NEXT 10 YEARS

## Long-Term Risk Outlook: Likelihood



### Global Shapers



# Risk of Low Bid = Low Value





# Risk of Impact on Employee Retention/Engagement

75%

40%

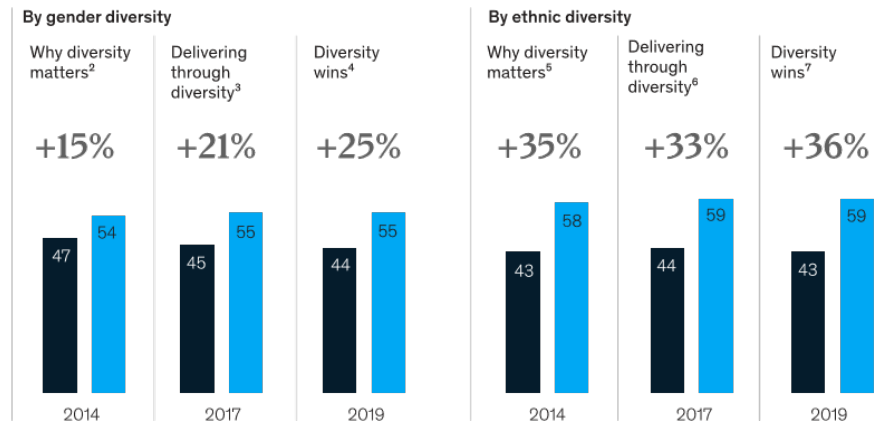
70%

Sources: [The \(Millennial\) Workplace of the Future Is Almost Here -- These 3 Things Are About to Change Big Time | Inc.com](#)  
[Millennials Really Do Want To Work for... \(3blmedia.com\)](#)

## The business case for diversity in executive teams remains strong.

Likelihood of financial outperformance,<sup>1</sup> %

■ Bottom quartile ■ Top quartile



<sup>1</sup>Likelihood of financial outperformance vs the national industry median; p-value <0.05, except 2014 data where p-value <0.1. <sup>2</sup>n = 383; Latin America, UK, and US; earnings before interest and taxes (EBIT) margin 2010–13. <sup>3</sup>n = 991; Australia, Brazil, France, Germany, India, Japan, Mexico, Nigeria, Singapore, South Africa, UK, and US; EBIT margin 2011–15. <sup>4</sup>n = 1,039; 2017 companies for which gender data available in 2019, plus Denmark, Norway, and Sweden; EBIT margin 2014–18. <sup>5</sup>n = 364; Latin America, UK, and US; EBIT margin 2010–13. <sup>6</sup>n = 589; Brazil, Mexico, Singapore, South Africa, UK, and US; EBIT margin 2011–15. <sup>7</sup>n = 533; Brazil, Mexico, Nigeria, Singapore, South Africa, UK, and US, where ethnicity data available in 2019; EBIT margin 2014–18.  
Source: Diversity Wins data set

McKinsey  
& Company



Dow Jones  
Sustainability Indexes

# Risk of Vulnerable Suppliers

# Removing barriers to sustainable procurement is risk management

