

Fact Sheet 04

Green Procurement

An introduction

The factsheet looks at how Green Procurement can add value to the purchasing process by applying greener purchasing criteria.

Green purchasing criteria

We know that price is not the only indicator of value, so in any procurement process we use purchasing criteria to decide what to buy, and from whom. Green purchasing criteria include lowest whole-life cost, responsible purchasing, supplier accreditation, carbon emissions, and product standards. Using these criteria assures us we are getting better value and helps to reduce the environmental impact of our purchasing at the same time.

Whole-life costing

The lowest whole life cost is the key criterion for greener purchasing. More durable products, lower energy or consumables use, upgradeable or returnable products, or product leasing can all be ways to get better value while reducing environmental impact. Lower whole-life costs make a clear business case for greener procurement.

Responsible Purchasing

A commitment to responsible purchasing can include criteria such as sustainable forestry, fair trade, low carbon, recycled products, reduced packaging, sustainable fisheries, animal welfare standards or using local suppliers.

These commitments are often expressed through a CSR (Corporate Social Responsibility) or Environmental Policy, and add reputational value and provide opportunities for positive communication. Fairtrade catering using local suppliers, for example, shows a commitment to these values in your organisation.

Supplier accreditation

Suppliers who have environmental accreditation, such as ISO14001, EMAS or Acorn (BS8555) are managing their environmental risks, such as environmental regulations, waste and resource efficiency. Buying from accredited suppliers reduces exposure to risk as well as greening the supply chain. A credible environmental policy is also a valuable tool for assessing the quality of a prospective supplier.

Green criteria

- Whole-life cost
- Responsible purchasing
- Supplier accreditation
- Carbon emissions
- Product standards

Whole-life cost

Products on the Energy Technology list qualify for Enhanced Capital Allowances and have lower whole-life costs.

www.etl.decc.gov.uk/etl







Other Fact sheets

- Environmental Management Systems
- Writing an environmental policy factsheet
- Carbon Reduction Commitment

Carbon emissions

As well as the direct cost of energy organisations have indirect costs relating to carbon emissions if they qualify for the CRC (Carbon Reduction Commitment), EU ETS (EU Emissions Trading Scheme) or are a member of a CCA (Climate Change Agreement). Carbon costs should be included as part of the running cost in any purchasing decision. From 2012 CRC participants will pay £12 per tonne for emissions credits, adding about 0.66p to the cost of each unit of electricity and 0.23p per unit of gas.

Some product standards

Logo	Name	Type	Description
	FSC fsc-uk.org.uk	Paper and Wood products, Print	Forest Stewardship Council. Wood and paper from sustainably managed sources. Ask your printer about using the logo on your publications.
	PEFC pefc.co.uk	Paper and Wood products, Print	Programme for the Endorsement of Forest Certifications. Wood and paper from certified sources. Ask your printer about using the logo on your publications.
	Energy Technology List etl.decc.gov.uk/etl	23 categories of energy-using products	Best-in class products with lower whole life costs, which qualify for Enhanced Capital Allowances
	Energy Star eu-energystar.org energystar.gov	EU - Office products, US - Many products	Energy-Star products have lower energy use than comparable products.
	EU Ecolabel ecolabel.com	A wide variety of products	Ecolabel products meet tough environmental criteria and have lower impacts across the product life-cycle.
	Fairtrade Foundation fairtrade.org.uk	Coffee, Tea, Chocolate, Cotton, many other products	Fairtrade is about better prices, decent working conditions, local sustainability, and fair terms of trade for farmers and workers in the developing world.

Where can I find further information?

Type of information	Link	What you'll find
Mayor's green procurement code	greenprocurementcode.co.uk	Sign up to the code, green products directory
Action Sustainability	actionsustainability.com	Advice and tools for sustainable procurement
WRAP – Sustainable Procurement	wrap.org.uk	Resources to promote sustainable procurement
Recycled Products Guide	recycledproducts.org.uk	Recycled Products Guide
A guide to green procurement	envirowise.wrap.org.uk	Free publication (GG921)

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Factsheets available on our website – log on to www.insw1.com/greenbusiness for more information.

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