



Cabinet Office

## Procurement Policy Note

# Taking account of Carbon Reduction Plans in the procurement of major government contracts

**Action Note: 006**

**Previously issued: June 2021**

**Updated: February 2025**

## Issue

1. The UK government amended the Climate Change Act 2008<sup>1</sup> in 2019 by introducing a target of at least a 100% reduction in the net UK carbon account (i.e. reduction of greenhouse gas (GHG) emissions, compared to 1990 levels) by 2050.<sup>2</sup> This is otherwise known as the net zero target. This Procurement Policy Note (PPN) sets out how to take account of suppliers' Net Zero Carbon Reduction Plans (CRP) in the procurement of major government contracts.

## Dissemination and scope

2. This Procurement Policy Notice (PPN) applies to all central government departments, their executive agencies and non-departmental public bodies. Such bodies are referred to as 'in-scope organisations'. Please circulate this PPN within your organisation, drawing it to the attention of those with a commercial and procurement role.
3. In-scope organisations should take action to apply this PPN when awarding public contracts<sup>3</sup> for goods and/or services and/or works, other than special regime

<sup>1</sup> Climate Change Act 2008: [www.legislation.gov.uk/ukpga/2008/27/contents](http://www.legislation.gov.uk/ukpga/2008/27/contents)

<sup>2</sup> When the reporting of GHG emissions is measured, it is often done so in carbon dioxide equivalent units (CO<sub>2</sub>e). The use of CO<sub>2</sub>e allows for more accessible reporting and straightforward tracking and reporting of emissions over time. CO<sub>2</sub>e includes all of the greenhouse gases defined within the Kyoto protocol: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride and nitrogen trifluoride. Each of these greenhouse gasses have a conversion factor as published by DEFRA: [www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020](http://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020) When the phrase 'net zero carbon' is used, it is referring to both CO<sub>2</sub> and CO<sub>2</sub>e emissions and means net zero GHG rather than net zero CO<sub>2</sub>.

<sup>3</sup> See [section 3 of the Procurement Act 2023](#)

contracts,<sup>4</sup> with an estimated contract value above £5 million per year<sup>5</sup> (including VAT) under the Procurement Act 2023 save where it would not be relevant to the contract or proportionate to its nature, complexity and cost ('relevant contracts').

4. This PPN applies to frameworks and dynamic markets but only where it is estimated that the individual value of any contract to be awarded in accordance with the framework or by reference to a dynamic market is greater than £5 million per year (including VAT).
5. Contracting Authorities may wish to verify that the supplier remains committed to achieving net zero prior to entering into any contract awarded in accordance with a framework or by reference to a dynamic market as part of their contract award processes (for more information, refer to paragraphs 14 – 18 of the guidance on adopting and applying the PPN 006).
6. This PPN has been updated to reflect new terminology introduced by the Procurement Act 2023 and the Procurement Regulations 2024. The Procurement Act 2023 and the Procurement Regulations 2024 apply to procurements commenced on or after 24 February 2025. For more detail on the meaning of 'commenced' please refer to the Procurement Act 2023 [Guidance on Transitional and Savings Arrangements](#).
7. The Procurement Act 2023 does not apply to procurements commenced before 24 February 2025 or to contracts awarded prior to this date (including via framework agreements, dynamic purchasing systems or qualification systems established under the previous legislation). For procurements commenced and contracts awarded before this date, please refer to PPN 06/21.
8. This update does not constitute a change in policy or a new call for action but in-scope organisations should continue to apply any ongoing obligations set out in the provisions of this PPN.

## Timing

9. In-scope organisations must apply the provisions of this PPN to relevant procurements advertised on or after 24 February 2025.

## Action

10. As part of assessing a supplier's technical ability, in-scope organisations should include, as a condition of participation, a requirement for bidding suppliers to provide a CRP (using the template at Annex A) confirming the supplier's commitment to achieving net zero by 2050 in the UK, and setting out the environmental management measures that they have in place and which will be in effect and utilised during the

<sup>4</sup> See [section 10\(6\) of the Procurement Act 2023](#)

<sup>5</sup> Based on advertised contract value, averaged over the life of the contract, e.g. a contract with a four year term with a total contract value of £21 million would be in scope, even if the value in the first year was under £5 million.

performance of the contract.<sup>6</sup> The CRP should be specific to the bidding entity, or, provided certain criteria are met, may cover the bidding entity and its parent organisation. In order to ensure the CRP remains relevant, a CRP covering the bidding entity and its parent organisation is only permissible where the detailed requirements of the CRP are met in full, as set out in the Technical Standard<sup>7</sup> and Guidance,<sup>8</sup> and all of the following criteria are met:

- the bidding entity is wholly owned by the parent
- the commitment to achieving net zero by 2050 for UK operations is set out in the CRP for the parent and is supported and adopted by the bidding entity, demonstrated by the inclusion in the CRP of a statement that this will apply to the bidding entity
- the environmental measures set out are stated to be able to be applied by the bidding entity when performing the relevant contract
- the CRP is published on the bidding entity's website

Bidding entities must take steps to ensure they have their own CRP as soon as reasonably practical and should note that the ability to rely on a parent organisation's CRP may only be a temporary measure to satisfy this particular condition of participation.

11. CRPs must meet the required standard as set out by the supporting guidance to this PPN. This includes, but is not limited to:

- confirming the supplier's commitment to achieving net zero by 2050 for their UK operations
- providing the supplier's current emissions for the sources included in Scope 1 and 2 of the GHG Protocol, and a defined subset of Scope 3 emissions
- providing emissions reporting in CO<sub>2</sub>e (carbon dioxide equivalent) for the six greenhouse gases covered by the Kyoto Protocol
- setting out the environmental management measures in effect, including certification schemes or specific carbon reduction measures the supplier has adopted, and will be able to apply when performing the contract and that support achieving net zero by 2050
- publication of the CRP on the supplier's website

<sup>6</sup> 'Bidding supplier' or 'bidding entity' means, for the purpose of this PPN, the organisation with whom the Contracting Authority will enter into a contract if it is successful.

<sup>7</sup>

[https://assets.publishing.service.gov.uk/media/67b334c67c070e71525f5818/PPN\\_006\\_Technical\\_standard\\_for\\_Completion\\_of\\_Carbon\\_Reduction\\_Plans.pdf](https://assets.publishing.service.gov.uk/media/67b334c67c070e71525f5818/PPN_006_Technical_standard_for_Completion_of_Carbon_Reduction_Plans.pdf)

<sup>8</sup>

[https://assets.publishing.service.gov.uk/media/67b716f078dd6cacb71c6a87/2025-02-05\\_PPN\\_006\\_Guidance\\_on\\_taking\\_account\\_of\\_carbon\\_reduction\\_plans\\_-\\_adopting\\_and\\_applying\\_conditions\\_of\\_participation.docx.pdf](https://assets.publishing.service.gov.uk/media/67b716f078dd6cacb71c6a87/2025-02-05_PPN_006_Guidance_on_taking_account_of_carbon_reduction_plans_-_adopting_and_applying_conditions_of_participation.docx.pdf)

12. Environmental considerations and carbon reduction will be a factor in most, if not all, contracts and therefore it is expected that in the majority of cases, the application of this PPN will be relevant. This may include, but is not limited to:
- contracts which have a direct impact on the environment in the delivery of the contract
  - contracts which require the use of buildings by staff engaged in the delivery of the contract
  - contracts which require the transportation of goods or people used in the delivery of the contract
  - contracts which require the use of natural resources in the delivery of the contract
13. In-scope organisations should make their own assessment of the measure's applicability on a case-by-case basis. In all cases, provision of a CRP in accordance with this PPN must be relevant and proportionate to the contract.
14. When applying the contents of this PPN, in-scope organisations must ensure they act transparently and in accordance with the principles of equal treatment and non-discrimination.

## Background

15. The UK has a proud record of global leadership in tackling climate change and supporting clean growth. In 2006, the UK published the first global review into the economics of climate change.<sup>9</sup> This led to the Climate Change Act 2008, which established a comprehensive legal framework for delivering emission reductions in the UK, including a 2050 carbon reduction target and the introduction of carbon budgets.
16. Between 1990 and 2017, the UK reduced its emissions by 42% while growing the economy by more than two thirds.<sup>10</sup> In 2019 the UK government amended the Climate Change Act 2008 by increasing the target for reducing GHG emissions in the UK to at least 100% lower than 1990 levels by 2050. This is otherwise known as the net zero target. The UK became the first major economy to set this target.
17. The UK's 2050 net zero target is one of the most ambitious in the world and was recommended by the Committee on Climate Change, the UK's independent climate advisory body. Net zero requires a reduction in emissions and (if necessary) that any emissions generated are balanced by schemes to offset an equivalent amount of GHG from the atmosphere, such as planting trees or using technology like carbon capture and storage.

<sup>9</sup> HM Treasury's review into funding the transition to a net zero greenhouse gas economy:  
<https://www.gov.uk/government/publications/net-zero-review-terms-of-reference/hm-treasurys-review-into-funding-the-transition-to-a-net-zero-greenhouse-gas-economy-terms-of-reference>

<sup>10</sup> Clean Growth Strategy 2018:  
<https://www.gov.uk/government/publications/clean-growth-strategy/clean-growth-strategy-executive-summary>

18. DESNZ instituted a reporting regime in 2018 that requires quoted companies, large unquoted companies (including charitable companies) and large Limited Liability Partnerships (LLPs) to self-declare their Scope 1 and 2 emissions under the Streamlined Energy and Carbon Reporting (SECR) from 1 April 2019. This measure therefore does not require any changes to the data companies are already submitting under SECR.
19. The government is committed to continuing its efforts to reduce GHG emissions and deliver on its carbon budget commitments, while keeping costs down for consumers and supporting the creation of good jobs and growing the economy. As environmental and carbon considerations feature in the aspects of delivery of most public contracts, this is an opportunity for us to take steps to support that commitment and reduce emissions through public procurement.



## Carbon Reduction Plan guidance

### Notes for completion

Where an in-scope organisation has determined that the measure applies to the procurement, suppliers wishing to bid for that contract are required, as a condition of participation, to submit a CRP which details their organisational carbon footprint and confirms their commitment to achieving net zero by 2050.

CRPs are to be completed by the bidding supplier and must meet the reporting requirements set out in supporting guidance and include the supplier's current carbon footprint and its commitment to reducing emissions to achieve net zero emissions by 2050.<sup>11</sup>

The CRP should be specific to the bidding entity, or, provided certain criteria are met, may cover the bidding entity and its parent organisation. In order to ensure the CRP remains relevant, a CRP covering the bidding entity and its parent organisation is only permissible where the detailed requirements of the CRP are met in full, as set out in the Technical Standard<sup>12</sup> and Guidance, and all of the following criteria are met:

- the bidding entity is wholly owned by the parent
- the commitment to achieving net zero by 2050 for UK operations is set out in the CRP for the parent and is supported and adopted by the bidding entity, demonstrated by the inclusion in the CRP of a statement that this will apply to the bidding entity
- the environmental measures set out are stated to be able to be applied by the bidding entity when performing the relevant contract
- the CRP is published on the bidding entity's website

Bidding entities must take steps to ensure they have their own CRP as soon as reasonably practicable and should note that the ability to rely on a parent organisation's CRP may only be a temporary measure to satisfy this particular condition of participation.

The CRP should be updated regularly (at least annually) and published and clearly signposted on the supplier's UK website. It should be approved by a director (or equivalent senior leadership) within the supplier's organisation to demonstrate a clear commitment to emissions reduction at the highest level. Suppliers may wish to adopt the objectives of the CRP within their strategic plans.

A template for the CRP is set out below. Please complete and publish your CRP in accordance with the reporting standard published alongside this PPN.

<sup>11</sup> 'Bidding supplier' or 'bidding entity' means, for the purpose of this guidance, the organisation with whom the Contracting Authority will enter into a contract if it is successful.

<sup>12</sup>

[https://assets.publishing.service.gov.uk/media/67b716f078dd6cacb71c6a87/2025-02-05\\_PPN\\_006\\_Guidance\\_on\\_taking\\_account\\_of\\_carbon\\_reduction\\_plans\\_-\\_adopting\\_and\\_applying\\_conditions\\_of\\_participation.docx.pdf](https://assets.publishing.service.gov.uk/media/67b716f078dd6cacb71c6a87/2025-02-05_PPN_006_Guidance_on_taking_account_of_carbon_reduction_plans_-_adopting_and_applying_conditions_of_participation.docx.pdf)

# Carbon Reduction Plan template

Supplier name

Publication date

## Commitment to achieving net zero

[Supplier name] is committed to achieving net zero emissions by 20XX.

### Baseline emissions footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

Baseline year: 20XX

Additional details relating to the baseline emissions calculations:

[Enter details]

Baseline year emissions:

Emissions	Total (tCO <sub>2</sub> e)
Scope 1	XX
Scope 2	XX
Scope 3 (included sources)	XX
Total emissions	XX

### Current emissions reporting

Reporting year: 20XX

Emissions	TOTAL (tCO <sub>2</sub> e)
Scope 1	XX
Scope 2	XX
Scope 3 (included sources)	XX
Total emissions	XX

## Emissions reduction targets

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

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

## Carbon reduction projects

### Completed carbon reduction initiatives

The following environmental management measures and projects have been completed or implemented since the 20**XX** baseline. The carbon emission reduction achieved by these schemes equate to **XX** tCO<sub>2</sub>e, a **XX**% reduction against the 20**XX** baseline and the measures will be in effect when performing the contract.

[Enter details]

### Future carbon reduction initiatives

In the future we hope to implement further measures such as:

[Enter details]

## Declaration and sign off

This Carbon Reduction Plan has been completed in accordance with PPN 006 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>13</sup> and uses the appropriate government emission conversion factors for greenhouse gas company reporting.<sup>14</sup>

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements (where required), 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>15</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: .....

<sup>13</sup> <https://ghgprotocol.org/corporate-standard>

<sup>14</sup> [www.gov.uk/government/collections/government-conversion-factors-for-company-reporting](http://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting)

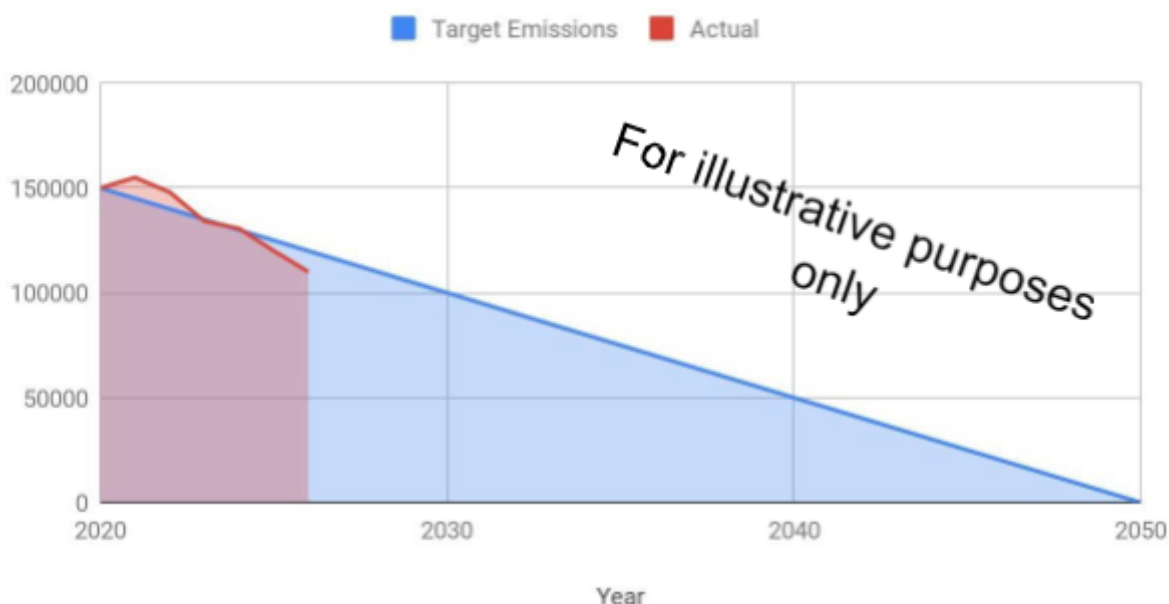
<sup>15</sup> <https://ghgprotocol.org/standards/scope-3-standard>



## Annex – Guidance notes

- Please provide details of your organisation's baseline emissions. If your organisation has not previously assessed or reported emissions, please state this and use your first reporting period as your baseline.
- Under **Additional details relating to the baseline emissions calculations**, please add details of your baseline emissions as required: for example, that it is a historic baseline which deviates from the requirements under this measure (e.g. no prior Scope 3 emissions reporting); that there had been no previous reporting; or that you have created a new baseline due to substantial organisational change or restructuring.
- Under the heading **Emissions reduction targets**, if your organisation already has emissions reduction targets, please give those targets. If your organisation had no previous emissions reduction commitment, or if this is your organisation's first carbon footprint, please provide targets for your organisation. You may want to show progress against your targets in a graph, like the one show below:

Carbon Reduction: Projected vs. Actual



- Under the heading **Completed carbon reduction initiatives**, please provide brief details of some of your completed carbon reduction projects. This is for information only. This may include environmental management measures such as certification schemes like ISO14001 or PAS 2060, signing up to SBTi or specific measures you have taken such as: the adoption of LED/PIR lighting controls, changes to policy resulting in a reduction in company travel and flights or the electrification of the company fleet.
- Under the heading **Future carbon reduction initiatives**, please provide brief details of some of your likely/proposed future carbon reduction projects, if any. This is for information only.