

NHSE Sustainable Supply Chain Webinar

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February 2023

Central Commercial Function

Working as a community to deliver commercial excellence across the NHS

What will we cover in the session today?

1. An understanding of the Net Zero Supplier Roadmap.
2. Take a closer look at the Social Value Model.
3. An in-depth understanding of the Apr2023 CRP requirements.
4. An introduction to the Evergreen Assessment and its timeline to launch.
5. Q&A Session

The Central Commercial Function (CCF) workstreams

Developing a **strategic partnership approach** that leverages the NHS buying power, shapes the market, drives innovation and resilience within the NHS

Enabling the NHS Commercial community to access **tools, expertise and cutting-edge knowledge** to deliver purchasing activities at every level of the NHS

Developing an NHS-wide approach to delivering **net zero and social value, driving innovation and eradicating modern slavery** in the supply chain, enabling stakeholder engagement and application

Embedding a **unified community of procurement and commercial specialists** who strive to deliver and uphold the NHS Commercial Strategy ensuring best value for money

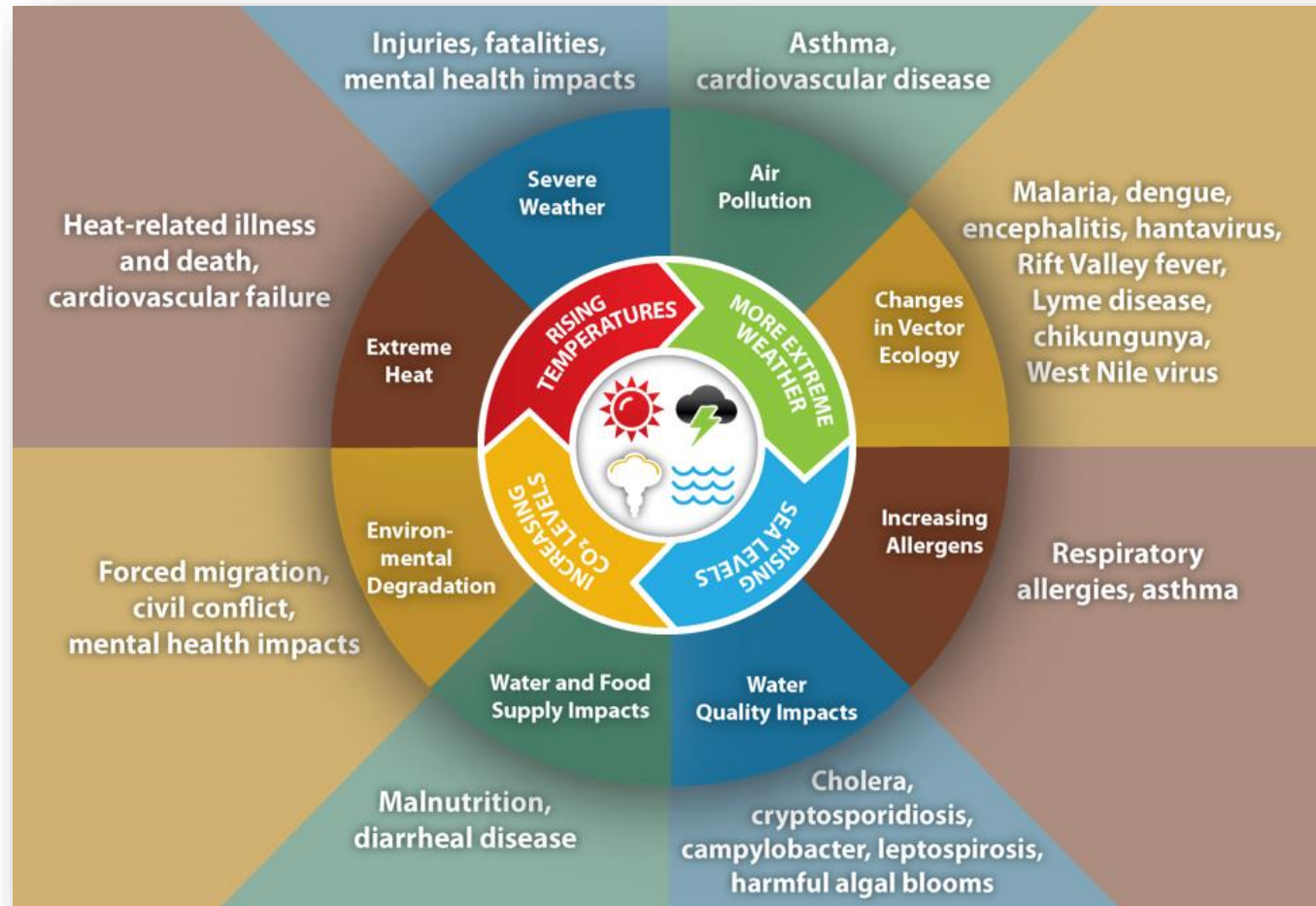
Creating **universal strategy** across the NHS with clear commercial activities and routes to market that facilitates **ease of doing business**

Endorsed, standardised and compliance assured routes to market that wield **NHS influence and promote innovation** to deliver government priorities

Developing and adopting technology that **provides the NHS with insight into procurement value and savings opportunities and outcomes**. This will help us to leverage, rationalise and shape the market

Why a Net Zero Health Service?

The Climate Emergency is a health emergency



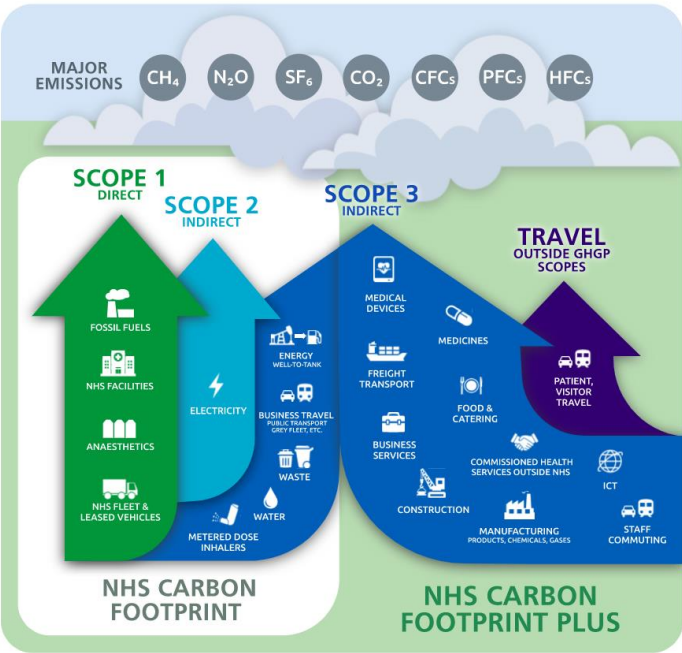
Source: Center for Disease Control and Prevention. [Climate effects on health](#). 2017

NHS Targets and Emissions

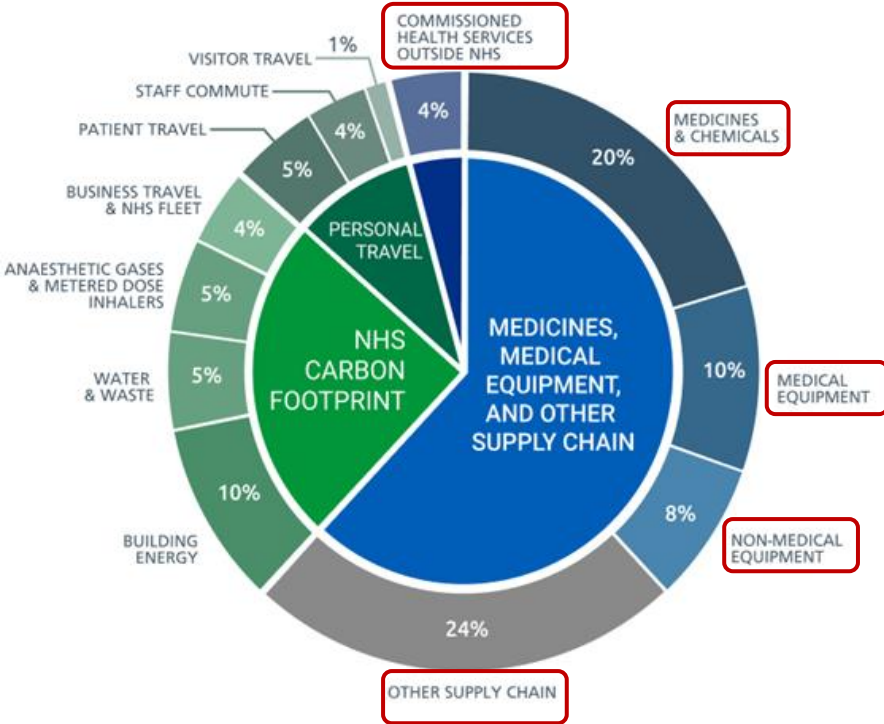
62% of the NHS carbon emissions occur in the supply chain, with many of these emissions occurring outside the UK.



Reaching Net zero carbon



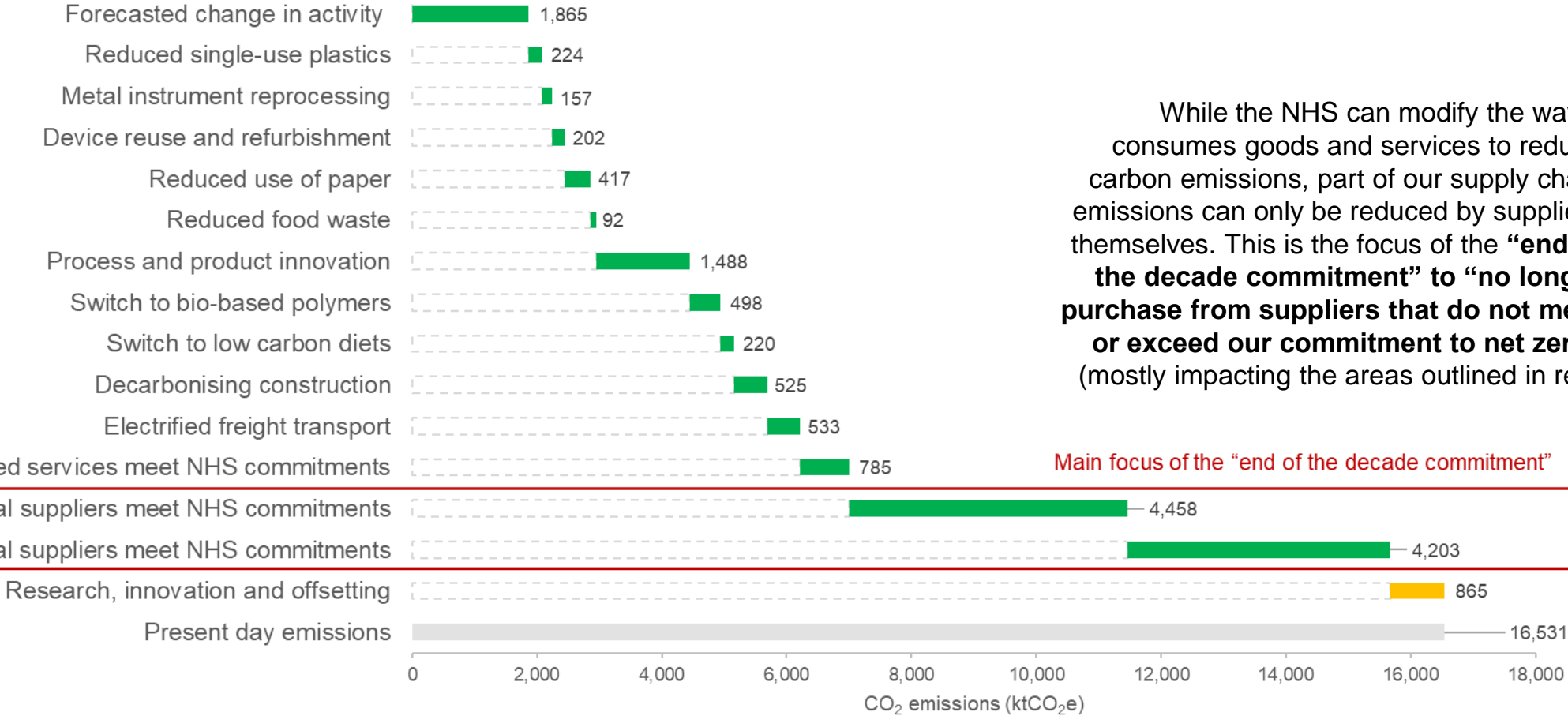
The NHS Carbon Footprint



By 2040 for the emissions we control directly (the NHS Carbon Footprint) with an ambition to reach an **80% reduction**, compared with a 1990 baseline, **by 2028 to 2032**

By 2045 for all emissions, including those embedded in the supply chain (the NHS Carbon Footprint Plus) with an ambition for an **80% reduction**, compared with a 1990 baseline, **by 2036 to 2039**

Suppliers are key to achieving our ambition



While the NHS can modify the way it consumes goods and services to reduce carbon emissions, part of our supply chain emissions can only be reduced by suppliers themselves. This is the focus of the **“end of the decade commitment” to “no longer purchase from suppliers that do not meet or exceed our commitment to net zero”** (mostly impacting the areas outlined in red)

Main focus of the “end of the decade commitment”

Net Zero Supplier Roadmap

2022

From April 2022, all NHS procurements will include a minimum 10% net zero and social value weighting. The [net zero and social value guidance for NHS procurement teams](#) will help unlock health-specific outcomes (building on [PPN 06/20](#)).

2023/24

From April 2023, for all contracts above £5 million per annum, the NHS will require suppliers to publish a carbon reduction plan for their UK scope 1 and 2 emissions and a subset of scope 3 emissions (aligning with [PPN 06/21](#)).

From April 2024, the NHS will require a carbon reduction plan for all new procurements.

2027

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.

2028

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

Adopting PPN 06/20: The Social Value Model

The requirement to apply PPN 06/20 The Social Value Model came into effect from 2021 for NHS England. It mandates that a minimum weighting of 10% of the total score for the tender evaluation should apply to social value across five themes. A question on net zero is required in all procurements.



PPN 06/20 was adopted by NHS England and NHS Supply Chain in April 21.

From April 22, NHS England extended the reach of PPN 06/20 to the entire NHS.

In March 22, net zero and social value guidance was published by NHSE.



1. Fighting climate change
2. Tackling economic inequality
3. COVID-19 recovery
4. Wellbeing
5. Equal opportunity



- Environmental, social, and economic benefit
- Minimum 10% of total tender score
- Requires additionality
- Agree effective contract management structure

Net Zero and Social Value – What does Good Look Like?



Additional
Additional commitments
through *contract delivery*

It is about what social value you will deliver as a result of winning the contract, so it is over and above what you are already doing.



Appropriate
Aligned with the tender
request and NHS Priorities

The more aligned the tender, and with NHS priorities more broadly, the better you are likely to score.



Measurable
Concrete and Measurable
KPIs

Having measurable KPIs that can be easily reviewed as part of contract management will likely improve your scoring as well as your ability to deliver against the commitments made.

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Carbon Reduction Plan Requirements

Below are the CRP Requirements for contracts over £5M per annum from April 2023, which will be aligned to the Cabinet Office PPN06/21.



April 2023 Milestone Detail

Overview	Aligning with PPN 06/21 across the NHS
Scope	All suppliers providing new contracts over £5 min per annum (excluding VAT)
Guidance	NHS-specific CRP Guidance - here UK government guidance for PPN 06/21
Template	UK government template available
Reporting method	Board approved, Public URL + SQ questions in procurement
Assessment	CRPs are assessed as a pass/fail, they are not compared with another supplier's CRP.

Carbon Reduction Plan Requirements



Below are the CRP Requirements for contracts over £5M per annum from April 2023, which is aligned to the Cabinet Office PPN 06/21.

Net Zero Commitment	Target year of 2050 or earlier
Emissions	Scope 1, 2 and selected scope 3 emissions for UK only
Reporting entity	<p>The CRP should be completed for the bidding entity, a CRP 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 Standard and Guidance, and all of the following criteria are met:</p> <ul style="list-style-type: none">• The bidding entity is wholly owned by the parent entity;• The commitment to achieving net zero by 2050 for UK operations is set out in the CRP for the parent entity 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.

What are emissions scopes?

The Greenhouse Gas Protocol classifies emissions into three scopes.



The Greenhouse Gas Protocol classifies emissions into three scopes:

Scope 1 -

- Direct GHG emissions occurring from sources that are owned or controlled by the company.
- E.g. emissions from combustion in owned or controlled boilers or vehicles.

Scope 2 -

- Accounts for indirect GHG emissions from the generation of purchased electricity consumed by the company.

Scope 3 -

- Accounts for all other indirect emissions. These emissions are a consequence of the activities of the company, but occur from sources not owned or controlled by the company.

Carbon Reduction Plans – Scope 3 Categories

A subset of scope 3 categories are required to be included in the CRP, which aligns with government PPN06/21 requirements.



5 categories of scope 3 emissions required as per PPN06/21.

Detailed guidance on these categories can be found [here](#).



Upstream transportation and distribution



Waste generated in operations



Business travel



Employee commuting



Downstream transportation and distribution

How will Suppliers Report their CRP to the NHS?



Suppliers need to publish their CRP using the government CRP template.

You need to include the following in the template:

- Net Zero Target
- Baseline and reporting year emissions
- Any additional emissions targets
- Overview of key projects
- Declaration

Carbon Reduction Plan Template

Supplier name:

Publication date:

Commitment to achieving Net Zero

[Supplier name] is committed to achieving Net Zero emissions by 20XX.

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.

[Instructions to Suppliers:
Please provide details of your organisation's baseline emissions below. If your organisation has not previously assessed or reported emissions, please detail this below and use your first reporting period as your Baseline.]

Baseline Year: 20XX	
Additional Details relating to the Baseline Emissions calculations.	
[Instructions to Suppliers: Add commentary regarding your Baseline Emissions as required: e.g. historic baseline which deviates from the requirements under this measure (e.g. no prior Scope 3 emissions reporting), where there is no previous reporting and the creation of a new baseline due to substantial organisational change or restructuring]	
Baseline year emissions:	
EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	XX
Scope 2	XX
Scope 3 (Included Sources)	XX
Total Emissions	XX

Current Emissions Reporting

Reporting Year: 20XX	
EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	XX
Scope 2	XX
Scope 3 (Included Sources)	XX
Total Emissions	XX

Emissions reduction targets

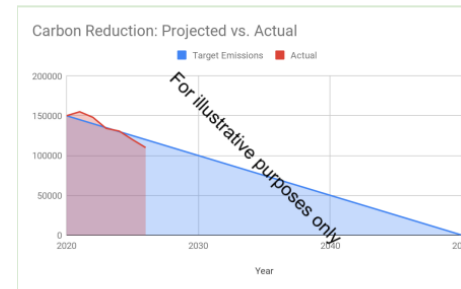
[Instructions to Suppliers:
If existing emissions reduction targets are in place for your organisation, please provide details below.

If you have no previous emissions reduction commitment, or if this is your organisation's first carbon footprint, please provide targets for your organisation]

In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets.

We project that carbon emissions will decrease over the next five years to XX tCO₂e by 20XX. This is a reduction of XX%.

Progress against these targets can be seen in the graph below.



Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 20XX baseline. The carbon emission reduction achieved by these schemes equate to XX tCO₂e, a XX% reduction against the 20XX baseline and the measures will be in effect when performing the contract

[Instructions to Suppliers:

Briefly provide details of some of your completed carbon reduction projects. This is for information only.

This may include environmental management measures such as certification schemes like ISO14001 or PAS 2060, signing up to SBTi or specific measures you have taken such as: the adoption of LED/PIR lighting controls, changes to policy resulting in a reduction in company travel and flights or the electrification of the company fleet.]

In the future we hope to implement further measures such as:

[Instructions to Suppliers:

Briefly provide details of some of any likely/proposed future carbon reduction projects. This is for information only]

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 standard¹³ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting¹⁴.

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) Standard¹⁵.

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:

.....

Date:

¹³ <https://ghgprotocol.org/corporate-standard>

¹⁴ <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

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How will Suppliers Report their CRP to the NHS?

Suppliers should publish their CRP using the government CRP template.

Carbon Reduction Plan Template

Supplier name:

Publication date:

Commitment to achieving Net Zero

[Supplier name] is committed to achieving Net Zero emissions by 20XX.

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Baseline year emissions:	
EMISSIONS	TOTAL (tCO₂e)
Scope 1	XX
Scope 2	XX
Scope 3 (Included Sources)	XX
Total Emissions	XX

Current Emissions Reporting

Reporting Year: 20XX	
EMISSIONS	TOTAL (tCO₂e)
Scope 1	XX
Scope 2	XX
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Emissions reduction targets

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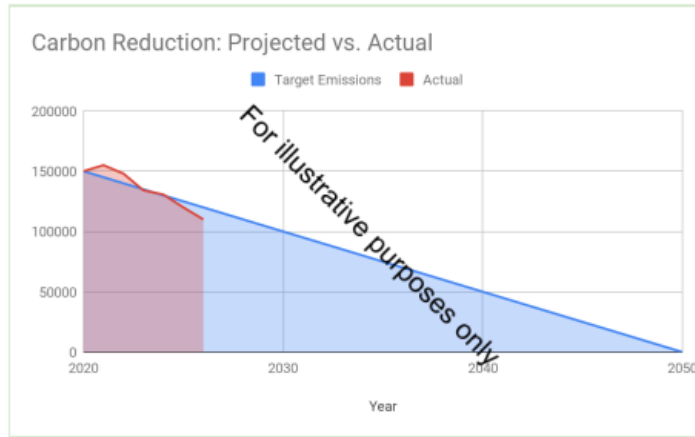
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Progress against these targets can be seen in the graph below:



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How will Suppliers Report their CRP to the NHS?

Suppliers are asked for key information on their CRP as part of the Selection Questionnaire in the procurement process.



Ensuring it is board approved and publicly available

A key requirement for reporting your CRP.



Through the Selection Questionnaire as part of the procurement process

Suppliers will be asked for key information from their CRP as part of the procurement process, including a URL to their publicly available CRP.

The questions asked are publicly available in [Annex A of the PPN06/21 Guidance on Adopting and Applying PPN 06/21](#).

Annex A: Selection Criteria

Selection Questionnaire		
1	Please confirm that you have detailed your environmental management measures by completing and publishing a Carbon Reduction Plan which meets the required reporting standard	Yes / No PASS / FAIL
Provide a link to your most recently published Carbon Reduction Plan here:		
2	Please confirm that your organisation is taking steps to reduce your GHG Emissions over time and is publicly committed to achieving Net Zero by 2050	Yes / No PASS / FAIL
Supplier Emissions Declaration:		
3	Baseline Year:	
	Scope 1:	
	Scope 2:	
	Scope 3:	
4	Reporting Year:	
	Scope 1:	
	Scope 2:	
	Scope 3:	

Preparing for the April 2023 Milestone

We continue to invite suppliers to share their readiness with us - please complete our “readiness questionnaire” throughout the year as your readiness changes.

What NHS England is doing



Understanding supplier readiness

- Encouraging suppliers to respond to our supplier readiness questionnaire throughout the year.
- Targeted follow ups with suppliers likely affected in Apr 2023.



Increasing supplier awareness

- Through supplier webinars.
- Direct supplier engagement.
- Through trade bodies and industry events.



Providing support to clarify the requirements

- Publication of NHS Specific CRP Guidance - [here](#).
- Supplier support webinars.
- CRP Checking Service

CRP Checking Service

To help support suppliers prepare for the implementation of CRP requirements we have established a service to help provide suppliers with feedback outside of the procurement process. **It is currently open until 31st March.**



How does the service support suppliers?

It provides suppliers with feedback on their CRP outside of the procurement process.



How to access the service?

Email your CRP, and the URL for your CRP if available, to england.crp-check@nhs.net.



What feedback will suppliers received?

Standardised feedback on the key aspects of their CRP.



How long does it take to get feedback?

We aim to provide feedback ASAP with a 2 week lead time (please note this is dependant on the demand for the service and could take longer than this).

2023 Milestone – What should you be doing now?

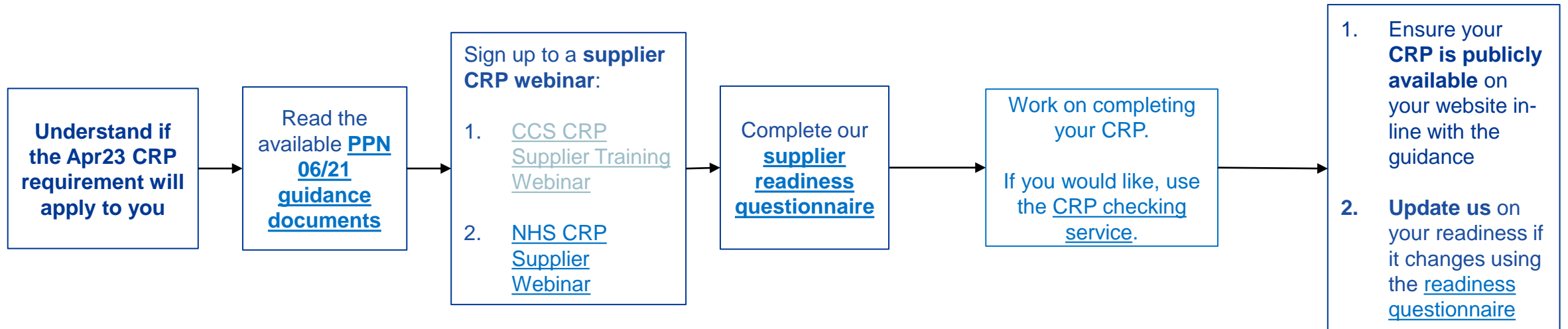
The steps suppliers can take now to prepare for the introduction of Carbon Reduction Plans (CRP).



Now



Apr 2023



The Evergreen Supplier Assessment

Evergreen Sustainable Supplier Assessment

The Evergreen Sustainable Supplier Assessment is a tool for suppliers to share information about their sustainability journey with the NHS, and to receive information back as to how aligned it is with the NHS's sustainability priorities. It is a voluntary assessment, recommended to be completed annually.



Levels Show Sustainability Maturity



Components of the Assessment (for pilot)

Carbon Reduction Targets and Emissions	Validation & Verification	UN SDGs
Emissions Reduction Plans	Products and Service Carbon Footprinting	Ethical Sourcing/ Modern Slavery
Electric Vehicles and Fleets	Renewable Energy	Transparency Reporting

How the Evergreen Assessment functions



Atamis-based tool
(Health family e-commerce
procurement system)



Completed annually
(score will be valid for a
year)



Data will be shared with NHS
organisations (e.g. NHSE, NHS
Supply Chain, ICSs/Trusts), and
DHSC

The benefits of Evergreen for suppliers



Evergreen provides the opportunity for suppliers – particularly those who are going above the minimum requirements – to share the good work that they are doing in sustainability with the NHS.



Benchmark against future roadmap requirements

Understand how well your organisation aligns to the long term NHS roadmap.



One conversation with the NHS system

The assessment will provide a standardised way of communicating sustainability credentials to all NHS buyers and is by design aligned to the NHS Net Zero strategy and should reduce the number of requests you get from trusts.

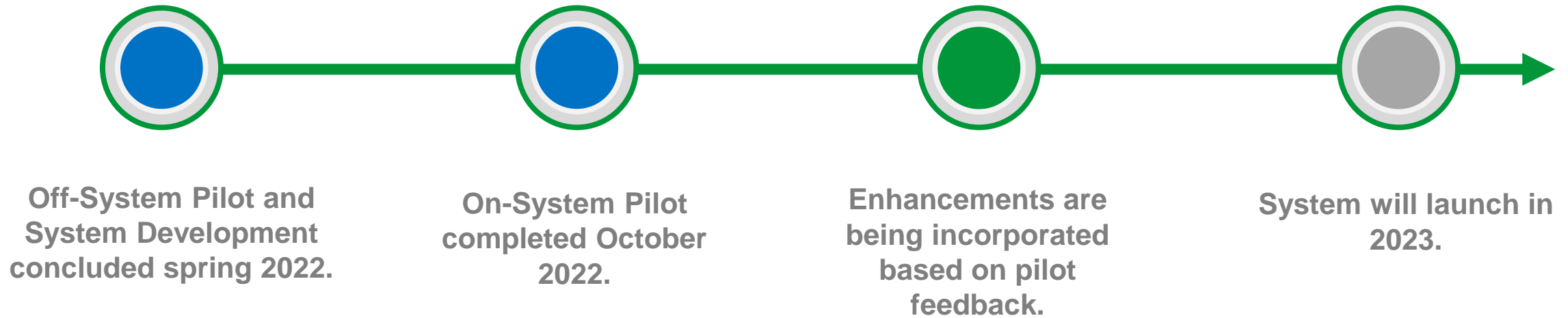


Support your internal sustainability ambitions

Use the assessment to understand where you are in comparison to the NHS priorities. This can be used to drive conversations regionally and globally to support business cases for sustainable investment, global target setting, and more.

Evergreen Pilot

Evergreen on-system pilot completed in October 2022, with approximately 70 suppliers volunteering to participate.



Frequently Asked Questions

 **What is the difference between CRPs and Evergreen?**



Carbon Reduction Plans



Evergreen Sustainable Supplier Assessment

Required?	Required for the April 2023 Milestone	Voluntary
Compliance level	Minimum compliance	For benchmarking an NHS supplier’s organisation, demonstrating leadership, and preparing the NHS supplier for longer term NHS milestones
Length	9 questions in Annex A of PPN Guidance	Approx. 100 questions
Data sharing	Publicly available	Data shared with NHS organisations and DHSC



What is the difference between CRPs and the Social Value Model?



Carbon Reduction Plans (PPN06/21)



Social Value Model (PPN06/20)

	Carbon Reduction Plans (PPN06/21)	Social Value Model (PPN06/20)
Required?	Required for the April 2023 Milestone	Required for the April 2022 Milestone
Stage of the procurement process it is applied?	Pre-qualification stage	Tender stage
Organisational level of sustainability the policy looks at?	Entity Level Sustainability	Contract Level Sustainability
Type of assessment	Pass/Fail	Minimum 10% tender weighting, scored based on the evaluation criteria



How will suppliers share their CRP information with the NHS?

Suppliers will be prompted for information on their CRP through the Selection Questionnaire as part of the procurement process.

These questions are publicly available in [Annex A of the PPN06/21 Guidance on Adopting and Applying PPN 06/21](#).

Annex A: Selection Criteria		
Selection Questionnaire		
1	Please confirm that you have detailed your environmental management measures by completing and publishing a Carbon Reduction Plan which meets the required reporting standard	Yes / No PASS / FAIL
Provide a link to your most recently published Carbon Reduction Plan here:		
2	Please confirm that your organisation is taking steps to reduce your GHG Emissions over time and is publicly committed to achieving Net Zero by 2050	Yes / No PASS / FAIL
Supplier Emissions Declaration:		
3	Baseline Year:	
	Scope 1:	
	Scope 2:	
	Scope 3:	
4	Reporting Year:	
	Scope 1:	
	Scope 2:	
	Scope 3:	



If I have done Evergreen, do I still have to do the CRP Questions?

Yes. It was not technically feasible to make them interact. For suppliers, this means that the process to comply with PPN 06/21 will be the same across government.

We are working with the Atamis development team to make the process as user-friendly as possible for those who will be using Atamis.



When will the CRP Functionality be available on Atamis?

The questions will be embedded into the procurement process, so NHS suppliers bidding for new contracts or frameworks will come across them as part of commercial engagement from April 2023.

Prospective NHS Suppliers should develop their CRP in advance of April 2023 so that they have the information to-hand when bidding for work with the NHS.

What have we covered in the session today?

1. Built an understand of the Net Zero Supplier Roadmap.
2. Taken a closer look at the Social Value Model.
3. Gained an in-depth understanding of the Apr2023 CRP requirements.
4. Had an introduction to the Evergreen Assessment and its timeline to launch.

Top Takeaways

1

Get Started on your Carbon Reduction Plan now

Start gathering the data, setting a target, and developing plans now.

Access the guidance on CRPs [here](#).

2

Sign up to a supplier CRP support webinar

[CCS CRP Supplier Training Webinar](#)

[NHS CRP Supplier Webinar](#)

3

Tell us about where you are in your preparing for the introduction of CRPs

Fill out the [readiness survey](#) – it should take about 10-15 minutes.

4

Register to get news about the Evergreen launch

Sign up to be the first to hear about Evergreen launch plans [here](#).

Thank you!

Any Questions?

england.ccf-sustainability@nhs.net

Useful links



NHS Procurement Transformation LinkedIn <https://lnkd.in/dKnegg37>



Sign-up to the Greener NHS bulletin [NHS England » Greener NHS](#)



Greener NHS supplier web page [Sustainable procurement - suppliers web](#)



Greener NHS Twitter [@GreenerNHS](#)



If you have any queries, please get in touch at england.ccf-sustainability@nhs.net