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. Interview – Nicole Fletcher, Head of Sustainability, London Fire Brigade
6. Questions and comments
### What is greenwash?

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

➢ Environmental impacts of public contracts are higher – 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
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

➢ 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

➢ The contract delivery stage is the most important for GPP - terms of contract must reflect commitments

➢ 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
Interview with Nicole Fletcher
Head of Sustainable Development
London Fire Brigade
Further resources

➢ All presentations and Green Public Procurement: A Guide for NGOs http://www.sustainable-procurement.org/ngonetwork/


➢ 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

Please raise your hand
Or enter text in the chat box

European NGO Network on Green Public Procurement