

**DHG**

Moving Health Forward



**NET  
ZERO**

DHG

# UK Carbon Reduction Plan

**Declaration:**

*DHG's Carbon Reduction Plan adheres to the guidelines and reporting standards outlined in PPN 06/21, including the prescribed standards for documenting and reporting carbon emissions. We have followed the GHG Reporting Protocol corporate standard and utilised the government-provided emission conversion factors specifically designed for greenhouse gas reporting by companies. In compliance with the Streamlined Energy and Carbon Reporting (SECR) requirements, we have accurately reported our Scope 1 and Scope 2 emissions. Additionally, a selected portion of our Scope 3 emissions have been reported in line with the standards established for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard. The Board of Directors at DHG have thoroughly reviewed and officially approved this Carbon Reduction Plan.*

*Additionally, the carbon reduction plan for DHG aims to achieve significant carbon reductions across its operation by ensuring calculations, reduction, and financing of its climate projects. DHG is committed to regular monitoring and reporting, and a further commitment to continuous improvement will be key to meeting the 50% reduction target by 2035.*

*DHG have ensured that we have provided full transparency on our Carbon emissions and our intended carbon reduction plan. This CRP can be accessed by all interested parties for download via our website: [www.dhg-healthcare.com](http://www.dhg-healthcare.com)*

## 1. Objective:

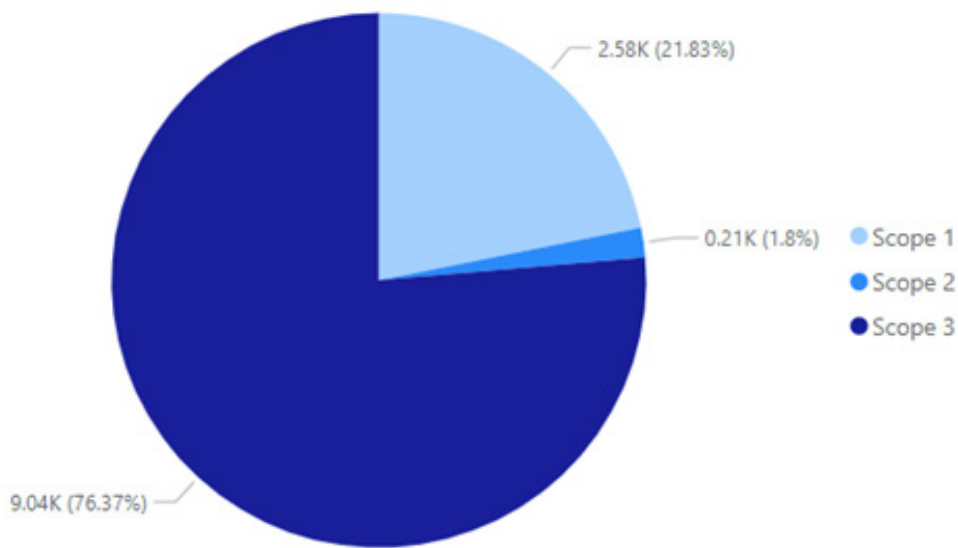
DHG UK is committed to achieving net zero by 2050. This document will set out an in-depth strategy of how we plan to achieve this.

We aim to reduce DHG UK’s Corporate Carbon Footprint (CCF) of all scopes by setting out an achievable and manageable roadmap, including incremental targets to stay on track. The first is in line with NHS Procurement’s PPN 06/21 framework, which is to reduce carbon emissions by 19% by 2028. The second is DHG UK’s target of reducing emissions by 45% by 2035. This also aligns with global climate targets and the United Nations Sustainable Development Goals.

Figure 1, below, outlines DHG UK’s baseline CO<sub>2</sub> emissions (2023), categorised by Scope 1, 2, and 3.

**Figure 1**

DHG UK CO<sub>2</sub> emissions categorised by Scope 1, 2, and 3, provided in tonnes of CO<sub>2</sub> and a % of total emissions



## 2. Scope 1: Direct Emissions

Scope 1 emissions are primarily from company vehicles and on-site heat generation. They represent 21.83% of the total DHG UK emissions.

### 2.1 Vehicle Fleet (2,181.76 tCO<sub>2</sub>, 18%)

Strategies:

1. Electrification of fleet vehicles has already begun.
2. We are looking to transition 100% of the vehicle fleet to electric vehicles (EVs) by 2035. This will be achieved by phasing out older, less efficient vehicles and replacing them with EVs or hybrid models (38% by 2028).
3. Fuel Efficiency Improvements - implement fuel-efficient driving practices, regular maintenance to optimise 5% fuel consumption.
4. Provide Eco-Driving Training awareness - provide regular eco-driving training to all employees and company drivers to reduce fuel consumption by 10% on average.
5. Monitor fleet driving patterns and improve routes, potentially reducing mileage by 15%. Additionally most vehicles have built in sat

nav to ensure it provides the most economical route.

6. On site solar generation for charging stations for vehicles, removing the demand from the grid and providing energy security.

**Expected Reduction:** 100% reduction in vehicle-related emissions by 2035. (42% NHS 2028).

## 1.2 Direct Emissions from Company Facilities (402.94 tCO<sub>2</sub>, 3%)

Strategies:

1. Implement a staff engagement energy waste reduction strategy (10-15%)
2. Energy Efficiency upgrade: implement energy efficiency upgrades or retro fitting equipment, such as better insulation, heat-efficient windows, and doors, as well as more efficient heating systems.
3. Implement Heat Recovery Systems: Introduce heat recovery systems in facilities to reuse waste heat for heating purposes.
4. Use clear curtains on open warehouse bays to retain heat in winter months, or air curtains for high volume traffic loading/access doors.

**Expected Reduction:** 30% reduction in facility-related emissions by 2035 (13% NHS 2028).

## 3. Scope 2: Indirect Emissions from Purchased Energy

Scope 2 emissions are from purchased electricity and heating, and represent 1.8% of the total DHG UK emissions.

### 2.1 Purchased Electricity (212.92 tCO<sub>2</sub>, 2%)

Strategies:

1. Transition to 100% Renewable Electricity - source all electricity from renewable energy providers or purchase Renewable Energy Certificates (RECs).
2. Energy Efficiency upgrade - implement energy efficiency upgrades or retro fitting energy-efficient or lower voltage lighting, LED automated lighting controls, and office equipment. Install switch off and out of office hours timers. Target date 2035
3. Install on-site renewable energy systems (e.g., solar panels) where feasible to reduce reliance on fossil fuels for recharging. DHG are looking to collaborate with solar panel organisations across the whole of the group.
4. Implement Smart Energy Management Systems, such as a building management system (BMS). Deploy smart monitors and energy management systems around the site to monitor and reduce energy consumption in real-time.

**Expected Reduction:** 100% reduction in electricity-related emissions by 2035 (42% NHS 2028).

## 4. Scope 3: Other Indirect Emissions

Scope 3 emissions cover upstream and downstream activities and represent 76.37% of total emissions.

### 3.1 Fuel- and Energy-Related Activities (677.07 tCO<sub>2</sub>, 6%)

Strategies:

1. Converting the Caerphilly site from LPG to mains gas (1%).

2. Collaborate with Suppliers - engage with fuel and energy suppliers to reduce the carbon intensity of upstream energy production. Look at condensing supplier deliveries to reduce emissions.
3. The NHS PPN 06/21 does not accept Carbon Offsetting, however, Carbon Offsetting may be a possibility for the organisations other ongoing CRP.
4. Purchase verified carbon offsets for unavoidable upstream emissions, focusing on projects that align with the company's ESG values, e.g., renewable energy projects, FSC reforestation certified with all cardboard.
5. In-setting strategy focusing on high scope 1 suppliers can reduce DHG's scope 3 directly whilst adding value to the local supply chain economy and community regeneration.

**Expected Reduction:** 25% reduction in upstream emissions by 2035 (10% NHS 2028).

### 3.2 Business Travel

Business travel has not been previously reported, but will be incorporated into the emissions measurements in 2024.

Strategies:

1. Encourage video conferencing and virtual meetings.
2. Reduce emissions to company events via carpooling or public transport.
3. Outsource tasks that require major travel to third-party providers that are closer to destination.

### 3.3 Employee Commuting (434.83 tCO<sub>2</sub>, 4%)

Strategies:

1. Incentivise sustainable transport - offer incentives for employees to use public transport, carpool, cycle, or walk to work.
2. Increase EV charging stations each of our sites - encourage employees to switch to electric or Hybrid vehicles.
3. Implemented Cycle to Work scheme, as well as walking to work groups to promote social relations, health and fitness, etc.

**Expected Reduction:** 40% reduction in commuting emissions by 2035 (17% NHS 2028).

### 3.4 Waste Generated in Operations (180.97 tCO<sub>2</sub>, 2%)

Strategies:

1. Waste reduction program - Welsh regulations have implemented workplace waste segregation since April 2024. The waste program focuses on reducing waste at the source, increasing recycling rates, and improving waste disposal. DHG are partnering with waste companies who are driving towards zero landfill initiatives.
2. Composting and Recycling Initiatives - introduce composting for organic waste and improve recycling programs to reduce landfill use by using its current waste food to feed flora that has been planted in reused pallets for scope 4 carbon capture.
3. Streamlining waste companies to operate and work with DHG with their sustainability goals of zero landfill. Ensuring that waste has been significantly reduced by at least 30%.

**Expected Reduction:** 40% reduction in commuting emissions by 2035 (17% NHS 2028).

### 3.5 Downstream Emissions (7744.5 tCO<sub>2</sub>, 65%)

Strategies:

1. Packaging more efficiently to minimise size and weights of parcels, and shift towards more sustainable packaging.
2. Work with logistic services to find more efficient ways of getting packages to final locations. This could be through route optimisation and load efficiency, using collaborative shipping networks, and switching to vehicles and vessels with low emission fuels.

**Expected Reduction:** 30% reduction of downstream emissions by 2050 (13% NHS 2028).

Scope 3 will be an on-going priority to strategise and implement reduction in our carbon emissions across the whole of the Group's supply and value chain by reducing transportation of deliveries upstream and downstream, looking at natural raw materials to be used in the production and manufacture of product, reducing waste and looking at circular economy philosophies to promote extended life cycles of products and materials.

## 5. Monitoring and Reporting

**Annual Emissions Reporting:** DHG are implementing an annual carbon emissions reporting process to track progress against reduction targets.

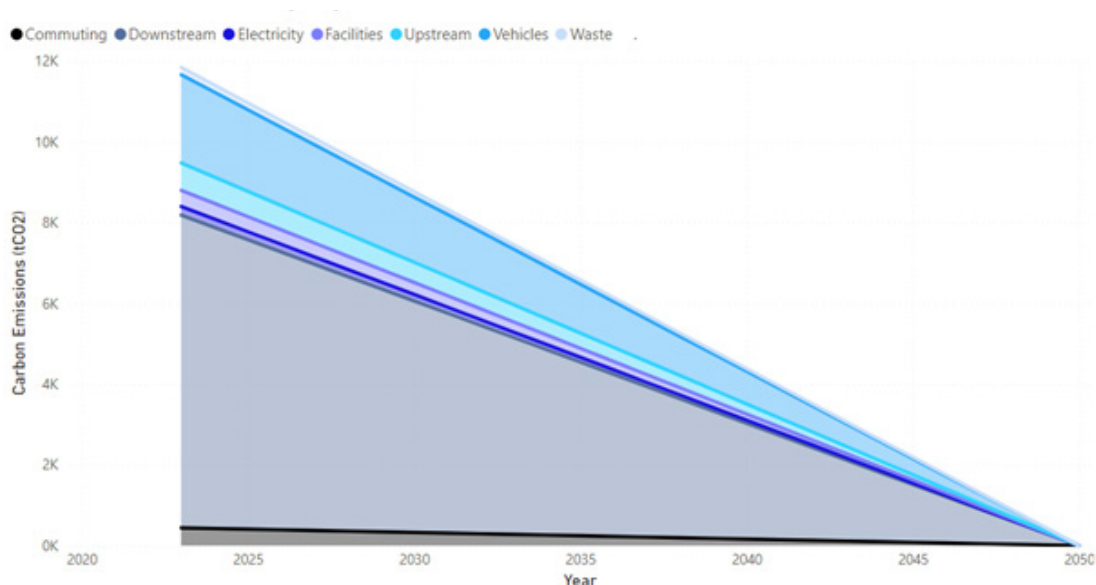
**Carbon Management System:** Deploy a carbon management system to monitor and improve emissions reduction efforts across all scopes.

**Employee Engagement:** Involve employees in sustainability initiatives through training, workshops, and incentive programs to foster a culture of environmental responsibility.

Figure 2 shows the chart that we propose to map our yearly progress against, providing an overview of which sub-category is performing above, below, or as expected in comparison to our targets. This will enable DHG to adjust our carbon plan yearly, in order to remain on track.

**Figure 2**

DHG UK net-zero carbon reduction trajectory



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