

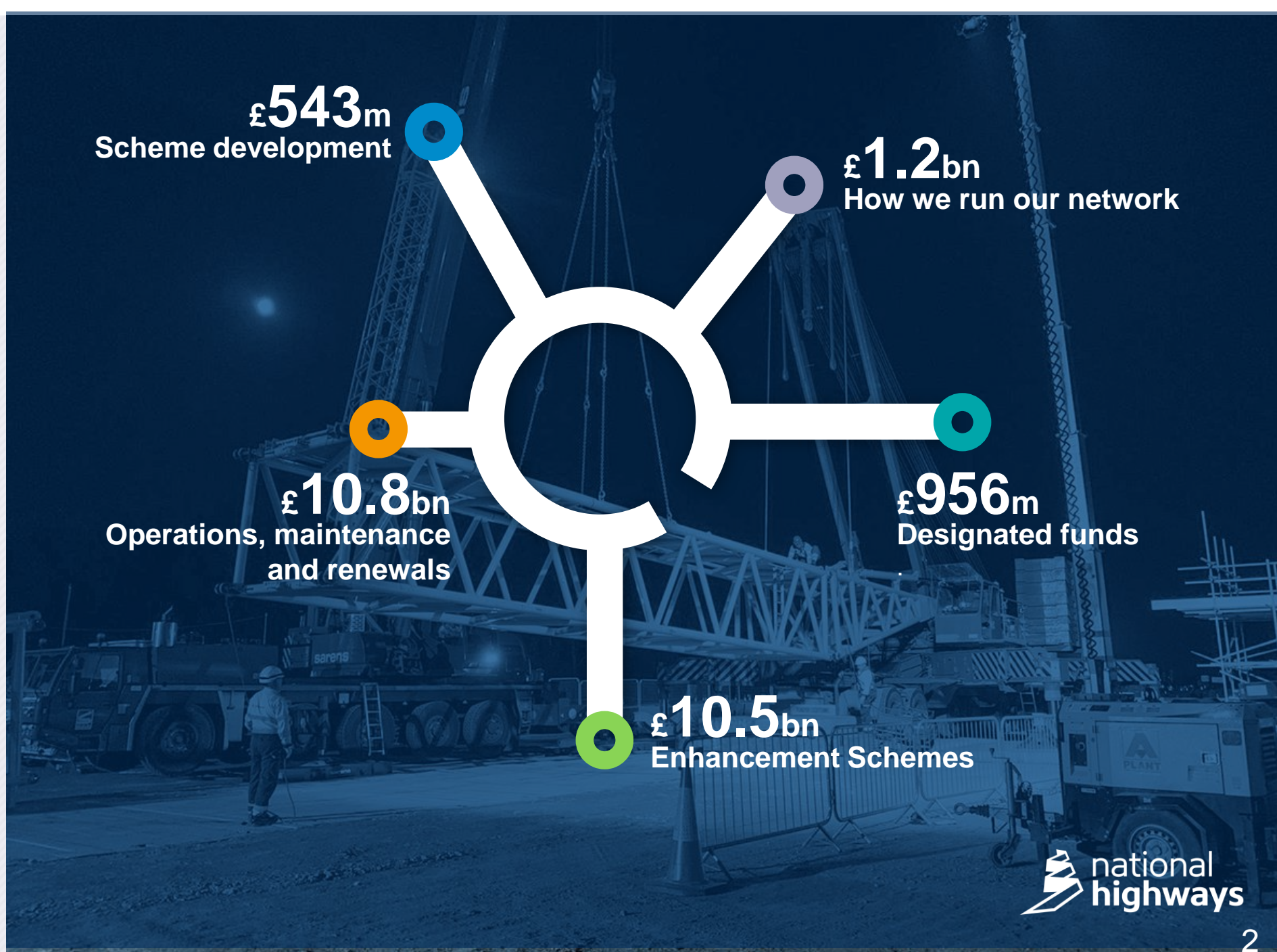
National Highways RDP - 'Meet the Buyer'

18 August 2022

Malcolm Dare – Executive
Director, Commercial &
Procurement.

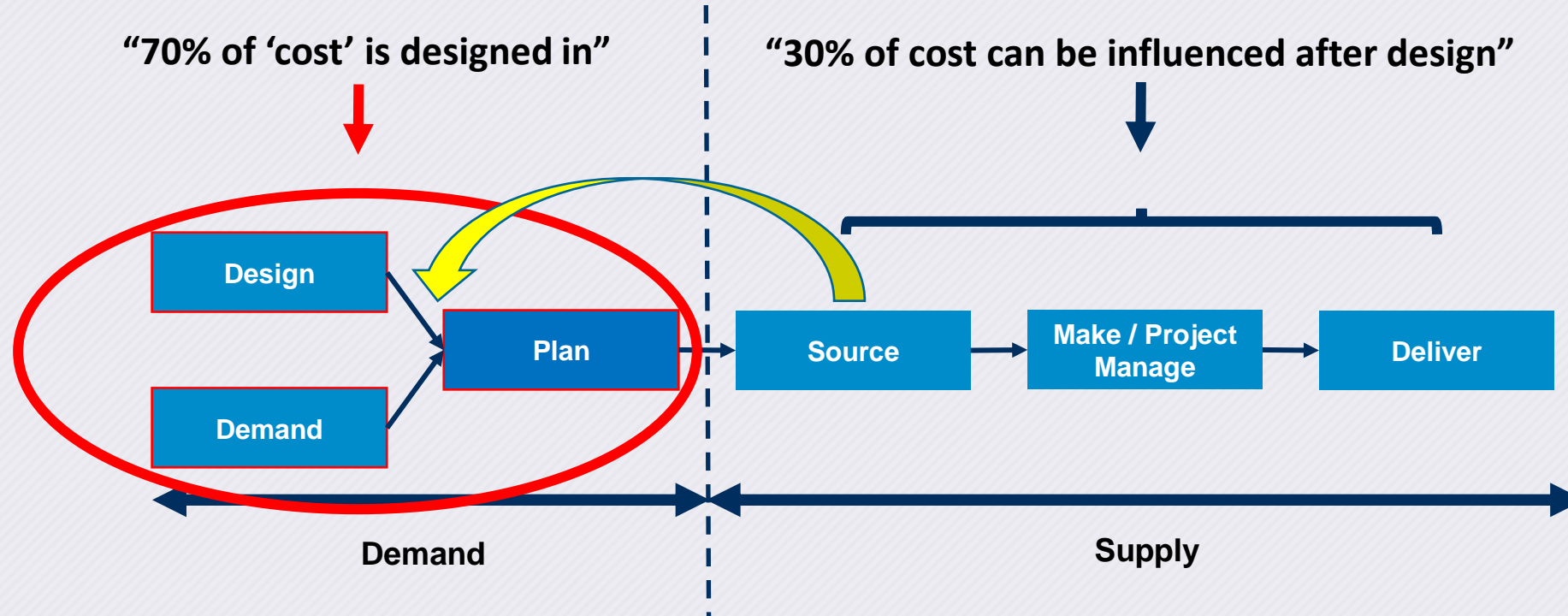


Between 2020-2025, we will invest £24.0 Billion in our network



National Highways Demand – Supply Approach

Manufacturing industries have learned that the biggest influences of ‘cost’ are the demand / design phases. Designs, costs, build methodologies, products / quantities, plans, carbon content etc. are all decided at this point. Investment here has a good ROI.

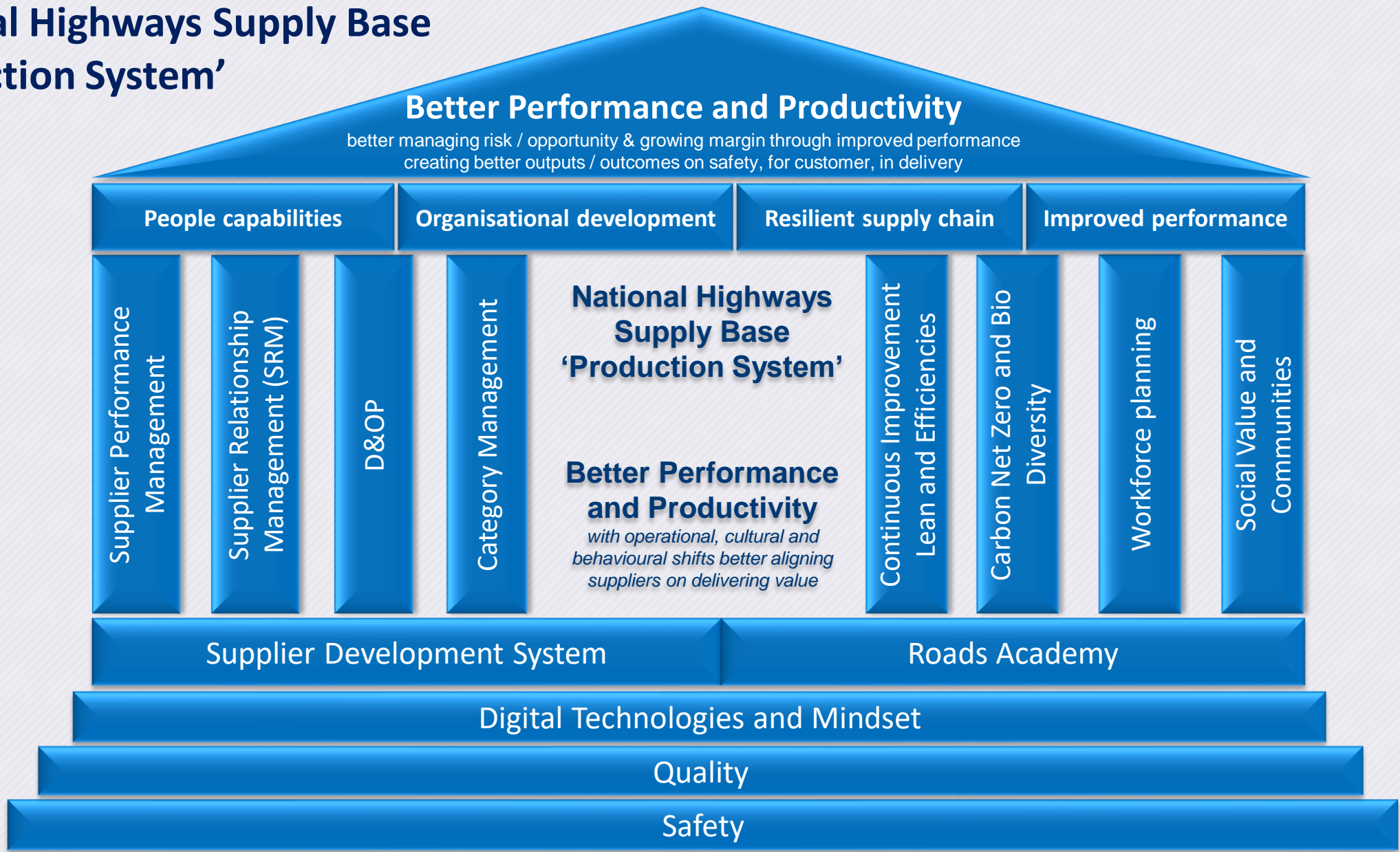


Strategic procurement (Source) compliments the demand phase. Optimising strategic procurement via category management optimises the supply chain benefiting all parties. Combining this with design, demand, planning and logistics simplifies delivery.

We must ‘left shift’ our focus from ‘make’ to ‘design, demand, plan, source’ if we are to drive change. Supply is balanced to demand by Demand and Operational Planning (D&OP)

National Highways Supply Base

'Production System'



Net Zero Highways – our contribution to achieving net zero economy by 2050

We have developed a plan that is ambitious and which responds to the recommendations made by other key organisations:

- Our plan supports the Government's Decarbonising Transport: A Better, Greener Britain (2021) and Industrial Decarbonisation Strategy
- It meets the challenge laid down by international organisation, Science Based Targets initiative (SBTi), to have credible and ambitious net zero targets that limit climate change to 1.5°C
- Our timescales for net zero action align with the recommendations made in the UK's Committee on Climate Change sixth Carbon Budget
- Our actions have carefully considered recommendations from other leading organisations such as the UK's Climate Assembly to the National Infrastructure Commission
- We have looked carefully at other large government agencies' plans for climate action, seeking to align with these where appropriate

Our three targets give us the long term ambition for each decade and we will take fast action in all three areas immediately. Our plan gives clear direction and action in each area from 2021, building on existing progress and continuing through the rest of our current road period and beyond.

WE WILL TAKE FAST ACTION IN 3 AREAS:



CORPORATE EMISSIONS

Net zero by 2030

Net zero for our own operations by 2030

This area covers energy used to light and power our network, travel by our traffic officers, and the energy used in our offices and other travel. We also include the carbon locked up in trees and plants on our motorway verges in this target.

2030



MAINTENANCE & CONSTRUCTION EMISSIONS

Net zero by 2040

Net zero for our maintenance and construction activities by 2040

This target covers the greenhouse gases emitted in making the materials we use to keep our network in good condition. This includes cement, steel and asphalt. We also include the transport of materials to where we use them and emissions from construction on our sites.

2040



ROAD USER EMISSIONS

Net zero by 2050

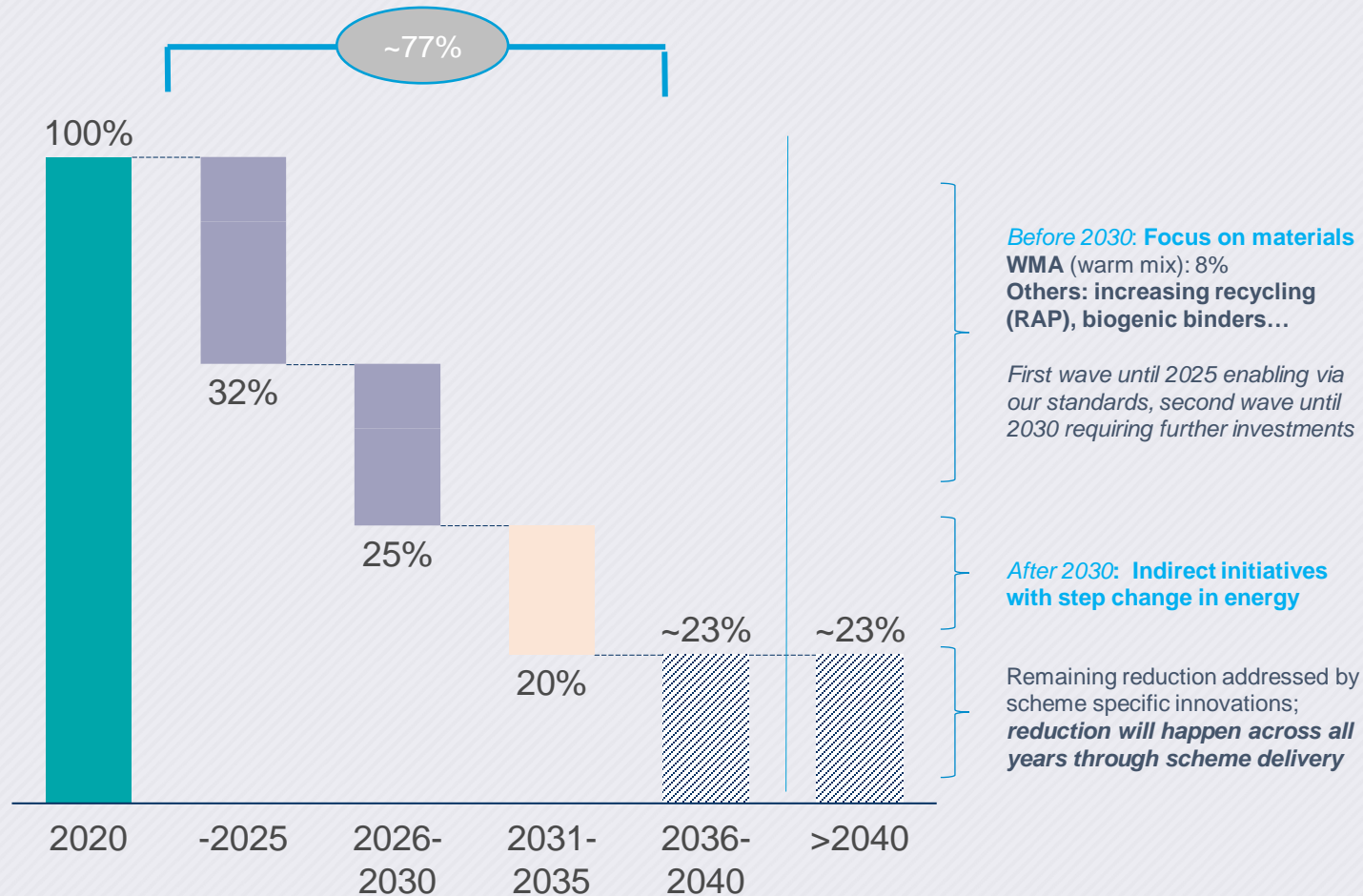
Net zero carbon travel on our roads by 2050

The largest source of emissions comes from the vehicles driving on our network. Government has set its trajectory for net zero road transport by 2050. This is a rapid transition with up to a 55% reduction in emissions by 2030 and up to a 90% reduction in emissions by 2040. Our plan will enable this transition by providing the infrastructure needed for zero carbon motoring on the Strategic Road Network.

2050

Asphalt

Indicative carbon roadmap



TBC: Indicative estimates only

Engaged parties:

Minerals Product Association and Eurobitume; including representation from their membership.

Initial Observations

- Reductions in asphalt have **two main drivers, technologies changes in materials and in energy / fuel**. There will be a step change expected around 2030
 - **Until 2030:** Key drivers for carbon reductions from technology / material
 - **From 2030:** Big step change through gradual introduction of lower carbon energy/technologies

Comments

- **Embodied carbon (cradle to gate figures only)** not including installation or whole life
- National Highways has influence but can not solely steer the market as we only buy approx. 20-30% of asphalt in UK

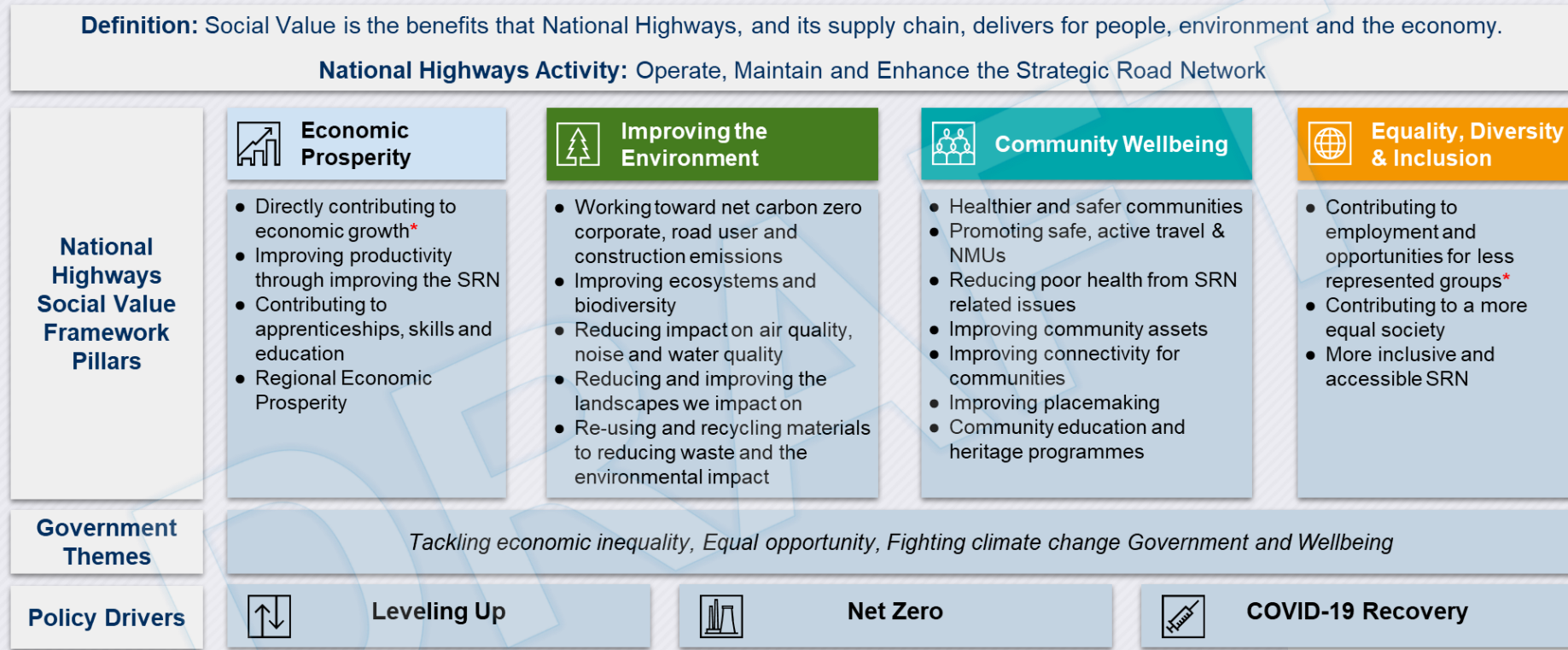
Our Definition of Social Value

We have our own Social Value definition used with our customers and our supply chain across National Highways to help ensure consistency of messaging in all our communications.

“Social Value is the benefits that National Highways and its supply chain delivers for people, the environment and the economy.”

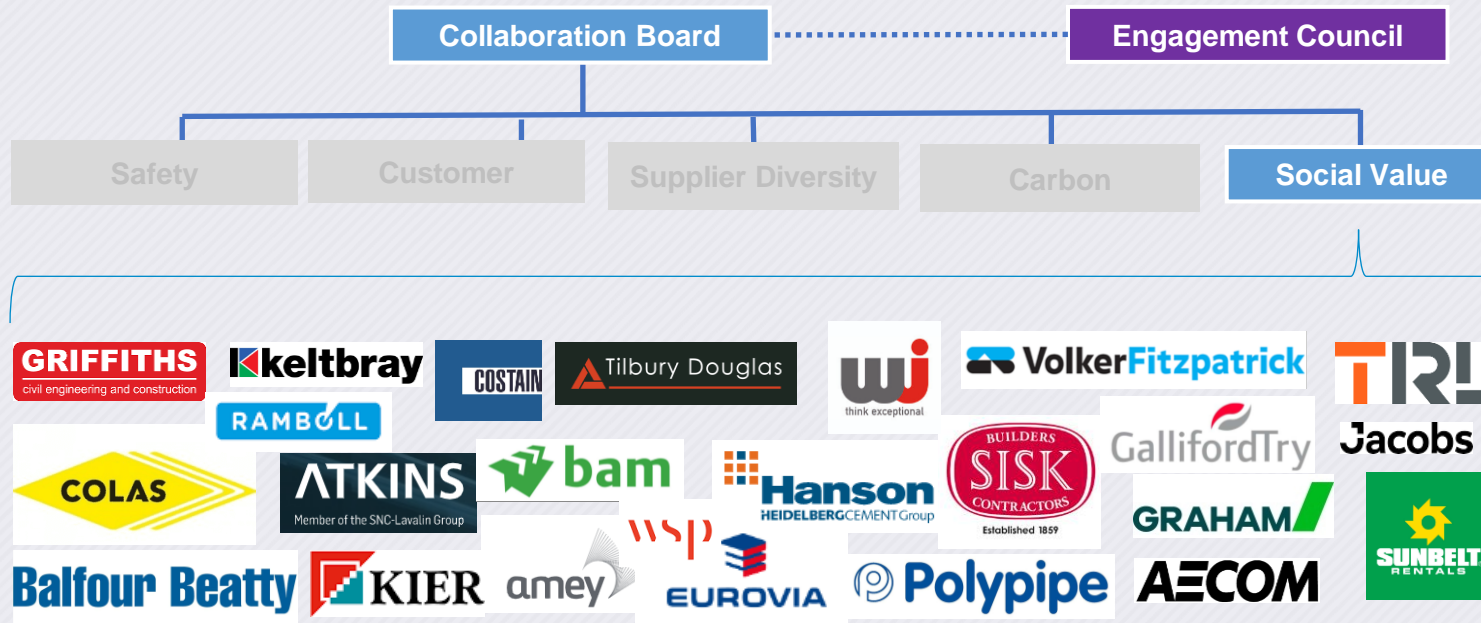
Approved Framework Elements

Taking the agreed definition, National Highways has established a Framework for considering social value across the organisation under four pillars.



Collaborating with our Supply Chain

We have created a new Social Value Supplier Group with approximately 30 suppliers that meets monthly. The group collaborates to maximise the delivery of social value.



The aims of the group are to:

- Understand National Highways strategic background and ambitions
- Collaborate in shaping the social value direction for the supply chain
- Provide feedback as we develop elements of our approach
- Share Supply chain insights into best practice

Roads Academy – Developing Sector Leadership & Driving Change

What is Roads Academy?

- A leadership academy for current and future leaders
- An exciting initiative between National Highways and our supply chain
- An investment in our leaders, our future, and our commitments to our customers

Who is Roads Academy for?



New, aspiring or well-established road sector leaders



Organisations keen to offer a leadership development programme



Organisations looking to attract and retain the best talent

Providing the confidence, skills & capabilities needed to inspire change & drive the sector forward



Learn more about the offering, huge resources & apply on our website – scan here:



Strategic Partnership with the Supply Chain Sustainability School

Supplier Development

- Health & Safety
- Leadership & Collaboration
- Efficiency & Effectiveness
- Supply Chain
- Net Zero & Sustainability
- Social Value



National Highways Supply Chain Sustainability School Partnership



Performance & Impact Measurement

- RDP Sustainability Tool
- Social Value Tool
- Fairness Inclusion & Respect Programme
- EDI Growth matrix

Aligned programmes of learning

- Regional Delivery
- Scheme Delivery framework
- Smart Motorways Alliance
- Lower Thames Crossing

Engagement and Influencing

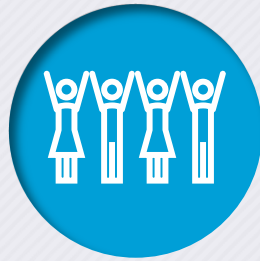
- Aligned program of learning RDP, SMA, LTC, SDF, through webinars and workshops
- Engagement with key SCS Leadership Groups: Infrastructure, FIR, Social Value, Carbon, Digital, Labour, Plant, Wellbeing Offsite – Modern Method of Construction
- [National Highways Supply Chain Sustainability Portal Page](#)
- Advance market engagement to drive early alignment of extended supply chains e.g. LTC

Delivers:

- Consistent approach across the supply base
- Efficiency & effectiveness through common industry standards
- Enables cross-client alignment
- Easy access to resources and tools
- Builds skills & capabilities for current & future investment programmes
- Aligns whole supply base behind strategic outcomes

National Highways is developing a Gold Standard to support suppliers in further developing their supply chain management capabilities

There are three main reasons for developing the NH Gold Standard



Improve supplier performance & productivity

By achieving Gold Status suppliers show high procurement performance, creating better outputs / outcomes on safety, for customer, and in delivery



Increase transparency and visibility

By agreeing the level of granularity and detail for processes and key data collaboration between suppliers and NH becomes more efficient

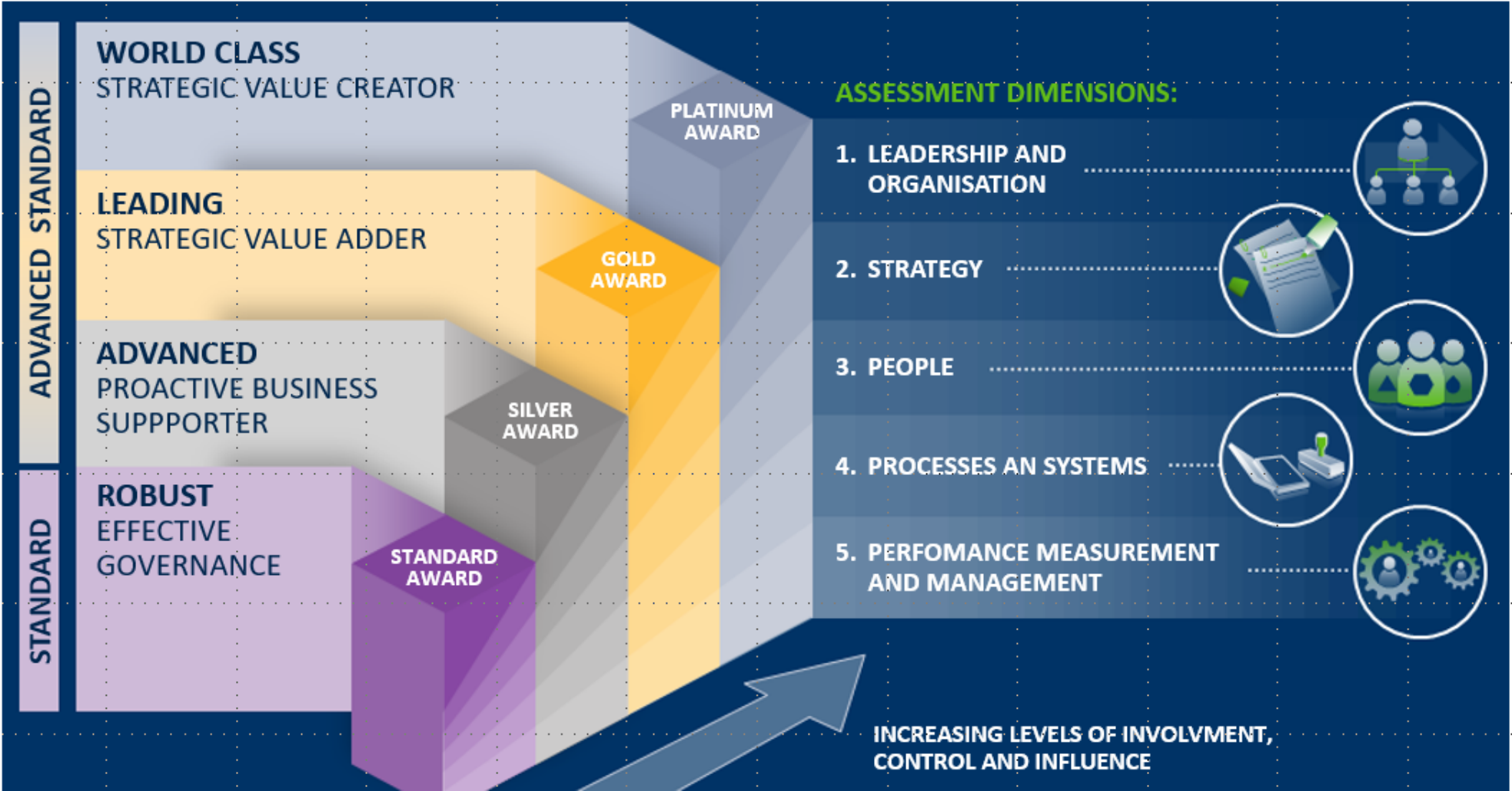


Foster collaboration and transparent communication

By agreeing the set up for procurement processes, suppliers and NH can work more closely in implementing NH category strategies

NH aims to further improve suppliers' performance in procurement by transparently communicating expectations

CIPS Procurement Excellence Programme – the basis of the National Highways Gold Standard approach to support supply base development



National Highways CIPS Platinum Award

NH journey from Standard to Platinum...

National Highways held Standard accreditation for several years

In 2021 we began our journey to progress from Standard to Platinum

On 29 June 2022, National Highways were awarded CIPS Platinum Award

NH now one of only 16 organisations globally that hold Platinum status

NH the second UK Government organisation to achieve Platinum

Achieved Platinum standard for all 28 statements within our submission

Achieved a full sweep of Platinum at the first go, only the second organisation to have achieved this since the corporate certification programme was started 10+ years ago.



Category Management Team



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Link to category Strategies - <https://www.supplychainschool.co.uk/partners/national-highways/>