



Net Zero Report

CARBON REDUCTION PLAN | 2023

Carbon Reduction Plan

Executive Summary

Publication date: 10th January 2023

NRS's purpose is to improve the quality of life and independence of our clients, through our specialist products. We strive to provide the best possible products to our customers and the NHS, as part of this we are continuously looking become more sustainable. We are proud to announce our first Net Zero Carbon Reduction Plan for our 21/22 financial year. This is an important milestone in our sustainability journey and the first big step in achieving our net zero goal. We will use the findings in this report to implement impactful carbon reductions in our processes, embed sustainability deeper within our operations and create positive change that extends across the organisation and beyond. As we make sustainable choices within our value chain, we are protecting the future for the next generation.

When we arrived at NRS, we were astonished by the exceptional performance of all NRS employees. Our people are passionate about delivering the very highest levels of customer service to our customers and service users. Over the past year, we have worked hard to support our people's mental and physical wellbeing. As we reimagine the post-COVID world, we believe our culture of sustainability will continue to position NRS favourably to create long-term value for our stakeholders, who I would like to thank for their invaluable input thus far. We have been listening intently and will continue to do so. This continued stakeholder engagement will be key as we work purposefully to deliver our aims.

“We are excited about embarking on our next zero carbon reduction journey and look forward to keeping you informed of our progress as we build on the success of our most recent year.”



Eva Georgiou
Head of ESG and Engagement

About Us

Improving people's quality of life and independence every day

NRS Healthcare is the UK's leading provider of community equipment, wheelchair services, technology-enabled care, service, maintenance, equipment supply and clinical services to the NHS and Local Authorities. Our services help over a quarter of a million people every year to live, work and enjoy their leisure time, whatever their individual challenges might be. NRS works with Commissioners to provide services and local solutions which optimise resources to support independent living for our service users.

We understand the challenges and objectives of the Health and Social care professionals that we support. Our products are specialist in nature and the service we provide is tailored to a specific end-user client, we have invested in developing a client-facing, clinical team who work in partnership with our clients to ensure that we are aware of their changing needs and can provide the best advice and equipment to every professional and service user. Every team member at NRS supports a part of the overall solution to improve people's quality of life and independence every day through our innovative products and services, as well as helping our clients fulfil their objectives, in the case of the NHS and Local Authorities, delivering social value.

What we offer



Integrated community equipment services



Technology enabled care services



Clinical services



Wheelchair services



Shop now.
Mobility and independent living aids at our online store: Healthcare Pro



Daily living aids through our retail site



Home improvement agency services

Commitment to Net Zero

NRS is committed to ensuring that we play our role in working alongside other UK organisations to achieve the UK Government's Net Zero target of at least 100% reduction in the net UK carbon emissions by 2050 (based on 1990 levels) for our UK Operations. We are also aligning ourselves to the NHS's target to become Net Zero by 2045.

NRS is committed to taking action to reduce our annual emissions and achieving Net Zero emissions by 31st March 2030 which will be 20 years earlier than the UK governments target and 15 years earlier than the NHS target. We will aim to reduce our emissions year on year and will achieve:

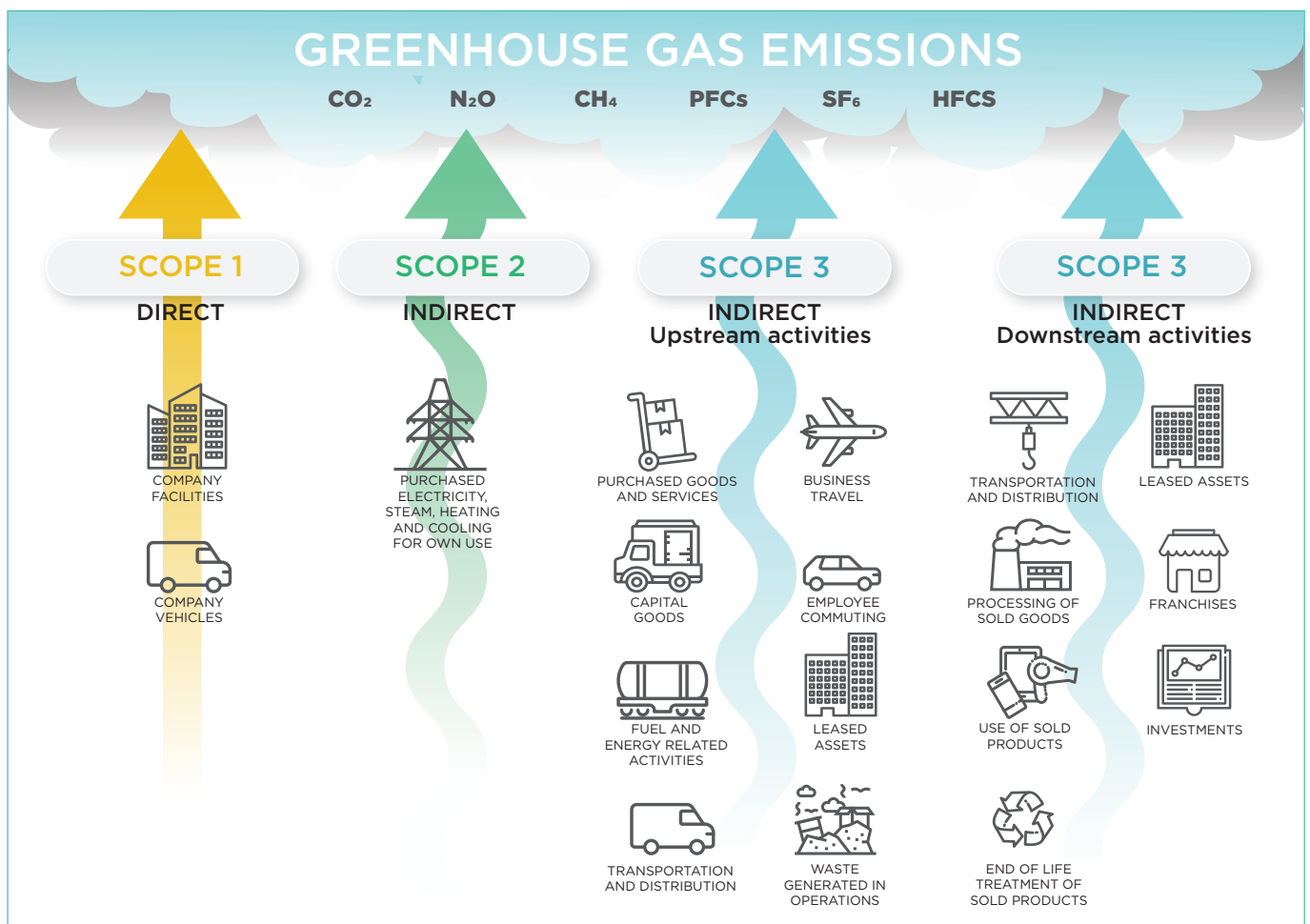
- 90 % reduction in our Scope 1 and 2 emissions by 2030
- Offsetting our residual Scope 1 and 2 emissions by 2028 to become carbon neutral via high quality verified offsets
- 77% overall reduction in all Green House Gas (GHG) emissions across Scopes 1, 2 and 3 by 2030 off setting any residual emissions via high-quality nature based or direct air capture projects and becoming Net Zero

To achieve these goals, NRS Healthcare are taking the following actions:

1. Appointed an external specialist carbon consultancy to advise NRS Healthcare on this journey, collate and verify data through to calculating the carbon emissions and helping advise on carbon reduction options.
2. Set the base year (1st April 2021 – 31st March 2022) and calculate the carbon footprint in line with the GHG protocol for the base year:
 - a. **Scope 1**
 - i. Transport, Refrigerants, and Gas
 - b. **Scope 2**
 - i. Electricity
- c. **Scope 3**

Selected categories from the below based on materiality:

 - i. 7 upstream categories - Purchased goods and services, Capital goods, Other fuel and energy, Upstream transportation and distribution, Waste within operations, Business travel and Employee Commuting
3. Created a carbon reduction plan for each scope and category
4. Set the net zero date
5. We will update the carbon footprint annually
 - a. 1st April 2022 – 31st March 2023 to be the first year post the base year



Source: GHG Protocol

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. NRS Healthcare has chosen March 2021 – April 2022 as our baseline year. NRS Healthcare's April 2022 baseline carbon emissions footprint is as follows:

Breakdown of GHG emission sources

Employee commuting - home working 2.3%

Stationary combustion (Gas) 1.7%

Transport 21%

Refrigerants 0.6%

Electricity 3%

Purchased Goods & services 32.2%

Capital Goods 18.1%

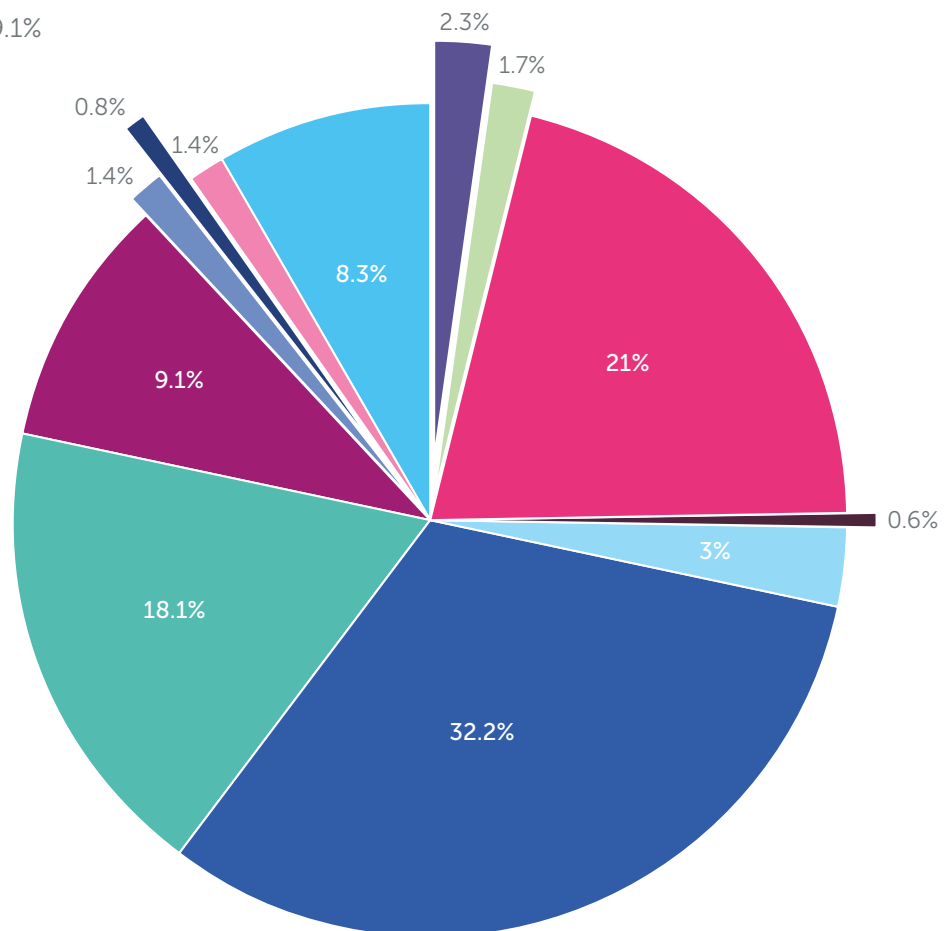
Fuel & energy related activities 9.1%

Upstream Transport 1.4%

Waste 0.8%

Business travel 1.4%

Employee commuting 8.3%



Scope/Category		Emissions tco ₂ e	% of total
Scope 1:			
Stationary combustion (Gas)	Gas consumed	216.72	1.7%
Transport	Owned and leased vehicles	2,720.25	21%
Refrigerants	HVACs	83.79	0.6%
Scope 2:			
Electricity	Purchased electricity, steam, heating & cooling for own use	386.19	3%
Scope 3:			
Cat 1: Purchased Goods and Services*	Goods and services	4,169.91	32.2%
Cat 2: Capital Goods	CapEx expenditure	2,342	18.1%
Cat 3: Fuel & energy related activities	WTT (Well-To-Tank) & T&D (Transmission & Distribution losses) from electricity, gas, transport, business travel and employees commuting	1,182.17	9.1%
Cat 4: Upstream Transport	Paid transport for goods (upstream & downstream)	187.27	1.4%
Cat 5: Waste	Waste	108.66	0.8%
Cat 6: Business Travel	Land and air travel for business purposes	181.14	1.4%
Cat 7: Employee commuting	Employees commuting to and back from work.	1,076.77	8.3%
Cat 7: Employee commuting-home working	Employees working from home	293.57	2.3%
Total Gross Emissions (Location Based)		12,948.43	100%
Less renewable electricity		(0)	
Total Gross Emissions (Market Based)		12,948.43	100%
Less carbon offsets		(2,721)	
Total Net Emissions		10,227.43	

To further understand our emissions, we have also recorded them using intensity ratios as this will allow us to track our emissions as our business grows and develops.

INTENSITY RATIOS	Gross Emissions (Location Based)	Gross Emissions (Market Based)	Net Emissions
tCO ₂ e per employee	10.08	10.08	7.97
tCO ₂ e per square meters	0.06	0.06	0.05
tCO ₂ e per million £ turnover	0.05	0.05	0.04

NRS Healthcare has selected the Operational Control method when setting our organisational boundary. The operational boundary will include all three scopes as outlined by the GHG Protocol. NRS Healthcare's emissions are reported in tCO₂e have been calculated utilising the following formula:

Source emissions data x conversion factor* = total source emissions
Source unit x (tCO₂e/unit) = tCO₂e

*Conversion factors are primarily derived from the latest:

- UK Government GHG conversion factors for Company Reporting
- DEFRA (Department for Environmental, Food and Rural Affairs)
- Environmentally extended input-output (EEIO) tables
 - EPA
 - Carnegie Mellon University

Emissions methodology – Inclusions within current numbers:

Scope 1:

Scope 1 sources included in the inventory are onsite (or “stationary”) natural gas combustion, fugitive emissions of refrigerant gasses from HVACs and mobile fuel combustion from leased and owned vehicles. No item has been excluded from the inventory of scope 1

Scope 2:

Purchased electricity was the only identified scope 2 emissions source. However, per the GHG Protocol Scope 2 Guidance, scope 2 emissions have been calculated and reported using two separate methodologies:

- Location-based method reflecting the average emissions intensity of grids on which energy consumption occurs
- A market-based method reflecting emissions from the electricity that NRS Healthcare has purposefully chosen via our energy procurement activities. This accounts for energy purchased from green energy suppliers

Scope 3:

Category 1: Purchased goods and services – Includes all upstream (i.e., cradle-to-gate) emissions from the production of goods purchased or acquired by NRS in the reporting year. We have used the average spend-based method to estimate emissions for goods and services purchased by NRS and applying the relevant emissions factors to the calculations

Category 2: Capital goods and services – Includes all upstream emissions from the production of capital goods purchased or acquired in our 2021/2022 reporting year. Similar to Category 1, we have used the average spend-based method to estimate emissions from our capital expenditure

Category 3: Fuel and energy related services – This relates to transportation and distribution losses, and the well to tank emissions for all fuels consumed as a result of NRS Healthcare’s operation:

- Well to tank emissions account for all the emissions related to the extraction, production, and shipping of fuels excluding only the direct combustion of the fuel. (e.g., fuel consumed by company owned or leased vehicles, employees’ vehicles used for commuting, vehicles used for business travel, etc)
- Transmission losses account for all the energy that is lost between the electricity production in the powerplant and when it is used (e.g., resistance in power lines)

Category 4: Upstream Transport and Distribution – includes emissions from two areas:

- Transportation and distribution of products purchased in the reporting year, between NRS’s tier 1 suppliers and its own operations in vehicles not owned or operated by the reporting company
- Third-party transportation and distribution services purchased by the reporting company in the reporting year, including inbound logistics, outbound logistics, and third-party transportation and distribution between a company’s own facilities

Category 5: Waste – Includes emissions from third-party used for the disposal and treatment of waste generated in NRS Healthcare’s owned and controlled operations in this reporting year

- We have utilised the Waste – type - specific method, which involves using emission factors for specific waste types and waste treatment methods

Category 6: Business travel - Includes emissions from the transportation of employees for business related activities in vehicles owned or operated by third parties, such as aircraft, trains, and passenger cars. This also includes emissions resulting from hotel stays and food expenses resulting from business related trips

- We have used the distance-based method, which involves determining the distance and mode of business trips, and then applying the appropriate emission factor for the mode used where possible
- We have used the expenditure on food with the appropriate emission factor to calculate the emissions
- We have estimated based on expenditure the number of nights stayed in hotels with the appropriate emission factor to calculate the emissions

Category 7: Employee commuting - includes emissions from the transportation of employees between their homes and NRS Healthcare's offices. Emissions from employee commuting may arise from car, bus, train, or cab travel. We have also included energy consumption and waste production which occur from employees working from home in this category

- We have calculated the employee commuting through employee travel surveys which collect data from employees on commuting patterns (e.g., distance travelled, and mode used for commuting) and apply the appropriate emission factors for the modes used using the distance-based method

Emissions methodology – Material exclusion for FY21 baseline emissions:

Scope 3 Category 8: Upstream Leased Assets is excluded from FY21 baseline emissions due to lack of data availability, however leased assets are a very small proportion of the business. Thus, this category has not been calculated and included into baseline calculations

Scope 3 Category 9: Downstream Transportation and Distribution is excluded from the current numbers as the data is currently not available to support these calculations. We will endeavour to collect this data for future carbon calculations

Scope 3 Category 11: Use of sold products is excluded from the current numbers as we do not collect data on this, and it is assumed that it will be a significant part of our GHG emissions and thus we plan to collect this data for future reporting

Scope 3 Category 12: End-of-life treatment of sold products is excluded from the current numbers as we do not collect data on this, it is assumed that it will be a large part of our GHG emissions so we will work hard to collect this data for future reporting

Emissions methodology – Other non-material exclusions for FY21 baseline emissions:

Scope 3 Category 10: Processing of sold products is excluded from FY21 baseline emissions as we do not process any products that is sold to customers. Thus, this category is not relevant for NRS Healthcare

Scope 3 Category 13: Downstream Leased Assets is excluded from FY21 baseline emissions, as we do not own any leased assets that we lease to other businesses. Thus, this category is not relevant for NRS Healthcare

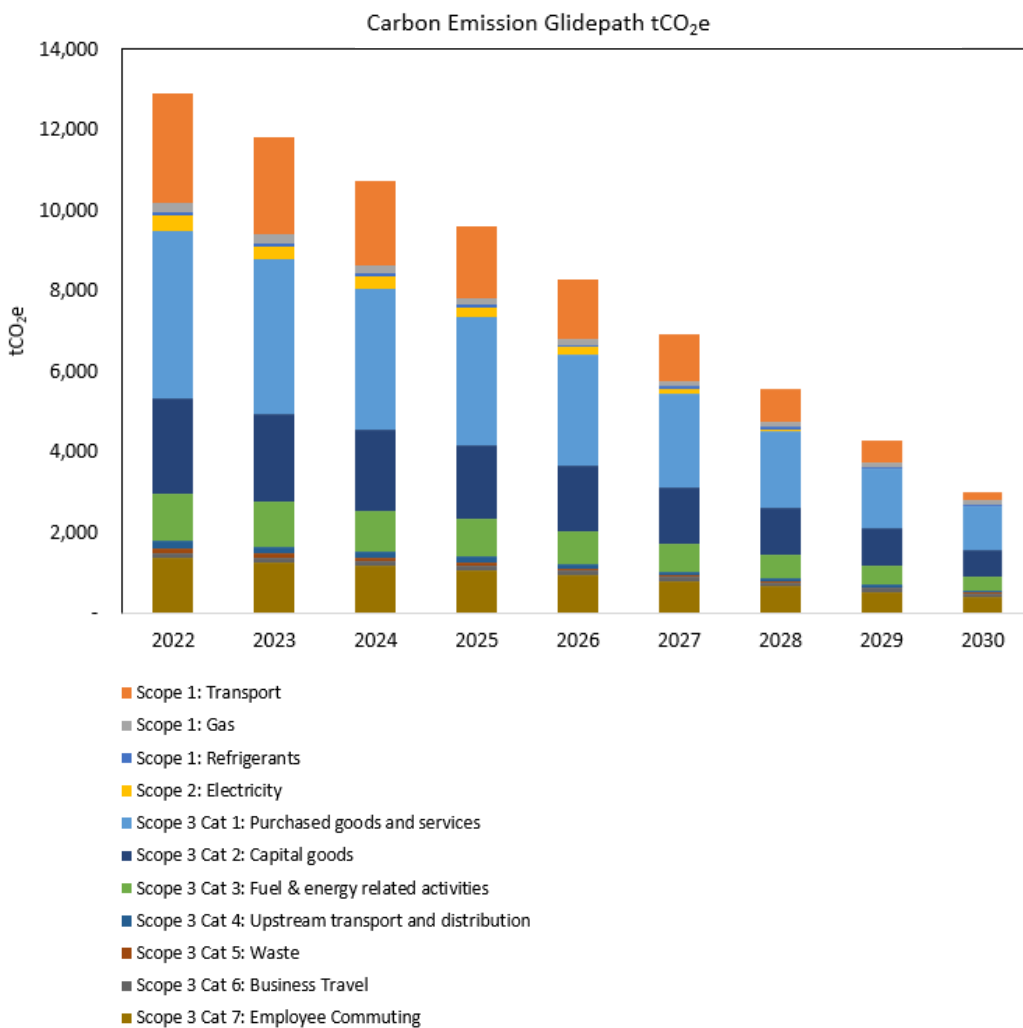
Scope 3 Category 14: Franchises is excluded from FY21 baseline emissions, as we do not operate any franchises through which we sell a license to distribute our products and services to another company. Therefore, this category is not relevant for NRS Healthcare

Scope 3 Category 15: Investments is excluded from FY21 baseline emissions, as we do not have any investments whereby, we provide capital or offer financing as a service. Therefore, this category is not relevant for NRS Healthcare

Emission Reduction Targets

In order to continue our progress to achieving Net Zero, we have mapped out and planned a number of positive actions in order to achieve the following carbon reduction targets:

- ✓ **25%** absolute reduction in emissions by 2025 from 2021 baseline levels
- ✓ **46%** absolute reduction in emissions by 2027 from 2021 baseline levels
- ✓ **77%** absolute reduction in emissions by 2030 from 2021 baseline levels



NRS Healthcare's approach is to always focus its efforts on reducing our own emissions, with significant planning and finances set aside to do this. However, a large proportion of our carbon emissions lie within scope 3, it is difficult to reduce these emissions within the short term as these are within our supply chain where we have influence but not control. To try and reduce these emissions NRS Healthcare will use our purchase power and choice of suppliers to encourage the correct carbon reducing behaviour within our supply chain.

Environmental Management Measures / Emission Reduction Plan

As a responsible business, NRS Healthcare has for many years had a focus on the environment and reducing our carbon emissions. To drive this to the next level, we engaged the services of Sustainable Advantage to advise the NRS Healthcare Board on global best practices on carbon reduction. This carbon reduction plan has been developed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans. We have a detailed carbon emissions reduction plan, the key actions of which are summarised below:

SCOPE 1: Stationary Combustion (Natural Gas)



- Identify sites with high gas consumption and perform energy surveys to identify capital expenditure (CapEx) opportunities
- Reduce reliance on gas use and replace gas boilers with electrical heating systems such as air source heat pumps, infra-red panels, electric storage heaters etc. where practical
- Ensure that all our facilities use minimal heating by making sure buildings are fully insulated
- Progressively replace brown gas consumption with renewable gas consumption
- Investigate new technologies as they become available and install these where practical (e.g., hydrogen powered boilers)

SCOPE 1: Transport (owned and leased vehicles)



- Move diesel and petrol owned and leased vehicles to electric vehicles (EV) as soon as is practical
- Where moving to EV's is not practical switch to hybrid vehicles
- Provide driver training on how to drive more efficiently to reduce emissions
- Install telematics where feasible to gather granular data on driver performance to issue further guidance
- Install EV charging points at our sites for our vans and cars once we move our fleet to EV
- Ensure EV's are charged using green electricity sources where possible including installing charging points at our sites which are supplied with green electricity contracts

SCOPE 2: Electricity

We plan on switching all our electricity contracts to green contracts as soon as it becomes feasible, in the meantime, we will endeavour to reduce our electricity consumption via the following:



- Energy efficiency guides will be issued to all site staff to facilitate positive behavioural change
- Energy champions at each site will be gathering up to date monthly energy performance data to provide feedback
- Ensure we use energy efficient systems wherever possible e.g., replacing lights with LED and using passive infra-red sensors (PIRs) where possible
- Energy surveys will be undertaken at sites consuming large amounts of electricity to identify capex opportunities
- Green champions to be appointed gather ideas from colleagues across our organisation. These ideas will be collated and shared, supplemented by what we consider to be best practices
- Investigate opportunities to install green energy production facilities onsite where practicable (e.g., solar panels, wind turbines)

SCOPE 3 Category 1: Purchased goods and services and Category 2: Capital goods

NRS Healthcare realises that much of the GHG reductions in these categories will happen because of our suppliers reducing their carbon emissions and becoming more carbon aware as the UK progresses towards a Net Zero 2050. However, that does not mean that we will take a passive approach to the category especially as it accounts for 50.3 % of our total emissions. To try and enact positive change on our suppliers we will:



- Engage with tier 1 suppliers to first understand their carbon footprint (scopes 1 and 2) by sending out carbon surveys
- Be selective about working with sophisticated carbon suppliers (where possible), and additionally, support suppliers to reduce their emissions
- Work with suppliers to collaboratively set carbon emissions reductions targets

SCOPE 3 Category 4: Upstream transportation and distribution

We recognise this category relies on third parties and thus most of our reductions will happen as our transport carriers reduce their emissions in line with the Paris agreement to reach Net Zero by 2050.



- We plan on working with low carbon third-party transport carriers whenever possible, especially when transporting products from global manufacturers to our warehouse in the UK
- Where practical, we will reduce the number of journeys made overall
- The majority of our upstream transport is by sea freight, which produces lower carbon emissions than other modes of transport so we will engage with these carriers to identify their carbon reduction plans to ensure they align with ours

SCOPE 3 Category 5: Waste



- NRS Healthcare already follows the waste hierarchy where a preference is given in order to:
 - Reduce the waste generated
 - Re-using / recycling as much as possible
 - Residual general waste to be incinerated to limit the volume of waste that goes to landfill
- Staff training programmes will be rolled out to provide clear, consistent training and information to minimise waste and maximise recycling
- We will track the disposal methods of our various waste streams and encourage waste management companies to change suppliers who send waste to landfill
- NRS Healthcare aims to have zero waste to landfill by 2027

SCOPE 3 Category 6: Business travel



- COVID-19 has taught us that video conferencing tools such as Teams and Zoom can very successfully host meetings. We are encouraging our staff to continue to embrace this technology to minimise travel
- Where travel is required, we will prioritise carbon reducing travel modes, choosing rail over air and / or cars
- Pay favourable mileage reclaim rates for EV vehicles
- We will also begin collecting more granular data on hotel stays to better calculate our GHG emissions in future years

SCOPE 3 Category 7: Employee commuting

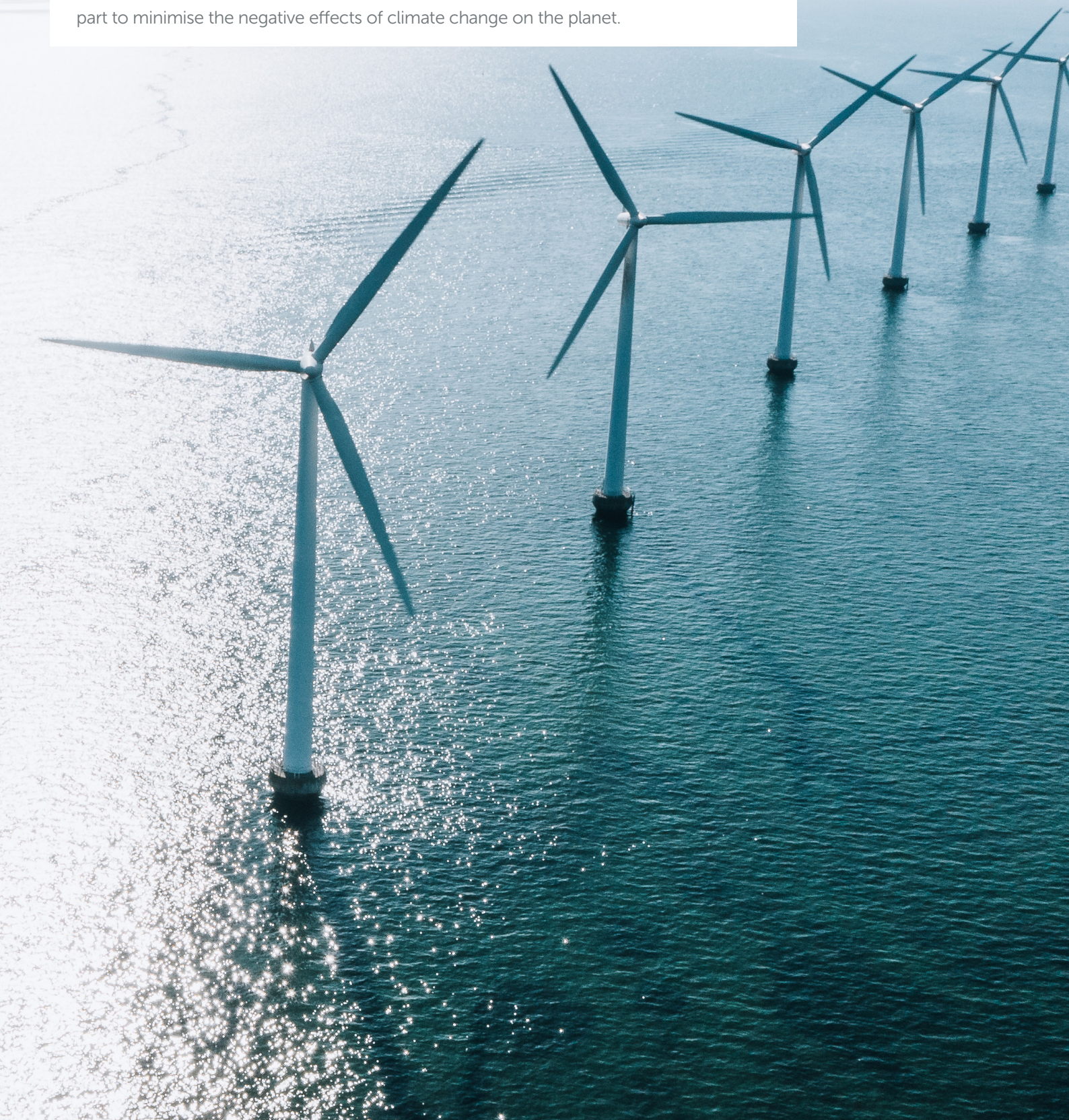
We recognise that we cannot massively influence what modes of travel our employees use. That said we need to do all we can to encourage them to join us on our sustainable journey. We will endeavour to achieve this by:



- Sending a travel survey to each one of our employees to understand how they currently get to and from work
- Putting in place initiatives to include:
 - Cycle to work schemes
 - Encouraging carpool arrangements
 - Providing information on public transport alternatives
 - Installing EV charge points at our office location
 - Paying favourable mileage reclaim rates to EV vehicles

Conclusion

NRS Healthcare will recalculate our carbon footprint annually for each year ending 31st March with 2023 being the first post base year. We will track how we are performing vs our targets and adjust our methods to ensure we stay on track to hit our net zero target. NRS Healthcare will continue to do all we can to minimise our emissions and do our part to minimise the negative effects of climate change on the planet.





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