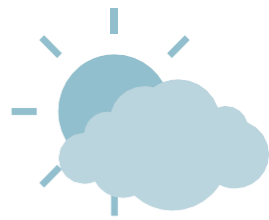
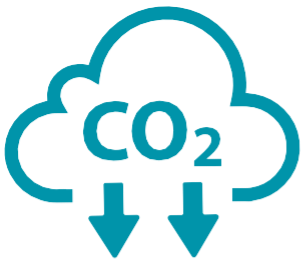


PPN 06/21
Carbon Reduction Plan 2024
Commercial Services Group





Prepared by



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Introduction

The UK government amended the Climate Change Act 2008 in 2019 by introducing a target of at least a 100% reduction in the net UK territorial carbon account (a reduction of greenhouse gas emissions, compared to 1990 levels) by 2050. This is otherwise known as the “Government Net Zero Target”.

The Government Net Zero Target is used to align with the requirements of PPN 06/21, which requires Suppliers bidding for major government contracts to commit to achieving Net Zero by 2050 and publish a Carbon Reduction Plan annually. It applies to all Central Government Departments, their Executive Agencies and Non-Departmental Public Bodies.

This measure applies to Public Contracts Regulations procurement, where the contract is £5m per annum (at the time of writing) or above. PPN 06/21 applies to contracts, frameworks, and Dynamic Purchasing Systems.

Commercial Services Group, our portfolios, divisions, and brands are keen to demonstrate our commitment to reach Net Zero and to comply with PPN 06/21. This document contains the group’s Carbon Reduction Plan (CRP).



CSG's Organisational Structure

Commercial Services Group (CSG) is the largest, local authority owned, trading organisation in the UK. Since its inception over 90 years ago as the supplies division of Kent County Council (KCC), it has grown organically to become one of the leading suppliers of products and services to the education and public sectors.

Today, CSG is the umbrella organisation for 27 trading brands which serve over 16,000 customers in over 80 countries. With corporate headquarters, plus over 100,000 square feet of warehousing facilities, based in Kent, the Group employs over 1,600 people in the United Kingdom alone.

CSG generates a gross revenue of ~£657m and manages an additional ~£1.6bn per annum of public spend through its compliant framework solutions.

Our Services

The primary focus of the Group is on the provision of services that support customer frontline delivery requirements, such as:

Compliant Procurement
Solutions and Frameworks

Legal Services

Staff Recruitment

Office and Education Supplies

HR and Payroll Services

Energy Brokerage Services

Managed IT Solutions

Carbon Reduction Initiatives

Education Support Services

Asset Support Services,
Landscape & Waste Management
Services

CSG Brands and Brand Structure



CSG’s portfolio has seen a lot of growth in the last few years, Lifecycle Management Group and Prospects Payroll were brought into the CSG portfolio within the financial year period of 2023-2024.

In our portfolio, we operate a series of recruitment managed companies, these are joint ventures with various councils including Hampshire, Luton, Surrey, Dudley, and most recently Dorset. As they are not wholly owned and operated by Commercial Services Group, we do not include their emissions in our Carbon Reduction Plan.

CSG's Commitment to Achieve Net Zero



CSG is committed to achieving Net Zero emissions by 2050 for Scopes defined by PPN 06/21. Furthermore, Kent County Council (KCC) has committed to achieve net zero greenhouse gas emissions from their own estate, operations and wholly owned traded services by 2030, this commitment applies to **Scopes 1, 2** and selected **Scope 3** emissions. As a wholly owned traded service, CSG are already committed to reach Net Zero by 2030.

Kent County Council's Net Zero Action Plan

KCC's Net Zero Commitment and Action Plan can be found [here](#):



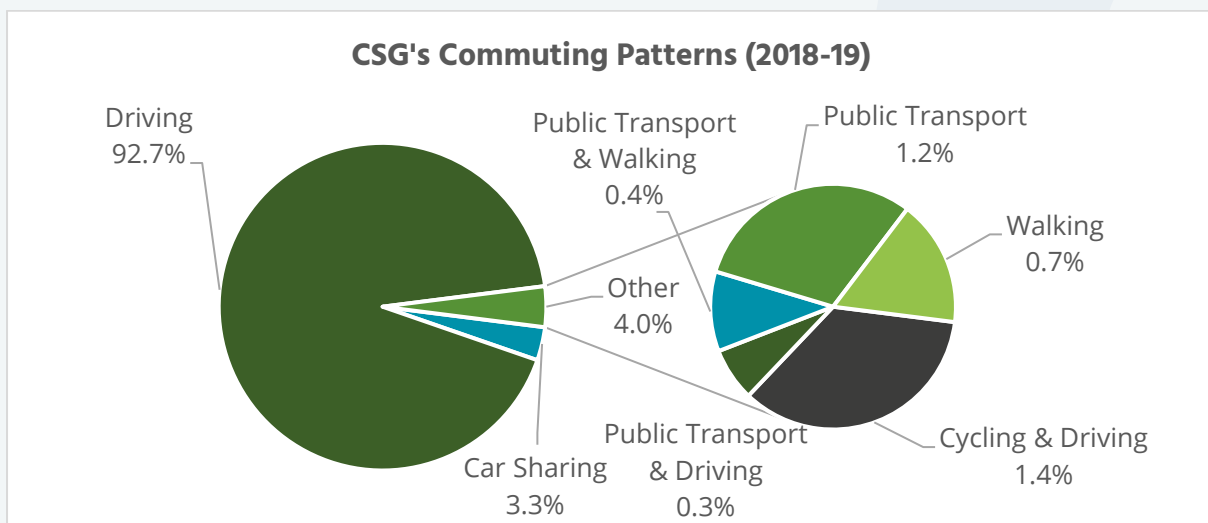
It should be noted, however, that KCC's declaration does not include all emissions sources in the requirements of PPN 06/21, such as all business travel, upstream and downstream transportation and distribution and employee commuting. Consequently, CSG and all its brands together are now stating our commitment to achieve Net Zero for all emissions sources covered by PPN 06/21 by 2050.

Carbon Reporting Improvements

CSG is continuously working to improve the scope and quality of the data that we report in our CRP through proficient environmental monitoring and reporting procedures. In preparation for the current CRP, we issued a staff questionnaire to collect Scope 3 commuting and homeworking data for the years 2018-19 and 2023-24.

We had a good response rate with over 400 staff providing data, which has given us a strong sample to work with. Having input from our staff has helped us obtain more granular data, which in turn has allowed us to more accurately estimate commuting and homeworking emissions. These were previously calculated from statistics of national averages.

The chart below shows commuting methods of CSG staff broken down by miles commuted during the base year 2018-19:



In previous years, we had not accounted for car sharing as a method of commuting in our emission calculations. We have also been able to see how many miles have been covered by employee vehicles by fuel type whereas in previous years, we had assumed an average car and unknown fuel's emission factors.

We have used the new data to update Employee Commuting emissions for the baseline and all previous reporting years. We are proposing to issue annual employee surveys going forwards and will continue to improve data quality for this, and other Scope 3 emissions.

Baseline Emissions Footprint

Baseline Year: 2018-19 (1st April 2018 to 31st March 2019)

CSG has set 2018-19 as the baseline for ISO14001 reporting and has chosen to use this same baseline for PPN 06/21. The reason for a pre-pandemic year is that it is more indicative of our business-as-usual operations at that point. This will help us assess the impact of the changes that have been made on our emissions, since the pandemic.



CSG has adopted a hybrid; office-based & WFH approach, with some staff who are solely home-based. We have recently obtained comprehensive employee commuting data as outlined above, to provide more accuracy in the emissions associated with this source.

With regards to upstream and downstream T&D emissions, we are looking to source data which will enable the inclusion of these emissions in our reporting. It is likely that the baseline year emissions will be updated once this data is available, as has been done this year with improved commuting and WFH data. This has increased baseline emissions from 2,279 tCO₂e in last year's CRP to 2,292 tCO₂e as shown below.

WFH – Working from Home **T&D** – Transportation & Distribution

Emissions	Emissions Source	Units	Quantity	tCO ₂ e	TOTAL tCO ₂ e
Scope 1	Gas	kWh	439,795	80.90	1,062
	Gas Oil	litres	115,719	343.74	
	Diesel	litres	229,221	602.15	
	Petrol	litres	16,186	35.66	
Scope 2	Electricity	kWh	1,482,763	419.73	420
Scope 3	Business Travel	miles	205,438	59.72	810
	Waste generated in operations	tCO ₂ e	7.74	7.74	
	Employee Commuting (including WFH emissions)	tCO ₂ e	742.05	742.05	
	Upstream (T&D)	tCO ₂ e	0.00	0.00	
	Downstream (T&D)	tCO ₂ e	0.00	0.00	
Total Emissions tCO₂e					2,292

Current Emissions Reporting

Current Year: 2023-24 (1st April 2023 to 31st March 2024)

The total emissions from CSG's most recent financial year, 2023-24, were 2,181 tCO₂e. This constitutes a 4.8% decrease against the baseline year, 2018-19. With the inclusion of new trading brands such as Lifecycle Management Group and Prospects Payroll into the CSG portfolio during the middle of the financial year, there has been a natural gas consumption increase against the baseline.

The inclusion of Kerosene came from a new CSG entity in 2022-23 which has one site using kerosene for heating. Gas Oil is no longer used due to recent legislation and this usage has now been replaced by diesel.

Within Scope 3, Business Travel has seen the highest % change, this is due to the addition of new entities and a covid readjustment/return to work scheme. CSG have optionally included WFH emissions within the Scope 3 Employee Commuting emissions. This 950 tCO₂e comprises of 647 tCO₂e from the commuting element and 303 tCO₂e from the homeworking element. Employee Commuting emissions have increased by 28% from the base year mainly due to an increase in FTE numbers. It is worth noting that despite a 3 times increase in total number of FTE between 2018-19 and 2023-24, the commuting element of this emission category is approximately 12% lower in 2023-24 than in 2018-19 due to CSG policies allowing an increase in homeworking.

CSG has not calculated emissions associated with upstream and downstream T&D at this stage. These emissions will be included once reliable data has been sourced and refined. We are also working to source reliable data for the use of public transport.

Emissions	Emissions Source	Units	Quantity	tCO ₂ e	TOTAL tCO ₂ e
Scope 1	Gas	kWh	524,357	96	785
	Gas Oil	litres	0	0	
	Kerosene	litres	2,500	6	
	Diesel (Machinery)	litres	63,986	161	
	Diesel (Fuel cards)	litres	198,130	498	
	Petrol (Fuel cards)	litres	11,756	25	
Scope 2	Electricity	kWh	1,126,028	233	233
Scope 3	Business Travel	miles	757,004	203	1,162
	Waste generated in operations	tCO ₂ e	9.17	9.17	
	Employee Commuting (including WFH emissions)	tCO ₂ e	950	950	
	Upstream (T&D)	tCO ₂ e	0	0	
	Downstream (T&D)	tCO ₂ e	0	0	
Total Emissions tCO₂e					2,181

Emissions Reduction Targets

As a group, we had a target to reduce our electricity and gas emissions by 10% per m² of floor area between 2018-19 and 2021-22. Progress was monitored as part of our ISO14001 objectives and the target was achieved through an overall emissions reduction of 32%.

Within the last financial year, 2023-24, CSG’s emissions have reduced by 27% in Scope 1 and 44% in Scope 2 from the baseline year, 2018-19. Our Scope 3 emissions however, have increased by 43.5% due to the growth of the group and headcount. To continue our progress toward achieving Net Zero, we have the following carbon reduction targets:

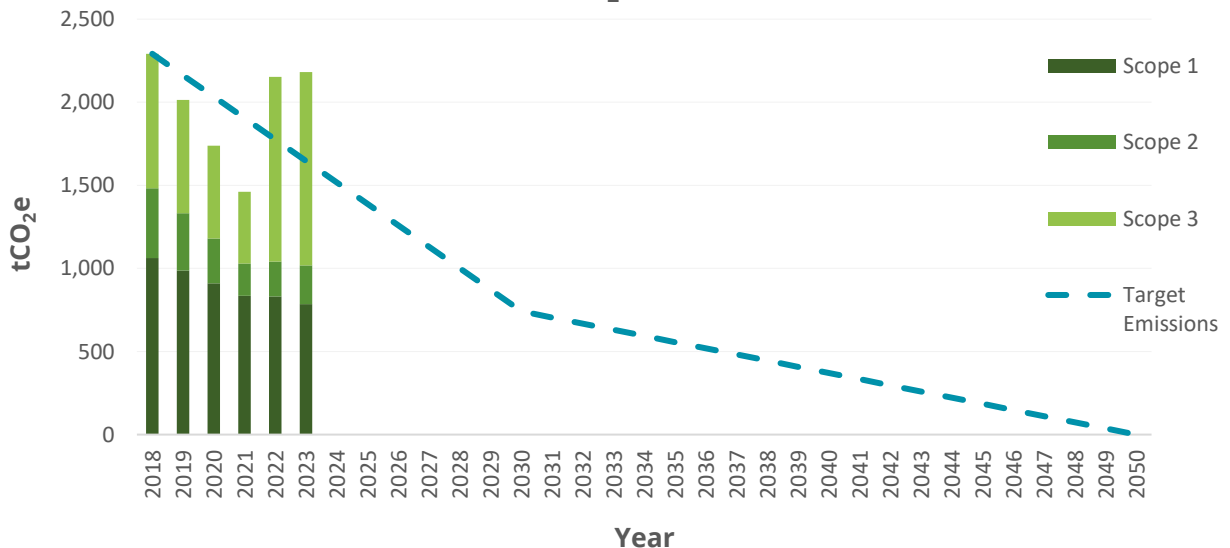
To be in line with our commitment to KCC, we have a target to reduce all our **Scope 1, Scope 2 & Scope 3** emissions related to Business Travel and Waste generated in operations to **0** by 2030.

We aim to reduce **Scope 3** emissions related to Employee Commuting, Upstream and Downstream T&D to **0** by 2050.

We aim to reduce carbon emissions to **742 tCO₂e** by 2030. This equates to a reduction of **68%** from our baseline year, 2018-19.

However, our historical emissions and our emission reduction target will have to be updated once we have calculated emissions associated with Upstream and Downstream T&D, as we have done with Employee Commuting. Progress against our emission reduction targets can be seen in the graph below. As mentioned, the increase in Scope 3 emissions is predominantly attributable to the growth of the group. A rise in the grid electricity emissions factor has also contributed to an increase in year-on-year Scope 2 emissions.

Carbon Reduction: Projected vs Actual Carbon Emissions (tCO₂e)

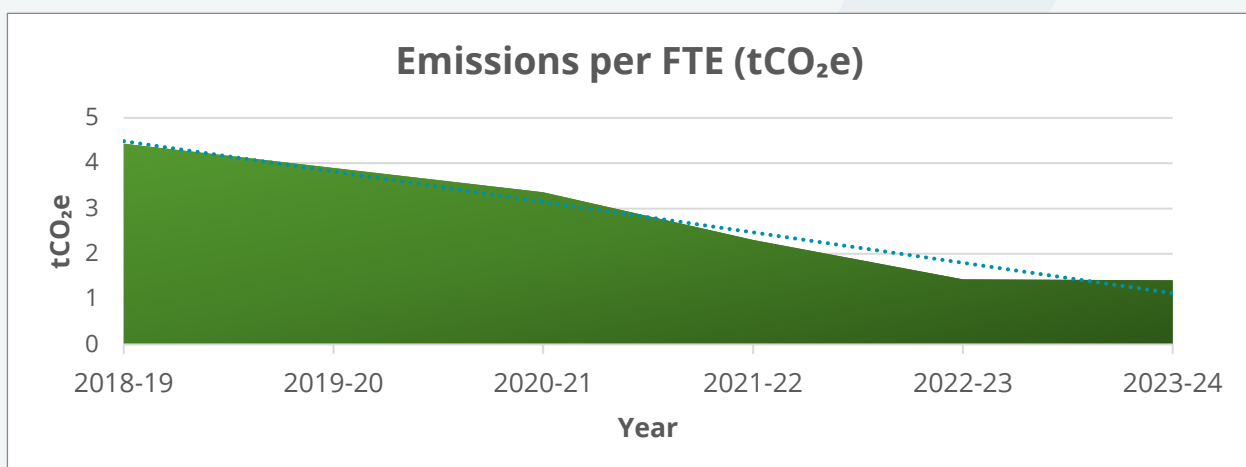


Carbon Reduction Projects

CSG has held ISO 14001 accreditation since 2013 which approves and certifies our Environmental Management System. As a part of the work completed towards maintaining this accreditation, we have implemented the following measures since the 2018-19 baseline to reduce the emissions of our group and its full-time equivalent employees (FTE):

- Implemented an electronic customer contract system across CSG to reduce the use of paper contracts. This has a beneficial impact of reducing ink and electricity through printing as well as reducing paper usage.
- Introduced an uplift on lease car allowances for colleagues taking an Electric Vehicle through our internal fleet scheme.
- Retained a hybrid and home working approach, where appropriate, which has significantly reduced ongoing commuting emissions.
- Retained remote meetings as a standard with suppliers and customers, significantly reducing business travel.
- Rationalised our property portfolio.

Despite the Group's growth, our overall emissions have gone down by 4.8%. The measures above have contributed to a reduction in emissions from 4.43 tCO₂e per FTE in the 2018-19 baseline to 1.42 tCO₂e per FTE in 2023-24, which equates to 68% per FTE. This fall is highlighted on the chart below:



CSG is now developing an overarching plan to conceive our route to Net Zero by 2030. This is termed our Carbon Descent Plan and will be an evolving strategy that will sit alongside our Carbon Reduction Plan (these documents are separately compiled due to the differing purposes, scopes and timescales as described in "CSG's Commitment to Achieve Net Zero" above).

Site decarbonisation surveys which have been completed for our two highest emitting buildings and plans to implement recommendations around solar PV and other low carbon technologies will feed into this plan.

Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol Corporate Standard. The appropriate Government conversion factors for greenhouse gas company reporting have been used.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard.

This Carbon Reduction Plan has been reviewed and signed off by CSG Executive Board and is signed on behalf of Commercial Services Group by the Chief Strategy Officer, Sally Richards.



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v1.0	September 2024

To find out more about CSG's Carbon Reduction Plan please contact LASER Zero Carbon Future team on **0800 484 0840** or email zerocarbon@laserenergy.org.uk.

