

SSEN Distribution

# SUSTAINABLE SUPPLIER CODE

May 2023



Scottish & Southern  
Electricity Networks



# INTRODUCTION

Welcome to our Sustainable Supplier Code. This is the first output from the ongoing collaborative working between ourselves and our supply chain, collaborations which are designed to help us all achieve our sustainability ambitions.

As we enter the RIIO-ED2 price control, and work to integrate climate action into all of our operations, we understand that strong engagement with our suppliers is crucial for the achievement of our sustainability ambitions - we cannot do it alone. We are taking a leadership approach to collaborate with our supply chain to facilitate full understanding of our sustainability values and ambitions, as well as engagement with all suppliers to further develop their own sustainability values to support, and where appropriate drive ours. During engagement sessions for our RIIO-ED2 business plan, supply chain stakeholders told us that they share the ambition to achieve net zero and they want to collaborate to tackle our Scope 3 emissions, whilst also reducing their Scope 1 and 2 emissions, but may need help along the way.

We recently launched a Supply Chain Sustainability School to help our supply chain understand all areas of sustainability and to assist suppliers on their net zero journey. Following on from this, we are launching this Sustainable Supplier Code which aims to forge stronger supplier relationships, enhance innovation and improve the management of shared risks and opportunities. It will also deliver greater value and outcomes for the environment, society, and local economies. Our supplier code is linked to five key UN Sustainable Development Goals (SDGs) that are most material to our business in terms of sustainable procurement, and are underpinned by the ISO 20400:2017 Sustainable Procurement Standard.

Our supply chain is instrumental in meeting our RIIO-ED2 net zero ambitions and our Sustainable Supplier Code, through its eleven targeted metrics, will ensure suppliers are helping us on our net zero journey whilst also gaining knowledge and improving sustainability through their own business.

**SSEN's aim is to have 80% of its supply chain (by value) signed up to our sustainability code by the end of RIIO-ED2 in 2028.**

This Sustainable Supplier Code is our first iteration heading into the RIIO-ED2 price control. We will be carrying out annual updates and a mid-point review (2025), with yearly targets adjusted based on supply chain maturity and targeted supply chain engagement.



“ In line with the UK's transition to a net zero economy, and SSEN's Sustainability Strategy, our Sustainable Supplier Code is a progressive approach to out-perform our RIIO-ED2 and supply chain targets. Recognising that SSEN's sustainability and environmental performance during RIIO-ED2 has a high dependency on achieving a sustainable supply chain, we have been overwhelmed with their appetite to drive sustainability. Our Sustainable Supplier Code is a great opportunity for developing strong collaborative working between SSEN and all of our supplier chain to enable the fundamental focus required to achieve all net zero ambitions.”

**Rebecca Richardson**  
SSEN's Director of Procurement



“ Our Sustainable Supplier Code is the ultimate guide to collaborative working with our supply chain through the RIIO-ED2 price control. We are excited to build strong and ambitious relationships with our suppliers to enable the crucial step change required heading into RIIO-ED2 to deliver our sustainability ambitions, whilst also supporting our suppliers on their net zero journey and ultimately building a better planet for all.”

**Shirley Robertson**  
SSEN's Head of Strategic Planning and Sustainability

# SSEN'S SUSTAINABLE PROCUREMENT GOALS



Our current percentages are a 2025 target, with a view to amending these after our annual survey that year to meet ED2 targets

GOAL	SSEN SUPPLY CHAIN REQUIREMENTS	SSEN SUPPLY CHAIN REQUIREMENTS	GOAL
7 AFFORDABLE AND CLEAN ENERGY	<b>Energy</b> 50% of the supply chain by spend will have a strategy and associated reporting in place to reduce energy consumption by 2025; and will have committed to their own annual reduction targets that they work towards and report on.	<b>Water</b> All suppliers must comply with SSEN's Sustainable Supplier Code and demonstrate that they have a Water Reduction Policy.  60% of the supply chain by spend will have strategies in place to reduce water consumption for SSEN projects, with reporting in place to demonstrate that improvement are measured.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
8 DECENT WORK AND ECONOMIC GROWTH	<b>Modern Slavery</b> All suppliers must comply with SSEN's Sustainable Supplier Code and as such demonstrate they can comply with all modern slavery requirements.  <b>Living Wage</b> All suppliers must comply with SSEN's Sustainable Supplier Code and as such demonstrate they can comply with all living wage requirements as outlined in the SSE Group Living Wage policy.  <b>Sustainable sourcing</b> 56% of the supply chain by spend will have a sustainable sourcing policy and as such demonstrate they have their own practices in place to meet this.	<b>Carbon</b> 65% of the supply chain by spend must have their own carbon reduction policy and target in place, undertake regular reviews and enhancement of policy including annual reporting on progress, and implement the policy by measuring its carbon footprint.  60% of the supply chain by spend must have a Carbon Disclosure Project (CDP) climate change score.  *35% of the supply chain by value will have committed to setting science-based targets (SBTs) by 2026 (with a target of 55% by 2033).	13 CLIMATE ACTION
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	<b>Responsible sourcing</b> All suppliers must comply with SSEN Sustainable Supplier Code and as such demonstrate they can comply with all responsible sourcing requirements.  <b>Social value</b> 80% of the supply chain by spend will have a social value policy in place and demonstrate they can comply with all requirements.  <b>Waste</b> All suppliers must comply with SSEN's Sustainable Supplier Code and demonstrate that they have a waste management policy in place. 60% of the supply chain by spend will have strategies in place to achieve zero waste to landfill, undertake regular reviews and enhancement of policy, including annual reporting on progress.	<b>Environmental management</b> 80% of the supply chain by spend will have ISO 14001/EMAS in place. 80% of the supply chain by spend will have an environmental management policy in place and undertake regular review and enhancement of policy.  <b>Biodiversity</b> 50% of the supply chain by spend will have a biodiversity policy and as such demonstrate they have their own practices in place to meet this.	15 LIFE ON LAND

## CONTACT US

For any questions or if you would like to be involved with future supply chain sessions, please contact us at:



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