



Cabinet Office

## 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 at the selection stage to submit a Carbon Reduction Plan which details their organisational carbon footprint and confirms their commitment to achieving Net Zero by 2050.

Carbon Reduction Plans are to be completed by the bidding supplier<sup>1</sup> 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.

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 Carbon Reduction Plan 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>2</sup> and Guidance<sup>3</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; and
- 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 Carbon Reduction Plan may only be a temporary measure under this selection criterion.

The Carbon Reduction Plan 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

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<sup>1</sup>Bidding supplier or 'bidding entity' means the organisation with whom the contracting authority will enter into a contract if it is successful.

<sup>2</sup>Technical Standard can be found at:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/991625/PPN\\_0621\\_Technical\\_standard\\_for\\_the\\_Completion\\_of\\_Carbon\\_Reduction\\_Plans\\_\\_2\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/991625/PPN_0621_Technical_standard_for_the_Completion_of_Carbon_Reduction_Plans__2_.pdf)

<sup>3</sup>Guidance can be found at:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/991623/Guidance\\_on\\_adopting\\_and\\_applying\\_PPN\\_06\\_21\\_\\_Selection\\_Criteria\\_\\_3\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/991623/Guidance_on_adopting_and_applying_PPN_06_21__Selection_Criteria__3_.pdf)

commitment to emissions reduction at the highest level. Suppliers may wish to adopt the key objectives of the Carbon Reduction Plan within their strategic plans.

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

# Carbon Reduction Plan

**Supplier name:** Arthur J Gallagher Insurance Brokers Limited

**Publication date:** 12 December 2023

## Commitment to Achieving Net Zero

Arthur J Gallagher Insurance Brokers Limited ("AJGIBL") is aligned to a global [goal of Net Zero carbon emissions](#) in direct operations (Scope 1 and Scope 2) by 2050. With respect to the subset of Scope 3 categories as defined in PPN 06/21, we are working to incorporate Scope 3 emissions into our global carbon reporting, which our United States headquarters is currently developing.

## 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.

<b>Baseline Year: 2019</b>	
<b>Additional Details relating to the Baseline Emissions calculations.</b>	
AJGIBL, a regulated subsidiary company of Arthur J. Gallagher Holdings (UK) Limited, has previously reported Scope 1 and 2 emissions as well as selected Scope 3 emissions as part of Streamlined Energy and Carbon Reporting (SECR). AJGIBL has quantified Scope 1 and 2 emissions (and selected Scope 3 emissions) from 2019 baseline in subsequent reporting years. AJGIBL quantifies emissions for Scope 1 and 2 emissions (and selected Scope 3 emissions) on a quarterly basis.	
<b>Baseline year emissions: 2019</b>	
<b>EMISSIONS</b>	<b>TOTAL (please see AJGIBL explanation in relation to Scope 3 emissions. We do not currently have an overall emissions total for the global business.)</b>
<b>Scope 1</b>	<b>Total Scope 1: 701.97 tCO<sub>2</sub>e</b>
<b>Scope 2</b>	<b>Total Scope 2 (location): 1,142.31 tCO<sub>2</sub>e Total Scope 2 (market): 969.76 tCO<sub>2</sub>e</b>

Scope 3 (Included Sources)	With respect to the subset of Scope 3 categories as defined in PPN 06/21, we are working to incorporate Scope 3 emissions into our global carbon reporting, which our United States headquarters is currently developing.
Total Emissions	Total (Location Based): 1,844.28 tCO <sub>2</sub> e Total (Market Based): 1,671.73 tCO <sub>2</sub> e

## Current Emissions Reporting

Reporting Year: 2022	
EMISSIONS	TOTAL (please see AJGIBL explanation in relation to Scope 3 emissions. We do not currently have an overall emissions total for the global business.)
Scope 1	Total Scope 1: 556.51 tCO <sub>2</sub> e
Scope 2	Total Scope 2 (location): 923.86 tCO <sub>2</sub> e Total Scope 2 (market): 548.47 tCO <sub>2</sub> e
Scope 3 (Included Sources)	With respect to the subset of Scope 3 categories as defined in PPN 06/21, we are working to incorporate Scope 3 emissions into our global carbon reporting, which our United States headquarters is currently developing.
Total Emissions	Total (Location Based): 1,480.37 tCO <sub>2</sub> e Total (Market Based): 1,104.98 tCO <sub>2</sub> e

## Emissions Reduction Targets

Arthur J Gallagher Insurance Brokers Limited ("AJGIBL") is aligned to a global [goal of Net Zero carbon emissions](#) in direct operations (Scope 1 and Scope 2) by 2050. With respect to the subset of Scope 3 categories as defined in PPN 06/21, we are working to incorporate Scope 3 emissions into our global carbon reporting, which our United States headquarters is currently developing.

## Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2019 baseline. In the past four years, AJGIBL has adopted several projects and policy changes including, but not limited to:

- AJGIBL has continued the roll out of LED lighting and PID sensors at several sites, and has invested heavily in lighting upgrades at larger sites, including the company's UK head office in London.
- AJGIBL has employed a policy where staff can now only choose from either hybrid or fully electric vehicles for company cars. This is reflected in reduced Scope 1 emissions.
- Tracking and monitoring of EPC ratings is periodically undertaken to ensure the improvements of AJGIBL sites.
- The company strategy has been to purchase renewable energy where possible backed by Renewable Energy Guarantees of Origin (REGO) certificates. AJGIBL is continuing discussions with landlords around the option of receiving renewable energy for the electricity use for landlord-controlled sites. This is reflected in AJGIBL's reduced Scope 2 emissions.
- AJGIBL has trailed an air conditioning optimization technology, utilizing a latent energy system to reduce energy costs associated with Scope 1 emissions.
- AJGIBL published a UK & EMEA Environment & Sustainability Policy, which sets out our environmental reporting principles; corporate efficiency initiatives; and engagement with suppliers, colleagues and other key stakeholders on reducing our environmental impact.

## **Future Carbon Reduction Initiatives**

Going forwards, AJGIBL will aim to implement a range of decarbonisation levers to secure continued reduction in emissions, including, but not limited to:

1. Where AJGIBL does not have direct control regarding the ability to introduce electrification technologies/ infrastructure due to landlord limitations, introduce a landlord engagement programme to ensure that all applicable sites consider the installation of electrification technologies (supplied by 100% REGO-certified renewable electricity supply) to replace office heating requirements.
2. Where AJGIBL has direct control regarding the procurement of electricity for consumption, ensure that all applicable sites procure 100% REGO-certified renewable electricity as soon as possible, if not already doing so.
3. Review and introduce a corporate policy to install sub-meters across all applicable offices to ensure the long-term measuring and recording of consumption patterns.
4. Engaging with waste suppliers to obtain accurate and specific data/ information requiring the carbon emissions associated with waste collection/ disposal routes.

## 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>4</sup> and uses the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>5</sup>.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements.

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:**



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**Date:** 14<sup>th</sup> December 2023

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<sup>4</sup><https://ghgprotocol.org/corporate-standard>

<sup>5</sup><https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>