

## Board Meeting in Public

Tuesday, 06 June 2023

<b>Title of Report</b>	Sustainability Strategy Update	<b>Agenda No.</b>	3.3
<b>Nature of Report</b>	<input checked="" type="checkbox"/> Official <input type="checkbox"/> Official Sensitive		
<b>Author(s)</b>	Neil Powell, Environmental Manager Kevin Cartwright, Head of Estates Transformation and Sustainability		
<b>Lead Executive</b>	Carl Vincent, Chief Financial Officer		
<b>Non-Executive Director Sponsor</b>			
<b>Presented for</b> (tick all that applies)	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Information <input type="checkbox"/> Assurance <input type="checkbox"/> Update		
<b>Purpose of the report and key issues</b>			
To provide an update on progress in delivering the Sustainability Strategy 2015-2025.			
<b>Previously Considered by</b>			
This was reviewed at the Executive Team meeting on the 24 <sup>th</sup> May 2023.			
<b>Recommendation</b>	<p>The Board is asked to note;</p> <ul style="list-style-type: none"> <li>We have delivered early most of the ambition set out in Sustainability Strategy covering the period up to 2025</li> <li>We propose to set ourselves some further stretch targets for the next two years, taking us up to 2025. This will include reviewing our resilience to climate change as well as further reductions in carbon, waste, etc.</li> <li>In parallel, we will develop a strategy towards delivering our commitment to be Net Zero by 2040, noting that much of this is dependent on developments in our supply chain</li> </ul> <p>To accompany this paper we have placed in the Document Library a copy of: a) the Carbon Report 2022/23, and b) the Environmental Compliance Register.</p>		
<b>Risk(s) identified (Link to Board Assurance Framework Risks)</b>			
Delivering on our sustainability commitments is important to our donors, staff and wider stakeholders			
<b>Strategic Objective(s) this paper relates to:</b> [Click on all that applies]			
<input type="checkbox"/> Collaborate with partners <input type="checkbox"/> Invest in people and culture <input type="checkbox"/> Drive innovation <input checked="" type="checkbox"/> Modernise our operations <input type="checkbox"/> Grow and diversify our donor base			
<b>Appendices:</b>	N/A		

## Sustainability and Environment Management Annual Report – May 2023

### Executive Summary

The main objectives of NHSBT's Sustainability 2015-25 Strategy have been achieved, which is to be commended and a great achievement. In addition to realising our remaining two objectives, over the next two years we set ourselves some further 'stretch' targets and give more focus on assessing our extreme weather resilience. We will also use the next two years to develop a strategy to take us towards our Net Zero ambition.

The wider NHS in its "Delivering a Net Zero NHS" strategy has set two main objectives for achieving Net Zero by 2040. They can be broadly summarised as:

- For the emissions we control directly (the NHS Carbon Footprint), we will reach net zero by 2040, with an ambition to reach an 80% reduction by 2028 to 2032
- For the emissions we can influence (our NHS Carbon Footprint Plus), we will reach net zero by 2045, with an ambition to reach an 80% reduction by 2036 to 2039.

NHSBT Has set a target of 2040 to achieve Net Zero emissions targets. Historically, environmental sustainability and the drive to Net Zero has been seen as the remit of Estates, Facilities and Logistics. While they will have a significant role in addressing Scopes 1 and 2, Scope 3 is the responsibility of everyone. We must now engage the whole of NHSBT and our suppliers if we are to reach Net Zero by 2040.

### Background and Summary

In February 2017 NHSBT launched its new 2015-2025 Sustainability Strategy which included the following objectives:

- **50% cut in carbon emissions**
  - Building on the 25% reduction delivered in the previous carbon management plan
- **Zero waste to landfill**
  - Focusing on non-clinical waste following the successful approach to clinical waste delivered in the previous plan
- **A resilient business;**
  - Through demonstrating our compliance with ISO14001, the International Standard for Environmental Management Systems (EMS).
- **A sustainable supply chain;**
  - Through the adoption of ISO20400, the International Standard for Sustainable Procurement.
- **Sustainability embedded into organisational culture.**

The strategy was developed and owned by the NHSBT Executive Team, with the CFO having Board level responsibility. Progress on achieving the 2015-25 Strategy has been good and NHSBT has fully completed 3 out of the 5 objectives, with only a small element remaining on the other 2.

Objective	Progress
50% Cut in Carbon Emissions	Completed in 2022/23 with 50.35% reduction
Zero Waste to Landfill	Completed in 2021/22 with continued certification to ValPak scheme.
A resilient business	Completed in 2020/21 with continued certification to ISO14001 and ISO22301.
A sustainable supply chain	In Progress. Reassessment to ISO20400 due in 2023, An increase in score of 0.24 will take us to achieving this commitment.
Sustainability built into organisational culture	In Progress. Work required to build sustainability into business case process and accounting. This can be achieved by imbedding sustainability into the decision-making processes of NHSBT

## Key Changes since the previous report

### Estates and Facilities

In April 2023, a new 180KvA Solar PV installation came online at our Newcastle Centre. This is the third Solar PV instal that NHSBT has completed, and designs are currently being developed for our Liverpool and Filton Centres.



Significant investment has continued to be made in converting our lighting systems to LED. The largest project this year was the installation in the manufacturing hall, corridors and main office at Filton. This £400k investment has a payback of less than 4 years and has help to reduce the site electrical by circa 150 amps.



The facilities team have engaged Mitie Energy to review efficient building operations, focusing on the Building Management Systems (BMS) and electrical load monitoring. The contract is aligned with the maintenance contract and the activity has targeted the areas of highest consumption, Filton, Speke, Colindale and Manchester. A number of system changes are producing ongoing cost savings, and we continue to explore potential projects should funding become available later in the year.

Alongside a review of other trends, such as the ongoing decarbonisation of the national grid, this work will also inform our stretch targets for carbon reductions by 2015. .

## Compliance to Environmental Legislation

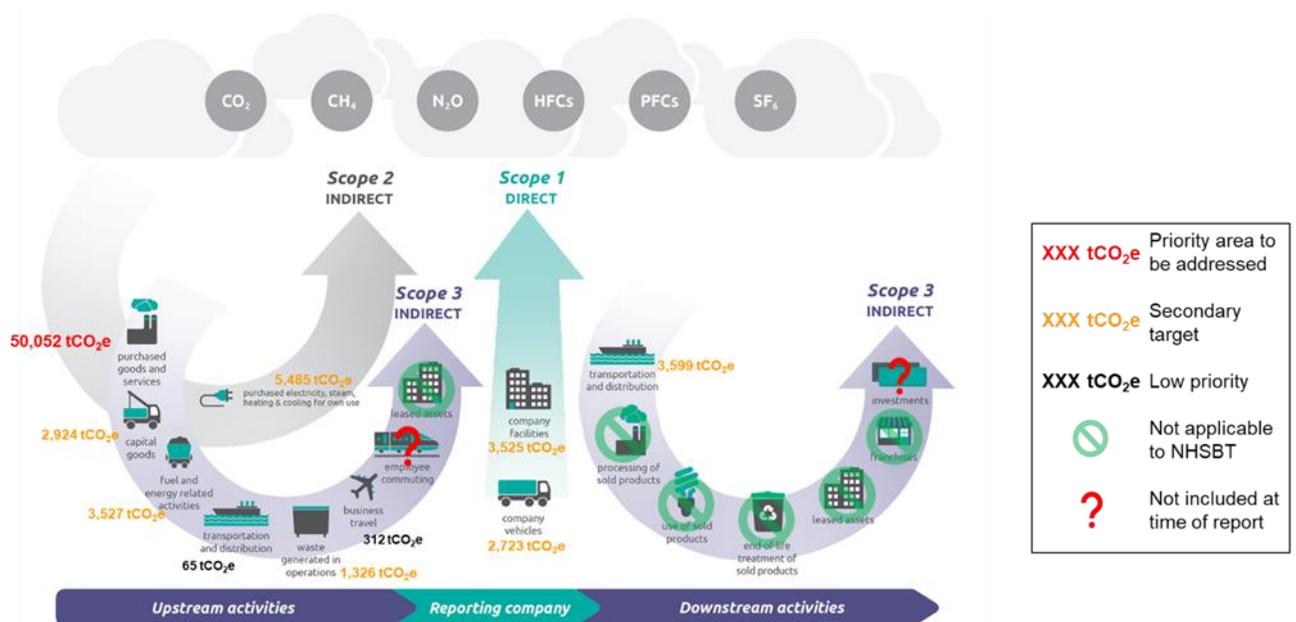
There have been no regulatory body interventions within the last 18 months.

NHSBTs Compliance Register (Appendix 2) continues to be regularly reviewed. The current register is attached.

## Progress towards setting a Net Zero 2040 Strategic Plan

The key message from these 2022/23 Carbon figures (Appendix 1) is that we need significantly more live data for Scope 3 emissions, which is challenging because Scope 3 is the most varied and relies heavily on information from suppliers.

The baseline work has been completed as presented previously with the Green Consultancy. This has set out the scale of the challenge NHSBT face, reducing our carbon footprint towards achieving Net Zero 2040.



The current strategic objective is now for NHSBT to create a Net Zero governance structure led by the CFO with key support from Commercial, Blood Supply, Clinical, Estates and Logistics directors. The current year is going to be a year of consolidation as we use the coming months for planning, and creation of a business case for investments in the Net Zero commitment

Net Zero will require a step change in performance and the organisation being more open to early adoption of new technology and ways of working. Carbon costs will also need to be balanced within business cases, with a presumption that all new business cases will reduce carbon, against the current state and where this is not possible, savings will have to be found elsewhere, within NHSBT, to 'balance the books'.

The Commercial team have commenced gathering information from our top 40 suppliers (by value) on their Net Zero plans.

Work is underway to bring in specialist advice and provide Decarbonisation Plans for all main Centres, it is hoped that the procurement process will allow for these to be completed within the 2023/24 financial year.

Procurement of electric charging infrastructure for the fleet vehicles has been delayed, which, unfortunately, led to more non-electric vehicles being purchased. The Sustainability Team are working to identify the issues and engage with stakeholders on a speedy resolution.

## **Environmental Performance Trends**

NHSBT's Environmental Management System continues to be certified to ISO14001:2015 (Environmental Management Standard) only one Major nonconformity was identified in the last 12 months. This was in relation to not having a robust system in place to check the effectiveness of our spillage procedures. A corrective plan is recorded within Q-Pulse and a reassessment of the non-conformity will be taking place on the 04/06/23.

NHSBT's Procurement function is regularly assessed to ISO20400 (Sustainable Procurement standard) and the trend has been a steady improvement in scoring. However, the next assessment is overdue and is delaying final closure of this 2015-25 Sustainability Strategy objective.

## **Communications from Interested Parties**

Communications from donors has now reduced considerably to pre-2019 levels. However, requests for Carbon information from our customers is increasing. This is to allow them to identify their Scope 3 emissions, within their supply chain, in the same way we are currently building that data set.

## **Opportunities for Continual Improvement**

The Environmental Management System is now mature and is delivering assurance of our key processes for environmental protection. The system identifies weaknesses within our operational controls and supports our efforts to improve. Internal and External audit has over this reporting period been completed largely remotely to continue to identify areas for improvement, in line with the ethos of continual improvement.

To manage NHSBT's energy management processes in a methodical manner, with a continual improvement ethos, a certified system is required. In this area, ISO50001 is the standard that is recommended to be put in place by NHSBT.

Increased engagement with all NHSBT staff supported by the Communications team, will have the effect of both celebrating the achievements made and encourage staff to make local small changes that overall are fundamental to achieving the Net Zero target.