

# Company Transparency (Carbon in Supply Chains) Bill

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[AS INTRODUCED]

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[AS INTRODUCED]

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# B I L L

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Require companies to prepare an annual statement on carbon in their supply chains; and for connected purposes.

**B**E IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

## 1 Carbon statements

- (1) A commercial organisation within subsection (2) must prepare a carbon statement for each financial year of the organisation.
- (2) A commercial organisation is within this subsection if it—
  - (a) supplies goods or services, and 5
  - (b) has a total turnover of not less than an amount prescribed by regulations made by the Secretary of State.
- (3) For the purposes of subsection (2)(b), an organisation's total turnover is to be determined in accordance with regulations made by the Secretary of State.
- (4) A carbon statement for a financial year is— 10
  - (a) a statement of the steps the organisation has taken during the financial year to ensure that the net carbon footprint has been reduced—
    - (i) in any of its supply chains, and
    - (ii) in any part of its own business, or
  - (b) a statement that the organisation has taken no such steps. 15
- (5) An organisation's carbon statement may include information about—
  - (a) the organisation's structure, its business and its supply chains;
  - (b) its policies in relation to net carbon footprint reduction;
  - (c) its due diligence processes in relation to net carbon footprint reduction in its business and supply chains; 20
  - (d) the parts of its business and supply chains where there is a risk of high greenhouse gas emissions, and the steps it has taken to assess and manage that risk;
  - (e) its effectiveness in reducing the net carbon footprint in its business or supply chains, measured against such performance indicators as it considers appropriate; 25

- (f) the training about net carbon footprints and climate change available to its staff.
- (6) A carbon statement—
- (a) if the organisation is a body corporate other than a limited liability partnership, must be approved by the board of directors (or equivalent management body) and signed by a director (or equivalent); 5
  - (b) if the organisation is a limited liability partnership, must be approved by the members and signed by a designated member;
  - (c) if the organisation is a limited partnership registered under the Limited Partnerships Act 1907, must be signed by a general partner; 10
  - (d) if the organisation is any other kind of partnership, must be signed by a partner.
- (7) If the organisation has a website, it must—
- (a) publish the carbon statement on that website, and
  - (b) include a link to the carbon statement in a prominent place on that website’s homepage. 15
- (8) If the organisation does not have a website, it must provide a copy of the carbon statement to anyone who makes a written request for one, and must do so before the end of the period of 30 days beginning with the day on which the request is received. 20
- (9) The Secretary of State—
- (a) may issue guidance about the duties imposed on commercial organisations by this section;
  - (b) must publish any such guidance in a way the Secretary of State considers appropriate. 25
- (10) The guidance may in particular include further provision about the kind of information which may be included in a carbon statement.
- (11) The duties imposed on commercial organisations by this section are enforceable by the Secretary of State bringing civil proceedings in the High Court for an injunction or, in Scotland, for specific performance of a statutory duty under section 45 of the Court of Session Act 1988. 30

## 2 Interpretation

In this Act—

- “net carbon footprint” means the total greenhouse gas emissions caused by organisation, minus the total amount removed from the atmosphere through offsetting or sequestration, expressed as carbon dioxide equivalent; 35
- “greenhouse gas” has the same meaning as in section 92 of the Climate Change Act 2008;
- “carbon dioxide equivalent” has the same meaning as in section 93 of the Climate Change Act 2008; 40
- “commercial organisation” means—

- (a) a body corporate (wherever incorporated) which carries on a business, or part of a business, in any part of the United Kingdom, or
  - (b) a partnership (wherever formed) which carries on a business, or part of a business, in any part of the United Kingdom, 5
- and for this purpose “business” includes a trade or profession;  
“partnership” means—
- (a) a partnership within the Partnership Act 1890,
  - (b) a limited partnership registered under the Limited Partnerships Act 1907, or 10
  - (c) a firm, or an entity of a similar character, formed under the law of a country outside the United Kingdom.

### 3 Regulations

- (1) A power to make regulations made under section 1 is exercisable by statutory instrument. 15
- (2) A statutory instrument containing regulations under section 1 may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament.
- (3) Regulations made under section 1 may— 20
  - (a) make different provision for different purposes;
  - (b) include saving, transitional, transitory, supplementary or consequential provision.

### 4 Extent, commencement and short title

- (1) This Act extends to England and Wales, Scotland and Northern Ireland.
- (2) This Act comes into force on whatever day or days the Secretary of State appoints by regulations. 25
- (3) This Act may be cited as the Company Transparency (Carbon in Supply Chains) Act 2021.

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*Presented by Karen Bradley*

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