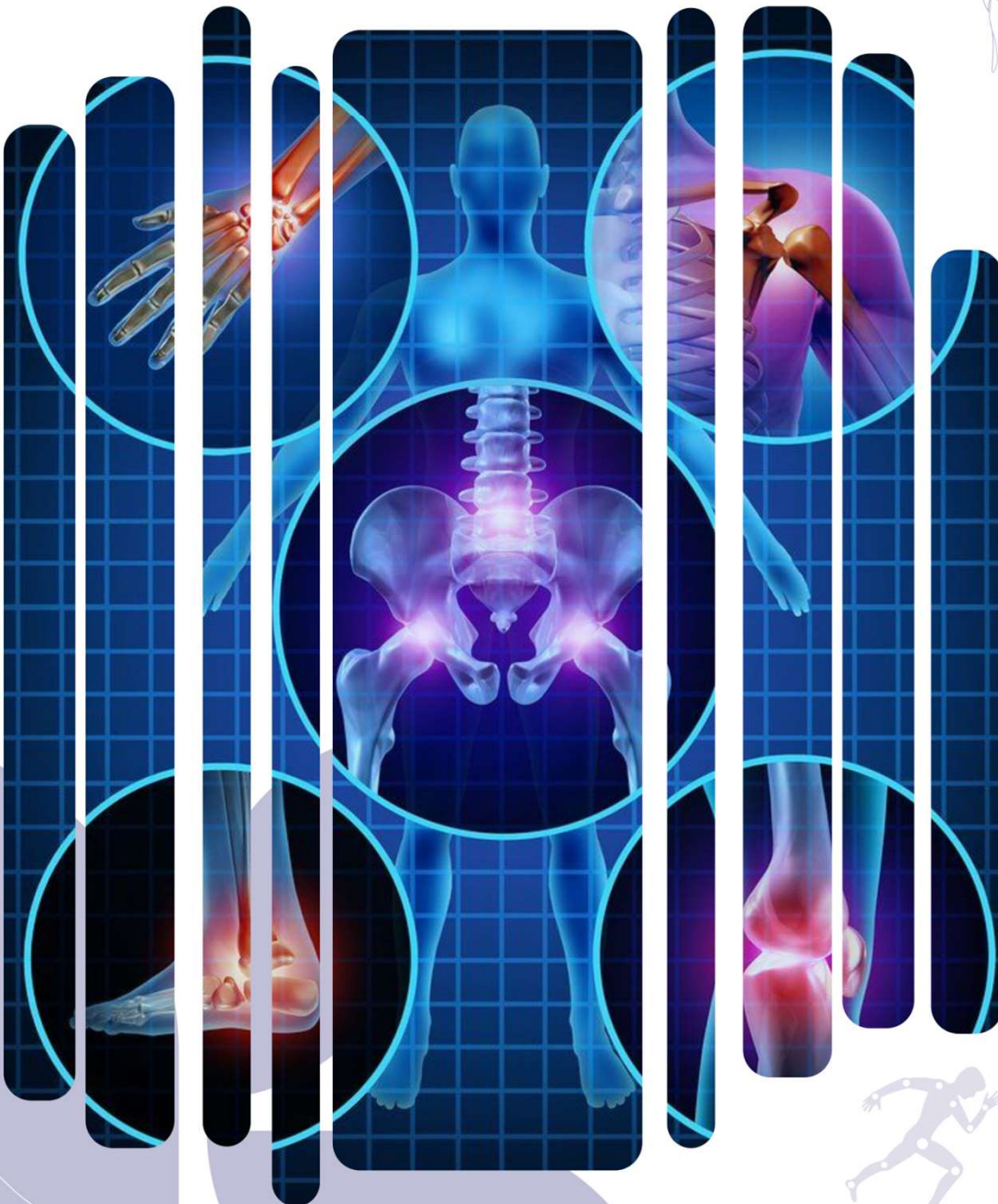


CARBON REDUCTION PLAN

25/3/2024

LAVENDER



LAVENDER MEDICAL LIMITED IS COMMITTED TO
ACHIEVING NET ZERO EMISSIONS by **2045**



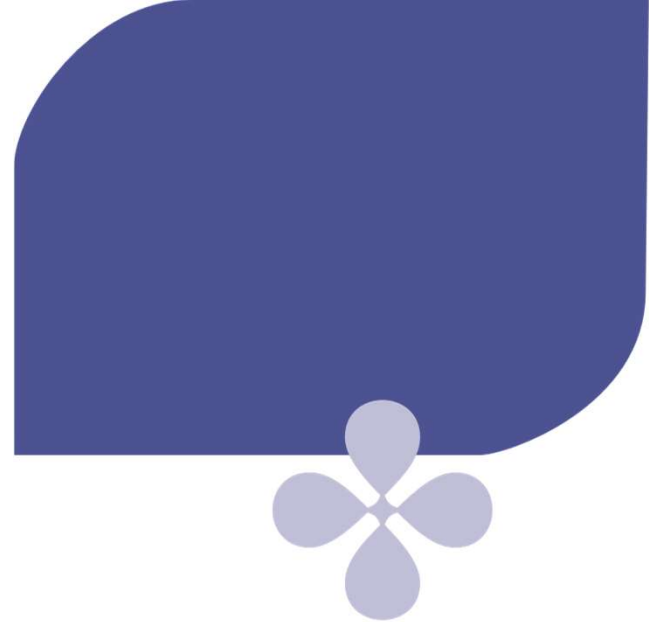
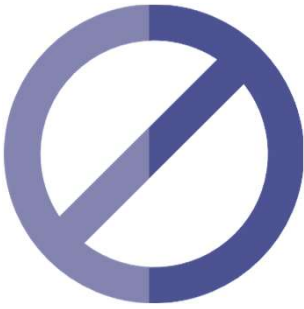
Carbon Footprint notes

The organizational boundaries were drawn using the consolidation based on operational control approach. This approach considers all emissions that the organization has operational control over, but not necessarily financial control. Our organization functions as a unified entity with a single headquarters, and this report encompasses the overall environmental impact of the entire organization.

In this report, we examine 11 distinct sources of carbon emissions, covering all greenhouse gas emission contributors. These sources were chosen based on their significance to our organization's operations and/or their proportional size in the overall footprint. These sources are categorized into three scopes and further organized into four distinct blocks.



EXCLUDED



Franchises:

This category is not applicable to our business type, as we don't operate under a franchising business model.

Use of sold product:

All our products are orthopedic implants sourced and distributed to the health system with no direct emissions associated with their use.

End-of-life treatment of sold products:

The estimated emissions for end-of-life treatment of sold products are considered too small to be included in this report.

Processing Of Sold Products:

This category is not applicable to the business type, as our products are non-intermediate.

Leased Assets as Lessor:

We don't not lease any assets, making this category not applicable to the business type.

Leased Assets as Lessee:

Emissions from our leased assets, if any, will be reported under either Scope 1 or Scope 2, as defined by the consolidation based on operational control approach.

Investments:

This category is not applicable to the business type, as the we don't have any investments outside our operational boundary that create emissions.

EXCLUDED

Purchased goods and services category:

Our main products, tailored for the health sector, undergo extensive development studies and are medically prescribed, limiting our influence over their selection. Therefore, we will not report on the emissions associated with these primary products. Instead, the focus will be on gathering and reporting information related to all other purchased goods and services within this category.

We are dedicated to collaborating with suppliers to enhance their environmental performance. Additionally, we are committed to incorporating environmental considerations into the assessment of new suppliers, emphasizing a proactive approach towards sustainable and responsible business practices.



It's important to note that this report excludes information on carbon offsets, and no deductions have been made from the total emissions.

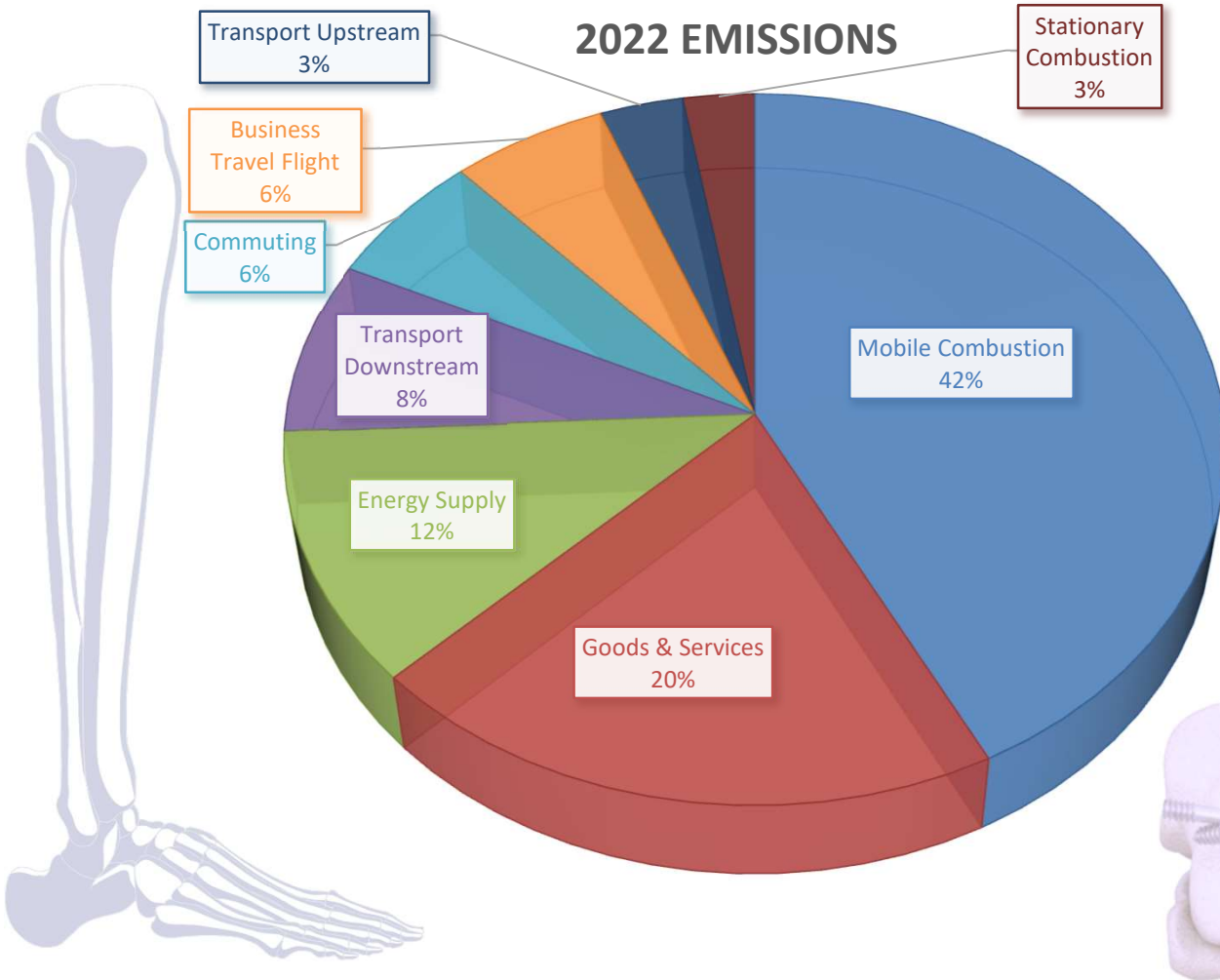


Baseline Emissions Footprint

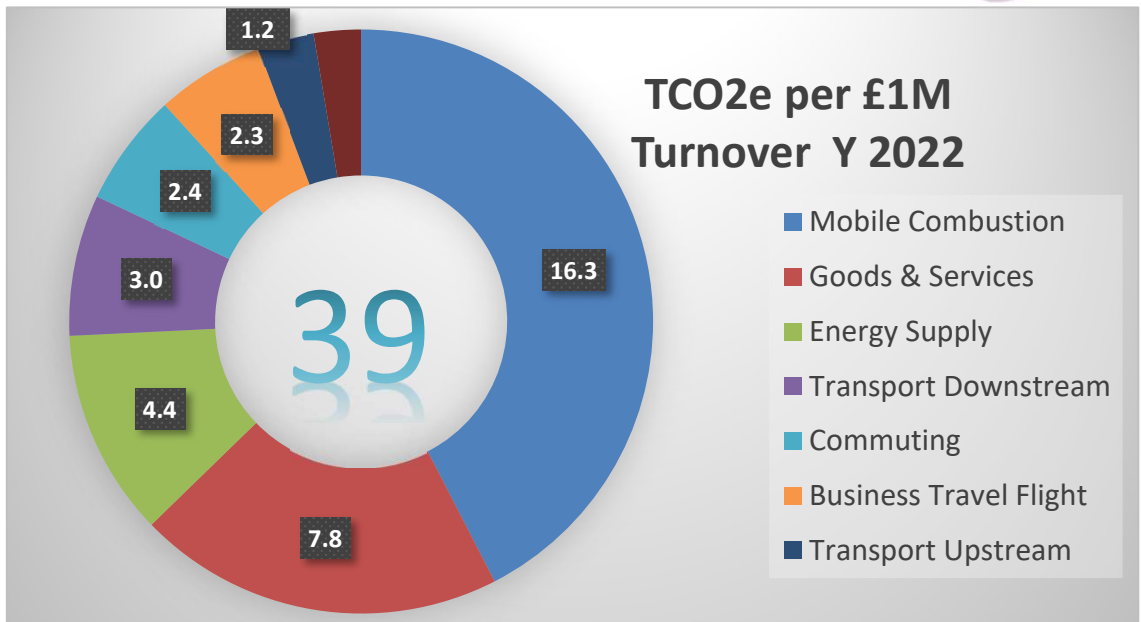
Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

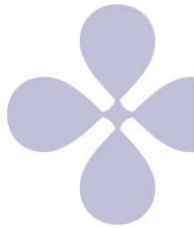
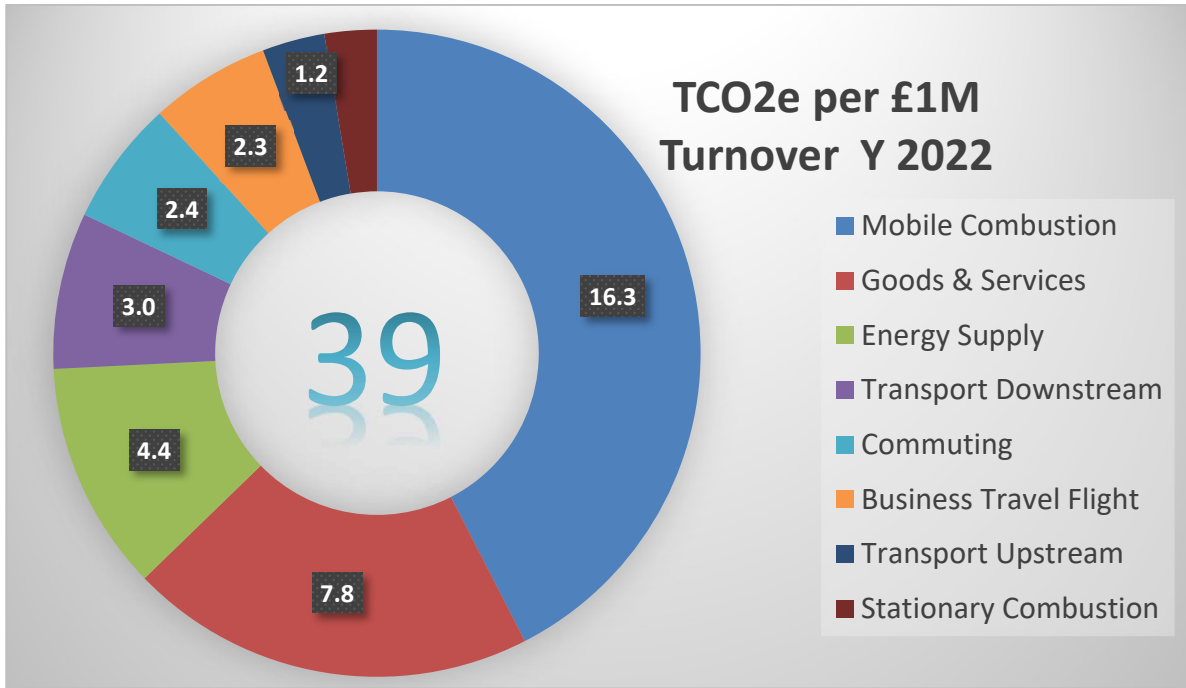
Baseline Year: 2022															
Additional Details relating to the Baseline Emissions calculations.															
<p>We, at Lavender Medical Limited, have identified errors in the 2022 baseline calculation. Consequently, we have undertaken the task of recalculating the baseline year to improve the accuracy, reliability, and consistency of our annual emission calculations. This recalculation ensures comprehensive coverage of our entire environmental footprint, aligning with the Greenhouse Gas Protocol reporting standards, specifically the Corporate Accounting and Reporting Standard (2004) and the Corporate Value Chain Accounting and Reporting Standard (2011). We adhere to essential Accounting Principles: Relevance, Completeness, Consistency, Transparency, and Accuracy, prioritizing the use of primary data, especially for significant emission sources. In cases where primary data is unavailable, we apply a consistent and cautious approach to our calculations.</p>															
Baseline year emissions: £3.7 M turnover and 17 FTEs															
EMISSIONS	TOTAL (tCO₂e)														
Scope 1	64.3 tCO₂e														
Scope 2	3tCO₂e Market Base And Location Base														
Scope 3 (Included Sources)	<table border="1"> <tr> <td>Purchased goods and services</td> <td>28.8 tCO₂e</td> </tr> <tr> <td>Fuel- and energy-related activities</td> <td>16.4 tCO₂e</td> </tr> <tr> <td>Upstream transportation and distribution</td> <td>4.5 tCO₂e</td> </tr> <tr> <td>Waste generated in operations</td> <td>0.1 tCO₂e</td> </tr> <tr> <td>Business travel</td> <td>8.7 tCO₂e</td> </tr> <tr> <td>Employee commuting</td> <td>8.5 tCO₂e</td> </tr> <tr> <td>Downstream transportation and distribution</td> <td>11.2 tCO₂e</td> </tr> </table>	Purchased goods and services	28.8 tCO ₂ e	Fuel- and energy-related activities	16.4 tCO ₂ e	Upstream transportation and distribution	4.5 tCO ₂ e	Waste generated in operations	0.1 tCO ₂ e	Business travel	8.7 tCO ₂ e	Employee commuting	8.5 tCO ₂ e	Downstream transportation and distribution	11.2 tCO ₂ e
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	Employee commuting	8.5 tCO ₂ e													
	Downstream transportation and distribution	11.2 tCO ₂ e													
	78.2 tCO₂e														
Total Emissions	145.5 tCO₂e														

2022 EMISSIONS



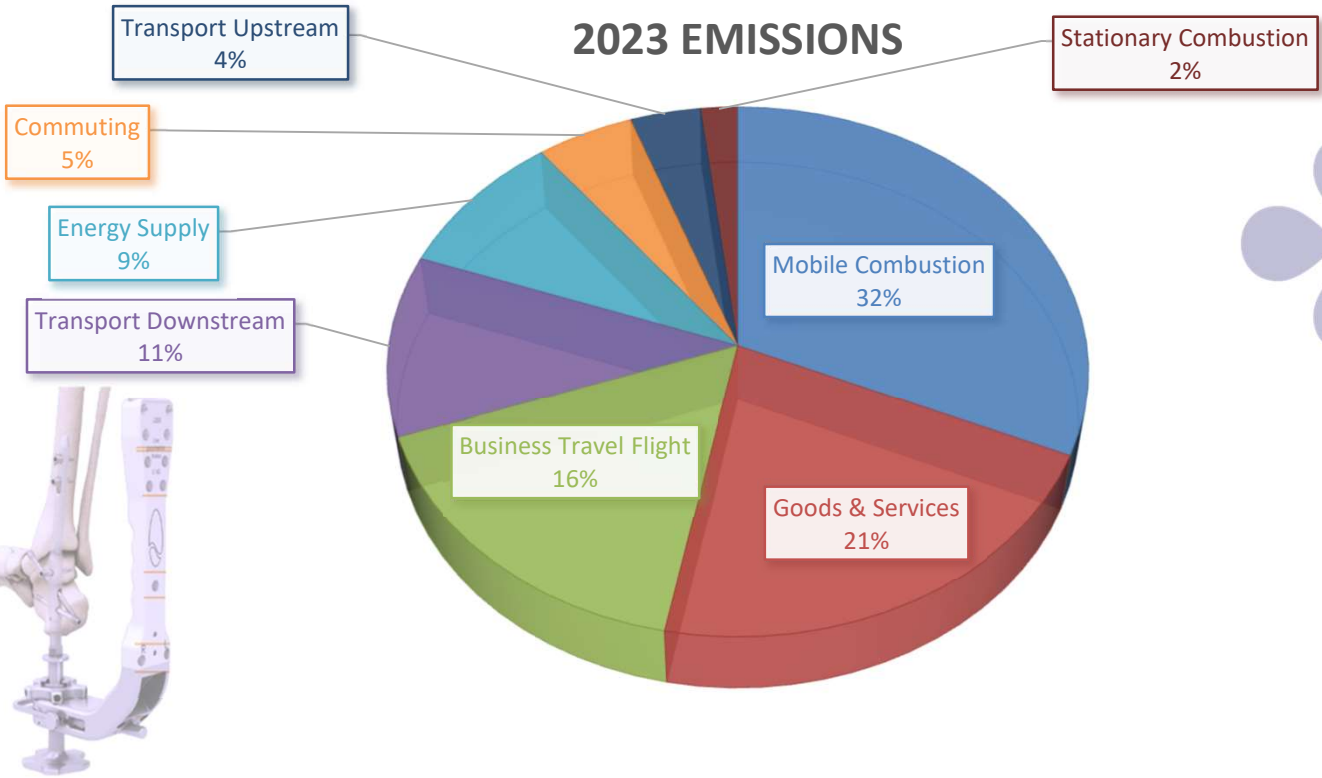
TCO2e per £1M Turnover Y 2022



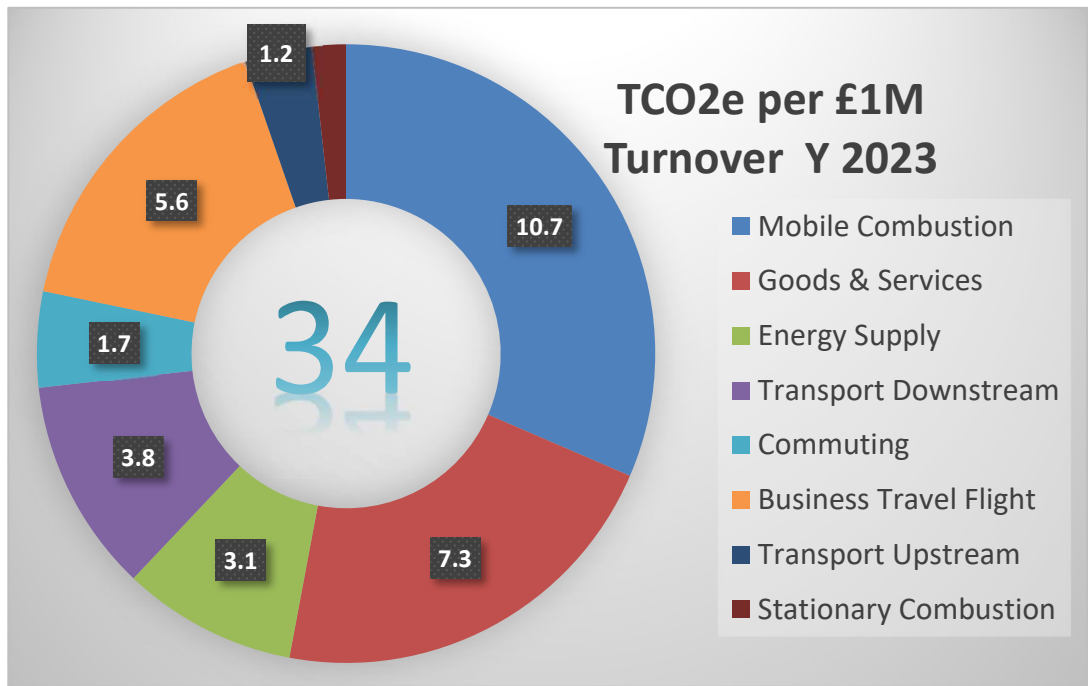


Reporting Year: 2023 £5.3 M turnover and 25 FTEs		
EMISSIONS	TOTAL (tCO2e)	
Scope 1	60.2 tCO2e	
Scope 2	0 tCO2e Market Base And 5 tCO2e location Base	
Scope 3 (Included Sources)	Goods & Services	38.4 tCO _{2e}
	Business Travel Flight	29.5 tCO _{2e}
	Transport Downstream	20.0 tCO _{2e}
	Energy Supply	16.2 tCO _{2e}
	Commuting	8.9 tCO _{2e}
	Transport Upstream	6.5 tCO _{2e}
	Business Travel Train	0.9 tCO _{2e}
	Waste	0.2 tCO _{2e}
		120.6 tCO2e
Total Emissions	180.8 tCO2e	

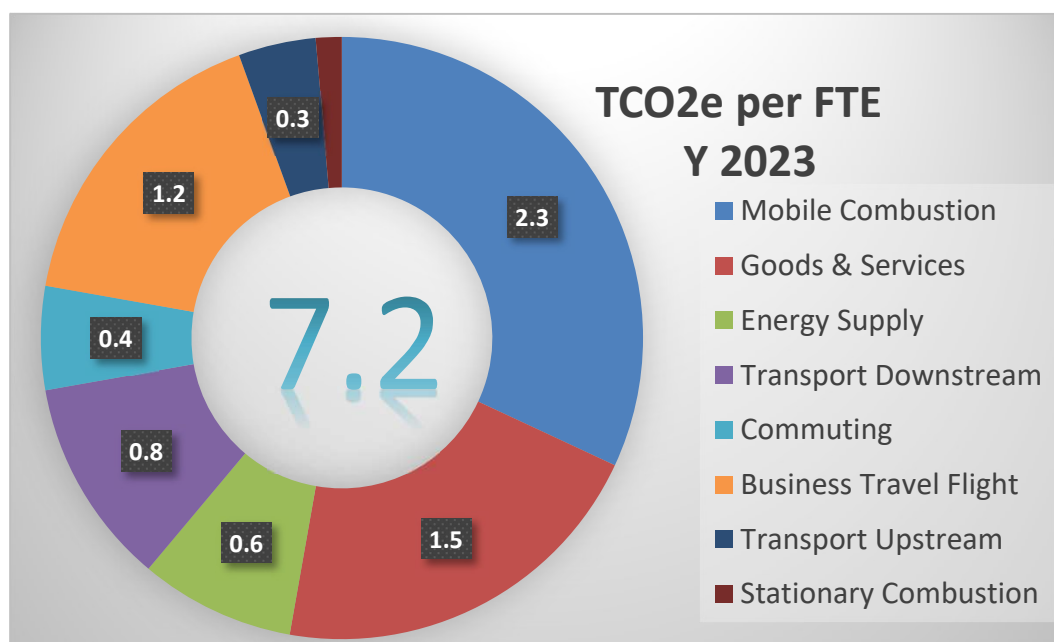
2023 EMISSIONS



Intensity Ratio by Turnover: 34 tCO₂e / £1,000,000



Intensity Ratio by the number of full-time employees: 7 tCO₂e / FTEs

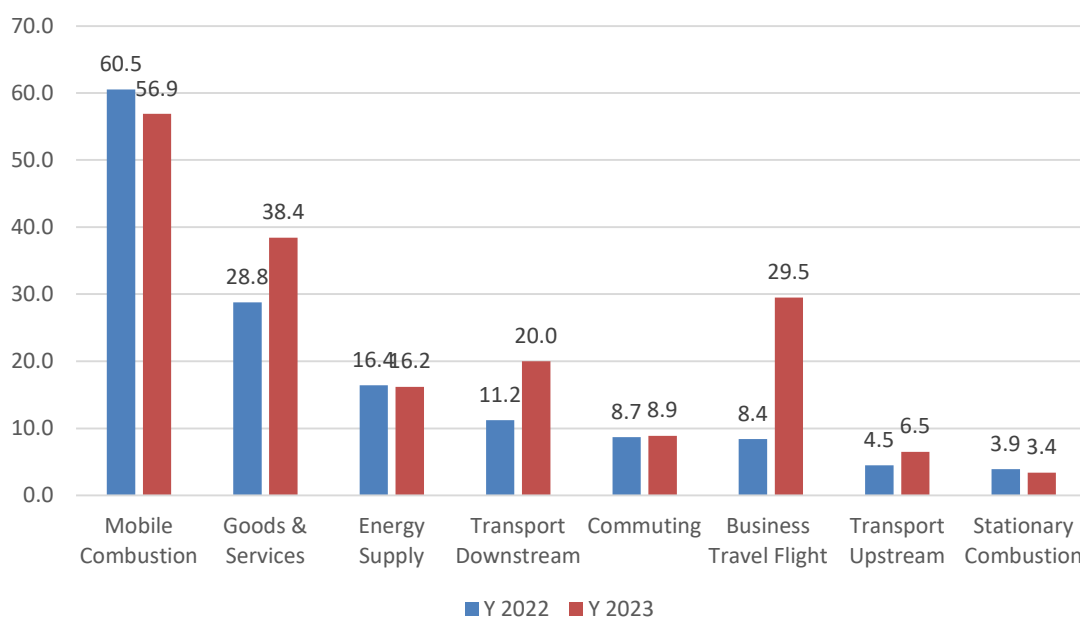


This data-driven approach forms an integral part of our commitment to transparent reporting and informs ongoing efforts to align growth with sustainable and environmentally conscious practices.

Year-over-Year Emission Analysis

During a year of substantial business expansion, we witnessed a commendable surge in turnover, escalating from **£3.7** million in the baseline year 2022 to **£5.3** million in 2023, the reporting year, marking an impressive **43.24%** increase. However, we remain focused on our goal of reducing emissions, and we managed to limit the increase in total emissions to just **26.57%**, comparing it to the turnover increase of 43.24%, from 143 to 181 tCO₂e.

2022 Against 2023 TCo2e

**Logistics and Distribution Scalability:**

The marginal uptick in Upstream Transportation and Distribution emissions from 4.5 to 6.5 tCO₂e is primarily due to improvements in our accuracy in data collection. Additionally, this increase is a result of the surge in demand and our commitment to streamlining logistics processes to deliver more to the health sector. However, when considering emissions per £1 million turnover, we have maintained this key performance indicator steady at 1.2. This highlights our dedication to balancing increased operational efficiency and environmental impact as an integral part of our sustainability initiatives.

Employee Commuting Strategies:

Despite the increase in staff from 17 to 25, our commitment to optimizing employee commuting practices remained steadfast. Emissions from employee commuting stayed constant at 9 tCO₂e, with a noteworthy improvement in emission intensity from 2.4 to 1.7 tCO₂e per £1 million turnover, indicating success in adapting to growth sustainably.

Energy Consumption Adaptable Approach:

The increased turnover saw a rise in emissions from Purchased Electricity - Location Based (from 3 to 5 tCO₂e) due to our fleet electrification. However, the positive aspect lies in the reduction in Scope 1 emissions from fossil fuel use.

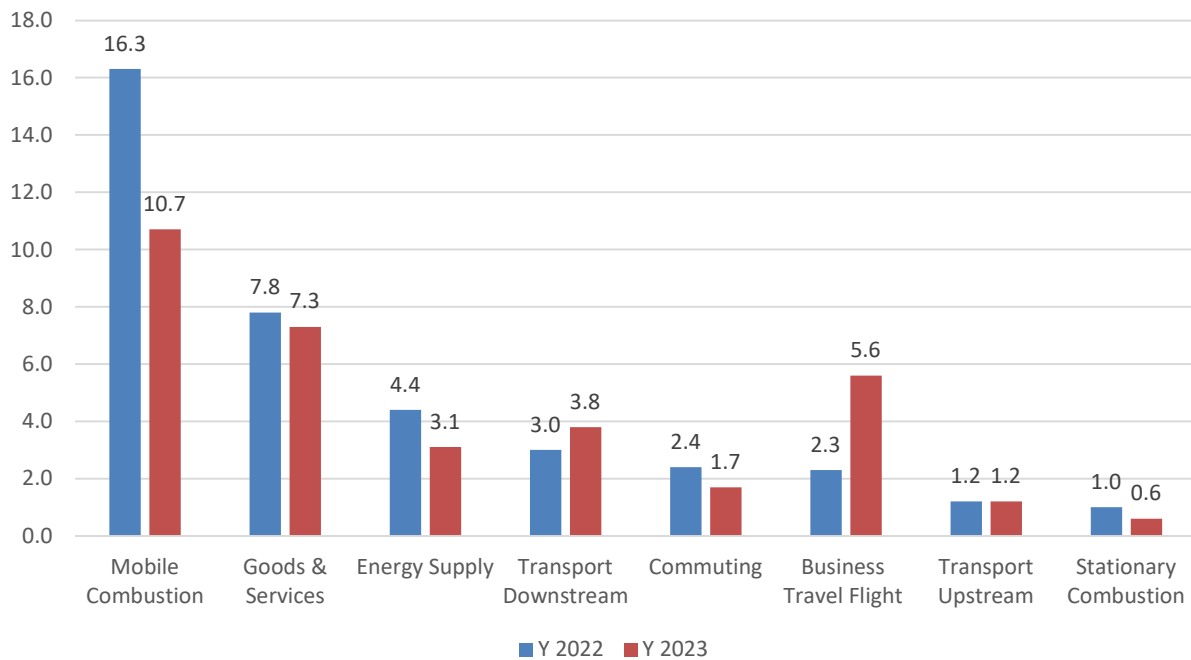
Downstream Logistics Alignment:

While emissions from Downstream Transportation and Distribution increased from 11 to 20 tCO₂e in parallel with business growth, our focus for 2024 will be on finding more sustainable transportation solutions.

In Conclusion:**Balancing Growth and Sustainability**

Our emission reduction journey amid significant turnover growth highlights a delicate balance between business expansion and environmental responsibility. Our ability to maintain emission efficiency per £1 million turnover, despite operational growth, underscores a strategic approach to sustainability. As we continue navigating the complex landscape of business and environmental impact, our focus remains steadfast – achieving growth while adhering to sustainable practices for a resilient and greener future.

2022 Against 2023 TCo2e per 1 M GBP Turn over

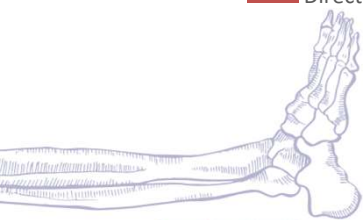
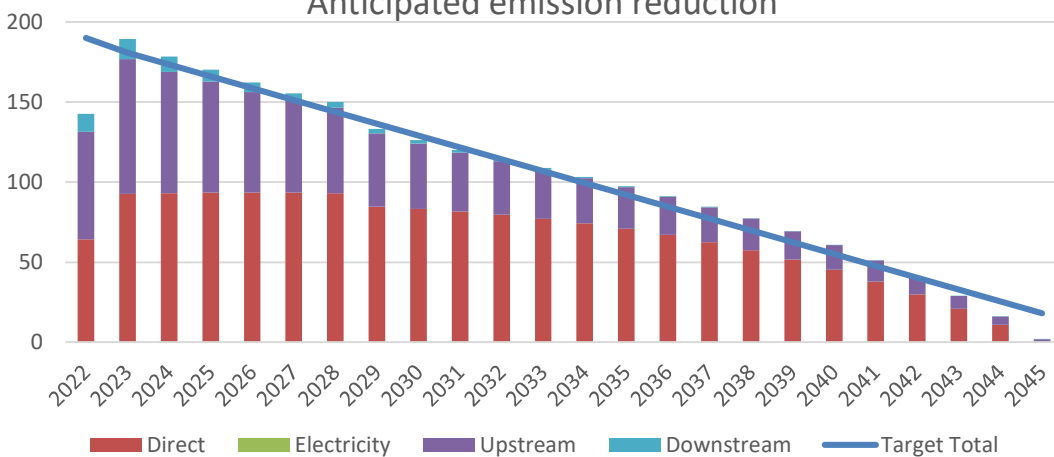


Emissions reduction targets

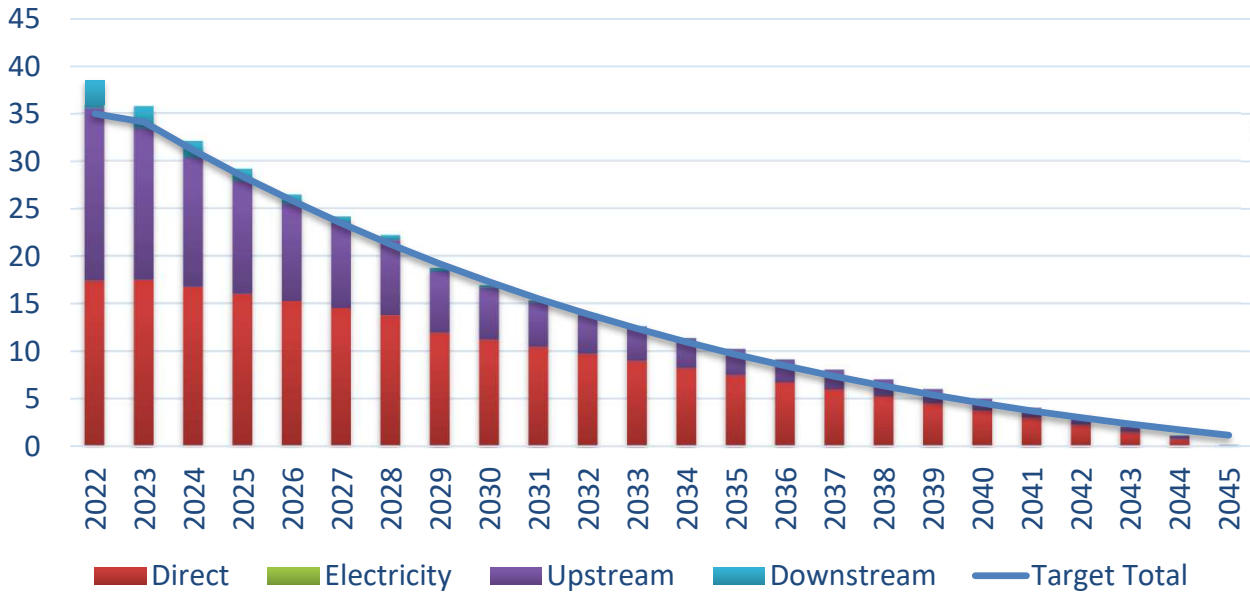
To continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets:

- We are committing to reduce our scope 1&2 emissions by 45% by 2030 and 100% by 2040
 - We are committing to reduce our scope 3 By 45% by 2030 and 100% By 2045
- We have calculated a 5% growth rate year on year.

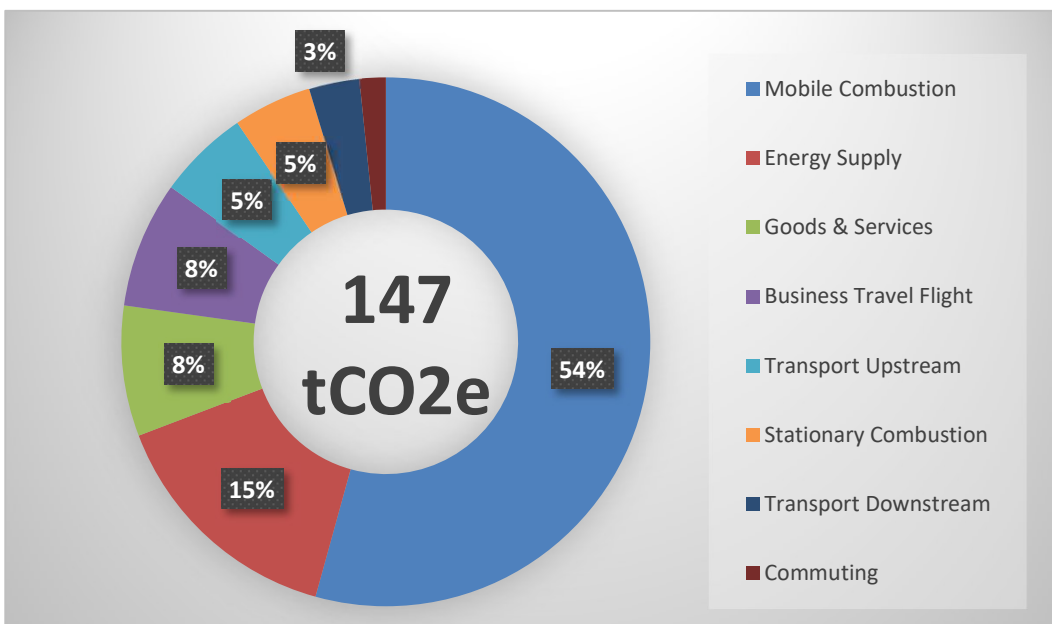
Anticipated emission reduction



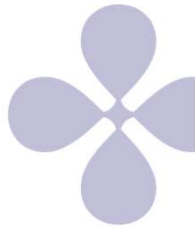
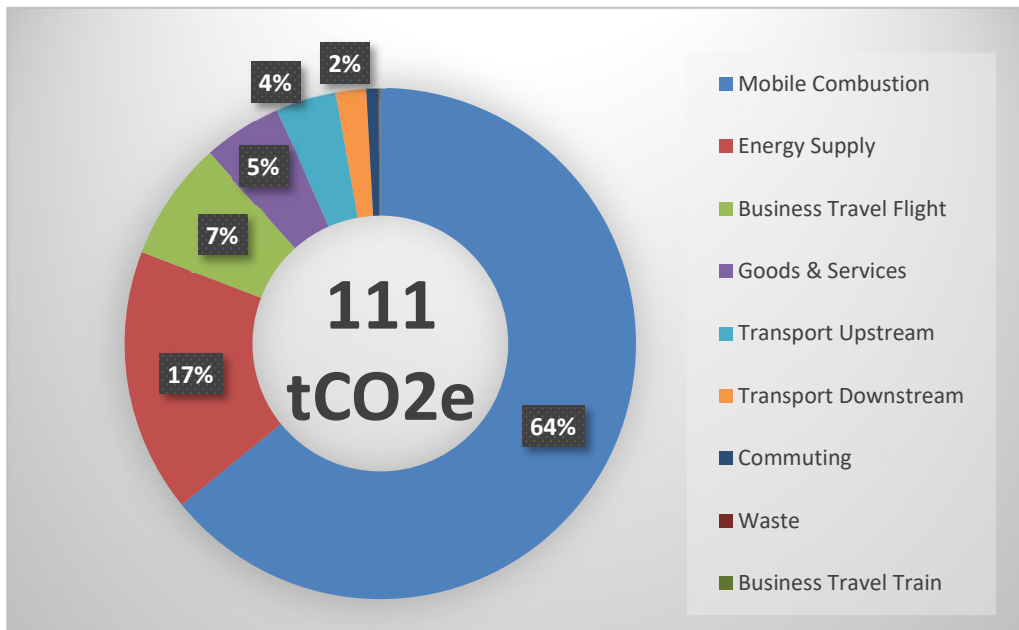
Anticipated reduction in emissions for each £1 million of turnover



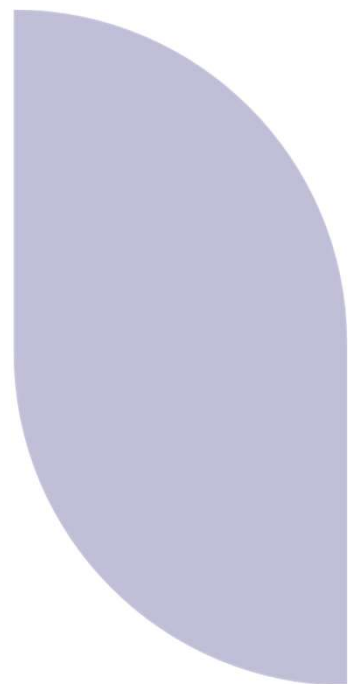
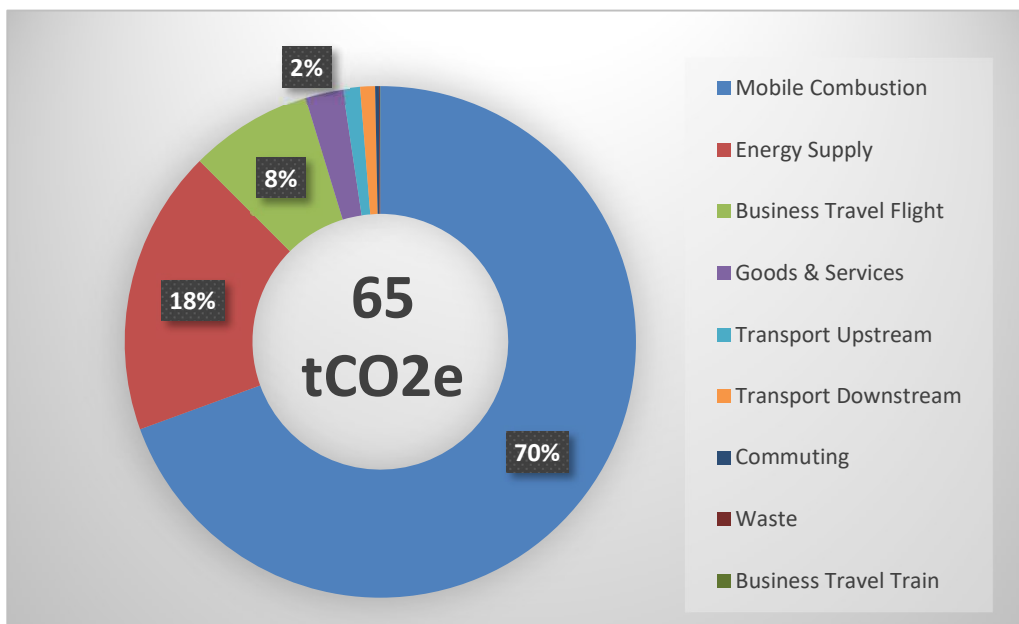
By 2027: Despite anticipating a **22%** increase in our turnover over the next five years, we project a decrease in our emissions to **147 tCO2e**. This represents a reduction of **19%** compared to our current emission levels.



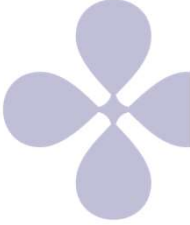
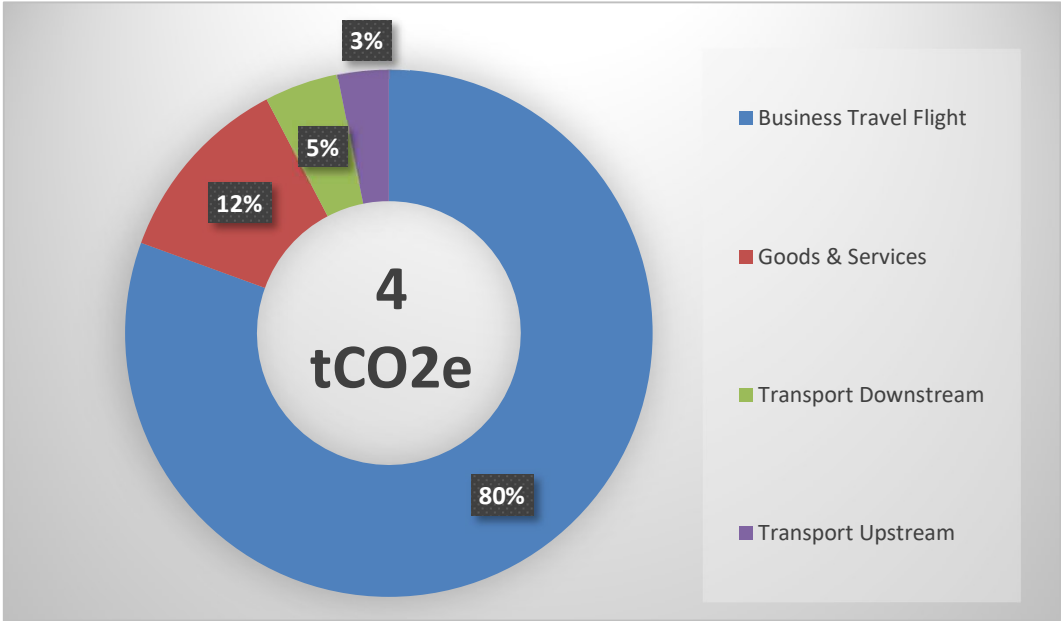
By 2030: Despite anticipating a **41%** increase in our turnover, we project a decrease in our emissions to **111 tCO₂e**. This represents a reduction of **39%** compared to our current emission levels.



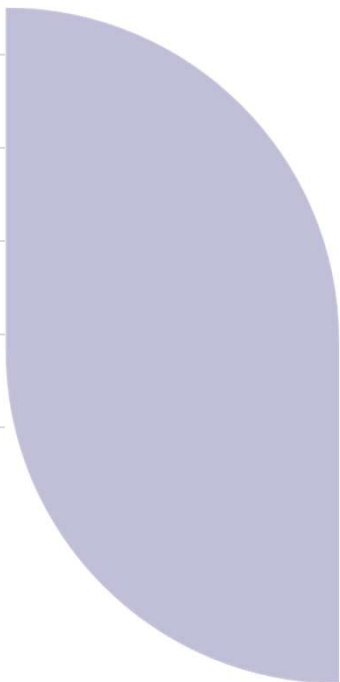
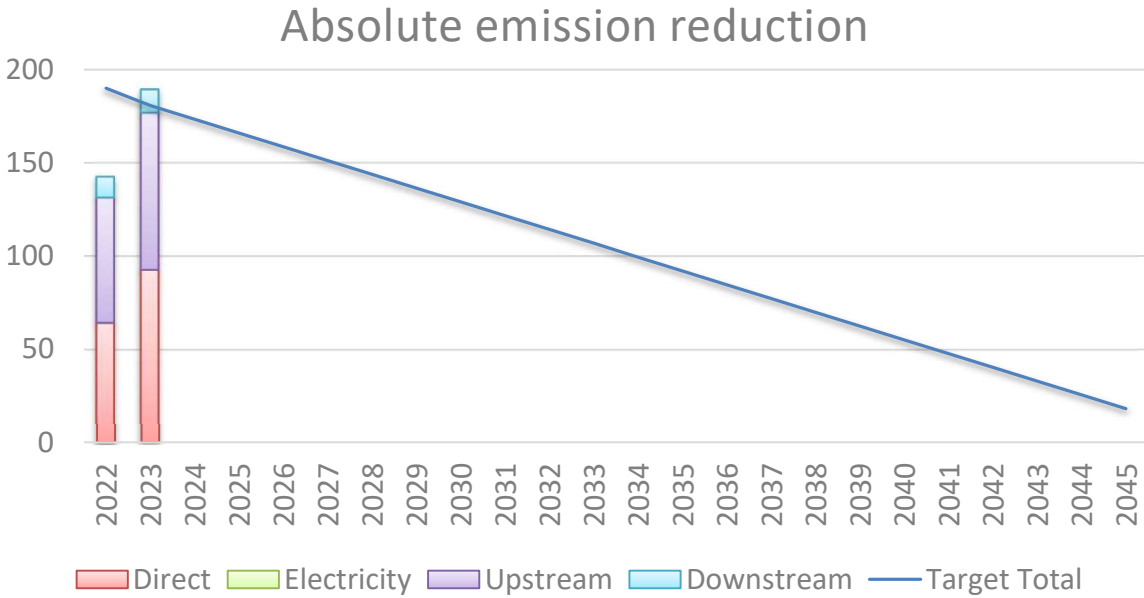
By 2035: Despite anticipating a **80%** increase in our turnover, we project a decrease in our emissions to **65 tCO₂e**. This represents a reduction of **64%** compared to our current emission levels.



By 2040: Despite anticipating a **129%** increase in our turnover, we project a decrease in our emissions to **4 tCO₂e**. This represents a reduction of **98%** compared to our current emission levels.



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



Carbon Reduction Projects

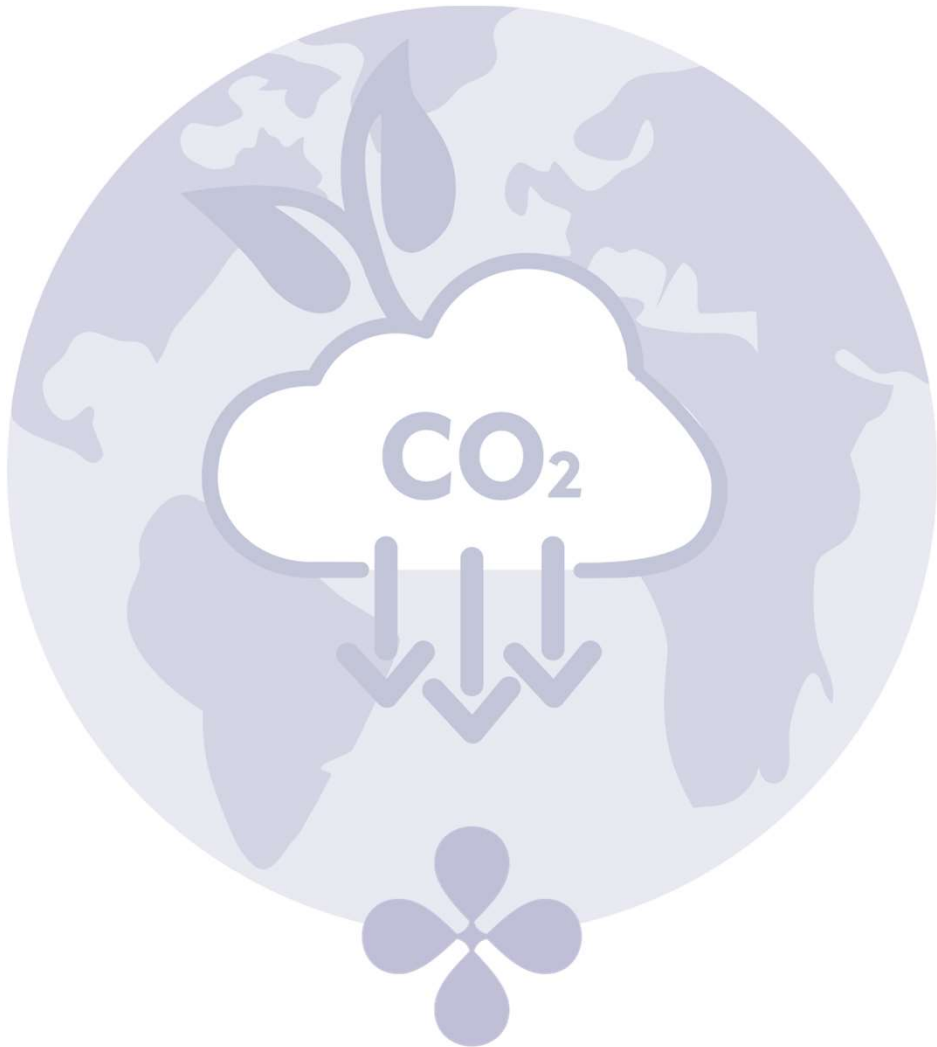
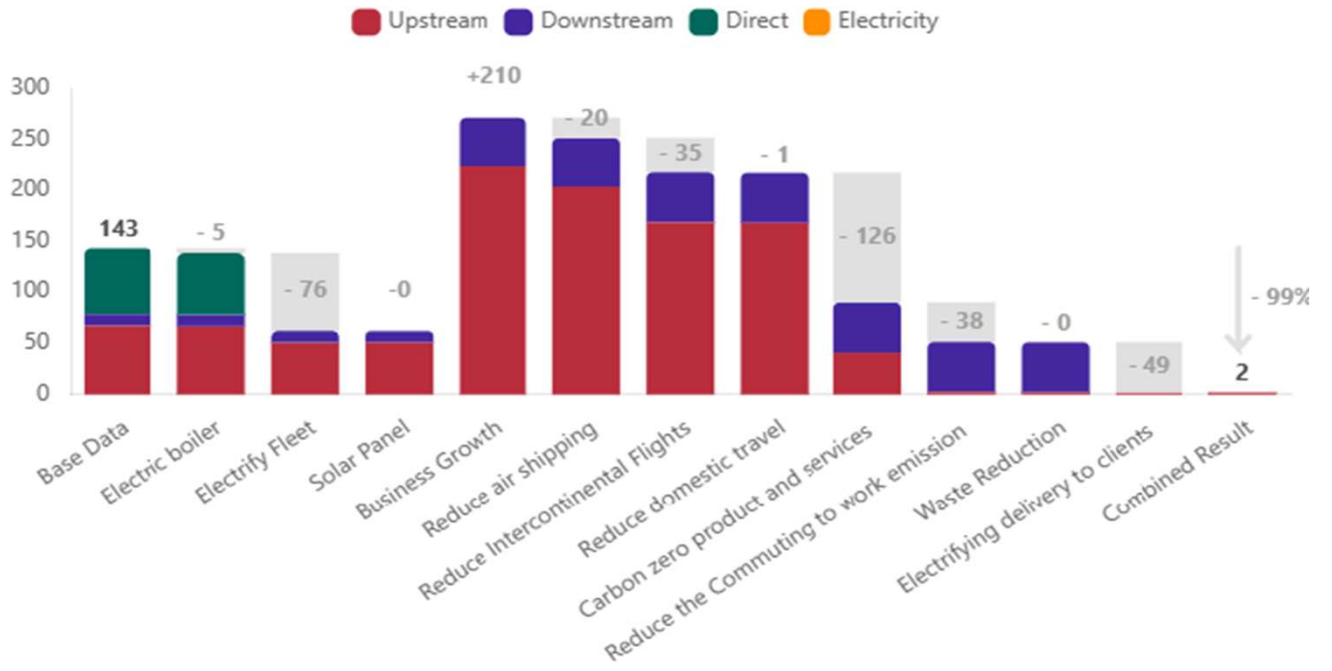
The following environmental management measures and projects have been implemented and will be effective throughout the duration of the contract:

- Acquisition of ISO 14001 certification.
- Commitment to conducting annual carbon footprint calculations covering all three scopes.
- Electrification of over 20% of our fleet, with ongoing plans for further electrification.
- Transition to a 100% renewable energy tariff.
- Adoption of economy class for international business travel to reduce emissions, prioritizing routes with lower CO2 equivalents.
- Prioritising refurbished IT equipment to minimize our CO2 emissions.
- Reduce packaging waste.
- Transition to carbon-neutral downstream logistics partners and exploration of electric delivery routes.

In the future, we aim to implement additional measures, including:

- Signing up for the Science-Based Targets Initiative (SBTi) in the coming years.
- Relocating to new premises at the end of the lease to install electric heating systems and solar panels.
- Adopting cleaner logistic solutions to reduce CO2 emissions from shipping.
- Implementation of a cycle-to-work scheme.
- Introduction of an electric vehicle salary sacrifice scheme.







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 standard¹ and uses the appropriate [Government emission conversion factors for greenhouse gas company reporting²](#).

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) Standard³.

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:

Ramzi Saab

Date: 25/3/2024

