

# CDP

# Public Procurement

2009



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## An Introduction to CDP Public Procurement



### Enabling you to ascertain and manage the impact of climate change

CDP's aim is to work with you to build a resilient supply chain in a changing world.

Membership will further your understanding of the risks and opportunities in your supply chain through first class supplier engagement. This will enable you to determine where to focus effort beyond your organisational boundaries to ensure maximum impact in response to new regulatory and voter pressures.

The CDP Public Procurement process ensures you ask your suppliers the right questions, accelerating their understanding of climate change issues as well as yours.

CDP Public Procurement 2008 included Information Requests to over 2,000 companies which make up the supply base of 8 of the UK's leading public sector organisations including the **Department of Environment, Food and Rural Affairs (Defra), the Office of Government Commerce, Gloucestershire County Council, Leeds City Council, and the London Borough of Islington.**

These organisations were joined by 33 corporations including **Heinz, Boeing, Acer, Carrefour** and **HP** who also sent the same Information Request to their own suppliers as part of the CDP

Supply Chain Program. This project represents an opportunity for public and private sector organisations to work collaboratively – sharing learning and best practice and reducing response fatigue in suppliers.

CDP is now inviting a wider range of organisations to enjoy the benefits of membership in the CDP Public Procurement 2009. This group will work together towards measuring the energy consumption and carbon emissions in their respective and shared supply chains. Opportunities to eliminate waste and identify significant cost savings could be found – both of which have been clearly identified by our members as key drivers for participation.

### Our heritage and credentials

CDP Public Procurement has its roots and infrastructure in The Carbon Disclosure Project. The Carbon Disclosure Project (CDP) is an independent not-for-profit organisation which acts as an intermediary between shareholders and corporations on all matters related to climate change. CDP's primary role is to promote an ongoing dialogue between institutional investors and senior corporate management regarding the implications of climate change and to encourage the collation and provision of detailed greenhouse gas emissions data. This information is designed to facilitate a rational response to climate change.

The Carbon Disclosure Project is vital. We have to get everyone to participate in it and they can't be afraid. Climate change is a problem of unexamined processes but once you can keep score then all kinds of options open up. That's why this initiative is so important.

**Bill Clinton**  
**Former US President**

**CDP Public Procurement 2009**

Our process acknowledges that you and your suppliers may all be at different points on the learning curve. We provide a framework for comprehensive reporting whilst enabling first-time respondents to take their first steps. By encouraging the transparency of GHG emissions data and the understanding of climate change risks and opportunities, our aim is to move all parties along the curve towards improvement, innovation and action. Collaborating with other members, within and across divisions of the public sector provides the opportunity for you and your peers to share and develop best practice regarding supplier engagement and motivation, performance measurement and strategy.

This is an unrivalled opportunity for organisations to work with their suppliers through a unified methodology to measure their supply chain emissions using data collected directly from suppliers. This is a key step in managing any organisation's carbon footprint and, critically, in tackling and eliminating waste and developing baselines. Our unified approach prevents duplication of effort and minimises the burden on your suppliers. We work with you and your other climate change partners in aiming for clear emissions accounting guidelines and standardisation.

In April 2009, CDP will send out the CDP Public Procurement questionnaire. As a participating member, you will have the opportunity to select up to 500 of your suppliers and to work with CDP to engage with those suppliers requesting they measure their carbon footprint and report on climate strategy. The response system is completely automated and easy to use.

**Our Members aims and motivations:**

*"I am pleased that the FCO, through its collaboration with the Carbon Disclosure Project, is leading government in the area of gaining a better understanding of the impacts of its expenditure decisions on carbon emissions throughout the supply chain. Understanding the carbon emissions and policies of our suppliers will help to embed the sustainability agenda within our procurement decision making."*

**David Miliband,  
Foreign Secretary**

*"Gloucestershire County Council is committed to both minimising our own carbon emissions and working with our partners to reduce emissions from the whole county. We are pleased to be part of this pioneering initiative to understand the carbon impact of council purchasing. We are working with our suppliers to help them understand the impacts of their products and services and so reduce our contribution to further climate change."*

**Cllr Julie Girling,  
Gloucestershire County Council  
Member Responsible for the  
Environment**

*"I'm delighted we've signed up to the Carbon Disclosure Project and that we're one of the first local authorities to do so. I know there's lots of things we can do to make Leeds City Council more 'green', but it's also vital we know exactly what impact we have on the environment and that's what this data will show. And it's not just us – I want to be assured that the firms we work with are taking the issue of climate change seriously and are working to tackle it."*

**Cllr Richard Brett,  
Leader and Executive Board  
Member for Corporate Services,  
Leeds City Council**

*"In fighting climate change, we must look beyond the emissions from our own operations and look closely into the products and services we use and the suppliers we work with. I am very pleased that Defra is one of the first organisations to participate in this really important project."*

**Hilary Benn,  
Secretary of State for Defra**

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## Membership Benefits and Levels



## The key benefits of Membership

### *For Your Organisation*

- An opportunity to respond to increasing material and fuel costs in the supply chain
- Identify the most effective cost and carbon reduction opportunities
- Increased awareness of climate change risks and opportunities in the supply chain
- Implement standardised and simple reporting resulting in access to data to make decisions
- Build relationships with existing suppliers by inviting them into a process which offers support and accelerates their learning with CDP webinars, calculators, multi-lingual guidance and the opportunity to be nominated for Awards

### *For Your Climate Change Strategy*

- Increased visibility of carbon footprints in the supply chain
- A first step towards calculating your upstream supply chain emissions with primary GHG emissions data direct from your suppliers
- Access to database of supplier responses using search criteria, downloadable to excel
- A clear and effective signal to suppliers that their response is important

### *Working with CDP Public Procurement*

- Network with other members and share learning and best practice
- Access to an efficient process which enables members to engage with suppliers through a standardised mechanism, reducing the risk of duplication and questionnaire fatigue in the supply base
- Working through a respected, third party NGO, reduces the risk of potential concerns from suppliers of being over-pressurised
- The opportunity to shape the process of GHG reporting in the supply chain
- Positive media coverage from CDP press releases

## Membership levels

CDP is offering a tiered membership structure for 2009. Each tier is detailed at the back of this brochure, along with costing and inputs. The aim of the tiered system is to enable maximum entry-level opportunities to all organisations wishing to begin their work.

The 2009 offering includes a longer term membership option to those wishing to budget and plan their procurement activities over a longer period. CDP will ensure that each member's supplier list remains confidential.

### Use of CDP responses from suppliers

Subject to permission from responding suppliers, responses will be made publicly available on the CDP website, like the majority of CDP responses.

If a supplier stipulates that they do not wish their response to be public, it will only be made available to CDP Public Procurement members. A supplier may also stipulate that the data only be made available to their customers.

A report will be produced based on the findings which will provide valuable insight into the trends and challenges associated with the measurement and management of supply chain emissions.

“Essentially, emissions are a by product of waste, so if you are willing to analyse where your emissions are coming from, you can often find areas where you can reduce emissions and that saves you energy and money.”

**Robert Watt  
Communications  
Manager,  
Stockholm  
Environmental Institute,  
August 2008**

“Climate change is recorded on our risk register as one of the top five risks affecting the company. We believe that tackling climate change requires collaboration not just with our customers, employees and suppliers but by establishing partnerships with other organisations to maximise carbon reduction opportunities.”

**Centrica**

## Timeline 2009

### Date

January to March 09

April to July 09

August to December 09

### Stage

Preparation

Disclosure

Data Analysis

### Activities

- 2008 Results launch
- Members to compile supplier list and brief suppliers
- 1st Feb CDP Investor Request to communicate the possibility of a customer request in April.

- CDP Public Procurement request emailed to suppliers in April
- Webinars and workshops provided by CDP for suppliers\*
- Regular reminders sent to suppliers by CDP and Members.

- CDP Public Procurement 2009 report written
- CDP Public Procurement 2009 launch late November
- Members individual data analysis.\*

\*Dependent on Membership level

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**CDP Public  
Procurement Process**

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- Member identifies and briefs suppliers for participation.
- CDP Public Procurement information request emailed to suppliers.
- Encouragement and support offered to responding suppliers.
- Responses due. Data analysed. CDP Public Procurement Report and Results Launch with Awards.
- Members review responses with suppliers.
- Members feedback to CDP on process and questionnaire design.



## Membership levels and opportunities with CDP Public Procurement

Those joining us on a Full Membership will benefit from dedicated Account Management and support, roundtable events, working groups and webinar support for your suppliers on how to get started.

### The key benefits include the following:

500 suppliers: 1 year @ £16,000; 3 years @ £12,000/year

100 suppliers: 1 year @ £8,000

### Benefits:

- Support at supplier events and internal meetings
- Input into member produced reports
- Logo on website, mentioned on press releases
- Analysis of data by individual supplier list
- CDP Public Procurement 2009 process as administered by CDP
- Launch event – invitation and Awards voting rights
- Conference Calls, Roundtables, ‘Interest’ groups
- Report
- Review and development of the CDP Public Procurement Roadmap
- Consultation on questionnaire.

“The European Commission will step up its cooperation with EU governments to implement green public procurement throughout Europe. This will help ensure competitiveness in a global world which is increasingly concerned with the environmental aspects of production and consumption.”

Mogens Peter Carl  
**Director-General for Environment,  
European Commission,  
November 2007**

## Membership levels and opportunities with CDP Public Procurement

### Data Member

Data membership is a low cost model designed to offer an entry level experience by working with a select number of your key suppliers. By focusing on a maximum of 10 suppliers you can generate a one to one dialogue and assess their understanding of and readiness for climate change. Data members do not receive the support of a CDP Account Manager or opportunities to network with other members.

### Data membership includes the following:

10 suppliers @ £2,000

### Benefits:

- CDP Public Procurement process as administered by CDP with up to 10 suppliers
- Inclusion in Report
- Member name listed on website
- Email support and information packs in place of dedicated account management
- Online application form at [www.cdproject.net/datamember](http://www.cdproject.net/datamember)

Wal-Mart announced in 2007 that it will begin asking its suppliers to measure their carbon footprint and find ways to reduce it, part of an effort by the world's largest retailer to transform itself into a more environmentally friendly company. It will work with the Carbon Disclosure Project, a non-profit group of 315 institutional investors that control \$41 trillion in assets, to collect data on greenhouse gas emissions, emissions reduction targets and strategies for dealing with climate change for its suppliers in those product categories.

**The Washington Post  
September 2007**

## **CDP Public Procurement Members 2008**

Defra	Essex County Council
Foreign and Commonwealth Office	Leeds City Council
Office of Government Commerce	Victoria and Albert Museum
Gloucestershire County Council	London Borough of Islington
	London Borough of Camden

## **CDP Supply Chain Corporate Members 2008**

Acer	Juniper Networks
Banco Bradesco	Kellogg's
Boeing	L'Oréal
BT Group	Merrill Lynch & Co.
Cadbury	National Grid
Carrefour	Nestle
Celesc	Newmont Mining
Colgate Palmolive	PepsiCo
Dell	Procter & Gamble
Exelon	Prudential
Fiji Water	Reckitt Benckiser
Heinz	Royal Mail
HP	SSL International
IBM	Tesco
Imperial Tobacco	Unilever
Johnson & Johnson	Vale
Johnson Controls	Vodafone