



Ministry
of Defence

de&s

Defence Equipment & Support

Sustainable Procurement (SP) Guide

An introduction to Sustainable Procurement
in Defence Acquisition



We equip our armed forces with the edge to protect our nation

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Introduction

This guide presents the concept of sustainable procurement (SP) and the benefits that can be realised when it is effectively integrated within Defence Equipment and Support (DE&S) acquisition and related activities associated with the organisation, both internally and externally.

It is designed to be read by all roles and grades in DE&S and can be complimented with additional detail from other sources that introduces SP in other functional areas.

Purpose

This guide outlines definitions and benefits of SP. It is an introduction to SP in the Defence acquisition process and should be read in conjunction with the publications and information sources listed at the end of the document, in which responsibility and accountability for delivering SP in Defence acquisition can also be found.

The Knowledge in Defence (KiD) portal provides a pan-MOD perspective of strategic and tactical approaches to SP that can support Defence estate, military operations, and civil service culture and behaviours or site operating procedures.

The aim of this SP Guide is to present introduction to and raise awareness of SP, as well as identify challenges and opportunities in applying SP to Defence acquisition processes.



Key Terms

Sustainable Development (SD)

SD involves balancing appropriate economic, social and environmental considerations. It is defined as:

“development which meets the needs of the present generation without compromising the ability of future generations to meet their own needs”.

Sustainability has three fundamental aspects:

- 1. Environment:** Seeks to avoid the depletion of natural resources, protect and enhance biodiversity, and prevent pollution and harm to the environment, to maintain an ecological balance and create positive environmental outcomes.
- 2. Society:** Addresses the needs and rights of current and future generations, focusing on issues like access to work, well-being, equality, diversity, inclusion, human rights and resilient society.
- 3. Economy:** Ensures long- term financial stability, economic growth and prosperity, without negatively impacting or compromising social and environmental aspects. These pillars of sustainability must all be maintained and supported equally over longer time scales.

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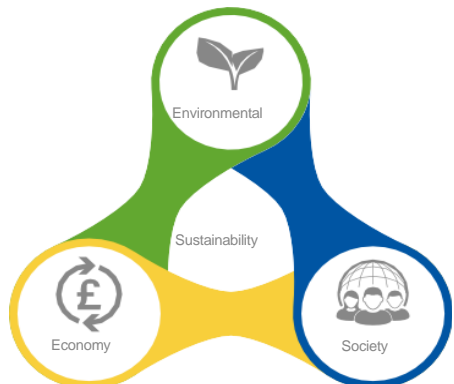
Sustainable Procurement (SP)

requires a balance of economic growth, social equality and environmental protection to be met in a way that achieves value for money on a whole- life basis.

Greenhouse Gases and Net Zero

Carbon dioxide (CO₂), from burning fossil fuels (coal, oil, and natural gas), is one of the most important factors in causing climate change. Other key Greenhouse Gases (GHG) include methane (CH₄) nitrous oxides (NO_x) and ‘F-Gases’. GHG are measured in ‘carbon dioxide-equivalents’ (CO₂e).

By balancing the (GHG) emitted into the atmosphere, and those removed from it over a specified period, we achieve ‘net zero’ (NZ). “Decarbonising” reduces as many GHG-emitting activities as possible. Any residual GHG emissions can be offset by carbon capture processes aka “sinks” (sequestration). If the carbon footprint of any activity is zero, this is known as ‘carbon neutral’.



Key Terms (cont.)

Environmental Protection (EP)

This is the management of environmental risks and impacts, as a result of activities undertaken by DE&S and its supply chain. The aim is to avoid or minimise harm to the environment caused by Defence activities. EP at DE&S is typically applied via management of risks within acquisition and through- life support of the capability. EP, in the acquisition process at DE&S, is achieved by applying the Project Oriented Environmental Management System (POEMS).

Environmental, Social, Governance

ESG is a framework that takes the holistic view that sustainability extends beyond just environmental issues, and demonstrates how an organisation is integrating SD across its workforce, supply chain, governance structure, and policies. It is a framework that helps understand how an organisation is managing risks and opportunities related to ESG factors.

Relevance and proportionality

SP can and should be applied in a proportionate way to all activity, whether it is a common good and service, or a more complex requirement. A balance is likely to require consideration of a range of issues from one procurement, contract or project to the next, and there may be similarities and themes within procurement categories.



The key ESG factors SP seeks to address are:

Environmental:

- Preventing pollution (air, water, soil).
- GHG emissions.
- Resources use and elimination of waste (circular economy).
- Material security and scarcity.
- Climate change adaptation and resilience.
- Biodiversity.

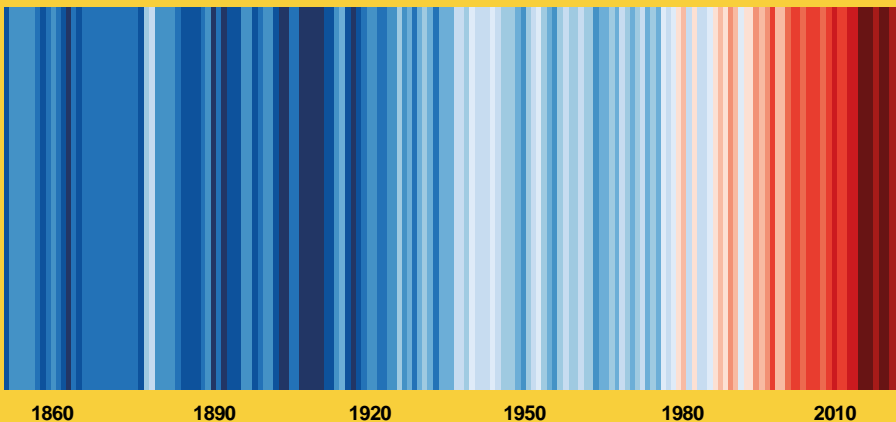
Social:

- Health, safety and wellbeing.
- Diversity and inclusion.
- Human rights and modern slavery.
- Access to employment and training.
- Community and social value.

Governance:

- Ethical sourcing.
- Supply chain engagement.
- Anti-bribery and corruption.
- Legal compliance.

Global temperature change (1850 - 2022)



Why is it important?

Context

Extreme weather events, resource depletion, competition for energy or rare earth elements, and humanitarian incidents have been identified as significant challenges to global stability and therefore national security.

The Intergovernmental Panel on Climate Change (IPCC) – a United Nations body assessing the science related to climate change – states that meeting NZ by 2050 offers a chance to avoid catastrophic and irreversible climatic change and environmental collapse.

The '*Climate Stripes*' image gives a clear representation of global average temperature increases. We have already experienced a 1.3°C increase since The Industrial era.

With these climate-changed conditions and subsequent operating challenges, it is critical that we understand this context and adapt the UKs Defence capability requirements to ensure long-term operational effectiveness.

Procuring sustainably can help fight the threat from climate change by reducing GHG emissions embedded in manufacturing, operating, maintaining, and disposing of military products, systems and services (PSS).

But the transition to a sustainable organisation is a huge challenge. In some ways, it is akin to a change management programme that every individual and activity is impacted by. This change will take time and resources before any future benefit is realised. SP in Defence involves all stages and roles within the PSS through-life process (known as CADMID), the earliest stages can have the greater effect on the lifecycle and longer-term benefits.

SP enables efficiency (time, resources, cost), resilience and adaptability to future challenges, and is critical to delivering effective Defence capability for future operating environments.

SP is practical, achievable and beneficial to the capability of the armed forces.

The skills required to embed sustainability within procurement are skills traditionally associated with good business and industry best practices, including negotiation, influence, through-life contract management, clear and open communication, and good foresight.

Government commitments

The MOD meets its obligations to overarching government policy on SD, which is underpinned by the United Nations 17 Sustainable Development Goals (UN SDGs) – as detailed in the UN 2030 Agenda for SD. The UK is committed to delivering the SDGs. The Goals should be fully bedded in planned activity of each Government department, including the MOD.

The 2021 integrated policy review document describes the government’s vision for the UK’s role in the world over the next decade and action to 2025. The document, known as ‘*The Integrated Review*’, recognises that climate change and biodiversity loss is a global threat. The report reviews UK Security, Defence, Foreign and Development Policy. The MOD has a central role in meeting UK government commitments.

UKs Greening Government Commitments (GGC) set out the actions UK government departments and their agencies will take to reduce their impacts on the environment.

The Government Buying Standards (GBS) are a set of simple product specifications for public procurers. MOD is required to meet GBS ‘mandatory’ levels. ‘Best practice’ levels demonstrate a beyond compliance and lead in sustainability.

The Government Supplier Code of Conduct outlines the standards and behaviours that are expected from suppliers, this includes SP criteria.

GGC and MOD’s contribution to the UN SDGs is integrated into the MOD’s Annual Report and Accounts (ARAc).

UN Sustainable Development Goals



Ministry of Defence role

MOD accounts for over 50% of UK central Government's GHG emissions.

DE&S can help meet the UK Government NZ 2050 legal commitment by reducing the emissions of its operations and infrastructure, enhancing its offsetting opportunities and carbon negative estate, and reducing the emissions of the equipment it provides to Front-Line Command (FLC).

As part of SP, supply chain engagement presents huge opportunity to reduce emissions footprints and support FLC NZ goals.

DE&S has committed to achieve NZ GHG emissions in its operations and infrastructure by 2040.



The MOD also has a vital role to play in achieving any internal and UK Government NZ targets.

Sustainability is recognised as an enabler of Defence capability. It is a high priority within the MOD and is linked to Strategic Defence Business Strategy Plans.

The MOD Climate Change and Sustainability (CC&S) Strategic Approach, published in 2021, describes the guiding principles that will enable the MOD to meet its 2025 strategic sustainability ambitions. It sets out the initial action plan for 'Epoch' one (2021-2025), on the journey to NZ 2050.

Underpinned by Defence HS&EP policy, MODs Joint Service Publications (JSP) include a suite of environmental safety and protection policy.

JSP 418 provides direction and guidance on meeting EP legislation and regulatory obligations.

JSP 816 – Defence Environmental Management System (EMS) is the system by which all Defence organisations manage their business activities to protect the Environment.

Each Defence organisation is expected to develop and maintain an EMS. Each organisational EMS should relate back to JSP 816.

DE&S cascades JSP 816 in its responsibility to meet MOD EP and EMS requirements by using POEMS.

The DE&S Environmental Strategy 2025 further sets out the DE&S strategic environmental vision, and high-level goals. Part of the vision is for

acquisition activities to fully incorporate environmental sustainability and NZ requirements into early decision-making, which will enable DE&S to reduce and adapt to climate change, safeguard the environment, achieve financial and efficiency savings, as well as offer FLC enhanced capabilities.



Defence has committed to being a “**fast follower**”; one that exploits low-carbon technological opportunities from industry and integrates sustainability and decarbonisation initiatives, not just in procurement, but throughout its enterprise, further imbedding circular economy principles across the lifecycle, all to meet the challenge of transitioning to a sustainable future for all.

DE&S and Delivery Team roles

Achieving our purpose as Defence relies on operational capability being effective and resilient, now and in the future. Our military strength cannot be compromised.

Managing sustainability issues from DE&S activity supports this goal, by reducing through-life costs, better enabling an effective approach to resource use and re-use, and reducing ESG risks, all while improving effectiveness, resilience and not compromising operational military capability.

Ultimately, an appropriately balanced approach to sustainability at DE&S provides FLC customers with cutting edge equipment and support services throughout the entire life-cycle and drives positive behaviour changes throughout the supply chain.

DE&S (and MOD) can reduce its GHG-emitting activities by procuring sustainable technologies, ethical products with decarbonised manufacturing and decommissioning processes.





Helping Delivery Teams to:

- a. Develop investment appraisals and business cases. The Investment Approvals Committee (IAC) expect to see how sustainability issues have been addressed within business cases.
- b. Identify, analyse and select appropriate options; develop the preferred option, draft tender questions and contract SP clauses/ commitments, monitor and reduce sustainability risks and maximise opportunities (including engagement with industry partners and sharing market initiatives).
- c. Understand possible project enhancement opportunities, e.g. whole life cost savings, reputational benefits, increased resilience and enhanced operational effectiveness.
- d. Support the requirements of the Sustainable MOD Climate Change and Sustainability Strategic Approach and wider government sustainability objectives and targets.

Opportunity for SP

SP requirements should be considered early in Capability or Force Development activities and pass from FLC and DT, into a User Requirement Document (URD).

All projects submitted to the IAC are mandated to take sustainability and environmental impacts into consideration, and all business cases taken by the Committee must demonstrate compliance with MOD's SP policies.

DTs can ensure sustainability and environmental impact considerations described in URD and business cases, are fed into the Solution Maturation Plan, Procurement Strategy, Tender Documents and Tender Evaluation processes, Obsolescence Management Plans and Product Environmental Cases.

At all these steps, opportunity should be taken to go beyond minimum legal compliance and seek innovative process to reduce emissions and decarbonise in DE&S activity and throughout the supply chain.

Commercial Function

Commercial Officers have an important role in tendering and selecting responsible and sustainable contractors once the FLC customer requirement is agreed.

They should read the SP and Health, Safety & Environmental Protection (HS&EP) Commercial Policy Statements (CPS) for further tendering selection criteria, EP and contractual information.

DEFSTAN 00-051

DTs should ensure suppliers comply with mandatory Defence Standard (DEFSTAN) 00-051: Environmental Management Requirements and maintain oversight.

DEFSTAN 00-051 sets out the standard required for Defence suppliers to demonstrate that they have minimised environmental impacts during the contracting for Defence systems. It also identifies our commitment to the UK NZ targets, as well as the need to use resources efficiently and reduce waste.

Estate and Infrastructure Management

For Defence estate-related sustainability, refer to JSP850: Infrastructure and Estate Policy, Standards and Guidance, Sustainability and Environmental Appraisal (SEAT) Tools.

The Defence Infrastructure Organisation (DIO) executive body are responsible for estate and infrastructure.

The Defence Infrastructure Organisation (DIO) executive body are responsible for estate and infrastructure. An infrastructure team is based at DE&S as well as the Chief Environmental and Safety Officer (CESO) team that provides Environmental Protection Officers (EPO) at MOD establishments. Together, alongside DIO, the inhouse teams seek to promote and protect the environment

Going further, becoming sustainable

SP enables DE&S to achieve its strategic ambitions in the 2025 DE&S Environment Strategy, and to support the MOD CC&S strategic approach, UK environmental regulatory commitments, NZ 2050 targets, and legally binding international treaty requirements.

The multiplication effect of SP through the supply chain is massive and will make a positive difference to people and places in the UK and beyond, further enabling the Defence vision of being ‘a force for good in the world’.

Leadership and Culture

Successful delivery of DE&S Environmental Strategy will depend on the organisation’s ethos and culture – the way it views, addresses, and prioritises EP and SP throughout business activities.

All DE&S staff can help ensure that SP principles and processes apply throughout new and existing projects. To effectively influence sustainability and encourage innovation within procurement, it is essential that leaders engage with stakeholders both up and down the supply chain, in an open and productive way.

The DE&S environmental and sustainable vision is to be:

“an organisation with ingrained sustainable behaviours that instinctively delivers sustainable solutions as a means to providing resilient capabilities to the FLC”.

DE&S Organisational Environmental Culture Assessment Methodology

DE&S employees can feel empowered to challenge the status quo, engage in discussions, hold leaders accountable, and re-shape cultural norms.

Communicate and engage

The Defence Suppliers Forum (DSF) Climate Change and Sustainability (CC&S) Steering Group enables MOD and Industry partners to share knowledge and experience on better sustainability practices, so that these are properly considered and inform procurement decision-making before investment. The DSF CC&S Working Group, and SP Working Group, provide an interactive forum for SP.

So What?

If done properly sustainable procurement makes sound business sense. Unless we consider the whole costs of goods and services (including energy and water use) and the costs of managing wider social costs (like pollution impacts, carbon emissions and waste disposal), we will not achieve value for money in a meaningful sense. SP can significantly reduce emissions from the burning fossil fuels in DE&S acquisition and supply chain activities, as well as operational FLC activities, and start a transition to a decarbonized future by changing behaviours and better understanding the impacts of our activities and inform decision-making at all levels.

Further information

DE&S Environmental Portal:

<https://modgovuk.sharepoint.com/teams/2228/portals/environment>

KiD, Sustainable Procurement:

<https://www.kid.mod.uk/maincontent/business/susproc/index.htm>

KiD, Sustainable Procurement Commercial Policy Statement:

<https://www.kid.mod.uk/maincontent/business/commercial/content/topics/susproc.htm>

KiD, Commercial Toolkit:

<https://www.kid.mod.uk/maincontent/business/commercial/index.htm>

ASEMS, POEMS:

<https://www.asems.mod.uk/guidance/poems>

The Green Book, Introduction to Environmental Management in the MOD Acquisition Process, 2018:

<https://www.asems.mod.uk/sites/default/files/documents/White%20and%20Green%20Book/QSEP%20Greenbook%20Issue%204%20FINAL%20Lighter%20green%20cover.pdf#overlay-context=>

Sustainable Procurement Training

Sustainable Development in Defence Acquisition, Cranfield University:

<https://www.cranfield.ac.uk/courses/short/defence-and-security/sustainable-development-in-defence-acquisition>

MOD Whole Force Climate Change Awareness and Defence Resilience, DLE

<https://www.cranfield.ac.uk/courses/short/defence-and-security/sustainable-development-in-defence-acquisition>

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