

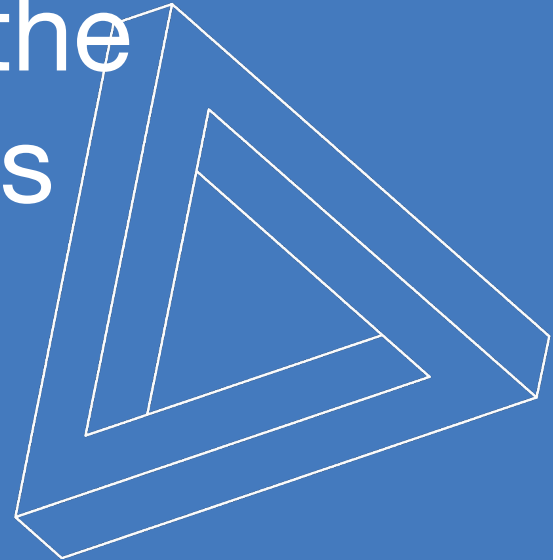


Government  
Commercial  
Function

# PPN: 06/21

# Bringing environmental commitments into the commercial process

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- We have published PPN: 06/21 which will introduce a new selection criteria for major government contracts to support the Government's commitment to achieving Net Zero by 2050
- The measure applies to in-scope contracts over £5m p/a where it is related and proportionate to the contract.
- The measure goes live later in the year, and will be applied to in-scope procurements which commence on or after 30th September 2021
- To comply with the measure, suppliers will need to provide a 'Carbon Reduction Plan' which has:
  - Been published on your website
  - Detailed the bidding organisation's GHG emissions in the UK
  - Confirmed the bidding organisation's commitment to achieving Net Zero by 2050
  - Detailed the environmental management measures you have in place



## PPN: 06/21 - Further detail

- The measure **does not** compare one Supplier to another as a means of assessment:
  - Carbon footprint/emissions data will not be compared from one supplier to another
  - Net Zero target dates will not be compared from one supplier to another
  - Carbon reduction progress to date will not be compared from one supplier to another
- We recognise that your bidding entity may not always align with existing reporting you have in place. The Technical Standard outlines a series of methods for establishing the operational boundary of your Carbon Footprint including Equity Share, Financial Control and Operational Control.
- The measure requires suppliers to report their Scope 1 and Scope 2 emissions, and a subset of Scope 3 emissions (5 categories)
- Reporting is required for all Kyoto protocol gasses, reported in units of Carbon Dioxide Equivalent (CO<sub>2</sub>e)

# What is the anticipated environmental impact?

- This will be the first exclusion measure based on Net Zero targets
- The measure will apply at the organisational level, not just in the delivery of the contract; and not just to the winning supplier, but all bidding suppliers
- Broadest scope yet implemented - Scope 1, Scope 2 and a subset of Scope 3 emissions
- The measure will drive behavioural change for buyers and suppliers
- In the future, we hope to be able to evidence suppliers' progress to show meaningful carbon reduction