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# Sustainable Procurement Policy Statement

*Approved by the Rt. Caroline Spelman MP  
Secretary of State for Environment, Food and Rural Affairs  
– March 2011*



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## Sustainable Procurement Policy Statement

*“The Government is committed to delivering sustainable development and becoming the greenest government ever, promoting economic development, environmental protection and an improving quality of life for everyone in the UK. We want to mainstream sustainability, strengthen the Government’s performance in this area and put processes in place to join-up activity across government much more effectively.”*

The Rt. Caroline Spelman MP – July 2010<sup>1</sup>  
Secretary of State for Environment, Food and Rural Affairs

### Introduction

Analysis undertaken by Professor Sir John Beddington, the Government’s chief scientist, reveals that the UK faces a situation by 2030 in which the coincidence of a shortage of water and energy could lead to a shortage of food. It is therefore important that procurers and suppliers play their part in delivering improved sustainability if we are to avoid what Sir John calls this "perfect storm" scenario.

All government departments should demonstrate leadership to the wider public sector, businesses and citizens in their commitment to sustainability and to the taxpayer in achieving efficiency and value for money<sup>2</sup>. This policy statement describes the Government’s and Defra’s policies, targets and commitments to embed sustainability into public procurement and the action the Department is taking to deliver them.

Procuring sustainably<sup>3</sup> means considering the environmental, social and economic impacts of the product or service over its life time, such as: design, use of non-renewable material, methods of manufacture and production, logistics, operation, maintenance, reuse, recycling options and disposal; plus the suppliers’ capability to address these impacts throughout the supply chain.

This means building economic, environmental and social considerations into our procurement of goods, services, works and utilities to achieve best value for money and continual improvements in our sustainable performance. That is, by conserving resources, controlling pollution, reducing waste and raising the quality of people’s lives.

We shall, where feasible, seek to encourage innovation by emphasising our needs and desired outcomes to allow business to come up the most cost effective and sustainable solutions; rather than specifying in detail what is required to meet the need, which can dampen innovation.

We shall also continue to work closely with the Efficiency and Reform Group (ERG) in the Cabinet Office<sup>4</sup> to improve sustainable procurement and operational practice across central

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<sup>1</sup> Reforms to Defra’s delivery network – 21 July 2010. URL: <http://ww2.defra.gov.uk/2010/07/22/arms-length-bodies/>

<sup>2</sup> The Cabinet Office’s Efficiency and Reform Group (ERG) is responsible for helping Government deliver best value from its spending - <http://www.ogc.gov.uk/>. See also: <http://www.cabinetoffice.gov.uk/government-efficiency>

<sup>3</sup> Sustainable Procurement is defined as: *“a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment”*. The definition is from “Procuring the Future – Sustainable Procurement National Action Plan”.

<sup>4</sup> ERG is helping Government Departments achieve their targets for reducing carbon emissions and waste across the government estate, e.g. by providing strong central coordination, guidance and support; assisting them to draw up delivery plans; and countering the barriers preventing progress - <http://www.ogc.gov.uk/cesp.asp>.

government. This includes delivery of the action plan for driving sustainable operations and procurement across government, published in November 2010.<sup>5</sup>

## Scope

This policy statement:

- Requires the whole of Defra to take responsibility for what it procures and for our suppliers to support us;
- Applies where Defra is procuring goods, services, works and utilities; and
- Links to the [Government's timber procurement policy](#), [Defra's Ethical Procurement Policy Statement](#) and [Government Buying Standards](#).

Defra's agencies and NDPBs<sup>6</sup> may wish to adopt or adapt this policy statement for their own strategies, where they do not have an existing policy in place.

## Government policy

The Coalition Government is committed to sustainable growth and is encouraging UK businesses to seize the opportunities arising from the shift to a green and more diverse economy, which it intends to stimulate through public procurement.

Its vision is to become the "greenest government ever" as well as achieving better value for money for the taxpayer, through a step change in leadership, efficiency, transparency and accountability in how it conducts its own operations and procurement. In pursuit of this vision Defra published (1) an action plan covering sustainable operations and procurement in December 2010 and (2) greening government commitments in February 2011.<sup>7</sup>

### *(1) Action plan for driving sustainable operations and procurement across government*

The action plan<sup>8</sup> for guiding reform of the Government's operations and procurement includes key procurement policy objectives to:

- Drive the agenda on transparency in the environmental performance of government by facilitating the release of departmental and supplier data;
- Improve the sustainability of the supply base so that government builds stronger relationships with its suppliers and manages risk and cost effectively;
- Reform government sustainable delivery by developing new tools and solutions which deliver greater efficiency and provide a lead across government and other sectors;

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<sup>5</sup> The action plan is at <http://www.defra.gov.uk/sustainable/government/documents/ap-driving-sustain-ops.pdf> and dealt with on page 3.

<sup>6</sup> There is a *Delivery landscape map* showing how Defra and its delivery bodies fit together - <http://ww2.defra.gov.uk/corporate/about/with/>

<sup>7</sup> The commitments formed part of the Government's mainstreaming sustainable development package launched on 28 February 2011 - <http://ww2.defra.gov.uk/news/2011/02/28/embedding-sustainability-at-the-heart-of-government/>. Details of the vision and what it means in practices is at <http://sd.defra.gov.uk/documents/mainstreaming-sustainable-development.pdf>.

<sup>8</sup> The Action Plan is at <http://www.defra.gov.uk/sustainable/government/documents/ap-driving-sustain-ops.pdf>. Other Government actions in the action plan include moves to: develop minimum technical specifications to encourage the purchase of low carbon technologies; functional specifications to stimulate innovation and engage and incentivise the private sector (particularly facilities management suppliers) to come up with innovative proposals to deliver change.

- Identify the high carbon impacts of the Government's supply chain to calculate its carbon footprint;<sup>9</sup>
- Establish baselines to target these high carbon impact areas;
- Use the increased transparency to bring pressure to bear on our suppliers to offer the most sustainable products and services.

## *(2) Greening Government Commitments: Operations and Procurement*

These commitments<sup>10</sup> complement the principles in the action plan for greening Government operations and procurement, setting out how the Government intends to significantly reduce its impact on the environment.

For procurers and contract managers they are about reducing demand, getting better value for money, capitalising on the opportunities to make financial and environmental resource savings and streamlining procurement processes. The headline commitments – reproduced at Annex A - are designed to significantly reduce the Government's impact on the environment: reducing greenhouse gas emissions, cutting waste, bringing down water usage and making procurement more sustainable.

In its procurement the Government will ensure it buys more sustainable and efficient products and engages with its suppliers to understand and reduce the impacts of its supply chain:

- Embed the Government Buying Standards<sup>11</sup> in departmental and centralised procurement contracts, within the context of Government's overarching priorities of value for money and streamlining procurement processes; and
- Improve and publish data on our supply chain impacts, initially focussing on carbon, but also water and waste - setting detailed baselines for reducing these impacts.

The Government's impact and ability to show leadership stretches beyond the headline commitments, for example through the way it promotes and conserves biodiversity on its estate, and the standards set for construction projects. Departments will need to be open and transparent on the steps they are taking to address the following areas that are set out in full at Annex B:

- Climate Change Adaptation
- Biodiversity and the natural environment
- Sustainable construction
- Food and catering services
- People.

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<sup>9</sup> Defra published in November 2010: "A Greenhouse Gas Footprint Analysis of UK Central Government 1990-2008" covering emissions from sources such as buildings, vehicles and other equipment and also the 'embedded emissions' of the goods and services bought by Government. It also published in Feb. 2011 footprints for 8 central Government Departments, including a detailed carbon footprint of Defra's own supply chain. URL: <http://sd.defra.gov.uk/gov/green-government/> - see foot of page under "Accountability and transparency".

<sup>10</sup> Full details are given in "Greening Government Commitments: Operations and Procurement" published in February 2011 - <http://sd.defra.gov.uk/documents/Greening-Government-commitments.pdf>. They replace the previous Sustainable Operations on the Government Estate (SOGE) targets allowing greater flexibility for delivery across a hugely varied estate. They are also more streamline than the Sustainable Development in Government (SDIG) targets announced for 2010-11 onwards by the previous Government.

<sup>11</sup> The Government Buying Standards are tested to ensure that the specifications represent financial and environmental savings over the lifetime of the product - <http://sd.defra.gov.uk/advice/public/buying/>

Departments will also need to:

- Work in partnership with key suppliers to understand and reduce the impacts of supply, e.g. developing at least three projects to reduce greenhouse gases;
- Improve and publish data on supply chain impacts, initially focussing on carbon<sup>12</sup>, but also water and waste - setting detailed baselines for reducing these impacts; and
- Share best practice by for example passing on accounts of innovative approaches so that others can benefit from the experience and knowledge gained.

### Defra's policies

Defra's Business Plan<sup>13</sup> published in November 2010 lays down three departmental priorities, to:

**1. Support and develop British farming and encourage sustainable food production**

Help to enhance the competitiveness and resilience of the whole food chain, including farms and the fish industry, to help ensure a secure, environmentally sustainable and healthy supply of food with improved standards of animal welfare.

**2. Help to enhance the environment and biodiversity to improve quality of life**

Enhance and protect the natural environment, including biodiversity and the marine environment, by reducing pollution, mitigating greenhouse gas emissions, and preventing habitat loss and degradation

**3. Support a strong and sustainable green economy, resilient to climate change**

Help to create the conditions in which businesses can innovate, invest and grow; encourage businesses, people and communities to manage and use natural resources sustainably and to reduce waste; work to ensure that the UK economy is resilient to climate change; and enhance rural communities

### Big Society

Defra will, through its procurement and supplier engagement programme, help to create the Big Society<sup>14</sup>, which aims to transform Britain into a society where government is a smaller player in a partnership with citizens, civil society and public and private institutions. One of the pillars of the Big Society approach is public service reform which includes delivering more

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<sup>12</sup> The Department for Energy and Climate Change's [Annual Energy Statement](#) stressed the importance of Central Government leading by example in reducing the large amount of energy it consumes. DECC will continue to develop models that will make a significant step change in how public sector energy use is managed, making real energy efficiency savings.

<sup>13</sup> Defra's Business Plan was published on 8 November 2010 and covers the Department's vision, priorities, expenditure and information strategy – <http://www2.defra.gov.uk/corporate/about/what/business-planning/>. Business Plans are the key tool of the Coalition Government for making departments accountable for the implementation of the reforms set out in the Coalition Agreement. They replace the previous Public Service Agreements (PSAs) and Departmental Strategic Objectives (DSOs) targets for all departments and will be refreshed annually. The Minister for Government Policy holds departments to account through the quarterly business plan review process.

<sup>14</sup>The Big Society is the Government's response to the lack of trust in politics, budget pressures and complex social problems – problems which it cannot solve on its own. The view is that if people are more involved in creating policy, they'll be more involved in society as a whole, coming up with their own solutions to the problems they face and holding Government and others to account. Getting the relationship right between central government and civil society will be one of the cornerstones of delivering the coalition's Big Society agenda. URL: <http://www.cabinetoffice.gov.uk/big-society>.

diverse, responsible and value for money public services e.g. through choice and opening up supply.

The Government intends to publish a Public Service Reform White Paper by 2012<sup>15</sup> for creating a level playing field for civil society organisations<sup>16</sup> wanting to bid for public service contracts. In the meantime, Defra will for example:

- Seek to identify in notices and advertisements contracts that may provide opportunities for civil society organisations to tender for the business in the same way as we do for SMEs;
- Widely advertise all contracts using for example online portals that are listed on Defra's Suppliers web site<sup>17</sup>;
- Encourage first tier suppliers to publicise business opportunities arising from the contracts we let, as a means of increasing the range and diversity of our supply chains;
- Publish all contracts in full on the Business Link web site, in compliance with the Government requirements for greater transparency in public sector procurement and contracting;<sup>18</sup>
- Encourage suppliers to provide more apprenticeships, graduate training schemes and training to build up people's skills.

### Flexible Framework

Defra is using the Flexible Framework to help embed sustainability into its procurement with a commitment to achieve the top "lead" level 5 before 2015. This self-assessment toolkit is designed to allow organisations to measure and monitor their progress on sustainable procurement over five levels under the following five themes: (1) People, (2) Policy, strategy and communications, (3) procurement process, (4) supplier engagement and (5) measurement and results.<sup>19</sup>

### Legal and policy framework

Defra will continue to work within the legal and policy framework in its procurement of goods, services, works and utilities to meet its requirements:

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<sup>15</sup> Details of the Public Service Reform White Paper appear on the Cabinet Office's web site at [http://www.cabinetoffice.gov.uk/newsroom/news\\_releases/2010/101102-bigsociety.aspx](http://www.cabinetoffice.gov.uk/newsroom/news_releases/2010/101102-bigsociety.aspx)

<sup>16</sup> There is currently no legal definition for a civil society organisation. One example is OEC's definition of such organisations as "*the multitude of associations around which society voluntarily organises itself and which represent a wide range of interests and ties. These can include community-based organisations, indigenous peoples' organisations and non-government organisations*". A source of information on the subject is the Civil Society - <http://www.civilsociety.co.uk/home>.

<sup>17</sup> Contracts page of Defra's Suppliers web site - <http://www.defra.gov.uk/corporate/about/how/procurement/tenders.htm>

<sup>18</sup> The Government requirements for greater transparency are on the Efficiency and Reform Group's web site at <http://www.cabinetoffice.gov.uk/transparency>. This business link site at [www.businesslink.gov.uk/transparency/procurement](http://www.businesslink.gov.uk/transparency/procurement) is designed specifically to meet these transparency commitments and does not provide live procurement opportunities, which can be found via the online portals listed on the contracts page of Defra's suppliers' web site - <http://www.defra.gov.uk/corporate/about/how/procurement/tenders.htm>.

<sup>19</sup> A matrix describing the five themes and five levels is contained in Defra's publication "Sustainable procurement in Government: Guidance to the Flexible Framework" - <http://www.defra.gov.uk/sustainable/government/advice/public/buying/documents/flexible-framework-guidance.pdf>.

- The [EU Procurement Directives](#)<sup>20</sup> set out the legal framework for public procurement. They apply when public authorities and utilities seek to acquire supplies, services, or works. They set out procedures which must be followed before awarding a contract when its value exceeds [EU Procurement Thresholds](#), unless it qualifies for a specific exclusion - for example on grounds of national security. Directive 2004/18EC has been implemented into national law in the UK by Regulations: the Public Contracts Regulations 2006.<sup>21</sup> These Regulations were amended by the Public Contracts (Amendment) Regulations 2009 (S.I. 2009 No. 2992).
- Even when a tender process is not subject to the Directives, (for example because the estimated value of a contract falls below the relevant threshold)<sup>22</sup>, EU Treaty-based principles of non-discrimination, equal treatment, transparency, mutual recognition and proportionality apply.
- The purpose of the EU procurement rules is to open up the public procurement market and to ensure the free movement of supplies, services and works within the EU. The EU rules reflect and reinforce the Government's procurement policy of seeking maximum value for money having due regard to propriety and regularity<sup>23</sup>. "Value for money" is defined as *"securing the best mix of quality and effectiveness for the least outlay over the period of use of the goods or services bought"*.

The framework provides plenty of scope to pursue Government objectives on sustainable development through procurement (where relevant to the contract) because:

- The achievement of "value for money" requires buyers to take account of all aspects of cost, including running and disposal costs, **and not just the initial purchase price.**
- The reference to "quality and effectiveness" enables public bodies to specify what they need to meet their own operational and policy objectives, while contributing to the Government's objectives on sustainable development. The specifications should be justifiable in terms of need, cost effectiveness and affordability.<sup>24</sup>

## Commitment

Defra is committed to embedding sustainability into the procurement process. This means:

- Reviewing processes, tender documentation, training and systems to identify sustainability risks and impacts and developing measures to address them and improve performance;
- Encouraging changes in patterns of consumption, production and supply by choosing, using and demanding more sustainable and efficient goods and services;

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<sup>20</sup> The key procurement directives are: [Directive 2004/18/EC](#) on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts; and [Directive 2004/17/EC](#) coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors.

<sup>21</sup> As implemented in the UK by the [Public Contracts Regulations SI2006/6](#) and [Utilities Contracts Regulations SI 2006/6](#).

<sup>22</sup> The EU procurement thresholds are listed on the Efficiency and Reform Group's web site at [http://www.ogc.gov.uk/procurement\\_policy\\_and\\_application\\_of\\_eu\\_rules\\_eu\\_procurement\\_thresholds\\_.asp](http://www.ogc.gov.uk/procurement_policy_and_application_of_eu_rules_eu_procurement_thresholds_.asp)

<sup>23</sup> ERG's publications and advice: "Our Policy on Value for Money" - [http://www.ogc.gov.uk/key\\_policy\\_principles\\_delivering\\_value\\_for\\_money\\_in\\_procurement.asp](http://www.ogc.gov.uk/key_policy_principles_delivering_value_for_money_in_procurement.asp); "Policy Principles underpinning public sector procurement" - [http://www.ogc.gov.uk/procurement\\_documents\\_policy\\_and\\_standards\\_framework.asp](http://www.ogc.gov.uk/procurement_documents_policy_and_standards_framework.asp). Guidance and tools are available on Defra's web site - <http://www.defra.gov.uk/corporate/about/how/procurement/sell/index.htm>.

<sup>24</sup> ERG's *Value for Money guidance* provides Departments with a standard methodology to capture value for money from the efficiency and the sustainability gains arising from their procurement activities - <http://www.ogc.gov.uk/index.asp>.

- Taking an “ecosystems approach” to help protect the natural environment’s ability<sup>25</sup> to provide the valuable services that underpin our economic, social and personal well-being<sup>26</sup> and which are crucial to safeguarding future supplies;<sup>27</sup>
- Working with the Efficiency and Reform Group to help the public sector get not only better value for money but also improved sustainability through more collaborative and centralised procurement;<sup>28</sup>
- Using our influence with suppliers to stimulate innovation<sup>29</sup>, new technologies<sup>30</sup> and better design that can help Defra achieve the Government’s greening government commitments;<sup>31</sup>
- Raising procurers’ and suppliers’ awareness of the risks and opportunities arising from climate change; and helping to enhance their ability to deal with variable weather such as higher temperatures, droughts, flooding, sea and river level rises, water scarcity, and loss of water quality that can disrupt the supply of goods and services;<sup>32</sup>
- Increasing skills training and also the number of apprenticeships<sup>33</sup> and young unemployed people taken into the workforce through procurement where relevant to the subject matter of the contract, i.e. through new contracts and working in partnership with suppliers;
- Continuing to promote through our supply chains business opportunities for SMEs and civil society organisations such as social enterprises and supported factories<sup>34</sup>;

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<sup>25</sup> The Government’s “Natural Environment White Paper” (due in spring 2011) will outline the Government’s vision for the natural environment, backed up with practical action. The vision represents an opportunity to change the way we think about and manage the natural environment by getting us to see it as a system and putting a value on the services it provides. The Natural Value Programme web site contains a range of resources and guidance to help Government, businesses and other decision makers to develop an “ecosystems approach” - <http://ww2.defra.gov.uk/environment/natural/ecosystems-services/>.

<sup>26</sup> The value of bees to the UK economy is calculated to be £440 million a year because if they didn’t exist that’s what it would cost to replace the functions that they undertake.

<sup>27</sup> The Consumer Goods Forum (a group of 400 companies including Coca-Cola, Unilever and Carrefour) has agreed to: (1) phase out the use of hydrofluorocarbon (HFC) refrigerants from 2015, replacing them with non-HFC refrigerants; and (2) mobilise their collective resources to help achieve zero net deforestation by 2020 in recognition that the consumer goods industry, through its growing use of soya, palm oil, beef, paper and board, creates many of the economic incentives which drive deforestation. This is one of the principal drivers of climate change, accounting for 17% of greenhouse gases today - [http://www.ciesnet.com/pfiles/press\\_release/2010-11-28\\_TCGF\\_final\\_press\\_release.pdf](http://www.ciesnet.com/pfiles/press_release/2010-11-28_TCGF_final_press_release.pdf)

<sup>28</sup> ERG’s Markets & Collaborative Procurement. [http://www.ogc.gov.uk/delivering\\_value\\_for\\_money.asp](http://www.ogc.gov.uk/delivering_value_for_money.asp). ERG’s collaborative procurement documents - [http://www.ogc.gov.uk/efficiency\\_collaborative\\_procurement\\_documents.asp](http://www.ogc.gov.uk/efficiency_collaborative_procurement_documents.asp)

<sup>29</sup> The White Paper, *Innovation Nation* (March 2008), required each Government Department as part of its commercial strategy to include an Innovation Procurement Plan (IPP) setting out how it and its agencies will embed innovation in its procurement practices. Efficiency And Reform Group (previously OGC) guidance for incorporating innovation into procurement is at: [http://www.ogc.gov.uk/delivering\\_policy\\_aims\\_through\\_public\\_procurement\\_innovation.asp](http://www.ogc.gov.uk/delivering_policy_aims_through_public_procurement_innovation.asp)

<sup>30</sup> Efficiency And Reform Group provides guidance on how to maximise value from procurement through early market engagement - [http://www.ogc.gov.uk/policy\\_and\\_standards\\_framework\\_market\\_management.asp](http://www.ogc.gov.uk/policy_and_standards_framework_market_management.asp)

<sup>31</sup> Greening Government Commitments for operations and procurement are published on Defra’s web site at <http://sd.defra.gov.uk/documents/Greening-Government-commitments.pdf>.

<sup>32</sup> Defra’s web site lists actions that businesses can take to reduce risks and increase opportunities arising from climate change- <http://ww2.defra.gov.uk/environment/climate/sectors/>

<sup>33</sup> More information about the apprenticeship scheme is given on the web sites of the [National Employer Service](#) and [National Apprenticeship Service](#). See also ERG’s “Procurement Policy Note 14/09 – [Further guidance on embedding skills training and apprenticeships in public procurement](#)”.

<sup>34</sup> See ERG *Procurement Policy Notes* - [http://www.ogc.gov.uk/procurement\\_policy\\_and\\_application\\_of\\_eu\\_rules\\_procurement\\_policy\\_notes.asp](http://www.ogc.gov.uk/procurement_policy_and_application_of_eu_rules_procurement_policy_notes.asp)

- Meeting or exceeding the minimum “[Government Buying Standards](#)” (previously known as the *Buy Sustainable: Quick Wins*)<sup>35</sup>, which are mandatory for all central Government Departments and their executive agencies;<sup>36</sup>
- Fully engaging in programmes and initiatives to improve sustainability and increase collaboration in procurement, for example [Government’s carbon budgets](#); [Carbon Reduction Commitment](#); [Adapting your procurement – Guidance](#)<sup>37</sup>, [Green Government ICT strategy](#)<sup>38</sup>; [Driving Innovation through Public Procurement](#); [Make Equality Count](#); [Think Smart: Think Voluntary Sector](#); and [Promoting skills through public procurement](#);
- Flagging up examples of tenders incorporating award criteria and best practice that encourage innovation and improved sustainable performance; and
- Working with colleagues across the public sector to share best practice and to influence policy making through procurement.

### Procurement staff

Our procurement people will:

- Through their actions support the Cabinet Office in driving efficiency and reform across government and in tackling waste, improving accountability and raising professionalism;
- Where relevant, embed sustainability into Defra’s tender documentation, e-procurement systems, procedures and processes, for example by developing and improving contractual clauses covering sustainability requirements for inclusion in contracts for goods and services;
- Identify and select goods<sup>39</sup> and services that achieve value for money and increased sustainability;
- Work with our internal customers to change patterns of consumption and production, supply and demand to reduce our environmental impacts;
- Work with our suppliers through Defra’s Supplier Engagement and Supplier Relations Management programmes to improve performance.

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<sup>35</sup> The aspiration is to meet at least the “best practice” specifications and, if feasible, “class leader” where this achieves value for money taking into account whole life costs. The minimum Government Buying Standards specifications are mandatory on all Government Departments and are regularly reviewed and updated so that they remain pitched above the minimum in the market whilst still being cost-effective and enabling sufficient choice for competitive tendering. Government Buying Standards: <http://sd.defra.gov.uk/advice/public/buying/>.

<sup>36</sup> There is an EU target for 50% public procurement tenders across a range of priority product groups to comply with the minimum, core criteria of the EU’s Green Public Procurement (GPP) by the end of 2010 - [http://ec.europa.eu/environment/gpp/index\\_en.htm](http://ec.europa.eu/environment/gpp/index_en.htm). Defra is working towards aligning the *Government Buying Standards* with the GPP.

<sup>37</sup> Adapting to climate change requires identifying the risks arising from climate change and variable weather such as higher temperatures, droughts, flooding, sea and river level rises, coastal and riparian erosion, water scarcity, and loss of water quality that have the potential to disrupt the supply of goods to an organisation. The organisation should then enhance its resilience and that of its suppliers to deal with the effects of such extreme events, including having the necessary awareness-raising, evaluation, preventive, preparatory, recovery measures and support systems in place. See <http://www2.defra.gov.uk/environment/climate/>.

<sup>38</sup> Green Government ICT strategy not only considers the carbon cost of ICT itself, it also addresses the use of ICT to reduce the overall carbon emissions in delivering government services.

<sup>39</sup> For example, goods meeting the Government Buying Standards which have been developed using life cycle analysis (LCA) and have an impact assessment associated with them - <http://sd.defra.gov.uk/advice/public/buying/>

## Suppliers

We will work with our suppliers and potential suppliers through the procurement process and on a voluntary basis to:

- Raise their awareness of our commitment to sustainable development and the need for continual improvement;
- Provide goods and services that reduce costs to the Department over the lifetime of the contract and also contribute to improved sustainability;
- Encourage them to adopt sustainable practices in the way that they do business with us, for example through participation in the [Carbon Disclosure Project Public Procurement Programme](#) or pan Government successor to encourage carbon foot-printing of suppliers to Government;
- Encourage them to publicise their own examples of good sustainability practices, for example at our supplier engagement forums and on [Defra's suppliers web site](#);
- Encourage them as employers to promote equality and diversity among their employees and their own suppliers and to invest in improving skills, for example by providing training, apprenticeships and graduate programmes, as relevant;<sup>40</sup>
- Encourage and support SMEs and civil society organisations to compete for public sector contracts and seeking to increase sub-contracting opportunities for them with our larger suppliers, where this is consistent with achieving value for money and EU Treaty principles, EU procurement directives and the implementing UK regulations;
- Encourage them to provide product-level cradle-to-gate greenhouse gas data making use of emission factors from life cycle inventory databases;
- Encourage them to report their corporate emissions in their annual reports, where appropriate, following Defra-DECC guidance.<sup>41</sup>

## Risk Assessments

We will incorporate a process of economic, environmental and social risk assessments into our procurement activities. Risk assessments undertaken by project owners will identify procurements which constitute high economic, environmental and social risk. Responsibility will lie with project owners to assess, manage and mitigate the risks.

## Monitoring

Defra will monitor performance in delivering this policy statement against the Flexible Framework using KPIs and analysing data from core financial systems. It will also seek to achieve certification to CIPS Gold<sup>42</sup> to show the level of competence reached against the Flexible Framework.

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<sup>40</sup> Support is available to businesses taking advantage of the [Government's apprenticeship scheme](#) – see under the Employers section.

<sup>41</sup> The reference is to Defra-DECC guidance on how to measure and report your greenhouse gas emissions - <http://www.defra.gov.uk/environment/business/reporting/pdf/ghg-guidance.pdf>. See also "2010 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting" - <http://www.defra.gov.uk/environment/business/reporting/pdf/100805-guidelines-ghg-conversion-factors.pdf>. Additional guidance is available at <http://www2.defra.gov.uk/environment/economy/business-efficiency/reporting/>.

<sup>42</sup> Gold Certification is CIPS' highest award for an organisation's strategic procurement capability and is designed for progressive organisations that want to be leaders in the field of purchasing and supply management activity - <http://www.cips.org/en-gb/membership/certification/certificationgold/>. One of its modules covers corporate social responsibility (i.e. sustainability) which is measured against the flexible framework.

## Reporting

The Coalition Government is committed to making its performance more open to public scrutiny by facilitating the release of departmental and supplier data under its transparency agenda.<sup>43</sup>

In support of this agenda Defra will:

- Submit a plan to the Cabinet Office for delivering their share of the greening government commitments on operations and procurement – *see page 4 of this statement*;
- Report through Defra's Sustainable Procurement Champion, Management Board and Ministers on progress in delivering the plan to the Cabinet Office that will publish regular updates on progress across Government to ensure it can be held to account by the public;<sup>44</sup>
- Report on progress against the new commitments through its annual reports and accounts.<sup>45</sup>

## Review

Defra's Procurement and Commercial Function will review this policy statement as the need arises; consulting procurers, customers, suppliers and colleagues in policy teams within Defra and Efficiency and Reform Group to ensure it reflects latest thinking and developments.

## Communication

We will communicate this policy both internally and externally, making it available with supporting documents via our Procurement Intranet site and Defra's suppliers' web site.

### ***Defra's Procurement and Commercial Function – March 2011***

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<sup>43</sup> For more information on the Government's transparency agenda – see <http://www.cabinetoffice.gov.uk/content/transparency-overview>

<sup>44</sup> The Environmental Audit Committee will hold Government to account in its new role to scrutinise Government policies and approach - <http://www.parliament.uk/eacom>

<sup>45</sup> Performance data against the new commitments will from April 2011 be reported via "Accounting for Sustainability" that HM Treasury has introduced into Government accounts. Accounting for Sustainability is a project developed by the Prince's Trust to help gain an understanding of the impact of human activity on the natural environment - <http://www.accountingforsustainability.org/home/>

## Greening Government Commitments: Operations and Procurement

### Headline commitments

To reduce our environmental impact, by 2015 the Government will:

#### 1. Reduce greenhouse gas emissions from a 09/10 baseline from the whole estate and business-related transport<sup>46</sup>

- a. cut carbon emissions from Central Government offices by 10% in 2010/11 and all ministerial HQs to publish online real time energy use information
- b. cut domestic business travel flights by 20% by 2015 from a 2009/10 baseline

#### 2. Reduce the amount of waste we generate by 25% from a 2009/10 baseline:<sup>47</sup>

- a. Cut our paper use by 10% in 2011/12
- b. Government will go to market with a requirement for “closed loop” recycled paper in 2011, subject to approval from the Government’s Procurement Executive Board.<sup>48</sup>
- c. Ensure that redundant ICT equipment is re-used (within government, the public sector or wider society) or responsibly recycled.

#### 3. Reduce water consumption from a 2009/10 baseline, and report on office water use against best practice benchmarks:<sup>49</sup>

- a. ≥6 m3 water consumption per FTE poor practice
- b. 4m3 to 6m3 per FTE good practice
- c. ≤4m3 per FTE best practice
- d. % offices meeting best/good/poor practice benchmark.

#### 4. Ensure government buys more sustainable and efficient products and engages with its suppliers to understand and reduce the impacts of its supply chain:

- a. Embed the Government Buying Standards in departmental and centralised procurement contracts, within the context of Government’s overarching priorities of value for money and streamlining procurement processes.
- b. Improve and publish data on our supply chain impacts, initially focussing on carbon, but also water and waste - setting detailed baselines for reducing these impacts.

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<sup>46</sup> The intention is to publish the level of ambition for the greenhouse gas emissions reduction shortly

<sup>47</sup> This commitment will be subject to review to ensure that it is sufficiently challenging in light of the structural changes (i.e. reduced staff numbers and building closures) that will follow from the Spending Review. This will include further analysis of the costs and the benefits. The Government will also announce its ambitions for diverting waste from landfill following the outcomes of the Waste Policy Review to ensure that the \*\* ambition for Government’s action on waste is consistent with that set for the household and business sectors.

<sup>48</sup> This measure will be informed by a feasibility study to be completed in 2011.

<sup>49</sup> For non-office water use Departments will set their own water reduction targets focussing firstly on areas which are subject to water stress.

## Greening Government Commitments: Operations and Procurement

### Reporting against the Green Government Commitments

When reporting we will also be transparent about the steps we are taking to deliver against these commitments, including the innovative approaches being taken and tested. We will also communicate the results (even where we haven't been successful) so that others can learn from our experiences. All Departments will need to submit plans for delivering these commitments to the Cabinet Office which will coordinate performance management of pan-government delivery and publish regular updates on progress to ensure we can be held to account by the public.

Government's impact and ability to show leadership stretches beyond the headline commitments, for example through the way we promote and conserve biodiversity on our estate, and the standards we set for construction projects. Departments will therefore be open and transparent on the steps they are taking to address the following areas:

**Climate Change Adaptation:** steps taken to adapt the estate to a changing climate.

**Biodiversity and Natural Environment:** including action taken to promote, conserve and enhance biodiversity, including use of Biodiversity Action Plans or equivalent and the management of Sites of Special Scientific Interest.

**Procurement of food and catering services:** including action taken within the context of overarching priorities of value for money and streamlining procurement, to encourage the procurement of food that meets British or equivalent production standards where this does not lead to an overall increase in costs; and to reduce the environmental impacts of food and catering services and support a healthy balanced diet.

**Sustainable Construction:** including the management of construction waste to best practice standards, the application of BRE's Environmental Assessment Methodology, and the extent to which standards used at the London 2012 Games are being applied/exceeded.

**People:** including for example, reporting on social and environmental assessment of office re-locations, and action taken to promote staff wellbeing.<sup>50</sup>

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<sup>50</sup> In addition to reporting on actions taken to promote staff wellbeing, staff volunteering is a priority within the work on Big Society, on which the Cabinet Office Leads. In future, reporting on numbers of staff volunteering will be incorporated into departmental staff surveys and the data will be shared to inform this reporting process.