

Supplier Name: NHS Shared Business Services Limited (NHS SBS)

Publication Date: 24/05/2024

NET ZERO CARBON REDUCTION PLAN

1. Commitment to achieving Net Zero

- NHS SBS acknowledges the Climate Emergency and journey to net zero.
- NHS SBS will be net zero by the end of 2040.
- We are committed to accelerating and supporting the NHS in its ambition to become the world's first net zero health service.
- NHS SBS embraces the collective and urgent responsibility to address the causes of climate change and enhance the resilience of the business, the NHS and its supply chain to withstand climate change impacts now and in the future.
- We will drive to accurately measure 100% of our carbon emissions using the best available data.
- In a stride towards reaching net- zero, NHS Shared Business Services (NHS SBS) has unveiled its first 3-year Green Plan. This initiative marks a pivotal moment in the organisation's commitment to sustainability, aligning with NHS England's Net-Zero goals and setting a precedent for environmental responsibility within the wider healthcare sector. The Green Plan can be accessed from the NHS website:

[NHS SBS sets a Sustainable Course - publishing their first Green Plan - NHS SBS](#)

1.1 Defining Net Zero and Baseline

NHS SBS, together with Sopra Steria are proud to be considered early adopters of climate standards since 2017, where we aligned our science-based targets well below 2°C which were validated by the Science Based Targets initiative (SBTi). Later in 2019 these targets were updated to be 1.5°C aligned. In 2020, we adopted the UN Climate Neutral Now definition of net zero. This definition is defined as "the state where a balance between anthropogenic greenhouse gas (GHG) emissions and removals is achieved". Under this definition, net zero could be achieved with a combination of carbon offsets and direct reduction of emissions.

As the effects of offsetting continue to evolve, as an organisation we are moving towards a more ambitious net zero target with a greater focus on reduction and less on sequestration through offsetting and carbon credits.

In 2022 Sopra Steria Group together with NHS SBS committed to the SBTi Net-Zero Standard (hereafter referred to as 'The Standard') and adopting its definition of net zero. This will require NHS SBS to achieve a 90% reduction in absolute emissions from a baseline measurement by no later than the end of 2040. As stipulated by the SBTi, the baseline period can be no longer than 3 years prior to commitments. In July 2023, the SBTi validated the following net zero targets, using an updated baseline year of 2019.

Near-Term Targets

1. NHS SBS commits to reduce absolute scope 1 and 2 GHG emissions by 54% by 2030 from a 2019 base year.
2. NHS SBS also commits to reduce absolute scope 3 GHG emissions by 37.5% by 2030 from a 2019 base year.

Long-Term Targets

1. NHS SBS commits to reduce absolute scope 1 and 2 GHG emissions by 90% by 2040 from a 2019 base year.
2. NHS SBS also commits to reduce absolute scope 3 GHG emissions by 90% by 2040 from a 2019 base year.

2. Baseline and Current Emissions Footprint

Baseline emissions are a record of the GHGs 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.

The Reporting Year is the calendar year 2023 and the Baseline Year is the calendar year 2019.

Scope	Category/ Definition	Description of source	Emissions (tCO ₂ e)	
			Reporting year (2023)	Baseline year (2019)
1	Direct emissions from owned or controlled sources	Combustion of fuel, & leakages of refrigerant	16	270

2	Indirect emissions from the generation of purchased electricity, steam, heating and cooling		Generation of electricity consumed (on a market basis)	0	0
3	1	Purchased Goods & Services	Supply chain	3,383	4,102
	3	Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	The production and delivery of fuel and electricity	26	181
	4	Upstream transportation and Distribution	Emissions from upstream transportation and distribution are included in Scope 3 Category 1		
	5	Waste Generated in Operations	Treatment of waste including waste water	1	12
	6	Business Travel	Travel for business purposes, including hotel nights	152	325
	7	Employee Commuting	Travel by employees to and from their places of work and emissions due to remote working (homes and client sites)	575	849
	8	Upstream Leased Assets	Off-site data centres	0	0
	9	Downstream transportation and Distribution	Not applicable – see Table 2	0	0
	13	Downstream Leased Assets	Tenants	0	0
		All		4,153	5,740

Table 1: NHS SBS's Emissions by Scope and Category for the Reporting Year (2023) and Baseline Year (2019).

In 2023, our total absolute Scope 1 and 2 (market-based emissions) decreased by 94%; and total Scope 3 emissions decreased by 24% compared with the baseline year of 2019. This has resulted in a total GHG emissions (i.e. Scope 1 + 2 on a market basis +3) reduction of 27.7% in 2023 versus 2019.

NHS SBS began to measure its total value chain emissions, in 2021, to begin a credible transition towards net zero which involves the calculation of Scope 1, 2 and all relevant Scope 3 emissions. This includes emissions associated with purchased goods and services (Scope 3 Category 1) which accounted for 81.5% of Sopra Steria's total carbon footprint in 2023.

Category	Reason for exclusion
2 Capital Goods	Emissions due to capitalised purchases are included in Scope 3 Category 1
9 Downstream Transportation and Distribution	NHS SBS's business requires no material down-stream transportation and distribution of goods
10 Processing of Sold Products	NHS SBS does not sell products subject to processing
11 Use of Sold Products	Emissions from the use of products that NHS SBS sells are not material
12 End-of-Life Treatment of Sold Products	Emissions from the end-of-life treatment of products that NHS SBS sells are not material
14 Franchises	NHS SBS neither sells franchising rights nor operates any franchises
15 Investments	NHS SBS has no material investments in other companies

Table 2: Categories of Scope 3 for which NHS SBS has declared no emissions and the reasons for their exclusion.

3. Emissions reductions targets

NHS SBS will transition towards net zero emissions by the end of 2040 using a phased approach, ensuring that we commit to a steady decline in emissions using science-based targets to deliver positive outcomes through our climate action. Thereby, enabling NHS SBS to support the Paris Agreement goals.

Year	Scope of Net Zero
2019	Confirmed baseline year.
2023	Targets aligned and validated to The Standard
2030	Against the baseline, achieve: <ul style="list-style-type: none"> Reduction of absolute Scope 1 and 2 GHG emissions by 54% Reduction of absolute Scope 3 GHG emissions by 37.5%
2040	Against the baseline, achieve:

<ul style="list-style-type: none"> • Reduction of absolute Scope 1 and 2 GHG emissions by 90% • Reduction of absolute Scope 3 GHG emissions by 90%
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Table 3: Phases of NHS SBS’s Approach to becoming net zero by the end of 2040.

3.1 Science-Based Targets

To assist with achieving our validated long-term net zero targets, Sopra Steria Group has set near-term Science-Based Targets (SBTs) that also apply to NHS SBS in the UK. The following SBTs are aligned to the 1.5oC pathway and approved by the SBTi:

TRAJECTORY TOWARD NET-ZERO EMISSIONS
Key milestones on the way to achieving SBTi’s long-term net-zero emissions targets.

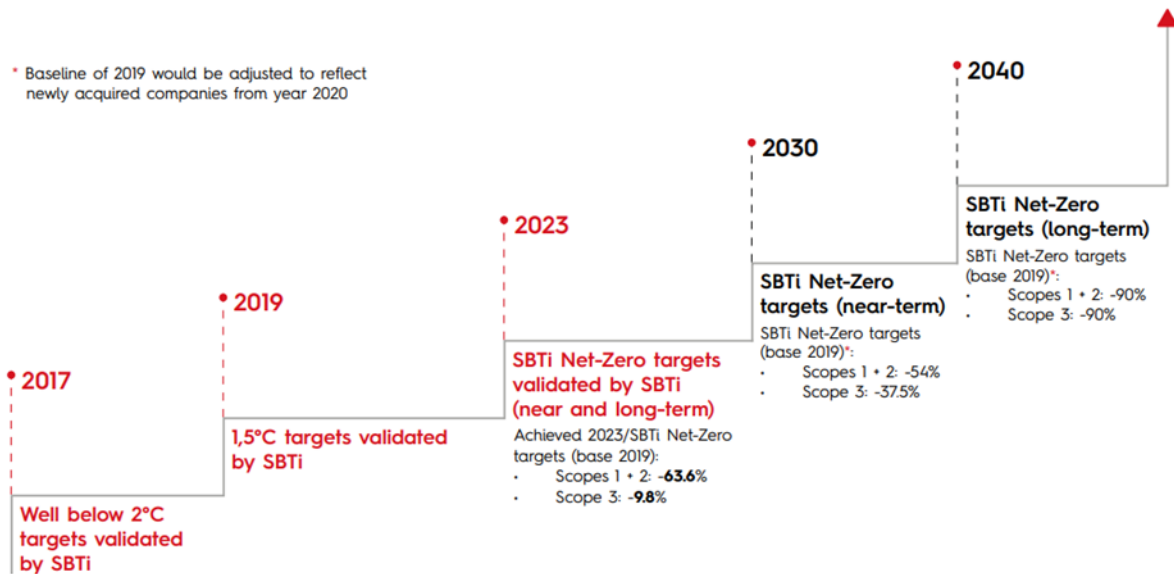


Figure 1: Sopra Steria Group roadmap to achieving net zero by the end of 2040 in line with The Standard.

The graph in Figure 2 shows our historical emissions, a trajectory for rates of emissions reductions needed to achieve our targets and the current position of NHS SBS emissions in the reporting year (2023):

Emissions reductions against NetZero target

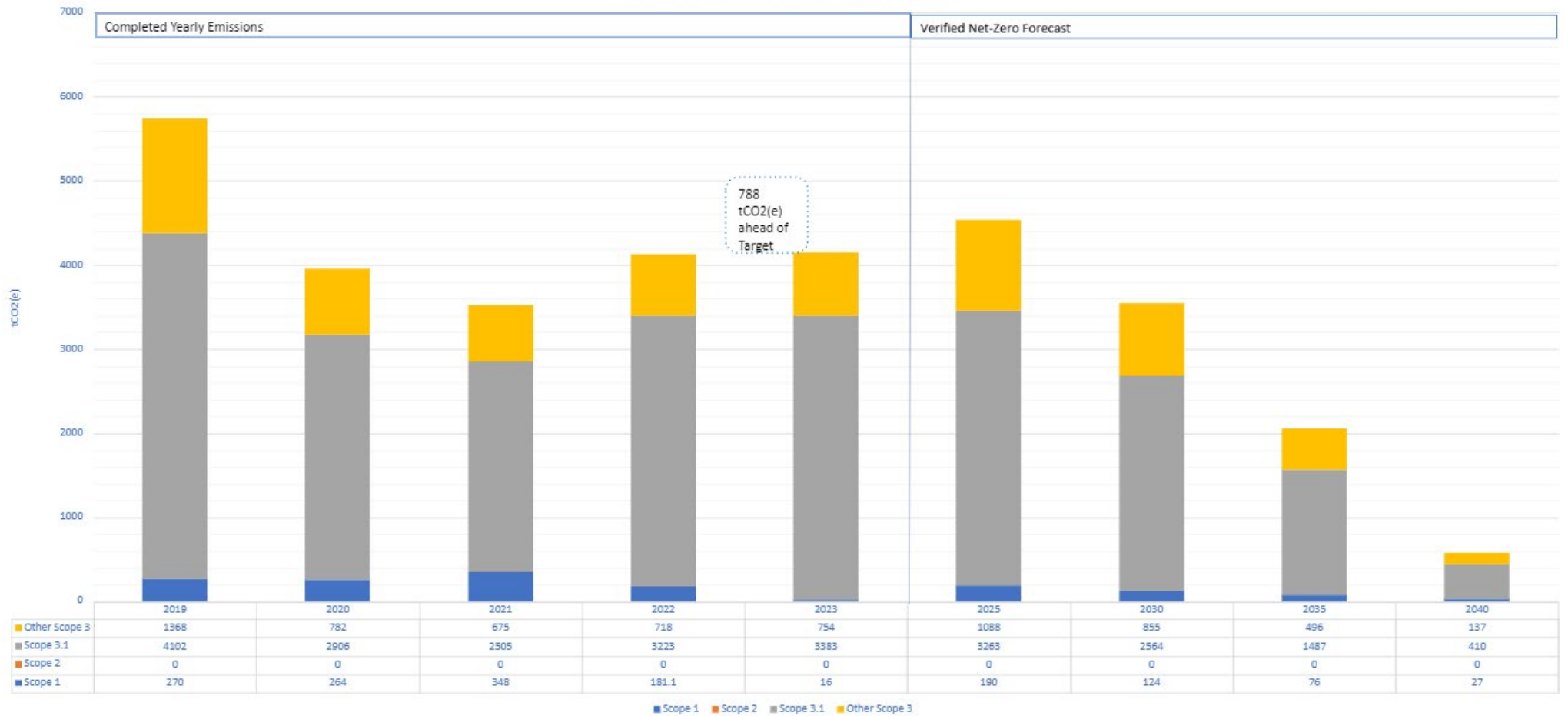


Figure 2: Emissions Reductions Past and Projected.

4. Carbon Reduction Projects

The following environmental management measures and projects have been completed or implemented since 2019.

4.1 Renewable Electricity

In 2019, NHS SBS had raised the proportion of electricity consumed from renewable sources to 100%, reducing Scope 2 emissions to zero on a market basis.

In 2023, all electricity supply contracts related to office spaces occupied by NHS SBS are directly arranged by the landlord. Scope 2 emissions, for NHS SBS, remain zero as the landlord procures electricity supply contracts that are backed by Renewable Energy Guarantees of Origin (REGO) certificates.

4.2 Energy Efficiency

NHS SBS has completed the following energy efficiency initiatives and investment in measures to reduce our carbon emissions,;

- Sopra Steria/ NHS SBS upgraded its company car scheme, with only environmentally friendly and tax-efficient Battery Electric Vehicles (BEVs) and Plug-in Hybrid Electric Vehicles (PHEVs) available for selection. The scheme also offer supports to employees with arranging discounted home charging points
- In September 2023, as part of its compliance with Phase 3 of the Energy Saving Opportunities Scheme (ESOS), NHS SBS appointed a Lead Assessor to conduct a site survey to identify energy savings measures that can be implemented at the Leeds office.

4.3 Business Travel and Internal Carbon Price

Sopra Steria and NHS SBS applies an internal shadow carbon price, in the UK, to business travel. Each quarter, emissions from business travel are calculated for each business division alongside the associated shadow carbon costs.

By making employees aware of the carbon cost of travel, the internal shadow carbon price has changed their behaviour. They might choose to teleconference rather than travel at all, and if they do travel, to choose the mode with the lowest carbon emissions; for example, taking the train between London and Paris rather than a plane.

In this way, the internal shadow carbon price has contributed towards the reduction of 61.6% in business travel emissions per full-time employee in the reporting year 2023 since the baseline year of 2019.

4.4 Waste Management

100% of general and dry mixed recyclable waste is diverted away from landfill.

4.5 Supply Chain Emissions

In 2023, supply chain emissions accounted for 81.5% of NHS SBS's full value chain GHG emissions. The current methodology for calculating our purchased goods and services emissions is a function of supply chain spend which has increased year-on-year.

In 2023, a material change was introduced to the methodology for calculating Scope 3 Category 1 emissions (purchased goods and services). For UK reporting of Scope 3 Category 1 emissions, NHS SBS has moved away from using ADEME conversion factors as used by our parent company headquartered in France, Sopra Steria Group. Instead, NHS SBS now apply DEFRA conversion factors which reflect, more accurately, the local conditions and consequent GHG emissions intensity of our suppliers' operations in the UK. Consequently, DEFRA conversion factors have been applied to calculating emissions for the current reporting year (2023) and for historical emissions including the baseline year (2019).

NHS SBS is actively collaborating with its supply chain and other organisations, developing a refined methodology for measuring purchased goods and services related emissions. This will entail increasing the use of Supplier Specific data to reflect performance of the individual suppliers with regards to GHG emissions reductions.

During FY2023, NHS SBS issued a survey to UK suppliers representing 63% of our procurement spend as part of a Scope 3 Supply Chain pilot project. We worked with respondents to ascertain whether they had set GHG emissions reduction targets aligned with the SBTi. During 2024, through our sustainable procurement programme, we will be building on this pilot project to engage more suppliers in order to quantify our Scope 3 Supply Chain GHG emissions and progress against reduction targets. This methodology will help to reduce our reliance on estimating supply chain emissions through use of actual data based on emissions reported by suppliers as well as provide opportunities for effective supplier engagement to collaborate around innovation that leads to reducing emissions.

At NHS SBS, we know that we need to not only reduce our emissions to reach net zero, but we want to support our customers and the wider NHS on this journey too. With a clear understanding of procurement, finance, accounting, and sustainability, we have utilised our experience and expertise to develop a tool to calculate scope 3.1 emissions for NHS organisations. This automated tool supported 10 Trusts in total so far to baseline, what is notoriously the largest and most difficult area to calculate. This project enables us to continue to strive for

reduction and support the NHS in doing this, identifying hotspots and priority areas for reduction.

4.6 SKA Assessment (Fit Out) – Silver Rated – NHS SBS Leeds Office

The NHS SBS Leeds Office has a certified Silver Rating as part of a SKA Assessment, undertaken as part of the fit-out phase, which is accredited by the Royal Institution of Chartered Surveyors (RICS). A wide range of positive environmentally sustainable benefits were realised including: working with a charity to re-use office furniture; implementing energy efficient LED lighting; enabling sustainable means of travelling to the office through provision of bike racks; 98% of waste arising from the fit-out works was recycled; and 100% of the timber used in the fit out was supplied with Forest Stewardship Council (FSC) accreditation.

4.7 Carbon Removal Offset Initiatives

In 2021 Sopra Steria and NHS SBS purchased carbon removal offsets for GHG emissions from its offices, data centres and business travel that it did not avoid. Offsetting the GHG emissions from these sources in this way means that they had no net effect on the amount of GHGs in the atmosphere.

Since 2015 Sopra Steria and NHS SBS had made its GHG emissions from offices, data centres and business travel carbon neutral by investing in projects that avoided future GHG emissions, particularly renewable energy projects in India.

In 2020, as part of its strategy for transitioning towards net zero emissions, Sopra Steria and NHS SBS changed to a new partner, One Carbon World, who are accredited by the United Nations Climate Neutral Now programme to provide Sopra Steria with climate neutral certification through the use of carbon removal offsets. This partner invests in projects that remove GHG emissions from the atmosphere, particularly afforestation projects in Uruguay that create new land for trees that absorb carbon dioxide from the atmosphere, and that do not simply replace trees in deforested areas.

- NHS SBS maintains and continually improves its Environmental Management System, which is externally certified to the ISO 14001:2015 standard.
- NHS SBS is relocated to a new environmentally friendly office in Leeds during 2022, achieving a Silver SKA certification demonstrating many positive environmental outcomes embedded in the design and fit out of the office.

4.8 Future Initiatives

The Carbon Reduction Plan, as part of our SBTi net zero 2040 target is a key component of our wider Environmental Sustainability programme. This programme integrates our ISO14001-certified Environmental Management System, efficient resource consumption, renewable energy, circular economy, sustainable supply chain and support for our clients with solutions and services in their transition to a net zero economy.

Through the work of our Energy Efficiency Working Group, at Sopra Steria and NHS SBS, we will continue to collaborate with our building maintenance contractor to explore energy savings opportunities that will lead to increased energy efficiency and facilitate a further reduction in Scope 1 and 2 emissions.

In addition, through our responsible procurement programme we will build on the work done as part of the Scope 3 Supply Chain Emissions Pilot Project and increase effective engagement across our supply chain to implement innovative initiatives that will facilitate a reduction in our 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 standard¹ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting².

Scope 1 and Scope 2 emissions have been reported beyond the minimum compliance requirements of Streamlined Energy and Carbon Reporting (SECR), 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, for the Financial Year ending on 31st December 2023, has been reviewed and signed off by the board of directors (or equivalent management body).

Signed on behalf of the Supplier.

Director's Signature:



Directors Name: Erika Bannerman

Date: 24/05/2024

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>