How to find and use data to monitor impact from circular procurements

Guidance on impact monitoring and reporting from ProCirc.

Introduction

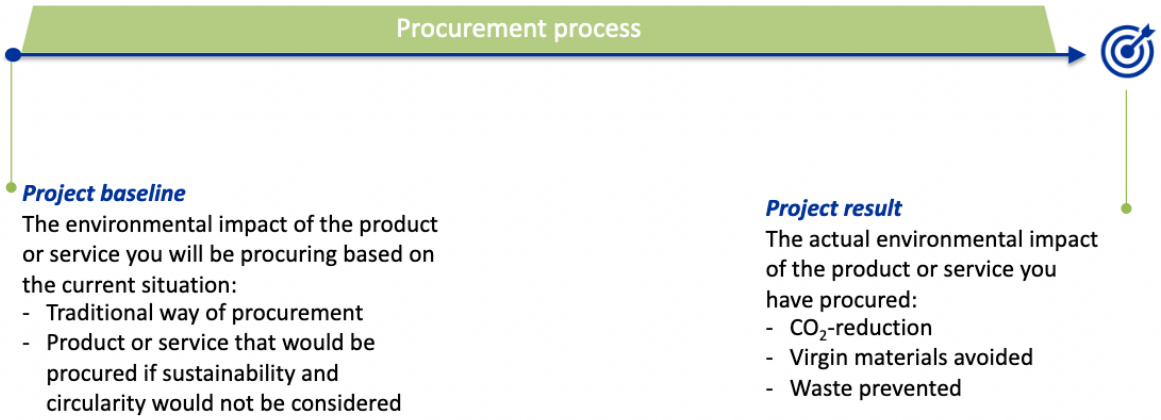
Measurements on savings in CO2 emissions, waste generated, and the amount of virgin materials consumed can all be used to demonstrate the concrete impact that circular procurements contribute to. Measuring and monitoring helps organisations to understand which actions generate the highest impact.

How to use and present data

Monitoring can have different purposes ranging from fulfilling organisational goals and meeting regulatory requirements, to demonstrating progress in order to increase engagement for circular economy. It can also be a way of controling the performance of the suppliers. Depending on the purpose, monitoring can target inputs, the process, the final product impact, or a combination of all of them. To measure impact, you either look at fulfilment of a specific target value or you monitor progress and continuous improvements.

Establish a baseline

To measure progress, you need to know your baseline – a fixed point of reference used for comparison purposes. In the case of a procurement this can be as simple as the way you did it and the impact you had last time, either qualitatively or quantitatively describing the previous contract. It might also relate to forward planning, or it can be regular quantitative measurement of improvements, e.g., yearly, monthly, etc. Another option is to measure your case compared to a standard case in the industry.



Showcase the results

Communicating the results you achieve from analysing the data is a powerful way to show the progress. When presenting and using data, it is important to always have a log that describes where the data is coming from, how you have calculated it, which assumptions you have made, and what units and levels for comparison you use (e.g., time-period, per kilo, per unit etc). This helps to create credibility for data presented and it helps you to further use the data in the future.

Collection of different types and quality of data

There are a variety of data types and data sources that can provide information on progress towards environmental, social, and circular indicators. Depending on the type of product or service that is being procured and the timeframe that is being targeted, the complexity of the monitoring varies. Different data types have different characteristics and qualities and will therefore lead to different approaches to monitoring. The approaches can be based on real data, secondary data, or estimations. The different approaches all have their benefits and weaknesses. A detailed monitoring of real data is the most accurate measurement, but it can also be time-consuming, complex, and require much technical expertise as well as cost. Sometimes it is useful and necessary, but sometimes it might not be needed. The efforts made for monitoring must be proportionate to the benefit we get from having the information. Sometimes it is enough for a broad approach to monitoring that shows the general picture in combination with qualitative testimonies of improvements.

Real data monitoring

Real data refers to data that comes from monitoring of real outcomes. This provides the most reliable information but sometimes it can be challenging to access. Real data often relies on the supplier providing accurate information which requires them to both agree to provide such data, and to have a reporting system in place with monitoring that can generate the data. When real data from suppliers is required, the best way is to request this in the tender process and integrate it into subsequent contract management. By incorporating monitoring and reporting on progress as a requirement (possibly as a KPI) in the tender you can use the expertise of the market to come up with the best way to provide you with the requested information. If you leave the monitoring up to the supplier, make sure to request them to provide evidence and report progress on the indicators you have identified in a transparent and verifiable way. Another way is to prescribe a method of monitoring certain KPIs. The benefit of this is that the data will be comparable and provide consistency in the procuring organisation's reporting.

Examples of data that can be requested from suppliers:

- Their direct emission data up to factory gate (including or excluding previous processing steps in the supply chain).
- The exact material composition, including recycled (post-production and post-consumer) or reused content, and actual weights (or volumes) if you purchased products.
- An assessment of cradle to gate or cradle to cradle emissions.
- Previous tender data and reporting.
- Existing KPIs of the supplier organisation.

Data from a supplier can also be combined with the information about the actual use of a product for an even more accurate assessment. It can for instance cover the actual useful time of the item (to monitor extended lifespan), its real energy consumption, and what really happens to it after the lifetime of the product or the end of the contract. This information is useful when you prepare to retender and want to evaluate the outcomes of a previous project.

Secondary (or proxy) data assessments

An assessment of the impact generated by the procurement can also be done using secondary data. This will lead to a more general picture on the likely impact that can be created through the procurement. This is particularly useful if the timescale is long or if the procurement is through a framework (supplier selection only). It is also an option if the supplier is unable to provide the information or the monitoring was not included in the scope of the procurement. Secondary or proxy data means using publicly available databases of standard products, their weights, and their material compositions (including average recycled content) to estimate the data for the products anticipated in your contract. This is a good first step to get an indication of the impact and data that can be communicated as results of the project.

Examples of databases:

- Environmentally extended input-output (EEIO) databases.
- Databases with government published carbon conversion factors or other environmental data (helpful if you know the exact items you have purchased e.g. a chair vs. a desk). An example of such database is the Greenhouse Gas Protocol Technical Guidance for Calculating Scope 3 Emissions
- Life cycle databases: third party databases that assists users in collecting data for product life cycle and corporate value chain (scope 3) GHG inventories.
- Data sourced direct from suppliers based on generic goods and services.

Basic estimations

If no data is available, a basic estimation will help you to show the potential impact your procurement might have. A way to reach a basic estimation is to use the monetary value of spend data, e.g., assessing total CO2 emissions based on the amount of money spent and average data of emissions from the sector or a simple comparison to previous contract. Basic estimations can also include forecasting and estimating a potential impact from a contract that is not yet possible to measure.

Recommendations

- Work with experts in the sector (suppliers and others) to understand which indicators are relevant (to organisational and national targets) and measurable.
- Work together with your suppliers to define the methodologies to collect data for monitoring both impact and progress.
- Don't let perfect get in the way of good. Start requesting and discussing the data with your team and your suppliers and improve from there.

This guidance document is developed based on workshops and advice to support ProCirc Circular Procurement pilots.
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