

Avoiding Greenwash

How to verify green commitments in tenders and contracts

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Agenda



1. Defining the problem
2. Solution 1: Pre-procurement
3. Solution 2: Tender evaluation
4. Solution 3: Contract management
5. Questions and comments

What is greenwash?



Statement	Reality
“We recycle 100% of our waste”	Waste is unsorted or goes to a facility which is not regulated/inspected
“Timber is responsibly sourced from well-managed forests”	Timber cannot be traced to a legal source and does not have third-party certification
“We are reducing our emissions by using hybrid vehicles for delivery”	Only the final leg of the route is done in hybrid vehicles, and overall emissions are increased
“We will use only local produce for the catering contract”	Produce is grown out of season or in resource-intensive greenhouses

Types of greenwash



Exaggeration – where a bidder or contractor suggests the environmental benefits of its actions are greater than they are



Substitution/Distraction – where a bidder or contractor uses one purported environmental benefit to distract from a bigger environmental detriment



False claims – where a bidder or contractor makes a false statement about their environmental impact (knowingly or unknowingly)



Why it matters



- Greenwash means higher environmental impacts – and their true level is unknown meaning progress cannot be accurately benchmarked
- Taxpayers' money is wasted on pointless measures
- Trust in the public sector decreases – making it more difficult to achieve support for green policies
- Companies gain an unfair competitive advantage and those which actually do invest in environmental improvements may stop doing so

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Toxic scandal on our roads

» Millions may be driving UK vehicles that breach pollution targets
» Transport Secretary demands EU-wide inquiry into car industry
» VW sorry after world's largest car-maker is caught rigging tests



NEWS
Pig-gate
PM's military record now under fire



HEALTH
Entrepreneur hikes cost of life-saving drug by 5,500%



MUSIC
Shang-A-Lang again? Return of the Rollers

2 London fashion special
The shoes! The bags! The front row!
Plus Are you wearing the new midis?

Volkswagen in meltdown after faked diesel tests

rivers face mass recall as share price crashes

Went Lee Industrial Editor
and Pauline
Report Correspondent

The commission said that it was waiting for the outcome of an investigation by the German government into VW and some of the country's other manufacturers. It confirmed, however, that it would refer the EU commission to German courts if it is not satisfied by the outcome of the investigation.

VW has announced that it is to set aside €5.5 billion to cover emissions "discrepancies", potential fines from regulators and possible legal claims from customers or rivals.

The company's British operation said that it had not received orders from global headquarters in Wolfsburg since how it should be communicating with its customers or whether there would be recalls of cars to adjust those whose engines were found to be above the permitted 100ppm. Emissions are known to be a cause of respiratory conditions such as asthma.

The diesel models under investigation for having software designed to mislead regulators are the VW Golf, Beetle, Passat, and Jetta built between 2009 and last year. In the VW sister brand, the Audi A3 is also implicated. VW Group indicated that models in its other volume brands, Skoda and Seat, may also be under scrutiny.

VW Group is now the biggest seller of cars, and of diesel variants, in Britain. VW, Audi, Skoda and Seat car sales - about 500,000 a year - An speculation grew over whether other carmakers had been using similar practices, shares in BHP Billiton, the maker of Mercedes-Benz, also fell.

Michael Horn, VW's American chief, had said earlier: "Our company was

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FASHION
To die for
Garments that can maim

Sport
BUGGY WORLD CUP
Who can fill Joseph's big boots?

Lifestyle lowdown
Michel Roux Jr on his new television series, plus the latest designer must-haves for the season

AUFREGER
VW-Abgasmanipulationen

So dreckig ist der Diesel

VW fliegt in den USA auf - aber tricksen auch die anderen Autobauer?

Modell	Faktor der Überschreitung des NO _x -Grenzwertes
VW Jetta 2.0 TDI	22,61*
VW Passat 2.0 TDI	11,35
Audi A8 3.0 TDI	22,29
BMW X3 xDrive	11,88

Der Euro-6-Grenzwert für Stickoxid (NO_x) liegt bei 0,08 g/km. Viele Automodelle überschreiten ihn im Straßenbetrieb um ein Vielfaches

WHAT A RECYCLING SHAMBLES

Revealed: TWO THIRDS of plastic food containers we carefully set aside are burnt or sent to landfill

TWO thirds of plastic pots, tubs and trays recycled by families are burnt or go to landfill. Town halls admitted last night that only a third of the 225,000 tons they collect from households can actually be reused. The black plastic in ready-meal packs is hard to process, according to the Local Government Association.

I said magazine tubs and yogurt pots made from polystyrene were extremely difficult to recycle. And it could avoid going to landfill with fruit and vegetable and bakery goods tins.

The Daily Mail, which campaigns against plastic pollution, today revealed that waste from British town halls ended up in a dump in Poland.

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RECYCLING: THE GREAT CON TRICK

How your carefully sorted waste is being dumped abroad

By Steve Doughty
Social Affairs Correspondent

MILLIONS of tons of household rubbish painstakingly sorted by families for recycling is being dumped abroad.

Whitehall has admitted that waste from recycling bins is being shipped to countries including China, India and Indonesia, where much of it ends up in landfill.

In papers published by the Department for Environment, Food and Rural Affairs, ministers concede that what happens to the 2.5 million tons of green waste shipped abroad every year is largely beyond their control.

The trade in sending rubbish abroad - mainly to Asia - has doubled over the past decade, as councils have increasingly turned to contractors to deal with mountains of waste generated by compulsory recycling schemes.

The report states that the rubbish should be recycled once it is sent abroad - but Defra now admits that in some countries it is simply dumped.

The department, headed by Owen Paterson, the Environment Secretary, said it plans to tighten inspections at ports to curb the illegal trade in green waste.

The Government has always insisted that household rubbish is carefully recycled - but the Daily Mail revealed earlier this year that large amounts are deemed unusable by

Mystery of the Queen's racing manager and a Twitter 'suicide'

Caught up in a tragedy: Royal racing manager John Warren with the Queen at last summer's Epsom Derby

SEE PAGE 15

loving emails
SEE PAGE THREE

Solution 1: Pre-procurement



- **Knowing the market** and understanding environmental impacts of each product/service is first step in avoiding greenwash
- Procurers may not have specialist knowledge of the supply chain, or may lack **environmental literacy**
- Familiarity with GPP criteria and verification techniques including third-party labels/certification is needed in **advance of the tender procedure**
- Sending the message to bidders that green claims are important and will be verified/enforced

Pre-procurement



- **Preliminary market consultation** can be carried out at any point before a tender
- This may include relevant internal or external sustainability experts – NGOs may be invited to present or discuss potential approaches
- **Contractors and subcontractors** should be asked about their approach to environmental impacts
- GPP criteria should be introduced and the need for labels/certificates if these will be used in tender

Pre-procurement (ctd)



- Draft **specifications/award criteria** may be given to internal or external sustainability experts for review
- **Choice of procedure** and **timescales** are important – some procedures allow more flexibility/interaction with bidders which can help to verify green claims
- Choice of **type of contract** (supply/service) or framework and **length of contract/framework** will also influence the level of green investment which bidders are willing to make

Solution 2: Tender evaluation



- Specifications, selection and award criteria may all include environmental aspects (see **GPP criteria**)
- The **evaluation panel** may include a sustainability expert, or they may be asked to review scoring
- Bidders can be asked to **clarify** their tenders and to explain any specific green claims. Failure to submit supporting information, or submission of **misleading information**, may be grounds for rejection of a tender
- **Samples, site visits** or **testing** may all be carried out within a tender evaluation process







Tender evaluation - labels



- One or more labels/certifications may be mentioned in the tender documents (e.g. “timber must have FSC certification or equivalent”)
- If bidders offer an alternative label, they should submit **evidence of its equivalence**, e.g. a copy of the relevant criteria from the labelling organisation
- Only in **exceptional circumstances** may bidders rely on a self-declaration/technical dossier – this applies where the bidder has been unable to obtain a label for reasons which are **not attributable to it**

Using ecolabels - examples



-  Only paper carrying the FSC label will be accepted
-  Bidders will be awarded additional marks if they have the EU Ecolabel or equivalent for all of their products
-  Tenders will be rejected if they do not have an ecolabel
-  Paper carrying the FSC label or equivalent will be accepted
-  Bidders will be awarded additional marks if they have the EU Ecolabel or equivalent for the products covered by this tender
-  Tenders may be rejected if they do not have a third-party ecolabel which meets the relevant criteria, unless this is due to factors which are not attributable to the bidder.

Solution 3: Contract management

- **Contract delivery** stage is most important for GPP
- Specific obligations should be passed on to subcontractors and suppliers, but main contractor will normally have **overall responsibility/liability**
- 2014 EU procurement directives support transparency in subcontracting chain and use of supply-chain management systems
- Where a subcontractor violates EU, national or international laws, contractor can be required to replace them

Monitoring and sanctions



- Green commitments should be a standing agenda item for contract review meetings
- An **environmental management system** (e.g. ISO 14000, EMAS) may help with contractor reporting
- Contract terms may also provide for **penalties** or **incentives** linked to environmental performance
- Open dialogue with contractors about any new/unforeseen environmental risks or problems
- NGOs may help with **communicating successes** and ensuring lessons are learnt for future contracts

Further resources



Public
Procurement Analysis

- All presentations and *Green Public Procurement: A Guide for NGOs*
<http://www.sustainable-procurement.org/ngonetwork/>
- *Buying Green Handbook* (3rd edition, 2016) and GPP criteria on EU GPP subsite
<http://ec.europa.eu/environment/gpp>
- *Procura+ Manual* (3rd edition, 2016) www.procuraplus.org
- Many online tools and criteria – most can be accessed via the Sustainable Procurement Resource Centre
www.sustainable-procurement.org or SCP clearing house www.scpclearinghouse.org
- Ask for help on the Procurement Forum
www.procurement-forum.eu or via GPP Helpdesk

Thank you!
Time for
Questions/Comments

