

## What is Sustainable Procurement?

Sustainable procurement is an approach to buying products and services that takes into account the economic, environmental and social impacts of what you buy. The Legal Sustainability Alliance is about supporting action on climate change, so the scope of this guide is environmental impacts and particularly reducing carbon in the supply chain. Our aim is to explore how sustainability considerations complement other key business criteria such as cost, value-for-money and stakeholder preference.

Sustainable procurement means looking at the impacts of the product or service on the environment over its entire lifecycle from creation to disposal (see Figure 1). So, taking paper as an example, you would look at whether the paper is virgin pulp or a form of recycled product, the production process, how it is packaged, how it is delivered to you and whether you can recycle it.

Figure 1



## The business case for sustainable procurement

Taking sustainability into consideration in purchasing decisions is not merely about being seen to be green, there is also a strong business case.

Recent research by the Chartered Institute of Personnel Development reveals that more than 50 percent of people would prefer to work for a company with a strong environmental policy and clients are increasingly asking their legal advisers to demonstrate their green credentials.

Being ahead of the game can give firms competitive advantage, but equally, as more firms build environmental considerations into the procurement process it will drive suppliers to develop more, better and cheaper low-carbon products and services. So it really is a win-win situation.

### The Business Case:

- Reduced exposure to reputation risk: Strengthened brand, enhanced community relationships, etc
- Competitive advantage: Both public and private sector clients assess law firms on environmental credentials  
Cost savings: Lower consumption of energy and other resources
- Attract and retain talent: Potential employees are increasingly concerned with firms' environmental credentials
- Anticipating legal obligation: Being ahead of the game on legislative requirement to reduce carbon consumption

## Getting Started

Given that sustainability is one of a number of factors to be considered during the procurement process, it is important to establish just how important it is to your firm. This requires getting buy-in at a senior level and then communicating this commitment across the partnership, its staff and current and prospective suppliers. A simple way of doing this is through a publicly available sustainability policy (see example below).

Once the relative importance of sustainable procurement for your firm has been established, you can then begin to build it into a supplier selection exercise. It's important to be realistic and recognise that different approaches will be required in different circumstances. For example, the relative bargaining power of the firm should be considered – it may be difficult for a relatively small law firm to capture the attention of a global software provider on this issue – so we recommend prioritising resources on areas where you are more likely to achieve results and where the carbon impact of the product is likely to be high. A large supplier may be further along its green journey than your firm is and may be able to advise you on how to reduce carbon impact.

**Sustainability policy example:**

*In order to develop and continually improve our sustainability performance we must engage our supply chain. In order to do this we will:*

- *Work to ensure that our suppliers treat their people fairly and with respect and that there is a culture of equality and equity*
- *Wherever possible we will employ local people and procure local produce and encourage our suppliers to do the same*
- *Encourage and influence suppliers to investigate the environmental impact, including resource use, waste, energy and climate change, of their business process or product and then to adopt practices that reduce that impact, and*
- *Assess the Health and Safety systems of our suppliers and monitor their compliance with our requirements.*

*We will engage our supply chain in sustainability by:*

- *Using sustainability criteria, where appropriate, in the award of contracts*
- *Requiring, where possible, that potential suppliers submit prices for alternative more sustainable products*
- *Ensuring that any alternatives are given due cost benefit consideration prior to award*
- *Informing our customers of more sustainable alternatives*
- *Encouraging the assessment and monitoring of our suppliers’ supply chain to ensure that their sustainability risks, including Health and Safety, ethical, environmental, social and economic impacts are understood and managed, and*
- *Ensuring that we deal with all our suppliers and potential suppliers fairly and ethically and in accordance with our procurement policy.*

**Identifying Priority Areas**

Here we focus on examples of products and services that are likely to be familiar to most law firms (for example, paper or energy). However, these examples are not exhaustive, and you may find the following framework useful for prioritising other categories – we have used it to identify whether the carbon impact of each stage in the product lifecycle is high or low.

**Carbon usage – high or low?**

**Example: IT consulting**

Extraction of raw materials – Low  
 Design and production – Low  
 Packaging and distribution – Low  
 Use and maintenance – High (travel)  
 Incineration and disposal – Low

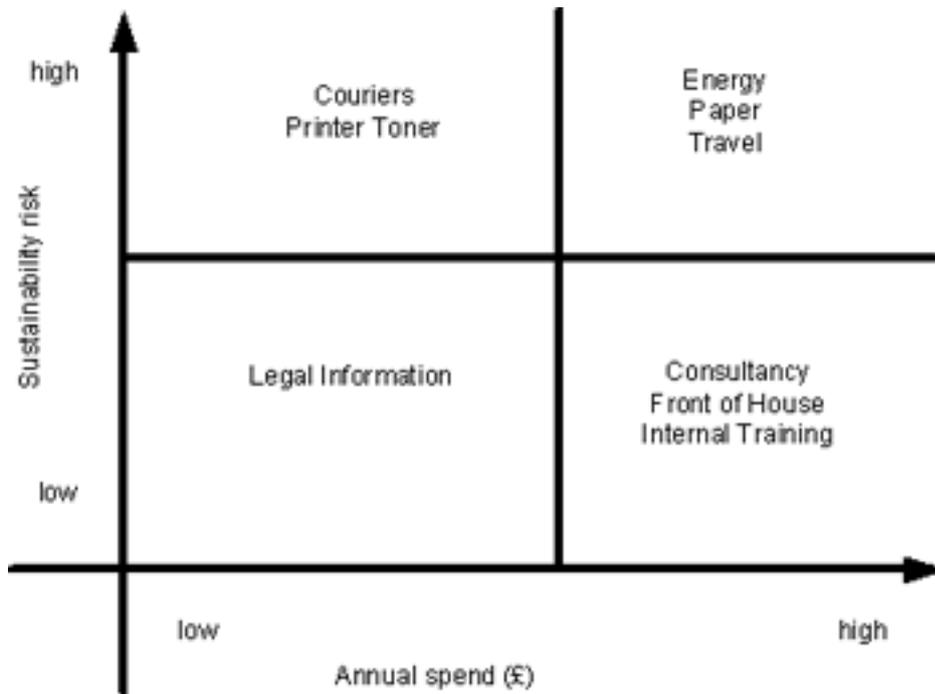
**Overall = Low**

**Example: paper**

Extraction of raw materials – High  
 Design and production – High  
 Packaging and distribution – High  
 Use and maintenance – Low  
 Incineration and disposal – High

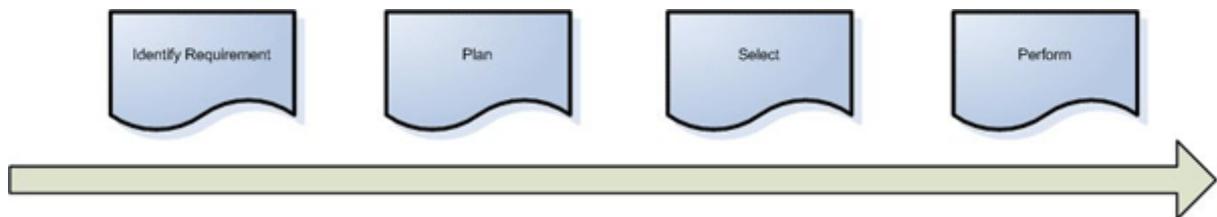
**Overall = High**

Once the risk of a category is established as high or low, this can be contrasted with its volume of use within the firm, which can most easily be measured by annual spend. Firms are then likely to prioritise effort in relation to those categories sitting in the top right hand quadrant in the following diagram:



### How to build sustainability into purchasing decisions

The procurement process can be broken down into four broad interconnected stages:



#### **Stage One – Identify Requirement**

This stage is about gathering information and defining the service required. It is vital in helping you later communicate your requirements to the prospective suppliers (the term ‘suppliers’ encompasses anybody providing services, goods or both to the customer). With reference to sustainability, this stage relates to collecting information on where the service is exposed to environmental issues either directly or indirectly.

It is at this stage that you need to consider how important sustainability is to your firm, especially relative to the other concerns such as cost and quality of service in terms of this particular product. There may be compromises to make but equally, good sustainability credentials should not preclude quality of service or keen pricing.

**The key questions to be asked at this stage are:**

1. What are your current usage levels? Quantify the material and manpower used in the service and consider whether you need to maintain those usage levels. Indeed, do you need the service at all – often service contracts are renewed without a review of the ongoing benefits to firms and their clients. This stage might reveal opportunities to improve by re-scoping the work, or packaging it more appropriately with other services.
2. Have you considered alternative methods of performing the services?
3. Can the service be separated into different tiers? Could it be provided by an existing supplier whose approach to sustainability is already proven, which may enable the firm to achieve sustainability improvements more easily, as well as the reduced costs associated with managing fewer suppliers?
4. What waste is associated with your product and how can this be reduced? Suppliers can help here, they may be able to reduce waste (and therefore cost) by reviewing and redesigning the service, but it will need a collaborative approach.
5. How important is sustainability to your business – particularly in relation to the service in question? It may be difficult to drive through necessary changes without the broader buy-in across the firm.

**Example of how to apply the key questions to paper procurement:**

1. Do you need to use so much paper? If it is still required, could you duplex document production?
2. As an alternative to paper production, could you move to e-filing?
3. Could you use differing qualities of paper for differing services (i.e. if there are concerns over recycled paper being of a lower quality, then could it be used for internal documents?)
4. How is the paper packaged? Could this be made more efficient and sustainable?
5. If clients are asking about your sustainability policies and practices, paper is likely to be a service that will be scrutinised. Do your clients have sustainable paper procurement policies in place?

***Stage Two – Plan***

Stage two is where you take the information gathered in Stage one and set out a vision of what you want to achieve for the service. This will entail preparing a specification and/or guide document that can be issued to prospective suppliers (often as part of a tender process). The content should specifically address green issues and could include methods to assess the supplier’s performance (i.e. How much waste material does the supplier generate? How do they measure their carbon footprint? etc.). It may be useful to consider incentives to improve measurable targets.

As the suppliers are experts in their field, it is prudent to ask them exactly how they address their green issues (a simple instance of this is to ask whether they are accredited to the internationally recognised environmental management system ISO14001 or not). The size of the supplier will dictate whether this is practical or not.

**The key questions to be asked at this stage are:**

1. Ask the supplier to identify the sustainability risks associated with running its business and what it is doing to mitigate them.
2. Ask the supplier to identify the sustainability risks associated with its supply chains and what it is doing to mitigate them.
3. Ask to review the supplier’s environmental policy and request evidence to prove that it implements the policy. Policies are a good starting point, but examples of good practice not

only provide evidence but also prevent wasted effort in firms and suppliers ‘reinventing wheels’.

4. Request sustainable alternatives for products and services from the supplier in your tender.
5. What other information may be gathered to demonstrate the supplier’s attitude to sustainability? Case studies demonstrating success in this respect are valuable.

**Example of how to apply the key questions to paper procurement:**

1. Is the supplier offering recycled and/or virgin source products? Can they demonstrate the advantages of each type and have they identified their sustainability risks?
2. How does the supplier source the energy required to produce the paper? Have they mitigated this by obtaining energy from green sources?
3. Has the supplier provided a clear and comprehensive sustainability policy?
4. Have you asked the supplier to provide information and costs on recycled and virgin source alternatives? In some instances the virgin paper may in fact have less impact on sustainability than recycled paper.
5. Does the supplier have ISO14001 accreditation or any other clear commitments to improve their sustainability? Do they have any examples of where they have implemented measures to reduce carbon emissions?

***Stage Three – Select***

When the prospective supplier has returned its information to you based on engagement at stage two, you must consider the sustainability criteria in the proposals alongside other matters. A supplier may offer ‘greener’ goods but these may come at a premium in terms of cost. The supplier may offer to reduce its carbon footprint by reducing deliveries to your premises, but is this acceptable? Beyond the direct impacts, what does the supplier do to mitigate its own carbon footprint?

Each business will place differing emphasis on the importance of green matters: the selection stage should be seen as an opportunity to confirm whether you are committed to them.

**The key questions to be asked at this stage are:**

1. How important is sustainability in your decision-making process (this relates back to stage one and its key question 5)? Is sustainability being given a high enough priority in your assessment of the supplier responses?
2. Has the supplier demonstrated credibility and an awareness of sustainability (this may be through accreditation, policies, case studies, etc.)?
3. If the supplier were to be appointed, how would it ensure that it continued to improve its sustainability credentials?

**Example of how to apply the key questions to paper procurement:**

1. If the most sustainable paper option costs more than a less sustainable option, will you still commit to it?
2. Does the supplier’s tender include comprehensive information on sustainability and do they clearly relate to proposals for your service?
3. Would you consider employing incentives to encourage the supplier to provide improvements to the services?
4. Can the supplier provide evidence of continual improvement with other clients?

### **Stage Four – Manage**

Once the supplier has been appointed, the customer should review the process regularly and actively encourage the supplier to improve its green credentials. Additionally, you should require that the supplier highlights any innovations it has implemented or is considering. The ongoing management of the supplier should be seen as a process of continual improvement.

#### **The key questions to be asked at this stage are:**

1. Have you put measures in place to monitor future performance in relation to sustainability?
2. Are there incentives (e.g. the possibility of future work or references) for the supplier to bring innovations to you? Are you prepared to work collaboratively with the supplier to develop and implement sustainability innovations?
3. Is there flexibility in your agreement to allow new, more sustainable ideas to be implemented? Does the contract encourage or restrict this kind of continuous improvement?

#### **Example of how to apply the key questions to paper procurement:**

1. Include requirements to measure the supplier's carbon footprint within your Key Performance Indicators
2. To encourage the supplier to work to improve your carbon footprint, consider performance-based bonuses or incentives with regard to sustainability
3. Make a commitment from the outset to improve the sustainability performance of part of the contract agreement.

## **Appendices**

### **Product Specific Sustainability Issues**

- Archiving records management
- Catering
- Cleaning and housekeeping
- Couriers and post
- Energy
- Paper supply
- Stationery

# APPENDICES



## Records Management

### Identify Requirement

- Consider what percentage of records and archived material can be stored electronically and if there is actually a need to retain a paper copy.
- If a hard copy is required can this be produced in a smaller format i.e. A5 instead of A4?
- Consider how internal retrieval processes can be improved to reduce your carbon footprint associated with transportation.
- Could you switch to using paper products made from recycled or sustainable source content?

### Plan

- If you can utilise digital storage, think of the implications of using associated hardware. How much energy will it use? Where has it been produced/sourced from (delivery miles)?
- Can you source electrical equipment from a brand that has superior environmental credentials associated with its production of equipment?
- Can you use recycled archival boxes?
- Consider how frequently your supplier delivers products to your premises. Can this be reduced by managing internal stock control?
- Consider the types of vehicles used for the delivery and collection service and the distance they have to travel to pick up your archival boxes.
- Consider your destruction policies and accompanying recycling levels.

## Select

- Include sustainability criteria when selecting all products.
- Is the supplier ISO14001 accredited and committed to reducing its environmental impacts?
- Does the supplier use low emission vehicles for the pick-up and delivery of archive boxes?
- Has the supplier implemented a software solution to scan documents and offer quicker retrieval services?
- Can the supplier offer alternative solutions and innovative ideas to improve your sustainability credentials?

## Manage

- Implement a policy to ensure that paper documents are recycled after a certain period of time.
- Set targets to reduce the amount of paper sent to your archiving supplier and duplex where possible.
- Review your supplier's own energy management strategy – their electricity supplier etc.
- Work with the account management team on sector innovations to continually improve the service offering.

## Catering

### Identify Requirement

- Consider your first tier suppliers' production processes initially, this will help to map the inputs from other organisations and ultimately highlight the 'sustainability issues' for the complete product/service lifecycle.
- Consider the sustainability impacts of menu offerings, cooking methods and fuel type.
- Consider the electricity source and tariff for catering premises.
- Consider using bottled tap water in meeting rooms.
- Assess and measure levels of waste (kg/week) and your chosen disposal method.
- Delivery/distribution vehicles – assess your mix of petrol, diesel and electric vehicles.
- Map the food miles for your main ingredients/products.
- Consider the packaging used. Is it necessary? What materials are used? Can it be reduced?

### Plan

- Identify key sustainability risks and ask the supplier to suggest how each would be managed.
- Request that suppliers quote for two types of core products – standard products and sustainable alternatives.
- Review your supplier's own energy management strategy – their electricity supplier etc.
- Consider requesting your supplier's policy on the use of organic food.
- Define your expectations of suppliers in relation to process improvements to improve sustainability.
- Consider requesting a statement, policy or performance audit regarding packaging from suppliers.
- Consider whether the contract can be designed to incentivise the supplier to reduce waste.

## Select

- Include sustainability considerations within the selection criteria for both supplier (prequalification) and the product/service.
- Consider developing high-level sustainability criteria applicable to all suppliers. Do you want to specify minimum sustainability accreditation requirements?
- Is sustainability awareness within the company culture? Request case studies to demonstrate policies in practice.
- Select suppliers that are most likely to continue to identify and act on opportunities to improve.
- Consider asking suppliers to propose a methodology to monitor and reduce waste.

## Manage

- Incorporate sustainability questions into the relationship performance regime.
- Measure sustainability performance changes during the course of the contract.
- Specifically consider monitoring the ongoing use of packaging.
- Monitor delivery miles over time.

## Cleaning Products

### Identify Requirement

- Identify a risk assessment and register.
- Ensure that your firm understands the staff training required to ensure the correct use of appropriate products and materials.
- Consider the chemicals used - can sustainable products be used instead?
- What sustainability/chemical standards do you apply for the materials used?
- Consider appropriate disposal methods after use of chemicals and cleaning products.
- How does your firm dispose of hazardous materials?

### Plan

- Request advice on foreseeable risks. How they will be managed? Who will take responsibility and ownership?
- Seek product data sheets for all chemicals on site. Reject those that do not comply with your agreed minimum standards.
- Consider selecting only suppliers that have achieved the ISO14001 environmental management standard.
- Familiarise yourself with other appropriate cleaning industry standards.
- Request alternative sustainable materials and products.
- Can cleaning cloths be washed on site?
- Plant and equipment will need maintaining, can this be kept to a minimum?
- Consider the fuel types of any specialist equipment required.
- Late night cleaning may mean that lights are left on overnight. Motion activated lighting could be installed.
- Methodology – assess the route taken by premises cleaners to minimise use of lighting air-conditioning.
- Ascertain the suppliers' travel policy. Do they use fuel efficient vehicles and encourage staff to use public transport?

## Select

- Consider the contractors approach to identifying and minimising risks.
- Do you want to specify minimum sustainability accreditation requirements?
- Is sustainability awareness within the company culture? Request case studies to demonstrate policies in practice.
- Does the supplier consider the environmental impacts of the materials and products that they plan to use?
- Ask how hazardous materials are disposed of.

## Manage

- Ensure ongoing appraisal of the contractors ability to continually identify and manage risks whilst minimising costs.
- Monitor hazardous material disposal.
- Audit the use of cleaning materials (volume & sustainability credentials) to ensure transparency.
- Ensure new staff are fully trained to follow best-practice processes.

## Couriers & Post

### Identify Requirement

- Identify the firm's postage requirements. What volume of mail is the firm sending out? What is its destination? What type of delivery method is being used?
- Can you consolidate delivery vehicle frequency to your office(s) and also reduce the cost of postal services? One collection a day on a next day service will reduce carbon emissions and is likely to reduce expenditure.
- Can you send invoices, statements or letters by email instead?
- Can lightweight urgent post be sent by a bicycle courier instead of using a motorised vehicle?
- Regularly update your records for professional subscriptions journals. This will reduce the amount of junk mail and magazines sent to the business for personnel that may have left.
- Consider the packaging materials used for your post. Can you source more environmentally friendly alternatives?

### Plan

- Once you have analysed your postal usage and delivery method you can start to plan your strategy to reduce the environmental impact and cost.
- Reduce unnecessary packaging. If you are currently sending out lots of C4 envelopes encourage your business to fold the A4 in half and put in a C5 envelope, thereby reducing paper usage and costs.
- Try to limit the number of suppliers you use, thereby reducing the vehicles travelling to and from your premises.
- Assess your couriers' carbon footprint - do they use low emissions vehicles and distribution systems?
- Use a same day supplier located in close proximity to your office so they do not have to travel far to collect mail. Can you share a supplier with a neighbouring firm?

## Select

- Does the supplier have good sustainability credentials with targets to reduce its emissions?
- Is sustainability awareness within the company culture? Request case studies to demonstrate policies in practice.
- Are its premises environmentally efficient and run in a sustainable manner? Do they help to offset their carbon emissions by being greener in other areas of their business?
- What types of vehicles are used by your supplier? Are they more efficient than those used by competitors?
- Do they offer a low carbon alternative mode of transportation to deliver post?
- Does the supplier offer a variety of services to help you reduce your environmental impact? Is the firm proactive in providing solutions to reduce emissions?

## Manage

- Set annual targets to achieve improvements in environmental KPIs.
- Ensure suppliers are complying with their stated sustainability policies.
- Regularly analyse postal patterns and the frequency of journeys to further improve the efficiency of your postal services.
- Encourage suppliers to provide you with regular updates on developments in the industry that may facilitate ongoing improvements in the delivery process.

## Energy

### Identify Requirement

- Keep a record of your current energy contracts and expiry dates. If you wish to change your current deal you are normally required to inform the supplier three months prior to the expiry date.
- Assess the origin source of the energy you are purchasing – are you purchasing 'green' or 'brown' energy?
- If you are using green energy, consider how much of this is from renewable or nuclear sources.
- Consider ways of reducing your energy consumption - can energy be reduced internally by implementing energy saving devices such as PIR motion detector lighting systems or PC switch-off software.
- Consider whether the installation of energy efficient building control systems will assist in reducing energy consumption and improve efficiency.
- Review your gas and electricity standing charge. Is this suitable for your business? Can it be changed to save energy and cost?

### Plan

- Check whether you have a half hourly electricity meter or several non half-hourly meters. If you have non half-hourly meters consider procuring SMART meters which allow the electronic download of consumption, enabling more accurate monitoring.
- Consider the preferred energy source for your business and ensure that it tallies with your sustainability strategy.
- Do you have an energy management policy in place? If not look at creating a policy with your preferred supplier or broker.
- Investigate the potential use of an energy saving consultancy such as the Carbon Trust.

## Select

- Select a supplier that is committed to investing in renewable energy.
- Select a supplier that can offer innovative ideas and solutions to reduce your energy usage throughout the contract.
- Does the supplier have monitoring tools such as a website to monitor usage?
- Does the supplier have any environmental management accreditations?
- Does the supplier offer alternative services such as air conditioning and boiler assessments which may assist in the reduction of energy consumption in your building?
- Select a supplier that operates regular workshops and seminars to keep you informed on the latest sustainability developments in the industry.

## Manage

- Monitor use of energy consumption on a monthly basis and discover where efficiency improvements can be made.
- Set targets to reduce consumption based on the installation of energy saving devices.
- Set targets for the supplier to produce energy reports and usage innovations with regular expert advice from the supplier.
- Implement programmes to reduce energy consumption and your firm's Co2 emissions.

## Paper & Printed materials

### Identify Requirement

- Identify the current use of paper at the firm - the quantity and variety of types used.
- Consider alternative methods of achieving the outcome. Is digital storage a suitable alternative? Is your firm duplexing its document production? Could the firm consider one-version filing as opposed to multiple copy storage?
- Could you run a two-tier paper process, using recycled paper for internal documents and higher quality paper for external documents?
- Consider the energy usage during the paper production process as well as during transportation – does recycled paper require less energy to produce?
- What is your supplier's process for dealing with waste paper?
- How does the supplier transport the paper to you? Consider whether you need daily deliveries or whether more staggered supply of paper is feasible.
- Is the paper delivered in re-usable containers? Can you reduce the packaging associated with deliveries?
- Measure the amount of paper waste your firm accumulate each week.
- Paper shredding patterns may restrict recycling options – assess your shredding and recycling programmes to ensure a joined-up approach.
- Can you use digital rather than printed marketing material?

### Plan

- Request supplier guidance - how have they helped other customers improve their carbon footprint?
- Ensure you seek traditional and a sustainable paper alternatives for performance and price comparison.
- Consider whether the recycled paper you are sourcing is compatible with duplex printers.
- Would moving to a supplier located nearer your office(s) to reduce the carbon footprint from delivery?
- Consider whether the contract be designed to incentivise the supplier to reduce waste?
- Visit the production mill if you can to ascertain its sustainability credentials.

## Select

- Is sustainable paper given a high enough priority in your assessment of the procurement process?
- Include detailed sustainability criteria within the selection criteria for both supplier and the product. Does the mill have an accredited environmental management system? Is the paper from sustainably managed forests (look for Forestry Stewardship Council (FSC) accreditation)? Is the paper elementally chlorine free (ECF) or totally chlorine free (TCF)?
- Does the supplier have good sustainability credentials with targets to reduce its own emissions?
- Is sustainability awareness within the company culture?
- How does the supplier monitor and reduce paper and packaging waste?

## Manage

- Have sustainability-based questions within the relationship performance regime and emphasise to your supplier that performance in this area is taken seriously and monitored on an ongoing basis.
- Monitor waste/recycling levels over time.
- Consider monitoring the ongoing use of packaging
- Monitor delivery miles travelled over time.

## Stationery

### Identify Requirement

- Identify the firm's complete current stationery usage quantity.
- Gauge the appetite for using sustainable products within the firm, particularly where there may be a cost premium.
- Identify items with a particularly high sustainability risk and identify sustainable alternatives.
- Consider the origin of all products (production and supplier location), including the frequency of delivery.
- Consider bundling stationery deliveries and limiting the number of suppliers you use to minimise delivery miles.
- Can you use re-usable printer toner cartridges?

### Plan

- Consider the amount of packaging used for stationery delivery. What kind of packaging is used? Is it essential? Is it renewable?
- Are there other items that could be included in the stationery order to reduce the number of deliveries (e.g. IT equipment, batteries)?
- Ask suppliers to provide a sustainability strategy specifically designed for deliveries to your firm.
- Can you provide your supplier with a financial incentive to improve the sustainability standards of its products and services and reduce delivery miles?
- Determine whether ISO 14001 accreditation is a suitable minimum expectation of your suppliers.

## Select

- Assess the sustainability credentials of the supplier and the product/service. Does the supplier assess the sustainability credentials of the products it stocks? Where are the products delivered from? What type of transport does the supplier use?
- Is sustainability awareness within the company culture? Request case studies to demonstrate policies in practice.
- Ask how packaging is minimised and disposed of. Can the packaging be returned to the supplier for reuse?
- Include sustainable logistics/delivery methods in your selection criteria.
- Can deliveries be coordinated with other suppliers?

## Manage

- Set annual targets to achieve improvements in environmental KPIs.
- Monitor the supplier's ongoing performance against stated sustainability goals.
- How is waste reduced over time?
- Assess delivery miles over time.