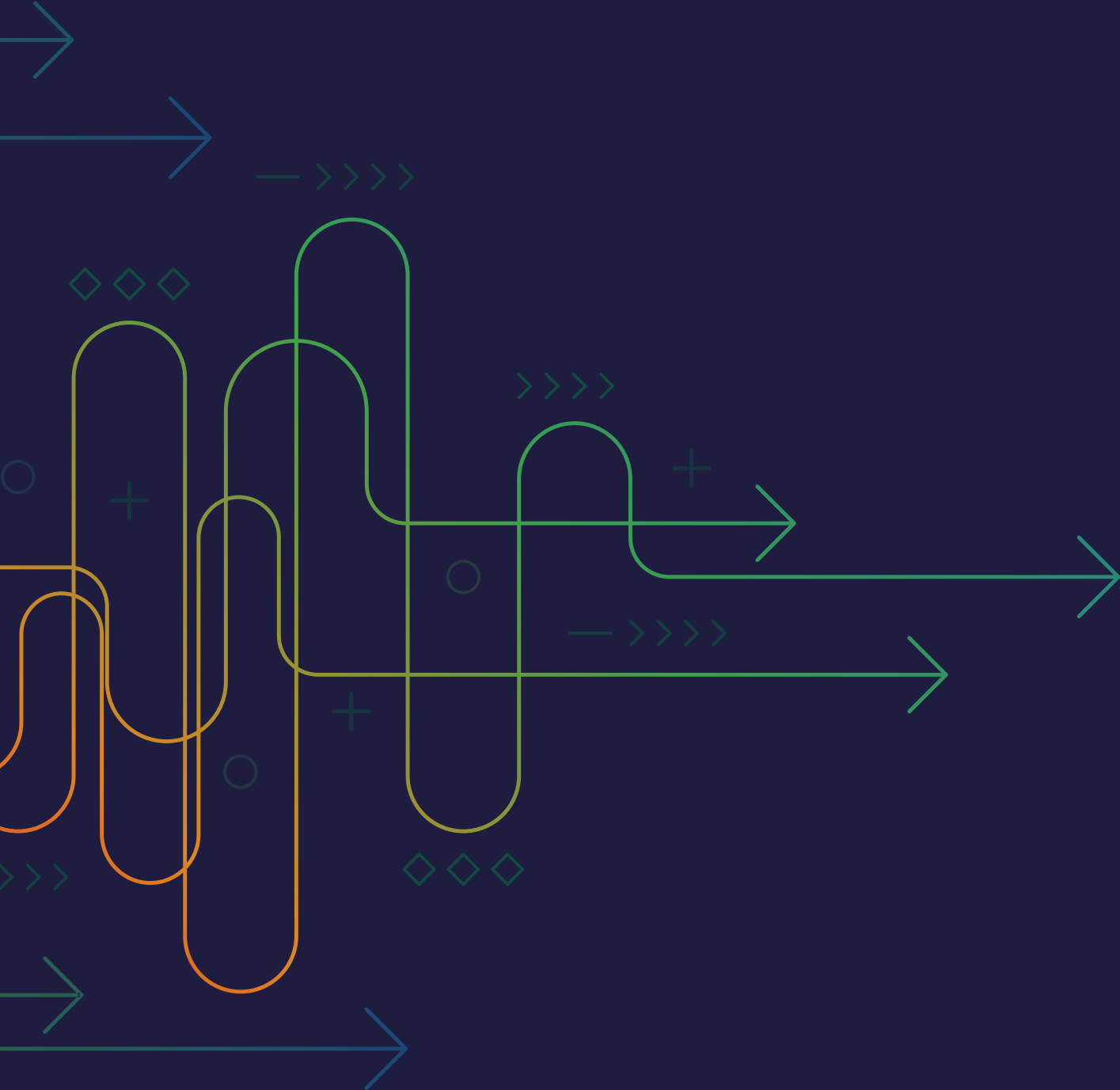


Supplier Assurance for Responsible Procurement

A guide for procurement and sustainability professionals



Contents

- Introduction3
- Scope4
- How to use this guide5
- Section 1: Selecting and onboarding new suppliers6
- Section 2: Defining scope of works & contracts (Contracting)12
- Section 3: Evaluating supplier organisational performance (Contract Management).....19
- Concluding comments23
- Appendix 1: Glossary.....24
- Appendix 2: Useful links25



Introduction

For most organisations, procurement of goods and services makes up a huge part – often around 80% – of their carbon footprint and wider impacts on the environment and society, much more than direct emissions from energy and fuel usage. That is why all of us who are involved in purchasing have such a crucial role to play in reducing our organisations’ supply chain risks and climate impacts. This guide sets out practical ways to do this, pitfalls to avoid and further sources of advice that you can draw on. Hopefully it will help you, your colleagues, and suppliers on your journey towards more sustainable practices.

Purpose

The purpose of this document to provide a simple guide to supplier assurance for responsible procurement.

What we mean by responsible procurement

Responsible Procurement or ‘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 life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment.

The UN Marrakech Task Force definition for Sustainable Procurement

Responsible procurement is also commonly known as Sustainable Procurement, Ethical Procurement, Social Value, ESG (Environmental, Social, Governance) and CSR (Corporate Social Responsibility).

HEPA guidance explains that the term ‘Responsible Procurement’ seeks to build on and expand the scope of ‘ethical’ and ‘sustainable’ procurement to include environmental, economic, and social issues and their risks and benefits which;

- includes a range of **considerations of equal or greater importance than profitability** and the generation of value.
- includes **purchasing that minimises greenhouse gases** causing climate change, challenging the systems and industries driving it;
- identifies, prevents and **mitigates the risks of human rights abuses** in the supply chain, including forced labour, child labour and human trafficking; and
- **recognises that these considerations are interconnected, and must be approached in their totality.**

What we mean by supplier assurance:

Supplier assurance is the act of conducting assurance checks to ensure that suppliers have appropriate controls and policies in place that align with our own responsible procurement commitments. As a minimum this should focus on your direct suppliers (Tier 1). Supplier assurance extends to defining requirements on suppliers, communicating these requirements, undertaking supplier monitoring and measurement of continual improvement and acting in response to assurance outcomes (typically asking a supplier for remedial action or praising the supplier).

Scope

Intended activities

The procurement of goods, works and services for use by your organisation.

- The assurance activity considers organisational performance of suppliers – what suppliers do to reduce harm and maximise benefit to the environment and society and at organisational level.
- This may be demonstrated through, but is not limited to:
 - public policy commitments e.g. sustainability policies, minimising modern slavery statement, community support statements.
 - Certification to external standards e.g. ISO14001, ISO 20400, ISO20400, Green Dragon, Fairtrade, PAS 2080.
 - Publication of targets and associated data e.g. carbon reduction targets and data
 - Contributing to community schemes and/or charities
 - Use of good practice for reporting e.g. the Global Reporting Index (GRI)
 - Use of CSR reporting online systems e.g. the National Themes, Outcomes and Measures (TOMS) (see section 3).
- The performance of specific goods, works and services provided by the supplier e.g. the energy rating of IT equipment, actions taken by the supplier to increase the longevity of the goods they sell to you.
- How is the supplier influencing its wider supply chain e.g. does the supplier have good systems in place to help prevent modern slavery in their supply chain?




Departmental recruitment of staff is out of scope in this guide unless undertaken through a supplier e.g. a recruitment agency.

Intended audience

- Procurement and category professionals
- Contract and project professionals
- Sustainability professionals
- Assurance professionals
- Individuals with a wider interest in responsible procurement

How to use this guide

This guide takes a holistic approach to supplier assurance and is split into three sections:

Section 1	Selecting and onboarding new suppliers	
Section 2	Defining scope of works and contracts	
Section 3	Evaluating supplier organisational performance	

In each section you will find:

- (a) What good looks like
- (b) Starter guide
- (c) Pitfalls
- (d) Risk Tools – defining materiality
- (e) Standard question sets
- (f) Standard Terms & Conditions (T&Cs) statements

At the end of the document is a simple glossary and useful hyperlinks.

Section 1: Selecting and onboarding new suppliers



Organisations all have different processes for the selection and onboarding of new suppliers. This process will reflect the size of the organisation and will often include supplier checks to ensure they meet statutory requirements (e.g., modern slavery), are financially sound (e.g., credit checks) and do not have any conflicts of interest.

Onboarding of a supplier is the start of a relationship between your organisation and the supplier. It's at this point that you should reflect on your organisational responsible procurement commitments and what this means in terms of expectations from your new supplier. The focus in this section is on the responsible procurement performance of the supplier organisation overall rather than specific goods and services.

(a) What good looks like

Potential suppliers are made aware of your organisational commitments to responsible procurement at the outset of their relationship with you. They are clear on what these commitments mean to them (what they are expected to do) if they become a supplier. Suppliers understand the value of responsible procurement practice and articulate this. They are proud of their own organisational performance in this area and understand how they contribute to 'delivering wider benefits' as part of the supply chain. They may have actively adopted recognised best practice standards such as the [Sustain Code of Conduct](#) and guidance such as the [ISO 20400](#) series.

(b) Starter guide

1. Check your organisation's commitment to responsible procurement. Note this might be found within your organisation's procurement, sustainability strategy/policy, corporate plan or all three.
2. Determine who in your organisation is the lead for responsible procurement. This person may be listed on your intranet and may be able to point you to local sources of guidance and support. This person is likely to be based in your procurement or commercial function.
3. Review your existing premarket engagement, supplier selection and onboarding process – it may already reference and reflect your responsible procurement commitments.
4. To add consideration for responsible procurement to your supplier selection process your first recommended step is to clearly articulate to suppliers going through selection your responsible procurement commitments. This may be in the form of a short statement included on your new supplier portal and introductory documentation – example below:

The university of XX is committed to responsible procurement practices through our XXX policy. We work closely with our suppliers to drive continual environmental and social improvement throughout our supply chain. We are clear on our responsible procurement requirements on suppliers we directly engage. Headline requirements include that all approved suppliers must:

- *Have an environmental policy signed and approved at director level?*
- *Have a published statement on modern slavery.*
- *Provide data on responsible procurement organisational performance to us annually.*

Further details on our supplier requirements are set out in our supplier selection section on the procurement portal.

5. Add questions to your supplier selection process to evaluate bidders' ability to deliver against your responsible procurement requirements. This could include supporting you in meeting your internal targets (e.g., for reducing the supply chain category of your scope 3 carbon emissions). This should also be focused on the supplier's organisational commitment and performance – not specific to the procurement of a particular goods of service (this is covered in section 2).

Think about the organisation rather than the goods. The number of questions and level of detail requested should be proportional to the supplier and risk. Section d & e (below) can help you pitch questions correctly. In addition, you may choose to use a third-party system to undertake this on your behalf (examples are included in the handy links section at the end of the document).

6. To add consideration for responsible procurement to your supplier onboarding process. Your first recommended step is to consider where best responsible procurement sits in the existing supplier induction process. Examples of common touch points where responsible procurement could be mentioned are listed below:

- As a mention in a welcome supplier letter
- As an additional section in online training
- As a section in the standard supplier Key Performance Indicators (KPIs)

(c) Pitfalls

Common pitfalls when embedding consideration for responsible procurement at this stage include:

- Not clearly setting out why you are interested in responsible procurement to your suppliers. If they understand why, you are asking a question, suppliers are more likely to respond to your questions and participate in the assurance activity.
- Duplicating. You add responsible procurement questions to your own local supplier selection process only to find out that is already done for you by your commercial team or outsourced procurement service.
- Asking suppliers to answer questions on responsible procurement then not using the responses in supplier assessment. This adds unnecessary bureaucracy and can damage trust between supplier and customer.
- Assuming you have an external tool for supplier assurance, so you don't need to do anything. Tools are only as good as the people managing them and following through on actions.
- Not having the resources in house to manage the embedding of responsible procurement into supplier selection and for ongoing evaluation.
- Procurement professionals not having enough understanding of sustainability / baseline training.
- Do not expect perfection. All suppliers will be on a journey so think about 'how high' you set our bar for new suppliers and what's achievable and realistic for your supplier.
- Remember it's not a level playing field, larger suppliers may have more resources to respond to you – try to be fair.

(d) Risk & Opportunities – defining supplier materiality (impact)

Materiality in this context is the extent to which a supplier can have a social or environmental impact; these may be risks (harms) or opportunities (benefits).

The extent to which you request and assess responsible procurement information from a supplier should be reflective of:

- Material risk (extent to which the supplier can generate environmental and social harms)
- Material opportunity (extent to which the supplier can generate environmental and social benefits)

Where materiality is high you may decide to ask and assess more questions and vice versa where materiality is lower.

The following planning policy note (PPN) can help you set and assess questions in line with best government good practice:

[Procurement policy note 8/16: Standard Selection Questionnaire \(SQ\) template – GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/policies/procurement-policy-note-816-standard-selection-questionnaire-sq-template)

[Single Procurement Document \(SPD\) | Supplier Journey](#)

For EUAC members, the HESCET tool can be used to assess carbon footprints by category of spend, which will give you a sense of which types of spend are most carbon intensive. [Revised Scope 3 tool launched | EAUC](#) Some procurement consortia also have carbon emissions available for each member, by supplier, which can be a helpful way to prioritise.

Example material risks and opportunities are set out below:

	Risk	Opportunity
Social	<ul style="list-style-type: none"> • Modern slavery • Unfair treatment of secondary suppliers e.g., delaying payment • Unsafe working conditions • Labour rights violations • Lack of employee grievance mechanisms 	<ul style="list-style-type: none"> • Local community gains as a result of employment opportunities • Development of individuals through apprenticeship provision and training • Charitable activities which benefit communities
Environmental	<ul style="list-style-type: none"> • Environmental pollution to air, water, soil e.g., through poorly controlled industrial processes • Biodiversity loss e.g. as the result of raw material production/ farming • Climate change resulting from suppliers' operations • Poor resource use and waste management processes 	<ul style="list-style-type: none"> • Environmental pollution risk reduction through good controls • Biodiversity enhancement activities • Climate change mitigation/ adaptation activities • Consideration for sustainability in product design • Actions taken to influence the environmental performance of customers

Although a little dated, the DEFRA Sustainable Procurement [Prioritisation Tool](#) provides useful lists of environmental and social impacts you may wish to consider.

Basic principles when defining materiality:

- **It is a judgment call** – it's not always practical or feasible to complete a quantitative materiality assessment of a supplier. It's often sufficient to categorise suppliers into H/M/L when determining materiality.
- **Size counts** – The larger the supplier organisation (staff/turnover/global reach) the higher the materiality.
- **Products and services** – the broader the range of services and/or products the higher the likely materiality. Specific services and products come with their own impacts
- **Company policies can point you in the right direction** – supplier sustainability policies can give you a feel for the impact of a supplier and specific areas you might want to explore through assurance.

A worked example is below:

University X is onboarding three new suppliers. John Smith in the commercial team has the applications.

Supplier 1 – A local small company providing cleaning services.

Supplier 2 – A large IT company providing a range of computing equipment.

Supplier 3 – A construction firm operating across the UK with a focus on new build construction.

John reviews information regarding each company collected in the application to become a preferred supplier. He decides that supplier 1 will be issued a basic short question set as part of onboarding but includes a specific risk on modern slavery as cleaning is known to be of higher risk. For supplier 2, he issues the standard question set. For supplier 3, he issues the standard question set with an additional question on managing construction waste.

(e) Standard question sets

Examples of responsible procurement questions which might be included at supplier selection are detailed below. Further examples can be found in the handy links section. The question you adopt should reflect the material risk and the size of the supplier.

Area of Focus	Question	Desired response with supporting evidence
General	Does your organisation have a formal mechanism to select approved subcontract companies to help fulfil its scope of service?	Yes
	Does your organisation have one or more documented Quality Management Systems (QMS)?	Yes
Environment	Does your organisation have a documented Environmental Management System (EMS)?	Yes
	Does your organisation identify the environmental impacts of its operations?	Yes
	Do you have an Environmental Action Plan in place to reduce your impact on the environment?	Yes
	Have you completed an environmental impact assessment of the products/services that you supply with regards to sustainable development?	Yes
Environment – Energy/Carbon	Do you have carbon reduction targets which have been agreed with the top management in your organisation?	Yes
	How can your organisation help us meet our carbon reduction targets?	Free text
Environment – Resources	Does your company have any Policies or programmes regarding use of natural resources?	Yes
	Does your organisation carry out Biodiversity Action Plans (BAP)?	Yes
Economic – skills development/strategic workforce planning	Does your organisation have any programmes or policies in place to encourage local sourcing?	Yes
	Is your organisation actively committed to Workforce Sustainability/Resilience to ensure continuity of operational and technical skills across the sector?	Yes
	Has your organisation completed a Strategic Workforce Plan to support development of people?	Yes

Area of Focus	Question	Desired response with supporting evidence
Social – human rights	Does your organisation have a documented policy to ensure that neither slavery nor human trafficking takes place within your organisation?	Yes
	Provide details of what your organisation does to prevent slavery or human trafficking	Free text
	Does your organisation have a documented policy to ensure that neither slavery nor human trafficking takes place within its supply chain?	Yes
	Provide details of what your organisation does to prevent slavery or human trafficking in its supply chain.	Free text

Source: Adapted from National Grid Group Standard Supplier Questions, 2023.

(f) Standard Terms and Conditions

You may have limited opportunity to influence your organisation and third-party providers' standard terms and conditions. Where this is possible, consider working with your commercial team to add the 'hooks' which encourage good responsible procurement processes. Standard terms may include:

Our suppliers share in the university X commitment to acting as a responsible business. They will take and document action required to improve the environmental and social performance of their organisation including supply chain.

Suppliers shall comply with university X responsible procurement assurance requirements as set out in the university of X responsible procurement policy.

Suppliers are required to notify their point of contact at university X if they are prosecuted for a breach in UK legislation arising from poor social or environmental performance.

Suppliers shall document and make available, if requested, actions taken to prevent modern slavery within their organisation and supply chain.

Suppliers shall ensure their UK staff, workers or sub-contracted workers, are not paid less than the independent benchmark wage (Real/ UK Living Wage) for outside London published by the Living Wage Foundation at <https://www.livingwage.org.uk/> as applicable during the term of the Contract.

Further climate specific clauses are available from the Chancery Lane project:

[Climate Clauses | The Chancery Lane Project](#)

Section 2: Defining scope of works & contracts (Contracting)



Organisations may access an existing framework and/or approved list of suppliers to quote for work and/or obtain quotations from the external market. A scope of works sets out what you expect from a supplier in terms of goods, works and services in return for a fee. The scope of works can also set out your responsible procurement expectation on a supplier e.g., that they have an environmental policy, agreed carbon targets or can provide a modern slavery statement. That they participate in your supplier assurance programme.

Procurements for small monetary value may not be subject to a contract, rather your supplier will agree on accepting a purchase order to adhere to your organisational or third-party procurement provider's terms and conditions. These may or may not reference your organisation's responsible procurement commitments. For larger procurements (monetary value) your organisation may choose to set a contract between your organisation and supplier. A contract is useful in setting out wider conditions of your agreement and often allows for greater flexibility in payments.

The National TOMs – Themes, Outcomes and Measures – is a framework for delivering excellence in measuring and reporting social value. <https://socialvalueportal.com/solutions/national-toms/>

There is a chargeable subscription service for organisations that wish to subscribe, there is also a free social value calculator which enables organisations to monetise the social value savings received from tender exercises and subsequent contract management activities.

(a) What good looks like

Customers/staff are aware of the tools and resources they can use to help embed consideration for responsible procurement into a scope of works for a specific procurement. Staff use these tools as part of business as usual and know how to access help when needed. Evaluation processes include proportionate consideration for responsible procurement. Contracts, where in place, reinforce consideration for responsible procurement through the duration of the contract.

(b) Starter guide

1. Check what your organisation's commitment to responsible procurement is. Note this might be found within your organisation's procurement, sustainability policy, corporate plan or all three.
2. Determine who in your organisation is the lead for responsible procurement. This person may be listed on your intranet and may be able to point you to local sources of guidance and support. This person is likely to be based in your procurement or commercial function. They may also be able to direct you to local training if available.
3. Check your standard scope of works template (if you already have one) and contracts. They may already reference your responsible procurement commitments.
4. To add consideration to your scope of works for responsible procurement our first recommended step is to clearly articulate to suppliers your responsible procurement commitments. This may be in the form of a short statement – see example in section 1.
5. You can add specific questions on the organisation's approach to responsible procurement and performance relevant to your specific procurement to your scope of works. Example questions are provided in section e.

6. If you ask suppliers to answer responsible procurement questions as part of your scope of works, it is important these are considered at supplier evaluation as either a scored criteria or as a pass/fail question set.

Worked examples are provided below:

Question 1 – The supplier to provide a copy of their company environmental policy or equivalent signed by a company director.

Outcome: Pass/Fail

Question 2 – The supplier is asked to detail their supply chain management practices in no more than 1/2 page of A4. Their response should include management approach, KPIs and managing non-conformance.

Outcome: Scoring

100	An excellent overview of how the supplier manages their supply chain including reference to all areas requested.
80	A very good – the supplier has answered the question well and expanded in some areas.
60	Acceptable – the supplier has answered the question but could have expanded.
40 or below	Poor response – the supplier has not clearly set out their answer and/or has not included detail requested.
0	Nil return

Question 3 – Please describe what measures you and your subcontractors are taking at an organisational level to minimise carbon emissions in no more than 1/2 page of A4. For example:

- a) Enhanced design that reduces the use of virgin materials such as off-site fabrication; or deployment of life cycle analysis when procuring equipment.
- b) Circular Economy is part of the solution to our Global Climate Emergency; please describe how you are demonstrating that you and or your subcontractors are considering the highest level feasible of recycled content within products and materials such as the use of mechanical and demountable fixings and building elements for internal fit outs.
- c) Development and piloting of innovative solutions that tackle operational carbon emissions including how your processes reduce the energy performance gap post construction. Examples explaining this should be included.
- d) Activities undertaken to manage environmental compliance, monitoring and review.

Outcome: Scoring

100	An excellent overview of how the supplier manages their carbon emissions and those of their suppliers.
80	A very good – the supplier has answered the question well and expanded in some areas.
60	Acceptable – the supplier has answered the question but could have expanded.
40 or below	Poor response – the supplier has not clearly set out their answer and/or has not included detail requested.
0	Nil return

7. Consider what is important to you/your organisation. Can this be reflected in KPIs agreed with the supplier for goods, works or services?

(c) Pitfalls

- Not being clear on why you are asking questions at the procurement stage and what you will do with the information e.g., used to identify common values and recognise good practice within our supply chain.
- Duplicating the questions already asked to on-board a new supplier. This can generate extra work for you and the supplier. If a supplier is already on your approved list, do you know if they have been asked about their responsible procurement performance already (section 1) and what questions/responses?
- Not taking a proportional approach – the questions you ask should reflect the material environmental and social impact of the product or service you are buying e.g. asking your paper supplier about how they source their virgin material and any standards they work to ensure sustainable sourcing. The number of questions you ask could also reflect the size of the supplier and value of the procurement. There is guidance from purchasing consortia on assessing materiality (see links section).
- Setting questions and then not following through with them. If you are asking suppliers to answer responsible procurement questions, be clear on how these are used in evaluation.
- Assuming buyers and/or suppliers will know the full impact of a product, services or works e.g., tendency to focus on carbon only.
- Not having internal agreement on the ‘value/weighting’ of responsible procurement for evaluation. This could be reflected in local tender procurement guidance and should be risk-based.
- Penalising SMEs by asking questions that they are not in a position to answer owing to lack of resource or capacity (rather than willingness to learn/change).
- Greenwashing. Indication that the proposal has been written by salespeople with little technical input from those providing information during the contract. Look out for "copy & paste" text within the proposal.

(d) Risk Tools – defining products/service materiality

The material impacts associated with the product or service you procure might not be the same as the overall material impacts of the supplier. Example material impacts of goods and services you may procure are illustrated below:

Goods	Activity	Material aspects – example harm	Material aspects – example opportunities
IT equipment	Purchase of computers, printers, screens etc	<p>Resource use</p> <p>Pollution as the result of inappropriate controls during manufacture</p> <p>Energy use in operation</p> <p>Pollution from waste (end of life)</p> <p>Modern slavery in the supply chain</p> <p>Unsafe working conditions</p>	<p>Prescribed energy efficiency standards e.g. Energy Star</p> <p>Packaging return schemes</p> <p>IT reuse schemes</p> <p>Supplier repair commitments</p> <p>Long life equipment by design</p> <p>Supplier commitment to embodied carbon reporting (currently is predominantly laptops, desktops and servers only)</p>

Goods	Activity	Material aspects – example harm	Material aspects – example opportunities
Food and drink	Catering contracts Student halls food provision Events management	Chemical use in production e.g., pesticides Habitat loss 'Air miles' associated with food transport High levels of packaging Carbon associated with food and drink production	Fairtrade goods Local and seasonal food commitments Recyclable and low carbon impact packaging Tap water provision (to avoid plastic bottles) Recycling and 'take back' provision at catering outlet
Laboratory chemicals	Procurement of laboratory chemicals	Resource use Carbon associated with chemical production Waste arising from packaging Water and energy use associated with chemical use Impact of waste chemical on discharge	Supplier commitment of low carbon manufacture Use of recyclable packaging and supporting goods e.g., pipette tips Use of returnable glass wear Recommended use guidelines including efficiency of use and reducing water consumption
Services			
Cleaning provision	Purchase of cleaning chemicals Cleaning contracts Waste disposal of cleaning products	Resource use Pollution as the result in appropriate chemical use Use of single use consumables/ disposables	Supplier using waste channels and reusing (cleaning contracts) Supplier avoids Substances of Very High Concern (SVHCs) in chemical ingredients. Certified standards such as EU Ecolabel and Cradle-to-Cradle™
Hire car provision	Hire car contracts Fleet vehicles	Carbon emissions when driving Embodied carbon from vehicles Air quality impact of car use Modern slavery (car cleaning)	Electric/ Hydrogen fuelled cars No "free upgrades" to larger vehicles Requirement for supplier carbon reporting Car sharing schemes.

Goods	Activity	Material aspects – example harm	Material aspects – example opportunities
Site grounds maintenance	Grounds maintenance	Habitat loss Wildlife disturbance Resource use including chemicals Pollution from chemical use Use of single use consumables/ disposables e.g. rodent traps	Appropriate waste channels/ mechanisms for use (composting/ re-purposing construction materials) Use of environmentally friendly materials (minor construction/ repairs/ up-keep) Wildlife-considerate mowing regimes Biodiverse planting
Works			
Refurbishment and major building works	Laboratory and office refurbishments	Modern Slavery and poor working standards (often associated with sub-contracting) Resource use Waste generation Carbon impact of construction including Embodied Carbon Carbon impact of the operation of the new areas Noise disturbance to wildlife and local communities	Early Contractor Involvement (ECI) in design Considerate contracting scheme Circular Economy practices Partnerships to recycle/ re-purpose/re-use Contractual Agreements cascaded with external subcontractors e.g. living wage requirements Improved logistics, bulk/ consolidated deliveries Energy and water-efficient practices and kit in construction and running Use of carbon tool to generate alternative options to reduce carbon Use of low carbon standards e.g. Passivhaus, BREEAM

(e) Standard question sets

The University of Oxford have produced a good starting list of common responsible procurement questions which may act as a useful reference when considering standard questions for preparing a scope of works and supplier evaluation for a specific procurement:

[University of Oxford list](#)

The Scottish government have also produced a starting list of common questions, specifically in relation to carbon:

[Sustainable Procurement \(sustainableprocurementtools.scot\)](#)

The question bank here provides a more detailed breakdown of questions, also split by different services/activities:

[A Sustainability Question Bank for Procurers \(sustainable.org.nz\)](#)

Useful further tools and guidance on supplier evaluation are provided in at the end of this document under 'useful links'.

(f) Standard contract statements and KPIs

For high value procurement, your procurement team may suggest the use of a contract in addition to organisational terms and conditions. A contract enables additional control of spend and quality of a procurement project. Example contract templates include NEC4 and JCT. Contracts often have provision for the customer to add additional procurement specific clauses. Example clauses can be found here:

[Sustainable Procurement \(sustainableprocurementtools.scot\)](#)

[Electronics Watch Contract Conditions for Supply Contracts](#)

[Sustainability Sample Clauses: 852 Samples | Law Insider](#)

It's important that any clauses you include are service or product specific if you also intend to complete supplier assurance (section 3) as a separate activity. This avoids suppliers being asked for the same information twice.

Through a contract you could set Key Performance Indicators (KPIs) in relation to the product or service. Responsible procurement KPIs may include those in relation to:

- Waste generation
- Energy use
- Recruitment from the local community

Example KPIs are provided below. KPIs should be SMART (Specific, Measurable, Achievable, Realistic, Time-bound) to ensure you are clear on how you measure supplier performance. KPIs can be used to provide structure to assurance reporting as part of formal supplier liaison meetings.

Performance Indicator	Target	Measurement	How the Contractor will monitor, manage and present the supporting performance data
Sustainability index – on a reporting platform – see action 3	70%	An average sustainability index of 70 and above will achieve a score of 100%. An index between 60 and 69 will receive a score of 80%, an index between 50 and 59 will receive a score of 60%, an index score between 40 and 49% will receive a score of 50 %. An index scores below 40 % will receive a score of 0%	The supplier will monitor progress by reviewing feedback from their prior questionnaire and they will agree actions to improve the average score over the next reporting period. Monthly meetings will review progress against the improvement actions.
Diversion from landfill (75% recycled)	90%	A percentage of 90 or above will achieve a score of 100%, with less than 70% achieving a zero score and between 70% and 90% being awarded a score of the actual percentage achieved plus 10 percentage points.	The supplier will monitor performance using monthly data from their waste management contractor. The data will be analysed against the targets. The supplier will present supporting sustainability data to the University via monthly waste reports detailing their recycling rates.
CO _{2e} reduction (tonnes or %)	Reduction year on year	A demonstratable absolute reduction in scope 1 (fuel) and scope 2 (electricity) emissions compared to the previous year.	The supplier will provide carbon emissions data on the quarterly basis including a yearly forecast. If requested supplier will provide source information e.g. energy bills.
CO _{2e} data & information	Improvement in data and service	A commitment to report on and/or look to reduce scope 3 emissions (embodied carbon, deliveries, end of life)	The supplier will provide relevant data on a regular basis (at least annually), plus liaise with the contractor to improve this service during the contract.
Modern slavery assessment	100%	The supplier will be working towards complete mapping of modern slavery risk of their immediate suppliers (university Tier 2 suppliers).	Supplier records and reports on % of total supply chain who have been mapped. They use this to update local risk registers and agree actions to reduce modern slavery risk in their supply chain.
Community giving	% increase	A demonstratable contribution to local community initiatives.	The supplier records and reports the financial and time contribution to local charitable causes. This could include donations, fundraising activities and staff volunteering.

A free useful guide on setting KPI's with examples can be found on the here: [Microsoft Word – Responsible Sourcing Program KPIs_Summary.doc \(bsr.org\)](#)

Section 3: Evaluating supplier organisational performance (Contract Management)



Many large organisations undertake annual or rolling organisational assurance on all or some of their suppliers.

Organisational assurance is focused on the sustainability performance of the supplier ‘in the round’ rather than the performance of a specific product or service that you may use. Its strategic assurance that a supplier is demonstrating a good commitment to sustainability and encouraging this through their own supply chains. The assurance is intended to drive improvement over time.

The focus of this type of assurance tends to be around:

- Commitments made by the supplier’s top management to sustainability e.g., through a published sustainability policy, agreed environmental targets and commitments to social initiatives. How best this complements your own commitments.
- Supplier performance against their commitments and how this is monitored.
- Supplier held sustainability certifications e.g., ISO14001, Investors in People, B-Corp.
- Actions by the supplier to influence sustainability performance of their own suppliers.
- Actions by the supplier to improve their carbon reporting, especially relating to your scope 3 supply chain emissions.

(a) What good looks like

Suppliers are clear on your assurance requirements including the types of information you require and the likely time commitment for completing returns and frequency.

Suppliers have a mechanism to share with you their responsible procurement successes and are recognised for these. They are encouraged by your organisation to drive continual improvement.

It’s clear what happens if suppliers do not meet your minimum standards e.g., is there a pre-agreed improvement plan (as part of general supplier/ contract management), are they removed from your preferred supplier list, do they get time to address any concerns before this happens?

Suppliers have an opportunity window for improvement or mechanism to appeal if they disagree with their responsible procurement performance/rating as the result of the assurance activity.

The organisational assurance process you undertake should complement any standard questions you ask as part of supplier onboarding (section 1) or procurement of a specific good or service (section 2).

(b) Starter guide

1. Before you start, think about the aims of your supplier organisation assurance. What do you want to achieve, with who, how and by when?
2. Contractually ensure the assurance process with referenced within your procurement policy and/or terms and conditions. It's a requirement for suppliers to participate if requested.
3. Warming up suppliers is important – tell them you are setting up assurance ahead of time and why. What's in it for them?
4. You don't need an online platform to undertake supplier organisational assurance. A simple approach using a spreadsheet and focusing on set suppliers – by spend/category /based on a supplier risk matrix – can work well.
5. If you are completing assurance for a wider group online operational management platforms may save you time and money.
6. If you do utilise a platform (I.E. NetPos, EcoVadis, etc) don't underestimate the time needed to set up a system.
7. Make time to think about your questions and what you do with the answers. Questions may need to vary for different categories (see example questions).
8. Feeding back to suppliers will enhance completion of assurance – for larger suppliers consider having a standing agenda item in your regular meetings.
9. Have a clear route for suppliers to challenge and appeal assurance outcomes before they are removed from your supplier list.
10. Work smarter – you can ask for in date ESG certifications which as ISO14001 as evidence and to reduce the number of questions they need to answer.

(c) Pitfalls

- Not being clear on the purpose of organisational supplier assurance and why it matters (linking to organisational strategy) – internally and to suppliers.
- Trying to engage every supplier in assurance all at once. Phased approaches based on materiality and/or spend spread the work for you and the supplier.
- “Greenwashing” by suppliers – can you distinguish between actual progress/ success and ‘glossy’ sales-pitches?
- Lack of robust engagement process regarding updates, end dates, renewal, feedback etc., lack of communication can lead to gaps.
- Unrealistic expectations and reporting requirements. Do you really need all that information? Are you giving suppliers enough time to respond? Are you mindful of other assurance returns your supplier needs to undertake.
- Not rewarding progress – a supplier might not be brilliant, but they are more likely to take action if they are recognised for their efforts.
- Underestimating the ongoing cost of assurance platforms and/or staff time involved.
- Asking for information too often – annual assurance might be too often to see continual improvement for some suppliers.
- Not linking to the supplier onboarding process (section 1).

- Not being smart with the data collected e.g., are you making this data available to key staff procuring key goods, works and services (section 2). Have you saved the data somewhere centrally that can be accessed by the right people?
- Not knowing your organisation’s data protection, retention and GDPR policies.
- Not having the right contacts to request information – do you have the right contacts for ESG concerns – is this the sales rep/ account manager or another contact?

(d) Risk Tools – Tracking supplier performance

Simple risk management tools can be used to track the outcomes from supplier assurance and as a tool to support supplier engagement.

An example is set out below:

1. Supplier A completes their responsible procurement supplier assurance annual return.
2. A requirement of being a supplier is providing an in date environmental policy signed by a director.
3. The supplier has not provided a certificate or any narrative to explain why.
4. This is added to the central supplier assurance risk register and the contract manager notified.
5. The contract manager raises at the next supplier engagement meeting and updates/closes the risk following the meeting.

A simple template for a risk tracker is provided below:

Date added	Supplier name and contact	University local contact	Risk raised with supplier	Date raised	Agreed corrective action	Date closed
<i>Example: 21/2/24</i>	<i>J Smith ARK Ltd</i>	<i>B Jones</i>	<i>ARK has not provided required evidence of environmental policy</i>	<i>21/3/24</i>	<i>New policy to be provided by the end of April – awaiting leadership sign off</i>	<i>24/4/24 – policy provided by email</i>

Where risks are not closed out and supplier performance is unsatisfactory it’s important to give space for suppliers to rectify the issue. Where they don’t show satisfactory improvement you could consider removing them from your preferred supplier list. It’s important this process is documented and transparent to suppliers.

On the flip side, a risk framework like the above can be used to log good practice by suppliers to feedback to contract managers. This can also be useful evidence of your organisation’s influence on your supply chain e.g., for ISO audits. Example below:

Date added	Supplier name and contact	University local contact	Recognition raised with supplier	Date raised with supplier	Comments	Date closed
<i>Example: 21/2/24</i>	<i>J Smith ARK Ltd</i>	<i>B Jones</i>	<i>ARK has met its first carbon reduction target</i>	<i>21/3/24</i>	<i>Well received by the supplier now working on next carbon target</i>	<i>24/3/23</i>

The outcomes from supplier assurance activity can feed into your existing quality and CSR management systems.

Some organisations also use data collected to inform traffic light systems on ‘supplier compliance’. These can help inform buyer decisions and questions they may add to a scope of works for specific goods services (see section 2).

Where a supplier clearly demonstrates continual improvement you may also wish to consider recognition through case studies and/or joint news articles.

(e) Standard question sets

Example questions used for ongoing supplier assurance are outlined below:

	Question	Desired supplier return
Strategic policy	Is consideration for social and environmental impact part of your company strategy/ approach?	If no – a narrative on why and clear commitment to consider this If yes – supplier to supply evidence e.g., company strategy, annual reports, or policy statements
	Do you have carbon reduction targets?	If no – a narrative on why and commitment to consider this If yes – supplier to supply evidence e.g., website links, policy documents, carbon dashboards
Environmental performance	What are your company’s top three environmental impacts? (positive or negative)	Supplier shows an awareness of their environmental impacts e.g., waste generation, contribution to climate change and resource use. They can also note here positive impacts e.g., renewable energy use.
	What measures do you take to minimise waste generation?	Supplier notes activities to reduce waste generation and demonstrates continual improvement e.g., through changes to product design and packaging.
Social performance	What measures have you taken in the past 12 months to increase benefit to your local community?	Supplier notes any community focused activities e.g., donations, support for local employment and tier 2 suppliers and staff volunteering.
	Have you assessed risk of modern slavery in your supply chain? If so, how?	Suppliers shows an understanding modern slavery and risk within their supply chain. They can communicate activities they undertake to understand this.
Additional certifications	Do you hold any CSR external certifications that you would like to highlight e.g., ISO14001, Carbon Trust, Considerate Contractor Scheme	Supplier provides evidence of any certifications held.
Commitment to continual improvement	What CSR activities in the last 12 months has your organisation undertaken that you are proud of/ wish to highlight?	Open question to allow supplier to show continual improvement. Suppliers may note CSR targets achieved, issues resolved and/ or specific projects completed.

Concluding comments

Responsible procurement practices – from supplier onboarding to procurement decisions and regular assurance – are at the heart of reducing your organisation’s supply chain risks and overall Scope 3 carbon footprint. Many organisations – suppliers and purchasers alike – are on a journey to improve their practices, and it needs to be done through partnership and mutual constructive challenge. Some organisations are further ahead than others, as capacity and experience levels vary.

This guide gives lots of tips, examples and sources of further advice you can draw on. It’s okay to start with the basics and build from there – even simply starting with buying less and more sustainably wherever possible, alongside assuring and engaging with your most material suppliers and contracts, will help to drive improvements in the sustainability of your supply chain and procurement and purchasing practices. If everyone across the sector does this, together all our efforts will drive substantial change.

This document has been collaboratively produced by the EAUC, HEPA, UKRI and professionals from across the higher education sector for the mutual benefit of all organisations that share common responsible procurement values. It will be routinely updated to reflect best practice.

Appendix 1: Glossary

Term	Definition
Audit (supplier)	A supplier audit is an activity performed by an organisation to ensure that the external supplier meets customer requirements
Customer	A person or organisation who buys goods or services from a business
Contract	A procurement contract is a legally binding agreement between a customer and supplier for the provision of goods, works and/or services for an agreed fee
Evaluation (supplier)	Supplier evaluation refers to the process of evaluating and approving potential suppliers by quantitative and qualitative assessment
Onboarding (supplier)	Supplier onboarding is the process of collecting and checking necessary information from suppliers to set them up as approved suppliers for your organisation
Procurement	The activity of acquiring goods and services needed by the organisation for an agreed fee.
Purchasing	The acquisition of a product or service in exchange for money.
Responsible procurement	Responsible procurement is the act of sourcing services, supplies, and/or works in line with our corporate values – maximising the benefits to society and the environment
Scope of Works	The definition of activities or goods required by the customer for sharing with suppliers in order that they can quote to undertake these activities
Social value	<p>Social value is a consideration for how procured goods or services might improve economic, social and environmental wellbeing.</p> <p>The UK Government now requires that social value is evaluated as part of the tender process for most of its biggest outsourcing contracts – some of which are worth billions of pounds. Under the Public Services (Social Value) Act 2012, when scoring bids, government awards up to 10% of marks for social value – a margin that can make the difference between success and failure.</p> <p>Further information can be found at: PPN 06/20 Procurement Policy Note 06/20 – taking account of social value in the award of central government contracts – GOV.UK (www.gov.uk)</p>
Supplier	A person or organisation that provides something needed such as a service or goods.
Tender	A “tender” is the actual bid that is submitted by a supplier to win work. The phrase “tendering” is often used to cover the whole process from the publication of the contract notice to bidding on the contract itself
Tier 1 /2/3 suppliers	<p>Tier 1 Suppliers: Direct suppliers of the final product.</p> <p>Tier 2 suppliers: Suppliers or subcontractors for your tier 1 suppliers.</p> <p>Tier 3 suppliers: Suppliers or subcontractors for your tier 2 suppliers.</p> <p>These tiers can extend longer than three.</p>

For a more comprehensive guide to terminology visit the USPC website:
[UKUPC-Responsible-Procurement-Glossary.pdf \(supc.ac.uk\)](http://UKUPC-Responsible-Procurement-Glossary.pdf)

Appendix 2: Useful links

Guidance, tools, and free training

[HEPA knowledge hub](#)

[Sustain Code of Conduct](#)

[Sustainability Supply Chain school](#) – providing free training, videos and resources

[Open University course on supply chain sustainability](#) – free training

UK [Government Modern Slavery website](#) – guidance and free training videos

UK [Government sustainable procurement](#) tools

UK Government sustainable procurement [buying standards](#)

[Scottish Government Sustainable Procurement Tools](#)

[Scottish Government Sustainable Procurement Training](#) – Free Sustainable Procurement Training

[NHS Evergreen Sustainable Supplier Assessment](#)

[HE TOMs](#) – Higher Education Themes, Outcomes and Measures

[Universities purchasing consortium sustainable procurement resources](#)

[Climate Literacy training](#)

[Circular Procurement and Supply training](#)

[Free Sustainable Procurement 101 guide](#)

[The Sustainability Exchange](#) – including case studies from the EAUC Green Gown awards

[Guide to the APUC Scope 3 Supply Chain Emissions Tool](#).

[UKRI Responsible Procurement Charter](#)

‘Paid for’ training providers and useful landing pages*

[Institute for Environmental Management and Assessment](#)

[Sustainable Procurement Platform](#)

Third party sustainable procurement web platform based assurance providers*

[Net Positive Futures](#)

[EcoVadis](#)

*Note this is not an exhaustive list and doesn't contribute a recommendation or endorsement of suppliers.

