GREENHOUSE GAS EMISSIONS INVENTORY AND MANAGEMENT REPORT

Net Carbon Zero programme

Prepared in accordance with ISO 14064-1:2018 and the Technical Requirements of the Programme

Optimum Medical Solutions Limited

Prepared by (lead author): Ian Wheeler

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Verification status: Limited

Measurement period: 01 January 2023 to 31 December 2023

Base year period: 01 January 2020 to 31 December 2020

Approved for release by:

Gareth Rimmington, Product Director

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AVAILABILITY

Open dissemination to all public via our website

REPORT STRUCTURE

The Inventory Summary contains a high-level summary of this year's results and from year 2 onwards a brief comparison to historical inventories.

Chapter 1, the Emissions Inventory Report, includes the inventory details and forms the measure step of the organisation's application for Programme certification. The inventory is a complete and accurate quantification of the amount of GHG emissions and removals that can be directly attributed to the organisation's operations within the declared boundary and scope for the specified reporting period. The inventory has been prepared in accordance with the requirements of the Programme[1], which is based on the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) and ISO 14064-1:2018 Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals[2]. Where relevant, the inventory is aligned with industry or sector best practice for emissions measurement and reporting.

Chapter 2, the reduction plan and progress report, forms the manage step part of the organisation's application for Programme certification.

See Appendix 1 and the related Spreadsheet for detailed emissions inventory results, including a breakdown of emissions by source and sink, emissions by greenhouse gas type, and non-biogenic and bio-genic emissions. Appendix 1 also contains detailed context on the inventory boundaries, inclusions and exclusions, calculation methodology, liabilities, and supplementary results.

This overall report provides emissions information that is of interest to most users but must be read in conjunction with the inventory workbook for covering all of the requirements of ISO 14064-1:2018.

[1] Programme refers to the Toitū carbonreduce and the Toitū net carbonzero programmes.

[2] Throughout this document 'GHG Protocol' means the *GHG Protocol Corporate Accounting and Reporting Standard* and 'ISO 14064-1:2018' means the international standard *Specification with Guidance at the Organizational Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals*.

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EXECUTIVE SUMMARY

This is the annual greenhouse gas (GHG) emissions inventory and management report for Optimum Medical Solutions Limited covering the measurement period 01 January 2023 to 31 December 2023.[3]

This report outlines our top emissions sources and includes descriptions of site-specific sustainability projects aimed at GHG emissions reduction.

Table 1: Inventory summary

Category (ISO 14064-1:2018)	Scopes (ISO 14064-1:2006)	2020	2022	2023
Category 1: Direct emissions (tCO_2e)	Scope 1	14.07	43.56	41.83
Category 2: Indirect emissions from imported energy (location-based method*) (tCO_2e)	Scope 2	1.90	16.13	23.47
Category 3: Indirect emissions from transportation (tCO_2e)	Scope 3	2,549.18	771.39	866.58
Category 4: Indirect emissions from products used by organisation (tCO_2e)		0.66	8.14	8.12
Category 5: Indirect emissions associated with the use of products from the organisation (tCO_2e)		0.00	0.00	0.00
Category 6: Indirect emissions from other sources (tCO_2e)		0.00	0.00	0.00
Total direct emissions (tCO_2e)		**14.07**	**43.56**	**41.83**
Total indirect emissions* (tCO_2e)		**2,551.74**	**795.66**	**898.17**
Total gross emissions* (tCO_2e)		**2,565.80**	**839.22**	**940.00**
Category 1 direct removals (tCO_2e)		0.00	0.00	0.00
Total net emissions (tCO_2e)		**2,565.80**	**839.22**	**940.00**

*Emissions are reported using a location-based methodology. See section 1.2.1 for details.1.2.1

[3] Throughout this document "emissions" means "GHG emissions". Unless otherwise stated, emissions are reported as tonnes of carbon dioxide equivalent (tCO_2e).

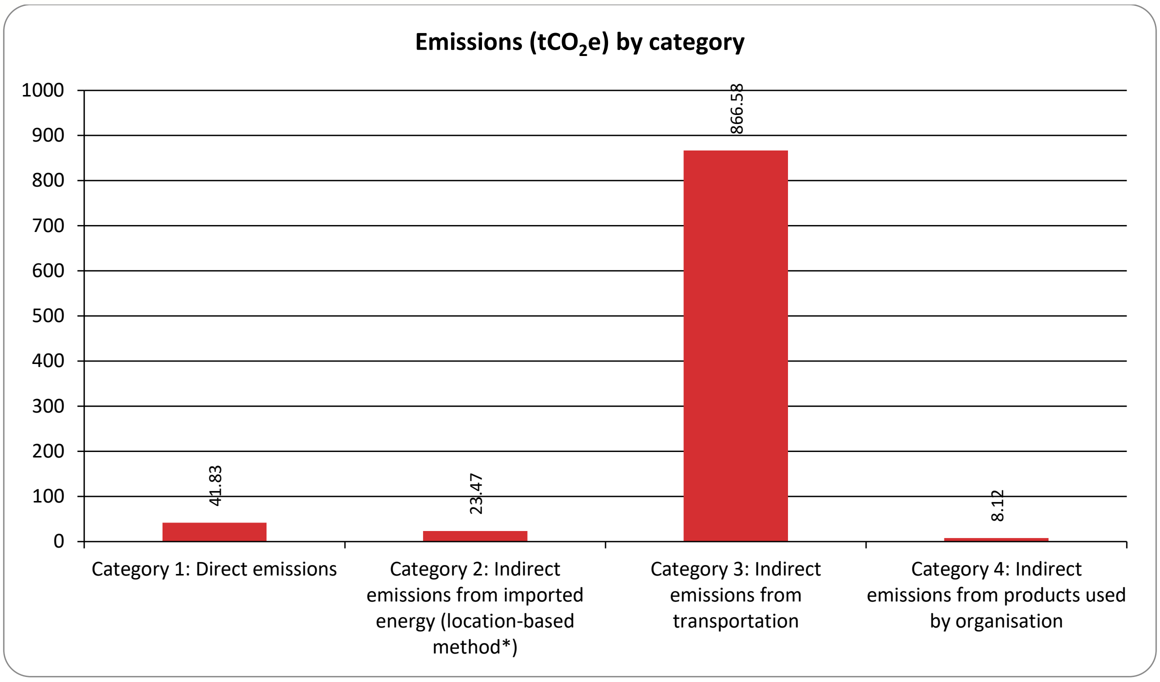

Figure 1: Emissions (tCO_2e) by Category for this measurement period

CHAPTER 1: EMISSIONS INVENTORY REPORT

1.1. INTRODUCTION

This report is the annual greenhouse gas (GHG) emissions inventory and management report for Optimum Medical Solutions Limited.

The purpose of this report is to consolidate our annual greenhouse gas (GHG) emissions and support emissions management. The continual maintenance of this report will allow annual comparative analyses on the activity of our emission sources. This process will form part of the overall company's emissions reduction strategy.

The inventory report and any GHG assertions are expected to be verified by a Programme-approved, third-party verifier. The level of assurance is reported in a separate Assurance Statement provided to the directors of the certification entity.

1.2. EMISSIONS INVENTORY RESULTS

Table 2: Emissions inventory summary for this measurement period

Measurement period: 01 January 2023 to 31 December 2023.

Category	Toitū carbon mandatory boundary (tCO_2e)	Additional emissions (tCO_2e)	Total emissions (tCO_2e)
Category 1: Direct emissions	41.83 Average car Battery Electric Vehicle, Average car Plug-in Hybrid Electric Vehicle, Car Average (diesel), Car Average (petrol), Natural Gas	0.00	41.83
Category 2: Indirect emissions from imported energy (location-based method*)	23.47 Electricity UK (Generation) (2013 Methodology)	0.00	23.47
Category 3: Indirect emissions from transportation	824.85 Air travel domestic (average), Air travel international (econ), Air travel long haul (econ), Average car Battery Electric Vehicle, Car Average (diesel), Car Average (petrol), Freight Air travel long haul (average), Freight Road all trucks (average), Freight Road BEV van (average), Freight Shipping container (average)	41.73 Accommodation - Australia, Accommodation - China, Accommodation - Finland, Accommodation - Germany, Accommodation - Ireland, Accommodation - Mexico, Accommodation - United Arab Emirates, Accommodation - United Kingdom, Car Average (unknown fuel type)	866.58
Category 4: Indirect emissions from products used by organisation	3.98 Electricity UK (T&D losses) (2013 Methodology), Waste disposal Paper and board: board Closed-loop, Waste to landfill - office waste	4.14 Water supply, Water treatment, Waste disposal Mixed municipal waste	8.12

Category	Toitū carbon mandatory boundary (tCO_2e)	Additional emissions (tCO_2e)	Total emissions (tCO_2e)
Category 5: Indirect emissions associated with the use of products from the organisation	0.00	0.00	0.00
Category 6: Indirect emissions from other sources	0.00	0.00	0.00
Total direct emissions	**41.83**	**0.00**	**41.83**
Total indirect emissions*	**852.30**	**45.87**	**898.17**
Total gross emissions*	**894.13**	**45.87**	**940.00**
Category 1 direct removals	0.00	0.00	0.00
Total net emissions	**894.13**	**45.87**	**940.00**
Operating revenue (gross tCO_2e / £Millions)		49.65	52.19

*Emissions are reported using a location-based methodology. See section 1.2.1 for details.1.2.1

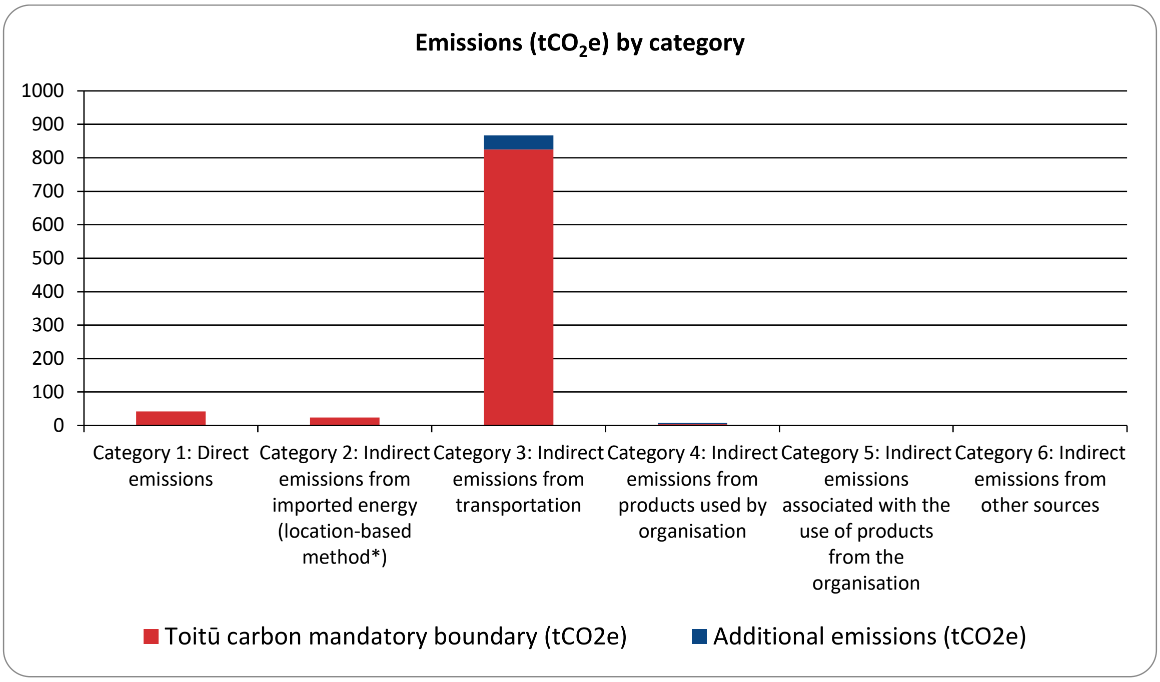

Figure 2: Emissions (tCO_2e) by category

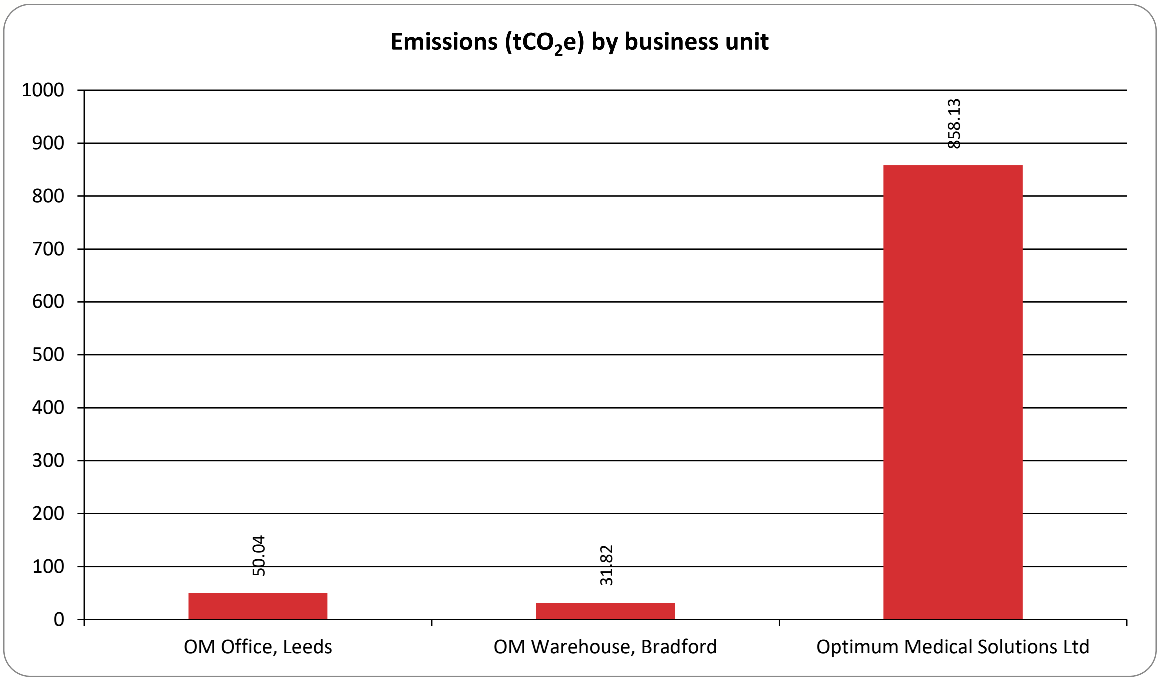

Figure 3: Emissions (tCO_2e) by business unit

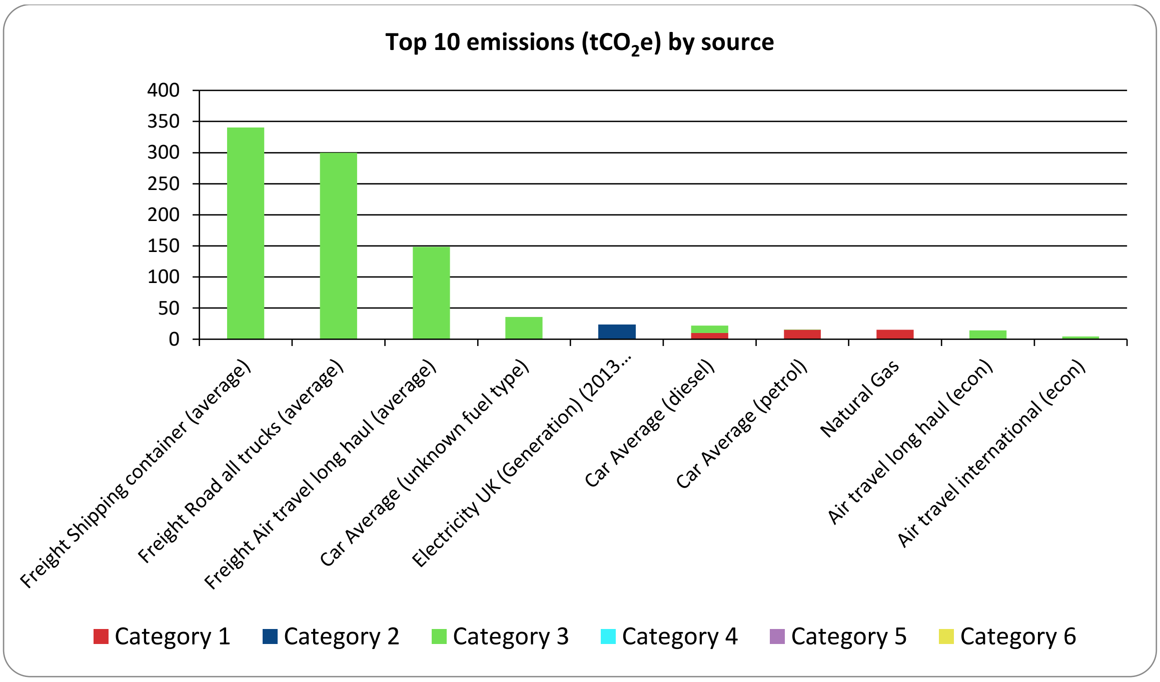

Figure 4: Top 10 emissions (tCO_2e) by source

1.2.1. Dual reporting of indirect emissions from purchased and generated energy

All purchased and generated energy emissions are dual reported using both the location-based method and market-based method. Dual reporting illustrates the role of supplier choice, onsite renewable energy generation and contractual instruments in managing indirect emissions from energy alongside any ongoing energy efficiency and reduction efforts.

Optimum Medical Solutions Limited aligns to location-based reporting for tracking energy related emissions and reductions over time.

We are still engaged in renewable energy agreements at all sites. We have also worked with staff to identify most efficient use of heating systems to ensure comfort whilst still reducing overall energy use.

All gas and electricity meters have data loggers which has enabled us to analyse our use and direct our reduction strategies. For example having charge timers installed on warehouse plant to enable charging at periods of reduced demand on the national grid. We have replaced the upstairs heating in the office to HVAC from inefficient gas boilers, and plan to have further surveys done to the rest of the building to identify further improvements.

Table 3. Dual reporting of indirect emissions from imported energy

Category	Location-based methodology (tCO_2e)	Market-based methodology (tCO_2e)
Category 1: Direct emissions	41.83	41.83
Category 2: Indirect emissions from imported energy	23.47	41.39
Category 3: Indirect emissions from transportation	866.58	866.58
Category 4: Indirect emissions from products used by organisation	8.12	8.12
Category 5: Indirect emissions associated with the use of products from the organisation	0.00	0.00
Category 6: Indirect emissions from other sources	0.00	0.00
Total direct emissions	**41.83**	**41.83**
Total indirect emissions	**898.17**	**916.09**
Total gross emissions	**940.00**	**957.92**
Category 1 direct removals	0.00	0.00
Total net emissions	**940.00**	**957.92**

1.3. ORGANISATIONAL CONTEXT

1.3.1. Organisation description

Optimum Medical Solutions are specialists in lubrication and urology products. Our products are found in every NHS acute hospital, and we offer the UK's largest range of healthcare lubricants. Within the UK we supply products to over 300 Trusts, as well as to retail pharmacies, GP surgeries private hospitals and care homes. Internationally we export to more than 60 countries around the world, in Europe , North America, Africa, Asia and Australia.

Vyne is the Dispensing Appliance Contractor (Prescription delivery service) arm of Optimum Medical. Our mission is to supply customers with a better, greener and easier way of getting their healthcare appliances, whether this is via a prescription or a direct sale through our website. Vyne takes the hassle out of getting prescription items, we deal directly with the individuals GP, receiving the prescription and posting items directly to customers.

Commitment to certification

Over the years we’ve noticed a lack of attention in the healthcare industry towards sustainability. We felt we could do something about that – with even the smallest changes growing into great things.

We are committed to driving change in our sector, through measuring, managing and reducing our emissions and embracing new technologies to reinvent the way we carry out our business activities. We aim to exploit all opportunities for energy savings throughout the business, in order to establish ourselves as an environmentally responsible organisation, a sector leader as well as a contributor to national and industry carbon reduction targets.

GHG Reporting

Historically as a company we have always had ethical and responsible operating practices and goals. 'Sustainability conscious' is one of our company pledges. Measuring our GHG emissions is the starting point for us to pull together all of our environmental and social value activities and identifying targets for where where we can have the biggest impact.

This report will also enable us to demonstrate our environmental commitments to our customers and to our supply chain whom we expect to mirror our own ambitions.

Climate Change Impacts

Climate change will impact the nature of our business operations in various ways including but not limited to:

* Supply chain disruption. Through extreme weather events disrupting transportation systems and infrastructure

* Increased costs. Of raw materials, energy and transportation

* Regulatory changes. Governments worldwide are taking action to mitigate climate change and promote sustainability. Examples could be stricter emission standards, waste management regulations, requirements to use eco friendly materials and taxation of non recycled/recyclable materials.

* Reputation and consumer demand. Consumers are increasingly concerned about climate change and sustainability. Companies that are perceived as not taking sufficient action to address climate-related issues may face reputational risks which can impact consumer trust and demand for our products

* Business continuity risks. Climate change can pose risks to the overall business continuity of the company. For instance, the previously mentioned weather events could disrupt our ability to operate to full capacity, leading to financial losses and damage to infrastructure. Due to the location of our facilities this is a low level risk, but is more likely to affect our supply chain.

Parent Company Targets

No parent company associated with the business

1.3.2. Statement of intent

This inventory forms part of the organisation’s commitment to gain Toitū Net Carbon Zero certification. The intended uses of this inventory are:

Intended use and users

This report will help us to:

* Gain compliance with the Toitū carbonreduce program

* Reduce emissions

* Respond to customer demands

* Respond to public expectations

* Contribute to staff culture

* Inform operational decisions

* Contribute to brand value

Intended users of this report include, but are not limited to:

* Our Directors

* Our management team

* Our external 'carbonreduce' programme account auditors

* Our suppliers

* Our customers

Other schemes and requirements

The inventory will be used to support PPN 06/21 submissions

1.3.3. Person responsible

Ian Wheeler, Sustainability and Corporate Social Responsibility Manager is responsible for overall emission inventory measurement and reduction performance, as well as reporting results to top management. Ian Wheeler, Sustainability and Corporate Social Responsibility Manager has the authority to represent top management and has financial authority to authorise budget for the Programme, including Management projects and any Mitigation objectives.

State any other people/entities Programme

The reporting is supported by the Optimum Medical senior management team, who allocate appropriate resource for the collection of data and implementation of reduction strategies.

Operating as company CSR and Sustainability Manager and experience within Local Authorities

Top management commitment

The Optimum Medical Directors and senior management team are committed to long term measurement and reduction of the companies emissions, and will measure and record progress year on year.

The management team has committed to supporting development of a comprehensive emissions management plan, extended this year from previous years, and to continue to develop and expand our reporting capabilities moving forward.

Emissions measurement and management is to be reported directly to the OM Board on a half yearly basis, with progress reports on any associated reduction interventions. Summaries and verbal updates will be provided at senior management meetings following the director update.

Management involvement

Annual reporting will be provided to the senior management team. This group provides resources and budget for collection and processing of data and inventory report development.

The lead author of this report is provided with resource (financial and staff) from across the business, to ensure our inventory process is ‘bedded in’ to our long term procedures and culture.

1.3.4. Reporting period

Base year measurement period: 01 January 2020 to 31 December 2020

The new base year not only brings the reporting period in line with our financial reporting period, but will also provide a more representative baseline moving forward.

Our original base year was the earliest year in which we could gather accurate, reliable data. However as the Covid-19 pandemic started mid-way through this reporting period, it did have impacts on our business practices, particularly around home working, staff travel (UK and overseas) and in particular the methods of shipping used. We were able to reduce emissions massively on this original baseline through reviewing and changing shipping/freight practices, but it makes sense for us to now work off a new baseline that is more reflective of more 'normal' times and operating practices.

Measurement period of this report: 01 January 2023 to 31 December 2023

Reporting will be done annually with progress reports mid year.

This reporting year is the first time we have reported from January to December, a change to bring emissions reporting period in line with our new financial reporting period. This will become our new baseline.

1.3.5. Organisational boundary and consolidation approach

An operational control consolidation approach was used to account for emissions.[4]

Organisational boundaries were set with reference to the methodology described in the GHG Protocol and ISO 14064-1:2018 standards.

Justification of consolidation approach

The operational control boundary approach was selected as it aligns with the way our business is structured. It enables us to focus carbon reduction in areas where we have full control, whilst still retaining the ability to engage with partner organisations where we do not have any control, but can influence and support to improve their behaviours.

Organisational structure

Figure 5 shows what has been included in the context of the overall structure.

The parts of the business structure below have been identified as being within this emissions inventory as we have full operational control over the business activities at the Leeds Head Office and Bradford Warehouse.

Figure 5: Organisational structure

Table 4. Brief description of business units, sites and locations included in this emissions inventory

Company/Business unit/Facility	Physical location	Description
Optimum Medical	Tennant Hall, Blenheim Grove, Leeds, LS2 9ET	Company head office
Optidepot (Warehouse)	Unit 2, Thornbury Industrial park, Woodhall Road, Bradford, BD3 7AF	Company UK warehouse.

1.3.6. Excluded business units

We have excluded our China administration office due to the lack of emissions data that is held for this part of the business.

[4] control: the organisation accounts for all GHG emissions and/or removals from facilities over which it has financial or operational control. equity share: the organisation accounts for its portion of GHG emissions and/or removals from respective facilities.

CHAPTER 2: EMISSIONS MANAGEMENT AND REDUCTION REPORT

2.1. EMISSIONS REDUCTION RESULTS

Category 1 emissions Car average Diesel and petrol have both reduced, as has natural gas. It is expected this is due to uptake of EV's by staff and the new HVAC heating system at the office significantly reducing use of gas.

Category 2 emissions have increased, which is to be expected due to the electrification of other processes. This includes the aforementioned EV use and Heating of the office, but during this period we have also launched a Electric home delivery service in the Leeds and Bradford areas. This means we are charging an electric van and multiple staff EV's each day. We need to investigate how we split out this use from general building use.

Whilst our overall emissions have reduced significantly from the existing baseline 12 months, we have increased emissions on last year, this provides further evidence of the need to re-baseline.

Table 5: Comparison of historical GHG inventories

Category	2020	2021	2022	2023
Category 1: Direct emissions (tCO_2e)	14.07	43.94	43.56	41.83
Category 2: Indirect emissions from imported energy (location-based method*) (tCO_2e)	1.90	11.22	16.13	23.47
Category 3: Indirect emissions from transportation (tCO_2e)	2,549.18	738.36	771.39	866.58
Category 4: Indirect emissions from products used by organisation (tCO_2e)	0.66	6.83	8.14	8.12
Category 5: Indirect emissions associated with the use of products from the organisation (tCO_2e)	0.00	0.00	0.00	0.00
Category 6: Indirect emissions from other sources (tCO_2e)	0.00	0.00	0.00	0.00
Total direct emissions (tCO_2e)	**14.07**	**43.94**	**43.56**	**41.83**
Total indirect emissions* (tCO_2e)	**2,551.74**	**756.41**	**795.66**	**898.17**
Total gross emissions* (tCO_2e)	**2,565.80**	**800.35**	**839.22**	**940.00**
Category 1 direct removals (tCO_2e)	0.00	0.00	0.00	0.00
Total net emissions (tCO_2e)	**2,565.80**	**800.35**	**839.22**	**940.00**

Category	2020	2021	2022	2023
Emissions intensity				
Operating revenue (gross tCO_2e / £Millions)	36.38	50.67	0.00	52.19
Operating revenue (gross mandatory tCO_2e / £Millions)	36.26	48.30	0.00	49.65

*Emissions are reported using a location-based methodology. See section 1.2.1 for details.1.2.1

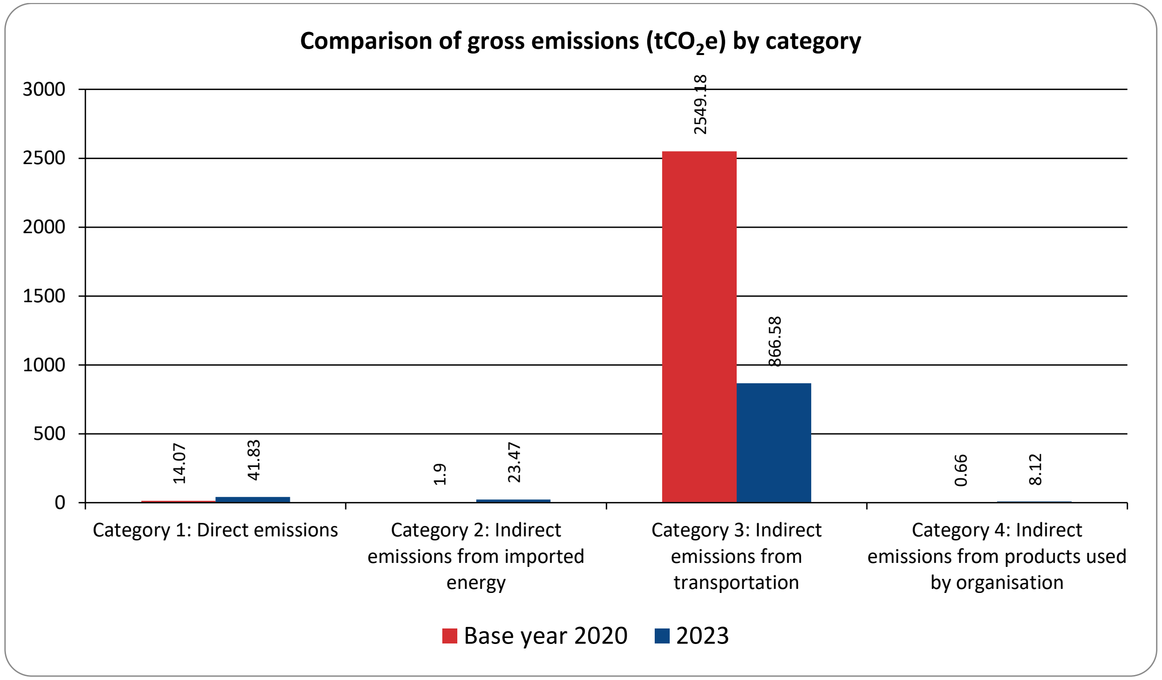

Figure 6: Comparison of gross emissions (tCO_2e) by category between the reporting periods

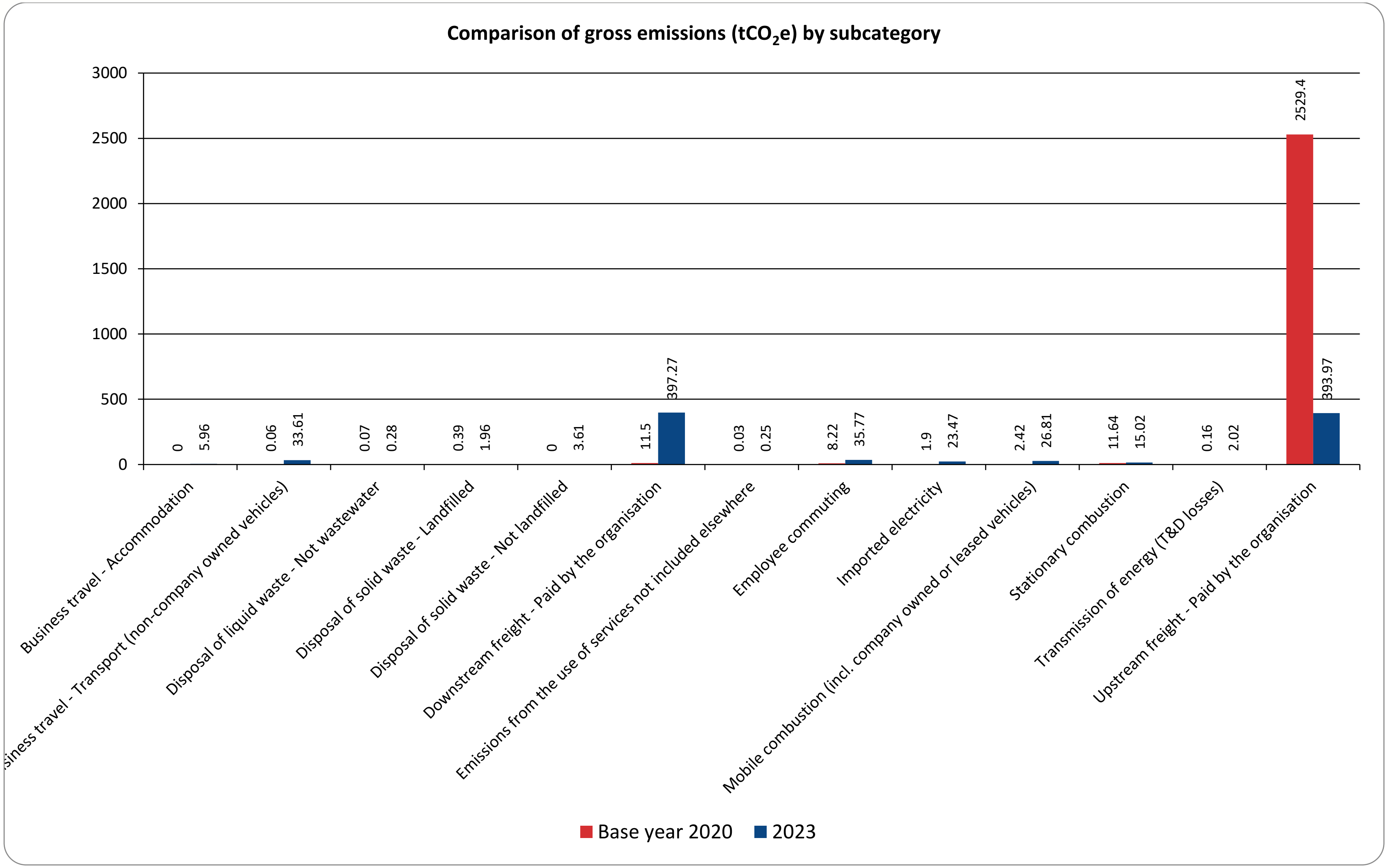

Figure 7: Comparison of gross emissions (tCO_2e) by subcategory between the reporting periods

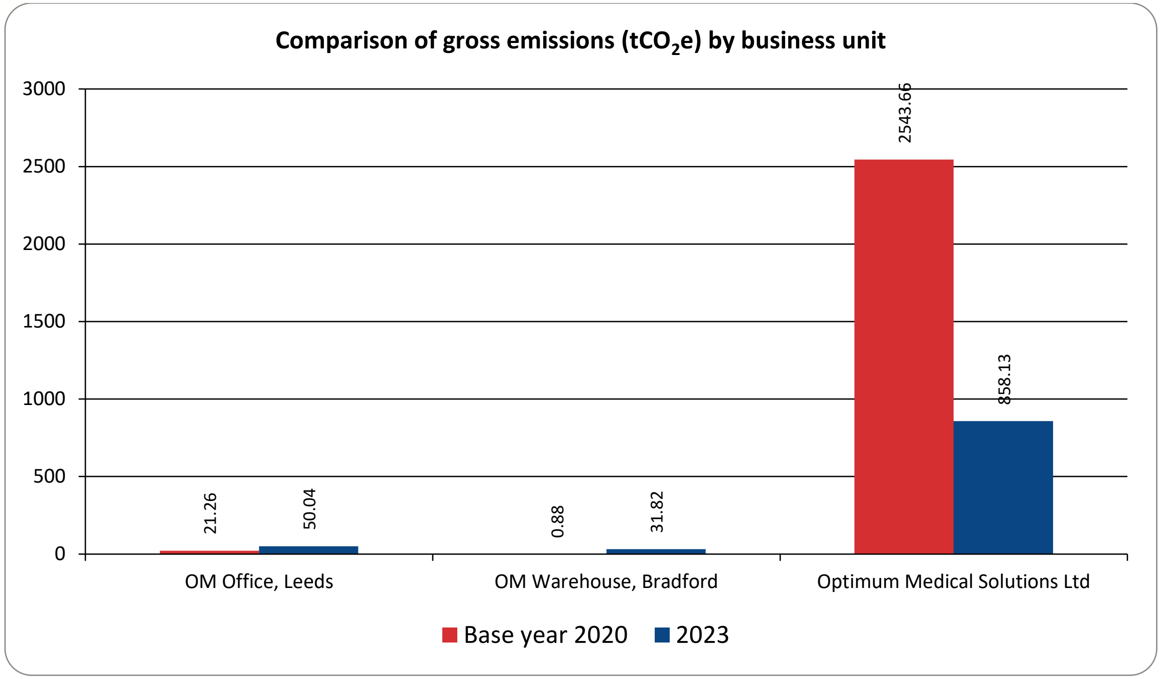

Figure 8: Comparison of gross emissions (tCO_2e) by business unit between the reporting periods

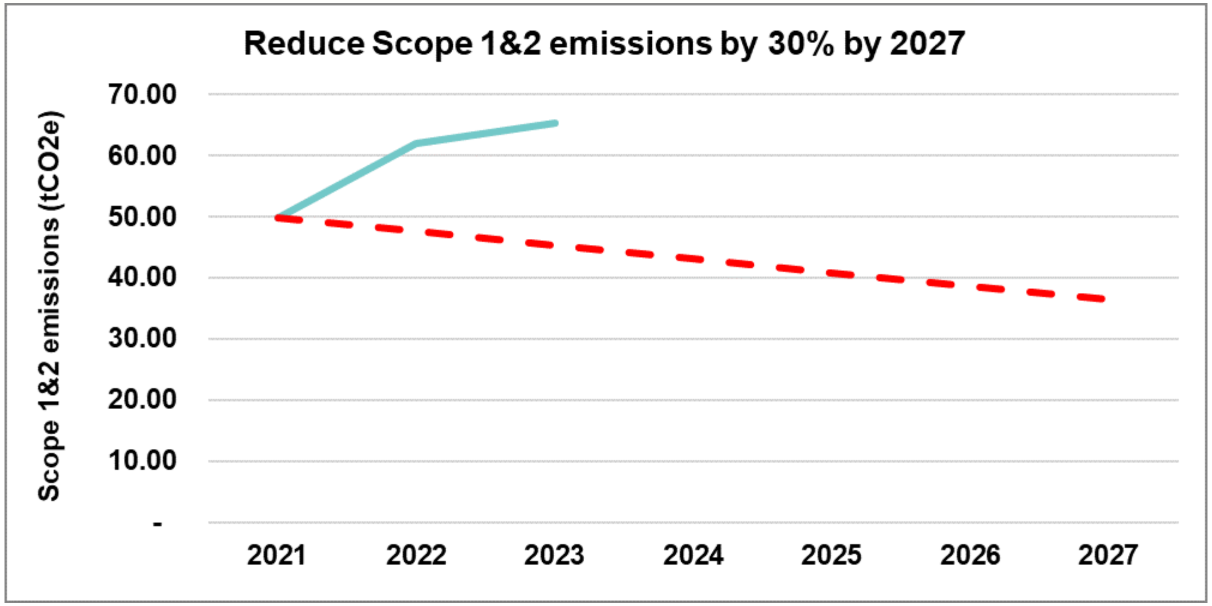

Figure 9: Performance against target since base year

Table 6. Performance against plan

Target name	Baseline period	Target date	Type of target (intensity or absolute)	Current performance (tCO_2e)	Current performance (%)	Comments
Scope 1&2 target – 30% reduction by 2027 (against base year)	2021	2027	Absolute	65.3tCO_2e	31% increase	To explain the reasons our emissions are increasing year on year we have to first look at our base year, which was during the Covid 19 pandemic so very much increased operational activity. The subsequent years saw a reduction to more pre-pandemic levels, including a predicted/expected annual growth – this is one of the reasons for our decision to re-baseline in 2023. So, whilst we have made inroads into our scope 1 and 2 emissions, this growth has meant a fairly sizeable increase in transportation emissions. Our Scope 1 and Scope 2 emissions have decreased thanks to our targeted sustainability efforts. This is a big win and a strong reflection of our ongoing environmental commitment. However, our Scope 3 emissions, particularly from transportation, have increased. As our business continues to grow, we're supplying more products, serving more customers, and managing more deliveries—naturally leading to more transport activity and associated emissions. This growth is expected and in many ways a sign of success, but it does bring new sustainability challenges we're actively working to address. We are committed to reducing transport emissions through smarter logistics, more efficient routes, and lower-emission vehicles wherever we can.

Table 7. Summary of emissions reduction performance

Emissions Reduction - Absolute metric	5-year Rolling Average vs. Base Year
tCO_2e absolute	17.89
Reduction Performance - Intensity metric	**5-year Rolling Average vs. Base Year**
tCO_2e intensity	16.72

2.2. SIGNIFICANT EMISSIONS SOURCES

Significant sources

Our top emissions sources are still Shipping/Freight, however this has reduced considerably and now is mainly Sea freight rather than air. Disappointingly air freight has increased over the past 12 months so we will need to investigate the reasons for this.

Sea and road freight have increased, again we would expect this as the business grows and it is difficult for us to make reductions in these areas without industry improvements / technological advances. We hope to increase our local delivery service but this would only have marginal reductions on overall freight related emissions.

Car Average (unknown fuel type) is still high, indicating that further work needs to be undertaken in this area to identify the appropriate fuel sources. It is expected that we will procure a new expenses system next year which should address this uncertainty.

Activities responsible for generating significant emissions

Freight covers the process of importing goods from manufacturers to our warehousing sites, and onward delivery to our customers.

Natural gas is the use of gas for heating of premises, as previously mentioned we have significantly reduced gas use in the Leeds office through installation of an HVAC system to large parts of the building.

Staff travel is mainly from the sales and nursing teams visiting clients and supporting users of our products. It is inevitable that the mileage we do will increase as the business grows. Additionally staff travel includes remote workers travelling to our sites for face to face meetings / events etc, and commuting by staff who work at the warehouse / office.

Influences over the activities

Freight is mainly influenced by the mode of travel, so air freight is the most emissions intensive, this is where significant reductions can be achieved. Freight is also clearly influenced by the volumes transported and location of the supplier and destination of the delivery. As the company grows, it is unfortunately inevitable in the short term that freight emissions will also increase. We have tried to mitigate this through packaging reviews and changes, reducing box sizes and removing unnecessary packaging. This means we can ship more items per container and at less weight.

Our use of natural gas is influenced by the efficiency of the heating equipment (boilers), the weather conditions and staff behaviour in relation to thermostatic control. The warehouse is a new and energy efficient building, however the head office is an old grade 2 listed building, it is poorly insulated, and its listed status limits improvements we can make and therefore efficiently heat.

We have previously updated the heating system to parts of the head office but the inefficient boilers are still utilised in other areas. We hope to have a new heating evaluation undertaken to try to identify ways to improve the efficiency of the system overall.

Staff travel is mainly influenced by choice of mode of travel, and also, in relation to road travel, vehicle choice and maintenance and driving style.

Significant sources that cannot be influenced

Use of Electricity will increase for reasons already discussed in the report. We hope to investigate the use of renewable energy such as solar generation.

2.3. EMISSIONS REDUCTION TARGETS

The organisation is committed to managing and reducing its emissions in accordance with the Programme requirements. Table 8 provides details of the emission reduction targets to be implemented. These are 'SMART' targets (specific, measurable, achievable, realistic, and time-constrained).

Our targets are based on aligning our own ambitions with the expectations of our clients, staff and final consumers / service users

In almost all categories our emissions have reduced despite increasing turnover. The two areas where emissions have increased are Air Freight, which despite being hugely reduced from baseline still increased on the last reporting period and use of electricity, which as previously mentioned is expected to be for a number of reasons, including:

* Increased business activity

* Increased used of electric vehicles and the associated charging

* Introduction of air source heat pump to the main office.

We are particularly pleased with the 37.5% drop in use of natural gas

Table 8. Emission reduction targets

Target name	Baseline period	Target date	Type of target (intensity or absolute)	Categories covered	Target	KPI	Responsibility	Rationale
Reduction of Scope 1 and Scope 2 emissions	2021	2027	Intensity	Category 1 and 2 combined	Ongoing reductions year on year. Investigate solar systems at Optimum Medical sites	30%	Ian Wheeler, CSR and Sustainability Manager	Reduction pathway to be developed.
Improve emissions data	2021	2025	Absolute	All categories	Continuously work to collect the highest quality, primary data on our emissions to aid in reduction and progress measurement. Particularly in the areas of staff travel, hotels, flights and freight, which are very manual. To introduce improved digital systems to improve the ease of reporting and automate data collection where possible	n/a	Ian Wheeler, CSR and Sustainability Manager	Achievable through the application of the reduction projects discussed further below
Reduce Shipping / Freight associated Emissions	2021	2027	Intensity	Category 3	Review of freight emissions and potential savings. Whilst reducing this significantly is difficult and largely reliant on industry technological advances, we can continue to take actions such as ensuring consolidation of shipments, removing void space, reducing packaging volumes, continually reviewing transport providers, and ensuring a policy of preferential use of sustainable options (Sea freight over air freight) wherever possible.	n/a	Ian Wheeler, CSR and Sustainability Manager	Achievable through the application of the reduction projects discussed further below
Reduce emissions from staff travel	2021	2025	Absolute	Category 3	Improve staff awareness of travel options and impacts of their decisions. Offset any remaining staff travel emissions.	n/a	Ian Wheeler, CSR and Sustainability Manager	Achievable through the application of the reduction projects discussed further below
Long term net zero target	2021	2045	Absolute	All categories	Long term net zero target, reduction of total emissions by 90% of baseline	n/s	Ian Wheeler, CSR and Sustainability Manager	Achievable through the application of the reduction projects discussed further below

2.4. EMISSIONS REDUCTION PROJECTS

In order to achieve the reduction targets identified in Table 8, specific projects have been identified to achieve these targets, and are detailed in Table 9 below.

Table 9. Projects to reduce emissions

Objective	Project	Responsibility	Completion date	Potential co-benefits	Potential unintended consequences	Actions to minimise unintended consequence
Reduce shipping/freight emissions.	Continue review of product packaging to reduce size, weight, void space and use of plastics.	Joe Gregson, Product Manager	Ongoing	Reduce operating costs Reduced embodied emissions Reduced waste to landfill Reduced cost burden of plastic tax Increase product desirability to customers	Non compliance with medical certification requirements Increased packaging production costs	Start with class 1 products and work towards class 3 products (requiring certification for any changes) over a longer and programmed timeframe. Look to remove, rather than replace packaging materials wherever possible
Reduce company wide use of natural gas	Review office heating system with aim of upgrading areas of the Head office building which have not yet been modernised. Plan works for 2025.	Ian Wheeler, CSR and Sustainability Manager	31/12/2025	Reduce emissions Reduce operating costs	Increase in use of electricity	Feasibility studies
Reduction in use of grid power	Feasibility study for solar at either, or both company sites. Consideration for installation in next 24-36 months	Ian Wheeler, CSR and Sustainability Manager	31/12/2025	Reduce operating costs	Repayments due to significant capital investment required	Investigate potential for solar power at either or both sites. Look to shared finance opportunities.

Objective	Project	Responsibility	Completion date	Potential co-benefits	Potential unintended consequences	Actions to minimise unintended consequence
Reduce emissions from staff travel	Review company cars at contract renewal and look to procure lower emission vehicles. Improve staff awareness of travel options and impacts of their decisions. Reward staff utilising EV's through incentives such as free charging at work locations Undertake new Staff travel survey	Ian Wheeler, CSR and Sustainability Manager	31/12/2025	Reduce emissions from staff travel Help staff identify more financially economical ways of travel	Increase in overall travel costs e.g. train fare more expensive than car mileage, staff charging vehicles at the office. Contract EV's / Hybrids generally more expensive than Diesel / Petrol. Increase in administrative burden from arranging rail travel	Investigate options for discounted and easily administrated rail travel.

Table 10 highlights emission sources that have been identified for improving source the data quality in future inventories.

Table 10. Projects to improve data quality

Emissions source	Actions to improve data quality	Responsibility	Completion date
Staff travel	People and Culture / Finance procuring new systems which will handle staff travel and expenses. This will include hotels, flights, use of taxi's, rail, mileage claims - all with customisable fields so all the data we require is mandatory and instantly reportable.	Lisa Holmes, People and Culture Manager	30/12/2024
Emissions from Shipping/Freight	* Project extended to build on improvements already made * Further improve outbound shipping data, continue to increase data in Netsuite through inclusion of popular competitor products (e.g. weights of products) Work with IT to investigate improved automation of freight data. (inbound and outbound)	Ian Wheeler, CSR and Sustainability Manager	30/12/2024
KPI's and target management	Identify means of monitoring targets that is automated to enable easier reporting to board and stakeholders	Ian Wheeler, CSR and Sustainability Manager	31/12/2025
Packaging data	IT to create packaging calculator which will enable us to identify which of our products has the biggest packaging burden and prioritise accordingly. This will enable us to target the products whose changes will create the biggest packaging related emission reductions.	Alex Winters, IT Ian Wheeler, CSR and Sustainability Manager	31/12/2024

2.5. STAFF ENGAGEMENT

All new employees at Optimum Medical have a 1-1 welcome meeting with the CSR and Sustainability manager as part of their induction, where the company pledge of 'Sustainably conscious' is explained and current and future projects are discussed.

All new staff undertake environment and sustainability awareness training.

Periodic updates are posted on the company wide Microsoft Teams channel.

Regular project update articles go into the staff quarterly newsletter.

The CSR and Sustainability Manager provides presentations at company away days highlighting great practice and the impact this has made.

Staff are sent links to the annual and mid year reports and feedback is encouraged.

2.6. KEY PERFORMANCE INDICATORS

As per scheme, absolute emissions and emissions intensity

2.7. MONITORING AND REPORTING

Quarterly monitoring will be carried out and reported to the senior management team. The monitoring will include collation of data and (data permitting) benchmarking against target, and previous years. Managers of the activities will be responsible for providing the data to the CSR and Sustainability Manager, who will be responsible for its upload into emanage. formal reporting will take place twice annually, with informal updates quarterly.

APPENDIX 1: DETAILED GREENHOUSE GAS INVENTORY

Additional inventory details are disclosed in the tables below, and further GHG emissions data is available on the accompanying spreadsheet to this report (Appendix1-Data Summary Optimum Medical Solutions Limited.xls).

Table 11. Direct GHG emissions and removals, quantified separately for each applicable gas

Category	CO_2	CH_4	N_2O	NF_3	SF_6	HFC	PFC	Desflurane	Sevoflurane	Isoflurane	Emissions total (tCO_2e)
Stationary combustion	14.99	0.02	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.02
Mobile combustion (incl. company owned or leased vehicles)	26.63	0.04	0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26.81
Emissions - Industrial processes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Removals - Industrial processes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Leakage of refrigerants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Treatment of waste	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fugitive Emissions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Treatment of wastewater	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Emissions - Land use, land-use change and forestry	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Removals - Land use, land-use change and forestry	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fertiliser use	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Addition of livestock waste to soils	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Addition of crop residue to soils	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Addition of lime to soils	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Enteric fermentation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Open burning of organic matter	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Electricity generated and consumed onsite	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Medical gases	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Exported electricity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total net emissions	41.63	0.06	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	41.83

Table 12. Non-biogenic, biogenic anthropogenic and biogenic non-anthropogenic CO_2 emissions and removals by category

Category	Anthropogenic biogenic CO_2 emissions	Anthropogenic biogenic (CH_4 and N_2O) emissions (tCO_2e)	Non-anthropogenic biogenic (tCO_2e)
Category 1: Direct emissions	0.00	0.00	0.00
Category 2: Indirect emissions from imported energy	0.00	0.00	0.00
Category 3: Indirect emissions from transportation	0.00	0.00	0.00
Category 4: Indirect emissions from products used by organisation	0.00	1.86	0.00
Category 5: Indirect emissions associated with the use of products from the organisation	0.00	0.00	0.00
Category 6: Indirect emissions from other sources	0.00	0.00	0.00
Total gross emissions	**0.00**	**1.86**	**0.00**

A1.1 REPORTING BOUNDARIES

A1.1.1 Emission source identification method and significance criteria

The GHG emissions sources included in this inventory are those required for Programme certification and were identified with reference to the methodology described in the GHG Protocol and ISO 14064-1:2018 standards as well as the Programme Technical Requirements.

Personal communications with all Senior Managers and Directors, a review of expenditure, review of assets and site walkarounds.

Significance of emissions sources within the organisational boundaries has been considered in the design of this inventory. The significance criteria used comprise:

- All direct emissions sources that contribute more than 1% of total Category 1 and 2 emissions
- All indirect emissions sources that are required by the Programme

No changes to the significance criteria have been made since this inventory was initially developed in the base year.

A1.1.2 Included sources sinks and activity data management

As adapted from ISO 14064-1, the emissions sources deemed significant for inclusion in this inventory were classified into the following categories:

- **Direct GHG emissions (Category 1):** GHG emissions from sources that are owned or controlled by the company.
- **Indirect GHG emissions (Category 2):** GHG emissions from the generation of purchased electricity, heat and steam consumed by the company.
- **Indirect GHG emissions (Categories 3-6):** GHG emissions that occur as a consequence of the activities of the company but occur from sources not owned or controlled by the company.

Table 13 provides detail on the categories of emissions included in the GHG emissions inventory, an overview of how activity data were collected for each emissions source, and an explanation of any uncertainties or assumptions made based on the source of activity data. Detail on estimated numerical uncertainties are reported in Appendix 1.

All data is gathered centrally by CSR and Sustainability Manager via accounts interaction. The methodology applied for data review is currently being documented.

Table 13. GHG emissions activity data collection methods and inherent uncertainties and assumptions

GHG emissions category	GHG emissions source or sink subcategory	Overview of activity data and evidence	Explanation of uncertainties or assumptions around your data and evidence	Use of default and average emissions factors	Pre-verified data
Category 1: Direct emissions and removals	Stationary combustion	Natural Gas	As we didn't have data for the reporting period have assumed it would be similar to the subsequent year, which we have accurate metered data for.	We did not have manual meter reads for this period and the office electricity and Warehouse Gas meters were not smart	n/a
	Mobile combustion (incl. company owned or leased vehicles)	Average car Battery Electric Vehicle, Average car Plug-in Hybrid Electric Vehicle, Car Average (diesel), Car Average (petrol)	Assumed all employee mileage expense claims have been completed accurately and none have been missed.	We do not collect data on litres of fuel used, staff use their vehicles for personal as well as work purposes, so this is not practical.	n/a
Overall assessment of uncertainty for Category 1 emissions and removals		7%	Medium		
Category 2: Indirect emissions from imported energy	Imported electricity	Electricity UK (Generation) (2013 Methodology)	All data is from smart meter readings so assume that meters are accurate and invoices issued by utility company are accurate	Not all of our meters are smart, the gas meter at the warehouse has to have manual readings submitted, meaning the date in the month the reads are taken is not always the same, neither is the time the reads are taken. We use our data logger reads for the warehouse gas, which when tested is accurate to within a half hour read.	n/a
Overall assessment of uncertainty for Category 2 emissions and removals		3%	Low		
Category 3: Indirect emissions from transportation	Business travel - Transport (non-company owned vehicles)	Average car Battery Electric Vehicle, Car Average (diesel), Car Average (petrol), Air travel international (econ), Air travel long haul (econ)	Assumed all employee mileage expense claims are accurate and none have been missed. Assume data provided on vehicles mileage undertaken in is accurate.	Miles travelled is the only data we have as staff use their vehicles for personal use, so calculating emissions by volumes of fuel used is not practical	n/a

GHG emissions category	GHG emissions source or sink subcategory	Overview of activity data and evidence	Explanation of uncertainties or assumptions around your data and evidence	Use of default and average emissions factors	Pre-verified data
			Assumed all employee flight entries are accurate and that air travel km distances provided by Toitū flight calculator tool is accurate.		
	Business travel - Accommodation	Accommodation - Australia, Accommodation - Austria, Accommodation - Finland, Accommodation - France, Accommodation - Germany, Accommodation - Greece, Accommodation - Ireland, Accommodation - Italy, Accommodation - Portugal, Accommodation - South Africa, Accommodation - Turkey, Accommodation - United Arab Emirates, Accommodation - United Kingdom	Assumed all employee hotel entries are accurate (location and number of nights. There is a higher level of uncertainty in UK hotel data due to the increased number booked and the lack of any travel booking system. Also the fact that 'nights' are not recorded on UK bookings, so estimates were made as to number of nights based on price.		n/a
	Upstream freight - Paid by the organisation	Freight Air travel long haul (average), Freight Road all trucks (average), Freight Shipping container (average)	Assumed that our procurement teams shipping schedule is accurate and not missing any shipments. Assume that dates and shipment weights are accurate and no keying errors.		n/a
	Downstream freight - Paid by the organisation	Freight Air travel long haul (average), Freight Road all trucks (average), Freight Shipping container (average)	Assume that the data in netsuite is correct. There is a greater degree of uncertainty than inbound freight as we do not have weights for all products in netsuite yet so outbound shipping weights can be inaccurate. Also, we use google maps to determine distance, which may not be the route the delivery driver actually took.		n/a
	Employee commuting	Car Average (unknown fuel type)	Assume that staff commuting habits are the same as they were when the study was conducted 18 months ago. There is a degree of uncertainty here as we do not have records of employees personal cars, so an 'average car' emission factor was used.	We do not have the required level of detail on staff commuting to use any other emissions factor.	n/a

GHG emissions category	GHG emissions source or sink subcategory	Overview of activity data and evidence	Explanation of uncertainties or assumptions around your data and evidence	Use of default and average emissions factors	Pre-verified data
Overall assessment of uncertainty for Category 3 emissions and removals		11%	Medium		
Category 4: Indirect emissions from products used by organisation	Disposal of solid waste - Landfilled	Waste disposal Paper and board: board Closed-loop, Waste to landfill - office waste	Assumed that all this waste is disposed of at landfill - this may not be the case. All Warehouse (non recyclable) waste is sent for energy recovery processes, this may be the case with some of the waste from the office. Also assume that the weights provided by the carriers are accurate and their equipment calibrated.		n/a
	Disposal of solid waste - Not landfilled	Waste disposal Mixed municipal waste			n/a
	Disposal of liquid waste - Not wastewater	Water treatment			n/a
	Transmission of energy (T&D losses)	Electricity UK (T&D losses) (2013 Methodology)			n/a
Overall assessment of uncertainty for Category 4 emissions and removals		13%	Medium		

A1.1.3 Excluded emissions sources and sinks

Emissions sources in Table 13 have been identified and excluded from this inventory.

Table 14. GHG emissions sources excluded from the inventory

Business unit	GHG emissions source or sink	GHG emissions category	Reason for exclusion
Optimum Medical	Taxis, Trains, Busses	Category 3	De minimis
Optimum Medical	HFC's	Category 1	De minimis

A1.2 QUANTIFIED INVENTORY OF EMISSIONS AND REMOVALS

A1.2.1 Calculation methodology

A calculation methodology has been used for quantifying the emissions inventory based on the following calculation approach, unless otherwise stated below:

Emissions = activity data x emissions factor

The quantification approach(es) has not changed since the previous measurement period

All emissions were calculated using Toitū emanage with emissions factors and Global Warming Potentials provided by the Programme (see Appendix 1 - data summary.xls). Global Warming Potentials (GWP) from the IPCC fifth assessment report (AR5) are the preferred GWP conversion[5].

There are systems and procedures in place that will ensure applied quantification methodologies will continue in future GHG emissions inventories.

A1.2.2 Supplementary results

Holdings and transactions in GHG-related financial or contractual instruments such as permits, allowances, verified offsets or other purchased emissions reductions from eligible schemes recognised by the Programme are reported separately here.

A1.2.2.1 CARBON CREDITS AND OFFSETS

Offsets will be purchased for this reporting period at time of net carbonzero certification, and detailed on the Toitū net carbonzero programme members directory public disclosure statement.

Reason for purchase

We have purchased 942 VER credits for this reporting period. Our primary focus will always be on reduction and removal, however for the foreseeable future there will always be an element of the business that we cannot easily eliminate, such as the Scope 3 emissions from the shipping of our products. Whilst we cannot remove these emissions we wanted to offset the remaining emissions to mitigate the impact. We purchased credits in reforestation projects in China (where a number of our suppliers are) and Solar projects in India.

<CONDITIONAL END Carbon credits and offsets>

A1.2.2.2 DOUBLE COUNTING AND DOUBLE OFFSETTING

There are various definitions of double counting or double offsetting. For this report, it refers to:

- Parts of the organisation have been prior offset.

[5] If emission factors have been derived from recognised publications approved by the programme, which still use earlier GWPs, the emission factors have not been altered from as published.

- The same emissions sources have been reported (and offset) in both an organisational inventory and product footprint.
- Emissions have been included and potentially offset in the GHG emissions inventories of two different organisations, e.g. a company and one of its suppliers/contractors. This is particularly relevant to indirect (Categories 2 and 3) emissions sources.
- Programme approved 'pre-offset' products or services that contribute to the organisation inventory
- The organisation generates renewable electricity, uses or exports the electricity and claims the carbon benefits.
- Emissions reductions are counted as removals in an organisation's GHG emissions inventory and are counted or used as offsets/carbon credits by another organisation.

Double counting / double offsetting has not been included in this inventory.

Details

We have a number of initiatives to offset emissions in different business activities.

* Our waste contractor for both sites carbon neutral, however our waste totals are included in our reporting.

* We use delivery partners who are carbon neutral or industry leading in terms of sustainable practice.

* We pay a set amount per order for any order made through our online shop to offset the delivery emissions (Shopify Planet)

* We are awaiting our energy supplier to provide REGO certificates for the period January to December 2023.

APPENDIX 2: SIGNIFICANCE CRITERIA USED

Table 15. Significance criteria used for identifying inclusion of indirect emissions

Emission source	Magnitude	Level of influence	Risk or opportunity	Sector specific guidance	Outsourced	Employee engagement	Intended Use and Users	Include in inventory?
Freight Air travel long haul (average)	Yes	Yes	Opportunity	Yes	No	Yes	Yes	Yes
Freight Shipping container (average)	Yes	Yes	Opportunity	Yes	No	Yes	Yes	Yes
Freight Road all trucks (average)	Yes	Yes	Opportunity	Yes	No	Yes	Yes	Yes
Car Average (unknown fuel type)	Yes	Yes	Opportunity	Yes	No	Yes	Yes	Yes
Car Average (unknown fuel type) Commuting	Yes	Yes	Opportunity	Yes	No	Yes	Yes	Yes
Waste disposal Mixed municipal waste	Yes	Yes	Opportunity	Yes	No	Yes	Yes	Yes
Car Average (petrol)	Yes	Yes	Opportunity	Yes	No	Yes	Yes	Yes
Waste to landfill	Yes	Yes	Opportunity	Yes	No	Yes	Yes	Yes
Electricity UK (T&D losses) (2013 Methodology)	Yes	Yes	Opportunity	Yes	No	Yes	Yes	Yes
Water supply	Yes	Yes	Opportunity	Yes	No	Yes	Yes	Yes
Water treatment	Yes	Yes	Opportunity	Yes	No	Yes	Yes	Yes

APPENDIX 3: CERTIFICATION MARK USE

We include the certification mark on the Carbon Reduction Plan we are required to publish on our website for our NHS contracts, and internal communications and updates relating to the accreditation.

We also intend to use this in company social media updates.

APPENDIX 4: REFERENCES

International Organization for Standardization, 2018. ISO 14064-1:2018. Greenhouse gases – Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals. ISO: Geneva, Switzerland.

World Resources Institute and World Business Council for Sustainable Development, 2004 (revised). The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard. WBCSD: Geneva, Switzerland.

World Resources Institute and World Business Council for Sustainable Development, 2015 (revised). The Greenhouse Gas Protocol: Scope 2 Guidance. An amendment to the GHG Protocol Corporate Standard. WBCSD: Geneva, Switzerland.

APPENDIX 5: REPORTING INDEX

This report template aligns with ISO 14064-1:2018 and meet Toitū Net Carbon Zero programme Organisation Technical Requirements. The following table cross references the requirements against the relevant section(s) of this report.

Section of this report	**ISO 14064-1:2018 clause**	**Organisational Technical Requirement rule**
Cover page	9.3.1 b, c, r 9.3.2 d,	TR8.2, TR8.3
Availability	9.2 g	
Chapter 1: Emissions Inventory Report		
1.1. Introduction	9.3.2 a	
1.2. Emissions inventory results	9.3.1 f, h, j 9.3.3	TR4.14, TR4.16, TR4.17
1.3. Organisational context	9.3.1 a	
1.3.1. Organisation description	9.3.1 a	
1.3.2. Statement of intent		TR4.2
1.3.3. Person responsible	9.3.1 b	
1.3.4. Reporting period	9.3.1 l	TR5.1, TR5.8
1.3.5. Organisational boundary and consolidation approach	9.3.1.d	TR4.3, TR4.5, TR4.7, TR4.11
1.3.6. Excluded business units		
Chapter 2: Emissions Management and Reduction Report		
2.1. Emissions reduction results	9.3.1 f, h, j, k 9.3.2 j, k	TR4.14, TR6.18
2.2. Significant emissions sources		
2.3. Emissions reduction targets		TR6.1, TR6.2, TR6.4, TR6.6, TR6.8,
2.4. Emissions reduction projects	9.3.2 b	TR6.8, TR6.11, TR6.12, TR6.13, TR6.14, TR6.15

Section of this report	ISO 14064-1:2018 clause	Organisational Technical Requirement rule
2.5. Staff engagement		TR6.1, TR6.9
2.6. Key performance indicators		TR6.19
2.7. Monitoring and reporting	9.3.2 h	TR6.2
Appendix 1: Detailed greenhouse gas inventory	9.3.1 f, g	TR4.9, TR4.15
A1.1 Reporting boundaries		
A1.1.1 Emission source identification method and significance criteria	9.3.1 e	TR4.12, TR4.13
A1.1.2 Included emissions sources and activity data collection	9.3.1 p, q 9.3.2 i	TR5.4, TR5.6, TR5.17, TR5.18,
A1.1.3 Excluded emissions sources and sinks	9.3.1 i	TR5.21, TR5.22, TR5.23
A1.2 Quantified inventory of emissions and removals		
A1.2.1 Calculation methodology	9.3.1 m, n, o, t	
A1.2.2 Historical recalculations		
A1.2.3 GHG Storage and Liabilities		
A1.2.3.1 GHG stocks held on site		TR4.18
A1.2.3.2 Land-use liabilities	9.3.3.	TR4.19
A1.2.4 Supplementary results		
A1.2.4.1 Carbon credits and offsets	9.3.3.3	
A1.2.4.2 Purchased or developed reduction or removal enhancement projects	9.3.2 c	
A1.2.4.3 Double counting and double offsetting		
Appendix 2: Significance criteria used	9.3.1.e	TR4.12
Appendix 3: Certification mark use		TR3.6
Appendix 4: References		
Appendix 5: Reporting index		