PPN 006: Carbon Reduction Plans

A Practical Overview for Fleet Operators

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1. What is PPN 006?

Procurement Policy Note 006 (PPN 006) is a UK government policy directive that requires suppliers bidding for major public sector contracts to demonstrate their commitment to achieving Net Zero carbon emissions by 2050. It does this by mandating the submission of a Carbon Reduction Plan (CRP) as a condition of participation in the tender process.

PPN 006 replaced the earlier PPN 06/21 in February 2025, updated to align with the Procurement Act 2023. The policy requirements themselves have not changed, only the terminology and legislative reference have been refreshed. Any CRP produced under PPN 06/21 may need updating to reference the new framework correctly.

The policy is explicitly designed to use public procurement as a lever to drive decarbonisation across the UK supply chain, ensuring that government spending supports the national Net Zero target.

Contract Value Threshold

PPN 006 applies to public contracts with an estimated value above £5 million per year (including VAT), averaged over the life of the contract. For example, a four-year contract with a total value of £21 million is in scope even if the first-year value falls below £5 million.

The policy also applies to frameworks and dynamic markets where individual call-off contracts are expected to exceed £5 million per year.

National Applicability

Procurement Policy Note 006 (PPN 006) applies directly in England (and reserved UK bodies). Wales operates its own near-identical equivalent, WPPN 006, adopted by the Welsh Government and encouraged across the Welsh public sector (for information on Wales, see Section 7). While Scotland and Northern Ireland have not formally adopted equivalent PPN 006 requirements, both are advancing sustainability in public procurement more broadly. Suppliers bidding for Scottish or Northern Irish public contracts are advised to check individual procurement documents, as sustainability criteria are increasingly included even without a formal national policy note.

2. Which Organisations Must Comply?

PPN 006 creates obligations on two sides: the contracting authorities who must apply it, and the suppliers who must respond to it.

Contracting Authorities (Buyers)

The following bodies are in-scope and must apply PPN 006 to relevant procurements:

- All central government departments
- Executive agencies of central government
- Non-departmental public bodies (NDPBs)

Devolved and local government bodies are not formally mandated but are strongly encouraged to adopt the approach. The NHS has gone further than central government: from April 2024 all NHS procurements require a CRP, applied in two tiers: a full CRP for contracts at or above £5m per annum including VAT and for new frameworks, and a minimum CRP for lower-value procurements.

Suppliers (Bidders)

Any organisation bidding for an in-scope contract must submit a compliant CRP. This applies to:

- Companies of any size, including SMEs
- Consortia: each member must submit their own CRP
- Organisations relying on a parent company's CRP, subject to strict conditions

Subcontractors who are not themselves party to the contract do not need to produce a CRP, but this may change as trickle-down expectations grow. Several frameworks and NHS trusts already request CRPs from subcontractors as best practice.

Reliance on a group or parent CRP

A bidding entity may rely on its parent organisation's Carbon Reduction Plan only where four conditions are all met: the bidding entity is wholly owned by the parent; the parent's CRP sets out the Net Zero by 2050 commitment for UK operations and expressly states that this applies to the bidding entity; the environmental management measures are stated to be capable of being applied by the bidding entity when performing the contract; and the CRP is published on the bidding entity's own website. Even where these conditions are satisfied, reliance on a group CRP is treated as a temporary measure, and the bidding entity is expected to produce its own plan as soon as reasonably practicable. Fleet operators trading as subsidiaries should therefore treat a parent CRP as a short-term bridge rather than a permanent solution.

3. What Data is Required?

The CRP must include the organisation's current greenhouse gas (GHG) emissions reported across three scopes, using GHG Protocol standards and emissions factors published by DEFRA. All emissions must be expressed in tonnes of CO_2 equivalent (tCO_2e), covering the seven greenhouse gases named in the Kyoto Protocol.

A single, consistent 12-month reporting period must be used for all emissions data, and the published plan must be kept current: it should be refreshed at least annually and within six months of the reporting period end, so that the CRP relied on at the point of tender is never more than 12 months old.

Scope 1: Direct Emissions (Mandatory, Full Coverage)

All emissions from sources owned or controlled by the organisation. While all aspects of the company operations are covered, for fleet operators, the use of fossil fuels by vehicle fleets is typically the largest and most material category:

- Fuel combustion in owned or leased fleet vehicles (diesel, petrol, natural gas, hydrogen, etc.)
- Fuel combustion in depots, maintenance facilities, and office buildings
- Direct emissions associated with industrial processes on- or off-site
- Refrigerant leakage from vehicles or facilities (where applicable)

Scope 2: Purchased Energy Emissions (Mandatory, Full Coverage)

Indirect emissions from the generation of electricity, heat, or cooling purchased by the organisation:

- Electricity consumed at depots, garages, offices, and charging infrastructure
- For electric vehicles, Scope 2 becomes increasingly significant as fleet electrification progresses
- The technical standard treats location-based as the primary reporting method, with market-based emissions reported in addition where supported by contractual evidence.

Scope 3: Value Chain Emissions (Five Categories Mandatory)

Scope 3 covers all indirect greenhouse gas emissions (other than purchased-energy emissions in Scope 2) that occur across an organisation's value chain, both upstream and downstream. These emissions, which can represent up to 80% of an organisation’s total, represent emissions the organisation does not own or control directly but causes through its activities, such as the goods it buys, the travel its staff undertake, the waste it generates, and the use of the products it sells.

Under the GHG Protocol there are a total of 15 Scope 3 categories, five of which are required to be reported (where relevant) as part of PPN 006 CRP (up to April 2027):

- Category 4: Upstream Transportation & Distribution
- Category 5: Waste Generated in Operations
- Category 6: Business Travel
- Category 7: Employee Commuting
- Category 9: Downstream Transportation & Distribution

Table 1: Scope 3 categories for fleet operators

Scope 3 Category	What it Covers for Fleet Operators
Category 4: Upstream Transportation & Distribution	Emissions from transporting goods and materials supplied to the organisation (e.g. fuel deliveries, parts, consumables)
Category 5: Waste Generated in Operations	Emissions from disposal of operational waste, including maintenance waste, tyres, oils, and general waste from depots
Category 6: Business Travel	Flights, rail, hotels and other travel booked for business purposes, not covered under Scope 1
Category 7: Employee Commuting	Estimated emissions from employees travelling to and from work, including home-working energy use
Category 9: Downstream Transportation & Distribution	Emissions from transportation paid for and controlled by customers or third parties (often zero or low for transport operators)

Note that where Scope 3 is not relevant for an organization, the organisations must explain why it is not included in the assessment; rather than entering zero or N/A in the report without justification. Likewise, where a category does apply but no data is available, an organisation must explain when the data will be forthcoming and what plans are in place to source the relevant information.

Scope 3 Looking ahead

The direction of travel is towards fuller Scope 3 reporting from April 2027 for NHS contracts, with all 15 *relevant* Scope 3 categories being required for some contracts. The additional Scope 3 categories are:

- Category 1: Purchased goods and services
- Category 2: Capital goods
- Category 3: Fuel/energy-related activities not included in Scope 1 or 2 (WTT/T&D)
- Category 8: Upstream leased assets
- Category 10: Processing of sold products
- Category 11: Use of sold products
- Category 12: End-of-life treatment of sold products
- Category 13: Downstream leased assets
- Category 14: Franchises
- Category 15: Investments

Under the NHS Net Zero Supplier Roadmap, suppliers were originally to report all relevant Scope 3 categories from April 2027. However, this was scaled back in June 2026, so full Scope 3 reporting will apply only to new contracts, including frameworks and dynamic markets, with a value at or above £5 million per annum including VAT, rather than to every NHS procurement.

For core PPN 006 there is currently no confirmed date at which the five mandatory categories expand to all 15; wider adoption is expected to follow the NHS lead over time, but should be treated as anticipated direction of travel rather than a fixed requirement. Fleet operators would be prudent to begin capturing the additional relevant categories, particularly Categories 3 & 1 ahead of any formal mandate.

4. Format and Structure of the CRP

The government publishes a CRP template which all suppliers are advised to use.[1] The plan must be kept to a concise, accessible format and should not attempt to replicate a full sustainability report. It is specifically a summary compliance document. The reporting requirements are as follows:

CRP Required Elements

- A signed declaration confirming organisational commitment to achieving Net Zero by 2050
- A clearly stated baseline year for emissions reporting
- Current emissions data for Scopes 1, 2 and the five required Scope 3 categories (in tCO_2e)
- Description of environmental management measures already in place
- Quantified carbon reduction achieved since the baseline year
- Forward-looking reduction targets, and planned actions to deliver those targets
- Board-level sign-off, including the name, job title, and date of sign-off

Carbon reduction projects

Beyond stating targets, a compliant CRP must describe the carbon reduction projects the organisation has completed and those it plans to undertake, with the resulting emissions savings quantified or estimated in tCO2e wherever possible. Completed initiatives should be reported as a cumulative saving against the baseline year, expressed both as a total figure and as a percentage reduction, so that progress can be tracked over time. This is a common fail point, as plans that list aspirations without evidenced or forecast project savings can be judged not to meet the technical standard.

Publication Requirements

The CRP must subsequently be published on the supplier's website in a prominent location, clearly signposted from the homepage. A direct link must be provided within the tender submission. The plan must be updated at least annually to remain compliant. If an organisation has no website, a written copy must be provided within 30 days of any request. Previous versions of the CRP should be retained on the website so that emissions progress can be monitored over time.

Assessment by Contracting Authorities

CRPs are assessed on a pass/fail basis as a condition of participation. A supplier will be excluded from the procurement if their CRP:

- Fails to make a commitment to achieve Net Zero by 2050
- Fails to detail the required environmental management measures
- Fails to meet the Technical Standard set out in the supporting guidance[2]

The emissions data itself (which forms part of the standard assessment questions) is for information only and is not used as a basis for scoring. However, it may be used to track suppliers' progress over time.

[1] https://assets.publishing.service.gov.uk/media/6800e3930b24153af1e7c700/2025-04-16_PPN_006_Carbon_Reduction_Plan_Template.odt
[2] https://www.gov.uk/government/publications/ppn-006

Third-party verification

PPN 006 does not require the emissions figures in a Carbon Reduction Plan to be independently verified or assured, and a plan can be fully compliant on a self-reported basis. However, buyers and evaluators increasingly regard external assurance as a marker of quality, and it can strengthen confidence in the numbers where a supplier is competing on climate credentials. For most fleet operators, robust internal evidence such as fuel-card, telematics and energy records is sufficient for compliance, with third-party verification best reserved for higher-value bids or where a client specifically requests it.

5. Specific Considerations for Fleet Operators

Fleet operators face a number of distinctive challenges in preparing a PPN 006-compliant CRP compared to, say, a professional services firm. These are worth understanding clearly.

Scope 1 is Dominant and Data-Rich

For most transport operators, Scope 1 fleet fuel consumption is the largest emissions source and also the most straightforward to quantify, given that fuel purchasing is already tracked for cost management. This actually puts transport operators in a stronger position than many service businesses who struggle to quantify their direct emissions.

Electrification Shifts Emissions to Scope 2

As fleets transition to electric vehicles, emissions do not disappear; they move from Scope 1 (diesel combustion) to Scope 2 (purchased electricity). Organisations in the process of electrifying must account for both and show a credible trajectory that demonstrates the overall emissions impact of the transition.

Specific Government Guidance Exists

The government provides dedicated guidance for freight transport operators on measuring and reporting GHG emissions from transport operations, referenced directly in the PPN 006 Technical Standard. Passenger transport operators should also reference DEFRA conversion factors for vehicles by fuel type and the Department for Transport’s work-related travel guidance.

Scope 3 Category 4 Requires Care

Upstream transportation & distribution (Cat 4) can create double-counting risk for transport businesses, as their own fleet operations are already captured in Scope 1. Category 4 relates specifically to the transportation of goods and materials supplied to the organisation (e.g. fuel deliveries to depots, parts deliveries for vehicle maintenance), not to the transport services the organisation delivers itself.

Trickle-Down Below £5m

Many local authority transport contracts, supported bus services, and rail replacement contracts sit below the £5 million threshold. However, procuring authorities are increasingly applying PPN 006-style requirements to smaller contracts as best practice, and several transport frameworks already require a CRP regardless of individual contract value. Fleet operators should, therefore, prepare a CRP even if their typical contract values are below the formal threshold.

6. How Engagements Typically Happen

The CRP obligation sits with the bidding supplier, not with the contracting authority. This means fleet operators should ideally have their CRP ready before a tender appears, not in response to it.

Tender-Triggered Urgency

The most common trigger for a transport company to seek consultancy support is an imminent tender opportunity. The organisation discovers a CRP is required as part of the pre-qualification or conditions of participation, and urgently needs one produced. This is a reactive and high-pressure engagement, often with a tight deadline. Consultancies who can turn around a compliant CRP quickly, typically within two to four weeks, are particularly valuable in this scenario.

Proactive Preparation

More sophisticated transport businesses, particularly those regularly bidding on local authority or central government contracts, will commission a CRP as standing capability rather than a one-off exercise. These organisations understand that a CRP must be updated annually and that the quality and ambition of the plan can influence tender evaluators' perceptions beyond the pass/fail gate.

Framework Pre-Qualification

Many transport procurement frameworks (for example, passenger transport frameworks operated by local transport authorities) require CRP submission at the framework application stage, before any individual call-off. Missing this means being excluded from entire frameworks for their duration, not just a single contract. This drives earlier engagement with consultants than individual contract tenders alone would suggest.

Consultant-Led Outreach

Carbon and sustainability consultancies actively market CRP support services to transport businesses, particularly in the months ahead of major framework renewals or when new procurement regulations are publicised. LinkedIn outreach to operations directors, fleet managers, and sustainability leads is common, as is content marketing around procurement deadlines.

Word of Mouth and Sector Networks

Within transport sectors, particularly bus operators, community fleet operators, and logistics companies, word of mouth plays a significant role. Trade associations such as the Confederation of Passenger Transport (CPT) and Logistics UK share guidance on procurement compliance, and consultants who are visible in these networks gain referrals.

7. WPPN 006 in Wales

Wales has its own equivalent policy to PPN 006 named Welsh Procurement Policy Note 006 (WPPN 006, formerly WPPN 06/21). The requirements are closely aligned with central government PPN 006 but there are important differences worth understanding:

Welsh Threshold

Wales has set its contract value threshold at £6 million including VAT, compared to £5 million including VAT under PPN 006. In practice this distinction affects very few contracts, but it is worth noting when assessing whether a specific Welsh procurement is in scope.

Who Must Apply It in Wales

WPPN 006 is mandatory for Welsh Government departments, NHS Wales bodies, and Welsh Government Sponsored Bodies for contracts at or above the threshold. It is recommended as best practice to all Devolved Welsh Authorities (DWAs), which includes local councils, Transport for Wales, and Welsh NHS Shared Services Partnership. In practice, Welsh public bodies are applying it widely and often below the formal threshold.

Welsh CRP Format

A CRP produced to satisfy PPN 006 will generally satisfy WPPN 006 as well. Both follow the same GHG Protocol methodology, the same DEFRA conversion factors, the same scope coverage (Scopes 1, 2, and the five Scope 3 categories), and the same government-issued template. A supplier operating across England and Wales does not need two separate CRPs, provided the document is published on their website and references compliance with both.

Welsh Net Zero Ambition

Wales has set an ambition to achieve a Net Zero public sector by 2030, a considerably more aggressive target than the UK-wide 2050 commitment. This drives more assertive application of the policy:

- Transport for Wales expects suppliers to align with its Sustainable Development Plan, often requiring detailed CRPs even for medium-sized contracts that sit below the formal threshold.
- Welsh NHS Shared Services Partnership integrates carbon assessment into its tender scoring system, making climate credentials a factor in contract award rather than just a pass/fail gate.
- Local councils including Cardiff and Swansea are already weighting social value and carbon action in bid assessments.
- For SMEs, even smaller tenders in Wales may now include scored questions on climate impact.

A Companion Note: WPPN 016

Wales also has policy WPPN 016, which specifically focuses on reducing Scope 3 CO_2e emissions across supply chains. This pushes contracting authorities to consider the carbon impact of their procurement decisions more broadly, including requiring CRPs from suppliers on contracts that might not formally meet the WPPN 006 threshold. This trickle-down effect is more pronounced in Wales than in England.

8. Summary

PPN 006 makes a compliant Carbon Reduction Plan a condition of bidding for major UK public sector contracts, requiring suppliers to commit to Net Zero by 2050 and to report their Scope 1, Scope 2 and five mandated Scope 3 emissions categories using the GHG Protocol and DEFRA conversion factors.

For fleet operators the policy is particularly consequential: fuel-based Scope 1 emissions dominate the footprint and are already well evidenced through existing fuel and telematics data, while electrification progressively shifts that footprint into Scope 2.

With the £5 million threshold increasingly applied to smaller contracts and frameworks, and with Scope 3 expectations set to broaden, a well-prepared and annually maintained CRP is now less a one-off tender formality than a standing commercial capability.

Key takeaways for fleet operators:

- A compliant CRP is a pass/fail condition of participation, not a scored element. The emissions figures themselves are for information only, but a missing or non-compliant plan removes you from the tender entirely.
- Scope 1 fleet fuel is your largest and most defensible emissions source, and because it is already tracked for cost, fleet operators can usually produce robust figures faster than service-sector bidders.
- Electrification does not remove emissions, it moves them from Scope 1 to Scope 2. Account for both and show a credible transition trajectory rather than an apparent overnight drop.
- Watch Scope 3 Category 4 for double counting. It covers goods and materials delivered to you, such as fuel, parts and consumables, not the transport services you provide, which already sit in Scope 1.
- Prepare ahead of tenders, not in response to them. Frameworks often require a CRP at application stage, and the £5m threshold is increasingly applied to smaller contracts as best practice.
- Keep the plan live. It must be board-signed, published prominently on your website and refreshed at least annually, with previous versions retained so progress can be tracked.