Flen Health

CARBON FOOTPRINT REPORT 2023

PREPARED BY

Eco Sourcing Hub

REDUCE COSTS, EMISSIONS & RISKS

GENERAL INFORMATION

Flen Health, established in 2000 by Philippe Sollie, is a Belgian-based, privately owned company that specialises in the development of innovative wound and skin healing solutions. Our mission is to improve the quality of life of patients experiencing various skin conditions, from acute wounds like burns and cuts to chronic and to harder-to-heal wounds such as pressure ulcers and leg ulcers.

We use advanced biotechnological approaches to design products that support effective and efficient healing, ensuring patients can continue to live the lives they love. Building on our success in Belgium, we have expanded operations into 7 affiliate European countries, including the United Kingdom and export products worldwide via our trusted distribution partners.

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GENERAL INFORMATION

Our UK branch plays a vital role in supporting healthcare professionals and patients through our product range, which includes trusted brands such as Flaminal® and Flamigel®. These products are tailored to meet the diverse needs of patients, conditionsand support the entire wound healing process. By being present in the UK, we able to provide support and respond to local needs more effectively.

At Flen Health, innovation is at the heart of what we do. We maintain a dedicated, in-house multidisciplinary team focused on advancing biotechnological applications in wound care. This ongoing investment in research allows us to continually enhance our product offerings, ensuring they are not only effective but also user-friendly and safe. In the UK and across Europe, we work closely with academic and non-academic partners to develop and refine our solutions. This collaboration, supported by several grants and partnerships, has allowed us to maintain our position as a leader in the field of wound and skin care.

GENERAL INFORMATION

Our commitment extends beyond product development to the highest standards in manufacturing and distribution. We enforce rigorous quality control and regulatory compliance to ensure that all our products meet and exceed international healthcare standards, which is especially critical in the UK's regulated healthcare environment. Flen Health's responsibilities extend beyond creating wound care products; we are dedicated to making a positive impact socially and environmentally.

Our Corporate Social Responsibility (CSR) strategy is built on two pillars: proactiveness and compliance. Proactiveness involves engaging in initiatives that support human rights, community well-being, and environmental protection. Compliance ensures we uphold ethical standards and adhere to legal regulations across all our operations.

GENERAL INFORMATION

In the UK, we work to engage with and support local communities through health initiatives and partnerships that foster positive social change. Our environmental commitment is an integral part of our CSR efforts. We actively work to minimise our carbon footprint by optimising our supply chain, reducing waste, and embracing sustainable practices in our manufacturing and distribution processes.

We also partner with organisations to enhance biodiversity and improve air quality, such as developing green spaces and supporting conservation efforts. Our UK operations are aligned with these goals, ensuring compliance with local and national environmental standards and promoting eco-friendly practices across our activities. This year we started calculating our carbon footprint on a yearly basis, developing a comprehensive carbon reduction plan and committing to become net zero in emissions from operations.

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GENERAL INFORMATION

As we continue to integrate sustainable practices into every aspect of our business, this report is an essential part of our strategy. It allows us to measure and track our emissions, ensuring we not only comply with regulations but actively contribute to a more sustainable healthcare sector. By detailing our efforts to reduce emissions across our value chain, this report highlights our ongoing commitment to environmental stewardship and social responsibility, ensuring we remain a trusted partner in delivering high-quality healthcare solutions while minimising our environmental impact.

THIS REPORT

aims to document the greenhouse gas emissions inventory for Flen Health UK Ltd, ensuring consistency, comparability, and completeness in our accounting processes. It is designed for all stakeholders interested in our greenhouse gas emissions inventory and the associated reporting framework and explanations.
This report covers the footprint of our organisation in the UK, which operates fully remotely without any physical offices.

This report has been prepared in accordance 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 have made every effort to use primary data wherever possible, particularly concerning major emissions sources. In cases where primary data is unavailable, we have employed a consistent and conservative approach to calculations.

The reporting period covered in this document is 01/01/2023 to 31/12/2023. Next iteration of this footprint is expected to be of the same length, starting from the first day following this reporting period. Any deviation from this will be mentioned in communication at the time of publication.
This report does not include specific targets or details on greenhouse gas removals.

Additional details on the activities of Flen Health UK ltd can be found on the company website.

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ORGANISATIONAL BOUNDARIES

The organisational boundaries were drawn using the consolidation based on operational control approach. This approach considers all emissions that the organisation has operational control over, but not necessarily financial control.

The chosen consolidation approach applies to all units and subunits.
No allocation percentage is used in the calculation of the emissions share of each subunit.

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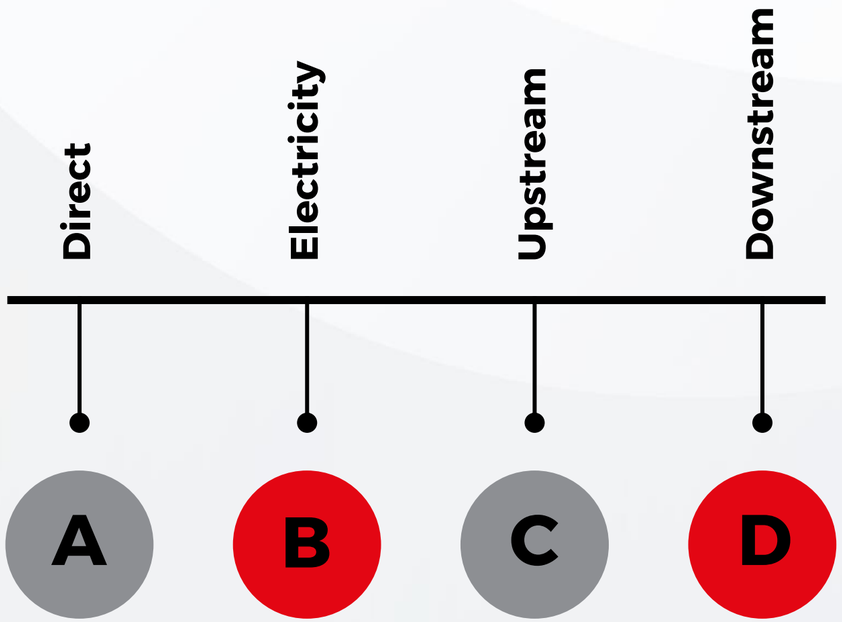
REPORTING BOUNDARIES

In this report 11 different sources of carbon emissions are considered, grouped in 4 blocks:



A

Direct emissions from operations that are owned or controlled by the reporting company.

1-Mobile Combustion - Emissions resulting from the combustion of fuels in company -owned/controlled mobile combustion sources.

B

Indirect emissions from the generation of purchased electricity, steam, heating, or cooling consumed by the reporting company.

2-Electricity – IT is 0. As the company operates remotely in the UK, any electricity emission will be reported in Scope 3.

C

Indirect emissions that occur in the value chain related to purchased goods & services.

3-Goods & Services - Embedded emissions in purchased goods and services.

4-Main Products - Embedded emissions in the manufacturing of our main products.

5-Energy Supply - Embedded emissions in the purchase of fuels and energy in other activity categories.

6-Transport Upstream - Emissions related to the transport of goods upstream of the production process or any transport purchased by the company.

7-Waste - Emissions related to the disposal and processing of waste generated in operations.

8-Business Travel - Emissions related to transportation of employees for business-related activities.

9-Commuting - Emissions related to commutes of employees in vehicles not under control of the company.

D

Indirect emissions that occur in the value chain related to sold goods & services

10-Transport Downstream - Emissions related to the transport of goods downstream of the production process not paid for by the company.

11-End-of-life of Product - Emissions related to the disposal of the sold product at the end of its planned lifetime.

This includes all relevant sources of greenhouse gas emissions. These were selected based on their relevance to the organisation's operations and/or their relative size in the total footprint.

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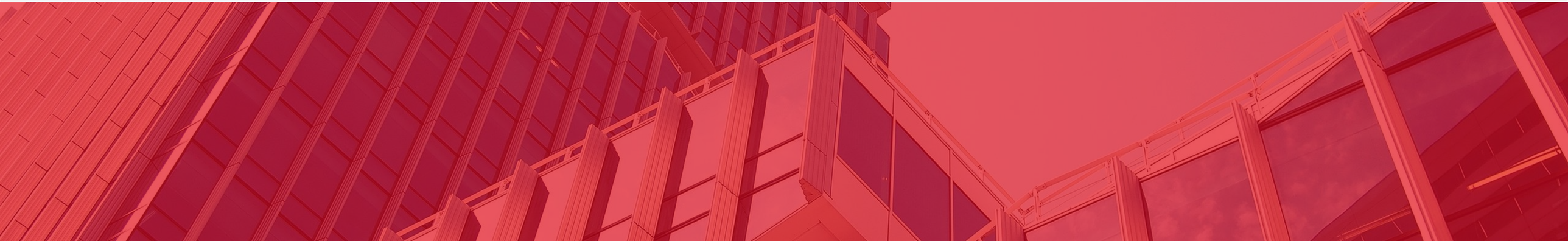
EXCLUDED EMISSION CATEGORIES

The following emission categories are excluded from this report, as they are identified as not applicable or insignificant for the current reporting objectives:

- Stationary combustion
- Process Emissions
- Fugitive Emissions
- Purchased Steam Heat Cooling
- Capital Goods
- Upstream Leased Assets
- Processing Of Sold Products
- Use Of Sold Products
- Downstream Leased Assets
- Franchises
- Investments



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QUANTIFIED GHG INVENTORY

In the reporting period Y-2023 the total emissions for the reporting organisation add up to 483 tCO2e

The greenhouse gas emissions are expressed as tonnes of CO2-equivalent.

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METHODOLOGIES FOR THE COLLECTION AND QUANTIFICATION OF DATA

The emissions summary reflects the consolidation of emissions data according to the Greenhouse Gas Protocol reporting standards. These being the Corporate Accounting and Reporting Standard (2004) and the Corporate Value Chain Accounting and Reporting Standard (2011).

CARBON OFFSETS ARE NOT REPORTED IN THIS REPORT, NOR HAVE THEY BEEN SUBTRACTED FROM THE TOTAL.

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REPORTED GHG AND GWP

The following greenhouse gases are included in the analysis: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), sulphur hexafluoride (SF6), nitrogen trifluoride (NF3), hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs).

Emissions from these greenhouse gases are expressed in CO2-equivalent (CO2e) based on their global warming potential over a time horizon of 100 years (GWP100). The Greenhouse Warming Potential (GWP) values are based on the Intergovernmental Panel on Climate Change (IPCC) Fourth, Fifth or Sixth Assessment Report (AR4, AR5 or AR6), in accordance with the methodological choices of the emission factor publishers used in this report.

The emission factors for aviation were extended to include the additional effects of radiative forcing through the emission of gases and aerosols and changing cloud abundance. For this a central estimate for a multiplier to the GWP100 figure is used. This estimate tries to reflect the additional effect based on the best available scientific evidence, while being consistent with UNFCCC reporting convention. The total emissions in this report include electricity emissions using the market-based method. Travel emissions in this report include the effects of radiative forcing for aviation.

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APPROACH TO EMISSION FACTORS

For each activity the most relevant and localised emission factor possible has been selected, at the discretion of the reporter. Apart from locality and relevancy, other considerations were the availability of emission factors and consistency in the selection of emission factor publications throughout the document.

A full list of emission factor publications used in this report can be found in the table below:

Publisher	Publication Version	Publication Date	URL
Exiobase	3.8.2	21/10/2021	link
UK.gov	v2023 1.0	15/05/2023	link
Association of Issuing Bodies	2022 v1.0	26/05/2023	link

APPROACH TO BASE YEAR REPORTING

The reporting period Y-2023 is the first GHG reporting period for **Flen Health UK ltd** and counts as the base year for the current and future reporting cycles.

Each emission factor used in the calculation has an assigned validity period overlapping or partially overlapping with the application period of the reported activity. The validity period of emission factors is determined by its publication document[1].

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UNCERTAINTY ASSESSMENT

For this report a qualitative assessment of uncertainty has been applied. Given that the effectiveness of a quantitative assessment would be limited due to a general lack of accurate uncertainty data. The applicability of these quantitative assessments will be reviewed in each subsequent reporting period.

In assessing the uncertainty associated with our carbon footprint calculations, we considered various activity groups, each contributing differently to the overall emissions profile. The uncertainty values are presented with a 95% confidence interval, indicating the potential variability in our emissions estimates.

Activity Group	Emissions (tCO_2e)	Uncertainty	Share of total emissions
Mobile Combustion	99.85	-3% to +4%	20.7%
Goods & Services	121.73	-29% to +40%	25.2%
Main Products	145.45	-31% to +45%	30.1%
Energy Supply	25.59	-3% to +4%	5.3%
Transport Upstream	42.07	-23% to +30%	8.7%
Waste	0.26	-31% to +45%	0.1%
Business Travel	37.39	-23% to +30%	7.7%
Transport Downstream	10.19	-48% to +91%	2.1%
End-of-life of Product	0.8	-40% to +68%	0.2%
Total GHG emissions	483.34	-13% to +15%	100.0%

[1] In case the application period of the activity overlaps with the validity period of more than one emission factor, the median data of the activity period is used to determine which factor to use. (example if an activity stretches from August 2021 to July 2022, the median date is 29/01/2022)

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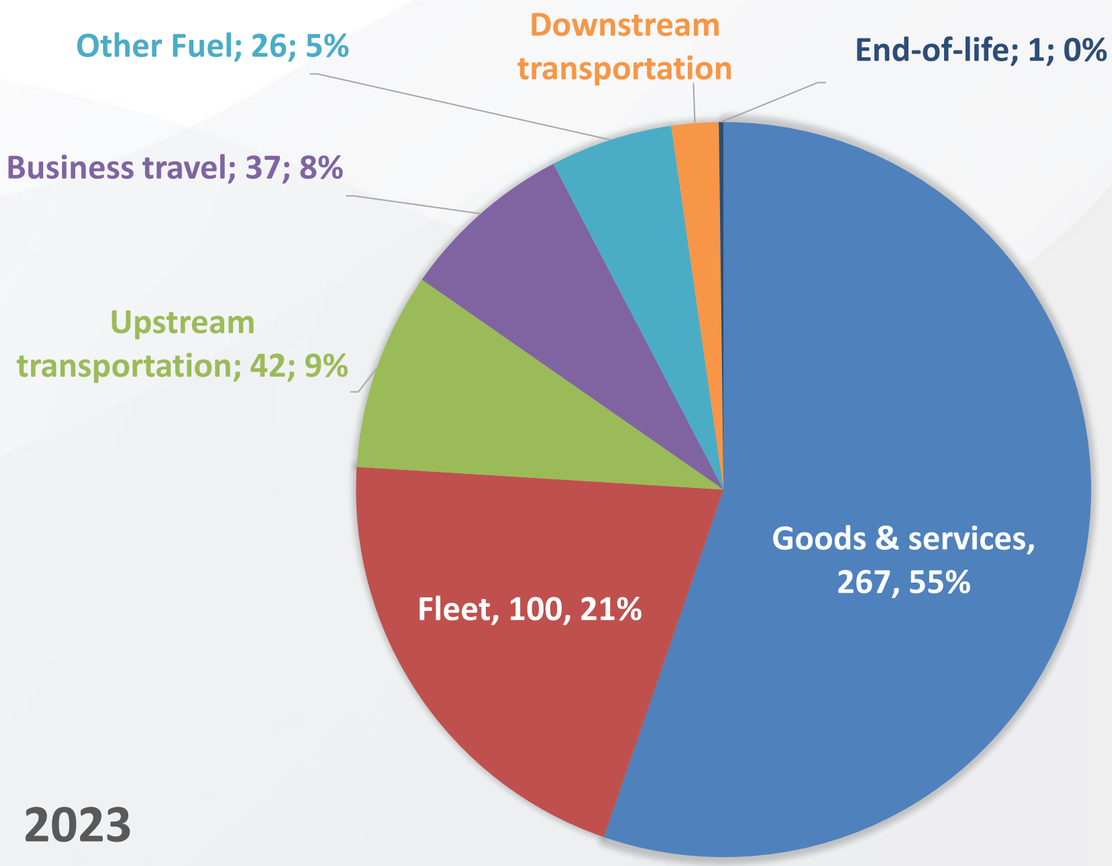
2023 CARBON EMISSIONS

Our company's total greenhouse gas (GHG) emissions for 2023 amount to **483.34 tCO_2e**, divided into various activity groups, each contributing a specific percentage to our overall carbon footprint. Below is a detail of these contributions.

The largest contributor to our carbon footprint is the production of our main products, which includes both manufacturing and packaging activities. This category accounts for **145.45 tCO_2e**, representing **30.1%** of our total emissions.



2023

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2023 CARBON EMISSIONS

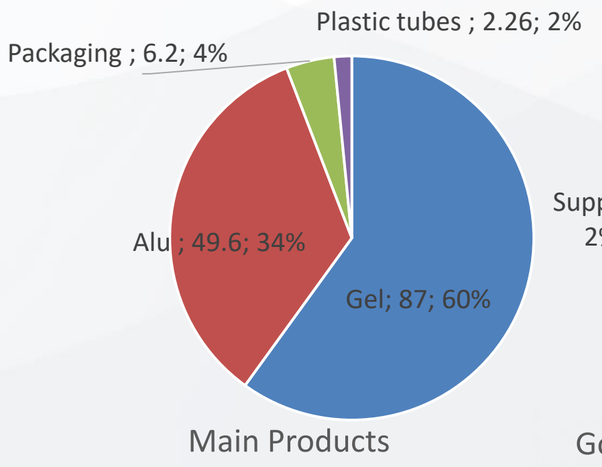
The procurement of other goods and services required for our operations contributes **121.73 tCO_2e,** making up **25.2%** of our total emissions. This includes emissions embedded in products and various services required for operating our business.

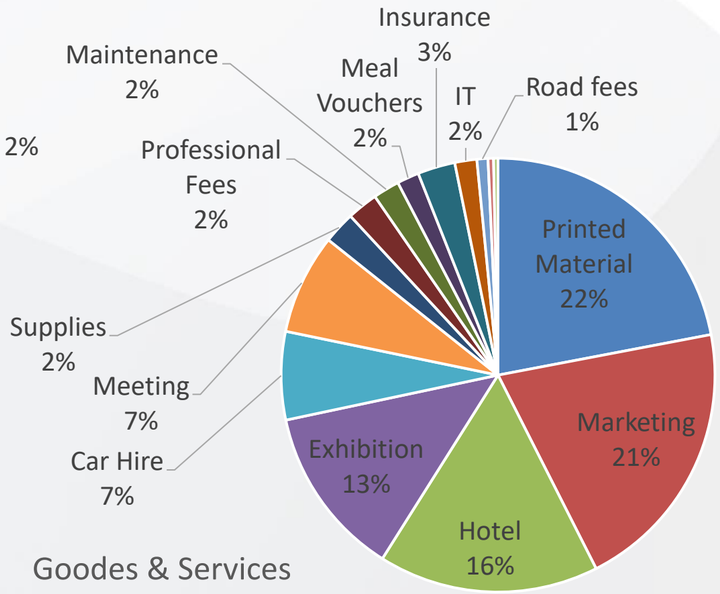
Emissions from company-owned/controlled vehicles amount to **99.85 tCO_2e,** which is **20.7%** of our carbon footprint. These emissions stem from the use of our fleet for transportation.

The transportation of materials and products to our facilities generates **42.07 tCO_2e**, or **8.7%** of our emissions.

Business travel, including employee flights and road transport, contributes **37.39 tCO_2e**, making up **7.7%** of our total emissions.

Emissions from our Other energy, such as EV charging and transportation of the fuel, total **25.59 tCO_2e,** representing **5.3%** of our overall emissions.





The emissions from transporting products to customers amount to **10.19 tCO_2e**, or **2.1%** of our emissions.

End-of-life treatment of our products contributes only **0.8 tCO_2e**, accounting for a minimal **0.2%** of our total emissions.

Emissions from waste generated during our operations are also minimal, at **0.26 tCO_2e**, which makes up just **0.1%** of our total emissions.

Below the Emission Category	Scope	All GHG (tCO_2e)
Scope 1		100
Stationary Combustion	Scope 1	-
Mobile Combustion	Scope 1	100
Scope 2		-
Purchased electricity	Scope 2	-
Scope 3 Upstream		373
Purchased goods and services	Scope 3	267
Fuel- and energy-related activities	Scope 3	26
Upstream transportation and distribution	Scope 3	42
Waste generated in operations	Scope 3	<1
Business travel	Scope 3	37
Scope 3 - Downstream		11
Downstream transportation and distribution	Scope 3	10
End-of-life treatment of sold products	Scope 3	1
Total GHG emissions		483

Break down of the emissions into carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), sulphur hexafluoride (SF_6), nitrogen trifluoride (NF_3), hydrofluorocarbons (HFCs), and perfluorocarbons (PFCs).

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Emission Category	Mobile Combustion	Purchased goods and services	Upstream transport	Business travel	Downstream transport	End-of-life
CO2	99	86	34	31	8	-
CH4	<1	26	<1	<1	<1	-
N2O	1	5	<1	<1	<1	-
SF6	-	1	-	-	-	-
NF3	-	-	-	-	-	-
HFCs	-	3	-	-	-	-
PFCs	-	<1	-	-	-	-
CO2e*	-	145	8	6	2	1

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THANK YOU

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