

## Green Procurement Guideline

### Purpose

This Guideline seeks to promote green procurement outcomes and encourage public authorities and suppliers to improve practices that balance different and sometimes competing procurement priorities, achieve value for money and minimise the impacts on the environment.

### Green Procurement

Green procurement means purchasing products and services that cause minimal adverse environmental impacts. It incorporates human, health and environmental concerns into the search for high quality products and services at competitive prices.<sup>1</sup> Green procurement requires organisations to adopt responsible practices when procuring goods and services.

The *South Australian Government Climate Change Action Plan 2021–2025*<sup>2</sup>, along with other ‘green’ initiatives help to build a strong, climate smart economy and support our State to adapt to a changing environment. These initiatives aim to capitalise on South Australia’s renewable energy resources, land, infrastructure, expertise and access to markets, and increase demand for climate smart goods and services.

Public authorities can play an important role in using their purchasing power to encourage suppliers to adopt practices that achieve green procurement outcomes.

To achieve these outcomes, public authorities are encouraged to:

- commit to continual improvement in organisational green procurement goals, policies and outcomes;
- promote awareness and provide staff training about achieving green procurement outcomes throughout the procurement process; and
- set up processes to reduce, repair, reuse or recycle goods.

These practices can be incorporated into each phase of the procurement process, including procurement planning, sourcing, and contract management, as well as disposal. Attachment 1 provides a guide for making green procurement considerations throughout each stage of the procurement process.

### Environmental Considerations

Many environmental impacts occur before a good or service is procured, for example, resource extraction, design development, manufacturing, transportation and storage. As a large purchasing body, government can minimise the

<sup>1</sup> [https://www.epd.gov.hk/epd/english/how\\_help/green\\_procure/green\\_procure.html](https://www.epd.gov.hk/epd/english/how_help/green_procure/green_procure.html)

<sup>2</sup> <https://www.environment.sa.gov.au/topics/climate-change/climate-change-action-plan-2021-2025>



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environmental impacts of these procurements by influencing supply market practices.

The environmental impact of each procurement will vary, based on an assessment of both the goods and services being purchased and an understanding of the organisational context and procurement need. Environmentally preferable goods and services are those that have a lower environmental impact, when compared with competing goods or services serving the same purpose.

Most goods and services will have an element of environment impact in a number of areas. To minimise any environmental impact, it is important to determine the most significant factors related to the specific good or service. This can include but is not limited to:

- energy use and type of energy utilised;
- water use and water quality impacts;
- resource use, including non-renewable or recycled materials;
- level and volume of toxic and hazardous substances/waste;
- end-of-life options (e.g. recyclability, resource recovery);
- impact on natural habitat; and
- noise, pollutants and emissions.

### Procurement Planning

Considering the potential and priority for achieving green procurement outcomes during procurement planning, helps to identify whether these outcomes can be achieved, and their priority on balance with other considerations. The following questions can be used as a guide to identify these priorities:

- Are there any significant climate or emission impacts associated with the procurement?
- Will the procurement use high levels of energy, resources or water (including natural landscapes and habitats)?
- Does the procurement use or promote renewable energy practices (e.g. solar, wind, wave)?
- Is there any pollution or waste associated with the production, distribution, use and disposal of the procurement (including packaging)?
- Are there opportunities for reusability and/or recyclability associated with the procurement, including options for reuse, repair, upgrade or modification to increase the product life?
- Does the procurement have significant travel, transport or logistics related impacts (including air, road, rail and vehicle)?
- Will the procurement have an adverse impact on human health and wellbeing?

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- Will the procurement impact negatively on local communities and businesses?

Attachment 2 provides further information to assist public authorities in identifying and understanding some of the more common issues and environmental impacts associated with the procurement of goods and services.

### Specifications

A specification is a statement of requirements which defines what the public authority wants to buy. Specifications outline minimum or desirable requirements and describe what is required from a supplier and how performance against these requirements will be assessed.

The market approach specification should specify the green procurement requirements. Simply stating that products are to be 'environmentally preferable' or have a 'lower environmental impact' is insufficient. For example, a minimum requirement for printing services could be to use recycled paper, while a desirable requirement could be for the printing services supplier to offset greenhouse emissions from the printing processes.<sup>3</sup>

There may be situations where environmental performance requirements or green standards are mandated by regulation and/or legislation. Any mandated standards should be clearly understood and defined at the planning phase and during the market approach. Some key procurements where it is appropriate to include green performance or product criteria are those with high sustainability impacts, high cost or long-term agreements.

Attachment 3 can be used as an example of how a public authority could define and prioritise their green procurement objectives and how this information will be presented to potential suppliers in the market.

### Supplier Selection

Evaluation identifies the offers from potential suppliers that achieve the best sustainability performance.

Possible ways to promote green procurement at the supplier selection stage include:

- Establishing qualitative weighted criteria to select suppliers that can supply goods or services that deliver or meet green procurement objectives or targets, or asking suppliers to demonstrate their own organisational sustainability performance<sup>4</sup>.
- Considering whole-of-life costs - for example sustainably preferable good/s or

<sup>3</sup> *Sustainable Procurement Guide*, Commonwealth of Australia 2018.

<sup>4</sup> [https://www.hpw.qld.gov.au/\\_\\_data/assets/pdf\\_file/0019/3349/procurementguideintegratingsustainability.pdf](https://www.hpw.qld.gov.au/__data/assets/pdf_file/0019/3349/procurementguideintegratingsustainability.pdf)

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service/s may be more expensive to purchase, but may generate savings throughout their life through reduced requirement for maintenance/repair and reduced running or energy costs.

Other considerations during procurement planning, sourcing and supplier selection include developing methods to assess and compare the environmental or green performance of products, assessing maintenance or environmental risks and developing measures to ensure green performance outcomes are achieved.

### Monitoring Green Procurement Performance following supplier selection

The following are some examples on how to monitor if a supplier is meeting the green procurement targets and requirements within a contract:

- Asking the supplier to provide their annual environmental or sustainability report or report on green procurement performance indicators during the term of the contract.
- Asking the supplier for a quality test of the product, service or goods according to specified green procurement targets or KPIs.
- Scheduling regular meetings, for example on a monthly or quarterly basis, to review performance against green procurement standards and performance targets.
- Asking for regular reports tracking improvements in the supply chain or identifying potentially adverse environmental or sustainability impacts.
- Identifying areas of continuous improvement with the supplier that achieve green procurement performance targets.

These requirements should always be outlined in the initial approach to market documentation and included in the final contract with the supplier.

### Disposal

Green procurement also involves considering end-of-life disposal practices and reducing waste. The Disposal Guideline provides guidance on how to ethically dispose of goods and meet the government's social, economic and environmental objectives.

### Further Supporting Resources

The Department for Environment and Water has several resources that outline the South Australian Government's commitment to, reducing greenhouse gas emissions and building community resilience to climate risk. These resources can be found at:

- <https://www.environment.sa.gov.au/about-us>
- <https://www.environment.sa.gov.au/topics/climate-change/climate-change-action-plan-2021-2025>

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The Australasian Procurement and Construction Council's [Australia and New Zealand Government Framework for Sustainable Procurement](#) provides useful information on how to achieve green procurement outcomes.

The Ceres Green Procurement Guidelines '[An Introduction to and Benefits of Green Procurement](#)' includes list of green procurement principles and desirable green attributes that should be considered during procurement planning.

<https://sustainability.ceres.org.au/wp-content/uploads/sites/4/2013/04/CERES-Guidelines-for-Green-Purchasing-Policy.pdf>

There are many international resources available to guide green procurement. For example, the [European Commission's buying green handbook](#).

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## Attachment 1

The following is a guide for making green procurement considerations throughout each stage of the procurement process:

Stage		Consideration
<b>Procurement Planning</b>	Identify the business need	<ul style="list-style-type: none"> <li>Identify whether there is a need for the goods or services</li> <li>Understand the potential environmental impacts and risks</li> <li>Consider alternatives to purchasing e.g. repair, reuse, recycle or hire the goods/services or use established Government facilities</li> </ul>
<b>Procurement Planning</b>	Conduct a risk impact assessment	<ul style="list-style-type: none"> <li>Identify factors that may impact/increase whole-of life costs</li> <li>Assess environmental risks in the procurement or contract e.g. maintenance and disposal</li> <li>Determine any green procurement elements to include in the specification and contract management and reporting processes</li> </ul>
<b>Sourcing</b>	Market Analysis	<ul style="list-style-type: none"> <li>Research alternatives that may offer reduced environmental impacts such as increasing the product life</li> </ul>
<b>Sourcing</b>	Approach the Market	<ul style="list-style-type: none"> <li>Determine how to assess and compare environmental performance</li> <li>Consider appetite to accept alternate bids</li> </ul>
<b>Sourcing</b>	Award the contract	<ul style="list-style-type: none"> <li>Include reporting measures to ensure environmental outcomes are delivered</li> </ul>
<b>Contract Management</b>	Contract management	<ul style="list-style-type: none"> <li>Follow up and manage environmental performance</li> <li>Identify areas of continuous improvement relating to environmental performance</li> </ul>
<b>Disposal</b>	Disposal of goods or services	<ul style="list-style-type: none"> <li>Determine how goods will be disposed in an environmentally preferable way</li> </ul>

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### Attachment 2

The following provides further information to assist public authorities in identifying and understanding some of the more common issues and environmental impacts associated with the procurement of goods and services.

Category	Issues to consider
<b>Climate and emissions</b>	<ul style="list-style-type: none"> <li>• Climate change impacts associated with the production, distribution, use and disposal of the procurement.</li> <li>• Specific focus on greenhouse gases: carbon, methane (CH<sub>4</sub>), HFCs, PFCs, SF<sub>6</sub>, NO<sub>2</sub> and low-level ozone.</li> </ul>
<b>Energy, resources and water</b>	<ul style="list-style-type: none"> <li>• Energy use and efficiency e.g. renewable energy (solar, wind, wave, tidal).</li> <li>• Water use, efficiency and/or recycling.</li> <li>• Impact on water pollution, and measures to reduce discharges.</li> <li>• Volume and type of raw material and consumables related to the procurement.</li> <li>• Resource utilisation (renewability of resources).</li> <li>• Product efficiency and longevity: options for reuse, repair, upgrade or modification, to increase product life.</li> <li>• Impacts on land use e.g. land clearance for farms, factories, mines, plantations causing habitat degradation and modification.</li> <li>• Recycled content of goods (reduces demand for virgin resources).</li> </ul>
<b>Pollution and waste</b>	<ul style="list-style-type: none"> <li>• Volume and type of waste associated with the production, distribution, use and disposal of the procurement e.g. hazardous or toxic waste.</li> <li>• Reusability and/or product recyclability.</li> <li>• Volume and impact of packaging.</li> <li>• Product efficiency and longevity: options for reuse, repair, upgrade or modification to increase product life.</li> <li>• Environmental pollution that reduces fertility and diversity of wild species.</li> <li>• Substances that impact human health or the environments associated with the production, distribution, use and disposal of goods. Such substances include:                             <ul style="list-style-type: none"> <li>• heavy metals (e.g. lead, mercury, cadmium).</li> <li>• ozone-depleting chlorinated compounds such as CFCs.</li> <li>• organic solvents (e.g. chlorinated and aromatic hydrocarbons).</li> <li>• carcinogens, mutagens, teratogens.</li> <li>• volatile organic compounds (VOCs) - phosphorous - phthalates (additives in PVC).</li> <li>• substances that bio-accumulate and result in acute or chronic toxicity.</li> </ul> </li> <li>• Consider reactivity, corrosiveness, flammability, irritation potential or toxic substances and pollutants.</li> </ul>
<b>Travel, transport and logistics</b>	<ul style="list-style-type: none"> <li>• Impact of air, road, rail or vehicle travel or transport requirements.</li> </ul>



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### Attachment 3

Below are examples of how a public authority could define and prioritise their green procurement objectives and how this information will be presented to potential suppliers in the market.

Green Procurement objective	Key considerations	Opportunities to address (examples)	Procurement specification options (examples)	Supplier Response Form (examples)
Energy	Energy use and source	Energy efficiency – e.g. products with at least 4-star energy rating or supplier demonstrates energy reduction in operations. Use of renewable energy.	Specify minimum energy rating for products. Specify 100% renewable energy.	Require suppliers to provide information on energy use, energy management systems, proportion of renewable energy to compare.
	Transport	Use of low emissions vehicles. Develop sustainable travel plan to minimise travel. Require videoconferencing.	Specify low emissions transport only. Specify use of teleconference or video conference for proportion of all meetings where travel greater than 20km.	Require suppliers to develop sustainable travel plan which details the emissions associated with travel proposed as part of the procurement. Require suppliers to detail how they minimise the environmental impacts of their travel.
Water	Water use and water sources	Water use and efficiency – e.g. products with at least 4-star water rating or supplier demonstrates water reduction in operations. Rainwater harvest, water recycling.	Specify minimum water rating for products. Specify actions/initiatives that will be required from the supplier to address water pollution during manufacture and at the end of product life	Require suppliers to provide information on water use, water management systems to compare. Require suppliers to detail actions/initiatives to improve product water efficiency Require suppliers to detail actions/initiatives that address water pollution during manufacture and at end of product life? Require suppliers to provide details of the Water Rating. e.g. Water Efficiency Labelling and Standards Scheme.



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Green Procurement objective	Key considerations	Opportunities to address (examples)	Procurement specification options (examples)	Supplier Response Form (examples)
	Water quality impacts	Pollution prevention	Specify zero tolerance for point source or diffuse pollution.	Require suppliers to describe proposed pollution prevention measures and their efficacy.
Climate change mitigation and adaptation	Climate resilience	Design for the future climate.	Specify net zero emissions associated with procurement	Require suppliers to describe how the design of the good or service will be resilient to climate change impacts.
	Greenhouse gas emission	Emissions reduction activities.		Require suppliers to provide estimate of emissions over lifecycle of procurement.
Resource use	Use of raw materials	Reusability and/or recyclability. Recycled content of goods (reduces demand for virgin resources) Renewable content of goods.	Specify recycled content, e.g. paper must contain at least 30% post-consumer recycled content. Specify the proportion of recycled material used in packaging e.g. 100% Specify certification requirements to evidence that products are sourced and legally harvested from sustainably managed forests.	Require suppliers to specify % of recycled and virgin fibre content, product source and manufacture with respect to responsibly managed forests, water use, labour, packaging and transportation. E.g. require evidence verifying legality and sustainability of paper pulp fibres via forestry custody certification (e.g. Forest Stewardship Council, Australian Forest Certification).
	Use of non-renewable resources	Product efficiency and longevity Replacement with renewable inputs.	Specify acceptable % of non-renewable components or products.	If use of non-renewable resources is unavoidable, require suppliers to demonstrate how product design or approach will maximise longevity.
Waste	Volume and type of waste generated	Waste avoidance and minimisation. End of life options.	Specify requirements to reduce waste during product manufacture Specify supplier must provide product recycling at end of life.	Require suppliers to describe how the product could be reused or recycled, Repaired, upgraded or modified through its use or at the end of its life.
	Landfill	Recycling. Reuse, repair or replace options.	Specify procurement to have zero waste to landfill.	Require suppliers to describe how the product could be reused or recycled at the

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Green Procurement objective	Key considerations	Opportunities to address (examples)	Procurement specification options (examples)	Supplier Response Form (examples)
				end of its life.
Pollutants and toxicants	Toxic and hazardous substances	Avoid or reduce generation of any toxic or hazardous waste.	Specify particular toxicants to be restricted or avoided. E.g. chlorine free stationery and paper,	Require suppliers to describe how they minimise the use or generation of toxic or hazardous substances. Require suppliers to specify toxic content of their product.
	Ozone depleting substances	Ozone substitutes (note these often have high GHG emissions).	Specify zero tolerance for ozone depleting substances. Specify actions to reduce emissions to atmosphere during the product manufacture and during product use.	Require suppliers to provide evidence of correct disposal of refrigerants such as R22.
	Air pollution	Pollution prevention measures.	Specify zero tolerance for point source or diffuse pollution.	Require suppliers to describe proposed pollution prevention measures and their efficacy. Require suppliers to provide equipment retro-fit options, life extension or modular design alternatives with exchangeable parts.
Impact on natural habitat	Biodiversity	Species relocation.	Specify zero tolerance for impacts on rare or threatened species or communities.	Require suppliers to describe how they will minimise impacts on ecological communities or habitats. E.g. Require suppliers to provide evidence of damage mitigation permits to remove habitat or relocate wildlife. Require suppliers to provide evidence that animals used for materials in the production of goods are not listed as endangered, threatened with extinction or subject to controlled trade.
	Ecological communities and habitats	Vegetation offsets.		