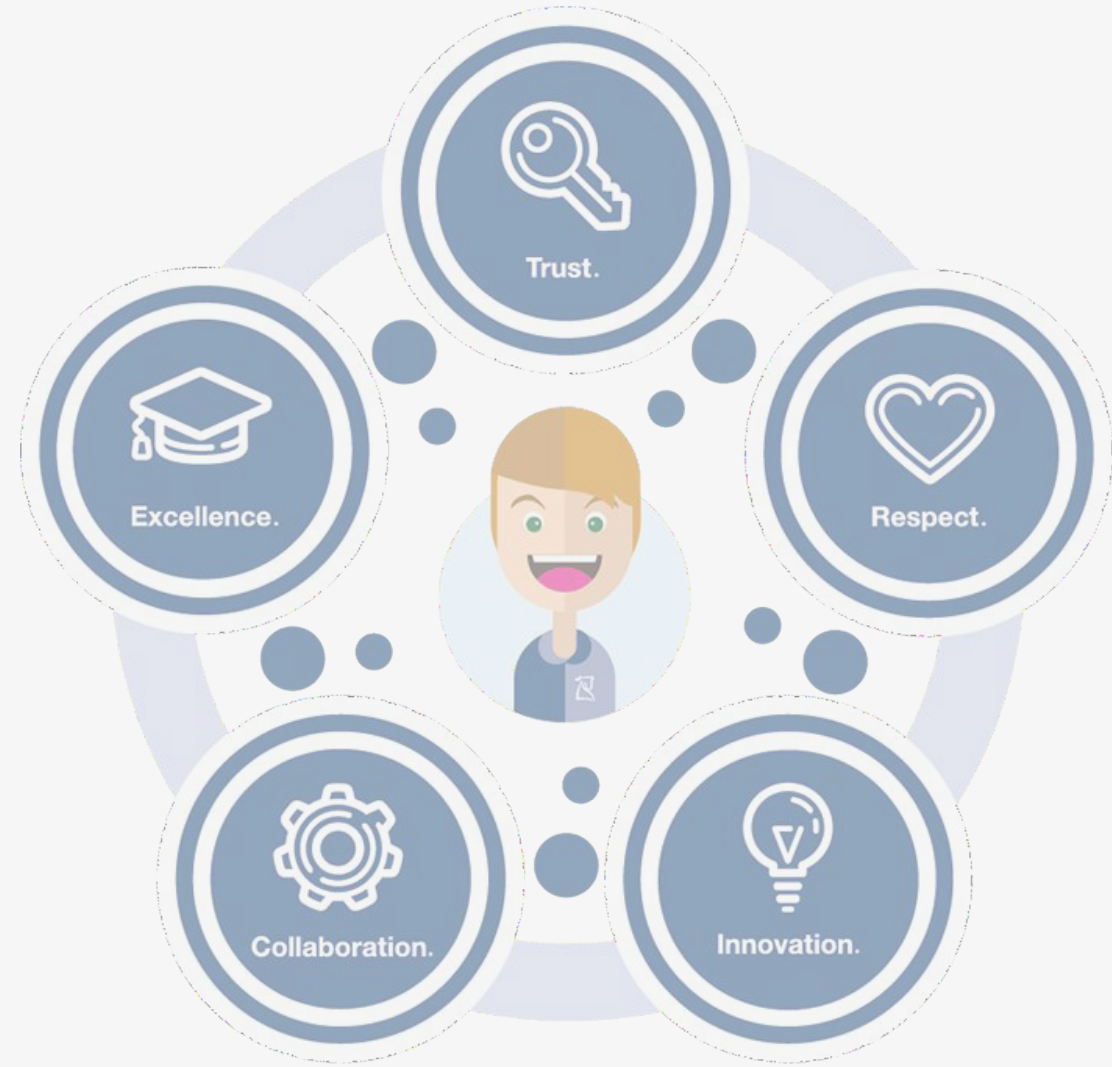


Bullen Healthcare

CARBON REDUCTION PLAN

April 2024



Our net-zero commitment

Bullen Healthcare is committed to reaching Net-Zero by 2040.

We will achieve this by reducing our emissions by a minimum of 90% against our baseline year and actively engaging in carbon removal projects to remove residual emissions.

We understand the importance of further strengthening our green credentials by identifying, monitoring, measuring, and reporting all environmental aspects of our business, and reducing the potential impacts.

In our pursuit to honour this commitment, we will embed our **core values** into all our sustainability endeavors:

- ☐ **Trust:** We commit to being fully transparent with our carbon footprint and will publish our net-zero commitment, carbon footprint and carbon reduction plan onto our website annually.
- ☐ **Respect:** We commit to respecting our planet, our colleagues and our customers.
- ☐ **Innovation:** We commit to looking for innovative ways to reduce our carbon footprint.
- ☐ **Collaboration:** We commit to collaborating with industry leaders, governing bodies and climate specialists to understand our carbon footprint, drive industry best practice and reduce our impact on the planet.
- ☐ **Excellence:** We commit to going above and beyond in our pursuit of a net-zero future.

Our Carbon Footprint

Reporting Year: 01/04/2022 - 31/03/2023

Scope	Emission Type	Data Source	Emissions [tCO ₂ e]
Scope 1	Direct emissions	Fuel usage in buildings and vehicles we own or control.	375
Scope 2	Indirect emissions from electricity	Electricity use in buildings we own or control.	100 (location-based electricity) 188 (market-based electricity) ¹
Scope 3	Indirect emissions within the value chain	Emissions from our value chain, including: <ul style="list-style-type: none"> • Manufacturing of Dispensed Products • Purchased Goods • Services Procured • Capital Goods • Fuel & Energy Losses • Upstream Transportation & Distribution (PPN0621) • Waste & Water (PPN0621) • Business Travel & Hotel Stays (PPN0621) • Employee Commuting & Remote Working (PPN0621) • Downstream Transportation & Distribution (PPN0621) • Pensions 	27,000 ²
Total Emissions			27,474 (location-based electricity) 27,562 (market-based electricity)

¹ For the market-based method we have used the standard grid mix of our electricity provider to estimate emissions.

² This includes a full scope 3 carbon footprint that represents our baseline footprint for future reports.

Carbon Intensity

We have calculated carbon intensity ratios - vital benchmarks for normalising our carbon footprint relative to crucial business indicators. This approach enables us to measure our environmental impact while objectively accounting for business growth. For this evaluation, we've established two pivotal intensity ratios:

- 1. Carbon Emissions versus Sales Revenue:** This ratio aligns our carbon footprint with a primary business metric, sales revenue, facilitating straightforward comparisons with our supply chain partners and competitors.
- 2. Average Carbon Intensity Per Employee:** We gain insights into our operational efficiency and environmental impact by assessing the carbon footprint per employee (considering full-time equivalents).

Leveraging these intensity ratios moving forward, we are committed to meticulously tracking our annual progress towards ambitious carbon reduction targets. This strategy emphasises our dedication to environmental stewardship and enhances our accountability and transparency in mitigating climate change impacts.

Carbon Intensity by Sales Revenue	
Total Sales Revenue:	£58.9m
Absolute Emissions (Market-based):	27,562 tCO ₂ e
Intensity Ratio:	468.0 tCO₂e/£m

Carbon Intensity by Employee	
Total Number of Employees:	214
Absolute Emissions (Market-based):	27,562 tCO ₂ e
Intensity Ratio:	128.8 tCO₂e/Employee

Methodology

This carbon reduction plan represents our baseline carbon footprint which covers the financial year **April 2022 – March 2023**.

To ensure our carbon footprint is robust and transparent, we use the globally recognised Greenhouse Gas Protocol, a worldwide standard for corporate emissions accounting and reporting. This protocol has fostered a suite of complementary standards, protocols, and guidelines, a selection of which have been integrated into our carbon assessment process.

The GHG Protocol outlines steps essential for developing an effective carbon management program. These steps encompass a broad range of activities, from evaluating the carbon impact of energy consumption within our facilities to accounting for emissions associated with the goods we procure or the services we use. It is an indispensable framework for our business as we aim to track and report on our emissions meticulously.

However, it is crucial to emphasise that while accounting and reporting emissions is fundamental to understanding our environmental impact, it represents only a part of the solution. Proactive measures aimed at emission reduction are vital. Thus, in conjunction with leveraging the GHG Protocol for emissions monitoring and reporting, it is imperative that we also commit to implementing strategies and actions that tangibly reduce our carbon footprint.

Current Best Practice

Our ongoing commitments

Before detailing our carbon reduction strategy, we must recognise the sustainable practices already deeply ingrained in our operations. Sustainability is not just an objective for us; it's a guiding principle that shapes everything we do. As we move forward, our goal is to formalise these existing efforts and integrate innovative initiatives seamlessly into our daily operations, ensuring that sustainability continues to drive our business forward.

General Energy Efficiency

We have always been conscious of our impact on the planet and have always looked at ways to keep our buildings more efficient. Firstly, to retain heat, our premises are fully **double glazed** where possible. Alongside this, we have **plastic curtains** outside our warehouse roller doors to minimise heat escaping the building during our delivery process. We have also installed **LED bulbs** across our facilities and have started the process of installing **Passive Infrared Sensors (PIR)** to further optimise our energy usage.

Waste

We're aware that the items we sell can not be recycled and must be disposed via hazardous waste bins. Due to this, we have taken action to ensure that our products that are nearing their expiry dates **are donated to charities**.

To further our efforts of reducing product waste, we keep an **open dialog with our customers**, identifying their needs and ensuring unwanted stock isn't sent to them. We are proud to say that we operate at **99.7% accuracy in picking, packing and cutting of products**, reducing the need for products to be returned or disposed of.

We are in the process of implementing a new system for confidential waste which will see up to a **90% reduction of waste in our confidential waste**. Furthermore, for our plastic waste we use **a sustainability specialist** in this area to collect our plastic waste and divert it from landfill.

Alongside this, we have invested heavily in **re-usable pallet boxes** and **re-usable nested pallets** for deliveries across our Bullen sites. By using these, we are able to maximise our deliveries and minimise waste from boxes.

Our **Pharmacy system** is currently being updated with a planned go-live date of September 2024. This will see **an 80% reduction in the paper we currently use**. The system is then planned for further roll out across the whole of the organisation in quarter 1 25/26 – the impact is not forecast to be as large for the rest of the organisation, however, due to the pharmacy utilising paper significantly more (on a per patient basis) than the rest of the organisation currently.

Finally, **we have utilised WoolCool**, this is a more sustainable option for sending of temperature-controlled items; by doing this we have been able to **move away from using insulated polystyrene boxes** to natural wool.

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Staff Travel

We have recently **conducted a staff travel review** to gain a thorough understanding of how our employees travel to and from work, this will help inform our strategy for decarbonising this area. Prior to this review, we had already implemented a **cycle to work scheme** and to incentivise our employees to utilise this scheme we have installed **secure bike sheds** and a **shower room**.

We are proud to say that we actively encourage our **employees to carpool** and incentivise them by offering **dedicated parking spaces** closer to our facilities. We are now in the process of setting up our **Electric Vehicle (EV) salary sacrifice scheme**, this has been approved by our board of directors and the aim is for this scheme to go live by quarter 3 of FY24/25. To support the adoption of our EV salary sacrifice scheme have **4 EV charging ports** installed onsite.

Over the coming years, we will increase the capacity of EV charging ports as employees start to sign onto the scheme.

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Transportation and Distribution

We are actively **reviewing and evaluating our current delivery partners** to ensure that they align with our commitment to sustainability. As part of this effort, we have incorporated a sustainability criteria into our partner assessment process. This initiative encompasses both our direct-to-patient delivery services and our freight operations.

By **integrating sustainability considerations into our delivery assessments**, we aim to minimise the environmental impact of our logistics. Our goal is to collaborate with partners who are not only efficient but also share our dedication to environmentally responsible practices.

We are exploring the possibility of **bringing our freight operations in-house**. This would give us greater control over our logistics, allowing us to implement and enforce sustainable practices more effectively. By managing our freight internally, we can better monitor and reduce our carbon footprint, streamline our operations, and enhance our overall service delivery.

Emissions from our operations

Our scope 1 and 2 carbon footprint

Our operational carbon footprint encompasses all direct (Scope 1) and indirect (Scope 2) emissions. Prioritising the reduction of Scope 1 emissions is crucial for us, as these are directly released into the atmosphere from our operations and significantly contribute to climate change.

To effectively address the impact of our direct and indirect emissions, we have embraced a market-based approach in our assessment. This method allows us to precisely track the emissions from our energy procurement decisions across all our facilities.

This method reflects our current contributions to environmental sustainability and sets a benchmark for continuous improvement in our operational practices.

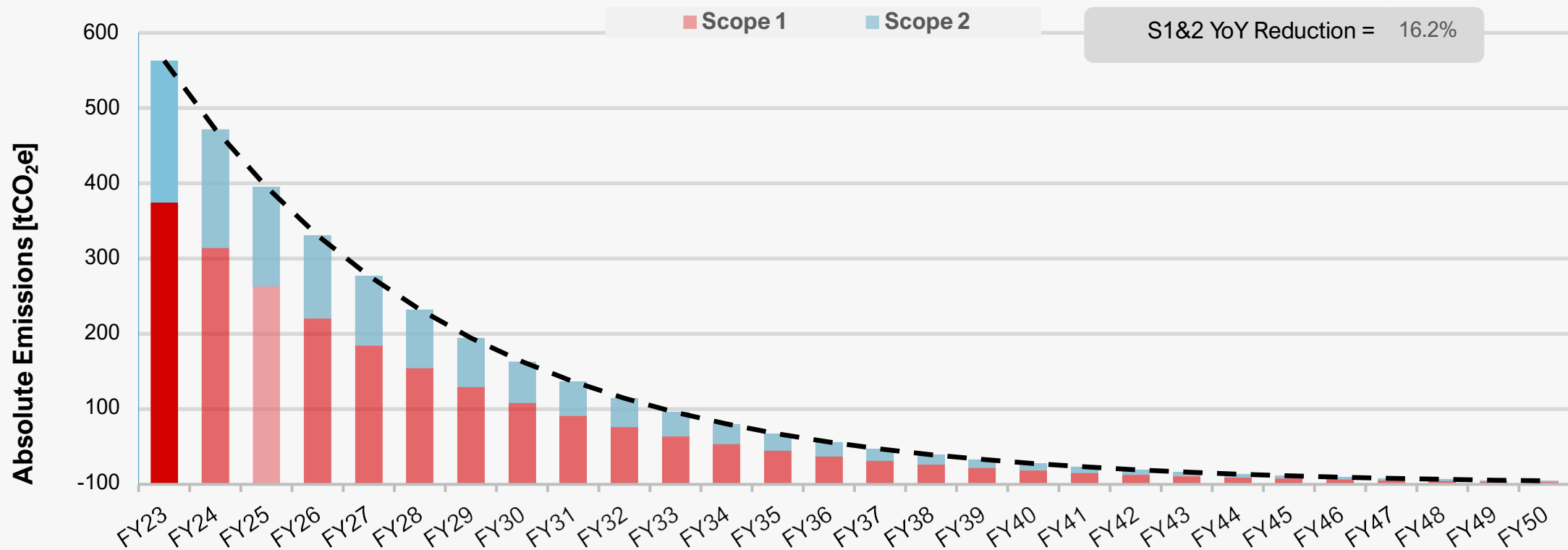
Source of Emissions	Emissions [tCO ₂ e]
Scope 1	
Fuel combustion of natural gas	235
Fuel combustion in company vehicles	140
Scope 2	
Electricity (Location-based)	100
Electricity (Market-based)	188
Total Emissions	
Location-based	475
Market-based	563

Emissions from our operations

Carbon Reduction Targets

We have adopted the following carbon reduction targets to drive our progress toward achieving net-zero. Our target is to reduce our absolute scope 1 and 2 emissions by 90% by 2035 from a FY22/23 base year.

Our plan to reach this target can be seen in the graph below:



We project that scope 1 and 2 emissions will decrease to 67 tCO₂e or further by 2035, achieving a reduction of at least 90% from the base year.

Decarbonising our operations

CARBON REDUCTION PLAN

We are deploying a strategic, phased approach to systematically reduce our carbon footprint and reach our net-zero ambition. In Phase 1, our focus is on significantly reducing our Scope 1 and Scope 2 emissions - areas where we exert direct influence. To this end, we have identified three pivotal projects to drive substantial progress towards our overarching goal:

Project A

Enhancing Energy Efficiency

Energy efficiency measures how effectively energy is utilised to accomplish a task or desired outcome. Our initial step involves conducting a comprehensive energy audit to deepen our understanding of energy consumption patterns and identify the most energy-intensive operations. This audit will be performed by a reputable third-party assessor, ensuring objectivity and precision in our findings.

Following the audit, we will strategically tackle key findings from their assessment, taking a fabric first approach and ensuring our facilities are well insulated.

We will implement a Building Energy Management System (BEMS) across our sites to track and monitor our energy and connecting our BEMS to an Energy Management System (EMS).

This advanced system will allow us to monitor our energy usage accurately in real-time and identify opportunities for energy conservation and efficiency improvements across our operations. We aim to significantly reduce our energy consumption through these strategic interventions, contributing to our overall carbon reduction objectives.

Project B

Optimising Heating Systems

Following the insights gained from Project A's energy audit, our next focus will be evaluating and enhancing our heating systems. This process involves thoroughly assessing the current efficiency levels of our existing heating infrastructure. Should the audit reveal that our systems are outdated or performing sub-optimally, we will actively seek and transition to more energy-efficient solutions. Our long-term ambition is to phase out gas from our operations.

Project C

Advancing Renewable Energy Adoption

We recognise the importance of minimising our overall energy consumption (as outlined in Project A) and taking strides towards self-sufficiency in energy generation is important to decarbonising. In pursuit of these goals, we will look to change any tariffs to renewable energy (green) tariffs and obtain REGO certificates whilst evaluating what renewable energy systems will be feasible across our sites. To do this, we will look to consult with third-party specialists to conduct feasibility studies across our sites to identify the best renewable energy systems and look at different financing options for these systems to be installed. By doing this, we will ensure that the energy we're currently procuring is green whilst evaluating our options for self-sufficient energy generation and consumption in the future.

Emissions from our value chain

Our scope 3 carbon footprint

Our value chain emissions, classified under Scope 3, encompass all indirect emissions not captured within Scope 1 or 2 parameters, originating from upstream and downstream activities within our value chain.

We felt it necessary to comprehensively assess the impact that our strategic decisions—spanning policy formulation, procurement processes, and overarching business strategy—exert on our total carbon footprint.

The Scope 3 categories included here represent all sources of emissions in our supply chain and will form a baseline for future assessments.

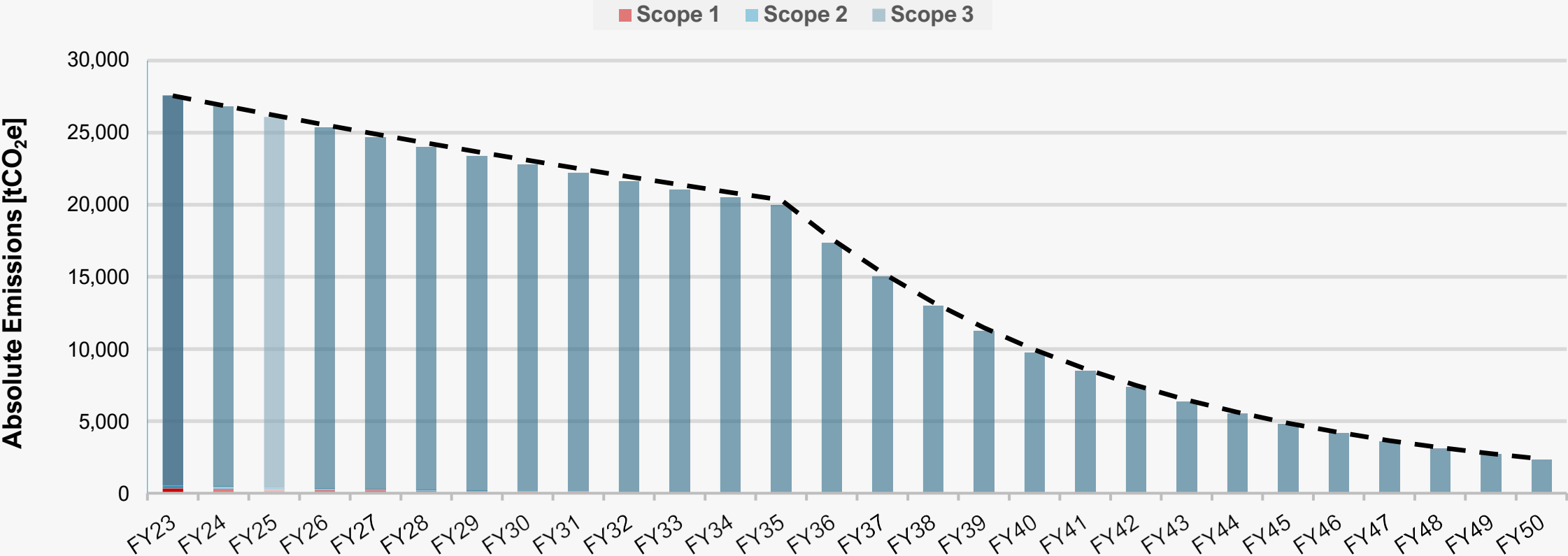
Please note emissions from Manufacturing of Dispensed Products represent a significant amount of our footprint, these emissions are not our direct responsibility, but we believe it's important to understand their impact for completeness and transparency.

Source of Emissions	Emissions [tCO ₂ e]
Category 1a – Manufacturing of Dispensed Product	24,743
Category 1b – Purchased Goods	282
Category 1c – Services Procured	222
Category 2 – Capital Goods	127
Category 3 – Fuel & Energy	111
Category 4 – Upstream transportation & distribution	893
Category 5a – Waste	270
Category 5b – Water	1
Category 6a – Business travel	3
Category 6b – Hotel stays	1
Category 7a – Employee commuting	283
Category 7b – Remote working	0
Category 9 – Downstream transportation & distribution	52
Category 15 – Pensions	8
Total Emissions	27,000

Emissions from our value chain

Carbon Reduction Targets

We commit to reducing absolute scope 3 greenhouse gas emissions by 90% by 2050 from a FY22/23 base year and offsetting the residual 10% to reach net-zero. Initially reducing our scope 3 emissions by 2.5% will give us time to focus on reducing our scope 1 & 2 emissions as they are our direct responsibility, after 2035 we will increase our linear annual reduction in scope 3 to make sure we achieve our 2050 target.



Decarbonising our value chain

CARBON REDUCTION PLAN

Phase 2 of our carbon reduction strategy zeroes in on minimising our value chain emissions - those within our influence yet beyond our direct control. This phase demands a nuanced approach, leveraging collaboration and innovation across our supply chain to drive meaningful reductions in these indirect emissions.

Project D

Sustainable Waste and Water Management

We aim to enhance our company's sustainability efforts by implementing comprehensive waste and water management strategies.

We recognise the impact of waste, both environmentally and socially. Building on our existing good practices, we are committed to minimising waste across all aspects of our business. To formalise this commitment, we are adopting a zero-to-landfill policy for our business operations, while recognising that certain products may not be suitable for this approach due to hygiene reasons.

In tandem with our waste reduction efforts, we are dedicated to optimising water usage within our operations. Taking a long-term perspective, we are exploring innovative

solutions such as rainwater harvesting and greywater recycling. These initiatives not only contribute to water conservation but also help mitigate the carbon footprint associated with freshwater production and transportation to our sites.

Project E

Advancing Circular Procurement

The aim of this project is to adopt a circular economy model throughout our business. To do this, we will be looking to adopt a circular procurement policy. This policy will be built upon our commitment to procure refurbished products and furniture in across our sites and building a maintenance and repair database to track and monitor our efforts internally. When procuring new goods, we will consider the repairability of the products during our procurement process and push for increased

warranties. We are also committed to assessing the sustainability of our suppliers and will factor this into our decision making in the future.

Project F

Sustainable Staff Travel Initiatives

Our approach to reducing the carbon footprint associated with staff travel encompasses two distinct categories: employee commuting and business travel through promoting sustainable travel initiatives. These initiatives are designed to positively influence our employees' commuting practices, encouraging the use of greener transportation options to and from our facilities.

To build upon the positive work we're already doing, we will be looking to expand upon our existing Electric Vehicle Charging Ports (EV Charging Ports) to manage the demand if our

Emissions from our Value Chain

CARBON REDUCTION PLAN

Employees start to sign up for our EV Salary Sacrifice Scheme. To add additional travel methods, we are also looking into implementing a salary sacrifice scheme for annual public transport tickets.

When considering our business travel, we're aware that our footprint isn't large in this area. However, we know there is still work to be done. Therefore, we will be looking to implement a sustainable hotel policy, where our employees will need to look for hotels with strong green credentials when travelling for business purposes. To conclude our staff-travel project, we will be exploring the carbon offsetting market to offset any residual emissions for necessary air travel.

Project G

Sustainable Logistics

As we go to tender for new courier services, we will be adding a sustainability criteria to ensure we are aware of our courier providers sustainability efforts. By doing this, we will be

able to be better informed on our decision making when it comes to choosing who we partner with in the future.

Whilst working on this, we will be looking to formalise a no-air freight delivery policy from our suppliers who ship from overseas. We will also be reviewing how we purchase through our suppliers to ensure where possible we can consolidate the number of deliveries coming into our business.

To complete our sustainable logistics project, we're aware of the limitations in decarbonising our logistics emissions as we wait for technological advancements in this sector, therefore, we will offset all residual emissions in the long-term.

Next Steps Towards Net-Zero

Our pathway to net-zero is strategically segmented into a phased approach, aligning our decarbonisation efforts with short-, medium-, and long-term objectives.

- **Short-Term Goals (1-3 Years):** Immediate actions and initiatives designed to kickstart our reduction in carbon emissions, setting a solid foundation for sustained progress.
- **Medium-Term Goals (3-5 Years):** Further development and scaling of our strategies, focusing on deeper integration of sustainable practices across our operations.
- **Long-Term Goals (5+ Years):** Visionary objectives aimed at fully realising our Net-Zero ambition, including pioneering innovations and transformative shifts in our business model.

For a detailed overview of our targeted goals across these time frames, please refer to pages 14 and 15, where we outline the specific actions and milestones to guide us on our journey to net-zero.

Our Carbon Reduction Strategy:

An overview of our initiatives

Our Operations	Project A: Enhancing Energy Efficiency	<ul style="list-style-type: none">➤ Conduct an energy audit with a third-party to identify high-consumption areas.➤ Install a BEMS for real-time energy monitoring and efficiency opportunities.➤ Install an EMS to monitor all sites in real time.➤ Use audit and BEMS insights for targeted energy reductions and achieving carbon goals.
	Project B: Optimising Heating Systems	<ul style="list-style-type: none">➤ Evaluate heating systems for improvements or replacements <i>post-Project A</i> audit.➤ Shift to efficient heating and phase out gas heating for sustainability and carbon reduction.
	Project C: Advancing Renewable Energy Adoption	<ul style="list-style-type: none">➤ Procure green energy in tandem with project work on Projects A & B.➤ Assess on-site renewable energy generation potential.➤ Implement optimal clean energy solutions based on study outcomes.
Our Value Chain	Project D: Sustainable Waste and Water Management	<ul style="list-style-type: none">➤ Formalise a zero-landfill policy for business operations.➤ Formulate a policy for efficient wastewater management.➤ Introduce greywater recycling and rainwater harvesting to save water resources.
	Project E: Advancing Circular Procurement	<ul style="list-style-type: none">➤ Develop a comprehensive circular procurement policy to close gaps in our current practices.➤ Aim for procurement that minimises waste and maximises reuse and recycling.➤ Consider the repairability and warranties on goods procured.
	Project F: Sustainable Staff Travel Initiatives	<ul style="list-style-type: none">➤ Promote sustainable travel initiatives to encourage greener commuting and business travel practices.➤ Develop a policy to minimise non-essential business travel and favour eco-friendly transport modes.➤ Implement a carbon offset program for all essential air travel.
	Project G: Sustainable Logistics	<ul style="list-style-type: none">➤ Implement a sustainable logistics policy to increase efficiency and reduce carbon footprint, including assessing current courier partnerships for sustainability compliance.➤ Implement a zero air-freight policy for overseas deliveries.➤ Consolidate deliveries on both 3pls and our own vehicles to ensure maximum efficiency and reduce emissions.➤ Offset residual emissions to reinforce our commitment to eco-conscious logistics.

Carbon Reduction

Targets

	Short-Term (2024 – 2026)	Medium-Term (2027 – 2029)	Long-Term (2030+)
Project A: Enhancing Energy Efficiency	<ul style="list-style-type: none"> • External energy audit • Install BEMS across sites • Install EMS 	<ul style="list-style-type: none"> • External energy audit 	<ul style="list-style-type: none"> • External energy audit
Project B: Optimising Heating Systems	<ul style="list-style-type: none"> • Review and explore efficient heating systems 		<ul style="list-style-type: none"> • Phase out the use of gas in business operations
Project C: Advancing Renewable Energy Adoption	<ul style="list-style-type: none"> • Green electricity procurement • Green gas procurement • Conduct feasibility study & funding options for renewable energy systems • Install suitable solar systems onsite 	<ul style="list-style-type: none"> • Install suitable solar systems onsite 	<ul style="list-style-type: none"> • Install suitable wind systems onsite
Project D: Sustainable Waste and Water Management	<ul style="list-style-type: none"> • Formalise a zero-landfill policy for business operations • Implement a waste-water policy 		<ul style="list-style-type: none"> • Rainwater Harvest • Greywater Recycling
Project E: Advancing Circular Procurement	<ul style="list-style-type: none"> • Build a maintenance and repair database • Consider the reparability of goods procured • Increase warranties on new goods procured • Procure refurbished products and furniture when possible • Assess the sustainability of suppliers 	<ul style="list-style-type: none"> • Formalise circular procurement policy based on short-term projects 	
Project F: Sustainable Staff Travel Initiatives	<ul style="list-style-type: none"> • Implement a sustainable hotel policy 	<ul style="list-style-type: none"> • Salary sacrifice scheme for annual public transport • Install onsite EV charging ports 	<ul style="list-style-type: none"> • Offset all necessary air travel
Project G: Sustainable Logistics	<ul style="list-style-type: none"> • Review and screen all couriers • No air-freight delivery policy 	<ul style="list-style-type: none"> • Consolidate deliveries for our own vehicles and 3pls 	<ul style="list-style-type: none"> • Offset residual emissions



Declaration and sign-off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard and uses the appropriate [Government emission conversion factors for greenhouse gas company reporting](#).

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

<https://ghgprotocol.org/corporate-standard>

<https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

<https://ghgprotocol.org/standards/scope-3-standard>