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## Commitment to achieving Net Zero

Managed Healthcare Services Ltd. (MHS) is committed to achieving Net Zero emissions by 2030. MHS is currently looking in to the SBTI Corporate Net Zero Standard with a view to potentially apply in 2023.

## Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

**Baseline Year: 2021 1<sup>st</sup> January 2021 – 31<sup>st</sup> December 2021**

### Additional Details relating to the Baseline Emissions calculations.

Managed Health Services has been providing healthcare services to the NHS since 2015. Our innovative clinical care models help to reduce waiting times through the provision of additional capacity in outpatients, diagnostic services, day-care services, and inpatient surgery.

As a responsible business with close ties to the National Health Service as a result of operational practices we are committed to the reduction of greenhouse gas emissions (GHG) and to operating sustainably to aid in the prevention of global warming.

Whilst MHS has taken steps to reduce its carbon footprint in recent years the 2021 baseline Carbon Reduction Plan represents the initial reporting and assessment for MHS company wide. Our UK operations are based in Sheffield where we operate within a multi office building with no operational control over the energy-using equipment. In our search for an operational base, it was vital to locate a building that was environmentally friendly which remained in line our commitment to reducing our GHG emissions.

For the baseline year of 2021 we are cognisant of the impacts of Covid 19 and associated hybrid working conditions which were required during this period. Due to operating within the healthcare sector our commissioned services were severely restricted with many postponed until 2022. This resulted in an unprecedented decline in our emissions footprint and as such the hybrid working has been factored into our estimations of scope 3 in order to mitigate the heavy reduction in our Scope 1 and 2 emissions.



Baseline year emissions:	
EMISSIONS	TOTAL (tCO <sub>2</sub> e)
Scope 1	<p>0t CO<sub>2</sub>e</p> <p>We do not operate any stationary combustion devices for heating (e.g., gas-fired boilers) and we do not directly own or operate our own transportation. As a result, our scope 1 emissions are zero.</p>
Scope 2	<p>0t CO<sub>2</sub>e (Market based footprint)</p> <p>1.32 CO<sub>2</sub>e (Locational based footprint)</p> <p>Our scope 2 emissions are a result of indirect emissions from the consumption of purchased electricity in conjunction with hybrid working. Our office building has electricity fully provided from solar panels with remote working locations using renewable electricity. We do not purchase any other forms of energy such as steam or heat from a district heat network.</p> <p>MHS has no operational control over indirect energy-using equipment within our office as it part of a shared building. The building does however utilise solar panels to heat and light the building with significant insulation to ensure the building retains heat with no other indirect energy suppliers utilised.</p>
Scope 3 (Included Sources)	<p>0.25 CO<sub>2</sub>e (Locational based footprint)</p> <p>Based on the nature of our operations, Scope 3 emissions are the greatest contributor to our total baseline emissions.</p> <p>The categories included in the calculation of our Scope 3 emissions are detailed below in order of their share of the total emissions.</p> <p>As part of our SBTi Net Zero work during 2022 and 2023, we will be using the GHG Protocol scope 3 evaluator tool to ensure that MHS is reporting all of the value chain scope 3 categories. To date, we have calculated the categories which MHS believe to be most material to our operations but will be further validated.</p> <p>Of the five scope 3 categories mentioned under PPN 0621, upstream and downstream transportation are not considered to be relevant to MHS operations. MHS does not manufacture, store or distribute physical goods to clients.</p> <p><b>Employee Commuting (including upstream emissions) - 0t CO<sub>2</sub>e.</b></p> <p>To account for changes in the working environment as a result of the COVID-19 pandemic, an estimation of the carbon impact of tele-working has been included in the calculation of our Scope 3 emissions.</p>



	<p>The reported emissions have been estimated from staff working patterns during standard office hours and usual locations. The impact on the baseline emissions is expected to be low due to COVID-19 related travel restrictions during the reporting period with staff spending the vast majority of their time working from home.</p> <p><b>Business Travel – 0.20t CO2e</b> The reported emissions are made up of travel mileage from both private vehicles used on company business.</p> <p>For personal vehicles, emissions have been estimated using average car emission factors and mileage sourced from expense reports.</p> <p>The impact of business travel is expected to increase in the next few reporting cycles due to COVID restrictions in place during the baseline period.</p> <p><b>Upstream impacts from purchased Electricity (Transmission &amp; Distribution) - 0t CO2e (Market Based) 0t CO2e (Locational Based)</b> This represents the emissions associated with energy grid losses as a result of sourcing electricity from the national grid.</p> <p>The market-based footprint is reported preferentially to reflect the MHS's decision to be located within a building which operates solely from solar panels.</p> <p><b>Waste generated in operations - 0.05t CO2e.</b> Waste is generated within our office building including landfill waste, mixed recycling, food waste and confidential shredded paper. At the time of reporting, we do not have accurate data on the tonnage of waste uplifted during the reporting period. As our staff work primarily remotely there is very minimal office wastage. As a result, the volume of waste arising from our office has been estimated using standard container volumes and density factors with the associated emissions calculated using the relevant carbon factors. As a result, the volume of waste arising from our office has been estimated using standard container volumes and density factors with the associated emissions calculated using the relevant carbon factors.</p> <p>Based on our operations it is unlikely that uncertainty in the calculation of emissions from waste will significantly impact the accuracy of the total baseline emissions.</p> <p><b>Water Supply &amp; Treatment - 0t CO2e</b> Emissions relating to the supply of water specifically for our office cannot be calculated due to it being located within a shared building.</p>
<p><b><u>Total Emissions</u></b></p>	<p>0t CO2e (Market based footprint) 1.57t CO2e (Locational based footprint) collated from the following: Scope 1 – 0t CO2e</p>



Scope 2 – 1.32t CO<sub>2</sub>e

Scope 3 – 0.25t CO<sub>2</sub>e

Current Year: 2022 1<sup>st</sup> January 2022 – 31<sup>st</sup> December 2022

#### Additional Details relating to the Baseline Emissions calculations.

Managed Health Services has been providing healthcare services to the NHS since 2015. Our innovative clinical care models help to reduce waiting times through the provision of additional capacity in outpatients, diagnostic services, day-care services, and inpatient surgery.

As a responsible business with close ties to the National Health Service as a result of operational practices we are committed to the reduction of greenhouse gas emissions (GHG) and to operating sustainably to aid in the prevention of global warming.

Whilst MHS has taken steps to reduce its carbon footprint in recent years the 2021 baseline Carbon Reduction Plan represents the initial reporting and assessment for MHS company wide. Our UK operations are based in Sheffield where we operate within a multi office building with no operational control over the energy-using equipment. In our search for an operational base, it was vital to locate a building that was environmentally friendly which remained in line our commitment to reducing our GHG emissions.

For the baseline year of 2021 we are cognisant of the impacts of Covid 19 and associated hybrid working conditions which were required during this period. Due to operating within the healthcare sector our commissioned services were severely restricted with many postponed until 2022. This resulted in an unprecedented decline in our emissions footprint and as such the hybrid working has been factored into our estimations of scope 3 in order to mitigate the heavy reduction in our Scope 1 and 2 emissions.

During 2022 many of the healthcare services postponed from 2021 went ahead resulting in an unavoidable rise in scope 3 emissions. Managed Healthcare Services Ltd. (MHS) is remains committed to achieving Net Zero emissions by 2030.

#### Baseline year emissions:

EMISSIONS	TOTAL (tCO <sub>2</sub> e)
Scope 1	0t CO <sub>2</sub> e  We do not operate any stationary combustion devices for heating (e.g., gas-fired boilers) and we do not directly own or operate our own transportation. As a result, our scope 1 emissions are zero.



<p>Scope 2</p>	<p>0t CO2e (Market based footprint)</p> <p>1.30 CO2e (Locational based footprint)</p> <p>Our scope 2 emissions are a result of indirect emissions from the consumption of purchased electricity in conjunction with hybrid working. Our office building has electricity fully provided from solar panels with remote working locations using renewable electricity. We do not purchase any other forms of energy such as steam or heat from a district heat network.</p> <p>MHS has no operational control over indirect energy-using equipment within our office as it part of a shared building. The building does however utilise solar panels to heat and light the building with significant insulation to ensure the building retains heat with no other indirect energy suppliers utilised.</p>
<p>Scope 3 (Included Sources)</p>	<p>2.92t CO2e (Locational based footprint)</p> <p>Based on the nature of our operations, Scope 3 emissions are the greatest contributor to our total baseline emissions.</p> <p>The categories included in the calculation of our Scope 3 emissions are detailed below in order of their share of the total emissions.</p> <p>As part of our SBTi Net Zero work during 2022 and 2023, we will be using the GHG Protocol scope 3 evaluator tool to ensure that MHS is reporting all of the value chain scope 3 categories. To date, we have calculated the categories which MHS believe to be most material to our operations but will be further validated.</p> <p>Of the five scope 3 categories mentioned under PPN 0621, upstream and downstream transportation are not considered to be relevant to MHS operations. MHS does not manufacture, store or distribute physical goods to clients.</p> <p><b>Employee Commuting (including upstream emissions) - 0t CO2e.</b> To account for changes in the working environment as a result of the COVID-19 pandemic, an estimation of the carbon impact of tele-working has been included in the calculation of our Scope 3 emissions.</p> <p>The reported emissions have been estimated from staff working patterns during standard office hours and usual locations. The impact on the baseline emissions is expected to be lower than normal due to COVID-19 related hybrid working continuing to be in place during the reporting period with staff continuing to spend the vast majority of their time working from home.</p> <p><b>Business Travel – 2.89t CO2e</b> The reported emissions are made up of travel mileage from private vehicles used on company business.</p> <p>For personal vehicles, emissions have been estimated using average car emission factors and</p>



	<p>mileage sourced from expense reports.</p> <p>The impact of business travel is expected to increase in the next few reporting cycles due to COVID restrictions in place during the baseline period.</p> <p><b>Upstream impacts from purchased Electricity (Transmission &amp; Distribution) - 0t CO2e (Market Based) 0t CO2e (Locational Based)</b> This represents the emissions associated with energy grid losses as a result of sourcing electricity from the national grid.</p> <p>The market-based footprint is reported preferentially to reflect the MHS's decision to be located within a building which operates solely from solar panels.</p> <p><b>Waste generated in operations - 0.3t CO2e.</b> Waste is generated within our office building including landfill waste, mixed recycling, food waste and confidential shredded paper. At the time of reporting, we do not have accurate data on the tonnage of waste uplifted during the reporting period. As our staff work primarily remotely there is very minimal office wastage. As a result, the volume of waste arising from our office has been estimated using standard container volumes and density factors with the associated emissions calculated using the relevant carbon factors. As a result, the volume of waste arising from our office has been estimated using standard container volumes and density factors with the associated emissions calculated using the relevant carbon factors.</p> <p>Based on our operations it is unlikely that uncertainty in the calculation of emissions from waste will significantly impact the accuracy of the total baseline emissions.</p> <p><b>Water Supply &amp; Treatment - 0t CO2e</b> Emissions relating to the supply of water specifically for our office cannot be calculated due to it being located within a shared building.</p>
<p><b><u>Total Emissions</u></b></p>	<p>0t CO2e (Market based footprint) 1.57t CO2e (Locational based footprint) collated from the following: Scope 1 – 0t CO2e Scope 2 – 1.30t CO2e Scope 3 – 2.92t CO2e</p>

### Emissions reduction targets

As outlined above, our scope 1 carbon footprint is zero and so, we are unable to set any further targets. Our scope 2 footprint is very minimal due to the use of solar panels and reusable electricity in remote working locations, this can only be reduced further by solar panels in remote working locations. Regarding scope 3 emissions, our targets are to reduce in line with the SBTi 1.5°C targets. This means a reduction of 21% from the 2021 baseline by 2026. We are committed to buying verified 'mitigation' offsets for the remaining footprint as required by the Net Zero corporate standard.

## Carbon Reduction Projects

### Completed Carbon Reduction Initiatives

The GHG footprint reported in this Carbon Reduction Plan represents MHS's first formal GHG assessment and forms our baseline emissions footprint. We are committed to updating our Carbon Reduction Plan on an annual basis to monitor and report against our reduction targets formally and transparently.

MHS has targeted and reduced the most significant contributors to our Scope 1 and 2 GHG emissions. Since November 2021 we have opted to move into an office with solar panels to generate electricity for our office. As a result, our Scope 1 and 2 carbon emissions are minimal following the market-based approach in our baseline footprint.

Despite the working from home guidance in place for much of the reporting period, in the baseline footprint, the purchase of renewable electricity resulted in a reduction of our total emissions by 11%. This represents 100% of our Scope 2 emissions (1.30t CO<sub>2</sub>e).

We have also established an Environmental Policy outlining its commitments to managing the impact of energy, procurement, waste and travel that has further supported our efforts to decarbonise and are looking to onboard ISO14001 to also monitor and manage our environmental impact.

Where travel is required, our policy commits us to find alternatives to air travel. We have invested in video-conferencing solutions to reduce the need for travel for in-house and client meetings. For local travel, we encourage staff to walk, cycle or use public transport.

Our commitment extends to supporting our employees to transition to lower-impact methods of commuting. Our offices provide cycle storage and shower facilities for our employees to encourage walking and cycling to work.

We have also looked to address the impacts related to waste and resource consumption. For example, our procurement policy commits us to source locally and using sustainable suppliers as a first preference. In addition, our in-house digital teams have been empowered to reduce paper waste via the use of technology to reduce our reliance on paper-based resources.

In the future we hope to implement further measures such as:  
Scopes 1 and 2:

Although our baseline emissions in these categories are minimal, there could be changes to the group business structure which could lead to a future increase in the reported emissions. To maintain our current status, we are committed to maintaining our policy of purchasing renewable energy and implementing sustainable procurement principles with an emphasis on purchasing low emission, energy-efficient or renewable equipment and infrastructure for our business operations. In the event any group structure changes lead to emission sources that cannot be avoided, we commit to offsetting any residual Scope 1 and 2 emissions as required by the Net Zero corporate standard.

Scope 3:

Once the additional categories such as business travel and staff commuting are included, this will increase the proportion of our footprint in scope 3.

#### **Working at Home (including upstream emissions):**

- As expected a number of our workforce have chosen to continue to work from home under the Covid-19 hybrid working arrangements. Although the emissions in this category have been estimated following an industry-adopted methodology, they are reliant on estimations. We aim to enhance the accuracy of our footprint via staff surveys to better understand the actual energy consumption of our employees, their use of renewable electricity and identify common high energy users.
- In addition, we aim to utilise the survey data to develop reduction strategies to support our employees in reducing their emissions. For example, we have considered encouraging or providing incentives for staff to move to renewable energy tariffs or to switch to more energy-efficient heating & lighting equipment. We will also review our procurement policies relating to IT equipment for use in remote working to ensure energy efficiency and low impact.

#### **Business Travel:**

- Business travel is an essential part of our client engagement; however, we are conscious that there is the potential for reducing the emissions associated with this activity. Our travel policy encourages our employees to consider the need for business travel and empower them to choose remote or lower-impact travel options such as rail or hybrid/electric vehicles.
- We aim to improve our data collection methodologies through improved resolution of the public transport data. At present we have estimated conservatively, which may be artificially raising our business travel carbon footprint.
- Although the impact from business travel in personal vehicles (“grey fleet”) is very low at 2.92t Co2e we will also be refining our data collection methods in future. This is so we can reflect our improvement from opportunities under review such as encouraging staff uptake of electric or other low-emission vehicles (e.g., through the EV salary sacrifice scheme).

#### **Employee Commuting:**

- We commit to maintaining our hybrid working arrangements to reduce the need for employees to commute. Following the completion of the employee commuting survey, we will analyse it to understand hot spots of carbon emissions and consider the actions required to reduce the impact of these specific hotspots.

#### **Declaration and Sign Off:**

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard<sup>1</sup> and uses the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>2</sup>.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard<sup>3</sup>.

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<sup>1</sup> <https://ghgprotocol.org/corporate-standard>

<sup>2</sup> <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>





Managed  
Healthcare  
Services

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

Signed on behalf of the Supplier:

Chief Executive Officer

Date: 20 April 2023

Revised: N/A