Cabinet Office

# CARBON REDUCTION PLAN GUIDANCE

## Notes for Completion

Where an In-Scope Organisation has determined that the measure applies to the procurement, suppliers wishing to bid for that contract are required at the selection stage to submit a Carbon Reduction Plan which details their organisational carbon footprint and confirms their commitment to achieving Net Zero by 2050.

Carbon Reduction Plans are to be completed by the bidding supplier[1] and must meet the reporting requirements set out in supporting guidance, and include the supplier's current carbon footprint and its commitment to reducing emissions to achieve Net Zero emissions by 2050.

The CRP should be specific to the bidding entity, or, provided certain criteria are met, may cover the bidding entity and its parent organisation. In order to ensure the CRP remains relevant, a Carbon Reduction Plan covering the bidding entity and its parent organisation is only permissible where the detailed requirements of the CRP are met in full, as set out in the Technical Standard[2] and Guidance[3], and all of the following criteria are met:

- The bidding entity is wholly owned by the parent;
- The commitment to achieving net zero by 2050 for UK operations is set out in the CRP for the parent and is supported and adopted by the bidding entity, demonstrated by the inclusion in the CRP of a statement that this will apply to the bidding entity;
- The environmental measures set out are stated to be able to be applied by the bidding entity when performing the relevant contract; and
- The CRP is published on the bidding entity's website.

Bidding entities must take steps to ensure they have their own CRP as soon as reasonably practicable and should note that the ability to rely on a parent organisation's Carbon Reduction Plan may only be a temporary measure under this selection criterion.
The Carbon Reduction Plan should be updated regularly (at least annually) and published and clearly signposted on the supplier's UK website. It should be approved by a director (or equivalent senior leadership) within the supplier's organisation to demonstrate a clear commitment to emissions reduction at the highest level. Suppliers may wish to adopt the key objectives of the Carbon Reduction Plan within their strategic plans.

A template for the Carbon Reduction Plan is set out below. Please complete and publish your Carbon Reduction Plan in accordance with the reporting standard published alongside this PPN.

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[1] Bidding supplier or 'bidding entity' means the organisation with whom the contracting authority will enter into a contract if it is successful.

[2] Technical Standard can be found at:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/991625/PPN_0621_Technical_standard_for_the_Completion_of_Carbon_Reduction_Plans__2_.pdf

[3] Guidance can be found at:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/991623/Guidance_on_adopting_and_applying_PPN_06_21___Selection_Criteria___3_.pdf

# Carbon Reduction Plan Template

Supplier name: ELIS UK

Publication date: APRIL 2023

## Commitment to achieving Net Zero

Elis UK is aiming for Net Zero carbon emissions by 2045 on all scopes of emissions.

## 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: 2019** | |
|---|---|
| **Additional Details relating to the Baseline Emissions calculations.** | |
| 2019 baseline was recalculated to integrate some recent acquisitions.<br>Scope 3 emissions were estimated based on the Group Scope 3 emissions and adjusted on turnover for the UK.<br>Scope 2 is in market based.<br>Emissions are reported according GHG Protocol standard. | |
| **Baseline year emissions:** | |
| **EMISSIONS** | **TOTAL ($tCO_2e$)** |
| **Scope 1** | **78 860** |
| **Scope 2** | **16 624** |
| **Scope 3**<br>**(Included Sources)** | **134 966** |
| **Total Emissions** | **230 449** |

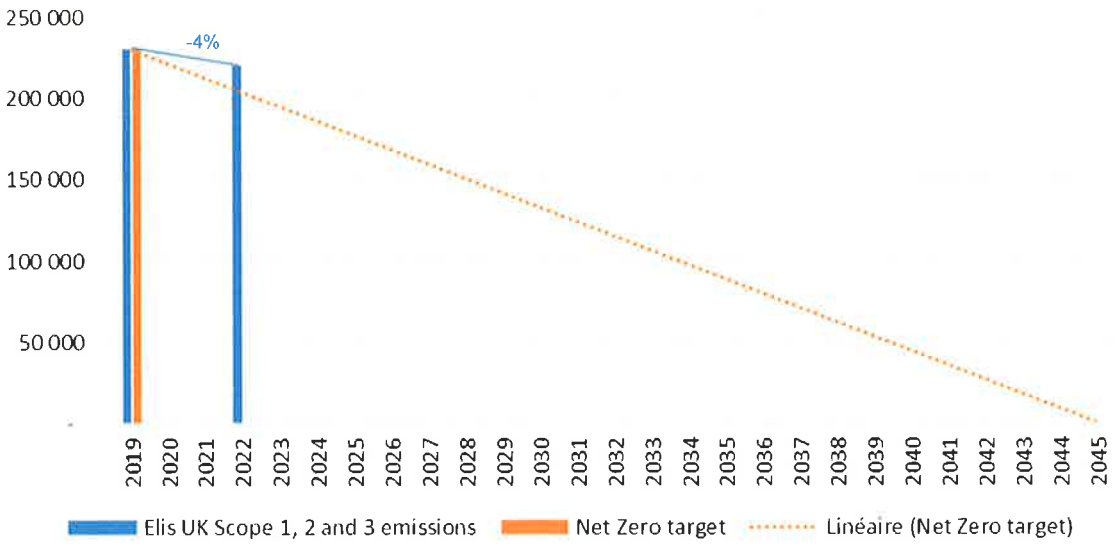
## Current Emissions Reporting

| Reporting Year: 2022 | |
|---|---|
| **EMISSIONS** | **TOTAL (tCO2e)** |
| **Scope 1** | **72 359** |
| **Scope 2** | **14 743** |
| **Scope 3** (Included Sources) | **133 273** |
| **Total Emissions** | **220 376** |

## Emissions reduction targets

The Elis Group is engaged to have SBT and will disclose them during the second semester 2023. Elis UK as part of the Elis Group will be a contributor to these targets.

Progress against these targets can be seen in the graph below:



# Carbon Reduction Projects

## Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2019 baseline.

The carbon emission reduction achieved by these schemes equate **to 10 073 tCO2e, a 4% gas reduction against the 2019 baseline** and the measures will be in effect when performing the contract.

**Our Climate Strategy**

1. *Reducing our Scope 1 & 2 emissions*

Elis UK strategy on Scope 1 & 2 emission reduction is based on two main axes:

1) continually improving the energy efficiency of our sites and transitioning them to alternative energy
2) working on our logistics to optimise its efficiency and switch to alternative vehicles

1. *Energy efficiency & Transition in our sites*

Elis UK continuously works to improve its energy performance by involving all stakeholders, from the design and purchase of equipment to the daily operation of its plants. This approach is fully in line with Elis's drive for operational excellence.

Elis 's strategy for reducing energy consumption is based in particular on the actions below:

› Optimizing the energy consumption of laundries: in-depth studies of possible angles for improvement, optimization of equipment settings (ironers, finishing tunnels, dryers, boilers), sharing of best practices, process adaptations (low-temperature washing), implementation of new technologies, integration of energy efficiency criteria into the design of facilities.

› Installing new equipment that meets energy performance conditions as part of the investment plan (replacement of spin drying presses, drying/ironing equipment, new boiler burners, installation of LEDs, reduction in energy consumption by the heating, ventilation and air-conditioning systems.

› Monitoring improvements in energy performance through appropriate indicators and communicating them to all relevant levels of the organization to help achieve the objectives and targets set. In particular, the "thermal energy per kg of linen delivered" indicator is reviewed monthly for each site. Possible variances are analysed and shared with the different levels of the organization.

› Trialling new steam-free laundries with hot water tanks for washing (three new plants since 2019).

› Monitoring new technologies and processes.

As part of its Climate strategy, in 2022 Elis also conducted an in-depth analysis of energy efficiency opportunities, taking into account existing technologies and best practices as well as new technologies to be tested.

At the same time, the Group is working to transition its operations toward energies that generate fewer emissions. Consequently, the Group continues to study and roll out the use of alternative energies after performing first tests and studying the regulatory and local constraints.

2. *Energy efficiency & Transition in our logistic operations*

Improving transportation energy efficiency is fully in line with the Elis drive for operational excellence. This is focused around several considerations:

› Proximity and consolidation: the Group favours sites close to its customers (generally within 30 to 100km) so that it can harmonize and consolidate its routes and loads.

- Maximization of the use and fill rates of delivery vehicles.
- The use of tools to reduce distances travelled.
- Eco-driving.
- Improvements to the performance of the vehicle fleet.
- Reviews of fuel performance.

With regard to maximization of the use and fill rates of delivery vehicles the Group's service agents have one objective: "full vehicles in both directions". A delivery vehicle thus never returns empty, as the return journey to the processing centre is an opportunity to transport soiled linen/workwear and mats, empty water fountain bottles, etc.

Elis also works regularly with its vehicle designers and manufacturers to reduce vehicle weight, thereby enabling an increased payload for its 3.5T vehicles and longer body lengths for its heavy trucks. To this end, advances in technology regarding
the payloads of electric 3.5T vans offer new opportunities for fleet replacement without negatively impacting the load rate on delivery routes. In order to ensure the success of this strategy, all vehicle replacements are considered in terms of the range/ maximization of the loading rate before being confirmed.

Regarding the use of tools to reduce distances travelled three main tools are used to assist the centres in optimizing their routes:

1. a third-party route-planning tool: used for nearly seven years to help centres plan their routes. After route optimization opportunities have been identified, this tool enables each centre's vehicle flows to be configured so as to optimize delivery distances and journey times.

2. GLAD (Global Logistics Assistant for Deliveries): following several pilot projects, Elis is rapidly rolling out its internal GLAD solution, which is a route-assistance tool that gives service agents who use a PDA the best route in real time. It helps reduce "unproductive" kilometres and allows the logistics teams to focus on higher value-added corrective actions. This tool has already been used on more than 1,200 daily routes in France in 2022.

3. A delivery load estimation tool allows operations staff to better estimate their requirements several weeks ahead and organize their logistics in good time so that they can plan their route requirements and seasonal variations in as much detail as possible.

In relation to eco-driving, the Group is putting in place various initiatives to support these practices:

- GLAD eco-driving: GLAD informs service agents when they are driving too fast and when it records a sharp breaking and accelerating. At the end of the route, the service agents receive a summary of these two driving behaviours.
- Training of new logistics managers: during the onboarding program, they are taught about eco-driving.
- Training for driving electric vehicles: when an electric vehicle is handed over, every driver is trained on this new way of driving.
- Fuel performance indicator monitoring: each Elis centre monitors the L/100km indicator by delivery to raise awareness among service agents of their fuel consumption.
- Regarding the performance of the vehicle fleet Elis has a fleet replacement strategy that includes energy transition and city centre access considerations.
- Elis also actively monitors technological developments in respect of alternative energy heavy trucks.
- At the end of 2022, the Group conducted a review of all possible
- Energy efficiency levers and immediately launched certain actions.
- For example:
- Entering into a master agreement for tire maintenance to maintain the right tire pressure and reduce fuel consumption.
- Limiting all the Group's 3.5 T vehicles to 110 km/h, with the aim of curbing their consumption.

2. *Reducing our Scope 3 emissions*

Given its economic model, which is based on the circular economy, the Group keeps many of the impacts normally borne by other stakeholders in-house, enabling the development of effective optimization and emission reduction strategies. This is particularly the case with the laundering phase or the delivery of the products, presented above.

The Group is especially working to reduce its emissions by:

- Developing increasingly responsible and lower-impact products. For example, in 2022 the Group launched the "Phoenix" washroom line, made from more than 80% recycled plastic. The Group also continued or launched pilot projects to reduce linen loss in partnership with customers. The Group is especially testing reward and awareness-raising systems.
- Working on keeping product in use, especially by developing innovative partnership with suppliers to reduce textile losses and engage every stakeholder in the process. In 2022, the "Healthcare Textile Improvement Program" was for example launched.
- Prioritizing energy efficiency in its operations and logistics.
- Encouraging employees to use more responsible means of transport.
- Reducing emissions related to product end-of-life, mainly through recycling or reuse.

**Working alongside customers to reduce linen loss: "Healthcare Textile Improvement Program"**

Linen that is lost, misused or discarded, in addition to potentially generating additional costs, can have significant environmental impacts. In the United Kingdom, Elis has estimated that linen lost or misused could cover the equivalent of 190,000 tennis courts each year.

This is why an initiative was launched on this market: the Healthcare Textile Improvement Project (HTIP). The goal of this project is to partner with customers to understand why linen is lost and to reduce these losses by a minimum of 30%.
A communications campaign focused on the four Rs – "Rent it, Respect it, Return it, Reuse it" – was rolled out to engage customers and ensure that all stakeholders (staff, patients, management, etc.) would commit to the project and change their practices.

In 2022, the Elis Group was awarded A- score at the CDP Climate and Score A at the CDP Supplier Engagement Rating.

**In the future we hope to implement further measures such as:**
*The Elis Group remains on track to set its SBT and Carbon Reduction strategies announced in H2 2023. These plans will outline opportunities for carbon reduction across Elis Worldwide. Countries and sites will undertake pilot schemes will analyse results and methodologies and with the support of the Technical experts determine the correct solutions to meet our carbon reduction commitments both in the UK and across the group. Examples include industrial projects, alternative fuels, logistic efficiencies, renewable energy contracts and employee education and training.*

## 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[4] and uses the appropriate Government emission conversion factors for greenhouse gas company reporting[5].

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[6].

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:

MARK FRANKLIN CEO ELIS UK.

Date: 11.05.23.

[4] https://ghgprotocol.org/corporate-standard
[5] https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting
[6] https://ghgprotocol.org/standards/scope-3-standard