

# Sustainable Development Strategy 2013 – 2016

NHS Supply Chain

Embedding Sustainability through culture, capability, systems and procedures to deliver sustainable value and benefits for our NHS customers

Final | 1 October 2013

## Foreword: Nick Gerrard

### Sustainable Development Strategy 2013 - 2016

At NHS Supply Chain, Sustainable Development is part of our corporate responsibility. In the last six years, we've made meaningful and measurable progress in enhancing our sustainability credentials. We have worked incredibly hard to ensure NHS Supply Chain operations become more energy and fuel efficient, made great steps forward in waste reduction and recycling, pioneered ethical procurement in this sector and started to engage with our suppliers and customers to advance the sustainability agenda.

The next step for us is to further integrate this activity into our capability, systems and procedures so that sustainable behaviours are truly embedded into the culture of NHS Supply Chain and become simply 'how we do business'. This will support the delivery of lasting social, economic and environmental value to the NHS and showcase us as a partner of choice for our suppliers, customers and stakeholders.

There are many challenges ahead and we acknowledge there is much more to do in driving forward sustainable development. Energy reduction and fuel efficiency remain priorities but waste, water, efficient use of raw materials, supply chain resilience and adaptation to climate change are also imperative.

The publication of NHS Supply Chain's Sustainable Development Strategy 2013 - 2016 opens a new chapter on our journey. I'm proud that we are setting a route map for sustainable development and outlining some clear priorities on which to focus. NHS Supply Chain has defined five key sustainability themes that are most relevant to our business activities and where we are well placed to have a positive impact upon.

Our Sustainable Development Strategy 2013 - 2016 will see us continuing to work with our employees, customers, stakeholders and suppliers; taking action on carbon reduction, reducing waste, being a good steward of the world's natural resources, procuring and operating responsibly and ethically, as well as promoting activity to benefit our local communities and encouraging pride in our business.

I look forward to reporting on our progress as we implement and make this strategy 'live within the business'.

I would like to acknowledge and thank David Wathey at the Department of Health and Rob Young of NHSBSA with whom we have collaborated in the formulation of this strategy.



Nick Gerrard  
Chief Executive Officer  
NHS Supply Chain

# Sustainable Development Strategy 2013 – 2016

## Context and purpose

Our ability to provide a sustainable solution for the NHS is affected by the decisions we take now. NHS Supply Chain managers and decision makers have an opportunity, and a responsibility, to consider sustainability fully in order to drive continuous improvement and ensure sustainable growth for the future.

## What is sustainable development?

Sustainable development involves finding the balance between economic, social and environmental objectives to safeguard the wellbeing of future generations both locally, nationally and globally. It is often defined as:

“Development which meets the needs of the present generation without compromising the ability of future generations to meet their needs.”

**The Brundtland Commission 1987**

## Sustainable development

Our Sustainable Development objective in 2007 outlined a commitment that is as relevant now as it was then as we embark on a new Sustainable Development Strategy and set out our ambitions for the next four years. Key to this strategy is how we integrate sustainable development in the every day business decisions at NHS Supply Chain.

“We are committed to sustainability, and strive to ensure that activity within NHS Supply Chain takes full consideration of the environmental, social and economic impacts of our business thereby ensuring sustainable growth for the future.”

NHS Supply Chain Sustainable Development Strategy 2007

## The rationale for sustainable development

We have an important role to play in delivering sustainable value to the NHS and in realising opportunities for sustainable development through procurement and logistics. The current economic climate means financial savings are vital to the NHS but operational efficiency, risk mitigation, resilience, innovation, transformation and compliance are also essential components in the changing landscape of the NHS.

Unsustainable practices can become apparent as a range of negative financial, environmental, social, legal, and health impacts, for example:

- Rising or unpredictable operating costs (UK energy costs have risen by 25% since 2008 – source: DEFRA).
- Interruption to supply of goods and services (due to resource scarcity or raw material price rises).

- Detrimental health or social consequences (caused by pollution and environmental hazards)
- Damage to brand integrity, patient and customer confidence (through labour standards and worker welfare issues in product supply chains)
- Non-compliance with environmental legislation (having reputational or financial consequences)
- Inefficient technologies and processes (high operating and maintenance costs).

These factors emphasise the need for us to improve the sustainable approach to our value proposition and service delivery. As one of the biggest suppliers into the NHS, our size and scale means we can have a huge and positive impact on sustainability in the NHS.

## NHS Supply Chain

NHS Supply Chain is a contract for procurement and logistics. We provide patient-focussed healthcare products and supply chain services to the NHS.

Our end-to-end supply chain services incorporate procurement, logistics, eCommerce, and customer and supplier support. With our 2,400 employees, we manage procurement agreements that cover over 620,000 products ranging from bandages to baked beans, gloves to implants and even diagnostic equipment such as MRI scanners.

## Some key facts

- 246 National Framework Agreements
- Contract scope covers circa £5bn spend on:
  - Medical and non-medical consumables
  - Capital medical equipment.
- 60 frameworks tendered each year
- £72m worth of national stock holding
- 4.6m orders processed per year
- 204,294 consolidated customer invoices
- 375,000 consolidated customer deliveries
- 22,000 delivery points
- 10.5m miles travelled by our delivery vehicles each year
- 3.8m litres of fuel used each year
- Scope 1 and 2 carbon footprint of 13,000 tonnes of CO<sub>2</sub>e (2012)\*
- Targeted to deliver £1bn savings back to the NHS.

\*This does not include Scope 3 embedded carbon within the products we supply.

Making sustainable choices does not necessarily cost more and can deliver efficiency savings in how we do business. We have realised financial savings and cost-avoidance by optimising the efficiency of our own distribution network and supply chain.

Sustainable practices in procurement and logistics can lead to more stable and resilient supply chains, operational excellence and cost savings. A sustainable business is one where innovation and transformation thrives.

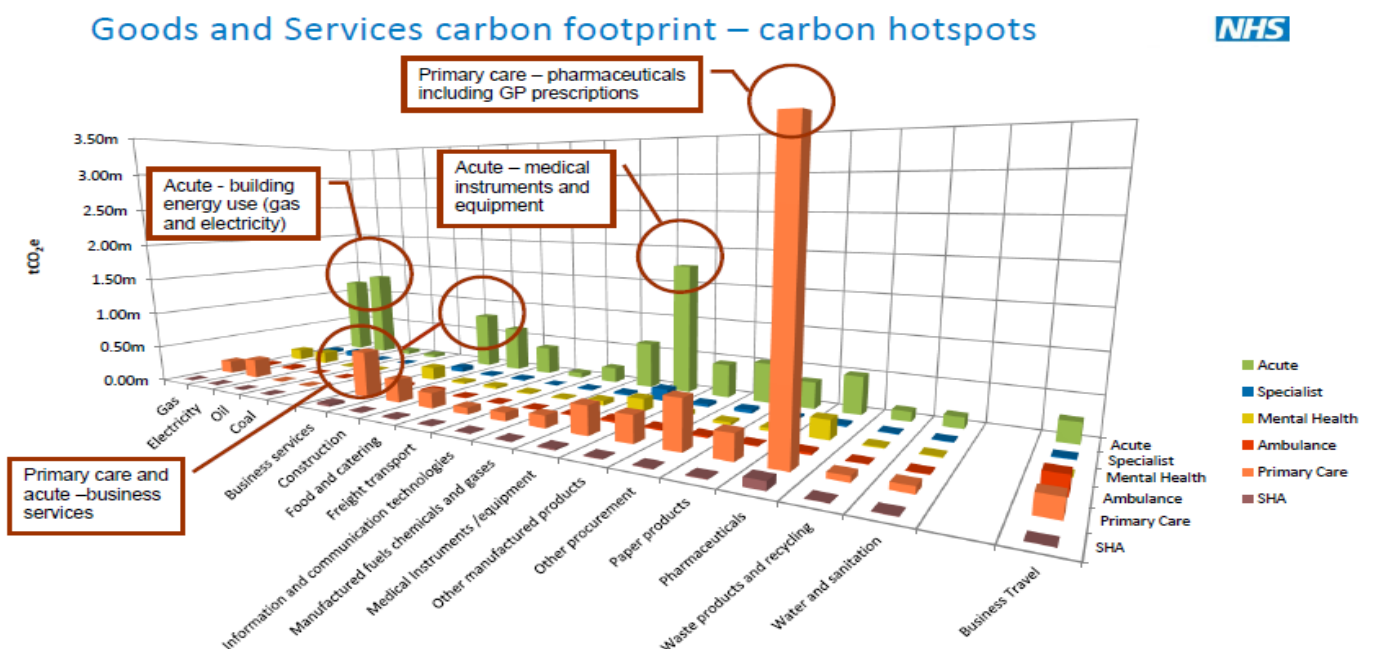
Our Sustainable Development Strategy helps to identify risk and opportunities in the supply chain of products supplied to the NHS. By identifying risks early in the procurement process we are in a better position to manage and reduce the potential impact to our customers in the NHS and maximise opportunities to be more sustainable. The supply chain of the NHS is global – and influenced by factors such as climate change, extreme weather, natural disasters, social unrest and labour standards issues. NHS Supply Chain Framework Agreements are designed to minimise and mitigate these risks and maximise value, opportunities and benefits for the NHS both financially and in sustainable development with our partners.

### NHS Sustainable Development Unit (NHS SDU) – strategy consultation

The NHS Sustainable Development Unit (NHS SDU) launched a consultation on a Sustainable Development Strategy for the NHS on 29 January 2013. The consultation, open until 31 May 2013, considered the need to deliver a strategy that is broader than the NHS and encompasses health, public health and social care.

There is recognition that the new strategy will build on the Carbon Reduction Strategy 2009 and will identify priority areas for the healthcare system to address in order to meet the challenging carbon reduction targets set in The Climate Change Act 2008.

The diagram below shows the re-cast carbon footprint of the NHS from the NHS SDU strategy document and highlights where carbon hot spots for goods and services exist in NHS England (2012).



**Figure 1** – Carbon hot-spots for goods and services in NHS England 2012 (Diagram taken from ‘Sustainable Development Strategy for the health, public health and social care system’ with permission from NHS Sustainable Development Unit)

Although carbon remains a key focus, the consultation will consider whether to measure 'sustainability' more broadly than through carbon reduction.

Taking this agenda forward will require efficiency and transformational change in order to deliver on challenging targets. Fig. 1 highlights the key role that procurement can play in reducing the carbon footprint of the NHS and making the health service more sustainable for future generations.

### **Background to NHS Supply Chain's Sustainable Development Strategy**

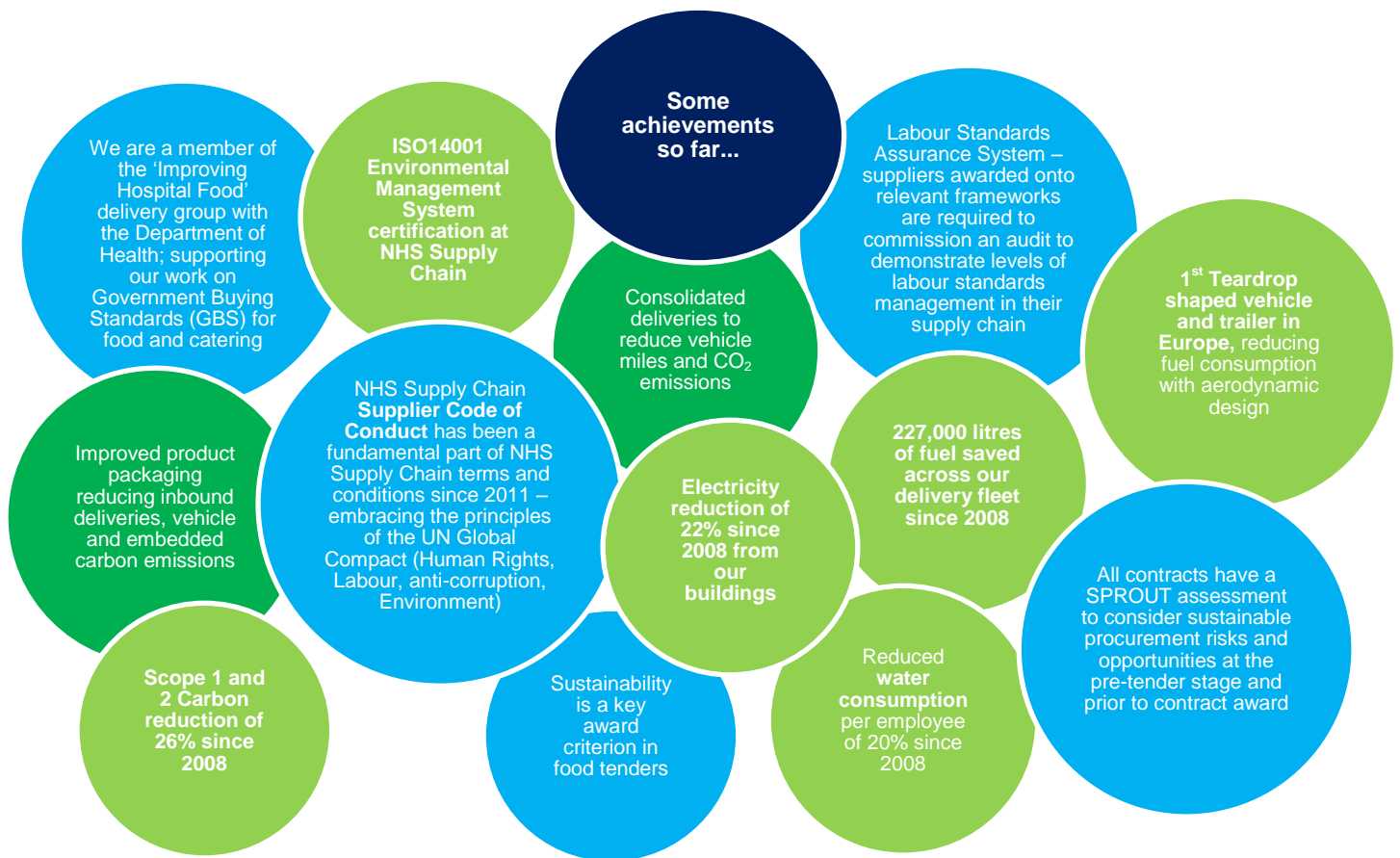
Since NHS Supply Chain's inception in 2006, the commitment to sustainability as a collaborative agenda with the NHS Business Services Authority (NHSBSA) has been protected within the Master Services Agreement (MSA) as NHS Supply Chain engages in:

"Joint strategic discussions with the NHSBSA to consider Government policy issues."

In support of this broad commitment, a Memorandum of Understanding (MoU) with the NHSBSA was put in place in 2007, recognising the importance of sustainable development activities as a way of improving sustainability in the NHS and delivering Government policy. The first MoU was agreed in February 2007 setting targets and objectives for NHS Supply Chain to achieve followed by a second edition agreed in 2010 designed to continue to drive the agenda to the end of 2012.

## What has NHS Supply Chain done to address sustainability?

Our achievements since 2007 include efficiencies in our distribution network, best practice in environmental management, innovation, the introduction of an ethical procurement approach, and food framework agreements that have sustainability credentials built into the evaluation. Sustainability is a key consideration for us at the strategy stage of our procurement process and at the award stage. Buyers must consider the risks, opportunities, impacts and benefits of each procurement exercise they undertake.



## Statutory, regulatory and policy drivers

Successive UK governments have authorised several Acts of Parliament and legislative documents which bring sustainability and environmental issues into statute, law and policy. Government appetite for sustainable development is borne out of a number of policy documents, guidelines and strategies that have been published in this area as well as legislation to support implementation.

The table on page 9 gives a summary of the wide ranging external influences we have considered in formulating this Sustainable Development Strategy. These influences range from UK legislation such as The Climate Change Act (2008) to UK Government policy and strategy in this area issued by government departments and agencies such as DEFRA and The Environment Agency. For more information please see appendix 1.3 on page 25.

Legal compliance is a key driver in sustainability and the context can be wide ranging from laws to protect the environment, human rights and worker welfare and health and safety as well as legislation to prevent bribery. Compliance with EU Public Procurement Regulations is also a factor as is the ability to drive sustainable initiatives in a legally compliant way. At a transnational level, the EU has been a driver over the past 40 years in progressing sustainable development and issuing policy statements, guidelines and directives on a range of issues from pollution and waste prevention to the protection of natural habitats and water quality.

There are also global influences to consider such as those driven by the United Nations (UN) on environmental and social issues as well as international standards for environmental management (ISO14001:2004) and the actions of the many campaign groups active in the sustainable development field.

In the healthcare sector, the BMA's Medical Fair and Ethical Trade Group has been a driver in improving labour standards in medical supply chains and building the case for considering ethical procurement of goods and services.



**Sustainable Development – NHS Supply Chain drivers for change:**

Rio Earth Summit 1992	ISO14001:2004	HM Treasury Sustainability Reporting Framework
MoU with NHSBSA on Sustainability	United Nations Environment Programme (UNEP)	DEFRA Business Plan (2013-2015)
Climate Change Act (2008)	United Nations Global Compact (UNGC)	NHS Operating Framework
Securing the Future (2005)	Procuring the Future (2006)	NHS Good Corporate Citizenship Model
Government Buying Standards	NHS Carbon Reduction Strategy (2009)	Public Services Social Value Act (2012)
NHS Standards of Procurement (2012)	CRC Energy Efficiency Scheme (2009)	Climate Change Adaptation
DHL GoGreen Environmental Protection Programme	Ethical Procurement for Health (EPH)	UN Guiding Principles on Business and Human Rights

**Figure 2 –** Legislative and other drivers for change

### Scope of the NHS Supply Chain Sustainable Development Strategy

Our work on sustainability is integral to the business from supply chain operations to procurement activity. It is a business wide strategy covering:

- Embedding sustainable behaviours in our employees
- Integrating sustainable practice and efficiency in our distribution network
- Working with suppliers and partners to drive sustainable development
- How we provide ‘sustainable value’ to the NHS
- The contribution we make to local communities.

Our main areas of focus are within our operations distribution network and in the procurement function. The purpose of this strategy is to cement a clear approach and to co-ordinate activity to deliver on ‘Our Commitments’ under the five themes outlined below. Key to its success is making sustainable development considered in all business decisions, by embedding a culture of environmental and social responsibility.

### The Five Theme approach



Figure 3 – The NHS Supply Chain ‘Five Theme’ approach to Sustainable Development

We are adopting a five-themed approach to our Sustainable Development Strategy to simplify the strategy and make it easier to engage with customers, stakeholders and employees.

The themes are aligned with established principles in sustainable development and to the needs of the NHS – which we hope will help customers and suppliers meet their sustainability objectives. We are building on our achievements so far and setting clear deliverables up to 2016.

We have benchmarked ourselves against comparable organisations and engaged with stakeholders from the Department of Health, NHS customers, central government, suppliers and the private sector to formulate this approach.

Our commitments under each theme relate back to our original Sustainable Development Strategy (2007) where we promised to take action on issues surrounding the environmental, social, and economic impacts of our business activities.

### Carbon

CO<sub>2</sub> is a naturally occurring greenhouse gas; its concentration in the atmosphere is increasing as a result of human activities from fossil fuel burning from energy use in buildings, vehicle emissions and manufacturing.

Understanding where CO<sub>2</sub> occurs in the supply chain represents an opportunity to reduce emissions, control costs, identify efficiency savings and influence the factors that contribute towards climate change.

**Our commitment:** To reduce emissions of carbon and other greenhouse gases (CO<sub>2</sub>e) in our business activities and embedded within the goods and services supplied to our customers.

### Waste

The latest DEFRA figures show the UK produced approximately 228,000,000 tonnes of waste in 2011.

Understanding where waste occurs in our business and in the supply chain and taking steps to reduce it can minimise the waste burden on customers and the costs associated with disposal, it also reduces the amount of waste we send to landfill.

**Our commitment:** To minimise waste in the supply chain through packaging optimisation, re-use, recycling, recovery and remanufacture.

## Natural Resources

Respect for the natural environment is a key component of sustainable development. Exploitation of finite resources and the environment will ultimately lead to scarcity of supply, price volatility and supply chain instability.

In order to maintain supply and service, we will operate and procure in a way that focusses on the preservation and effective management of natural resources, such as timber, palm oil and water.

**Our commitment:** To ensure resources are managed so our supply chain is resilient and minimises the impact on the environment.

## Ethics and Responsibility

We are committed to managing ethical issues, ensuring compliance with all relevant legislation, and fostering transparency through the supply chain thereby bringing a greater level of due diligence.

As one of the largest suppliers of food to the NHS, this commitment includes the promotion of responsible nutrition and responsible food sourcing.

**Our commitment:** To procure and operate responsibly, making labour standards, responsible food sourcing and nutrition and Health and Safety key components of our business strategy.

## Community

As a national organisation we aim to benefit our local communities – to encourage pride in our business, support fundraising activity and develop our employees' skills and competencies.

We acknowledge the government targets for Small Medium Enterprise (SME) suppliers and the need to reduce barriers to participation and support skills and employment within our supply chain where relevant and practical.

**Our commitment:** To benefit our local communities – to encourage pride in our business, support fundraising activity and community engagement as well as developing employee skills and competencies.

## Strategy delivery

‘Our commitments’ under each theme will be delivered by shared ownership and activities across the business.

Some of the key work-stream areas are outlined below. They are designed to deliver change and improve how sustainability is embedded into ‘business as usual’ activity at NHS Supply Chain.

Carbon		
Action	Outcome / Deliverable	Accountability
We will focus on a number of priority contract areas* including Paper Hygiene, Continence, Wound Care and Dressings, Hearing Aids and work with our suppliers to reduce the embedded carbon in products we supply to the NHS and mitigate carbon intensity.	Reduction in embedded carbon of goods procured through NHS Supply Chain.	Ethical and Sustainability Manager / Procurement Sustainability Champions
We will pilot a process where energy efficiency of Electrical Medical Equipment is considered in the procurement process. We will demonstrate value to the NHS in cost and carbon savings.	Information on energy efficiency of Electro-medical equipment is available to customers.	Ethical and Sustainability Manager / Procurement Sustainability Champions
We will increase the energy efficiency of our distribution network buildings. We will reduce energy consumption and increase efficiency.	Reduced CO2e emissions from NHS Supply Chain buildings by 2.5%** year on year.	Operational Sustainability Manager / Site General Managers
We will increase the efficiency of our transport fleet that deliver orders to NHS customers.	Reduced direct CO2e emissions from NHS Supply Chain transport by 2.5%** year on year.	Operational Sustainability Manager / Site Transport Managers
We will engage with employees on initiatives to reduce emissions from business travel, providing the tools and knowledge to choose more sustainable travel choices.	Reduction in business travel and related direct CO2e emissions.	HR / Internal Communications

\* Priority contract areas for focus on carbon intensity have been determined through SCO2PE analysis

\*\*CO2 per £million revenue

## Waste

Action	Outcome / Deliverable	Accountability
We will work with suppliers to reduce the use of raw materials in product packaging, and with suppliers to optimise the supply chain to reduce inbound vehicle deliveries.	Removal of 2,000 tonnes of packaging material and reduced supplier transport.	Strategic Sourcing / Inbound logistics
We will work with suppliers within the textile and furniture categories to maximise opportunities for recovery, re-manufacture, recycling and re-use.	Enhance sustainable practice of suppliers within categories.	Ethical and Sustainability Manager / Procurement Sustainability Champions / Buyer
We will reduce the total amount of waste we create as a business.	Reduced waste creation of 2.5% year on year from our offices and distribution sites.	Operational Sustainability Manager / Site General Managers
We will reduce the amount of waste sent to landfill by improving recycling and recovery rates, working in partnership with our waste suppliers to achieve this aim.	Zero waste to landfill by 2016, publish recycling and recovery rates.	Operational Sustainability Manager / Site General Managers
We will reduce the waste burden on the NHS by improving packaging and investigating waste reduction opportunities.	Reduction in the waste burden on NHS customers by improved supply chain solutions.	Operational Sustainability Manager

## Natural Resources

Action	Outcome / Deliverable	Accountability
We will work with the Department of Health on supply chain resilience to safeguard critical supplies and plan for future sustainability risks.	Projects/work areas/activities to enhance supply resilience of critical goods.	Ethical and Sustainability Manager
In timber-related contract areas*, we will build compliance with UK Timber Procurement Policy and EU Timber Regulations into contracting and supplier relationship management.	Compliance with UK Timber Procurement Policy is built into NHS Supply Chain contract conditions for relevant products.	Ethical and Sustainability Manager / Procurement Sustainability Champions / Buyers / Contracting Managers
We will support the government's pledge to achieve sustainable palm oil within food and other products by 2015 through supplier engagement within relevant contract areas.	Making information on palm oil within NHS products available to customers.	Ethical and Sustainability Manager / Procurement Sustainability Champions / Food Buyers
We will increase the water efficiency of our business – reducing water wastage, and improving processes that are water-intensive.	Reduced water use of 2.5% per employee year on year.	Operational Sustainability Manager / Site General Managers
We will maintain an externally certified Environmental Management Systems (EMS) to ISO14001:2004 standards.	Improved operating procedures and continual improvement to minimise our impact on the environment.	Operational Sustainability Manager
We will ensure 'adaptation to climate change' is included in our business continuity plans.	Manage potential interruption to service as a result of adverse weather conditions and other impacts from climate change.	Operational Sustainability Manager / Operations Compliance Manager

\*The contract areas include Paper Hygiene, Office Furniture, Ward and Residential Furniture and Paper products.

## Ethics and Responsibility

Action	Outcome / Deliverable	Accountability
<p>We will promote Government Buying Standards for Food and Catering and work to encourage uptake with the NHS.</p>	<p>Make available to customers information on compliance with GBS of all food contracts.</p>	<p>Ethical and Sustainability Manager / Procurement Sustainability Champions / Food Buyers / Marketing</p>
<p>We will deliver the 'Improving Hospital Food' work stream objectives agreed with the Department of Health and other stakeholder groups.</p>	<p>Improve sustainability and nutritional credentials of hospital food procured through NHS Supply Chain.</p>	<p>Ethical and Sustainability Manager / Procurement Sustainability Champions / Food Buyers</p>
<p>We will introduce Labour Standards Assurance System (LSAS) into our procurement process within relevant contract areas where there are predictors or evidence of labour standards issues within the supply chains.</p>	<p>High priority areas have contract conditions built into the tender around labour assurance. Awarded suppliers are managing labour standards risks and committed to continual improvement.</p>	<p>Ethical and Sustainability Manager / Procurement Sustainability Champions / Buyers</p>



## Community

Action	Outcome / Deliverable	Accountability
We will work in partnership with organisations that support and promote skills and training initiatives and encourage employee involvement.	Employee involvement in external initiatives such as Prince's Trust, Outward Bound, Go Teach, Go Help.	Internal communications / HR
We will engage employees to support fundraising activities at offices and sites.	Support for local communities, encourage pride in our business.	Internal communications / HR
We will achieve government targets on SME representation in public contracts (including first tier and second tier suppliers).	25% of awarded suppliers are SMEs and there is increased transparency of 2nd tier suppliers.	SME work stream
We will work in partnership with SMEs to understand how we can identify and remove any barriers to trade.	Ongoing dialogue with SMEs and increased number of awards to this sector.	SME work stream

Each commitment will have a range of necessary and prioritised actions to enable us to further embed sustainability.

Continuing to develop in a sustainable way requires the co-operation, collaboration and support from employees, suppliers and stakeholders although specific accountability lies with the individuals outlined above and the NHS Supply Chain Executive Board. An action plan will enable progress to be tracked on each project.

### Overarching commitments

Underpinning the five themes is a list of overarching commitments that demonstrate how sustainability is being embedded within our business as well as the recognition that our activities have benefits to our NHS customers.

We are not aiming to do anything bold – our aim is to build on our achievements in sustainable development and continually improve. Initial focus for the business will be on communication of the five themes of the strategy and capability building within functional teams, particularly procurement and operations, so employees know how to address these issues.

The overarching commitments recognise that giving our employees the tools and training on sustainability as well as capability building with our suppliers are essential for this agenda to progress.

Being transparent and communicating the benefits internally and externally remains a key objective. The aim of our Sustainability Report is to capture progress on sustainability initiatives and demonstrate the value and opportunity for the NHS.

Finally, the overarching commitments emphasise the responsibility that is outlined in our Master Services Agreement with NHSBSA, that of engaging in:

‘joint strategic discussions with the NHSBSA to consider Government policy issues.’

Sustainable Development will continue to be a collaborative partnership agenda with the NHSBSA and the Department of Health - building on the achievements since the creation of NHS Supply Chain.

## Overarching commitments

- Communicate our Sustainable Development Strategy and key objectives to all employees and key stakeholders including suppliers and NHS trusts.
- Deliver UK Government policy on Sustainability.
- Support UK Government projects and consultations on sustainable development.
- Enhance capability and training for employees on sustainability.
- Undertake capability building with our suppliers on relevant sustainability issues.
- Adopt and support implementation and uptake of Government Buying Standards for relevant contract areas.
- Recognise and reward sustainability best practice for: suppliers, employees, NHS trusts.
- Trial new technologies and encourage innovation to deliver sustainable benefits.
- Increase transparency of sustainability initiatives and benefits.
- Support the NHS by helping trusts deliver their sustainability objectives when trading with us.
- Highlight the scope for trusts to realise these sustainability objectives when procuring via NHS Supply Chain – e.g. efficiency, cost saving, risk mitigation, increased due diligence.

## Monitoring and measurement

Our strategy has been developed in partnership with NHS Supply Chain colleagues, partner organisations and with support from the Department of Health and the NHSBSA. The strategy and commitments aligns to NHSBSA strategy on Corporate Social Responsibility. The factors influencing our strategy have been explained throughout this document – our aim is for this strategy to drive the next stage of sustainable development at NHS Supply Chain; on our journey to a sustainable NHS. The implementation of this strategy requires coordination and cooperation both internally in NHS Supply Chain, and externally with customers, suppliers, and stakeholders.

## Governance regime, review of performance and reporting

Sustainable Development at NHS Supply Chain benefits from the support of our Executive Board and also from a board sponsor. The board sponsor for sustainability champions this agenda with our Executive team and ensures sustainability gets the right amount of visibility on the Board's agenda.

To ensure we are on the right path in terms of sustainable development, we will review our performance regularly both internally and externally. First and foremost are the joint discussions with the NHSBSA. These discussions take the form of quarterly reviews and include the NHSBSA, Department of Health and NHS Supply Chain. Performance against our commitments will be scrutinised with opportunities for collaboration and improvement discussed.

Where possible we will report quantitatively on progress – such as our carbon emissions, energy use, and waste recycled; where this is not possible we will report our progress in qualitative terms, such as added value, risk mitigation, and improved supply chain resilience.

**Sustainability Report:** We will produce a Sustainability Reports. This report will be published externally and provide a review of all activity at NHS Supply Chain contributing toward our Sustainable Development Strategy. The report will be reviewed and verified by stakeholders, peers, and partners, in addition to internal groups and senior management.

**NHS Supply Chain Executive Board:** Performance and projects will be reviewed regularly by the NHS Supply Chain senior management team. It is vital that senior management have visibility and ownership of sustainable development to help drive this agenda within their teams and functions at NHS Supply Chain. It is also vital that the benefits and value gained from sustainable development are communicated internally and externally with NHS organisations and customers.

**NHS Supply Chain Work-Stream Champions:** In order for Sustainability to be integrated and embedded within the business, it is also essential that it is included in the roles and responsibilities of our Senior Managers, Work-stream Champions and Leads.

**The Customer Board and The Medical Supplier Board:** We will use both these groups to communicate significant activity and benefits arising from the Sustainable Development Strategy. We will use The Medical Supplier Board as a pre-engagement forum to brief our suppliers on forthcoming sustainable and ethical activity relevant to the NHS Supply Chain contract portfolio. The Customer Board will function more as a consultative forum and one that will be utilised to communicate progress in sustainability to crucial stakeholders in the NHS.

**Sustainability Work-Stream and Procurement Champions:** Representatives from procurement have been nominated as Sustainability Procurement Champions to help embed sustainable practice and deliver our strategy commitments within the Clinical, Consumables and Capital trading functions. The Sustainability work-stream is a key element of the World Class Procurement (WCP) programme within NHS Supply Chain.

**External working groups:** Examples include the NHS Sustainable Procurement Forum (NHS SPF), The Medical Fair and Ethical Trade Group (MFETG), The East Midlands NHS Sustainability Network, The National Procurement Council, The Public Procurement Ethical Sourcing Working Group and NPAG Sustainability Best Value Group.

**External Monitoring and Certification:** NHS Supply Chain's environmental management system is certified to ISO14001:2004 and forms the basis of operational procedures, control, continuous improvement and compliance within our operations. This management system is audited annually by an external certification body, and internally by the Network Audit Team.

**Website and Case Studies:** A key component of our new strategy is to ensure the opportunities and value from sustainable development are realised within the NHS. As we progress further along our journey we will produce case studies to inform customers how they can gain value from NHS Supply Chain and about good practice in sustainability. Our website will provide a live platform to communicate with customers and stakeholders and will play an important role along with social media.

For more information about our Sustainable Development Strategy and to see regular updates please visit the NHS Supply Chain website at:

<http://www.supplychain.nhs.uk/about-us/sustainability/>

Or follow us on Twitter [@NHSSupplyChain](https://twitter.com/NHSSupplyChain)

## Appendix 1.1

### Acronyms and abbreviations

CO <sub>2</sub>	Carbon Dioxide
CO <sub>2</sub> e	Carbon Dioxide Equivalent
CRC	Carbon Reduction Commitment
DEFRA	Department for Environment, Food and Rural Affairs
EMS	Environmental Management Systems
EU	European Union
GBS	Government Buying Standards
ISO	International Organisation for Standardisation
MoU	Memorandum of Understanding
MSA	Master Services Agreement
NHSBSA	NHS Business Services Authority
NHS SDU	NHS Sustainable Development Unit
OJEU	Official Journal of the European Union
SPROUT	Sustainable Procurement Risk and Opportunity User Tool
UN	United Nations

## Appendix 1.2

### Useful web links and sources

#### Acts and regulations

The Climate Change Act 2008

<http://www.legislation.gov.uk/ukpga/2008/27/contents>

#### Publications

The Brundtland Commission 1987

[http://conspect.nl/pdf/Our\\_Common\\_Future-Brundtland\\_Report\\_1987.pdf](http://conspect.nl/pdf/Our_Common_Future-Brundtland_Report_1987.pdf)

Carbon Reduction Commitment Energy Efficiency Scheme

<https://www.gov.uk/crc-energy-efficiency-scheme>

Defra Business Plan 2013-2015

<http://www.defra.gov.uk/news/2010/11/08/business-plan/>

Ethical Procurement for Health Workbook

<http://www.ethicaltrade.org/ethical-procurement-for-health>

Government Buying Standards

<http://sd.defra.gov.uk/advice/public/buying/>

HM Treasury Sustainability Reporting

[http://www.hm-treasury.gov.uk/frem\\_sustainability.htm](http://www.hm-treasury.gov.uk/frem_sustainability.htm)

NHS Carbon Reduction Strategy

<http://www.sdu.nhs.uk/publications-resources/3/NHS-Carbon-Reduction-Strategy/>

NHS Good Corporate Citizenship Model

<http://www.corporatecitizen.nhs.uk/>

NHS Standards of Procurement 2012

<https://www.gov.uk/government/publications/nhs-procurement-standards>

NHS Sustainable Development Unit – ‘Sustainable Development Strategy for the health, public health and social care system.’

[http://www.sdu.nhs.uk/documents/resources/SDS\\_Final\\_Med\\_Res.pdf](http://www.sdu.nhs.uk/documents/resources/SDS_Final_Med_Res.pdf)

NHS Supply Chain Supplier Code of Conduct

[http://www.supplychain.nhs.uk/suppliers/code-of-conduct/~/\\_media/Files/Misc/NHS%20Supply%20Chain%20Supplier%20Code%20of%20Conduct.ashx](http://www.supplychain.nhs.uk/suppliers/code-of-conduct/~/_media/Files/Misc/NHS%20Supply%20Chain%20Supplier%20Code%20of%20Conduct.ashx)

The Operating Framework for the NHS in England 2012-2013

<https://www.gov.uk/government/publications/the-operating-framework-for-the-nhs-in-england-2012-13>

Public Services (Social Value) Act 2012

<http://www.legislation.gov.uk/ukpga/2012/3/enacted>

[http://www.socialenterprise.org.uk/uploads/files/2012/03/public\\_services\\_act\\_2012\\_a\\_brief\\_guide\\_web\\_version\\_final.pdf](http://www.socialenterprise.org.uk/uploads/files/2012/03/public_services_act_2012_a_brief_guide_web_version_final.pdf)

Securing the Future (2005)

<http://archive.defra.gov.uk/sustainable/government/publications/uk-strategy/>

United Nations Environment Programme Sustainable Procurement Initiative

<http://www.unep.fr/scp/procurement/>

United Nations Global Compact

<http://www.unglobalcompact.org/>

Procuring the Future (2006)

<http://www.defra.gov.uk/publications/files/pb11710-procuring-the-future-060607.pdf>

Rio Earth Summit 1992

<http://www.un.org/geninfo/bp/enviro.html>

## Public bodies

Department of Energy and Climate Change (DECC)

<https://www.gov.uk/government/organisations/department-of-energy-climate-change>

DEFRA Department of the Environment, Food and Rural Affairs

<https://www.gov.uk/government/organisations/department-for-environment-food-rural-affairs>

The Environment Agency

<http://www.environment-agency.gov.uk/homeandleisure/climatechange/>

The Department of Health

<https://www.gov.uk/government/organisations/department-of-health>

## Miscellaneous

'The Human Cost of Healthcare' –Film released 2012

<http://bma.org.uk/news-views-analysis/in-depth-fair-medical-trade>

ISO14001

<http://www.iso.org/iso/home/standards/management-standards/iso14000.htm>



## Appendix 1.3

### Drivers for change in Sustainable Development

Item	Description
<p>Rio Earth Summit 1992</p>	<p>The United Nations Conference on Environment and Development (UNCED) is also known as 'The Rio Earth Summit' and was a major UN conference held in Brazil to discuss environmental protection and sustainable development. 172 governments attended the summit as well as 2,400 representatives of NGOs (non-governmental organisations). The conference led to the adoption of Agenda 21, a blueprint for action to achieve sustainable development worldwide. The Rio Declaration on Environment and Development was also published along with agreement on 'Forest Principles,' a Statement of Principles for a Global Consensus on the Management, Conservation and Sustainable Development of all types of forests.</p> <p>In 2012, the United Nations Conference on Sustainable Development was also held in Rio and is commonly known as 'Rio+20.'</p>
<p>MoU with NHSBSA on Sustainability</p>	<p>Our Memorandum of Understanding with NHSBSA has been key to how we have driven Sustainable Development since 2007. We have had a collaborative partnership and dialogue with Rob Young of NHSBSA and David Wathey at the Department of Health on this agenda with the MOU being the vehicle for how we have delivered UK government policy on Sustainability and communicated the benefits to our customers in the NHS.</p>
<p>Climate Change Act (2008)</p>	<p>The Climate Change Act (2008) set legally binding targets for the reduction of Greenhouse Gas Emissions (GHG) by 34% by 2020 increasing to 80% by 2050. The current trajectory of the NHS is an achievement of 9.8% by 2020. Since 2009 under the Carbon Reduction Strategy, the NHS has delivered a 2% cut in carbon footprint with an 11% increase in activity so there is more work to be done to get nearer to the mandatory targets in the Climate Change Act.</p>
<p>Securing the Future (2005)</p>	<p>Securing the Future 2005 – the UK Government's strategy for Sustainable Development was published in 2005 and had DEFRA as the lead Department. They chair a Board for delivery of the strategy which builds on the global push for Sustainable Development from the World Summit in Johannesburg in 2002.</p>

ISO14001(2004)	A global set of core environmental management standards designed to help organisations minimise and control their impact on the environment.
United Nations Environment Programme (UNEP)	UNEP is a global institution that co-ordinates United Nations environmental activities. At the Rio+20 Earth Summit in June 2012, UNEP launched The Sustainable Procurement Initiative; a voluntary initiative asking governments and institutions to support sustainable practices through regulations and frameworks.
United Nations Global Compact (UNGC)	The United Nations Global Compact is a UN initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies and to report on their implementation. The Global Compact is a framework for businesses stating 10 principles in the areas of human rights, labour, environment and anti-corruption. The UN Global Compact is a platform convening companies together with UN agencies, labour groups and civil society in order to bring the 10 principles into mainstream business activities around the world.
Procuring the Future (2006)	Building on the ambitions set out in the UK governments Sustainable Development Strategy in 2005, a Sustainable Procurement Task Force (SPTF) was set up and jointly funded by The Treasury and DEFRA. The group was established under the direction of Sir Neville Simms, a leading private sector proponent of sustainability. The resulting National Action Plan: 'Procuring the Future', delivered its findings and recommendations on 12 June 2006 as to how procurement could support the wider social, economic and environmental objectives of the UK government.
NHS Carbon Reduction Strategy (2009)	NHS Carbon Reduction Strategy – sets an ambition for the NHS to help drive change towards a low carbon society. The strategy shows the scale of change required to meet the Climate Change Act (2005) targets and for it to become a low carbon organisation.
CRC Energy Efficiency Scheme (2009)	Carbon Reduction Commitment Energy Efficiency Scheme (2009) – a mandatory scheme aimed at improving energy efficiency, encouraging good energy management strategies and cutting GHG emissions in large private and public sector organisations.
Ethical Procurement for Health (EPH)	Ethical Procurement for Health – Guidelines produced in 2011 by ETI (Ethical Trading Initiative) and the British Medical Association (BMA) in collaboration with the Department of Health to assist healthcare procurers to consider the labour standards and worker welfare of people employed in the supply chain.

<p>Government Buying Standards</p>	<p>Government Buying Standards – key categories where DEFRA have developed standards and guidelines as part of a cross governmental steering group to enable the public sector to buy more sustainably.</p>
<p>NHS Standards of Procurement (2012)</p>	<p>NHS Standards of Procurement – the document produced by Department of Health in 2012 which provides a clear vision of good procurement and makes reference to ‘Sustainable Procurement’ and ‘Encouraged Enterprises.’</p>
<p>HM Treasury Sustainability Reporting Framework</p>	<p>As part of its sustainable development strategy the Government encourages both companies and public bodies, including NHS trusts, to disclose their sustainability and environmental performance via their annual reports and accounts.</p> <p>This is part of the process of making the NHS more financially and environmentally sustainable.</p>
<p>United Nations Guiding Principles (UNGP)</p>	<p>The United Nations Guiding Principles on Business and Human Rights are a global standard for addressing the risk of adverse impacts on human rights linked to business activity. The three pillar framework ‘Protect, Respect and Remedy’ was issued on 16 June 2011 and endorsed by the UN Human Rights council. The UNGP are also informally referred to as the ‘Ruggie Principles’ or ‘Ruggie Framework’ due to the influence of Professor John Ruggie, Professor of Human Rights at Harvard and UN Special Representative for Business and Human Rights.</p>
<p>DEFRA Business Plan (2013-2015)</p>	<p>DEFRA Business Plan 2013 - 2015. The document published articulating UK Government priorities on Sustainability: 1) to support a strong and sustainable green economy, 2) encourage sustainable food production and British farming 3) help to enhance the environment and biodiversity.</p>
<p>NHS Operating Framework</p>	<p>NHS Operating Framework – sets out the business and planning arrangements for the NHS. The Operating Framework for the NHS in England 2012/13 references the need to deliver sustainable change and sustainable improvement.</p> <p>The previous operating framework for the NHS in England 2011/12 made specific reference to the consideration of Government Buying Standards for Food and Catering.</p>
<p>NHS Good Corporate Citizenship Model</p>	<p>Good Corporate Citizenship follows the five principles of the UK Sustainable Development Strategy, Securing the Future (2005). ‘Corporate Citizenship’ considers the contributions organisations make to sustainable development; environmental management, corporate social responsibility and sustainability strategy. The Good Corporate Citizenship Assessment Model is a tool to help NHS organisations understand how they can contribute to sustainable development and put economic, social and environmental considerations at the heart of decision-making.</p>

<b>Public Services Social Value Act (2012)</b>	<p>The Public Services (Social Value) Act 2012 became law on 8 March 2012. From 31 January 2013 the Act is 'live' and for the first time places a duty on public bodies to consider social value ahead of a procurement. The Act only applies to procurements for the provision of services. Under the new legislation, consideration must be given at the pre-procurement stage to how the services commissioned and procured might improve the economic, social and environmental well-being of an area.</p>
<b>Climate Change Adaptation</b>	<p>Dealing with the consequences of climate change is “adaptation” whilst dealing with the causes of climate change is “mitigation.” Many government departments and agencies have a role in mitigation and adaptation to climate change. These include; The Department of Energy and Climate Change (DECC) which leads the government’s climate change mitigation policy, DEFRA leads on domestic adaptation policy through its influence over certain sectors of the economy. In addition, The Environment Agency has taken on a new role as the Climate Ready Support Service and will provide advice and support to organisations in key sectors to help them build resilience to climate change.</p>