



Independent Healthcare
Providers Network

IHPN Climate Change Group

21/09/2021



Agenda

- Introduction – David/Danielle
- Industry decarbonisation in action – Steven Moore (GSMA)
- Breakout sessions: exploring decarbonisation actions - Deloitte
- IHPN net zero targets – David/Danielle
- Q&A

Schedule of events



1. Climate change: a primer

The impact of climate change on business, and the external landscape



2. Net zero commitments

Exploration of practical guidance on decarbonisation, committing to and delivering net zero goals



3. Decarbonisation and setting a target

Insight from the GSMA on their industry roadmap, deep dive into baselining and actions for decarbonisation with discussion on IHPNs own commitments



Today's session

1. Industry decarbonisation in action

GSMA

2. Breakout sessions

Decarbonising your business

1. Baselineing

1.1 Understand data management processes

- a** Interview data owners and understand protocols.
- b** Understand boundaries and collection challenges in obtaining complete and accurate data.
- c** Explore software and data collection platform needs.

1.2 Assess current data and processes

- a** Assess existing environmental data and identify opportunities for improvements to data accuracy or completeness.
- b** At a minimum this analysis should cover data relevant to report on Scope 1 and 2 emissions. It is suggested that this includes a first pass screening of Scope 3 emissions. This involves undertaking a high-level estimation for the emissions from each of the Scope 3 categories (where possible), followed by an exercise to pick the Scope 3 emissions categories to calculate and report with the target of achieving a total of >80% of Scope 3 emissions coverage.

1.3 Refine and complete

- a** Establish practical ways that issues identified could be addressed and materials could be integrated (focusing on the key data needed for a baseline).
- b** Identify how data protocols could be updated to build a solid dataset for setting and reaching your GHG targets.

1.4 Determine baseline year

- a** Define an appropriate baseline year for reporting (consider impacts of Covid-19 to recent asset performance).
- b** Use data collected to here to take forward to the next phase an identify reduction opportunities.

Decarbonising your business

2. Options for decarbonisation

2.1 Identify potential target areas

- a** identify target areas and estimate emissions savings from potential pathways.
Typical material decarbonisation focus area we expect to see are outlined below:



Renewables & green gas: considering how increasing the renewable energy mix could work across your markets, including green gas solutions, fuel switching, or power purchase agreements.



Energy efficiency: identifying how to reduce energy load across your sites to effectively drive down cost and support electrification options.



Electrifying vehicle fleet: transitioning your vehicle fleet to electric alternatives.

2.2 Business stakeholders /functions

- a** Begin to build out decarbonisation options engaging with senior management, exploring trades offs, high-level barriers and hurdles to overcome. Consider how functions are impacted (see below):

Finance team: capturing data to measure and report impact.

Risk: ensuring abatement options reflect climate risk.

Facilities: how decarbonisation targets and initiatives can be built into sites and financial support for asset-level initiatives.

Procurement: embedding sustainable buying policies and climate commitments in the supply chain.

HR: building understanding and engagement with employees.

2.3 Map out abatement strategy

- a** Outline a set of target areas for abatement, calculate projected costs (OPEX, CAPEX) across different implementation scenarios.

Abatement strategy example

The example below is an indicative output from the Deloitte Net Zero Framework showing costed abatement opportunities, split out by factors such as scope, feasibility and impact.

Intervention	Scope affected	CO2 savings (% of scope)	Feasibility	CAPEX (£mil)	OPEX savings (£mil)	Assumptions and data inputs	Further information needed
Buy 100% renewable electricity	2	100	H	n/a	-0.05	<ul style="list-style-type: none"> Price differential for green electricity with REGOs is benchmarked at £0.3/MWh (1). Price applied to annual electricity usage (kWh) and compared to annual electricity spend 100% reduction in scope 2 emissions 	<ul style="list-style-type: none"> Contact suppliers to validate price differential
100% biogas	1	80	M	n/a	-1.3	<ul style="list-style-type: none"> Extra cost of purchasing 100% biogas benchmarked at £0.018/kWh (7) 	<ul style="list-style-type: none"> Confirm with non-domestic biogas provider on price differential Check retrofitting requirements for building portfolio
100% EV Fleet	1	11	M	27.2	3.7	<ul style="list-style-type: none"> For fleet of 1000, cost per EV of £27k (13) 1 charging point for every 10 EVs, at cost of £1.5k per charging point (14) Current fleet incurs costs of £Xmil, and travels approx. 8 million miles each year Charging costs of £0.06/mile (15) 	<ul style="list-style-type: none"> Confirm with EV suppliers on cost Confirm with charging point provider on cost and requirements Confirm with fleet team current costs of EV fleet and mileage Check latest government grants and tax incentives for EVs and charging point installation

Payback in 5-10 years dependent on government subsidies and incentives

Decarbonising your business

3. Roadmap setting

3.1 Understand your level of ambition

a Convene appropriate management and functional representatives to understand your strategic approach to decarbonisation and reporting aspirations: focusing on:

Commitments: Any current (or planned future) GHG commitments

Challenges: Any concerns or challenges you currently have.

Timelines: The target timelines you'd ideally like to work towards, considering your peers commitments.

Disclosure level: The breadth and depth of information you'd want to disclose, how you expect to disclose it (and where).

Reporting: How you'd like your reporting to evolve in the coming years. This could include reference to TCFD.

3.2 Develop the roadmap

a This phase develops an imagine of what net zero delivery could look like practically. Areas that are covered include:

Timelines: to drive implementation so that the plan hits target;

Management systems: to support with decarbonisation;

Resources: indicative resources required (e.g. indicative staff and skills required);

Targets: to keep the pace of implementation;

RACI: to define which stakeholders are involved and in which way;

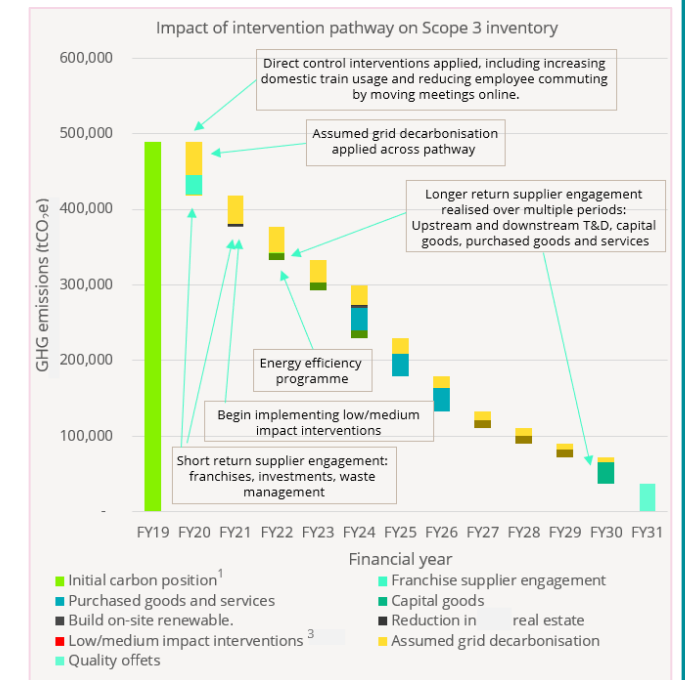
Costs: indicative assessment of the wider cost implications of delivering the decarbonisation interventions.

3.3 Abatement roadmap example

a Outline a set of target areas for abatement, calculate projected costs (OPEX, CAPEX) across different implementation scenarios.

Abatement roadmap example

The example to the left shows an indicative Scope 3 intervention roadmap, as built from our Net Zero Framework.



Any questions?

3. IHPN net zero targets

Voluntary Industry Wide Net Zero Commitment

Options for discussion:

- **Net zero for scope 1 and 2 (direct emissions) by 2030
OR net zero for scope 1 and 2 by 2040, and**
- **Net zero for supply chain by 2045**

Green House Gas Protocol (GHGP):

Scope 1 – direct emissions from owned or directly controlled sources, Scope 2 – indirect emissions from the generation of purchased energy (electricity), Scope 3 – all other indirect emissions (full supply chain)

Q&A

Climate change services from Deloitte

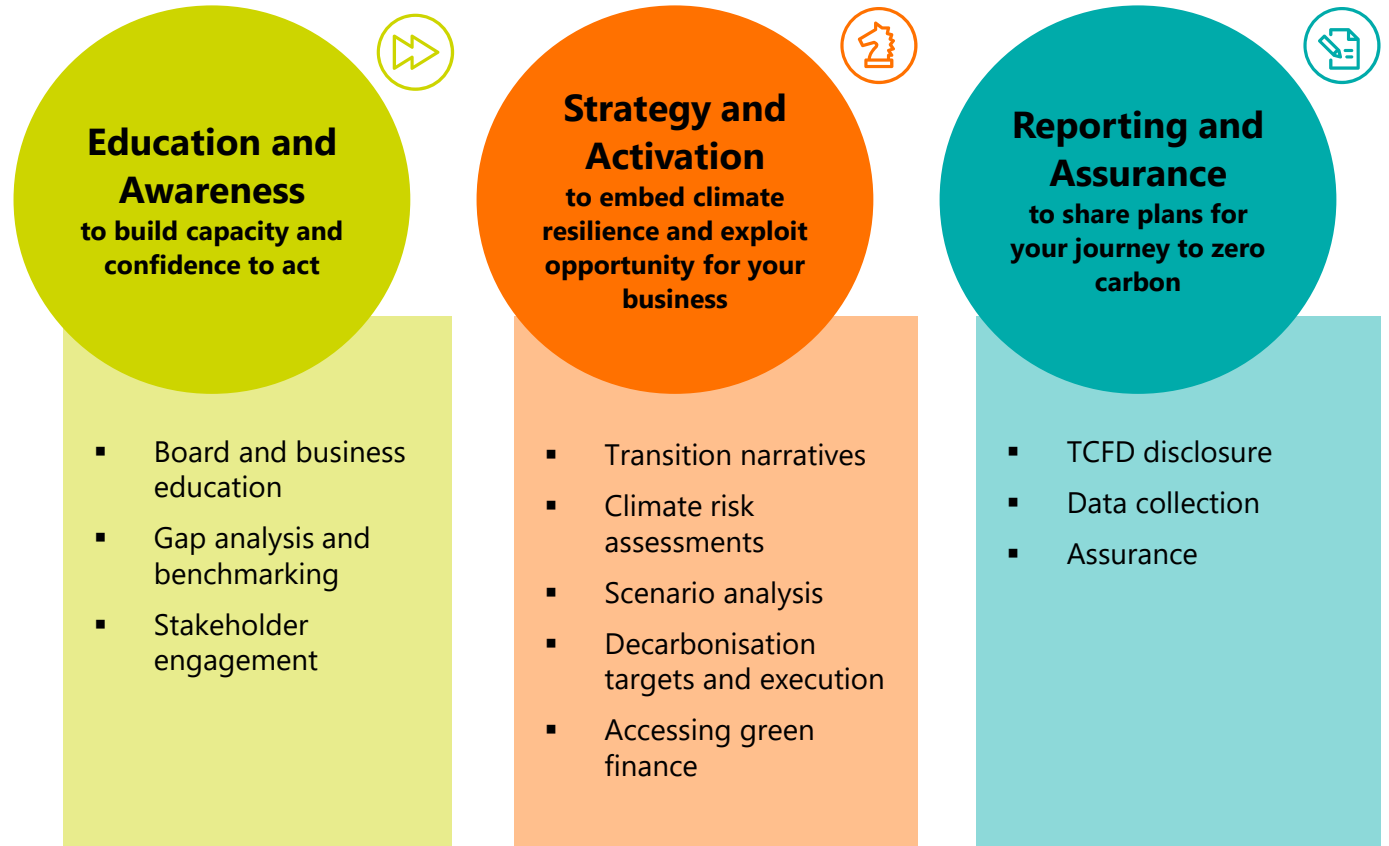
We work with clients at every stage of maturity, with every level of ambition. Our products and services change minds, enhance decision-making and accelerate action.

In doing so, we help clients to be more resilient and more likely to achieve competitive advantage in a zero-carbon world.

For more details please contact:



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Useful resources

[Website full of inspirational stories on climate action](#)



Lessons from starting a movement

Julie Baddeley
Chapter Zero
[Link](#)



When clear evidence turns into powerful action

Penny Endersby
Met Office
[Link](#)



How business can change the world (because it can)

Mark Wright
WWF
[Link](#)



The climate race is not a competition

Sharon Thorne
Deloitte
[Link](#)

[Climate content hub](#)



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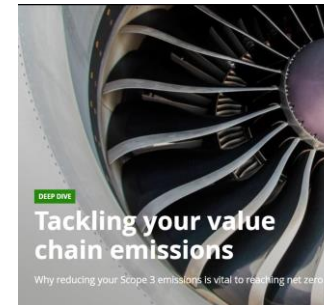
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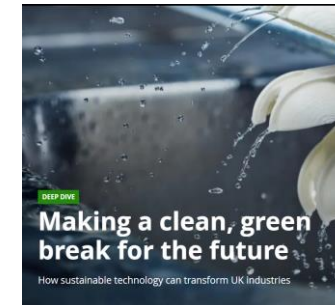
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