



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 supplier¹ 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 Standard² and Guidance³, 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.

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

²Technical 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

³Guidance 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: SSE Energy Supply Limited

Publication date: February 2025

Commitment to achieving Net Zero

SSE Energy Supply Limited is committed to achieving net zero across all scopes of carbon emissions by 2050 at the latest. As a limited company under the SSE plc umbrella, SSE Energy Supply Limited aligns with SSE plc's vision of being a leading energy company in a net zero world. To achieve this, our strategy is to create value for shareholders and society in a sustainable way by developing, building, operating, and investing in the electricity infrastructure and businesses needed in the transition to net zero.

Sustainability is one of SSE's core values, defined as 'we do things responsibly to add long-term value'. SSE plc aims to achieve net zero greenhouse gas emissions across scopes 1 and 2 by 2040 (subject to security of supply requirements) and for the remaining scope 3 emissions by 2050. SSE plc's long-term net zero ambitions are supported by a series of interim targets approved by the Science Based Targets Initiative (SBTi). These targets are aligned to the Paris Agreement and a 1.5°C pathway, and meet the strict SBTi criteria which requires that they cover scope 1, 2 and 3 GHG emissions. SSE plc's 'Net Zero Transition Plan' outlines SSE's net zero aligned targets and describes 17 actions to reduce material GHG emissions across scopes 1, 2 and 3. As a national clean energy champion, SSE Plc has announced its Net Zero Acceleration Programme Plus. The company has committed to investing around £10m a day to aid the transition to net zero and reduce reliance on imported sources of energy. This equates to an £18bn 5-year investment of capital expenditure to the end of March 2027.

SSE plc publishes a Sustainability Report on an annual basis, which provides an overview of the performance and progress against the business strategy. SSE Energy Supply is included within the scope of this report.

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: 2017/18	
Additional Details relating to the Baseline Emissions calculations.	
Annually SSE plc GHG data is assured by PwC. There are some exclusions as stated in the GHG reporting criteria. We constantly review standards and data points for materiality and relevance with a view to improving data quantity and quality annually. Our carbon footprint is calculated on an operational control basis.	
Baseline year emissions: 2017/18	
EMISSIONS	TOTAL (tCO₂e)
Scope 1	10,154,749
Scope 2	907,745
Scope 3 (Included Sources)	4,091,407
Total Emissions	15,153,900

Current Emissions Reporting

Reporting Year: 2023/24	
EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	4,338,424
Scope 2	469,489
Scope 3 (Included Sources)	4,461,392
Total Emissions	9,269,305

Emissions reduction targets

To continue our progress to achieving net zero, SSE has adopted the following carbon reduction targets:

- **Scope 1:** Reduce the carbon intensity of scope 1 GHG emissions by 80% by 2030, from the 2018 baseline.
- **Scope 1 & 2:** Reduce absolute scope 1 and 2 carbon emissions by 72.5% by 2030 from the 2018 base year;
- **Scope 3:** Reduce absolute GHG emissions from the use of products sold by 50% by 2034 from the 2018 base year.
- **Scope 3:** Engage with 50% of suppliers, by spend, to set a science-based target by 2024.

Progress to date against our 2050 net zero target can be seen in the graph below:

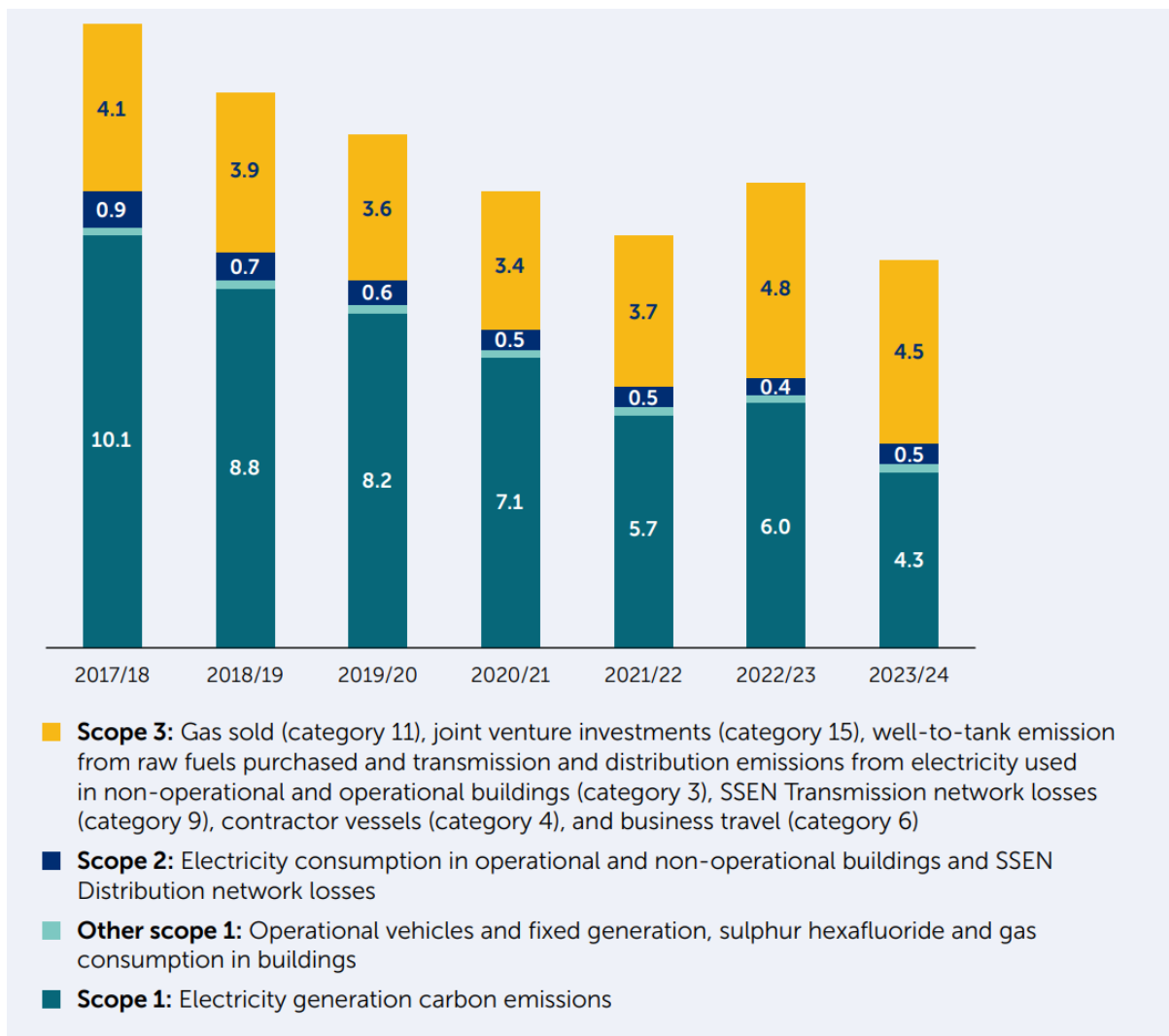


Figure 1. SSE's GHG emissions by scopes between 2017/18 and 2023/24 (million tonnes CO₂e)

SSE is committed to best practice net zero transition planning and disclosure. SSE has set out its scope 1 and 2 transition pathway that clearly presents the key levers required to meet its 2030 science-based targets and 2040 net zero⁴ commitment as shown in Figure 4.

An orderly transition to net zero may not be linear, however, it is clear that over time the energy system needs to emit less by transitioning away from unabated gas generation, at the same time as developing new low-carbon flexible generation. SSE will also continue to decarbonise its wider and less material operational emissions related to SF₆, losses, standby generation, fleet, and buildings energy use, which combined accounted for 9% of scope 1 and 2 emissions in 2017/18. Finally, residual emissions will be neutralised by 2040 at the latest.

⁴ SSE plc defines net zero as the point where emissions are as close to zero as reasonably practical using abatement solutions. SSE will neutralise any remaining emissions using removal solutions that counterbalance emissions that remain unabated.

SSE's net zero transition pathway for scope 1 and 2 emissions

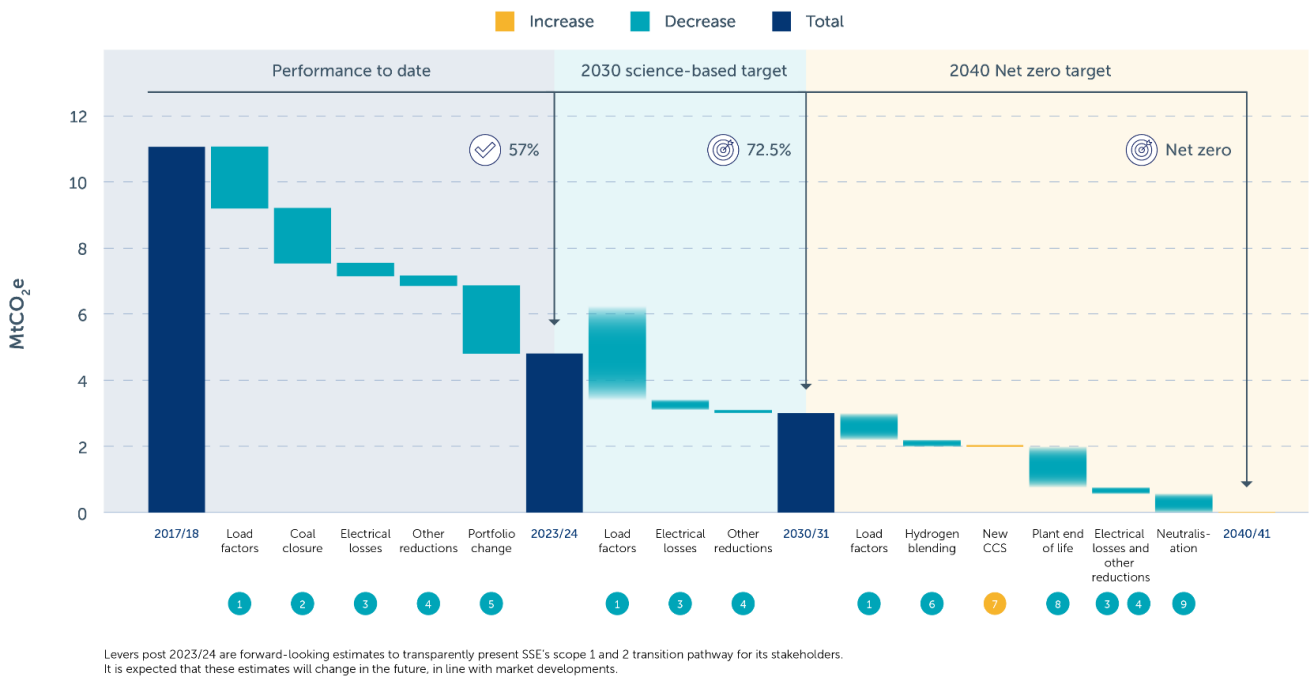


Figure 2. SSE's net zero transition pathway levers for scope 1 and 2.

Carbon Reduction Projects

Completed Carbon Reduction Initiatives

Over 2023/24, SSE made important progress against its SBTi-validated science-based target, achieving a 57% reduction in scope 1 and 2 emissions compared to its 2017/18 baseline. SSE targets a 72.5% decrease in emissions by 2030/31.

Most of the historic emissions reductions were attained through strategic measures, including the phase out of coal-fired power generation. SSE closed its final coal-fired power station in 2020, four years ahead of the UK Government's decision to ban coal-fired power generation from October 2024. The closure of Fiddlers Ferry in 2020 followed the closure of SSE's Ferrybridge coal-fired power station in 2016.

Additionally, SSE has adapted to evolving market dynamics, with lower load factors across its power station fleet due to the changing nature of electricity supply on the GB power system, including a higher share of intermittent renewable generation.

SSE's portfolio has also changed since 2017/18, following the end of its Power Purchase Agreement with Seabank Power Station in 2021. SSE now reports 50% of Seabank's GHG emissions in its scope 3 inventory, recognising its 50% ownership share.

Further emissions reductions were realised as a result of a lower-carbon impact of electricity distribution losses, the electrification of operational vehicles, and enhanced energy efficiency in non-operational buildings.

Examples carbon reduction projects include:

- Operating an environmental management system (EMS) certified to ISO14001, including controls, processes and procedures, across all its business activities that interact with the environment.
- SSEN Transmission and SSEN Distribution continue to adopt SF6 alternatives in substations, where appropriate.
- SSE is committed to the EV100 initiative, over 66% of its light vehicle fleet now fully electric, with fully electric vehicles (EVs) comprising 35% of its total committed fleet.
- SSEN Distribution continue to work towards reducing reliance on backup diesel generation and more widely has trialled alternative technologies in mobile generators such as Hydrated Vegetable Oil (HVO) and a battery generator.
- SSE purchased 100% of its electricity for use in its facility managed offices from renewable sources, backed by renewable guarantees.
- Closure of the existing Tarbert oil-fired power station and the proposed development of an Open Cycle Gas Turbine (OCGT) plant fuelled by 100% sustainable biofuel.
- In October 2023, Seagreen offshore wind farm, the world's deepest fixed-bottom asset, became fully operational, more than doubling SSE Renewables' offshore wind capacity.
- SSE continue to collaborate with the CDP Supply Chain engagement programme. In 2023/24, 248 of suppliers provided climate disclosures representing 77% of SSE's supply chain spend. SSE was awarded an 'A' in the CDP Supplier Engagement Rating assessment in 2023.
- Participating in the Powering Net Zero Pact⁵ Scope 3 Working Group which seeks to develop a consistent approach to understand and quantify scope 3 carbon emissions across the supply chain. The Powering Net Zero Pact brings together different companies across all tiers of the power sector – including civils, shipping, renewables, electrical engineering and others – that are committed to a fair and just transition to net zero carbon emissions.

⁵ <https://www.sse.com/sustainability/poweringnetzeropact/>

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 standard⁶ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting⁷.

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) Standard⁸.

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:



ALED HUMPHREYS, DIRECTOR

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Date: 7th February 2025.....

⁶<https://ghgprotocol.org/corporate-standard>

⁷<https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

⁸<https://ghgprotocol.org/standards/scope-3-standard>