



Supply Chain

NHS Supply Chain Carbon Reduction Plan

31 August 2024

About us

We are a part of the NHS family, and our role is to source, deliver and supply healthcare products, services and food for NHS trusts and healthcare organisations across England and Wales.

In all, we serve every NHS Trust and operate a national network of distribution centres. We also manage relationships with more than a thousand suppliers, delivering more than 8,000,000 orders each year to more than 17,000 locations.

From early 2023 to early 2024 we went through a programme, to transform our operating model from multiple third-party procurement service providers to a principally insourced model.

Commitment to achieving net zero

NHS Supply Chain is part of the NHS family and is therefore committed to and aligned to the Greener NHS ambition.

- For the emissions we control directly (the NHS Carbon Footprint), we will reach net zero by 2040, with an ambition to reach an 80% reduction by 2028 to 2032.
- For the emissions we can influence (our NHS Carbon Footprint Plus), we will reach net zero by 2045, with an ambition to reach an 80% reduction by 2036 to 2039.

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:2020		
Additional Details relating to the Baseline Emissions calculations.		
2020 is the first year for which NHS Supply Chain has data. However, the following should be noted. <ul style="list-style-type: none"> a) Like many organisations we are improving our data collection and understanding of our data as each year passes b) Over the course of the last 5 years the operating model of NHS Supply Chain had fundamentally changed. 		
Baseline year emissions: Financial Year 2020 – April 2019 to March 2020 inclusive		
EMISSIONS	TOTAL (tCO₂e)	
Scope 1	36,890.42	
Scope 2	10.00	
Scope 3 (Subset)	1.Purchased Goods & Services	1,050,970.58
	4.Upstream transportation and distribution* ¹	0.00
	5. Waste generated in operations* ²	0.00
	6. Business travel	261.95
	7.Employee commuting* ⁴	0.00
	9.Downstream transportation and distribution* ³	0.00
Scope 3 Total	1,051,232.53	
Total Emissions	1,088,132.94	
Notes	<ul style="list-style-type: none"> 1. Included in Purchased Goods & Services 2. Included in Purchased Goods & Services 3. Included in Purchased Goods & Services 4. Employee Commute data is being collected in 2024 (following insourcing of colleagues) 	

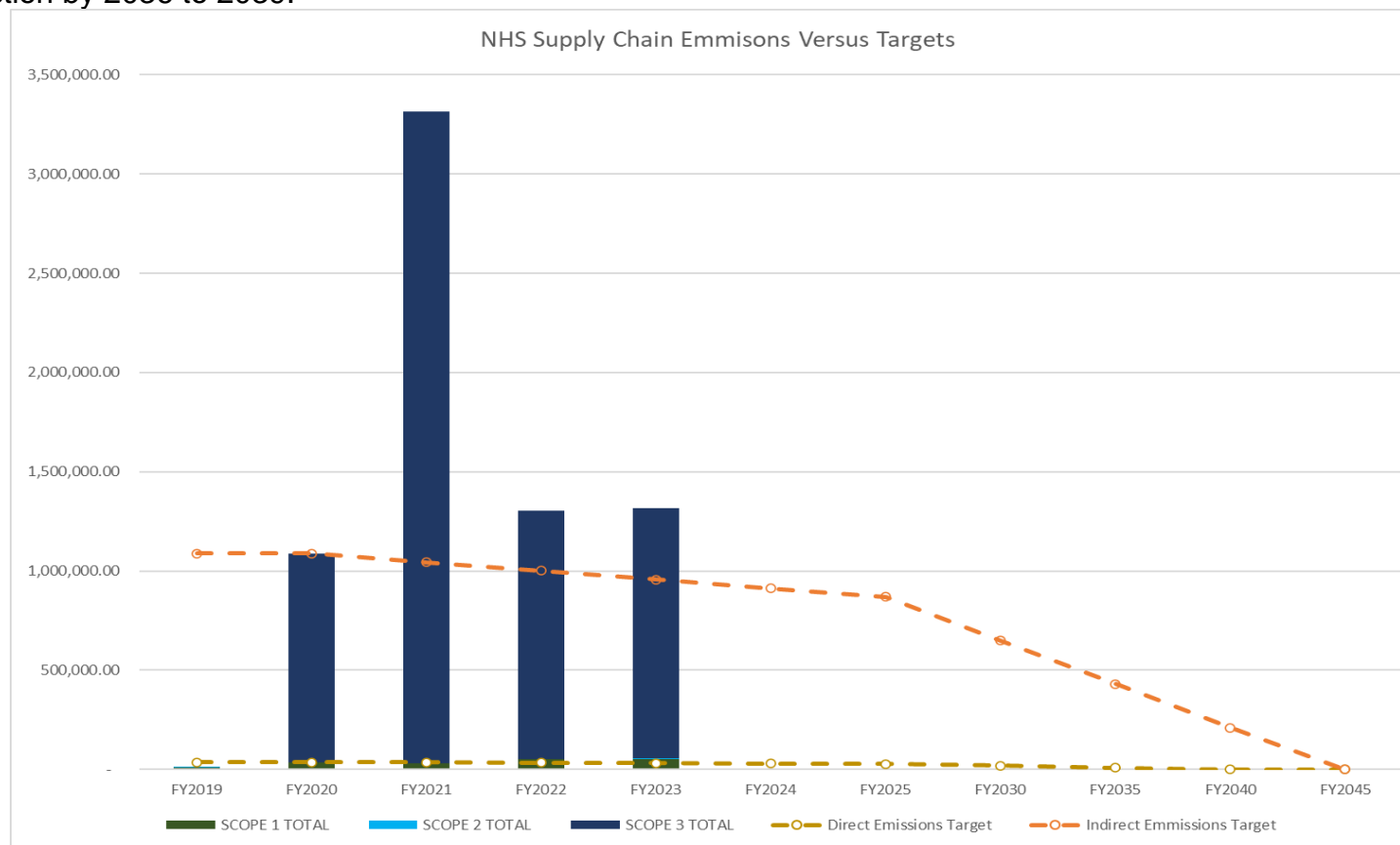
Current emissions reporting

Reporting Year: Financial Year 2023 – April 2022 to March 2023 inclusive																													
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<p>In 2023 we continued our approach to carbon footprinting to contextualise the size, scale, and complexity of our emissions. Whilst wherever possible this has been done in line with GHG reporting principles the following data has not been third party verified and has a confidence of around 75%. The calculations were done using a hybrid method. This method entails collecting as much activity-based data as possible from the value chain and supplementing it with spend based estimates for the remaining emissions. The following points give some context to the evolution of NHS Supply Chain emissions.</p> <ol style="list-style-type: none"> Two factors have been universal in their impact on NHS Supply Chain's emissions, the first is better data capture and understanding of NHS Supply Chain emissions. The second has been the fundamental changes in the structure of NHS Supply Chain and the implementation of the Target Operating Model, this has moved a large part of the organisational activity from third parties (From Scope 3) into NHS Supply Chain's direct control (Scope 1 and 2). <i>See section About us.</i> In addition, under Scope 1 (emissions are the direct emissions from owned or controlled sources) NHS Supply Chain have made efforts to decarbonise the fleet and warehousing. Under Scope 2 (emissions are the indirect emissions from the generation of purchased energy) NHS Supply Chain have moved to renewable energy at logistics sites. Under Scope 3 (emissions are all indirect emissions, not included in Scope 2, that occur in the value chain of the reporting company) also was part of the UK pandemic response, and the increased engagement with suppliers on this topic. 																													
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Emissions reduction targets

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Carbon reduction projects

Completed Carbon Reduction Initiatives

Scope 1 and 2

The majority of the NHS Supply Chain Scope 1 and 2 emissions are within our logistics operation, which is currently contracted out to Unipart Logistics. The scale of our scope 3 emissions often masks the progress we have seen on our scope 1 & 2 emissions.

In the logistics space we have been trialling 8 fully electric vehicles with our logistics provider Unipart Logistics, via the Department for Transport's £10 million Battery Electric Truck Trial (BETT) as part of our fleet, this was very successful in six months we had reduced our carbon emissions by at least 16 tonnes and post-trial we have integrated these into our fleet.

Moving operations from Runcorn to Gorseway point. This site achieves a BREEAM Excellent rating and is expected to be 30% more energy efficient than Runcorn.

In January 2021, our logistics partner switched to 100% renewable sourced electricity, but switching sources is only one side of the equation, the other is optimising use. A big source of consumption at our sites is the temperature control requirements on areas of the stock we hold. There has been ongoing investment in the insulation of the buildings, this including adding loading airlocks, air curtains, new dock doors and inflatable door seals to make the buildings as energy efficient as possible. These measures allow the temperature to be maintained and use less energy to maintain them.

Scope 3

During the 2022 financial year we commissioned CO2 Analysis to support us to understand our scope 3 emissions. NHS Supply Chain 's operation is vast in scale, so trying to understand our Scope 3 emissions is the start of trying to understand how to tackle them.

To put this in context we:

- Manage 8 million orders per year.
- Across 600,000 different products.
- There are 94,000 order points.
- 17,500 locations we ship to.
- 28 million lines of picked goods.
- From 7 Distribution centres.

The work highlighted that the pandemic had a major impact on our scope 3 emissions and the tail end of the pandemic response is still being seen in our Scope 3 emissions.

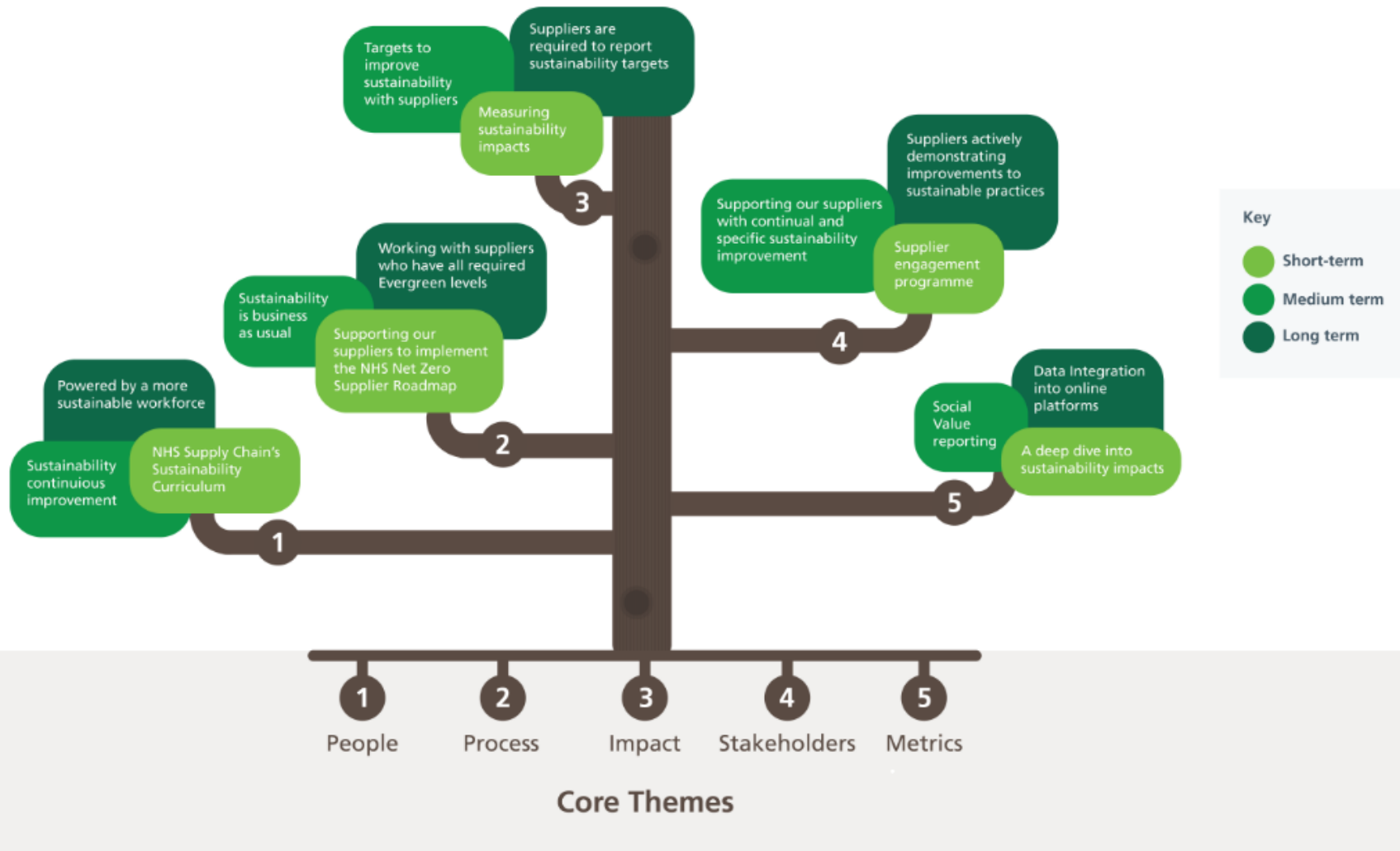
Future plans

NHS Supply Chains biggest impacts sit within Scope 3 emissions, they dwarf any other impact. This means that we have no direct control over those emissions, and we must rely on our ability to influence our suppliers, partners, and customers, in order to make change. This means every touch point in our organisation needs to be

able to have conversations and influence our stakeholders. In order to do that we need to make sure they are trained, coached and competent to do that. This is why the first focus of our approach to sustainability is people.

During 2024/ 2025 we are working in collaboration with our top five suppliers by carbon impact to agree and deliver specific projects that reduce their carbon emissions and those of the NHS. We are also continuing our work on packaging and evolving our approach to the circular economy. In 2024 / 2025 we will identify what social value information healthcare providers want to be provided.

During 2023 we concentrated on developing our approach and given how important people are to the delivery of our net zero ambitions, spending time working out how we can communicate this in an effective way.



The key themes of our approach are as follows.

- **People**, how we ensure that our teams are trained, and competent. In 2023 we designed and developed a curriculum to do this.
- **Process**, how we ensure sustainability as at the heart of our processes, rather than an afterthought or add on. In 2023 this led to the development of our “5 Asks” of suppliers which set out what we need from them
- **Impact**, how we segment the breadth of products we supply into the NHS and drive down impacts in these areas, and avoid carbon tunnel vision, as we have impacts besides carbon. This is also the area where we need to look at care pathways, aligning methodologies such as value-based procurement.
- **Stakeholders**, how we manage relationship with an increasing range of stakeholders and communicate in timely and meaningful way. In 2023 we expanded the sustainability team to support engaging with customers in this area.
- **Metrics**, the numbers, what we measure, how we measure, how we make sure its meaningful and material. Increasingly there is more demand for data, and when looking to share data, how we do that in a way that is meaningful and supports decision making.

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 standard¹ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting².

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) Standard³.

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:

Name **Andrew New**

Signature 

Job Tittle **CEO**

Date **17 July 2024**

¹<https://ghgprotocol.org/corporate-standard>

²<https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

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