



NHS NET ZERO AMBITIONS: HOW DOES THIS IMPACT YOU?

Clare Braham
Lead GHG Verifier

19th January 2024



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KEY INFO

- 45-minute webinar
- Questions in the chat box
- Q&A at the end
- Recording of webinar circulated shortly

YOUR PRESENTER



Clare Braham

ISO 9001, ISO 14001, ISO 45001,
SSiP, PAS 2060

Regional Assessor

For the past 7 years Clare has been an external management systems auditor, ranging in audits from single site single system audits to multi-site corporations with intrinsic IMS systems. Clare thrives on the diversity of systems and in understanding the different processes and procedures and developing a working relationship with clients.

Eager to learn, Clare recently graduated with a Postgraduate Certificate in Zero Carbon Engineering and is currently completing further studies with a PgCert in Hydrogen Technologies. Clare is a Lead Verifier and trainer to the PAS 2060:2014 standard.



Learning objectives:

- The NHS's net zero ambitions
- Building net zero into NHS procurement
- What net zero in healthcare looks like
- Meeting expectations through standards like ISO 14064-1 and PAS 2060
- Questions



WHAT IS THE NHS' NET ZERO AMBITIONS?

In October 2020, the NHS became the world's first health service to commit to reaching carbon net zero, in response to the profound and growing threat to health posed by climate change.

Statutory Guidance (which has been issued)

- The [Delivering a Net Zero Health Service report](#)
- This report sets out a clear ambition with two evidence-based targets:

On **1 July 2022**, the NHS became the first health system to embed net zero into legislation, through the [Health and Care Act 2022](#).



NHS

Two evidence-based targets:

1. NHS Carbon Footprint
 - For the emissions we **control directly**, net zero by 2040.

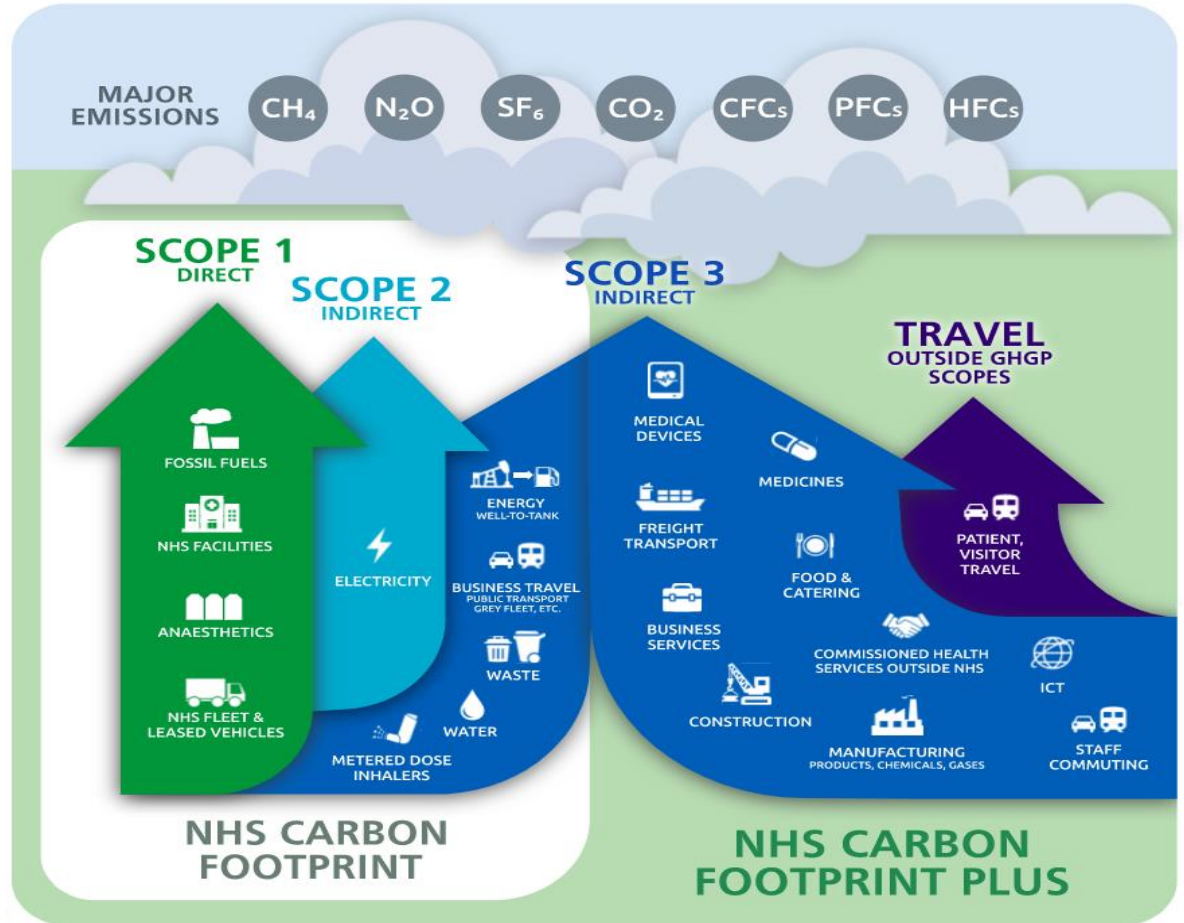
2. NHS Carbon Footprint Plus
 - For the emissions we can **influence**, net zero by 2045.

These are targets informed by evidence, whether from science or international commitments, which take into consideration the nature of the business and its position in the economy, and are not limited to current capabilities.



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NHS CARBON FOOTPRINT



UK Government Procurement Policy (PPN/06/20) and (PPN 06/21)

➤ **PPN 06/20 – Taking account of Social Value in the Award of central government contracts**

- Under the Model, a minimum overall weighting for social value of 10% of the overall score is mandated whenever any of the social value policy outcomes are included in the procurement.
- For example, the contracting authority might split the weightings as 30% for price, 60% for quality and 10% for social value. This sends a message to the supply market that social value is important to the contracting authority.

➤ **PPN 06/21 - Taking Account of Carbon Reduction Plans in the procurement of major government contracts**

- The UK Government amended the Climate Change Act 2008 in 2019 by introducing a target of at least a 100% reduction in the net UK carbon account (i.e. reduction of greenhouse gas emissions, compared to 1990 levels) by 2050.
 - This is otherwise known as the 'Net Zero' target. This Procurement Policy Note (PPN) sets out how to take account of suppliers' Net Zero Carbon Reduction Plans in the procurement of major Government contracts.
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1. Policy and guidance applies to all central government departments, their executive agencies and non departmental public bodies in conducting procurement procedures.
 - Regulated by the Public Contracts Regulations 2015.
 2. PPN 06/21 was published on 5th June 2021 and came into effect for new procurements from 30th September 2021.
 3. PPN 06/21 applies to the procurement of framework agreements and Dynamic Purchasing Systems (DPS) only where it is:
 - Related to the subject matter of the contract and proportionate;
 - Anticipated that the individual value of any contract to be awarded under the framework or DPS is £5 million per annum and above.
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NHS COMMITMENT

- The NHS made a commitment to reduce emissions through the goods and services it buys from partners and suppliers.
- The NHS has committed to reaching net zero by 2040 for the emissions they control directly, and by 2045 for the emissions they influence – this is through the goods and services they buy from their partners and suppliers.
- To achieve this goal, they will require the support of all their suppliers.
- In 2021, the NHS published [a roadmap to help suppliers align with the net zero ambition](#).



BUILDING NET ZERO INTO NHS PROCUREMENT

→ NET ZERO SUPPLIER ROADMAP

From April 2022:

- All NHS procurements include a minimum 10% net zero and social value weighting.
 - The [Net zero and social value guidance for NHS procurement teams](#) helps to unlock health-specific outcomes (building on [PPN 06/20](#)).
- Net Zero and Social Value applied via the Evergreen assessment for [NHS England Medicines tenders](#).

From April 2023:

- For all new contracts above £5 million per annum, the NHS requires suppliers to publish a:
 - Carbon Reduction Plan for their UK [Scope 1 and 2 emissions](#);
 - Subset of scope 3 emissions as a minimum (aligning with PPN 06/21).
 - The [Carbon reduction plan and net zero commitment requirements for the procurement of NHS goods, services and works](#) guidance outlines what is required from suppliers and how it should be implemented.
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BUILDING NET ZERO INTO NHS PROCUREMENT → NET ZERO SUPPLIER ROADMAP

From April 2024:

- The NHS will [proportionately extend the Carbon Reduction Plan requirements](#) to cover all new procurements.

From April 2027:

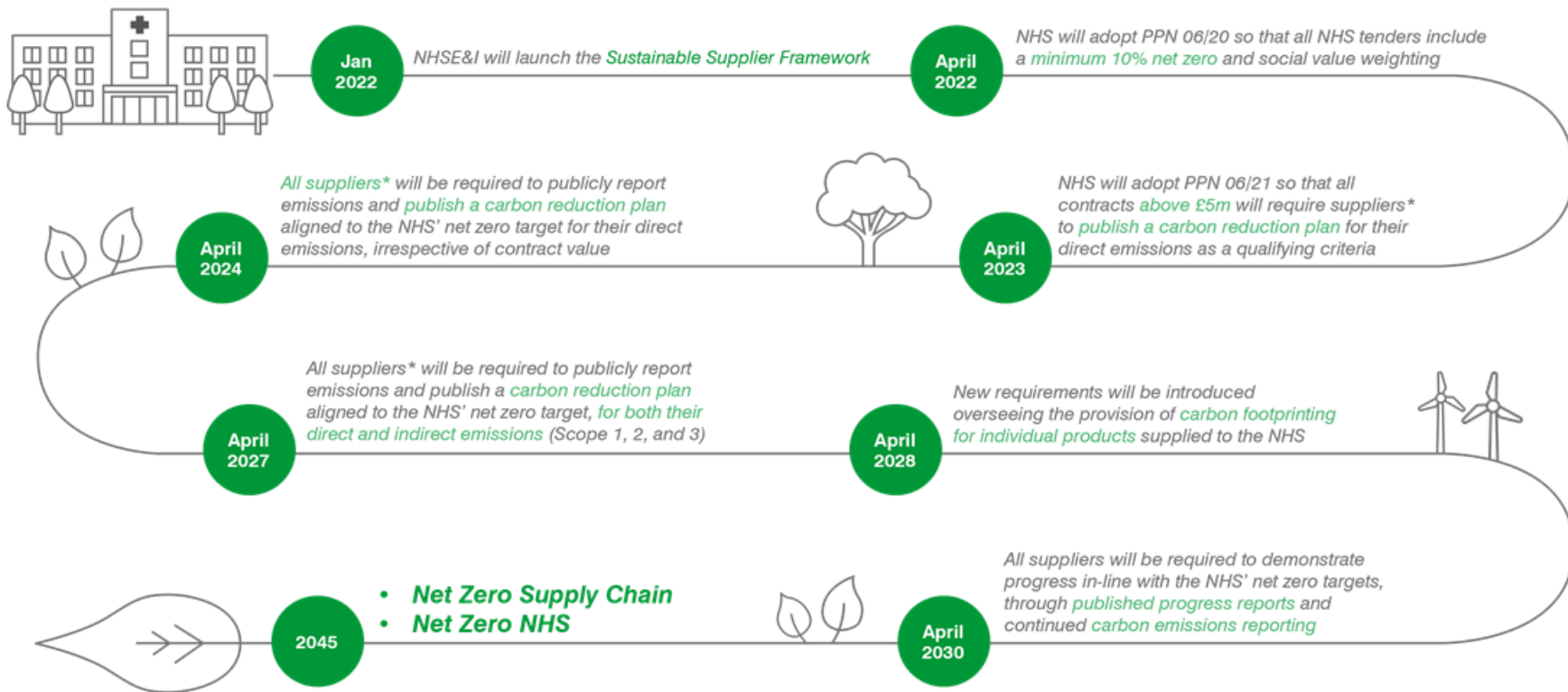
- All suppliers will be required to publicly report targets, emissions and publish a Carbon Reduction Plan for global emissions aligned to the NHS net zero target, for all of their Scope 1, 2 and 3 emissions.

From April 2028:

- New requirements will be introduced overseeing the provision of carbon footprinting for individual products supplied to the NHS. The NHS will work with suppliers and regulators to determine the scope and methodology.



Building net zero into NHS procurement



*To account for the specific barriers that Small & Medium Enterprises and Voluntary, Community & Social Enterprises encounter, a two-year grace period on the requirements leading up to the 2030 deadline, by which point we expect all suppliers to have matched or exceeded our ambition for net zero.

WHAT NEEDS TO BE DONE?

From April 2023	The NHS will require suppliers bidding for contracts above £5 million per annum to produce and publish a Carbon Reduction Plan for scope 1 and 2 emissions and a subset of scope 3 emissions in alignment with UK Gov PPN 06/21 (Procurement Policy Note).
From April 2024	The NHS will widen the requirement of PPN 06/21 as above to cover all procurement activity regardless of the value.
From April 2027	The NHS will require all suppliers to release a Carbon Reduction Plan for all scope 1, 2 and 3 emission sources.
From April 2028	The NHS will determine new requirements to oversee the provision of carbon foot printing for specific supplied products to the NHS. Information on the scope and methodology will be provided.
From 2030	The NHS will only qualify suppliers to bid for NHS contracts if they can demonstrate their progress through published progress and carbon emissions reporting through the supplier framework.

WHAT NEEDS TO BE DONE?

From 2030, suppliers will only be able to qualify for NHS contracts if they can demonstrate their progress through published progress reports and continued carbon emissions reporting.

NHS England Medicines tenders

All suppliers intending to tender for a contract or framework administered by NHS England Medicines Value and Access will require, at the point of submission, a valid Evergreen sustainable supplier assessment as well as a compliant carbon reduction plan. These requirements are from January 2024 and April 2024 respectively.

Evergreen Sustainable Supplier Assessment

The [Evergreen Sustainable Supplier Assessment](#) is a tool for suppliers to engage with the NHS on their sustainability journey and understand how to align with NHS net zero ambition. It serves as a pathway for communications and data gathering between suppliers and NHS decision makers across NHS organisations and will provide a mechanism for suppliers to showcase their net zero progress and wider sustainability efforts.

EVERGREEN SUSTAINABLE SUPPLIER ASSESSMENT

The Evergreen Sustainable Supplier Assessment is a self-assessment and reporting tool for suppliers to share sustainability information with the NHS, providing a single route for information and data sharing between suppliers and the NHS.

- The assessment can be completed by any supplier which provides or plans to provide goods or services to NHS England, integrated care boards, or an NHS trust in England.
 - The Department for Health and Social Care and NHS systems in Northern Ireland, Scotland and Wales can also access the information and data. It is hosted on Atamis (the health e-commerce procurement system) and all suppliers can access the assessment once they have registered with Atamis.
 - It is recommended that suppliers complete the assessment annually and the maturity score will be valid for 12 months. However, suppliers will be able to update their annual assessment with significant updates at any time throughout the year, where appropriate.
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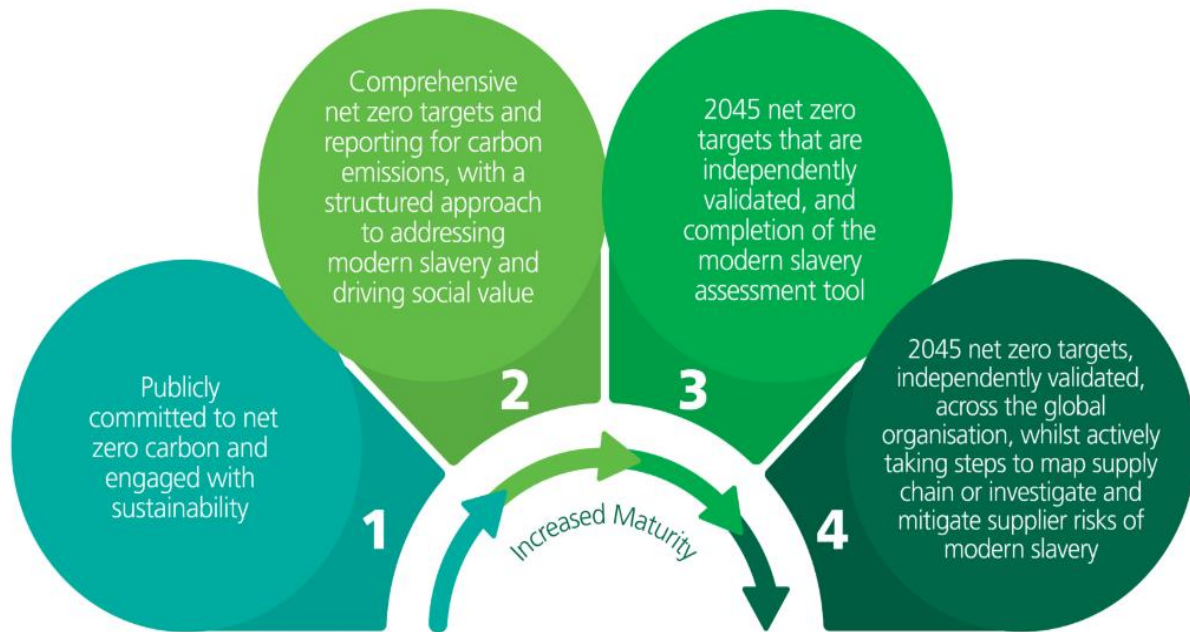


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SUMMARY OF ASSESSMENT

Evergreen Sustainable Supplier Assessment

Summary of Maturity Criteria



england.nhs.uk/evergreen

June 2023

1. MEASURE

Starting point is to calculate the actual carbon footprint for the entity seeking declaration.

Recommended methodologies are:

- ISO 14064-1
- World Business Council for Sustainable Development (WBCSD) Greenhouse gas protocol
- National Government Environmental Reporting protocols
- Products and services - PAS 2050 - Specification for the assessment of the life cycle greenhouse gas emissions of goods and services



WHAT IS CARBON NEUTRALITY? – DEFINITIONS

Carbon Neutrality

- A state of balance between the CO₂ emitted into the atmosphere and the CO₂ removed from the atmosphere.

Zero Carbon

- No carbon emissions are being produced.

Carbon Negative

- Reduction of the carbon footprint to less than neutral, so that there is a net effect of **removing** CO₂ from the atmosphere rather than adding it.



Carbon trust definition:

- Carbon neutrality has a minimum requirement of covering Scope 1 & 2 emissions with Scope 3 encouraged.
- Net zero must cover Scope 1, 2 & 3 emissions.



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NET ZERO

Science Based Targets initiative (SBTi) has defined net zero targets for corporate as follows:

‘To reach a state of net zero emissions for companies implies two conditions:

- To achieve a scale of value-chain emission reductions consistent with the depth of abatement achieved in pathways that limit warming to 1.5°C with no or limited overshoot and;
- To neutralise the impact of any source of residual emissions that remains unfeasible to be eliminated by permanently removing an equivalent amount of atmospheric carbon dioxide.’





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WHEN THEN CARBON NEUTRALITY?



- To solve the problem of man-made emissions and their effects on climate change, we need to take account of our carbon emissions and make continued efforts to reduce them.
- But it is impossible to reduce our carbon emissions to zero, no matter how hard we try.
- Carbon neutrality allows the closing of this gap by purchasing carbon offsets.

GOING FORWARD

- We are at an important inflection point.
- Governments, industry and civil society are coming together to take climate action. There is a growing global consensus around a zero-carbon future.
- To achieve the Paris goals, we must halve global emissions over the next decade, and rapidly adapt to our warming climate.
- To do this we must all move faster.

Carolyn Fairburn – past Director-General, CBI

- Immediate and decisive action is needed to avoid the catastrophic impacts of climate change and create opportunities in low carbon technologies.
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GREENWASHING



- Greenwashing is an attempt to capitalize on the growing demand for environmentally sound products.
- Greenwashing can convey a false impression that a company or its products are environmentally sound.
- Genuinely green products back up their claims with facts and details.

How do we do this?

- Specification for the demonstration of carbon neutrality.
- Specifies requirements to be met by any entity seeking to demonstrate carbon neutrality through the:
 - Quantification
 - Reduction
 - Offsetting

...of greenhouse gas (GHG) emissions from a uniquely identified subject.
- Came into effect in April 2010 – reissued April 2014.
- **ISO 14068-1 release, to supersede PAS 2060 in future years.**



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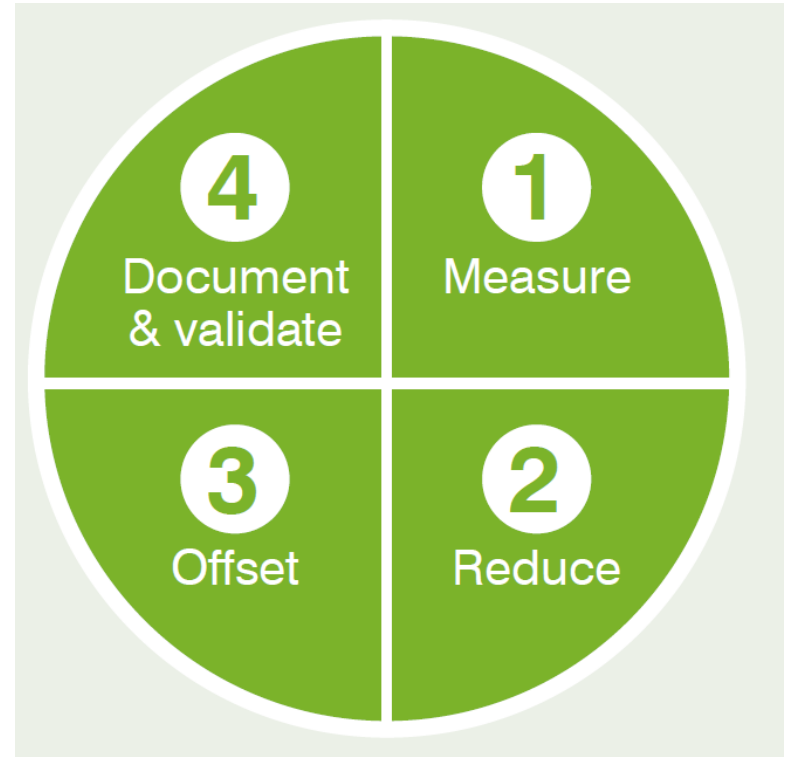
BUSINESS BENEFITS

- ✓ Demonstrate environmental integrity
- ✓ Provide a clear and credible message to instil customer trust in their environmental messages
- ✓ Meet increasing customer demand for environmentally friendly products and services
- ✓ Engage and motivate their staff and stakeholders to reduce costs through operational and behavioural changes
- ✓ Differentiate their business from the competition to increase their revenue and market share

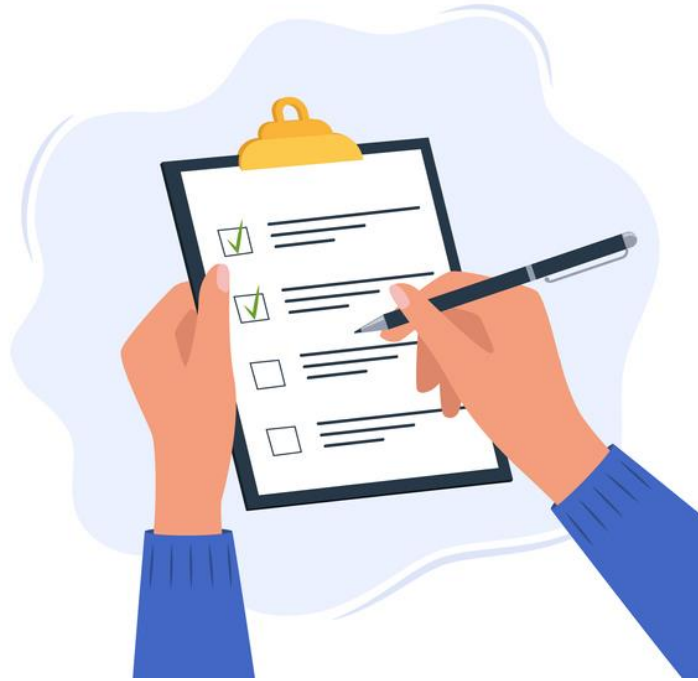


BASIC PRINCIPLES OF PAS 2060

- The PAS 2060 standard sets measurement and reduction targets for any organisation.
- Through the examination of documents and plans, it then allows for a specific carbon neutrality statement to be fully verified.
- **The standard process is composed of 4 key stages >>>**



WHAT CAN BE CERTIFIED?



Entity – shall in its determination of the subject:

- Uniquely identify itself
- Uniquely identify the subject of the declaration of carbon neutrality
- Establish all characteristics (purposes, objectives or functionality) inherent to that subject
- Establish and take into consideration all activities material to the fulfilment, achievement or delivery of the subject.

Entities include:

- Public sector
- Communities
- Organisations
- Companies (or parts of)
- Clubs/social groups
- Families
- Individuals

Scope:

- Activities
- Products
- Services
- Buildings
- Projects & major developments
- Events
- Developments

1. MEASURE

Footprint measurements must include:

- A minimum of 95% of the total calculated emissions;
 - Can exclude emissions that constitute <1% of total.
-
- **Scope 1:** Direct emissions from owned or controlled sources.
 - **Scope 2:** Indirect emissions from generation of purchased electricity, steam, heating and cooling.
 - **Scope 3:** All other indirect emissions that occur in an organisation's value chain (waste treatment, business travel, purchasing of goods, employee commute etc).



2. REDUCE

Plan to reduce these identified emissions - Carbon Management Plan

- Public Commitment to Carbon Neutrality
- Timescale for achieving carbon neutrality of the defined entity
- Specific targets for GHG reductions that are appropriate to timescale
- The planned means of achieving & maintaining the GHG reductions:
 - a) Justification of the techniques and measures to be used
 - b) The time period that any historic reductions are calculated over and that a constant methodology has been used
 - c) The offsetting strategy to be used including estimate of quantity required



Declared reduction can be absolute or intensity.

The plan must be updated annually - continual improvement!

3. OFFSET

PAS 2060 requires that the total amount of carbon emissions at the end of a reduction period be offset by high-quality, certified carbon credits which meet the following criteria:

- From one of the PAS 2060 approved schemes
 - E.g. Clean Development Mechanism, Joint Implementation, The Gold Standard or Voluntary Carbon Standard
 - Genuinely additional (i.e. reductions that would not have happened anyway)
 - Verified by an independent third party to ensure that emission reductions are permanent, avoid leakage (so that emissions are not increased in another area as a result of the project reductions) and are not double counted.
 - Retired after a maximum of 12 months to a credible registry.
-

3. OFFSET – APPROVED SCHEMES

Kyoto compliant

- Clean Development Mechanism (Certified Emission Reductions)
- Joint Implementation (Emission Reduction Units)
- EU Allowances

Non-Kyoto compliant (Voluntary Emission Reductions) Other domestic schemes

- Gold Standard
- Voluntary Carbon Standard
- Climate, Community and Biodiversity Standard
- In UK – the Woodland Carbon Code
- WWF Gold Standard
- Verified Carbon Standard

3. OFFSET – TYPICAL QUANTITIES NEEDED

- Average territorial emissions from 1 person in UK = 6.5 tonnes CO₂
 - 1 person in USA = 16.5 tonnes CO₂
 - 1 person in EU = 6.4 tonnes CO₂
- Return flight from New York to London, economy = 1.7 tonnes CO₂
 - Same flight business class = 5 tonnes CO₂
- Construction of a building, embodied carbon, per m² Gross Internal Area (GIA) = 0.5 to 1.0 tonnes CO₂^e per m² GIA
 - Construction of a 1,000 m² building = 500 to 1,000 tonnes CO₂
 - Construction of a 10,000 m² building = 5,000 to 10,000 tonnes CO₂
 - Office space energy for 100 employees = 50 to 100 tonnes CO₂



4. DOCUMENT & VERIFY



- The final stage of the process is the documentation, verification and declaration of carbon neutrality.
- This requires a statement that the required standards have been met, supported by a “Qualifying Explanatory Statement”.
- The standard requires public disclosure of all documentation supporting the carbon neutrality statement.
- **This in practice includes...**

4. DOCUMENT & VERIFY



- Proof of emissions reduction
- Withdrawn offsetting credits
- Carbon footprint report
- Carbon Management Plan
- Qualifying Explanatory Statement

The requirement to provide all this information is fundamental to the final validation of carbon neutrality status.

The standard permits three separate types of conformity:

- Self-validation
- Validation from a non-accredited organisation
- Independent 3rd party validation.

NQA as a UKAS-accredited Energy and Environmental Management System certification body, able to provide this fully independent validation of carbon neutrality.



TIPS FOR ACHIEVING CARBON NEUTRALITY

6 TOP TIPS FOR ACHIEVING CARBON NEUTRALITY

1. **Seek accreditation**

Certification from external bodies will bolster your credibility within the industry and can also provide guidance if you need support in meeting your carbon-neutral goals.

2. **Make the most of technology**

Use dashboards and data-based solutions to find out where the carbon is and use technological solutions where possible to mitigate it.

3. **Leadership must come from the top**

Embedding largescale change is only successful if there is buy-in and visible support from senior leaders.



6 TOP TIPS FOR ACHIEVING CARBON NEUTRALITY

4. **Share responsibility across the company**

Once each employee and each department see their carbon footprint, they are empowered and encouraged to find ways to cut it.

5. **Collaborate with other organisations**

Ask your suppliers and partners how they can help you reduce your carbon footprint.

6. **Set science-based targets**

Make sure you're playing your fair part in cutting carbon, to reach the global goal of attaining net-zero emissions.





What should your next steps look like?

If you're starting to think about how to achieve your sustainability, net zero and carbon neutrality objectives, book your place on our two day '***Understanding and Achieving Carbon Neutrality***' training course here.

[BOOK HERE](#)

Q&A



THANK YOU!

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