

Sustainable Development Report 2012-13



An introduction from our Chief Executive Officer, Nick Gerrard

Since we last published a Sustainability Report in August 2012, we have seen a step change at NHS Supply Chain. Autumn 2013 saw the publication of our Sustainable Development Strategy 2013-2016 which set out our goals and ambitions for the next four years in this area.

Such milestones require us to reflect on how far we have come. This report will look back at our achievements in operational efficiency, activity within our procurement function to drive sustainable development and the community activity and fundraising we have all been a part of. This report reinforces that NHS Supply Chain has an important role to play in delivering sustainable value to the NHS and in helping NHS customers to realise opportunities for sustainable development through procurement and logistics.

The challenges for the NHS and the UK economy remain. For NHS trusts, the focus on delivering savings within non-pay spend is paramount. Procurement departments within the NHS are facing this challenge on a daily basis. Financial savings in the unit cost of goods are extremely important and there are also broader long-term opportunities for efficiency, reducing waste, whole-life costing, energy reduction and fuel efficiency, supply chain resilience, procuring and operating responsibly and ethically which are all imperative to ensure the NHS is sustainable. I'm pleased to say our Sustainable Development Strategy supports all of these long term opportunities.

I look forward optimistically knowing our commitment to sustainability and being a good corporate citizen is unwavering as is our commitment to being a partner of choice for our customers, suppliers and stakeholders as we progress on our Sustainable Development journey.

Kindest regards



Nick Gerrard
Chief Executive Officer
NHS Supply Chain



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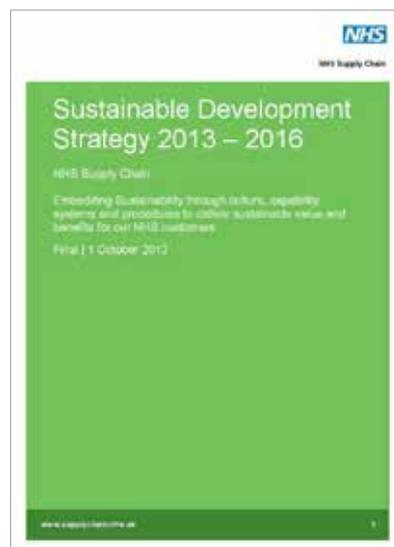
Key achievements in 2012-13

We have demonstrated real progress in a number of key areas across procurement, operations and in our corporate social responsibility (CSR) agenda.

- Absolute carbon reduction of 16% compared to our baseline of 2008.
- Recycled over 7,200 tonnes of waste since 2008.
- Supported customers with waste management through waste backhaul pilot projects.
- Supported the 'Improving Hospital Food' initiative with the Department of Health to promote and encourage compliance with Government Buying Standards for Food and Catering.
- Managing over 70 suppliers through NHS Supply Chain's Labour Standards Assurance System (LSAS) which assists suppliers to embed systematic approaches to labour standards management in their supply chains.
- Introduced compliance with UK Timber Procurement Policy into the Framework Agreements for Office Furniture and Ward and Residential Furniture.
- Assessed 181 Business Cases and 101 Contract Awards using the Sustainable Procurement Risk and Opportunity User Tool (SPROUT) methodology.
- Taken a risk-based approach to assessing our contract portfolio to identify additional product categories where ethical procurement should be a consideration. We have also briefed these contract areas to NHS Supply Chain's Medical Market Supplier Board as part of the market engagement process.
- Conducted training and awareness-raising for relevant buyers across procurement to address Energy Efficiency of Medical Devices, Government Buying Standards for Food and Catering, Timber and Palm Oil as well as Ethical Procurement and Labour Standards.
- Raised £28,893.67 in fundraising for our charities of choice in 2013.
- Supported community initiatives and projects to engage our employees.
- Supported UK and global sustainability events such as World Environment Day, NHS Sustainability Day of Action and Climate Week with activities to promote more sustainable behaviours.

Introducing our Sustainable Development Strategy 2013 - 2016

Building on previous achievements in sustainability and setting a route map for the next four years, NHS Supply Chain launched our Sustainable Development Strategy this year. For 2013-2016, we have outlined a clear set of objectives to further embed sustainability within our business.



Our five themes articulate our priorities in sustainability and corporate social responsibility (CSR). To read our strategy in full, please visit our website www.supplychain.nhs.uk/sustainablestrategy

Key issues affecting our business

Our five key themes define what is most relevant to our business activities and where we are best placed to make the biggest impact. We measure ourselves against commitments under these five themes outlined in our Sustainable Development Strategy 2013-2016.

These commitments focus on the **key issues for the business** and against which we are bound to report. They represent operational targets and also where we are focusing our efforts in procurement. As well as being imperative to NHS Supply Chain, these issues are important to the NHS itself and therefore procuring through our framework agreements can help to realise:

- Carbon efficiency through transport consolidation and supply chain optimisation.
- Opportunities to remove waste from the supply chain.
- Supply chain resilience and consideration for natural resources.
- Increased due diligence and management of labour standards issues through our ethical procurement initiative.
- A level playing field for SMEs.

We have outlined below what we have been doing to progress our sustainable development commitments

What's important to the NHS is important to us.

We've improved our carbon efficiency by **33%** since 2008



Carbon

To reduce emissions of carbon and other greenhouse gases CO₂e in our business activities and the goods and services supplied to our customers.

What have we been doing?

- Increasing the efficiency of our operations and transport fleet.
- Considering energy and in-use costs in the procurement of Electrical Medical Equipment.
- Promoting sustainable behaviours and travel choices.

We've recycled over **7,200** tonnes of waste since 2008



Waste

To minimise waste in the supply chain giving consideration to packaging optimisation as well as opportunities for re-use, recycling, recovery and remanufacture.

What have we been doing?

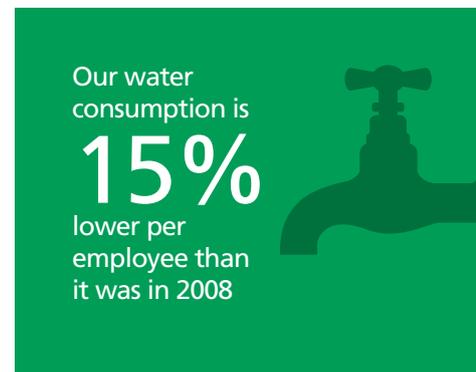
- Reducing the waste burden on the NHS through packaging reduction and waste backhaul initiatives.
- Piloting recycling and re-use opportunities of NHS Textiles.
- Reducing waste and improving recycling.

Natural resources

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

What have we been doing?

- Conducting training and building capability with our procurement team on sustainable timber and palm oil.
- Continual improvement to minimise our impact on the environment through our environmental management system and certification to ISO 14001.
- Increasing the water efficiency of our business.



Ethics and responsibility

To procure and operate responsibly giving consideration to the following: labour standards, responsible nutrition and responsible food sourcing as well as health and safety.

What have we been doing?

- Progressing ethical procurement and labour standards assurance into relevant procurements.

Our plan to 2016 will incorporate ethical procurement into approximately £350m of contract spend.

- Working with our food suppliers to make information on Government Buying Standards (GBS) available on our food contracts and available to the NHS.



Community

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.

What have we been doing?

- Fostering dialogue and partnership with SMEs to enable them to bid for business.
- Supporting local communities through engagement initiatives.
- Giving back to the community through fundraising.



Carbon

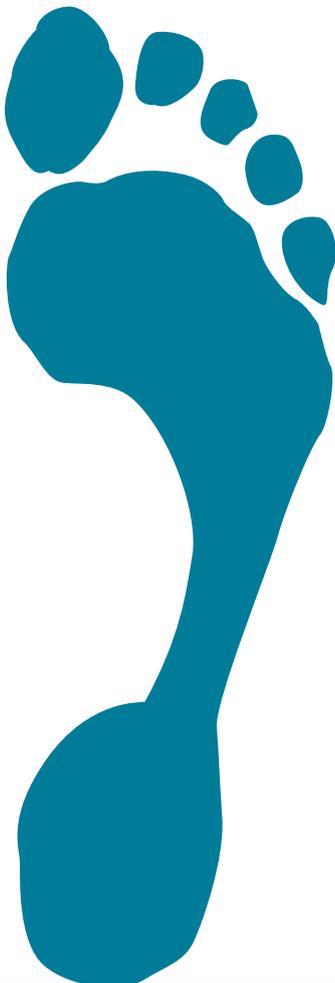
Carbon reduction

We recognise that with transport at the core of our business we produce CO₂, the main cause of increasing greenhouse gas concentrations in the atmosphere. We acknowledge our responsibility to the environment and aim to reduce our impact. As part of Deutsche Post DHL (DP DHL) we were the first globally operating logistics company to set a CO₂ efficiency target – to improve CO₂ efficiency by 30% by 2020 vs. the 2008 baseline year.

We measure our greenhouse gas (GHG) emissions in carbon dioxide equivalent (CO₂e). The emissions we measure are Scope 1 and Scope 2 (Greenhouse Gas Protocol) – originating from the energy used in our distribution centres and offices, the electricity used by our lighting and IT systems, refrigerants in our air-conditioning systems, and the fuels used in our transport fleet.

As part of DP DHL we monitor our emissions very closely – using automatic meter readers for electricity and gas, and measuring our fuel use down to one 100th of a litre of diesel for every journey.

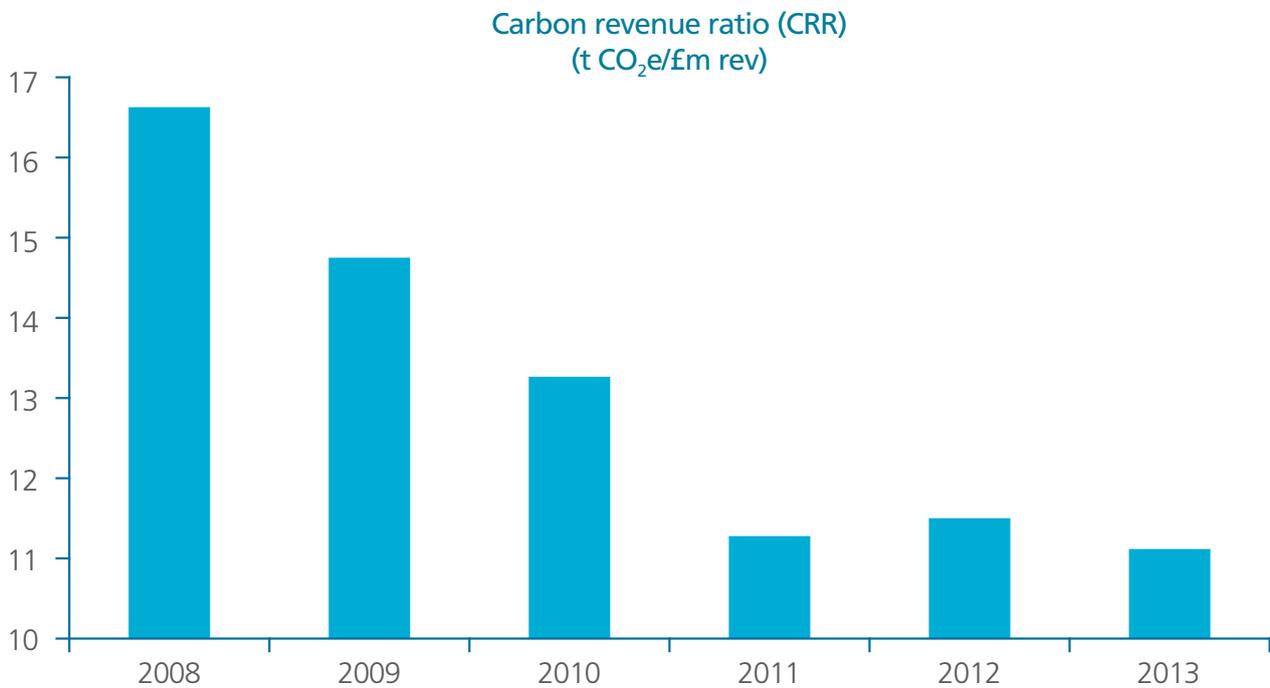
We monitor our performance in terms of CO₂ efficiency – this is the tonnes of CO₂e produced per £million revenue – **our Carbon Revenue Ratio**. We also monitor absolute electricity, gas, and fuel use. **In 2013 our carbon efficiency has improved by 3.4% compared to 2012, and by 33% against our baseline year of 2008.**



We aim to improve our CO₂ efficiency by 30% by the year 2020, compared to our 2008 baseline.

Carbon efficiency performance against GoGreen targets

	2008 (Baseline)	2012	2013	2020
Carbon Revenue Ratio – CRR (CO ₂ t/£m revenue)	16.4	11.5	11.1	
GoGreen Target		-16%	-19%	-30%
Performance vs. Baseline year		-31%	-33%	



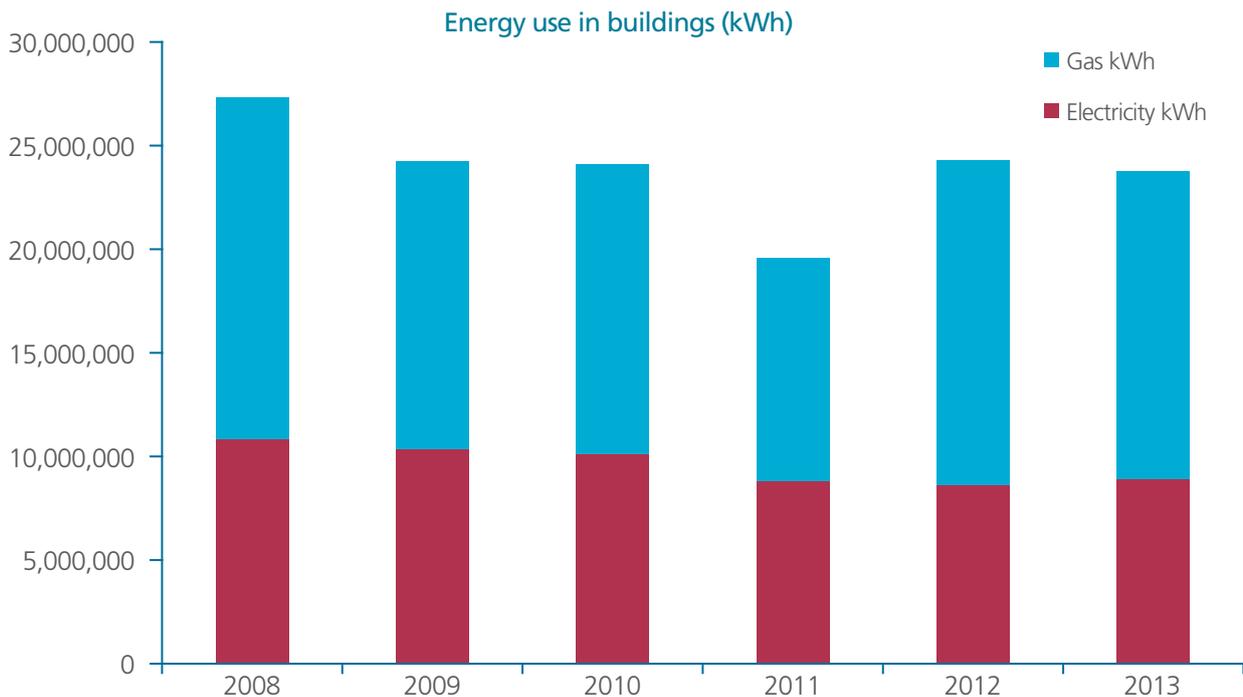
Property carbon emissions

After transport, energy use in our buildings is the second largest source of carbon emissions from our distribution network. We have seven distribution centres and two office sites in England.

We have instant access to data on our electricity and gas usage at our sites. We use this data to track trends and impacts when efficiency measures are put in place so we can investigate the causes of peaks and troughs, implementing corrective and preventive action to stop reoccurrence.

At NHS Supply Chain we purchase electricity from a 100% renewable tariff in order to reduce our reliance on fossil fuels. As a result we do not include our electricity consumption in our carbon footprint. We closely monitor our electricity reduction and set targets to improve it year on year because of the environmental and cost benefits associated with energy efficiency.

Unstable energy costs are a threat; we have reduced our consumption of energy by improving efficiency across our estate. Our absolute electricity and gas consumption since 2008 is shown below:



We have saved approximately of 1.9m kWh of electricity and 1.7m kWh of gas since 2008 by improving the efficiency of our business – based on our average utility prices we believe this has cut our costs by over £123,000.

We've invested in our distribution network to improve energy efficiency and reduce our GHG emissions and operating costs. In 2010/2011 we replaced the lighting in six of our seven warehouses with energy efficient, movement-sensitive lighting which had a positive impact on electricity consumption (see sustainability report 2011, www.supplychain.nhs.uk/sustainabilityreport2011).

In 2011 we replaced the manual handling equipment (MHE) at five of our distribution centres. Second to lighting, manual handling equipment is our biggest user of energy; requiring large amounts of electricity to charge and operate the equipment.

Case study – MHE efficiency savings

Challenge

Operating our distribution centres requires a fleet of mechanical handling equipment (MHE) – such as forklift and reach trucks. NHS Supply Chain's contract for MHE was up for renewal in 2011 – so we needed a completely new fleet.

When specifying the fleet there were a number of important factors:

- **Power** - to manage our large and bulky products
- **Reliability** – to ensure we can work 24 hours a day picking and packing orders
- **Price** – to ensure value for money and reduced operating cost
- **Energy consumption** – life-cycle and on-going operating cost.

As the second highest user of electricity in our network it was important that we chose an energy efficient fleet to reduce electricity consumption and cost.

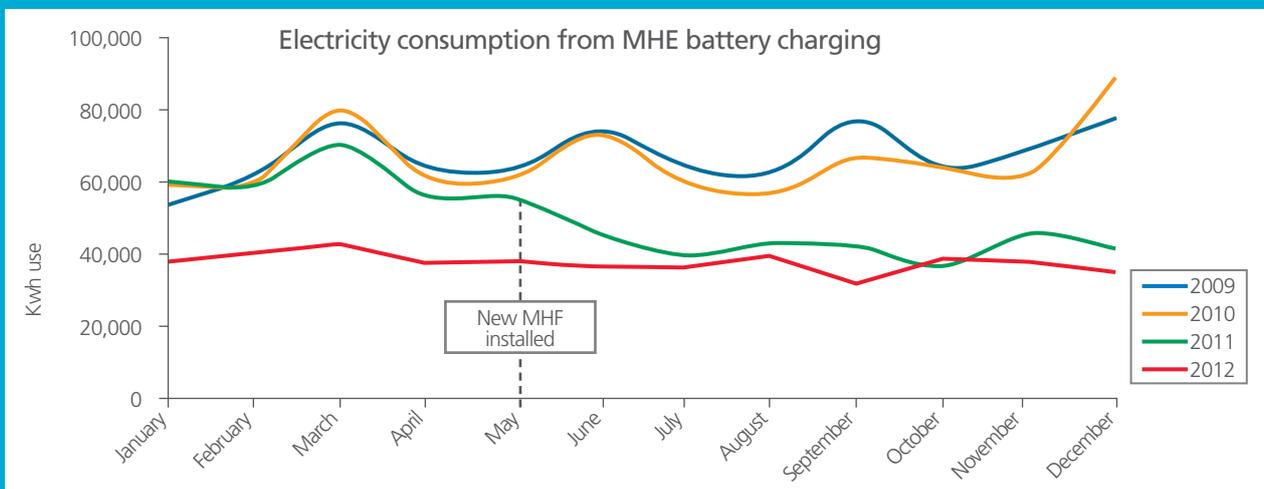
The solution

Our solution came in the form of a brand new fleet of mechanical handling equipment. The state of the art trucks are lightweight to reduce energy consumption, and incorporate energy-saving technology.

Some of the features include **energy reclamation** – when the forklift is being lowered the energy generated is used to charge the battery. **Fast charging batteries** mean fewer hours plugged in to the electricity supply – and less energy demand.

Results

In the first year of operation the new equipment used **265,000 kWh** less than the vehicles they replaced. This is enough electricity to power **70** average homes in the UK for a year*, and saves roughly **£11,500** per year on electricity costs. See graph below for a visual representation of electricity use from MHE 2009 to 2012.



* (Average household in England used 3,797 kWh electricity in 2009 Source: Department of Energy and Climate Change.)

Transport carbon emissions

Our transport operation was responsible for 73.8% of our absolute carbon emissions in 2012, **and 74.9% in 2013** meaning it is our greatest impact in terms of greenhouse gas (GHG) emissions. For this reason we focus a lot of effort on making our transport as efficient as possible.

In 2012 our transport fleet CO₂ emissions were down 8.9% on our baseline year of 2008, and down 3.7% on 2011.

3.7% reduction in GHG emissions in 2012, saving 143,780 litres of diesel.

As in other parts of the business our transport operation is growing due to increased customer demand. The number of delivery points our vehicles visit has increased year on year since 2008.

Transport management and planning

In 2012 our vehicle fleet was fitted with a telematics tracking system called Microlise®. The system monitors how our vehicles and drivers are performing when out on the road – and provides data for each delivery route. The report gives information on the key parameters for monitoring and improving fuel efficiency – such as engine idling time, harsh acceleration and braking, and use of cruise control.

Each of our drivers is given an A-G energy rating, the drivers five KPIs are also given A-G energy ratings, when coupled with driver training it allows us to monitor and prioritise where we can improve driver and vehicle performance to promote fuel efficiency and defensive driving techniques.



At the beginning of each week the Microlise® telematics report from the previous week is reviewed by the transport team and the driver. This allows transport teams to work with the drivers to reduce idling and the other causes of inefficient driving such as not using enough cruise control. Using cruise control improves fuel efficiency by regulating the speed of the vehicle, better than the driver can using the foot pedals. The improved driver and vehicle performance can lead to greater fuel efficiency, and lower CO₂e emissions from our transport fleet.

“A delivery vehicle idling for one hour uses approximately four litres of diesel.”

Steve Rose, Transport Training Support Co-ordinator

Defensive driver training

We have been providing training for our delivery drivers and our company cars drivers in efficient, defensive driving techniques. A training programme usually reserved for our professional drivers has been adapted and rolled out to our company car drivers. We believe that whilst our employees are travelling on company business – whether in a heavy goods vehicle or company car we should give them appropriate training to improve performance and safety. The half-day training for company car drivers helps to reinforce the principles of safe and efficient driving – looking further down the road, anticipating braking, assessing the situation, and being aware of other road users.

While it is not easy to directly quantify the benefits – we believe this training will lead to fewer road collisions and smoother, more efficient driving. In 2014 we will measure and report back quantifiable figures.

In 2012 and 2013 one hundred and twenty five of our company car drivers received defensive driver training.

Embedding sustainable behaviours to support carbon reduction

Our Sustainable Development Strategy outlines our commitment to engage with our employees on initiatives to reduce carbon emissions from business travel providing the tools and knowledge to choose more sustainable travel choices.

Embedding sustainable behaviours and encouraging our colleagues to make sustainable choices in the workplace not only helps to minimise our impact on the environment, it also helps to cut costs, promotes employee wellbeing and encourages the adoption of those behaviours at home.



Throughout 2012 and 2013 we have supported UK and global initiatives to help motivate our colleagues to make more sustainable choices.

- To tie in with the launch of Climate Week 2012 (12th – 18th March) and NHS Sustainability Day of Action on 28th March 2012, NHS Supply Chain supported NHS Forest's 'Fones 4 Forests' Campaign. This involved collecting old mobile phones for recycling which converted to tree planting at NHS Forest sites and NHS Hospitals. Nineteen trees were planted as a result of our efforts.
- For NHS Sustainability Day of Action 2013, NHS Supply Chain trialled activities such as 'Save some CO2' nominating the day for colleagues to think before they travel and encouraging them to travel to work using public or active transport, lift-sharing or using alternative web based communications to conduct meetings.
- For World Environment Day 2013, we supported the theme of 'Reuse, Reduce, Recycle' encouraging colleagues to apply the waste hierarchy to all waste arising's.
- Since June 2012 eighty NHS Supply Chain employees have received bicycles via the Cycle to Work Scheme.

Sustainable tools and alternatives

Reducing business travel remains a strategic objective for NHS Supply Chain and part of our wider carbon reduction objectives. Whilst face to face meetings remain important, the use of WebEx web conferencing is now fully embedded and many colleagues now prefer this medium in order to conduct team and wider briefings internally.

We have also started to adopt this for supplier engagement.

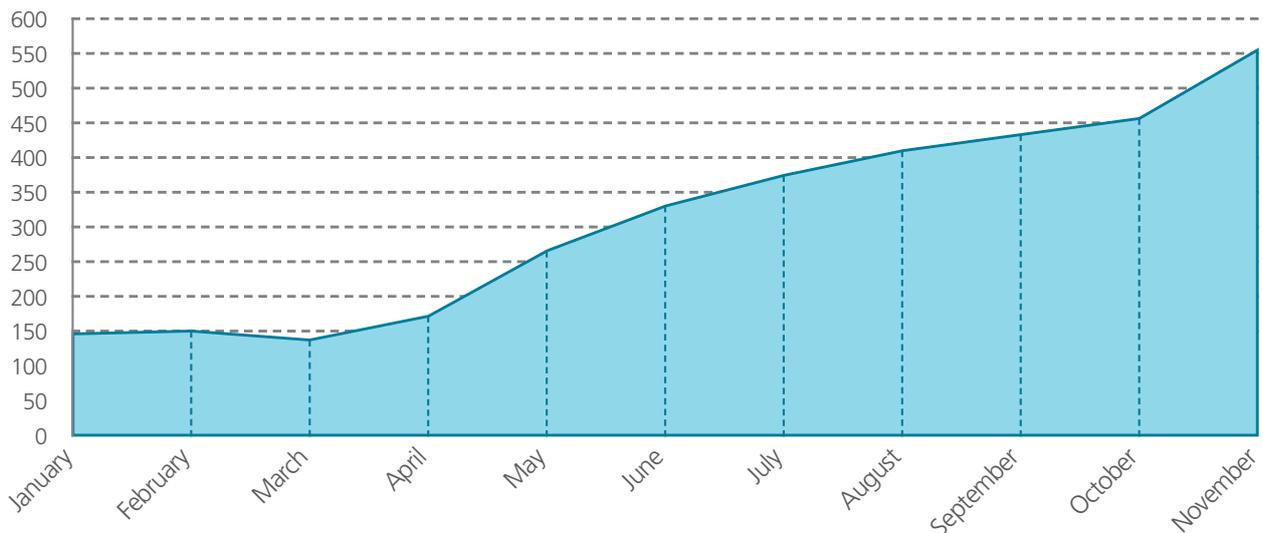
“We are currently working with suppliers within surgical instruments and textiles on the Labour Standards Assurance System to build capability on ethical procurement. Many of these suppliers are SMEs that can’t afford the time or expense to be away from their business for an entire day, so hosting a webinar with a guest speaker is an ideal way of communicating with the supply base and in the future we want to make these sessions available as a podcast.”

Stephanie Gibney, Ethical and Sustainability Manager, NHS Supply Chain

In 2013, we have also started to use Microsoft Lync with more users across departments using this for regular team meetings and briefings.

Lync User Numbers

Jan-November 2013



Microsoft Lync is an instant messaging application enabling colleagues to speak, collaborate and simultaneously work in teams on documents and presentations.

Lync usage nearly quadrupled in 2013 but there is still more work to be done to embed this within all departments and functions.

Here are some facts about our Lync usage in 2013 which give a flavour of how much the application is used:

- We spent 17,203 minutes on Lync audio calls in 2013 (over 286 hours).
- We sent 76,340 Lync messages.
- More and more meetings were conducted using Lync with desktop-sharing; 5,579 minutes (over 93 hours).
- We spent 28,289 minutes on Lync conference calls – that's over 480 hours of group discussion.

Our biggest user, based on audio minutes, notched up 456 minutes of Lync audio calls in 2013. Not surprisingly our colleague, Sally Garnham, works in IT and is part of a remote team based across the country.

“Using Lync has become a routine part of my working day because it's tied into most things I do. Without Lync I would spend far more time travelling to meetings with colleagues from other sites. Although there will always be occasions when a face-to-face meeting is preferable, Lync makes more efficient use of my time and I can reach out to colleagues much faster.”

Sally Garnham, IT Business Partner, NHS Supply Chain

There are also benefits for NHS Supply Chain in reduced costs for mobile phone usage and reduced mileage contributing to a decrease in GHG emissions resulting from business travel.

Through more Lync desktop sharing and conferencing, we will undoubtedly reduce business travel. For 2014, we'll continue to promote the benefits of Microsoft Lync, encouraging more users to make this a routine element of their communications. We'll also be encouraging colleagues to maximise use of some of the additional functionalities such as virtual whiteboards and online polls.

Energy efficiency of electrical medical equipment devices

Carbon continues to be a focus for NHS Trusts. The Carbon Reduction Commitment (CRC) and trusts' own SDMPs (Sustainable Development Management Plans) have resulted in carbon reduction being placed higher up the agenda.

The Climate Change Act 2008; Carbon Reduction.

The interim targets for reduction in carbon dioxide equivalent emissions to meet the Climate Change Act are 34% reduction by 2020 and 50% reduction by 2025.

There is still a **28%** reduction required by the NHS, health and care system to meet the Climate Change Act targets of **34%** reduction by **2020**.

The Sustainable Development Unit conducted the world's first combined NHS, public health and social care carbon footprint for a national health system. It estimates the health and care system carbon footprint to be 32 million tonnes of carbon dioxide equivalent (MtCO₂e).

This figure has been categorised into 3 impact areas that then enable carbon reduction activity to be focused.

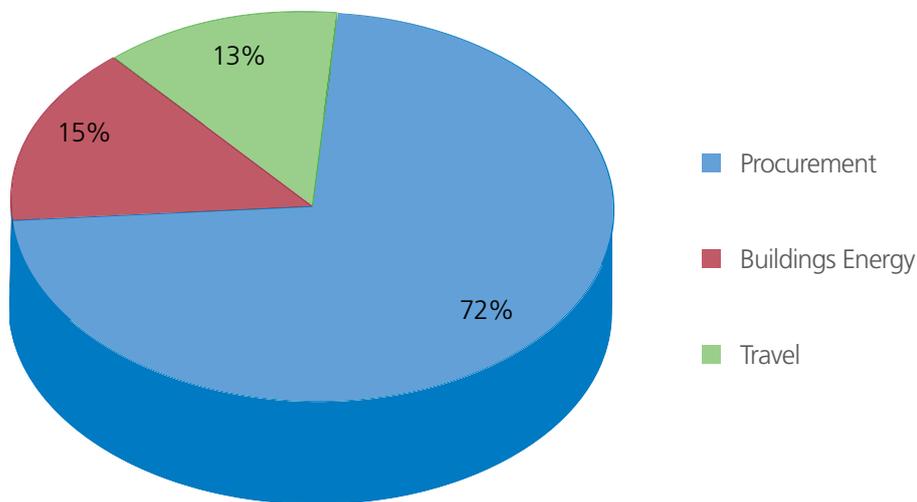


Figure 1 – NHS, Public Health and Social Care carbon footprint breakdown 2012 (from Sustainable, Resilient, Healthy People and Places; A Sustainable Development Strategy for the NHS, Public Health and Social Care System).

The re-cast carbon footprint shows clearly that embedded carbon from procurement of goods and services is a major hotspot. However operational carbon from energy use within buildings is also a key area to address.

In addition, there are external drivers below to addressing energy performance of the equipment we procure:

- EU Green Public Procurement Standards for medical devices
- Revisions to the EU Procurement Directive
- New guidelines for the carbon foot-printing of pharmaceuticals and medical devices
- Customer interest in establishing in-use cost as an element of the procurement decision.

NHS Supply Chain want to address 'carbon' through procurement in a variety of ways by considering:

- Energy in use
- Embedded carbon in the manufacture, assembly, storage and distribution
- Emissions from our distribution fleet.

To address this increased focus on carbon through energy use, NHS Supply Chain conducted an energy workshop with members of our Capital Solutions team in January 2013.

This workshop was supported by The Department of Health and took the form of awareness-raising of some of the drivers, issues and complexities around energy efficiency:

[How energy and carbon relate to whole life costing \(WLC\)?](#)

[What drives energy consumption?](#)

[How can energy performance data be verified and are there innovative developments that will help reduce energy and carbon costs?](#)

NHS Supply Chain want to add value for customers and support both their energy and cost reduction objectives as well as their information needs.

To support the EU Green Public Procurement (GPP) Guidelines on Medical Devices* (which focuses on a specific list of medical devices) NHS Supply Chain will start to consider energy in use and pilot the GPP guidelines on in-use costing.

Future focus

- To start engagement with the NHS to understand appetite and drivers for energy efficiency.
- To nominate a modality for further work and investigation on energy efficiency.
- To pilot a process where energy efficiency of electrical medical equipment is considered in the procurement process and value demonstrated in cost and carbon savings.

*Green Public Procurement (GPP) is defined in the Communication (COM (2008) 400) "Public procurement for a better environment" as "a process whereby public authorities seek to procure goods, services and works with a reduced environmental impact throughout their life cycle when compared to goods, services and works with the same primary function that would otherwise be procured."

Waste

Waste creation has negative environmental and financial impacts on our business and our customers. As a supply chain organisation with over 2,455 employees processing over 360,000 orders per year our main source of waste is from product packaging. Second to this is the waste created by our business and employees as we operate – such as office and canteen wastes.

With this in mind, we aim to reduce the amount of unnecessary packaging in the supply chain of the NHS. We send most orders to customers in reusable roll-cages and plastic tote boxes, rather than single-use cardboard boxes or shrink-wrapped pallets. We recognise our position as a supply chain partner to our suppliers and customers; and the need to work with both groups to reduce the amount of waste we create.

Inevitably some waste will be created from our distribution centres, offices, and canteen areas. Our aim is to follow the waste hierarchy of disposal for all waste created. If possible, we reuse waste in our distribution centres; such as using supplier boxes to consolidate customer orders. Where this is not possible we recycle everything we can – in 2012 and 2013 we recycled a total of 12 different waste streams. The final option is recovery from waste; our waste contractors work with us where possible to recover energy from what would otherwise have gone to landfill. Landfill is the last resort – we aim to achieve ‘zero to landfill’ at our distribution centres by 2016 where possible.

Highlights

In 2012 we recycled **1,473** tonnes of cardboard, plastic, paper, and metal waste from our distribution centres and offices. In 2013 this increased to **1,482** tonnes.

Since 2008 we’ve recycled **7,200 tonnes** of waste.



Waste backhaul

Our customers have to manage and dispose of a large amount of waste created from product packaging. In the South West of England our regional distribution centre (RDC) at Bridgwater has been supporting three customers to remove waste packaging from trust sites. NHS Supply Chain make several deliveries a week to the site and at the same time collect empty roll cages, returning them to the distribution network to reuse.

The trust approached us to enquire if we had the capacity to remove some of their waste cardboard as we were already collecting empty roll cages when deliveries were made. Working together with the trust, NHS Supply introduced a pilot to backhaul roll cages full of waste cardboard that the trust needed to dispose of, to our regional distribution centre. Here it is processed along with our own waste by compacting and baling the material ready for recycling.



Collecting full roll cages when we deliver, maximises the efficiency of the supply chain by utilising both the outward and inward journeys whilst reducing the amount of recycling the trusts have to do with this waste backhaul solution.

Our aim is to develop the waste backhaul solution, offering it to more customers as we develop our recycling capacity. The potential environmental benefits are large as our baled waste cardboard is 100% recycled by our waste service suppliers. Indirect benefits to the NHS include reduced waste management costs, improved recycling rates, and reduced waste collections thereby reducing vehicle emissions, local congestion, and carbon emissions.

Packaging reduction

As well as managing the waste we create and developing solutions to reduce the waste burden on our customers in the NHS (see Waste backhaul), we work with our suppliers to optimise and reduce product packaging.

In the healthcare sector we have stringent packaging requirements when it comes to products. Sterilisation and infection control are absolutely vital, as are storage requirements such as temperature. This does not mean there is no room for process improvement in how we receive goods from our suppliers, and how we send them on to the customer.

In 2012 we worked with our suppliers to optimise how products are packed and shipped when we receive them.

Case study – Daniels Healthcare packaging

NHS Supply Chain worked with Daniels Healthcare to optimise the way we receive nine of our high-volume products. The products were delivered in corrugated containers prior to October 1st 2012 – from this date onward they were delivered in to NHS Supply Chain's distribution centres on bulk-pallet format.

Benefits

Rationalising the packaging and delivery formats, eliminating the use of corrugated cases on these nine products, simplifies the manufacturing process and standardises the format for the NHS Supply Chain warehouse operatives, making handling and picking easier with fewer errors.

Raw material prices, particularly polymer, have proved volatile throughout the life of the clinical waste container contract and to date have been absorbed. Price increase pressures continue, although the successful completion of this packaging and delivery format change has avoided any immediate threat of price inflation.

The change to a bulk pallet packaging and delivery format into the NHS Supply Chain RDCs' reduces the amount of packaging required, eliminating the need for the corrugated cases altogether, and increases the number of containers and lids on a pallet, which reduces the number of vehicles used to deliver the products to NHS Supply Chain.

The quantity per pallet increases by between 22% and 57% depending on the container size and the current packaging format. This led to a saving of 938 pallets, the equivalent to 18 vehicles a year.

The elimination of the need for corrugated cases reduces the amount of packaging that is required by a total of 46.5 Tonnes per year (46.3t paper and 0.2t plastic), with the associated carbon reduction from the manufacture, transportation and disposal of such packaging materials.

In addition to these benefits, the amount of packaging waste that needs to be collected, segregated and disposed of is reduced for both NHS Supply Chain and the NHS customers.



Recycling and re-use of textiles

The NHS is facing rising costs of waste disposal at the same time as targets to be more sustainable. In addition, trusts have to maintain efficient patient-facing services whilst also delivering cost savings.



Frenchay Hospital, part of North Bristol NHS Trust, had a problem disposing of worn out nurses uniforms and other hospital textiles. For many NHS Trusts, old uniforms and textiles do represent a waste hotspot. More often than not textiles are set aside for disposal to landfill which is both a cost to the trust and environmentally unfriendly.

In 2012, NHS Supply Chain took this real life problem for the NHS and were challenged to develop a solution for Frenchay Hospital. The solution was delivered by a project team at NHS Supply Chain Bridgwater Depot, DHL Envirosolutions and in collaboration with North Bristol NHS Trust.

Opportunities for re-use and recycling were first identified and the project began with the collection of old curtains. The material was backhauled on NHS Supply Chain vehicles. An end to end process was identified for the re-use of the textiles.

Through recycling of the curtains into teddy bears for sick children in the NHS, a closed-loop environmentally friendly solution delivered a real difference.

Benefits for North Bristol NHS Trust

- Cost avoidance for waste disposal.
- Space optimisation.
- CO₂e reduction (by avoiding landfill and also by consolidating waste collection on NHS Supply Chain vehicles).
- Exemplary behaviour and best practice that could be used for other product areas.

NHS Supply Chain – providing a sustainable business model for the NHS



Future focus

- In 2014, NHS Supply Chain will be working with North Bristol NHS Trust on a nurses uniform pilot.

Natural resources

Water efficiency

Key to our environmental sustainability is water conservation. In the UK we operate in some regions that are considered under 'water stress' because of the availability of present and future water sources. We work with our employees to reduce water consumption – measuring and setting targets against the amount of water used per employee. We try to engage employees to think about water as a finite resource and to conserve it where possible.

In 2012 we used **8.7m³** of water per employee - an improvement of 15% in our water efficiency across the business on the previous year. In 2013 we used **8.96m³** of water per employee.

Where our distribution network involves water-using processes, such as in the washing of our reusable plastic tote-boxes we monitor the process very closely – where possible changing processes to increase efficiency and reduce water wastage.

Training and awareness-raising in timber and palm oil

Key to environmental sustainability is not just preservation of our planet but responsible use of the world's natural resources. Behaving in this way is not only good corporate citizenship but is also good for business ensuring that the supply chain is stable and resilient and operates in a way that minimises harm to the environment and doesn't leave problems for future generations.

In support of our commitment to deliver UK Government Policy on Sustainability, NHS Supply Chain is focussing on capability building and training for our colleagues within procurement.

In 2012, we forged links with CPET (the Central Point of Expertise on Timber). CPET is DEFRA's technical advisor, providing advice and information to all stakeholders on the UK Government's timber procurement policy, wood fuel and sustainable palm oil through their helpline, website, face to face meetings and workshops.



Deforestation, harvesting and processing of timber in a way that breaks the law as well as unsustainable timber trails and illegal logging is often in the news. A recent Panorama documentary* highlighted the need for buyers and procurers to give more due diligence to this issue.

*Jungle Outlaws: The Chainsaw Trail, BBC 1 Thursday 25th July 2013

Timber

The collaboration between CPET and NHS Supply Chain resulted in a timber procurement policy workshop in March 2013. The workshop was held for NHS Supply Chain employees in timber related frameworks such as; Ward and Residential Furniture, Office Furniture, Stationery and Paper Hygiene.

The workshop demonstrated how NHS Supply Chain can implement UK timber procurement policy into our tenders through the specification, invitation to tender, contract conditions and contract management. Crucially it also covered how we check evidence of compliance with **UK timber procurement policy**.

The UK Government's timber procurement policy requires that all timber and wood derived products must be from independently verifiable legal and sustainable sources (which can include from a licensed, Forest Law Enforcement, Governance and Trade (FLEGT) partner) or equivalent sources.

Applicants to tenders with UK Timber Procurement Policy (UK TPP) written into the specification must provide appropriate documentation to prove the above. This evidence must relate both to management of the forest and the chain of custody. Failure to provide sufficient evidence at any time during the framework agreement will mean product will be suspended until such evidence is available.

This was successfully incorporated into two recent framework agreements; Office Furniture and Ward and Residential Furniture with plans to address future areas for 2014. Paper Hygiene and Tray Wrap are areas where we are working to incorporate UK TPP into the forthcoming framework agreements.

Palm oil

Following a Timber Workshop, NHS Supply Chain joined forces with CPET once again in October 2013 to host a sustainable palm oil workshop in Normanton. The event focused on helping key procurement staff understand more about sustainable palm oil and how to implement the new sustainable palm oil requirements of the food and catering Government Buying Standards. CPET and NHS Supply Chain are also working together with key industry stakeholders and members of the RSPO (Round table on sustainable palm oil), to raise awareness and help build capacity both within the supply base and our procurement teams.

Future focus

Continued compliance with UK timber procurement policy and support for the Government's pledge to achieve sustainable palm oil in food and other products by 2015 are key commitments of our Sustainable Development Strategy 2013-2016.

Useful resources: www.cpet.org.uk/

sd.defra.gov.uk/advice/public/buying/products/food/



Ethics and responsibility

Ethical procurement and labour assurance

NHS Supply Chain is in the vanguard of activity to drive ethical procurement in the public sector and particularly the healthcare sector. Our approach to ethical procurement is around labour assurance and building a consideration for labour standards into the market engagement and procurement process.

Our commitment to labour standards assurance began several years ago but it wasn't until the launch of NHS Supply Chain's framework agreement for Surgical Instruments in September 2012 that we could demonstrate a practical approach for managing this issue. This was followed by the incorporation of the Labour Standards Assurance System (LSAS) into Direct Textiles in April 2013.

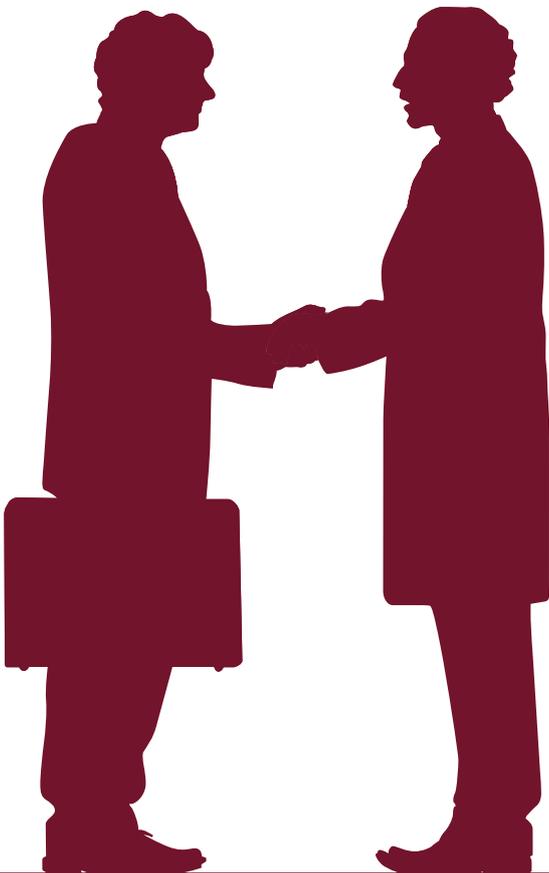
This represented a step change in the way the business procures products from suppliers. Contract conditions placed obligations on the awarded suppliers to demonstrate what they are doing to manage labour standards in their supply chains thereby reducing the risk of non-compliances or abuses. NHS Supply Chain are now managing two large groups of suppliers through this process and seeing some encouraging results.

The LSAS was developed in collaboration with the Department of Health and the ethical community. It has scalability and will be rolled out across other NHS Supply Chain framework agreements where there are predictors or evidence of labour standards issues. We recently shared our ethical procurement plans with NHS Supply Chain's Medical Market Supplier Board to brief industry on our approach and signpost future activity as part of the market engagement phase.

Crucially it is a model that could be adopted not just by the NHS but other public sector organisations.

We continue to work with the procurement teams and outside organisations to identify and raise awareness of the supply chains of NHS products where there are greater risks of labour standards issues.

We actively participate in stakeholder engagement on labour and ethical standards to ensure we share best practice and continue to raise awareness. This includes participation in The Medical Fair and Ethical Trade Group (MFETG), NHS Sustainable Procurement Forum (NHS SPF) and The Public Sector Ethical Sourcing Working Group.





Ethical procurement activity in NHS Supply Chain

- Managing two core groups of suppliers (over 70 suppliers) through the Labour Standards Assurance System.
- Supporting suppliers to meet the contract conditions of LSAS. This has been achieved through webinars and workshops conducted for suppliers by NHS Supply Chain and Stirling Smith (an ethical trade professional).
- Finalised a risk profiling exercise across our trading portfolio's to identify other applications for ethical procurement – using a version of the 'labour standards tool' in The Ethical Procurement for Health Workbook. For more information, please see the British Medical Association - 'Ethical Procurement for Health' workbook at www.ethicaltrade.org/ethical-procurement-for-health
- Published an ethical procurement policy to our internal teams.
- Participated in The Medical Fair and Ethical Trade Group film (The Human Cost of Healthcare).
- Trialled the Department of Health e-learning materials on ethical procurement with a select group of buyers.

Future focus

NHS Supply Chain's Sustainable Development Strategy 2013-2016 has ethical procurement as a key objective. We have taken a risk based approach to our trading portfolio's in order to identify future applications for ethical procurement and labour standards assurance (LSAS) and we have shared this information with NHS Supply Chain's Medical Market Supplier Board

To ensure the process is as robust as possible, we will be reviewing the LSAS in 2014, gathering auditors and suppliers together to invite their feedback and producing guidance that will help existing and new suppliers embarking on this approach.

Over the next few years, this approach will assist NHS Supply Chain in managing risks associated with labour standards. The LSAS promotes compliance with relevant legislation, fosters transparency, encourages continual improvement and engenders a culture of rectification. Not only does it make good business sense but it provides an extra level of due diligence to our NHS customers as to how suppliers are managing labour standards in their supply chains.

Supporting Government Buying Standards for food and catering: Improving Hospital Food

The Government Buying Standards for food and catering (GBSF) are a vehicle for bringing about sustainable procurement change and improvements to nutritional content – and are therefore ultimately a mechanism for driving improvements to food served in hospitals.

As a member of the Improving Hospital Food Delivery Group, NHS Supply Chain has worked with the Department of Health and key stakeholders to raise awareness of Government Buying Standards.

NHS Supply Chain is currently undertaking an engagement programme on the Government Buying Standards for food and catering with our suppliers.

Our food team began work on this in 2012 by launching a website within the food and catering zone of our website. This began with the framework agreement for Ready Prepared Meals with information being published on compliance with GBSF from a number of suppliers. We now have over 50 suppliers within food and catering who are working with us on Government Buying Standards for Food and Catering.

www.supplychain.nhs.uk/campaigns/government-buying-standards/

NHS Supply Chain has an on-going schedule of work with the objective of identifying items which comply with the criteria of Government Buying Standards and in turn making this transparent to NHS trusts and encouraging uptake. Government Buying Standards for food and catering are included in the criteria for PLACE (Patient-Led Assessments of the Care Environment). One of the main purposes of PLACE is to get a patient's view of the food on offer amongst other things including the buildings and facilities.

Compliance with GBSF would enable NHS trusts to demonstrate they are making progress against the PLACE criteria and offering more sustainable and nutritional menus.

We are taking a phased approach to this project and over the coming months this information will be available on more on more food contracts demonstrating the benefits to trusts of using our framework agreements.

The framework agreements where this information is currently available within the contract information page include:

- Cook Chill Cook Freeze Delivered Meals and Specialist Meals
- Confectionary and Snacks
- Hot Beverages and Vending Consumables
- Dried Goods
- Sandwiches
- Gravies, Stocks and Sauces
- Canned Goods, Edible Oils and Soup
- Desserts, Preserves and Spreads.



Product information Government Buying Standards

Product Description	Origin of Meat and Dairy	Animal Welfare	Fish	Salt Reduction	Saturated Fat Reduction	Fruit and Veg consumption	Food Waste	Calorie and Allergen Labelling	Packaging Waste	Type of Meal Standard or Specialist	Responsibility Salt target
Arrabiata	Yes	N/A	N/A	Yes	Yes		Yes	Yes	Yes	Standard	0.83g salt per 100g
Basilico	Yes	N/A	N/A	Yes	Yes	N/A	Yes	Yes	Yes	Standard	0.83g salt per 100g
Italian mushroom	Yes	N/A	N/A	Yes	Yes	N/A	Yes	Yes	Yes	Standard	0.83g salt per 100g
Mediterranean Veg	Yes	N/A	N/A	Yes	Yes	N/A	Yes	Yes	Yes	Standard	0.83g salt per 100g

NHS Supply Chain is helping NHS trusts and suppliers to have greater visibility of products that comply with the criteria of the Government Buying Standards for food and catering. For the procurers and catering managers, this can then start to be built into procurement decisions and menu selection.

For suppliers, having greater awareness and understanding of these criteria means they can start to make improvements that will enhance the sustainability and nutritional value of the products they supply into the NHS.

To further support our work on GBSF, we have also contributed to Public Health England's Healthier and More Sustainable Catering Toolkit due out in 2014.

NHS Supply Chain is also represented on the Department of Health's Hospital Food Standards Panel; Expert Reference Group on Sustainability, Food Waste and Animal Welfare.

The group will consider the food standards available and advise on those required to address nutritional content for patients, healthy eating, local and sustainable procurement, food waste and animal welfare.

Future focus

The work outlined supports our key objectives around responsible nutrition and responsible food sourcing contained with our Sustainable Development Strategy 2013-2016. Here are some of our objectives for 2014:

- Increasing transparency of GBSF compliance on our food contracts by making more information available on the NHS Supply Chain website and contract information pages so procurers can build this into their procurement decisions.
- Continued support for the Department of Health's objective to improve hospital food and increase compliance with GBSF.
- Raising awareness of Government Buying Standards for Food and Catering with the supply base and on-going supplier engagement on this topic.
- Capability building with the food team particularly on areas of GBSF such as sustainable palm oil.
- Feeding into the review of the Government Buying Standards for Food and Catering with DEFRA.
- Encouraging uptake of GBS compliant products with NHS trusts thereby assisting trusts to meet their PLACE requirements (Patient-Led Assessments of the Care Environment).

Health and safety recognition

NHS Supply Chain recently received commendation from the Royal Society for the Prevention of Accidents (RoSPA) for its approach to occupational safety and health across the business.

The commendation, under the Transport, Logistics and Distribution Sector category, was announced at the RoSPA award ceremony held in Birmingham on 16 May.

Dating back 57 years, the RoSPA awards scheme is the largest and longest-running programme of its kind in the UK. It recognises commitment to accident and ill health prevention and is open to businesses and organisations of all types and sizes from across the UK and overseas. The scheme not only looks at accident records, but also entrants' overarching health and safety management systems, including practices such as leadership and workforce involvement.

The NHS Supply Chain network, which delivers over 600,000 products to 21,000 delivery locations across the NHS, demonstrated a significant reduction in accidents over the past 12 months. "It's testament to the whole team that NHS Supply Chain has seen a huge reduction in personal injuries against 2012 targets - minus 130 accidents and minus nine lost time accidents" explains Sean Cullen, Business Unit SHE Manager. "We achieved one gold award, four silvers and two bronze from RoSPA. To say this is the first time we have entered the awards, this is a great achievement, and one we'll be looking to improve upon."

David Rawlins, RoSPA's Awards Manager, said:

"RoSPA firmly believes that organisations that demonstrate commitment to continuous improvement in accident and ill health prevention deserve recognition. NHS Supply Chain has shown that it is committed to striving for such continuous improvement and we are delighted to honour it through the presentation of an award."

In 2013 we improved upon this further, with all NHS Supply Chain distribution sites receiving gold award in the 2013 awards.

Community

The supplier community and SME agenda

Engagement and collaboration with the supplier community is a key enabler to our strategic objectives. NHS Supply Chain is committed to providing savings and benefits to NHS trusts by working with suppliers of all sizes to ensure our range embraces high quality and innovative products.

Our Sustainable Development Strategy outlines some key commitments on enabling SME (Small to Medium Enterprises) participation and emphasises the partnership approach with all suppliers including the SME community.

- We will achieve government targets on SME representation in public contracts.
- We will work with SMEs to understand how NHS Supply Chain can identify and remove any barriers to trade.

NHS Supply Chain Sustainable Development Strategy 2013-2016.

NHS Supply Chain acknowledges the government's aspirations that:

- 25% of government contracts should be awarded to small and medium sized businesses.
- Government tenders be published in full online and free of charge.

NHS Supply Chain has a key role to play in enabling SME engagement with the NHS.

SMEs represent 50% of our suppliers and 27% of sales across NHS Supply Chain's full contract portfolio.*

79% of our trading portfolio includes SMEs as awarded suppliers.

*Data for the 12 months from November 2012 to October 2013

Since our last sustainability report, there has been a lot of activity to support our SME objectives.

- Establishment of an SME Special Interest Group (SIG) within our Medical Market Supplier Board to gain insight into the issues faced by SMEs and their experiences of selling into the NHS via NHS Supply Chain.
- NHS Supply Chain's Medical Market Supplier Board produced an SME engagement insight paper in August 2012.
- Objectives defined for NHS Supply Chain's sourcing strategies to help identify and actively remove any barriers faced by SMEs and create levelling conditions.
- The SIG developed an SME action plan, which focused on the contracting and communications teams, in order to ensure all suppliers are presented with a level playing field.
- Innovation scorecard available to fast track new products.
- Supplier support and capability building for relevant tender processes.

NHS Supply Chain is continuously looking to strengthen supplier relationships and our plans in this area are outlined below.

Future focus

- Constantly review the 'level playing field' for SMEs across all segments and report on SME engagement in the tender process and participation in frameworks.
- Continued focus on the removal of barriers for SMEs.
- Introduction of a Supplier News Update to inform suppliers about things that are important to their business when working with NHS Supply Chain.
- Continued focus on supplier capability building in relevant tender processes.
- Creation of a Supplier Charter which commits to delivering clear objectives for how we work collaboratively with our supply base.

Fundraising and activity within our communities

As a national organisation, we aim to benefit our local communities and this is outlined as a key theme within our Sustainable Development Strategy 2013-2016.

The scope of this activity includes fundraising and employee engagement pursuits, encouraging pride in our business as well as developing employee skills and competencies.

Across 2011 and 2012 our Charity of Choice was Help for Heroes and £57,191 was raised across this 2 year period.

In 2013, individual NHS Supply Chain sites were encouraged to nominate a number of charities to be 'charity of choice.' Throughout 2013, our business has raised £28,893.67 for charities to help the homeless and support local hospices as well as for national charities such as Cancer Research and Macmillan. Air Ambulance, The Salvation Army and The Derbyshire Wildlife Trust also benefited from our support as well as many others. Activities have ranged from walking the Sandstone Trail in Cheshire, baking cakes, doing the 3-Peaks Challenge to taking part in a Sprint Triathlon.

Here's a list of the charities that benefited from our fundraising activity in 2013:

Warwickshire Air Ambulance	Kent Air Ambulance
Baby Unit Wisgrave Hospital	Ashbourne Animal Hospital
Halton Autistic Family Support Group	St Nicholas Hospice
The Salvation Army	Ashgate Hospice
Cancer Research	Help for Heroes
SIFA Fireside	Derbyshire Wildlife Trust
Wakefield Hospice	Bens Den
Edinburgh Children's Hospital	Bliss
The Mark Gory Foundation	Martin House Childrens Hospice
Halton Majorettes	Macmillan
Claire House Children's Hospice	Halton Haven
Halton Homeless	Cavendish Farm School
BIBC (British Institute for brain injured children)	Derbyshire, Rutland and Leicestershire Air Ambulance
Derbyshire Carers	

We recognise that social commitment is really important to our employees. Raising funds or giving time to contribute to community projects helps foster a sense of teamwork and community that spills over into the workplace. Here are just a few examples of NHS Supply Chain colleagues giving up their time to make a difference in their communities.

Celebrating our work with the Prince's Trust:

In Autumn 2013, eight young people completed a three week 'Get Into Logistics' course at our Runcorn site run by the Prince's Trust.

Our Runcorn depot has been involved with the Prince's Trust for the past couple of years. The course offers young people an insight into working in the logistics sector and helps them to gain key vocational skills, practical training and experience that will enable them to get a job. Here's what a colleague and a participant had to say about the experience:

"I was really impressed with the enthusiasm and understanding shown by this group of youngsters. During the three weeks they worked in the warehouse, customer services, stock management and the transport department. This meant they got a true understanding of how systems work and how the product moves through our warehouse and ends up with the customer."

Steven Smith, Receipts Manager at Runcorn

"I really enjoyed the warehouse experience, this is something that I had been looking to do previously and I am now in a position to act more positively about getting a job in this sector."

Scott Murray, Get into Logistics course attendee

Outward Bound 2013 programme

Several colleagues undertook the Outward Bound programme committing their time to mentor and act as role models supporting young people through a life-changing week of outdoor adventure in the Lake District in October 2013.

The scheme supports disadvantaged young people as they start out at secondary school but the scheme also proved to be a learning experience for colleagues too.

"I thought my role was to support a group of young adults; I didn't quite realise how much they would teach me."

Nicola Grounds, Volunteer Mentor 2013



Transform It

We have received fantastic stories from our colleagues getting involved in DHL Transform It projects.

A group of volunteers led by Sharon Briddon successfully applied for funds to transform a local train station. The Picnic site and children's resource area was unveiled on 13 July 2013 at Peak Rail, Darley Dale Station.

Volunteers worked with Peak Rail Heritage Railway on transforming an unused area of land, fencing and landscaping the area to host benches, adding a mass of colour with planting tubs and baskets and creating a whole library of railway-related books and DVDs for children.

“Transform It! has really lived up to its name. Now there is a safe, secure and pretty area for families to sit and picnic or let their children play in safety whilst they wait for their steam train ride, and a children's resource area full of learning material, which will benefit the many visiting groups of children who visit the railway each year.”

Sharon Briddon, NHS Supply Chain Transform It Volunteer

You can see some of the volunteers in action below and the fruits of their labours



Colleagues from several offices also got involved in a project to help refurbish a community centre in Huddersfield. Springwood Community Centre is used for children's music and language lessons.

The Transform It! grant was secured by Bal Kaur who volunteers at the non-profit community group and her colleague Kurshanranjit Kaur. The aim of the group is to work with young children in the community with the objective of improving their conditions of life.

The team of volunteers led by Bal Kaur got stuck into the refurbishment project which included new classrooms, toilets, flooring and décor thanks to the Transform It! grant. The centre, refurbished with the help of Groundwork UK was reopened with a family fun day which raised over £500 for the Brackenhall-based Forget Me Not Children's Hospice.



Governance, reporting and peer review

Sustainable development at NHS Supply Chain benefits from the support of our Executive Board and also from a board sponsor. Werner White, the Chief Operating Officer, champions this agenda with our Executive team and throughout the business.

The NHS Supply Chain sustainability review meeting monitors progress against our key objectives in sustainable development with NHS Business Services Authority (NHSBSA) and the Department of Health.

The meeting takes place quarterly, has a collaborative agenda and is comprised of the following individuals: Werner White (Chief Operating Officer, NHS Supply Chain), Rob Young (Procurement and Customer Value Manager Supplier and Industry, NHSBSA), David Wathey (Head of Sustainable Procurement, Department of Health), Anthony Kilbride (Director of Contracting and Procurement Support), Steven Morley (Lead Technical Manager), Colin Stuart (Operational Sustainability Manager) and Stephanie Gibney (Ethical and Sustainability Manager), David Duke (Head of Risk and Assurance, NHSBSA), Melanie Maughan (CSR Manager, NHSBSA)

Representatives from procurement help to embed sustainable practice and deliver our strategy commitments within the clinical and consumables trading functions as well as within Capital Solutions.

The Sustainability Work-stream is a key element of the World Class Procurement (WCP) programme within NHS Supply Chain.

We engage with stakeholders within the public sector through external working groups and forums; Examples include the NHS Sustainable Procurement Forum (NHS SPF), The Medical Fair and Ethical Trade Group (MFETG) of the BMA (British Medical Association), The East Midlands NHS Sustainability Network, The National Procurement Council, The Public Procurement Ethical Sourcing Working Group and NPAG Sustainability Best Value Group.

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.

After this report is published it will be volunteered for peer-review to NHS Managers as well as representatives of our Customer and Medical Market Supplier Boards.

Prior to publication, the report was also shared with a wide network of stakeholders including NHS Supply Chain colleagues, NHS Supply Chain board members, NHSBSA, the Department of Health and additional groups and observers active in sustainability.



Werner White - Chief Operating Officer and Sustainable Development Board Sponsor.

Annex 1

The tables and text below illustrate the non-financial indicators of NHS Supply Chain's social and environmental performance. These tables are, where possible, based upon the principles of the HM Treasury guidance in 'Public Sector Sustainability Reporting'.

Aspect	2013 target	2013 performance (vs. 2008)	2013 performance (vs. 2012)	2016 target (vs.2012)
Carbon	2.5% reduction in CO2e from energy use in buildings (tCO2e per £m)	-46.5%	-7.6%	-10%
	2.5% reduction in CO2e from transport fleet (tCO2e per £m)	-27.3%	-1.9%	-10%
Waste	2.5% reduction in waste created (t per £m)	-19.3%	-4.6%	-10%
	Recycle 70% of waste created	66%	66%	0 to landfill
	Reduce waste burden and cost for the NHS	n/a	n/a	n/a
Natural Resource	2.5% reduction in water consumption per FTE	-20%	-0.3%	-10%

Commentary

Carbon Revenue Ratio (CRR) improvements are observed in buildings (including fugitive emissions) and transport. Transport emissions were 0.6% below the year on year improvement target of -2.5% due to increased operational requirements in 2013.

% of waste recycled is below the target of 70% as a result of non-recyclable material (incl. stock write-off) inclusion. Water consumption per FTE has improved slightly vs. 2012 by 0.3%.

Annex 2

Carbon		2008 (baseline)	2011	2012	2013
Carbon	Absolute carbon from buildings (t)	4,820	2,347	3,431	3,246
	Absolute carbon from transport (t)	10,599	10,022	9,656	9,701
	Total Absolute carbon emissions (t)	15,419	12,368	13,087	12,946
	Carbon Revenue Ratio (CRR) from buildings	5.20	2.14	3.01	2.78
	Carbon Revenue Ratio (CRR) from transport	11.44	9.12	8.48	8.32
	Total carbon revenue ratio (CRR)	16.64	11.26	11.49	11.10
Related consumption	Gas (kWh)	16,569,116	10,763,009	15,728,379	14,846,678
	Electricity (kWh)	10,772,547	8,832,036	8,591,758	8,894,770
	Other Fuel (Litres)	4,163,049	3,936,326	3,792,546	3,810,105

Commentary

Absolute carbon emissions from buildings were down by 185 tonnes in 2013 vs. 2012, and transport emissions were up by 45 tonnes. Gas consumption has decreased by 5.6%, with electricity consumption increasing by 3.5%. Absolute diesel consumption in NHS Supply Chain transport fleet vehicles has increased by 0.5%.

Annex 3

Waste		2008 (baseline)	2011	2012	2013
Waste	Landfill	660.8	645.5	634.6	644.2
	Recovery	n/a	n/a	n/a	114.7
	Recycled / Reused / Composted	1467.8	1558.3	1473.2	1482.4
	Total	2128.6	2203.8	2107.8	2241.3
	Waste created (tonnes per £m revenue)	2.3	2.01	1.85	1.92
	% of waste segregated and recycled on site	69%	71%	70%	66%
	Reduced waste burden and cost for the NHS	n/a	n/a	n/a	n/a

Commentary

Total waste created by NHS SC increased by 133.5 tonnes in 2013 vs. 2012. Of this increase, an extra 9.6t of waste was sent to landfill, 9.2t was segregated on NHS Supply Chain premises and recycled, and 114.7t was recovered. Waste created per £m revenue increased by 0.4% in 2013 vs. 2012, and the % of waste recycled of total waste was 66%.

Annex 4

Natural resources		2008 (baseline)	2011	2012	2013
Water	Gross water consumption (m3)	22,038	20,979	23,316	26,478
	Water consumption (m3 per FTE)	11.2	7.82	8.99	8.96
ISO14001 Internal Audit	Minor non-conformities raised	n/a	85	63	61
	Major non-conformities raised	n/a	7	1	17
ISO14001 External Audit	Minor non-conformities raised	n/a	n/a	3	8
	Major non-conformities raised	n/a	n/a	0	1

Commentary

Gross water consumption increased in 2013 vs. 2012 by 13.5%. Operational requirements – including on site vehicle washing have led to an increase in water consumption. Emergency procedures – including the draining of a sprinkler water tank also added to the increased water consumption.

Annex 5

Ethics and responsibility		2008 (baseline)	2011	2012	2013
Health and Safety	Lost time injury rate	n/a	1.29	0.95	1.14
	Lost time accidents	n/a	31	22	27
	Total injury rate	n/a	16.5	11.5	10.36
	Total accidents	n/a	395	265	246
	Days lost ratio	n/a	35.03	21.96	20.8
Community		2008 (baseline)	2011	2012	2013
Cycle 2 Work	Number of staff on cycle to work scheme	0	38	34 (June-Dec only)	46

Commentary

Total number of injuries in 2013 reduced by 10% vs.2012. The total number of accidents reduced by 7% during the same period.

The Cycle 2 Work scheme offers tax-incentives and salary sacrifice schemes for employees to get new bicycles. The scheme was re-opened in June 2012, with 34 NHS Supply Chain employees receiving bikes in the 6 months to year end 2012, with a further 46 extra employees receiving bikes in 2013.

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