

## **DSB – The green procurement policy**

### **Policy and strategy for green procurement in DSB**

Since the beginning of the 1990s, DSB Corporate Procurement has included various environmental and health & safety considerations when entering into framework agreements. This policy and strategy replace DSB's green procurement policy of 17 August 2000 and constitute the basis of the related procedure and action plan. The policy and strategy for green procurement shall serve to fulfil the Circular on Environmental and Energy Considerations in relation to Public Procurement issued by the Danish Ministry of the Environment and Energy in 1995. The Circular sets out the guidelines for this undertaking within public institutions and has since been followed up by a voluntary agreement for counties and municipalities. As a public corporation, DSB not only has a duty to demand green products; it is also in DSB's interest. The policy and strategy also constitute an important factor in achieving the targets for environmental and health & safety considerations in planning, development, design and procurement as stated in DSB's Environmental Strategy 2007 and DSB's Policy on Health & Safety 1998–2000. In implementing this policy, DSB integrates its management of suppliers with its environmental management, thereby focusing on both the product and the partnership with the individual supplier.

In order to reduce the impact on the environment, DSB needs to continuously improve not only its own procedures and products but also its procurement of products and services. The following players cooperate on green procurement within

DSB:

- Corporate Procurement
- DSB's procurement employees
- Safety groups in DSB
- Environmental coordinators in DSB
- Health and Environment, Working Environment
- Corporate Planning and Traffic, Environment Section

This policy was passed jointly by Corporate Procurement, Corporate Planning and Traffic and Working Environment.

Based on an overall assessment of the financial aspects, environmental considerations and health & safety parameters as well as any other relevant procurement parameters, DSB will purchase products and services that minimise the environmental impact and about which DSB is satisfied that the suppliers took appropriate health & safety precautions. DSB will make such assessments based on the life cycle of the product or service and not on any short-term financial considerations. DSB will enter into a dialogue with suppliers to continue to reduce the use of substances that have a detrimental effect on the environment and are hazardous to health and to minimise resource consumption based on a life cycle consideration. DSB requires its suppliers to have a strategy for their continued efforts on environmental issues and will regularly assess whether the strategy is implemented. DSB presupposes that suppliers are able to document their work and achievements on minimising their impact on the environment.

### **Strategy**

The strategy consists of four main areas of focus: framework agreements, follow-up, communication and cooperation. The work related to the framework agreements is the most comprehensive, and this area is given the highest priority. The procedure for green procurement sets out processes and the distribution of responsibility in connection with securing green products and services.

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### **Framework agreements**

All purchases in DSB must be assessed with regard to the environment (e.g. energy consumption) and health & safety (e.g. chemicals and safety). In practice, this will be done via a prioritised assessment of the central framework agreements based on a life cycle consideration. Demands in relation to the environment, health & safety and energy consumption are included in the central framework agreements. This takes place successively from a general supplier demand level to a specific product demand level, so that all agreements include only products that have been assessed and live up to certain minimum demands. In connection with an assessment of a specific product, a certain weighting is given to the environment and to health & safety vis-à-vis financial parameters. The criteria of this weighting are jointly prepared by Corporate Procurement, Working Environment and the Environment Section.

### **Follow-up**

The individual member of the procurement team will regularly follow up on the compliance with the environmental demands of the individual agreement. The areas that are relevant for DSB's green accounts will include an agreement on which data the particular supplier is required to provide on an annual basis. The environment team for green procurement will single out agreements/suppliers for further analysis. These measures are regularly included in the action plan and the tasks are performed by the team members.

### **Communication**

The members of the procurement team on all levels will regularly be updated on the results of these special measures. It is important to call attention to the contents and environmental significance of the particular agreements. This is also a way of focusing on formalising and improving the existing cooperation on green procurement. The green procurement policy, procedures, action plans and topical information are published on Corporate Procurement's Intranet and on the environment portal.

### **Cooperation**

DSB Corporate Procurement must, at all times, have an employee dedicated for the environment team for green procurement. This employee will deal with enquiries from members of the procurement team regarding statutory requirements as well as any new environmental or health & safety initiatives. On request, the Environment Section and Working Environment are responsible for giving presentations and making contributions on environmental and health & safety issues in relation to procurement.

### **Responsibility and authority**

The heads of the Environment Section, Corporate Procurement and Working Environment have the overall responsibility for recognising and communicating the opportunities and costs of green procurement in DSB. The environment team for green procurement is responsible for successively incorporating new demands and initiatives into the action plan and subsequently taking steps to ensure that the projects are completed. The working group is to be made up permanently of an employee each from the Environment Section and Corporate Procurement. In addition, expert advice must be sought in relevant cases from e.g. Working Environment.

The heads of the Environment Section, Corporate Procurement and Working Environment have the overall responsibility for the completion of the items on the related Action Plan for Green Procurement in DSB. In addition, they are responsible for the implementation of the related procedure to ensure the correct level of environmental demands in the framework agreements in force at any time and to see to it that sufficient resources are allocated to solve these tasks.

DSB Corporate Procurement has the overall responsibility for keeping members of the procurement team up-to-date with environmental news, though the Environment Section and Working Environment are expected to make their contributions to this task. The procedure relating to green procurement is intended to secure formalisation and continuity of the existing cooperative partnership.

### **Framework agreements**

The head of Corporate Procurement has overall responsibility for preparing the framework agreements. The head of the Environment Section is responsible for providing contributions to the environment section, and the head of Working Environment is responsible for providing contributions to the health & safety section. Corporate Procurement must include representatives of the Environment Section and Working Environment in the relevant working groups already at the call for tenders and during the assessment of the tenders submitted.

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The environmental representative of the working group is responsible for placing environmental demands on both suppliers and products. Following the same pattern, the health & safety representative of the working group is responsible for placing health & safety demands on both suppliers and products. Furthermore, the environmental representative of the working group is in charge of assessing whether the tenders submitted live up to the environmental demands that have been set. The health & safety representative has a similar task assessing the health & safety demands.

### **Implementation of policy and strategy**

The policy and strategy for green procurement in DSB is implemented by adding the text to the existing procurement policy and strategy. The realisation of the policy and strategy takes place by implementing the action plan for green procurement in DSB together with the procedure for green procurement.

The realisation of the policy, strategy and action plan requires full management backing. It also requires stronger focus on the administration of environmental and health & safety demands in the preparation of the framework agreements. The procedure for green procurement includes a full description of this issue; likewise, new initiatives described in the action plan support these efforts. In practice, the administration of the environmental and health & safety demands must take place during the procurement process at the implementation of the procedure for green procurement.