



[Company Name]

# CARBON REDUCTION PLAN





# CONTENTS

INTRODUCTION	1
About	2
Emission Reduction Targets	3
Methodology	4
Baseline emissions footprint	5
Current emissions reporting	6
Scope 3 carbon (value chain)	7
Offsetting	7
Progress to Net Zero	8
Carbon reduction projects	9
Declaration and Sign Off	10



## INTRODUCTION

This Carbon Reduction Plan has been developed to meet the requirements of Procurement Policy Note PPN06/21; “Taking Account of Carbon Reduction Plans in the procurement of major government contracts”, published in June 2021.

[Company Name] financial year starts on 1st February and end on 31st January; our carbon reporting baseline has been set at 2018/19

# ABOUT

[Company Name] purpose is.....

[Company Name] falls within the definition of a 'large' company (Companies Act 2006). As such we currently report Scope 1, 2 and Scope 3 (Grey fleet) under SECR legislation.

We are working towards a full Scope 1, 2 & 3 pathway to Net Zero which will be reviewed at board level in December 2021.



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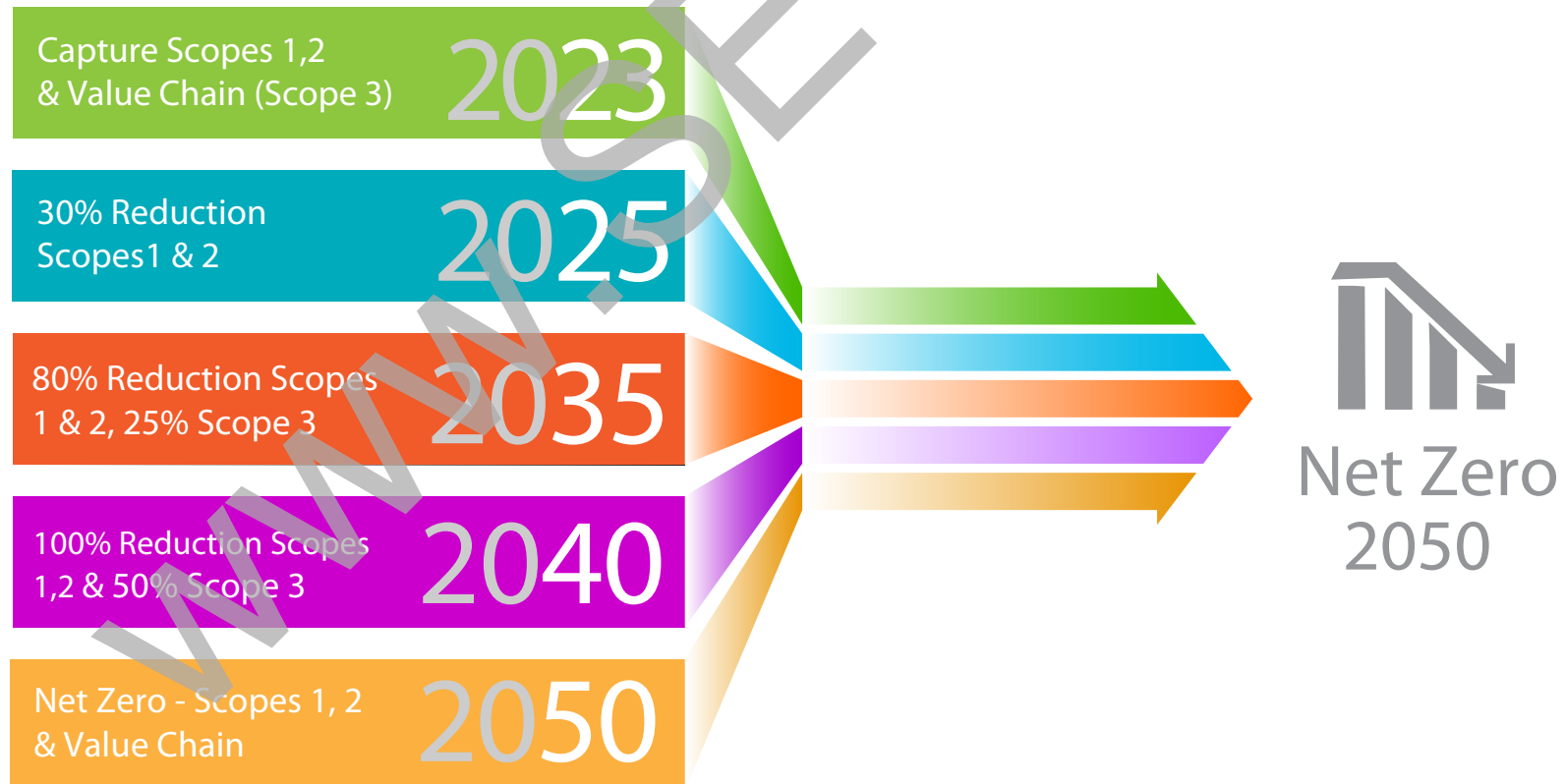
# EMISSION REDUCTION TARGETS

In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets.

[Company Name] is committed to achieving net zero carbon emissions by 2050.

We project that carbon emissions will decrease over the next five years to XX tCO<sub>2</sub>e by 20XX. This is a reduction of XX%

We refer to our scope 1 and 2 carbon emissions as our operational carbon, as it relates to our own use of energy for our own operations and is under our control. We will achieve net zero for scope 1 and 2 by 2040. We are aiming to achieve this target without offsetting. We will achieve net zero across our value chain carbon (scope 3) by 2050. As part of our pathway to net zero we will achieve a number of interim targets as below.



# METHODOLOGY

Incorporate net zero management into current management systems. Engage stake holders across the organisation to enable positive company wide change.

Apply Internal Carbon Price system. [Company Name] is committed increasing the price on an annual basis and re-investing money generated in emission reductions



Invest in energy & carbon reduction technologies/ services. Incentivise stake holders to reduce emissions. If required, purchase carbon credits.



Produce detailed reports analysing emission reduction achievements and adjusting goals/ investments as required to reach Net Zero target.



Detail emission savings and future reduction initiatives and targets in annual Directors Report.



Improve data capture to enable accurate profiling of operational and value chain emissions.

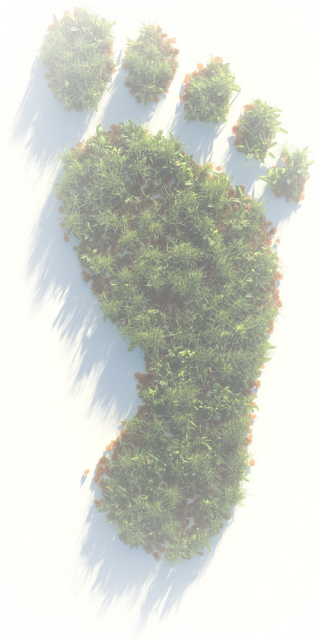


Set realistic annual emission targets mapped to Net Zero 2050 target.

## Net Zero Methodology



# BASELINE EMISSIONS FOOTPRINT



Baseline Year: [Company Name] Financial Year 2018/19 (1st February 2018 – 31st January 2019)

Baseline year emissions:

EMISSIONS	TOTAL (tCO <sub>2</sub> e)	CO <sub>2</sub> (mt)	CH <sub>4</sub> (mt)	N <sub>2</sub> O (mt)	HFCs (mt)	PFCs (mt)	SF <sub>6</sub> (mt)
Scope 1	1,052.64	1,038.62	0.25	13.80	0.00	0.00	0.00
Scope 2	241.17	238.99	0.74	1.43	0.00	0.00	0.00
Scope 3	5.68						

# CURRENT EMISSIONS REPORTING

Reporting Year: [Company Name] Financial Year 2020/21 (1st February 2020 – 31st January 2021)

[Company Name] has seen a 22% reduction in scopes 1 & 2 from baseline and a 12% reduction from the previous reporting year.

EMISSIONS BREAKDOWN BY SCOPE	2021 UK Emissions	2020 UK Emissions		Base Year UK Emissions	
	tCO2e	tCO2e	% Change	tCO2e	% Change: Current Reporting year to Base Year
Scope 1	831.66	940.17	-12%	1,052.64	-21%
Scope 2	183.31	213.81	-14%	241.17	-24%
Scope 3	2.84	2.84	0%	5.68	-50%
Total Gross Scope 1 & 2	1,014.98	1,153.98	-12%	1,293.80	-22%
Total Scope 1, 2 & 3 (Greyfleet)	1,017.82	1,156.82	-12%	1,299.48	-22%
Total kgCO2e	1,017,818.62	1,156,817.21	-12%	1,299,481.33	-22%
Intensity Metric: tCO2e/£m turnover	47.01	50.62	-7%	60.44	-22%
Scope 1 & 2 UK Energy Consumption (kWh)	4,073,760.81	4,481,601.58	-9%	4,882,775.41	-17%
Scope 3 (Greyfleet) Energy Consumption (kWh)	11,455.47	11,455.47	0%	22,910.95	-50%
Total UK Energy Consumption (kWh)	4,085,216.29	4,493,057.06	-9%	4,905,686.36	-17%



## SCOPE 3 CARBON (VALUE CHAIN)

Historically our data capture for scope 3 carbon has been limited to ad hoc requests for specific data. With our work on the pathway to net zero and reporting under SECR we are improving our data capture, recording and consistency across the value chain. We will be developing a robust, clear and consistent reporting methodology for our carbon data for scope 3 and will be reporting fully in our pathway to net zero in December 2021. On completion of the pathway to net zero work we will be able to clearly detail the data sources, emissions types and how they interact with reportables such as the Carbon Reduction Plan and SECR. It is our intention to fully map out our value chain and to identify and report scope 3 emissions that are significant, quantifiable and offer tangible opportunities for reduction through our actions and choices. Preliminary work has identified the following Scope 3 emissions in our value chain:

- Air travel
- Rail travel
- Employee mileage claims
- Insurance and Pension services
- Owning and dealing in real estate
- Accountancy
- Advertising
- Banking & finance
- Education/Training
- Hotel, Catering & Pubs
- Legal activities
- Other business activities
- Telecommunications
- Water used
- Renting of machinery
- Postal & courier services
- Landfill
- Recycling

## OFFSETTING

At [Company Name], we have committed to achieving net zero across all three greenhouse gas emissions scopes, including all of the energy that we use and carbon we emit, by no later than 2050. However, for all the energy and carbon emitted as part of scopes 1 and 2, we will achieve net zero by 2040 and aim to do this without needing to offset. At [Example Company], offsetting is a last step and will not be prioritised over making real reductions in carbon emissions and will only be undertaken where the offset arrangements meet our moral, ethical and sustainability expectations.

# PROGRESS TO NET ZERO

Figure 1.0 charts our annual carbon emission and energy consumption from our base year to the current reporting year. The results show a mean emission reduction of approximately 11% per year. Figures 1.1 charts our actual and projected emission reductions towards Net Zero 2050. We believe that as our business maturity in carbon grows our ability to accelerate the carbon reductions through improved commercial arrangements and availability of enhanced technology in other sectors will also be improved.

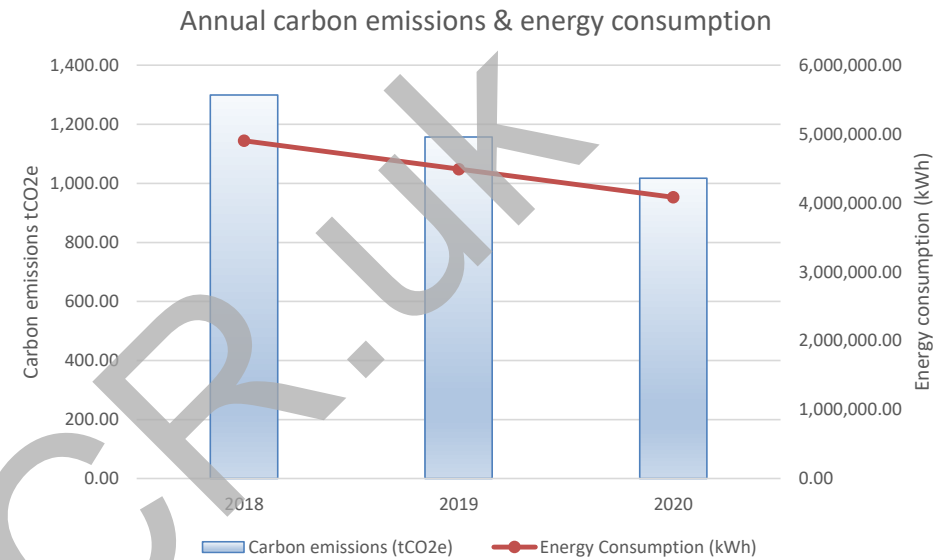


Figure 1

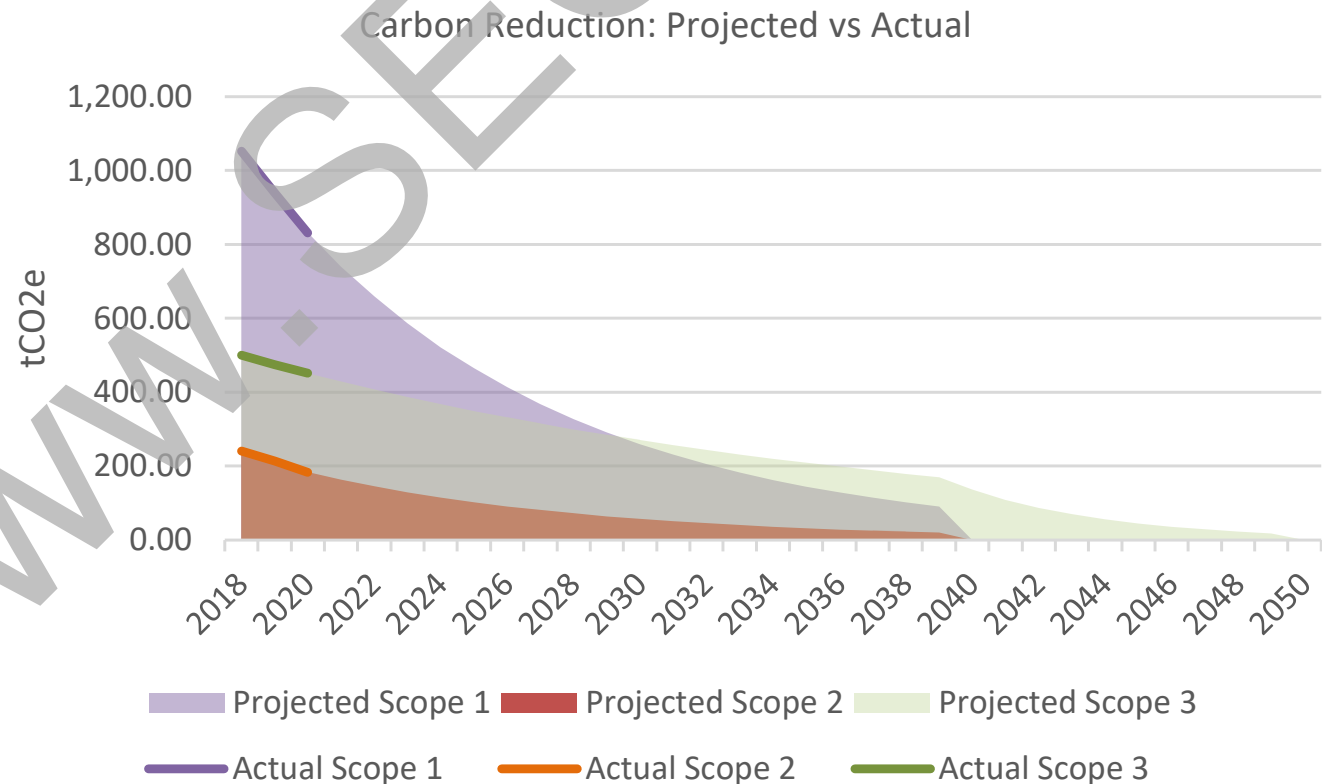


Figure 2





# C A R B O N R E D U C T I O N P R O J E C T S

Current projects on our pathway to Net Zero include:

- Improved data quality to remove the need for estimation
- Electrification of Fleet
- Engage with Supply Chain based upon biggest consumption and spend
- Engage with Landlord around metering or accurate data/choice of suppliers (Green energy) and in line with minimum standard for buildings
- Employee Engagement / Carbon Literacy training
- Implement a Net Zero Management System with a set of standards and policies including
  - o Development of a green/ethical Investments/pensions/banking strategy
  - o Minimum standard for buildings to be developed
  - o Setting of carbon budgets and monitoring and targeting against the budgets
  - o Updated travel policy to reflect the increased need for use of public transport and the reduction in air travel
  - o Procurement standards to reflect the pathway to net zero strategy with key emitters in the supply chain.

# 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<sup>1</sup> and uses the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>2</sup>.

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<sup>3</sup>.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

Signed on behalf of the Supplier:

.....

Date: .....

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1 <https://ghgprotocol.org/corporate-standard>

2 <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

3 <https://ghgprotocol.org/standards/scope-3-standard>