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[1] 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[2] and Guidance[3], 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 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.

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

[2] 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

[3] 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

Carbon Reduction Plan Template

Supplier name: …SMS Ltd…………………………………………………………………

Publication date: …Q2 2026………………………...

Commitment to achieving Net Zero

SMS Ltd is committed to achieving Net Zero emissions by 2030.

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: 2019	
Additional Details relating to the Baseline Emissions calculations.	
It is notable that in 2024 SMS continued to grow its battery capacity and supported the grid by supplying 320MW in balancing and ancillary services, which are essential to support the integration of renewables onto the Grid. Since commencement in 2021, our battery-related emissions now represent the largest proportion of our overall emissions. This area of the business has subsequently been sold (May 2025), and we expect to see a significant reduction in our emissions moving forwards.	
Baseline year emissions:	
EMISSIONS	**TOTAL (tCO_2e)**
Scope 1	3004.9
Scope 2	205.6 Location based
Scope 3 **(Included Sources)**	1278.7
Total Emissions	4489.3

Current Emissions Reporting

Reporting Year: 2025	
EMISSIONS	**TOTAL (tCO_2e)**
Scope 1	2,856.7
Scope 2	2,360.4
Scope 3 **(Included Sources)**	14,134.0
Total Emissions	19,351.1

Emissions reduction targets

Our Net Zero 2030 target, announced in 2021, will see SMS drastically reduce carbon emissions across our buildings and fleet operations, striving to achieve zero emissions by the end of the decade.
We are proud to be utilising our passion, energy expertise, and innovation to be part of the climate change solution, within both our operations and services.

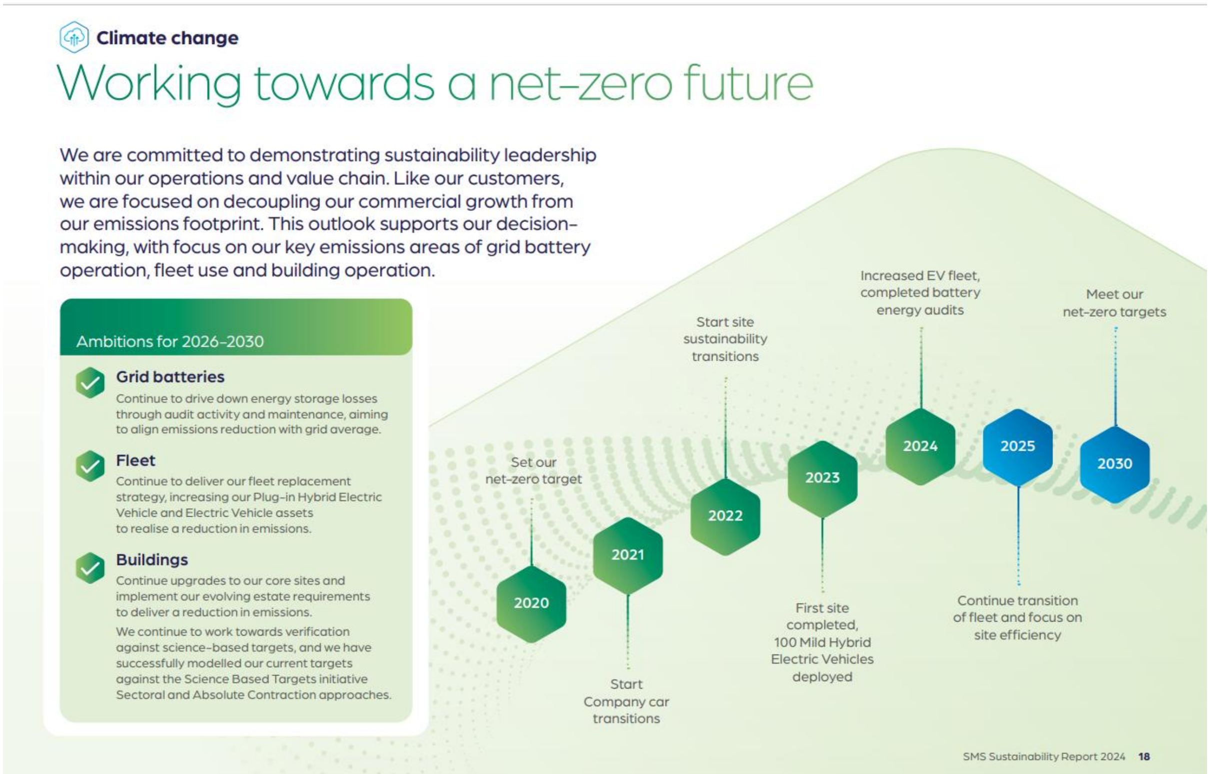
Our net zero journey

SMS's net-zero 2030 roadmap is actively being realised through a variety of sustainability measures rolled out organisation-wide in a phased manner. This includes rationalisation of estate, increased adoption of renewable on-site generation and the transition of SMS's nationwide fleet to low-carbon and electric vehicles (EVs). Our target encompasses:

- Scope 1: the direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by our organisation
- Scope 2: indirect GHG emissions associated with the purchase of electricity

Within these categories, our tracked fleet stands at 2,823.6 TCO2e, and buildings at 129.1 TCO2e in 2024.

Our net zero programme is also being implemented in line with the Greenhouse Gas (GHG) Protocol and Institute of Environmental Management and Assessment (IEMA) Hierarchy.



Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2019 baseline. The carbon emission reduction achieved by our building upgrade project at Prennau House realising more than **50%** reduction against the buildings' baseline and the measures will be in effect when performing the contract.

Buildings: As part of our journey towards net zero emissions, we have carried out sustainability upgrades to one of our core sites in Cardiff. Prennau House is a three storey 1,094m2 office building that had a baseline energy rating of DEC 90 (D) in 2019.

The site served as a pilot location to integrate energy-efficient technologies, renewable energy solutions and smart systems. In 2025 we continued to realise significant reductions on Prennau House's 2019 baseline emissions.

Key improvements:

• Glazing and façade – Enhanced to reduce heat loss and improve energy efficiency of the building.

• Renewables – Installation of an ~30kWh solar photovoltaics array and a ~17kWh battery storage system. • Heating upgrades – Installation of five Daikin air source heat pumps.

• Smart technology – Deployment of a Shelly cloud-based heating control system, smart Thermostatic Radiator Valve, and advanced thermostats.

This project demonstrates SMS's commitment to sustainability, progressing our net zero roadmap and delivering practical and measurable benefits to the environment. By showcasing Prennau House as a successful case study, we aim to inspire and support future installations, helping our customers adopt sustainable practices and achieve their own energy-efficiency goals.

Fleet: In line with our net zero roadmap and strategic ambitions, the business has undertaken a significant fleet renewal initiative in the form of replacement of a large proportion of vehicles. This update includes modern internal combustion engine (ICE) vans and twelve electric vehicles (EVs). The addition of these EVs increased the total number of vehicles in our fully electric fleet to 20 in 2026. We understand that vehicle emissions have a pollution impact. The addition of these EVs not only demonstrates our commitment to reducing our carbon footprint but also our commitment to the communities in which we operate. Expanding our EV fleet also enables our customers to realise Scope 3 carbon reductions associated with our service provision, reflecting a shared responsibility.

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

- Continued site transitions
- Continued Fleet improvements

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[4] and uses the appropriate Government emission conversion factors for greenhouse gas company reporting[5].

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[6].

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:

…C.Gregory Head of Sustainability…
[Pending board sign off]
Date: ……July 2026…………………….……..

[4] https://ghgprotocol.org/corporate-standard
[5] https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting
[6] https://ghgprotocol.org/standards/scope-3-standard