

Sustainable Procurement Charter

Our commitment to sustainable procurement

“Sustainability is a business requirement for the here and now. It is no longer optional or something to consider for the future. As an ethical and socially responsible organisation, we must demonstrate our commitment through action; to positively impact the world in which we live. We must do this within our own organisation and throughout our supply chain”.

Kevin Chidlow, Category Tower Director, NHS Supply Chain: Hotel Services

NHS Supply Chain: Hotel Services pledges to lead by example, with all of our team committing to embed sustainable and ethical procurement practices into every aspect of our activity.

By working together with our partnering suppliers we will ensure our approach to sustainability will lead to **better care, better people and a better planet.**

The purpose of this charter is to set out our aims, objectives and behavioural changes, reflecting globally increased awareness of sustainability and the potential innovations and new thinking it provides.

We expect all NHS Supply Chain: Hotel Services suppliers to match our commitment and embrace the following initiatives:

- Proactively address climate change and take effective actions to **minimise greenhouse gas (GHG) emissions and energy consumption**
- Promote increased use of the **circular economy to reduce waste** and maximise the **efficient use of resources**
- Take active steps to **reduce single-use plastics** throughout healthcare settings
- Improve and **enhance working practices and standards throughout the supply chain**
- A commitment to look after **our people and our communities.**

A call to action

This Sustainable Procurement Charter sets out our guiding principles, minimum requirements and intentions to positively maximise our collective environmental, social, and economic impact in collaboration with our suppliers.

We have set our ambitions and long-term goals towards achieving NHS net-zero and creating positive impact through everything we do. As a minimum, we expect the NHS Supply Chain: Hotel Services team and our suppliers to comply with all applicable laws and regulations. This charter communicates our sustainable procurement priorities, expectations and is an invitation for our supply chain partners to collaborate, and contribute to our journey towards sustainable procurement.

We recognise that our sustainability agenda represents short, medium and long-term strategies for our suppliers, but within this journey we aim to engage and collaborate with our suppliers towards the sustainability objectives, share best practices with our global community and work together to make the NHS the world's first 'carbon net zero' national health system.

This document is not "one size fits all". We have set priorities by category of supply to ensure that we only set our suppliers objectives that are most relevant to their work. We recognise that many of our suppliers will have their own sustainability programmes, and those often work well alongside ours. We want our suppliers to support our ambitions and suggest innovative ideas so that we can help us reach our ambitions together.

We will use our Sustainable Procurement Charter to support collaborative and proactive conversations between our employees, our customers, and our suppliers. It will be included in any new or ongoing conversions around new contracts, the reviewing existing contracts or planning of new strategy developments. We will continually engage with our suppliers on any new changes or updates to our procurement processes and sustainability issues.

Our approach to sustainable procurement

We are committed to leveraging the strength of our people and operations to deliver health sustainably.

We have developed tools and opportunities to help drive a greener, fairer and more equitable health system. For each focus area for NHS Supply Chain: Hotel Services we have set out both minimum requirements and key performance indicators (KPIs).

Our commitments

This section sets out our objectives and highlights our requirements for suppliers. We want our suppliers to collaborate with us to unlock innovation to support achieving these objectives. Under each objective we've outlined our ambition into four categories:

- **Our objectives:** This is what we would like to deliver.
- **Minimum requirements expected of our suppliers:** These are the requirements we need all of our suppliers to fulfil. We expect all of our suppliers to uphold:
 - NHS policies and principles
 - The minimum requirements from this charter
 - [The supplier code of conduct](#)

This will allow our suppliers to create transparency in their systems, as well as help them to address any risks or offer them an opportunity to let us know if they believe they are in breach of any requirements.

- **Performance indicators we may ask our suppliers to report on:** Where applicable, we may ask suppliers to measure, report and continuously improve their performance. Our performance indicators are applied in a relevant and proportionate way according to the risks and opportunities presented by the size and nature of the product category and the supplier.
- **Aspirations:** These are the ambitions that we will all aim for collaboratively. Using our objectives we will discuss how to deliver these within the procurement process, or as part of our ongoing conversations and supplier meetings.

Our sustainable procurement commitments



ENVIRONMENTAL

1. Fighting climate change
2. Plastic products and packaging
3. Waste and circular economy

ETHICAL

1. Business ethics
2. Supply chain resilience

SOCIALLY RESPONSIBLE

1. Human rights and labour standards
2. Social value

Greener NHS

Net Zero Supplier Roadmap

- **From April 2022:** all NHS procurements will include a minimum 10% net zero and social value weighting. The net zero and social value guidance for NHS procurement teams will help unlock health-specific outcomes (building on PPN 06/20).
- **From April 2023:** for all contracts above £5 million, the NHS will require suppliers to publish a carbon reduction plan for their UK Scope 1 and 2 emissions as a minimum (building on PPN 06/21).
- **From April 2024:** the NHS will extend the requirement for a carbon reduction plan to cover all procurements. Suppliers will be required to publish a carbon reduction plan for their UK Scope 1 and 2 as a minimum.
- **From April 2027:** all suppliers will be required to publicly report targets, emissions and publish a carbon reduction plan for global emissions aligned to the NHS net zero target, for all of their Scope 1, 2 and 3 emissions.
- **From April 2028:** new requirements will be introduced overseeing the provision of carbon foot printing for individual products supplied to the NHS. The NHS will work with suppliers and regulators to determine the scope and methodology.
- **From 2030:** suppliers will only be able to qualify for NHS contracts if they can demonstrate their progress through published progress reports and continued carbon emissions reporting through the Evergreen sustainable supplier assessment.

For further and updated information [Net Zero Supplier Roadmap](#)

Overarching minimum requirements that we expect of all suppliers:

- Understand NHS sustainability objectives and set action plans and improvement targets.
- Educate and upskill your supply chain on sustainability issues through training and conversations.
- Provide training and development opportunities for your staff.
- Carry out your supply chain activities with respect to all commitments, complying with all relevant mandatory legislation and international norms of behaviour.
- Measure, manage, and report on performance with year-on-year improvement aligned with NHS supplier roadmap.
- Reinforce these minimum requirements throughout and also consider framework and tender requirements.

What we can do together:

- Collaborate and co-operate to share knowledge, best practices to improve outcomes, meet the requirements of the charter and mandates.
- Open and transparent conversations to build transparent partnerships and conversations towards any events that adversely impact commitments.

1. Fighting Climate Change

Our [NHS Supplier Roadmap](#) will help suppliers to align with our net zero ambition between now and 2030. In 2020 the NHS became the world's first national health system to commit to being 'carbon net zero'.

The NHS has committed to:

- Reaching net zero for the emissions **we control directly by 2040**
- Reaching net zero for the emissions **we influence by 2045**
 - Through the goods and services we buy from our partners and suppliers.

<p>Our objectives:</p> <p>We are committed to:</p> <ul style="list-style-type: none"> ○ Reaching net zero by 2040 for the emissions we control directly and by 2045 for the emissions we influence, through the goods and services we buy from our partners and suppliers ○ Procuring goods and services in a way that achieves value for money while minimising environmental impact ○ Using sustainability criteria in the assessment and selection of our suppliers and ensuring the inclusion of relevant sustainability requirements within our contracts. 	<p>Minimum requirements expected of our suppliers</p> <ul style="list-style-type: none"> ○ Follow the NHS net zero supplier roadmap and report on the milestones ○ Provide complete details during NQC assessment for carbon ○ Work with us to provide sustainable and lower-carbon alternatives where practicable ○ Set targets to reduce their carbon footprint aligned with NHS objectives ○ Provide training to their teams and staff members to educate them on carbon.
<p>Aspirations</p> <ul style="list-style-type: none"> ○ 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. 	<p>Performance indicators</p> <p><i>We may ask our suppliers to:</i></p> <ul style="list-style-type: none"> ○ Report progress on the NHS net zero supplier roadmap ○ Publish a carbon reduction plan for UK Scope 1 and 2 emissions.

2. Plastic Products and Packaging

Our [Plastic Products and Packaging](#) ambition is to reduce the use of plastics used in products, components, and plastic packaging across our supply chain.

We also aim to raise awareness around the broader issue of single-use plastics (SUP) and the cumulative impacts of these products on the environment.

<p>Our objectives:</p> <p>We are committed to:</p> <ul style="list-style-type: none"> ○ Supporting the reduction of single-use plastics in NHS supply chains. 	<p>Minimum requirements expected of our suppliers</p> <ul style="list-style-type: none"> ○ Demonstrate how they have considered the 3R's principle (reduce, reuse and recycle) for their goods and services ○ Eliminate problematic or unnecessary single-use packaging through redesign, innovation or alternative delivery model.
<p>Aspirations</p> <ul style="list-style-type: none"> ○ Reducing single-use plastic is a key element of driving down our carbon footprint. ○ To remove all unnecessary and avoidable single-use plastics from our supply chain. 	<p>Performance indicators</p> <p>We may ask our suppliers to:</p> <ul style="list-style-type: none"> ○ Audit their supply chain for single-use plastic packaging and quantify the amounts ○ Reduce and subsequently report on single-use plastic products and packaging ○ Transition to recyclable packaging material or reusable alternatives

3. Waste and Circular Economy

Our [Waste and Circular Economy](#) ambitions are clear – to manage the waste across NHS Supply Chain. The NHS has highlighted the reduction in waste and development of a circular economy as an important part of its efforts to become net zero.

<p>Our objectives:</p> <p>We are committed to:</p> <ul style="list-style-type: none"> ○ The management of waste across the NHS Supply Chain. This includes: <ul style="list-style-type: none"> ● Packaging ● Food ● Other waste that is generated across our offices, distribution centres and the broader supply chain. 	<p>Minimum requirements expected of our suppliers</p> <ul style="list-style-type: none"> ○ Operate and maintain our facilities with responsible sourcing, resource efficiency and circular economy principles in mind, following the waste hierarchy ○ Promoting resource efficiency and supporting the circular economy, sending zero waste to landfill.
<p>Aspirations</p> <p>We expect all our suppliers to:</p> <ul style="list-style-type: none"> ○ Reduce waste produced at source ○ Integrate circular economy principles ○ Collaborate with us to bring innovative solutions into our products. 	<p>Performance indicators</p> <p>We may ask our suppliers to report:</p> <ul style="list-style-type: none"> ○ Percentage (%) materials and goods supplied with reused or recycled content ○ Percentage (%) waste diverted from landfill ○ Percentage (%) waste beneficially reused ○ Percentage (%) selected materials from certified sources

4. Business Ethics

Our [Supplier Code of Conduct](#) highlights key areas to ensure our suppliers act ethically and with integrity. NHS Supply Chain reserves the right, upon reasonable notice, to check compliance with the requirements of the supplier code of conduct. NHS Supply Chain encourages its suppliers to implement their own binding guidelines for ethical behaviour.

<p>Our objectives:</p> <p>We are committed to:</p> <ul style="list-style-type: none"> ○ Maintaining the ethical standards and act with integrity. ○ Abiding to all core ethics principles of: <ul style="list-style-type: none"> ● Anti-bribery and corruption ● Fair competition ● Privacy and intellectual property ● Gifts, sponsorships and hospitality ● International trade controls and sanctions compliance. 	<p>Minimum requirements expected of our suppliers</p> <ul style="list-style-type: none"> ○ Maintain the ethical standards and act with integrity. Abide to all core ethics principles of anti-bribery and corruption, fair competition, privacy and intellectual property, gifts, sponsorships and hospitality and international trade controls and sanctions compliance ○ Promote ethical behaviour among their employees and train them to report any unethical incidents ○ Ensure these requirements are also cascaded throughout their supply chain.
<p>Aspirations</p> <ul style="list-style-type: none"> ○ We expect all our suppliers to maintain the highest level of ethical standards ○ We expect them to ensure their supply chain is also operating to the highest level of ethical standards ○ We expect them to be vigilant to foresee any incident and report it. 	<p>Performance indicators</p> <p>We may ask our suppliers to report:</p> <ul style="list-style-type: none"> ○ The amount of training provided to internal employees on ethical standards ○ How they enforce a zero-tolerance approach to corruption and bribery ○ Demonstrate that they have robust whistleblowing process in place to ensure high standards in all areas.

5. Supply Chain Resilience

Our [Business Plan 2022-2023](#) mentions how the resilience of our supply chain is critical to ensuring clinicians have the products they need to provide safe and excellent patient care with minimal disruption.

Ensuring all NHS trusts have equal access to key consumables required to provide patient care remains a top priority. Working alongside external organisations, NHS Supply Chain is focusing on enabling supply chain resilience within the NHS.

<p>Our objectives:</p> <p>We are committed to:</p> <ul style="list-style-type: none"> ○ Recognising, reacting to and mitigating our exposure to risks through robust procedures and controls throughout the supply chain. 	<p>Minimum requirements expected of our suppliers</p> <ul style="list-style-type: none"> ○ Recognising, reacting to and mitigating risks to ensure appropriate resilience of their supply chains including ensuring that due diligence is conducted and any incidents are reported ○ Implement mechanisms to regularly identify, evaluate and manage risks in all areas addressed with respect to all applicable legal requirements.
<p>Aspirations</p> <ul style="list-style-type: none"> ○ We expect our suppliers to be vigilant and manage any foreseen risks in their supply chains as a top priority and exercise due diligence on their own operations and supply chains. 	<p>Performance indicators</p> <p>We may ask our suppliers to report:</p> <ul style="list-style-type: none"> ○ Percentage (%) of employees trained in risk management and business continuity practices ○ Evidence their resilience management plans or policies.

6. Human Rights and Labour Standards

Our commitments for Human Rights and Labour Standards are aligned with the principles to those described in the United Nations Universal Declaration of Human Rights (UNUDHR) and the International Labour Organisation's (ILO) fundamental Conventions on labour rights.

We use the government-backed [supplier registration portal](#) from NQC Limited, that collates and identifies, measure and manage corporate responsibility risk and compliance.

We encourage our suppliers to complete a Modern Slavery Assessment (MSAT) and the Labour Standards Assessment (LSAT) on the NQC supplier portal.

<p>Our objectives:</p> <p>We are committed to:</p> <ul style="list-style-type: none"> ○ Upholding and promoting the basic rights and freedoms of those who work across the entirety of the NHS Supply Chain. This includes our response to international issues such as: <ul style="list-style-type: none"> ● Modern Slavery ● Child labour ● Forced labour and trafficking ○ Maintaining a strong position on labour standards such as the enforcement of health and safety policies and the use of employment terms. 	<p>Minimum requirements expected of our suppliers</p> <ul style="list-style-type: none"> ○ Provide complete details on NQC portal (MSAT and LSAT) requirements and questions ○ We expect our suppliers to meet all of the same commitments and support our objectives that we have ○ Comply with all legal requirements and applicable national law and standards set by International Labour Organisation (ILO) and United Nations Universal Declaration of Human Rights (UNUDHR) across the full supply chain.
<p>Aspirations</p> <p>We expect all of our suppliers to:</p> <ul style="list-style-type: none"> ○ Promote our core human rights and modern slavery principles ○ Implement and enforce effective systems and controls that promote zero tolerance on modern slavery ○ Address any human rights issues ○ Ensure the cascading of these expectations and requirements throughout their own supply chains. 	<p>Performance indicators</p> <p><i>We may ask our suppliers to report:</i></p> <ul style="list-style-type: none"> ○ Percentage (%) of significant suppliers and contractors that have undergone screening on human rights and actions taken ○ Percentage (%) of employees trained on policies and procedures concerning aspects of human rights that are relevant to operations.

7. Social Value

Our [Social Value Guidance](#) sets out our Social Value objectives to meet its net zero carbon targets while achieving its wider social value priorities through all its procurement activities.

Where appropriate a minimum weighting of 10% or above (for net zero and social value) will be added to the evaluation criteria of NHS tenders.

<p>Our objectives:</p> <p>We are committed to:</p> <ul style="list-style-type: none"> ○ Reducing health inequalities ○ Drive better environmental performance ○ Delivering even more value from the products we source ○ Add minimum of 10% weighing on net zero and social value (where appropriate). 	<p>Minimum requirements expected of our suppliers</p> <ul style="list-style-type: none"> ○ To support the delivery of net zero carbon across the NHS <ul style="list-style-type: none"> ● The Social Value Model theme of 'Fighting Climate Change' should be included in all procurement activity ○ To go beyond the project and tender requirements to deliver additional benefits for local communities.
<p>Aspirations</p> <ul style="list-style-type: none"> ○ To increase value from every pound spent in the NHS ○ To create opportunities to add value to our local communities. 	<p>Performance indicators</p> <p><i>We may ask our suppliers to report:</i></p> <ul style="list-style-type: none"> ○ On their set KPIs – based on the selected themes and policy outcomes mapped against the Social Value Model.