

# A GUIDE TO PPN 06/21: NET ZERO COMMITMENTS FOR UK PUBLIC PROCUREMENT



By 30<sup>th</sup> September 2021, it will be mandatory for suppliers who bid for large government contracts (over £5 Million) to provide a [Carbon Reduction Plan \(CRP\)](#), detailing their commitment to achieving Net Zero by 2050 and how they will reach the target.

A Procurement Policy Note ([PPN06/21](#)) released by Crown Commercial Service in June 2021 sets out how government departments need to take account of suppliers' Net Zero CRPs in the procurement of major government contracts.

The [PPN](#) is subject to the [Public Contracts Regulations 2015](#).

## KEY DEADLINES

Suppliers should be prepared to be assessed against the PPN criteria when bidding for contracts advertised on or after

**30 September 2021**

As gathering the data required to complete baseline and current emissions can take up to 8 weeks (depending on the complexity of supply chains), companies who anticipate bidding for contracts that fall under the PPN should start to prepare now.

NOW



30 / 09 / 2021

## WHY NOW?

### The UK's commitment to carbon reduction methods

In 2019, the UK Government committed to a target to reach **Net Zero** by 2050. This means a requirement to reduce at least 100% of net UK greenhouse gas emissions, compared to 1990 levels.

The recent announcement is the government's next step in the wider strategy to tackle emissions in the private and public sector. It follows other carbon reduction schemes such as [Streamlined Energy Carbon Reporting](#) and the [Public Sector Decarbonisation Scheme](#).

#### [Streamlined Energy Carbon Reporting](#)

Launched in 2019 requiring qualifying UK companies to prepare and file energy and carbon information.

#### [Public Sector Decarbonisation Scheme](#)

Launched in 2021 to provide funding to public sector bodies in England for energy efficiency and heat decarbonisation projects.

See more on [Carbon Reduction Strategies](#)

## WHO WILL BE AFFECTED BY PPN 06/21?

The PPN will affect most suppliers bidding for government contracts for the supply of goods and/or services worth over £5 million per year (ex VAT).

This could include a wide range of companies, for instance, those that offer accountancy, pharmaceuticals, computing hardware or technology.

### The PPN applies to contracts controlled by:

- ✓ Central Government Departments
- ✓ Their Executive Agencies and Non-Departmental Public Bodies, such as HMRC, CPS, and DVLA.

Whilst this PPN specifically applies to the above, it is a useful reference point to other public sector organisations in their commitment to meet the national plan to achieve Net Zero carbon emissions.

## WHO NEEDS TO TAKE ACTION NOW TO COMPLY WITH THE PPN?



Does your company supply products or services to a government department or public body?



Could the value of those bids meet or exceed £5 million per year?



Does your company have a public commitment and plan to reach Net Zero by 2050?

For further information, contact:

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## WHAT MUST ORGANISATIONS DO NOW?

If ‘**in scope**’ companies intend to secure contracts from the UK Government, they must ensure they prepare a [detailed carbon reduction plan \(CRP\)](#) confirming the supplier’s commitment to achieving Net Zero by 2050.

### Requirements of the **CRP**:

- ✓ A commitment to achieving Net Zero by 2050 across your UK operations.
- ✓ Details of your baseline emissions that your carbon reductions methods will be measured against.
- ✓ An overview of your current emissions across [scope 1, 2, and a subset of scope 3](#).
- ✓ Your emissions reduction targets in CO<sub>2</sub>e (Carbon Dioxide Equivalent) and progress to date.
- ✓ Evidence of the carbon reduction measures that will be used to achieve Net Zero by 2050.

The plan should be approved by your organisation’s senior leadership within the 12 months preceding the commencement of the procurement, publicised on your company website, and updated at least annually.



The carbon reduction plan should adhere to the provided [template](#).

## HOW CAN ANTHESIS HELP?

Anthesis can support you to comply with this requirement by helping you formulate a carbon reduction strategy or adapting your existing strategy to meet the government criteria.

Our support extends across the Net Zero journey from understanding and calculating your current carbon footprint and emissions baseline, setting targets, developing strategies, and implementing them across your business and supply chain.

## OUR EXPERIENCE

Anthesis works with clients across the public and private sectors, including supporting businesses to successfully comply with [Streamlined Energy and Carbon Reporting](#) and the [Energy Saving Opportunity Scheme](#).

Learn how Anthesis has supported clients on their journey to Net Zero

