



**Business  
Chamber**  
QUEENSLAND



# **GREEN PROCUREMENT**

IMPROVE YOUR PRODUCT CHOICE

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### WHAT IS SUSTAINABLE PROCUREMENT?

Sustainable Procurement is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole of life basis, taking into consideration positive and negative social and environmental impacts. Benefits are not only generated for the organisation, but also to society and the economy, whilst minimising damage to the environment.

### WHY CHOOSE GREEN?

Green procurement can provide many benefits. These include:

- **Lower overall cost to business** by considering the whole of life costs of a product the capital and operating costs can be balanced to provide an overall lower business cost. Consider not just the upfront capital but the resources required during its useful life and the waste disposal costs.
- **Reduced environmental impact** through reduced resource use and waste disposal for the whole life of the product.
- **Reduced social impact** by improving the equity of all people within the supply chain especially through certification processes such as FairTrade and UTZ.
- **Improved company image** through promotion of certified green products or by proving reductions in environmental impact. It can also assist breaking into new markets where product certification or company environmental credentials are essential for supply. To do this you need to be transparent about your process.

- **Improved air quality and productivity** through the use of green cleaning products i.e. those that are biodegradable, organic or have fewer toxic chemicals such as VOCs (Volatile Organic Compounds). This provides a healthier environment in which to work, reducing sick days therefore increasing productivity. Product choices made by companies have a significant impact on the natural and working environment. Better product choice can lead to lower environmental impacts, reduced purchasing, operating and waste disposal costs and even higher productivity in the workplace. However, making more sustainable choices can be confusing. Keep reading for tips on making better product choices.
- **Staff retention** can be improved by having a more sustainable workplace. In addition, higher performing staff who want to work in a proactive and sustainable workplace can be attracted.
- **Risk mitigation.** By removing toxic chemicals from products you purchase or produce you are reducing the health and safety risk to your employees and customers. You are also reducing your risk (and cost) to safely dispose of waste.
- **Supply chain collaboration** by working to reduce the impact of products purchased and to develop new products or measures within the supply chain e.g. increased recyclability of products. Social or environmental risk may also be reduced e.g. use of child labour or hazardous environmental performance. Supply chain costs can be lowered through improved communication leading to more productive ways of conducting business.
- **Increased supply of more sustainable products** through increased demand. As more companies choose green products, suppliers look to increase their production of greener products to meet the demand.

## DO YOU NEED IT?

When purchasing anything, the first consideration should be 'Do I need this?' consider:

- **Can you use something else you already have instead?** Substituting with an item you already have can save money and possibly space. Instead of buying a new printer to replace a broken one is it possible to pool printers in the company and use someone else's.
- **Can you use less of the product?** For example, double sided printing reduces paper use, or better, consider becoming a paperless office through digitising processes.
- **Can the product be hired or delivered as a service?** For example, instead of purchasing a lawn mower can you outsource the lawn mowing to a specialist company? Can you lease the product?
- **Can you repair the existing product?** We live in a throwaway society where it is often cheaper to purchase new rather than repair. Opt for finding local companies who can fix your broken item e.g. repair IT equipment rather than replacing them with new. Or, where new equipment is required, look at possibility of giving your old equipment to a charity or local community group. For example, many schools would benefit from old lab and IT equipment.
- **Is there an alternative?** Using teleconferencing options instead of travelling can save time and money and may allow you to meet your clients or colleagues more frequently leading to better communication and solutions. There are many cheap and easy to install and use options from teleconference video systems for the boardroom to online solutions which can operate from an individual computer. In addition, there are many cloud-based services which reduce the amount of physical products you need to purchase and store. Going paperless can really reduce the amount of storage space required.

## BEFORE YOUR BUY

Is there any follow-up service attached to your product?

- Warranties or extended warranties may be a good way to increase the life of your purchase to fix rather than replace if it breaks.
- A service may help you use the product more effectively leading to a longer life of the product and a better outcome.
- Is maintenance included in the purchase price or is it offered by the service provider? A thorough maintenance program extends the life of the equipment.

## WORKING WITH THE SUPPLY CHAIN

Often to improve the performance of products you will need to work with your supply chain. This may be as simple as working with your chemical supplier to reduce the number of different cleaning chemicals you use or to eliminate or reduce the use of toxic chemicals. It may be as complex as working to develop new products or packaging alternatives or the use of alternate materials to reduce the overall footprint of the product. Would chemical suppliers take back used chemicals when delivering new supplies? Why not ask?

### Where to start

One of the best ways to improve your supply chain relationship and results is to sit down with suppliers and discuss your requirements and why you want to do it a certain way. They will have a better understanding of what you are requiring and maybe have solutions. They may also come up with other options you hadn't even thought about.

**DID YOU KNOW...** A high efficiency motor can cost up to 40% more than an inefficient one but will have a payback of less than 2 years in electricity costs.<sup>1</sup>

## REDUCE YOUR PACKAGING

Consider reducing the amount of packaging on your purchases and work with your supplier to return the packaging. This often leads the supplier to find recyclable packaging options when they have to deal with the waste. Similarly work up your supply chain to reduce the amount of packaging on your products.

## MANAGE YOUR INVENTORY

Can you manage your inventory more effectively to reduce deliveries? Plan ahead for purchases so that you are not ordering at the last minute. A delivery company is much more efficient (through reduced fuel use and time) when they deliver a full load compared to one small package and it will save you delivery costs. Perhaps you can team up with other companies in your industrial estate to bulk buy certain goods or schedule deliveries

## INFLUENCE YOUR SUPPLY CHAIN

To influence your supply chain into more sustainable habits consider a donation or contribution to a local environmental charity for sustainable behaviour. For example, if you are in retail, you could donate the purchase price of the bag to a local environmental charity for every bag a customer saves. Accommodation providers could make a donation for each stay when towels are not laundered unnecessarily. Make sure clients know their sustainable behaviour has rewards. This way the customer feels good about doing something positive for the environment and your company supports local charities.

**DID YOU KNOW...** Higher Education providers have reduced their volume of printing by incorporating the cost of a tablet as part of courses. These tablets are preloaded with resources for the semester and can be easily updated. Similarly, USBs can be preloaded with material instead of providing hardcopies.

The Mater hospital previously had their deliveries wrapped in three layers of packaging: one to deliver it to the hospital, the second layer delivered it to the right building and the third delivered it to the right ward. Working with their suppliers, deliveries are now made direct to the ward with only one layer of packaging. This has delivered substantial reduction in packaging, waste disposal and labour costs.<sup>2</sup>

## REFERENCES

You can achieve up to 30% improvement in fuel efficiency through efficient driving.<sup>5</sup> Some efficient driving tips include:

- **1) Queensland Government (2010) Motor, fan and pump efficiency fact sheet**  
<https://www.hort360.com.au/wordpress/uploads/Energy/Machinery%20Tractors/Eco%20Biz%20Motors-pumps-and-fans.pdf>
- **2) Mater, Environmental Sustainability**  
[www.mater.org.au/Home/About/Environmental-sustainability](http://www.mater.org.au/Home/About/Environmental-sustainability)

