

RISE

Retrofit information,
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Advice Pack

Sustainable procurement

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www.riseretrofit.org.uk

Overview

This advice pack provides an overview of sustainable procurement.

With procurement being a key activity in retrofit projects, there is an opportunity to adopt sustainable procurement approaches to drive additional environmental and social benefits.

Sustainable procurement should be an integral part of procurement processes and should be supported with a sustainable procurement policy.

What is meant by sustainable procurement?

Sustainable procurement focuses on making purchasing decisions that support environmental, social, and economic sustainability specifically aimed at reducing carbon emissions and improving the energy efficiency and overall sustainability of housing.

This involves choosing energy-efficient, low-carbon materials and renewable energy solutions to reduce environmental impacts while ensuring fair labour and environmental practices relating to manufacture, as well as community benefits.

This approach adheres to sustainability standards and regulations and embraces innovative technologies for continuous improvement.

Some of the key outcomes of sustainable procurement can be:

- Boosting decarbonisation efforts across manufacturing, logistics and energy production.
- Preventing overexploitation of natural resources throughout our supply chains.
- Ensuring supplier practices observe and adhere to human rights and labour standards.
- Encouraging equality, diversity & inclusion across our supply chains.
- Boosting job availability, skill creation and professional development.

What is the aim of sustainable procurement?

The aim of Sustainable Procurement is to move from these current positions:

- Regulation – Reactive: avoiding penalties or claims of 'greenwashing'.

- Investors – Appeasement: maintaining status quo through minimal engagements.
- Consumers – Transactional: reacting only to traditional consumer needs of cost/time/quality.

To new positions, which are:

- Regulation – Proactive: maximising sustainability investments.
- Investors - Growth: increasing investor value directly through sustainability.
- Consumers - Future-proof: Embedding sustainability within the consumer hierarchy of needs.

What are Environmental, Social and Governance (ESG) regulations?

Environmental, Social and Governance (ESG) regulations have had a major impact on the sector and on procurement within the sector.

Originally derived as part of socially responsible investing, ESG is a framework underpinned by the concept of sustainability.

ESG can be viewed as follows:

- Environmental: Focuses on how activities and operations impact the natural environment.
- Social: Involves relationships with employees, customers, suppliers, and communities.
- Governance: Relates to the internal system of practices, controls, and procedures an organisation adopts to govern itself, make effective decisions, comply with the law, and meet the needs of external stakeholders.

Some examples of environmental impact in housing include:

- Improving energy efficiency.
- Use of sustainable materials.
- Improved waste management processes.

Some examples of social impact in housing include:

- Focus of improvements in Health & wellbeing.
- Wider and deeper community engagement.
- Affordable housing to help address fuel poverty.

Some examples of governance impact in housing include

- Improving transparency.
- Ethical procurement/ supply chains.
- Compliance with sustainability regulations and best practice.

What makes a successful sustainable procurement strategy?

Sustainable procurement must also support an organisation's wider ESG ambitions, and it is able to do this if the sustainable procurement strategy is closely aligned with broader organisational objectives and sustainability goals. It will require specific tools and data to support and enable effective sustainable procurement practices.

A sustainable procurement strategy delivers tangible benefits to its residents, while enhancing the organisation's performance and delivering impact. If we look at the supply chain, the environmental, social and economic impacts are multiplied as you travel down through the tiers.

In order to help implement a successful sustainable procurement, a number of enabling tools are available from a variety of providers that have been proven to be valuable. These include:

- Carbon emissions calculators.
- Supply chain mapping tools.
- Balance scorecards for tracking ESG metrics.

These tools will help provide a more accurate and comprehensive understanding of an organisation's carbon footprint and to understand Scope 3 emissions.

Other benefits of sustainable procurement

There are a range of other commercial benefits associated with sustainable procurement, including:

- Alignment with stakeholders' values, which enhances trust and loyalty.
- Awareness of supply chain emissions, helping to meet regulatory requirements, reducing costs.
- Compliance with Modern slavery and human rights regs.; a moral imperative which also mitigates risk.
- Supply chains more resilient to disruption by diversifying sources, improving resource efficiency.
- Social value activities create acceptance and support from the communities in which the organisation operates.
- Sustainable future attracts investment and opens up new market opportunities.

Useful links

You can access additional resources to support retrofit project planning and delivery [here](#).



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