



Including Sustainability in the Procurement of Banknotes

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DeNederlandscheBank

EUROSYSTEEM

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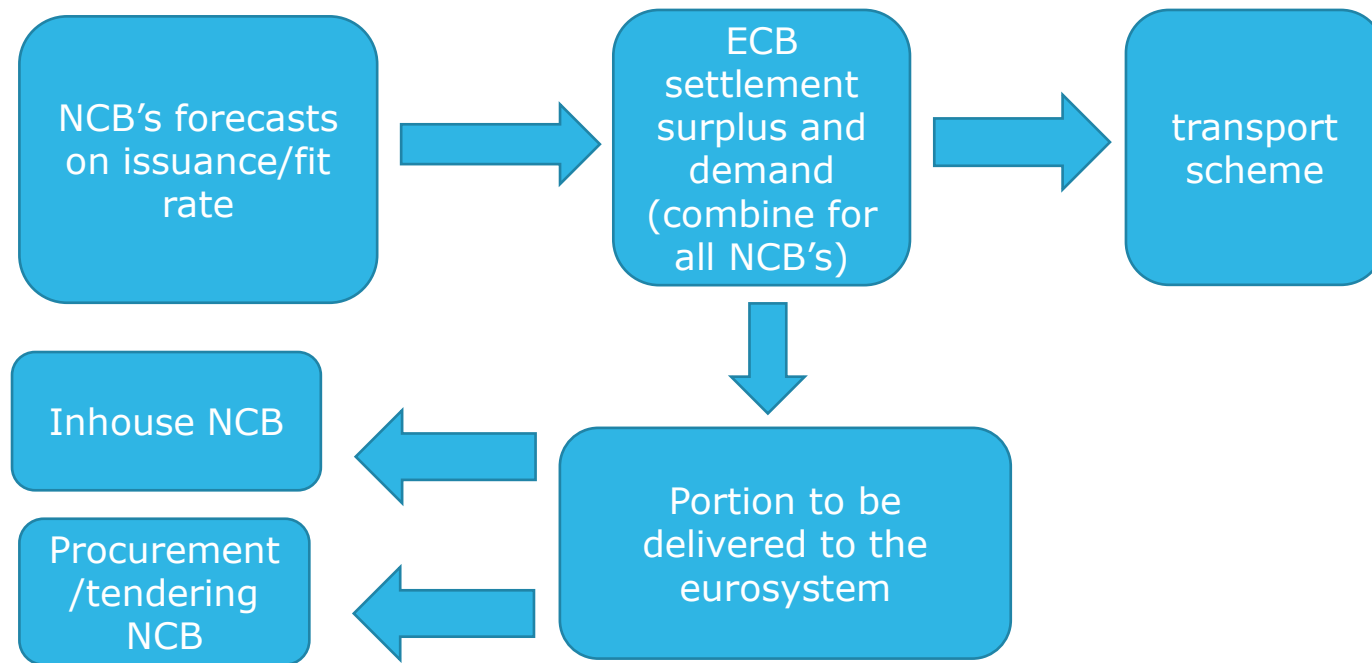
DNB: part of the eurosystem



- DNB: National Central Bank of the Netherlands
- Part of the eurozone: one currency
- ECB to align national demand and surplus within the eurozone
- ECB decision on banknotes to be produced
- Allocation based on Capital Key



eurozone production allocation: yearly cycles

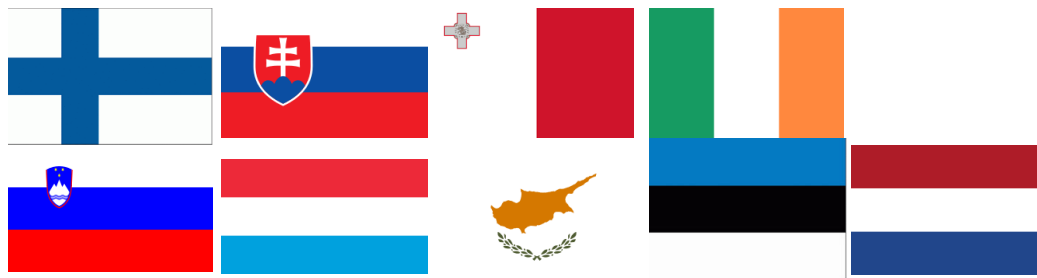


DNB/JET tender

- DNB procures banknotes from commercial (accredited) PW
- DNB tenders for banknotes: finished products
- on behalf of itself and 8 other NCB's: JET



CY, EE, IE, FI, LU, MT, NL, SI, SK



Strategy on sustainability



- DNB strategy to pay more attention to risks related to bio diversity and sustainability.
 - Sustainability in procurement
 - Riskanalysis in banking supervision
- Strategy DNB aligned with ECB strategy on sustainability:
Significant reduction achieved by the stakeholders of the cash cycle since 15 years by e.g., reducing electricity consumption of ATMs, greener waste disposal methods, increase durability of banknotes



DNB/JET Ambition: lead NCBs on sustainability

Cotton: Ambition to use 100% sustainable cotton in our JET tender
Try and learn

	2015	2016	2017	2018	2019
Organic	≥5%	≥5%	≥5%	≥10%	Together >20%
Fairtrade	≥5%	≥5%	≥5%	≥10%	
BCI	-	-			
Total sustainable cotton	50%	60%	70%	80%	100%



2019 production allocation



Since 2023

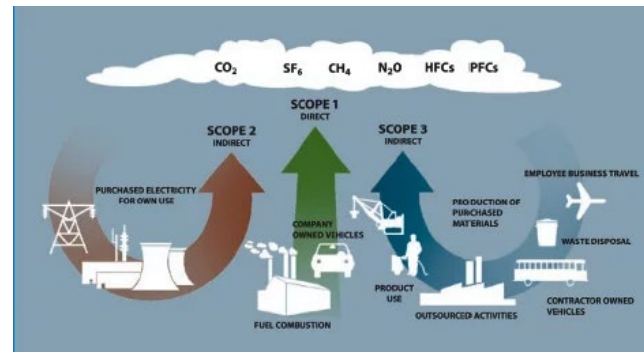


JET could convince the eurosystem that the use of sustainable cotton for all banknotes is possible.

Per 2023 all new euro banknotes must be made of sustainable cotton.

2021 criteria on sustainability to win the order

2021 New Framework Agreement and change in award:
MEAT based op P & Q



Criteria to score quality (Q) in JET tender:

- A. Use of energy from renewable sources
- B. CO2 footprint calculation

Purpose: more sustainable production of banknotes



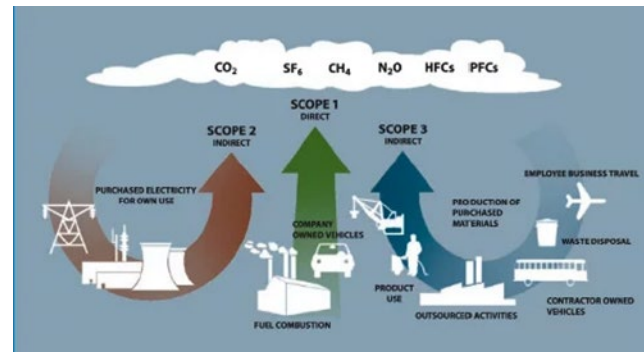
Q A: energy from renewable sources



"The use of electricity from renewable sources in the production of Euro banknotes to be delivered under this Order will contribute to a reduction of the carbon footprint. Therefore, points will be awarded for the percentage of electricity used from renewable sources in the production of the Euro banknotes to be delivered under this Order."

Proof: certificate or contract

Q B Calculation of the carbon footprint



- Methodology described in tender: the greenhouse gas protocol (scope 1,2,3)

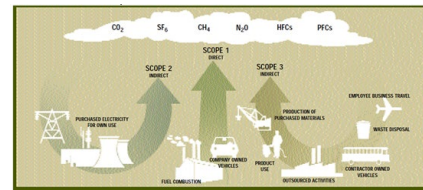
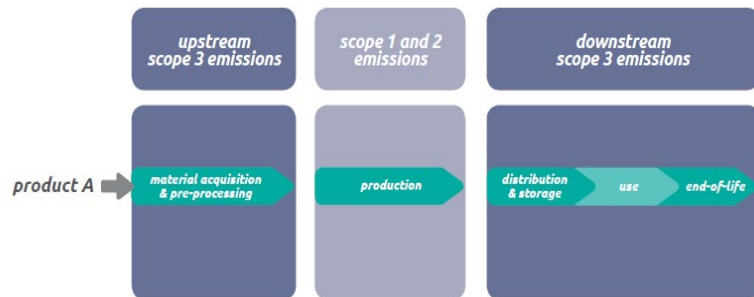
Awarding points:

1. No estimation of the carbon footprint calculation.
2. Substantiated estimation of the scope 1 and scope 2 carbon footprint for the Euro banknotes to be delivered under this Order.
3. For the above requirements and also submit a substantiated estimation of the carbon footprint of the paper they will use for the Order.
4. For all of the above and in addition a substantiated estimation of the full upstream scope 3 carbon footprint for the banknotes to be delivered under this Order.

Questions/challenges in our tender

Calculation must be connected to the order;
 Calculate or estimate;
 More difficult to influence/calculate (scope 3);
 Norm/methodology: GGP or other for scope 3;

Not possible to compare calculations yet;
 Only point awarded for making and sharing the calculation



> Learning from tenders and small adjustments to stimulate PWs into more green production.

Challenges for the future

Compare CO2 footprint

Ratio P/Q in our tender

Water/waste?

Energy crisis?



What's next?



Near future:

New Framework Agreement including new criteria on sustainability?

PEF methodology to compare Carbon footprints?

Water calculation or other things to intergrate in the q criteria?

Middle term future:

ECB requirements on sustainability

....A lot of work, but a lot of hope!

Thank you for listening

Do you have any questions?

or

Do you have suggestions for us?

