



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 supplier¹ 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 Standard² and Guidance³, 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.

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

²Technical 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

³Guidance 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: Mölnlycke Health Care

Publication date: 31 Mar 2023

Commitment to achieving Net Zero

Mölnlycke Health Care is committed to achieving Net Zero emissions by 2050.

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: 2016	
Additional Details relating to the Baseline Emissions calculations.	
Scope 3 emissions use a 2021 baseline year for reporting. Scope 2 emissions are reported using market-based data.	
Baseline year emissions:	
EMISSIONS	TOTAL (tCO₂e)
Scope 1	46,180
Scope 2	47,304
Scope 3 (Included Sources)	546,000
Total Emissions	639,484

Current Emissions Reporting

Reporting Year: 2022

EMISSIONS	TOTAL (tCO _{2e})
Scope 1	54,200
Scope 2	29,000
Scope 3 (Included Sources)	507,900
Total Emissions	591,100

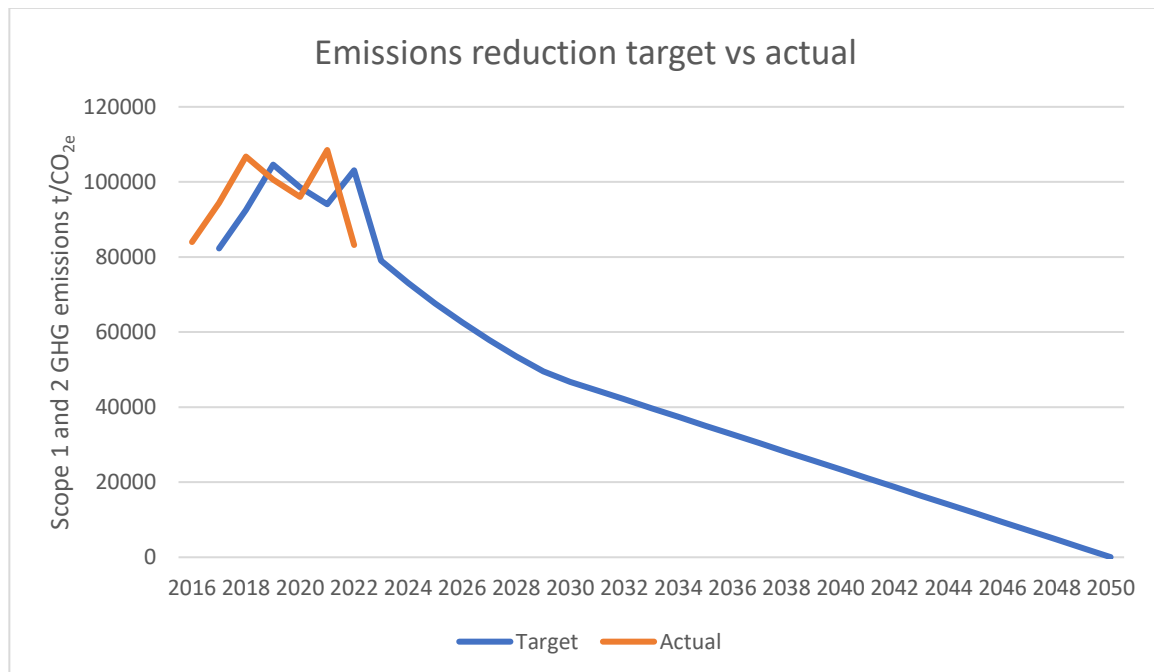
Emissions reduction targets

In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets.

We project that scope 1 and 2 greenhouse gas emissions will decrease over the next year to 79,040 tCO_{2e} by 2023. This is a reduction of 5%

We project that scope 1 and 2 greenhouse gas emissions will decrease over the next seven years to 46,742 tCO_{2e} by 2030. This is a reduction of 50%

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 2016 baseline. The total carbon emission reduction achieved by measures including these schemes equate to 48,300 tCO₂e, a 10% reduction against 2021 (used instead of 2016 as the measures include scope 3). The measures will be in effect when performing the contract.

ISO14001 certified sites

93% of Mölnlycke manufacturing sites are ISO14001 certified, with the aim to reach 100%.

Commitment to the Science Based Targets initiative

In 2022, Mölnlycke announced to becoming a net zero company by 2050 at the latest. Now, the company is operationalising and formalising its commitment by setting ambitious, science based targets, aligning with the ambitions of the Paris Climate Agreement and the 1.5°C pathway, as expressed in the commitment letter sent to the Science Based Target Initiative (SBTi) on 15 December 2022.

Adding renewable energy sources

Mölnlycke plans to transition to 100% fossil-free electricity by the end of 2024. The transition to renewable electricity is progressing well, with a total share of 51% fossil-free electricity in 2022. Seven out of 14 manufacturing plants and two more non-manufacturing facilities run entirely on renewable sources. Several sites also generate part of their own power by on-site solar panels. The full transition is expected to prevent 50,000t CO₂eq. annually.

Building a closed loop through heat recovery in Mikkeli

During 2022, the company has implemented a heat recovery system in its Mikkeli plant to build a closed energy loop, contributing to the company's commitment of net zero GHG emissions by 2050 the latest. The heat is collected from various processes such as the coating line, the foam line and the trim waste exhaust.

By replacing the use of external fuel for heating or cooling of all production and offices areas, the new heat recovery system will cut externally purchased heat by 70% in the Finnish factory and help reduce Scope 1 emissions by 350t CO₂eq. annually.

Changing to intermodal logistics in Belgium and France.

One activity that reduced Scope 3 GHG emissions during 2022 was changing the flow of goods from Belgium to France from road to an intermodal solution. Approximately 70%

of the distance is now covered by train, and the remainder by road. The train is entirely operated by green electricity reducing GHG emissions by around 250t CO₂eq. compared to 2021.

In the future we hope to implement further measures such as:

- Zero waste to landfill at all manufacturing sites by 2030
- >95% of packaging to be recyclable and >80% of all packaging to be made of recycled (PCR5) and/or renewable material by 2030
- Assess the sustainability profile of Mölnlycke's product portfolio by 2025

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 standard⁴ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting⁵.

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) Standard⁶.

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:

Carip Couerant

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Date: 31/03/2023.....

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>