



Optimum Medical

Net Zero Report

Reporting period: 31 December 2024

This report presents key findings from your journey towards Net Zero. The following pages encompass your emissions review and identify key carbon impact areas. Subsequently, the report outlines your short and long-term goals.

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Section 1

Executive Summary

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Reporting period:

1 January 2023 - 31 December 2024



Commitment to
achieving Net Zero:

2045

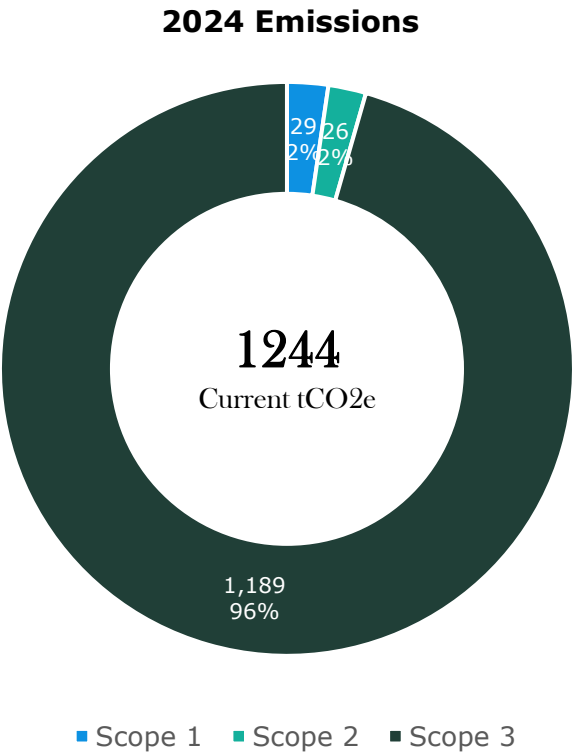
Executive Summary and Net Zero Commitments

- ▶ Optimum Medical are a UK-based healthcare company specialising in the design, manufacture, and distribution of high-quality medical devices and healthcare lubricants. We focus on urology, continence care, and surgical products, supplying both the NHS and international markets. With a strong emphasis on innovation, regulatory compliance, and clinician collaboration, Optimum Medical aims to improve patient outcomes and healthcare efficiency through user-friendly, clinically effective solutions.
- ▶ This year, Optimum Medical have reduced both their absolute GHG emissions (from 1248 to 1244 tCO2e) and their emissions per £million turnover (from 69.3 to 59.0 tCO2e/£m turnover). This intensity improvement shows that Optimum medical have achieved business growth whilst reducing absolute emissions, which is great progress and what all conscious businesses are striving for.
- ▶ Optimum Medical has chosen to omit emissions from medical devices under Scope 3 purchased goods and services due to limitations in available data. The company acknowledges that, given the central role of these products in its operations, they may represent the largest share of its carbon footprint. As a result, Optimum Medical is actively exploring how to accurately measure and reduce these emissions, including through enhanced supplier engagement and the use of life cycle assessments (LCAs).



Current Emissions and Hotspots

Optimum Medical’s total carbon emissions decreased slightly from 1248.28 tCO₂e in 2023 to 1243.84 tCO₂e in 2024, representing a 0.36% reduction. Scope 1 emissions declined marginally due to reduced fuel consumption in company vehicles. Scope 2 emissions showed little variation. The majority of emissions remained in Scope 3, driven by purchased goods and distribution activities. While small, the overall reduction reflects steady progress in managing direct emissions, though substantial future gains will depend on deeper engagement and action across the broader value chain.



Emissions Hotspot

Recommended Strategy

Company paid outbound freight HGVs: 20%	Obtain better data relating to logistics emissions: To improve the tracking of your logistics emission data, ask existing suppliers for higher-quality emission reporting data on your shipments or seek new suppliers that can provide increased data as part of their service. Select a low-carbon logistics provider: Look for partners offering electric or hybrid delivery fleets, carbon-neutral shipping options, and real-time emissions reporting tools
Inbound freight ship: 19%	Select cleaner carriers: Work with shipping companies that use low-sulphur fuels or are investing in cleaner vessel technology. Share demand data to support better logistics planning: Give your suppliers clear visibility of your upcoming sales projections so they can plan larger, less-frequent deliveries.
Company paid outbound freight flights: 8%	Avoid air freight when possible: Shift non-urgent shipments to road or sea freight, which have significantly lower carbon intensity. Improve forecasting and inventory: Reduce need for expedited air shipments through better demand planning and buffer stocks. Consolidate shipments: Avoid multiple small shipments by consolidating into fewer, larger loads.
Inbound freight HGVs: 6%	Switch transport modes: Where possible, shift inbound deliveries from HGVs to rail or sea freight to reduce emissions per tonne-kilometre. Consolidate your suppliers and shipments: Simplify your supplier list and ask suppliers to send their products together under a single logistics partner.



Key Insights:

Targets

- ▶ Net Zero Target of 2045
- ▶ Interim Target of 2030
- ▶ Intensity target of 5.9 per £m turnover
- ▶ Intensity target of 1.8 per FTE

Buildings

- ▶ 4% of the total footprint.
- ▶ 13 actions completed.
- ▶ 16 actions planned in the next 12 months.

Supply Chain

- ▶ 21% of the total footprint.
- ▶ 4 actions completed.
- ▶ 4 actions planned in the next 12 months.

GHG emissions

- ▶ Total emissions: 1244 tCO₂e for 2024
- ▶ Equivalent to 59.1 tCO₂e per £m turnover for 2024
- ▶ Decrease of 0.36% on an absolute basis from a 2023 baseline.

Travel & Logistics

- ▶ 70% of the total footprint.
- ▶ 4 actions completed.
- ▶ 3 actions planned in the next 12 months.

People

- ▶ 6% of the total footprint.
- ▶ 6 actions completed.
- ▶ 5 actions planned in the next 12 months.



Year on Year Analysis

Between 2023 and 2024, Optimum Medical's total carbon emissions fell slightly from 1248.28 tCO₂e to 1243.84 tCO₂e, a 0.36% reduction. The most notable improvement came from Scope 1 emissions, which dropped by 39.6% due to decreased fuel use in company vehicles and a reduction in gas use.

Scope 2 emissions remained virtually unchanged, while Scope 3 emissions - which make up the vast majority of the footprint - increased slightly by 0.59%, reflecting rising indirect impacts, particularly in the supply chain.

Conclusion

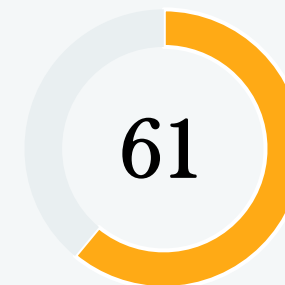
Between 2023 and 2024, Optimum Medical achieved a small overall emissions reduction of 0.36%, lowering its total footprint by 4.44 tCO₂e. This was primarily driven by a significant 39.6% reduction in Scope 1 emissions, mainly attributed to lower fuel use in company vehicles. Scope 2 emissions remained effectively stable.

However, Scope 3 emissions — which account for over 96% of total emissions - saw a slight increase of 0.59%, indicating rising impacts from indirect sources such as freight, procurement, and other value chain activities. This highlights the importance of intensifying efforts across supply chain engagement, product life cycle analysis, and sustainable procurement to unlock deeper decarbonisation potential in future years.

Optimum Medical recognise that the supply chain emissions associated with the production of its medical devices are not included in this year's footprint. These are expected to represent a significant proportion of the overall impact. While accurate data is currently limited, work is underway to engage with key suppliers and explore product-level life cycle assessments (LCAs) to better understand and account for these emissions in future reporting.

Data Quality

The Flotilla data score considers precision and completeness of input data to give a score out of 100. Optimum Medical's current data quality score is 61/100 and further details this can be found on page 18:



Next Steps

- ▶ Conduct an internal review of your **Net Zero Report** to align on key insights and priorities.
- ▶ Use the **Flotilla platform** to explore **Recommended Actions** and assess their relevance to our strategy.
- ▶ Access the **Analytics** section to gain deeper visibility into specific emission sources and activities.
- ▶ We will schedule a **Net Zero Workshop** with the senior management team to discuss the reports findings, refine priorities, and align on key actions for the coming months.
- ▶ Start building our **Project Plan** by integrating recommended actions and selecting additional initiatives from the **Action Library** to drive meaningful change.





Section 2

Report Context and Methodology

- ▶ The purpose of this report is to provide Optimum Medical with the knowledge and tools to understand their greenhouse gas emissions and inform smarter choices towards decarbonisation.
- ▶ This report provides a detailed analysis of the historical carbon footprint of Optimum Medical for the year ending December 2024.
- ▶ This report covers the total greenhouse gas emissions from Scopes 1, 2 and 3 of Optimum Medical's operational footprint.
- ▶ The footprint calculated is reliant on the data provided, Flotilla do not provide assurance or verification of the data collected.
- ▶ Throughout this report data has been grouped and analysed using Flotilla's categories: Governance, People, Travel & Logistics and Supply Chain. These categories allow data to be viewed in a way that makes sense to our operations, and to identify the opportunities for change, engagement and influence.
- ▶ For a glossary of terms, details of the scope and boundary of this report, the methodology and accreditations, please refer to the appendices.



Greenhouse Gases (GHG)

Greenhouse gas emissions are the release of gases into the atmosphere that trap heat from the sun, causing the planet to warm. These gases act like a blanket, allowing sunlight to enter but preventing some of the Earth's heat from escaping back into space. There are 7 GHGs stated in the GHG protocol:

- ▶ Carbon dioxide (CO₂)
- ▶ Methane (CH₄)
- ▶ Nitrous oxide (N₂O)
- ▶ Hydrofluorocarbons (HFCs)
- ▶ Perfluorocarbons (PFCs)
- ▶ Sulphur hexafluoride (SF₆)
- ▶ Nitrogen trifluoride (NF₃)

tCO₂e

Different activities produce different gases. For carbon accounting purposes, greenhouse gases are converted into CO₂ equivalents for easier reporting and comparison. We refer to a business carbon footprint as 'tCO₂e', which is short for 'tonnes of carbon dioxide equivalent'.

Baseline Year

A reference point against which emissions reductions are measured. This is used by Flotilla in creating a Net Zero plan and determining reduction targets.

Scopes 1, 2 & 3

Carbon footprint measures are categorized into three scopes: 1, 2 and 3.

Scope 1

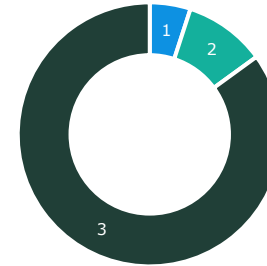
Direct emissions from sources that the company owns or controls.

Scope 2

Indirect emissions from electricity, steam, heat or cooling.

Scope 3

All other indirect emissions from activities of the organisation



Scope 3 can account for up to 90% of a business' carbon footprint. We measure all three scopes, so you can understand the full impact of your business activities. Further detail about the scopes and the methodology is detailed on the next page.

Net Zero

Net Zero is a target set by businesses and countries with the aim of limiting global temperature rises to 1.5c. Put simply, Net Zero means reducing GHG emissions to as close to zero as possible with any remaining emissions re-absorbed from the atmosphere. To achieve Net Zero, following science-based targets, a business must:

- ▶ Measure emissions across their value chain
- ▶ Focus on deep, rapid emission cuts, ideally halving emissions by 2030, and reducing by at least 90% by 2050
- ▶ Remove remaining hard-to-abate emissions from the atmosphere via carbon removal solutions

Impact Areas

Whilst the GHG protocol measures footprints based on scope, analysing the footprint by impact area is beneficial because they provide a more meaningful way to understand your data, set reduction targets and take meaningful action. The impact areas are:

- ▶ Travel & Logistics
- ▶ People
- ▶ Buildings
- ▶ Supply chain
- ▶ Governance*

Employee Commuting and Homeworking

Where surveys have been conducted to collect employee commute and homeworking data, this data is utilized and extrapolated to provide an accurate representation of your footprint. Where not, government average commute data is utilized to provide an estimate of those emissions based on the number of workers and your sector/industry.

Intensity Metrics

Intensity metrics allow your business to track how efficiently you are reducing emissions per unit of output. Intensity metrics are most impactful when monitoring scope 3 emissions.

They provide an alternative view to total emissions, allowing you to see progress as your business grows.

*Governance does not include any emissions or carbon footprint calculations



Baseline emissions are the emissions produced in the earliest possible reporting year when a holistic, representative GHG emissions measurement was completed. Baseline emissions are the reference point against which emissions reduction can be measured.

Optimum Medical’s emissions have been calculated against a baseline year of 2023.

Optimum Medical’s GHG emissions inventory is aligned to the GHG Protocol and covers:

Scope 1: Direct emissions

Direct emissions from sources owned or controlled by an organisation, such as natural gas used in boilers, fuel combustion in company vehicles, manufacturing processes, and onsite energy production.

Scope 2: Indirect emissions

Indirect emissions from the consumption of purchased electricity, steam, heating, and cooling. These emissions occur at the source of energy production but are attributed to the organisation that uses the energy.



Scope 3: Supply chain emissions and categories

Scope 3 emissions encompass all indirect greenhouse gas (GHG) emissions that occur in an organization's value chain, both upstream and downstream, that are not included in Scope 1 or Scope 2.

Scope 3 GHG Category	Description
 Category 1: Purchased goods and Services	Emissions from the production of goods and services a company buys.
 Category 2: Capital goods	Emissions from producing long-term assets such as buildings or equipment.
 Category 3: Fuel and Energy-Related (not in Scopes 1 or 2)	Emissions from extraction, production, and transportation of fuels and energy purchased, no captured in Scope 1 or 2.
 Category 4: Upstream Transportation and Distribution	Emissions from transporting and distributing products purchased by the reporting company.
 Category 5: Waste Generated in Operations	Emissions from waste disposal and treatment.
 Category 6: Business Travel	Emissions from travel by employees outside of company-owned vehicles (e.g., flights, rental cars).
 Category 7: Employee Commuting	Emissions from employees commuting to and from work.
 Category 8: Upstream Leased Assets	Emissions from leased assets not included in Scope 1 or 2, occurring upstream in the value chain.
 Category 9: Downstream Transportations & Distributions	Emissions from transporting and distributing sold products to customers.
 Category 10: Processing of Sold Products	Emissions from processing intermediate products sold by the company.
 Category 11: Use of Sold Products	Emissions from the use of goods and services sold.
 Category 12: End of Life of Sold Products	Emissions from waste disposal and treatment of sold products at their end-of-life.
 Category 13: Downstream Leased Assets	Emissions from assets leased to other entities.
 Category 14: Franchises	Emissions from operations of franchises.
 Category 15: Investments	Emissions from investments made by the company, such as loans and equity.



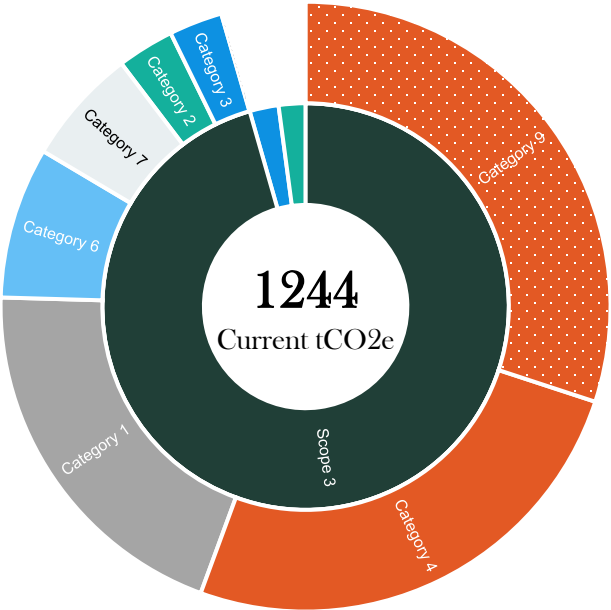
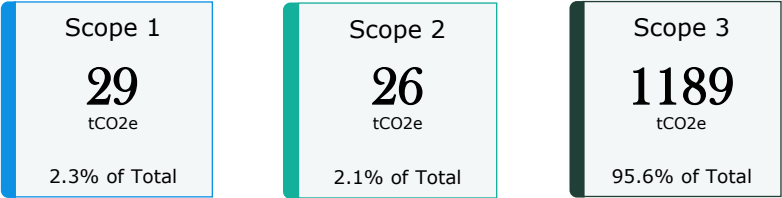
Section 3

GHG Emissions Summary

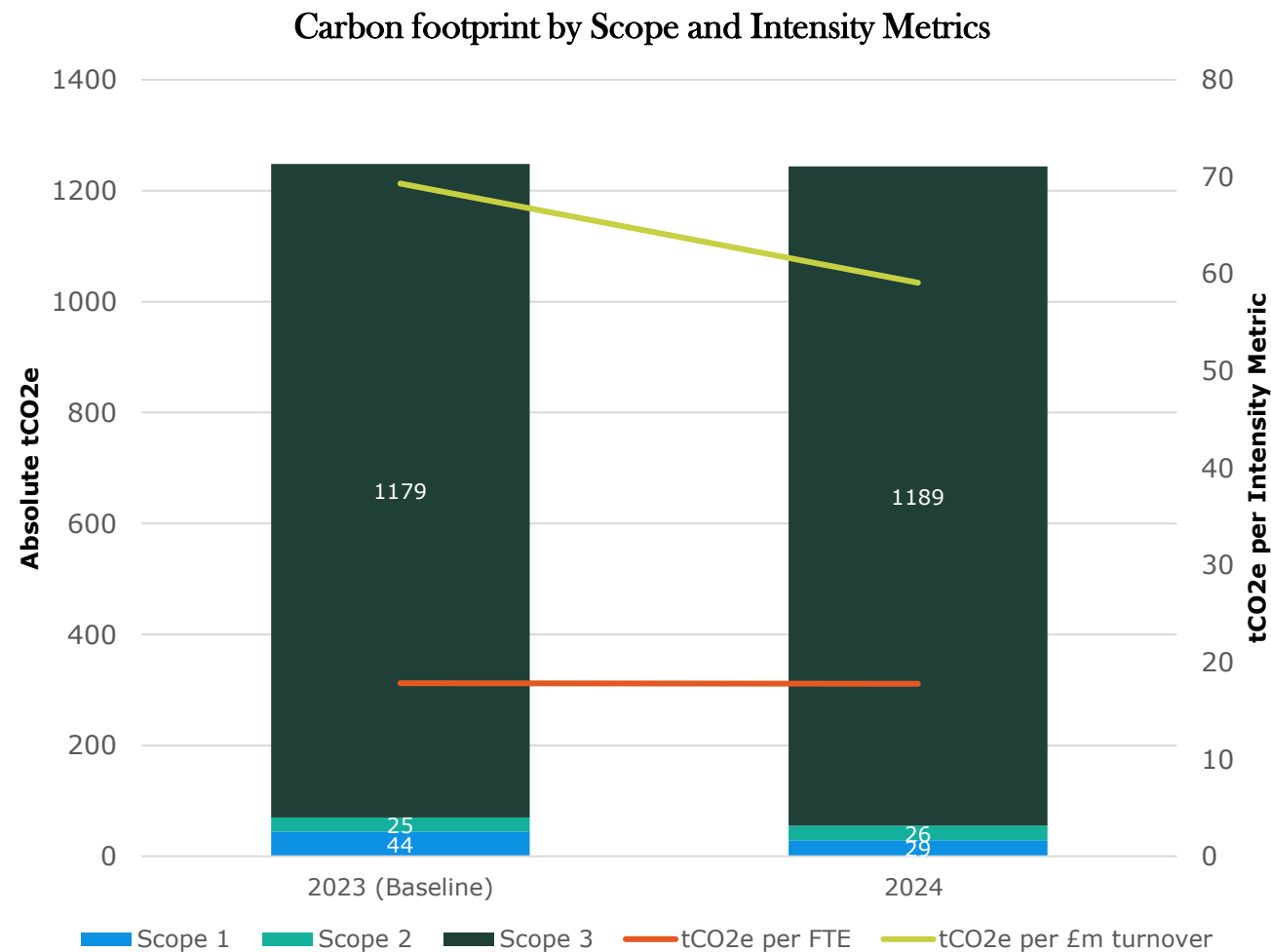
1 January 2023 - 31 December 2024

GHG Emissions Summary

The footprint calculated is reliant on the data provided. Flotilla do not provide assurance or verification of the data collected. Downstream Scope 3 categories are outside the scope of this engagement and are indicated as 'not measured'.



Scope	GHG Category	2023 Tonnes CO2e (Baseline)	2024 Tonnes CO2e (Current)	2024 % of emissions	Change
1	Fuel in company vehicles	28.8	17.5	1.40%	-39.4%
	Direct fuel	15.6	11.3	0.91%	-27.1%
2	Electricity – location based	25.3	26.5	2.13%	4.6%
	Indirect fuel usage in leased offices	0	0	0.00%	0%
	Indirect fuel usage in leased assets	0	0	0.00%	0%
3	Category 1: Purchased goods and Services	173.0	247.6	19.91%	43.1%
	Category 2: Capital goods	113.2	37.7	3.03%	-66.7%
	Category 3: Fuel and Energy-Related (not in Scopes 1 or 2)	19.5	35.4	2.85%	81.4%
	Category 4: Upstream Transportation and Distribution	340.9	317.6	25.53%	-6.8%
	Category 5: Waste Generated in Operations	0.3	0.1	0.01%	-59.8%
	Category 6: Business Travel	62.3	99.9	8.03%	60.5%
	Category 7: Employee Commuting	77.1	76.5	6.15%	-0.7%
	Category 8: Upstream Leased Assets	5.7	0.0	0.00%	0%
	Category 9: Downstream Transportations & Distributions	386.8	373.7	30.05%	-3.4%
	Category 10: Processing of Sold Products	Not measured	Not measured	Not measured	0%
	Category 11: Use of Sold Products	Not measured	Not measured	Not measured	0%
	Category 12: End of Life of Sold Products	Not measured	Not measured	Not measured	0%
	Category 13: Downstream Leased Assets	0	0	0.00%	0%
	Category 14: Franchises	Not measured	Not measured	Not measured	0%
	Category 15: Investments	Not measured	Not measured	Not measured	0%
Total Emissions		1248.3	1243.8	100.00%	-0.4%



Intensity metrics allow your business to track how efficiently you are reducing emissions per unit of output. Intensity metrics are most impactful when monitoring Scope 3 emissions. They provide an alternative view to total emissions, allowing you to see progress as your business grows.

Scope 1: Direct emissions

Scope 1 has decreased by 35.0% (15.5 tCO2e) driven by:

- ▶ Company controlled petrol cars - down 88.3% (13.4 tCO2e)
- ▶ Company controlled hybrid cars - up 323.5% (8.8 tCO2e)
- ▶ Company controlled diesel cars - down 58.9% (6.0 tCO2e)
- ▶ Direct gas consumption - down 27.1% (4.2 tCO2e)

Scope 2: Indirect emissions

Scope 2 has increased by 4.6% (1.2 tCO2e) driven by:

- ▶ Direct renewable electricity purchased - up 6.6% (1.6 tCO2e)
- ▶ Company controlled electric vans - down 26.4% (0.5 tCO2e)
- ▶ Company controlled electric cars - up 295.1% (0.1 tCO2e)

Scope 3: Supply chain emissions

Scope 3 has increased by 0.8% (9.9 tCO2e) driven by:

- ▶ Motor vehicles - down 100% (77.4 tCO2e)
- ▶ Long haul flights - unknown class - up 100% (50.8 tCO2e)
- ▶ Economy flights - down 100% (34.3 tCO2e)



Buildings

All three sites contributed to building-related emissions, with the Leeds Office again reporting the highest emissions, consistent with previous years. The Bradford Warehouse showed lower but still material building-related emissions, while the Shanghai Office reported zero emissions in this area.

Building emissions primarily stem from electricity use (including renewable electricity purchases) and direct gas consumption. Bradford's building emissions are attributed mostly to electricity consumption, whilst at Leeds, both electricity and gas use contribute significantly. Verification of energy use data, particularly in Bradford and Leeds, is recommended to ensure ongoing accuracy.

People

The Leeds Office had the highest people-related emissions, attributable to its significantly larger full-time employee (FTE) headcount compared to the other locations. The Bradford Warehouse contributed a smaller portion, while Shanghai Office reported no emissions in this area again, most likely due to a lack of available commuting or homeworking data.

Emissions in this category were driven by commuting by car, homeworking, and commuting by public transport, with Leeds accounting for the bulk of activity. The data reflects the staff distribution across locations and highlights Leeds as the key target for behaviour change initiatives.

Location comparison by tCO₂e, FTE and m²



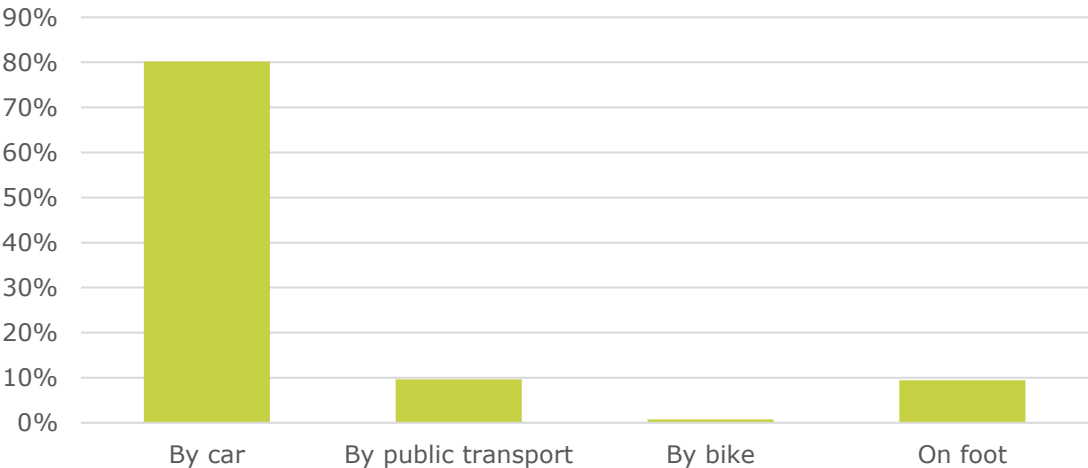
Employees were asked how they travel to work in February 2025.

Employee commuting accounted for around 5% of total emissions in the latest reporting year.

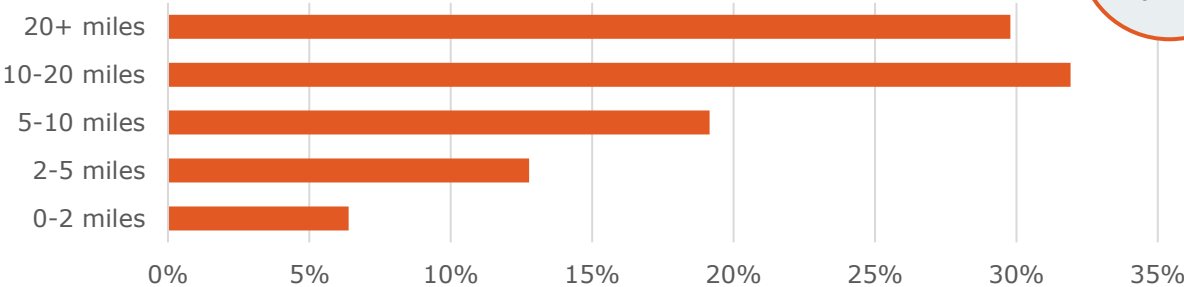
How often do staff work from home?

40% of working days are WFH, according to the employee survey.
60% are spent in the office.

How do you commute to work?

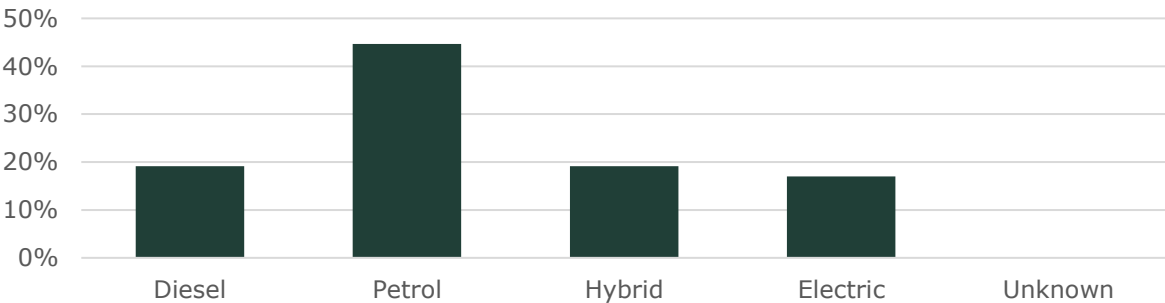


How far is your drive to work (one way)?

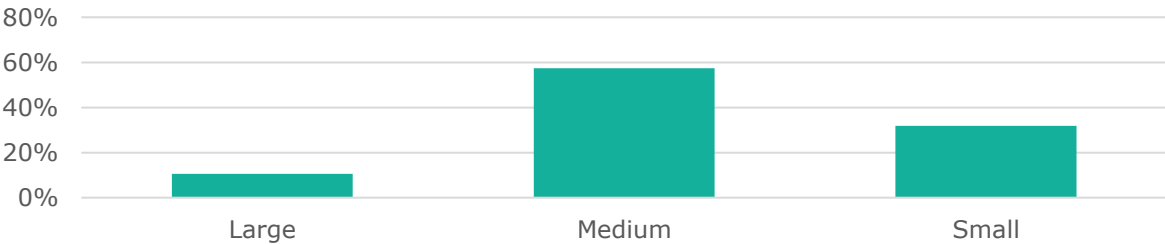


Average driving commute: 18 miles

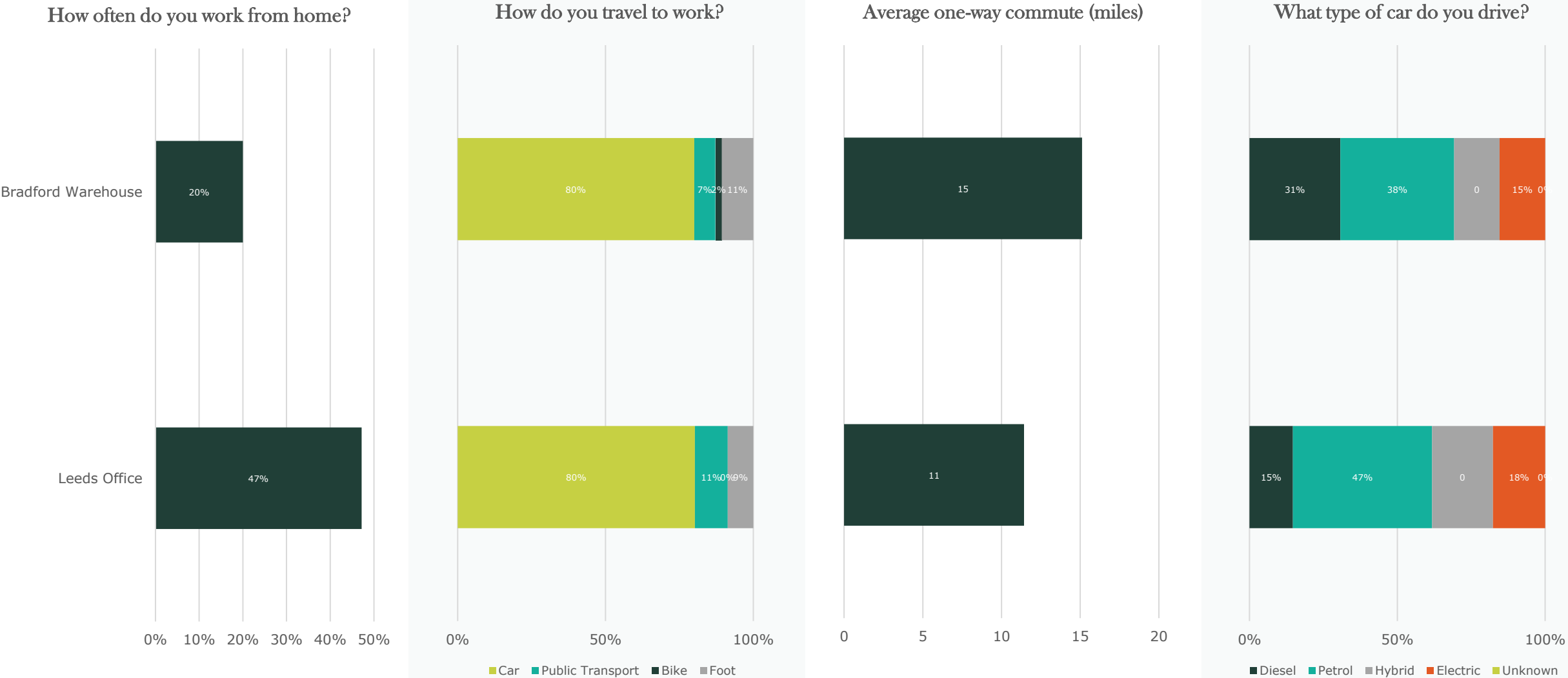
What car do you drive?



How big is your car?

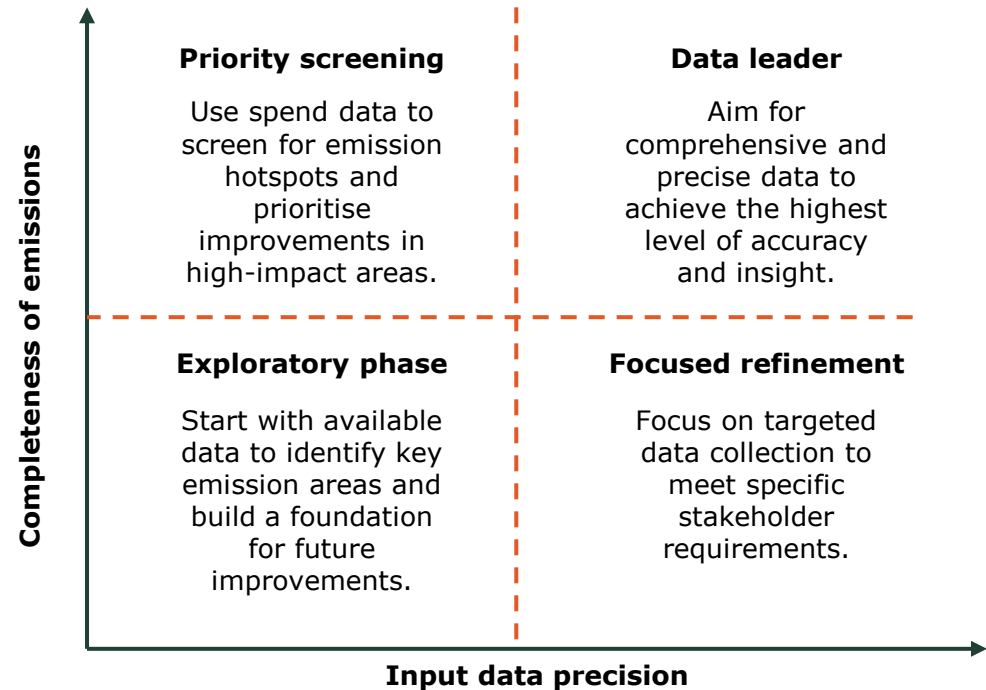


GHG Emissions – Employee Commute and Homeworking by Location

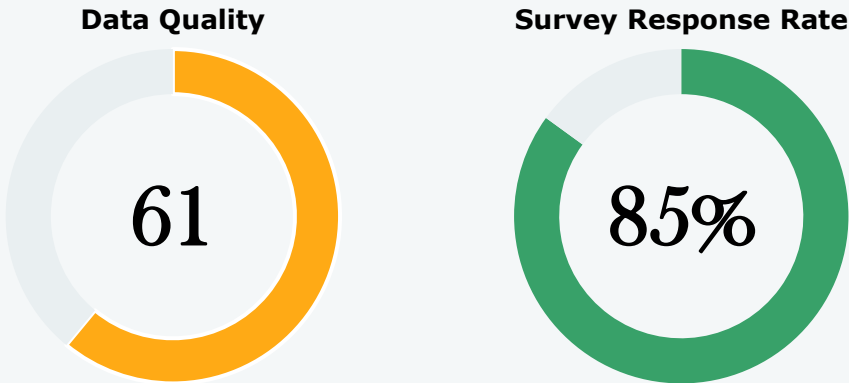


The quality and accuracy of GHG emissions calculations are highly dependent on the completeness and appropriateness of the data provided.

All relevant business activities, Scope 3 categories, and emission sources should be captured. The input data should reflect the actual activity as precisely as possible. High-quality data reduces the amount of estimation within the emissions calculation, improving the accuracy of the output.



The Flotilla data score considers precision and completeness of input data to give a score out of 100. As part of the data collection process, an employee survey is issued to gather good quality employee commuting data. The response rate of the survey naturally impacts the quality of the employee commuting data. Optimum Medical’s current data quality score and employee survey response rates are:



Recommended data improvement actions:

- ▶ **Validate site-level energy and utility data** (Leeds, Bradford, Shanghai) and confirm metering accuracy.
- ▶ **Verify electricity tariff types/details** (renewable vs. grid) and reflect accurately in Scope 2 emissions.



Section 4

Net Zero Transition Plan

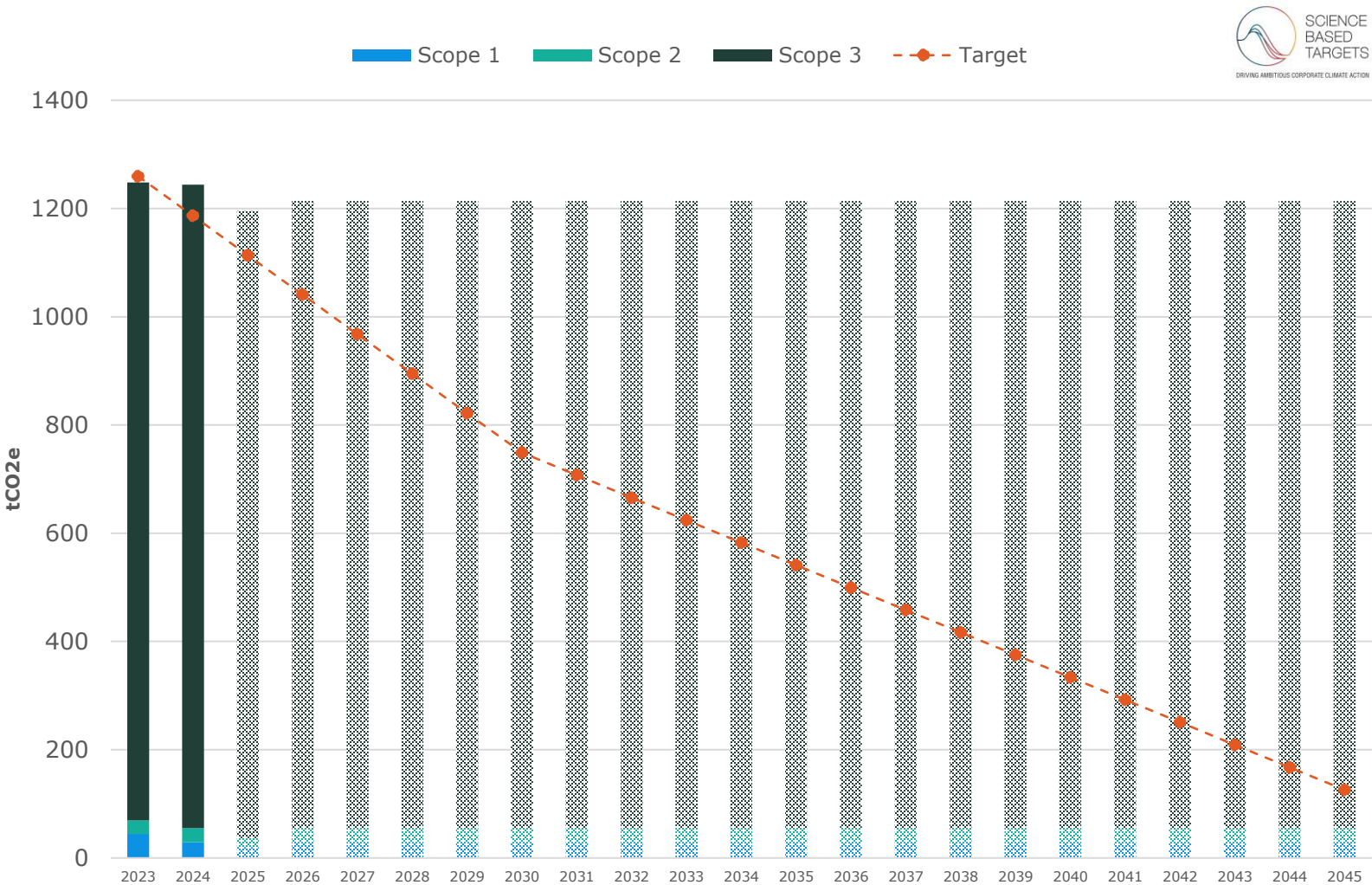
Emissions Reduction Target and Forecast

We have committed to reduce emissions in line with science-based targets. We project that carbon emissions will decrease over the next five years to 749 tCO2e by 2030. This is a reduction of 39.8%. Progress against our targets as well as forecasted reductions can be seen in the graph below.

Key Targets

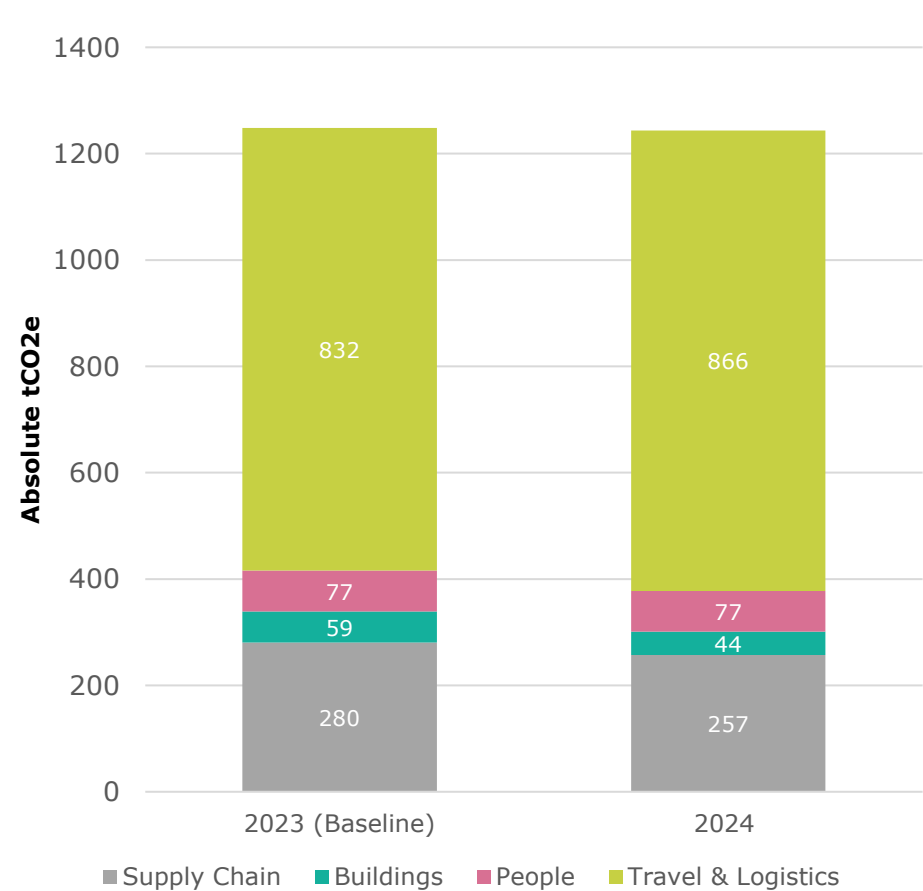
Target Year	2045
tCO2e Per FTE	1.8
tCO2e Per £m Turnover	5.9
Target annual emissions reduction	10.4%

Reduction Targets	2030	2045
Scope 1	50%	90%
Scope 2	50%	90%
Scope 3	40%	90%



Impact areas provide a crucial framework for developing effective climate action plans. Identifying key levers and areas of influence allows for targeted action and meaningful strategies.

Here's a summary of the impact areas and their associated major emission:



Travel & Logistics

Includes travel and shipping in company owned vehicles as well as business travel on flights, trains and nights in hotels. To decarbonise this impact area, the focus is on freight logistics optimisation and travel policies.

The most significant emissions in this area are Company paid outbound freight HGVs (244.1 tCO2e), Inbound freight ship (235.6 tCO2e) and Company paid outbound freight flights (99.8 tCO2e).



People

Includes the impact of employees working from home and commuting to the office. To decarbonise this impact area, the focus is on influencing travel choices and promoting flexible work strategies..

The most significant emissions in this area are Commute by car (57.1 tCO2e), Homeworking (17.3 tCO2e) and Commute by public transport (2.2 tCO2e).



Buildings

Includes the footprint of locations, covering both energy usage and utilities. Reduction is likely linked to improved energy sourcing. Continued engagement with landlords and facility managers is key.

The most significant emissions in this area are Direct renewable electricity purchased (25.0 tCO2e), Direct gas consumption (11.3 tCO2e) and Well-to-tank electricity (5.5 tCO2e).



Supply chain

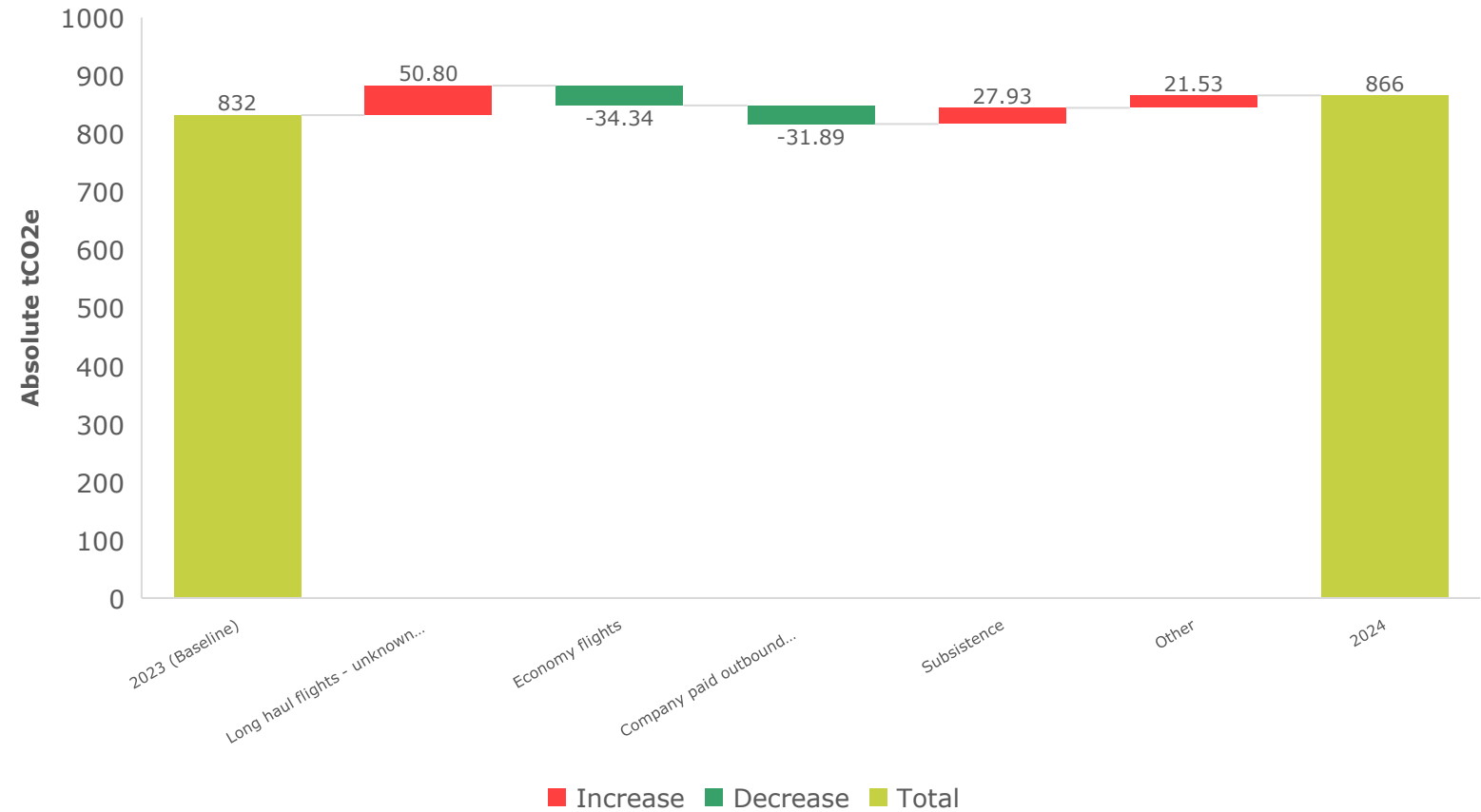
Includes purchased good and services, asset acquisitions, as well as technology. To decarbonise this impact area, the focus is on supplier engagement and embedding climate goals into procurement practices.

The most significant emissions in this area are Advertising & marketing (44.1 tCO2e), Computer services incl software licences (40.0 tCO2e) and Other professional fees (39.7 tCO2e).



Impact Areas - Travel

Business travel will be optimised by promoting remote meetings and encouraging alternative transport options. Inbound and outbound logistics will be streamlined to enhance operational efficiency and minimise environmental impact. The overall goal is to contribute to a cleaner, greener future. You can see below what has changed in your travel emissions from this year to last as well as to the right, what reduction initiatives have been completed and planned.



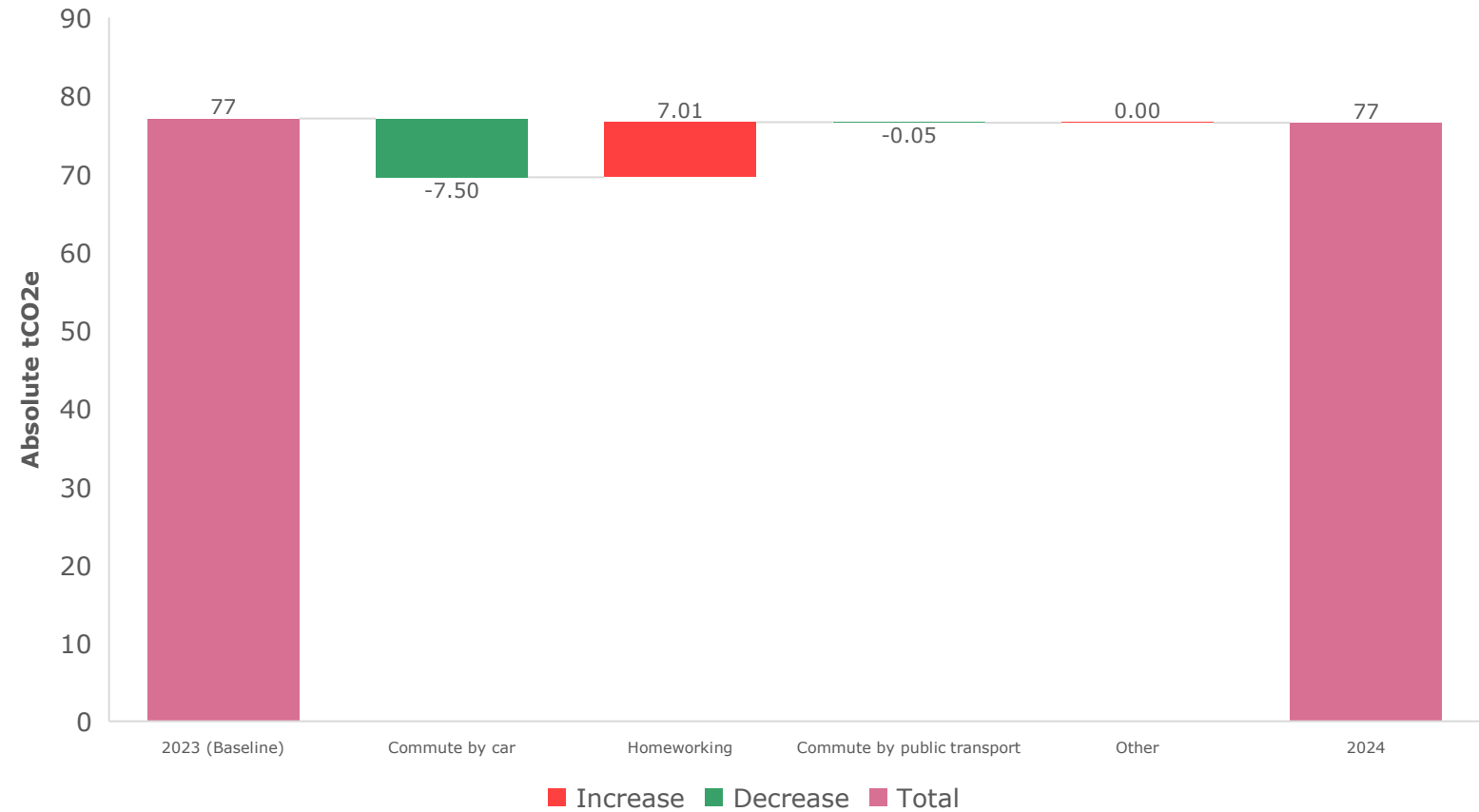
Completed actions	
Initiative	Date Completed
Transition to electric light commercial vehicles (LCVs)	24/03/2025
Implement an EV Salary scheme to reduce Employee business miles	16/05/2025
Install Workplace EV Chargers to support the move to Electric	16/05/2025
Replace Company owned petrol and diesel vehicles with low emission alternatives	20/05/2025

Planned actions in 2025	
Initiative	Due Date
Adopt reusable crates and pallets	01/06/2025
Implement a sustainable travel policy	31/12/2025



Impact Areas - People

The focus is on fostering a culture where individuals feel empowered to contribute to sustainability efforts. From core values to policies, there is a commitment to cultivating a workplace that supports building a more sustainable business and world, recognising people as the greatest asset. You can see below what has changed in your people emissions from this year to last as well as to the right, what reduction initiatives have been completed and planned.



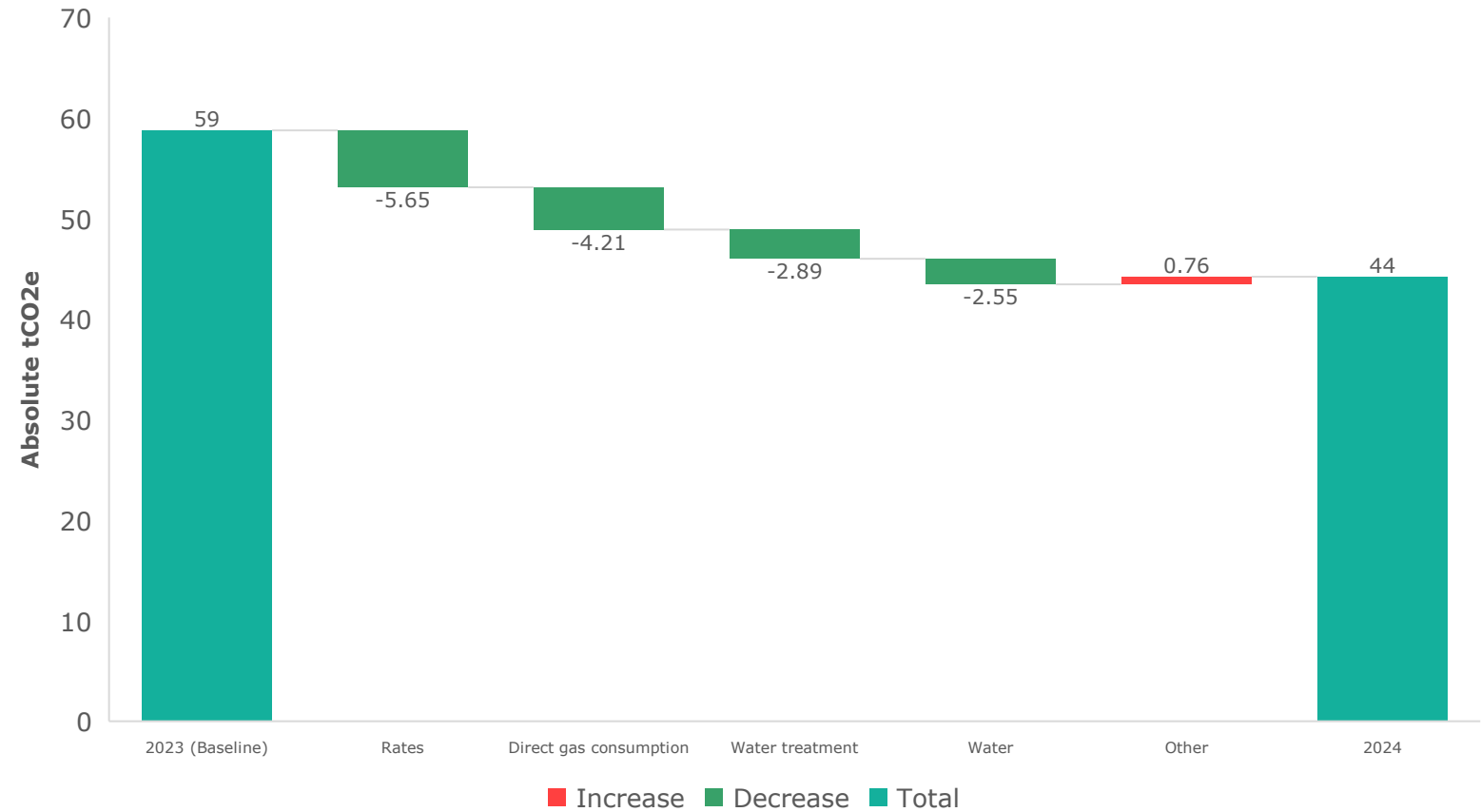
Completed actions	
Initiative	Date Completed
Investigate flexible working to reduce commuting emissions	19/05/2025
Implement a Cycle to Work Scheme (including e-bikes)	19/05/2025
Investigate and implement an EV Salary Sacrifice Scheme	19/05/2025
Install changing facilities	19/05/2025
Plus many more...	

Planned actions in 2025	
Initiative	Due Date
Understand carbon accounting & net zero key terms and methodologies	31/12/2025
Implement sustainable home-working guidance	31/12/2025
Re-launch the 'Cycle to Work' Scheme including e-bikes	31/12/2025
Create an employee-led green team	31/12/2025



Impact Areas - Buildings

Workspaces will be designed to enhance well-being and productivity while contributing to a cleaner, greener future. Opportunities to generate and source renewable electricity will be explored, with a commitment to collaborating with stakeholders to power operations using renewable energy. You can see below what has changed in your travel emissions from this year to last as well as to the right, what reduction initiatives have been completed and planned.



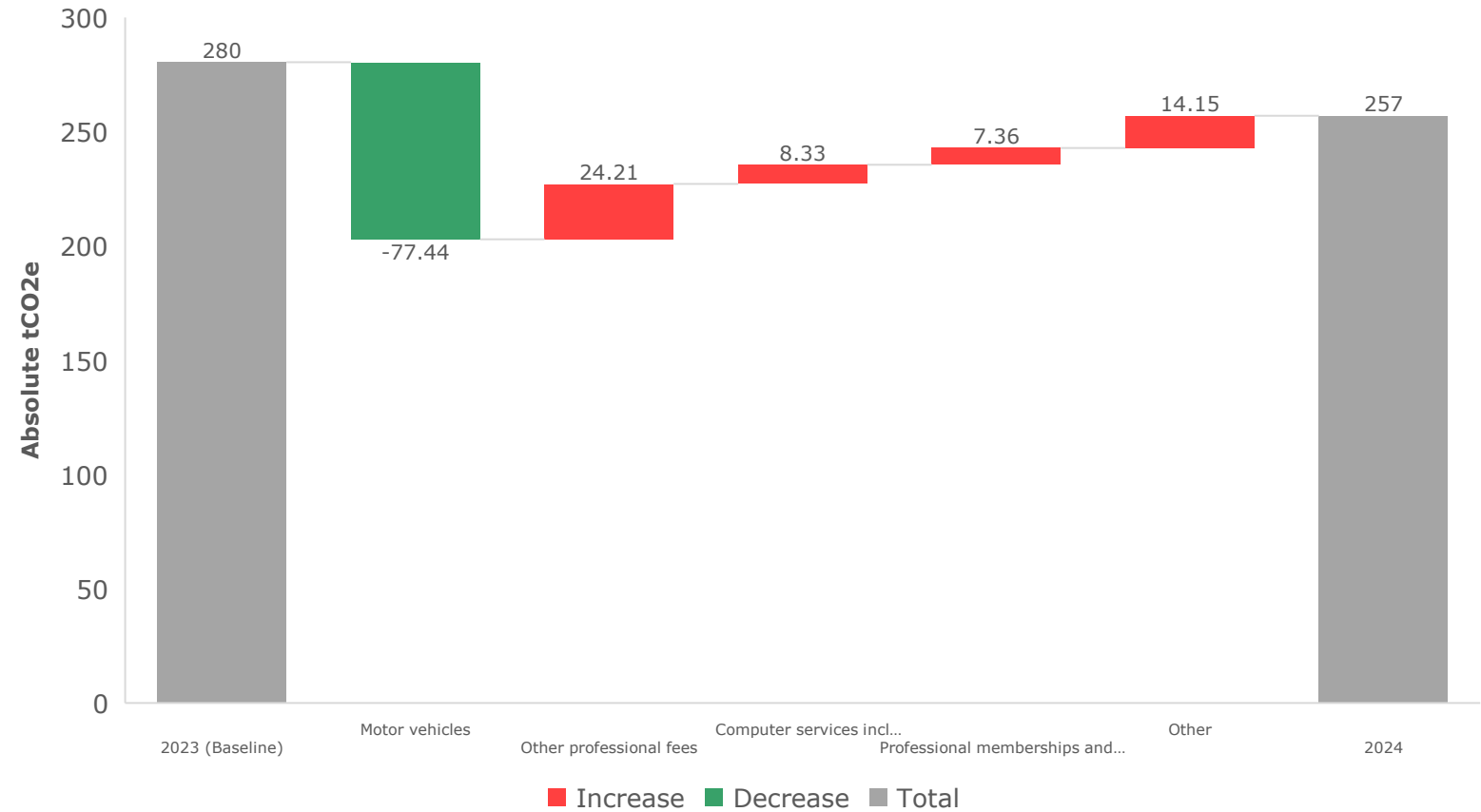
Completed actions	
Initiative	Date Completed
Convert all lighting to LED (Leeds Office)	24/03/2025
Convert all lighting to LED (Bradford Warehouse)	19/05/2025
Replace gas boiler with low carbon heating and hot water systems (Leeds Office)	15/05/2025
Obtain gas usage by unit (kWh) for all sites (Leeds Office)	16/05/2025
Plus many more...	

Planned actions in 2025	
Initiative	Due Date
Improve waste & recycling practices	30/04/2025
Turn down the 'flow' temperature on the boiler (Leeds Office)	31/08/2025
Turn down the 'flow' temperature on the boiler (Bradford Warehouse)	31/08/2025
Adjust the thermostatic temperature of your workspaces (Leeds Office)	31/08/2025
Plus many more...	



Impact Areas – Supply Chain

Engagement with the supply chain is crucial to the net-zero plan. Sustainable procurement practices will be developed by prioritising options with a low environmental and climate impact. In alignment with circular economy principles, the aim will be to minimise waste generation and optimise the use of raw materials, energy, and other resources. You can see below what has changed in your travel emissions from this year to last as well as to the right, what reduction initiatives have been completed and planned.



Completed actions	
Initiative	Date Completed
Repurpose and Recycle IT hardware and equipment	20/05/2025
Move servers from on-prem to the cloud	19/05/2025
Switch document signing to online forms	20/05/2025
Move cloud data to regions with lower carbon grid intensity	19/05/2025

Planned actions in 2025	
Initiative	Due Date
Engagement days (Earth Day etc) into social media feed	30/04/2025
Track number of devices per user	30/04/2025
Repair before replace end-user devices	31/07/2025



The governance framework will embed sustainability into core values, business strategies, and daily operations. Risks and opportunities in the shift to a low-carbon economy will be assessed, ensuring active stakeholder participation in achieving net-zero goals. Sustainability will be a central element of decision-making and long-term planning. Unlike the other impact areas, governance actions have no direct emissions savings and no footprint is measured relating to governance, but through their implementation they can help drive sustainability and reduction indirectly across the other impact areas.

Below are details of the governance initiatives completed and planned this year and last.

Completed actions in	
Initiative	Date Completed
Implement an environmental policy	19/05/2025
Utilise the Flotilla policy checker to ensure you're compliant with all necessary legislation	20/05/2025

Planned actions in 2025	
Initiative	Due Date
Include Net Zero plan updates as part of your monthly management accounts or Board pack	31/12/2025
Educate your board on sustainability, their responsibilities and impact	31/12/2025
Ensure the board has oversight of sustainability	31/12/2025
Publicly commit to interim and long term net zero targets	27/05/2025
Plus many more...	



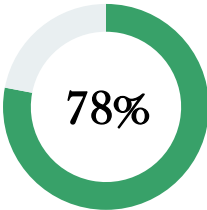
Employee Suggested Actions and Attitudes

Sustainability actions voted for by your employees which are included in your project plan:

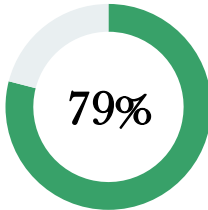
1	Improve waste & recycling practices	41 Votes
	Buildings	
2	Reduce unnecessary business travel	34 Votes
	Governance	
3	Focus on energy-efficient behaviours in the office	31 Votes
	Buildings	
4	Investigate potential for onsite solar	15 Votes
	Buildings	
5	Promote and incentivise public transport initiatives	14 Votes
	People	

Ideas shared by your employees:

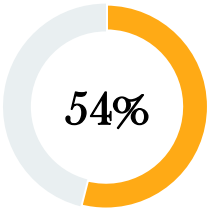
- Introduce a take-back program using reusable and returnable packaging.
- Reduce packaging on imported goods.
- Promote flexible working hours to reduce peak-time commuting.
- Improve recycling education to reduce contamination and increase proper sorting.
- Subsidise or support public transport and promote the Cycle to Work scheme (including e-bikes).
- Encourage greener remote working through energy-saving tips and tools.
- Coordinate deliveries to consolidate shipments and reduce transport frequency.
- Offer electric vehicle options via salary sacrifice or company fleet updates.



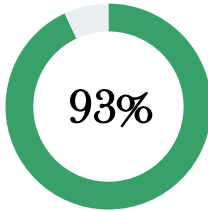
Of your employees want to work for an organisation that focuses on reducing emissions.



Of your employees are willing to support you to reduce your emissions.



Of your employees are interested in undertaking training related to climate action in the context of their work.



Of your employees acknowledge personal responsibility to reduce their impact at work and home.





Section 5

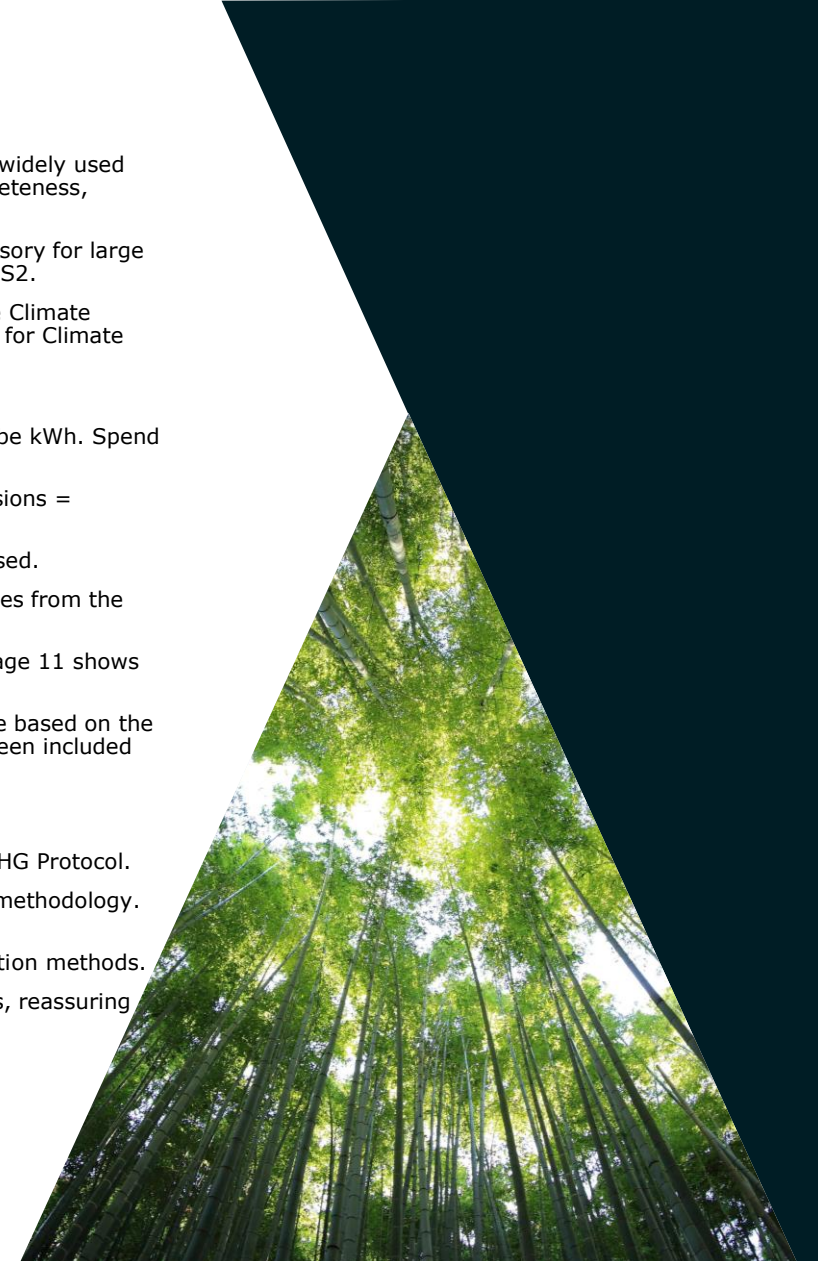
Appendix

Methodology

- ▶ Flotilla's carbon accounting platform is developed in accordance with the Greenhouse Gas (GHG) Protocol which provides the world's most widely used accounting standards. The report issued covers scope 1, 2 and 3 in line with this protocol. The GHG Protocol principles of relevance, completeness, consistency, transparency and accuracy have been followed throughout.
- ▶ Flotilla's reporting is designed to align to the Government's SECR (Streamlined Energy and Carbon Reporting) guidelines which are compulsory for large organisations. This in turn is aligned with the ISSB (International Standards Sustainability Board) upcoming regulations IFRS S1 and IFRS S2.
- ▶ Flotilla's methodology has been reviewed and endorsed by Prof Piers Forster, Climate Scientist at Leeds University and Interim Chair of the Climate Change Committee (CCC). Piers has served on the CCC since December 2018. He is founding Director of the Priestley International Centre for Climate and has acted as lead author for several Intergovernmental Panel on Climate Change (IPCC) reports.
- ▶ The data collection process gives the option of providing activity data or spend data.
- ▶ Activity data allows a more accurate footprint as it measures the activities themselves. For example, activity data for electricity use would be kWh. Spend data can be retrieved directly from the company's financial accounting systems and indicates the total spend in specific categories.
- ▶ Both activity data and spend data are converted to emissions of carbon dioxide equivalent using relevant emission factors such that: $\text{Emissions} = \text{Business Data} \times \text{Emission factor}$.
- ▶ The primary source of activity emission factors is the annual UK government factors, additional data collected from ONS and DEFRA is utilised.
- ▶ Flotilla have captured the full impact of the business operations using the data submitted in the platform, and the activities of the employees from the employee questionnaire, which are often missed despite forming a significant proportion of a business' carbon footprint.
- ▶ The footprint calculated by Flotilla may omit specific operations when the associated footprint is immaterial (<5% of the total footprint). Page 11 shows what emission categories have been included and excluded.
- ▶ It is important to note that it is impossible to accurately guarantee the impact of all activities; as referenced herein, certain calculations are based on the information provided, the current available conversion data, and governmental resources. Page 11 shows what emission categories have been included and excluded.

Carbon footprints are subject to change

- ▶ Flotilla routinely updates emission factors to reflect the latest data, methodologies, and industry standards, including alignment with the GHG Protocol.
- ▶ These updates ensure carbon accounting remains accurate and consistent by incorporating changes in economic conditions, inflation, and methodology. This means that your carbon footprint calculations remain accurate, transparent, and reflective of the latest data and methodologies.
- ▶ **Please note** that updated factors may result in changes to previously reported emissions due to improvements in data quality and calculation methods.
- ▶ Our team is here to help you understand the impact of these updates and support you to communicate these changes to your stakeholders, reassuring them that these changes reflect your commitment to best practice in sustainability reporting.



Estimation and uncertainty in carbon footprinting

Carbon footprinting, like any measurement, comes with its share of uncertainty. These uncertainties can arise from a variety of factors, making it crucial to understand their existence and potential impact. Here are some key reasons why carbon footprint calculations can be uncertain:

- ▶ **Activity data:** Measuring our activities that generate emissions, like fuel usage or electricity consumption, isn't always precise. Estimations or incomplete records can lead to inaccuracies in footprint calculations.
- ▶ **Emission factors:** Emission factors, which convert activities into their equivalent carbon emissions, can vary depending on factors like location or specific technology used. Flotilla use the UK government factors as a primary source which are regarded amongst the most reliable in the UK. However, there remains estimation in the emission factor which considers the UK average emissions by activity.

Where primary activity data could not be collected, the following assumptions and estimations were used by Flotilla:

- ▶ **Employee survey:** The footprint associated with employees (homeworking and commuting) has been derived using an employee survey. This is extrapolated across the employee population when a response rate of 100% is not obtained.
- ▶ **Working day:** There is an assumption that for a full-time employee there are 8 hours in a working day for 48 weeks a year. The number of days an employee works is collected within the employee survey.
- ▶ **Public transport:** The employee survey details commute by public transport but not by transport type and thus an average of the UK government emission factors for public transport is used.



Key terms explained:

Term	Description
Baseline	A reference point against which emissions reductions are measured.
Boundaries	GHG accounting and reporting boundaries can have several dimensions, i.e. organizational, operational, geographic, business unit, and target boundaries. The inventory boundary determines which emissions are accounted and reported by the company.
Carbon dioxide (CO2)	The most significant GHG, primarily emitted from burning fossil fuels like coal, oil, and natural gas. CO2 traps heat efficiently and remains in the atmosphere for centuries.
Carbon footprint	The total amount of GHG emissions produced by an individual, organization, event, or product. Measured in metric tonnes of carbon dioxide equivalent (CO2e).
Carbon neutral	Investing in offset projects that reduce GHG emissions elsewhere, to counter-balance GHG emissions generated by the business.
CO2-equivalent (CO2e)	The amount of CO2 that would cause the same integrated radiative forcing over a given time horizon as an emitted amount of another GHG or mixture of GHGs. Conversion factors vary based on the underlying assumptions and as the science advances.
Consolidation approach	Refers to how an organization sets boundaries for GHG accounting. Types include equity share approach, financial control, and operational control.
Dual reporting	The disclosure of two separate Scope 2 electricity emissions figures: one based on the average grid emissions (location-based) and another based on the company's specific energy contracts (market-based).
Emission factor	A value that represents the average amount of GHG emissions produced per unit of activity, such as the amount of CO2 emitted per kilowatt-hour of electricity generated.
Emission scopes	The GHG Protocol Corporate Accounting and Reporting Standard classifies an organisation's GHG emissions into three scopes. Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting organization, including both upstream and downstream emissions.



Key terms continued:

Term	Description
GHG Protocol	Comprehensive global standardised frameworks to measure and manage GHG emissions from private and public sector operations, value chains, and mitigation actions. The GHG Protocol supplies the world's most widely used GHG accounting standards. The Corporate Accounting and Reporting Standard provides the accounting platform for virtually every corporate GHG reporting program in the world.
Greenhouse gases (GHG)	Greenhouse gases (GHGs) are atmospheric gases that absorb and re-emit heat radiation, creating a warming effect on the planet. This phenomenon, known as the greenhouse effect, is essential for maintaining Earth's habitable temperature. However, increased GHG concentrations due to human activities are causing an intensification of the greenhouse effect, leading to global warming and climate change.
Hexafluoride (SF6)	Man-made greenhouse gas used in electrical equipment, windows, and soundproofing. Extremely potent GHG (23,000x more effective than CO2), very long atmospheric lifespan (3,200 years).
Hydrofluorocarbons (HFCs)	Man-made synthetic greenhouse gases used in refrigerants, air conditioners, and foams. Thousands of times more effective at trapping heat than CO2, variable atmospheric lifespans.
Intensity metric	Expresses the amount of GHG emissions per unit of some activity or output. It helps normalize emissions and allows for better comparison and tracking of progress over time.
Indirect emissions	Emissions that are a consequence of the activities of the reporting entity but occur at sources owned or controlled by another entity.
Impact area	Categories of emissions, aligned with business functions and suppliers. There are 4 impact areas in the Flotilla report: Travel, Energy, Facilities, Supply Chain.
Location-based method	This figure calculates GHG emissions for electricity using average emissions intensity of the grid from which the company purchases electricity. In the UK this is the national grid.
Market-based method	This figure calculates GHG emissions for electricity using the specific energy contracts or instruments held by the company. It therefore shows lower emissions for renewable tariffs and higher emissions for non-renewable tariffs.



Key terms continued:

Term	Description
Materiality	The relevance of an ESG issue to a company's business.
Methane (CH ₄)	A potent GHG released from natural sources like wetlands and human activities like livestock farming, landfills, and energy production. Methane traps heat about 25 times more effectively than CO ₂ but has a shorter lifespan in the atmosphere (around 12 years).
Nitrogen Fluoride (NF ₃)	Man-made greenhouse gas used in electronics and semiconductor production. Highly potent GHG (7,200x more effective than CO ₂), very long atmospheric lifespan (740 years).
Nitrous Oxide (N ₂ O)	Emitted during fertilizer use, land clearing, and combustion processes. It's less abundant than CO ₂ and methane but traps heat about 300 times more effectively than CO ₂ and persists in the atmosphere for over 100 years.
Operational boundary	Operational boundaries outline the specific activities and emissions sources that an organization includes within its GHG inventory. They define which emissions fall under Scope 1 (direct emissions) and Scope 2 (indirect emissions associated with purchased energy) for reporting purposes.
Perfluorocarbons (PFCs)	Man-made synthetic gases used in semiconductors, electronics, and some industrial applications. Extremely potent GHGs (thousands of times more effective than CO ₂), very long atmospheric lifespans (thousands of years).
Scope 1 emissions	Direct GHG emissions that occur from sources owned or controlled by the reporting company i.e., emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.
Scope 2 emissions	Indirect GHG emissions from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by the reporting company. Scope 2 emissions physically occur at the facility where the electricity, steam, heating, or cooling is generated.
Scope 3 emissions	All other indirect GHG emissions (not included in Scope 2) that occur in the value chain of the reporting company. Scope 3 can be broken down into upstream emissions and downstream emissions: Upstream emissions include all emissions that occur in the life cycle of a material/product/service up to the point of sale by the producer, such as from the production or extraction of purchased materials. Downstream emissions include all emissions that occur because of the distribution, storage, use, and end-of-life treatment of the organization's products or services.



Trust Flotilla with your carbon accounting and Net Zero journey.

“The Flotilla carbon accounting platform enables real, evidence-driven change. With science-based measurement and reporting, Flotilla allows businesses to take an honest look at their emissions, set achievable goals, make wise data-led decisions and become genuinely sustainable.”

Professor Piers Forster

Founder Director of the Priestley International Centre for Climate, University of Leeds, IPCC Sixth Assessment Report, Lead Author, Nobel prize winner for climate action

“The United Nations Climate Change Initiative is pleased to recommend Flotilla's science-based carbon reduction service, supporting businesses on their crucial journey to net zero. The Flotilla approach creates positive action throughout the entire ecosystem of a company, involving, motivating and empowering every individual to drive meaningful change.”

Miguel Naranjo

Programme Officer - UN Climate Change



SCIENCE
BASED
TARGETS





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