



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

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

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: 10 March 2025

Commitment to Achieving Net Zero

Arthur J. Gallagher Insurance Brokers Limited (“AJGIBL”) has a goal to achieve net zero by 2050.

AJGIBL is a subsidiary of Arthur J. Gallagher & Co. (“Gallagher”), which is a global group. Gallagher has set a global operational net zero for direct operations carbon dioxide equivalent (“CO_{2e}”) emissions (Scope 1 and Scope 2) by 2050 (“Global Net Zero Goal”). In 2023, Gallagher also set an interim global goal of reducing consolidated Scope 1 and Scope 2 carbon dioxide equivalent emissions on an average per-employee basis by 50% by 2030, from the 2019 baseline. AJGIBL’s goal to achieve net zero by 2050 is aligned with the Global Net Zero Goal.

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.

AJGIBL quantifies emissions for Scope 1 and 2 emissions (and selected Scope 3 emissions) on a quarterly basis.

Note: Gallagher in the UK collects aggregated emissions data for Gallagher’s UK business as a whole (which includes all Gallagher’s companies that are established in the UK, including AJGIBL). The aggregated UK emissions are calculated in line with the published reporting standard for Carbon Reduction Plans. For the purposes of this Baseline Emissions reporting, emissions data for AJGIBL is apportioned based on the percentage of FTE (Full Time Equivalent) employees of AJGIBL against all FTE employees of Gallagher’s UK business.

The table below includes original figures reported in our Carbon Reduction Plan 2023 for our 2019 baseline as well as revised figures for 2019. The variances in the revised 2019 figures are owed to a deeper understanding of Gallagher’s site portfolio and in alignment with the CRP key reporting requirements, the addition of select scope 3 emissions which were not previously disclosed in the original figures. [We have not reported scope 3 emissions for category 4 (Upstream transportation and distribution) or category 9 (Downstream transportation and distribution) emissions. We are

working on our calculation methodology for these categories of scope 3 emissions and hope to provide reporting in future years.]

Baseline year emissions: 2019

EMISSIONS	TOTAL	2019 (Original Figures)	2019 (Revised Figures)
Scope 1	Total Scope 1:	701.97 tCO ₂ e	727.79 tCO ₂ e
Scope 2	Total Scope 2 (location):	1,142.31 tCO ₂ e	1,140.85 tCO ₂ e
	Total Scope 2 (market):	969.76 t CO ₂ e	986.03 tCO ₂ e
Scope 3 (Included Sources)	Scope 3 Business travel:	Not previously disclosed	1,291.26 tCO ₂ e
	Scope 3 Waste generated in operations:	Not previously disclosed	53.98 tCO ₂ e
	Scope 3 Employee commuting:	Not previously disclosed	410.25 tCO ₂ e
Total Emissions	Total (Location Based):	1,844.28 tCO ₂ e	3,624.13 tCO ₂ e
	Total (Market Based):	1,671.73 tCO ₂ e	3,469.31 tCO ₂ e

Current Emissions Reporting

Reporting Year: 2023

Note: Gallagher in the UK collects aggregated emissions data for Gallagher’s UK business as a whole (which includes all Gallagher’s companies that are established in the UK, including AJGIBL). The aggregated UK emissions are calculated in line with the published reporting standard for Carbon Reduction Plans. For the purposes of this Baseline Emissions reporting, emissions data for AJGIBL is apportioned based on the percentage of FTE (Full Time Equivalent) employees of AJGIBL against all FTE employees of Gallagher’s UK business. [We have not reported scope 3 emissions for category 4 (Upstream transportation and distribution) or category 9 (Downstream transportation and distribution) emissions. We are working on our calculation methodology for these categories of scope 3 emissions and hope to provide reporting in future years.]

EMISSIONS	TOTAL	2023 Figures
Scope 1	Total Scope 1:	502.24 tCO ₂ e
Scope 2	Total Scope 2 (location):	911.42 tCO ₂ e
	Total Scope 2 (market):	564.19 tCO ₂ e
Scope 3 (Included Sources)	Scope 3 Business travel:	907.49 tCO ₂ e
	Scope 3 Waste generated in operations:	30.84 tCO ₂ e
	Scope 3 Employee commuting:	202.65 tCO ₂ e
Total Emissions	Total (Location Based):	2,554.64 tCO ₂ e
	Total (Market Based):	2,207.41 tCO ₂ e

Emissions Reduction Targets

Gallagher has produced a UK decarbonisation action plan, covering AJGIBL, to support the Global Net Zero goal, with UK-specific goals that apply to AJGIBL:

- 100% absolute reduction in Scope 2 electricity emissions in 2025 (from a 2019 baseline).
- 50% absolute reduction in Scope 1 emissions by 2030 (from a 2019 baseline).
- Achieve net zero in respect of Scope 1, 2, and 3 by 2050.

Completed Carbon Reduction Initiatives

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

- As part of the UK mandatory Energy Savings Opportunity Scheme (ESOS), in 2023, AJGIBL conducted on-site energy audits across four sites, several energy-efficiency recommendations were presented to the UK environment and sustainability workstream and will be considered for implementation.

- In 2023, AJGIBL worked to improve the accuracy of our energy reporting by engaging with landlords and energy suppliers on usage per site.
- We have developed a sustainability-related scoring criterion for our new office buildings which aims to help us prioritise sustainability. The scoring considers factors such as energy efficiency, renewable energy integration, and green certifications. This played a key part in our building selection process from 2024.
- Additionally, AJGIBL has created and implemented a landlord engagement strategy. The strategy aims to promote effective collaboration of information and the ability to implement decarbonisation measures in collaboration with landlords.
- We have implemented various measures to reduce the environmental impact of our business travel for our colleagues. This includes encouraging lower-emission modes of travel, such as train over plane for domestic or short-haul trips. Incentives are also provided for active travel options and public transport, including cycle-to-work schemes and travel loans for season ticket holders. We aim to minimise the need for travel by promoting alternatives such as video conferencing and Microsoft Teams meetings. This is reflected in AJGIBL's reduced Scope 3 emissions.
- AJGIBL has continued the roll out of LED lighting and passive infrared (PIR) 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.
- Tracking and monitoring of EPC ratings is periodically undertaken to monitor the energy-related 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 purchasing renewable energy for the electricity use for landlord-controlled sites.
- AJGIBL have trialled an air conditioning optimization technology to establish accurate baseline information, data and energy usage to identify areas where further carbon reduction could be achieved.
- Gallagher published a UK & EMEA Environment & Sustainability Policy in 2023 which applies to AJGIBL. Reviewed on an annual basis, the policy sets out our environmental reporting principles; corporate efficiency initiatives; and approach to 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 which seek to secure continued reduction in emissions, including, but not limited to:

1. To enhance the reliability of our energy reporting, AJGIBL plans to roll out sub-meters across all applicable offices to support the long-term measuring and recording of consumption patterns.
2. Where AJGIBL does not have direct control regarding the ability to introduce electrification technologies/ infrastructure due to landlord limitations, we will continue to engage with all applicable sites to ensure consideration of the installation of electrification technologies (supplied by 100% REGO-certified renewable electricity supply) to replace office heating requirements.
3. Where AJGIBL has direct control of the procurement of electricity for consumption, seek to ensure that all applicable sites procure 100% REGO-certified renewable electricity as soon as reasonably possible, if not already doing so.
4. Engaging with waste suppliers to seek to obtain accurate and specific data/ information on the carbon emissions associated with waste collection/ disposal routes.
5. Following the change of company cars from petrol to electric vehicles or plug-in hybrid electric vehicles in 2022, we aim to switch all UK-based company fleets to electric or hybrid vehicles to see a reduction in Scope 1 emissions from our 2019 baseline. The strategy uses the lease expiration dates of the current vehicle fleet and phases out non-electric vehicles by 2026.
6. We plan to gather more accurate data directly from our supply chain, which we hope will see a significant improvement in the accuracy of Scope 3 purchased goods and services emissions reporting. Once we have an improved picture of these emissions, we will work closely with our suppliers to enable them to help drive a reduction in our own Scope 3 emissions.


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 standard⁴ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting⁵.

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:


Nick Harris (Mar 6, 2025 16:59 GMT)

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Date: 6 March 2025

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

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