

VERTU MEDICAL INTERNAL AUDIT INTO CARBON REDUCTION PLAN

Background

Vertu Medical understands the growing demand for healthcare services for an expanding population globally. Our ecosystems are under unsustainable pressure from overconsumption of resources, waste generation, pollution and climate change.

In its role as a purchaser, supplier and service provider relating to various different modalities of diagnostic imaging medical equipment, Vertu Medical is aware of its responsibilities in relation to reducing carbon emissions. We aim to ensure that all medical equipment is maintained and utilised effectively to ensure optimal usage. Vertu Medical is also investing in research and development of techniques to re-purpose natural resources, such as helium gases.

Our goal is to build a pathway to achieve net zero carbon emissions by 2050, meaning that as a company, Vertu Medical aims to have total greenhouse gas emissions equal to or less than the emissions that we remove from the environment. This date will be kept under review and we expect that the date will come forward as our carbon reduction strategies progress. Initially, Vertu is working on education of staff regarding carbon reduction and also making changes in operations to reduce carbon emissions, such as working from home.

Vertu Medical is in support of the NHS Net Zero Supplier Roadmap and will be reporting our emissions within six months of the end of the financial year. Our financial year runs from the 1st of October to the 30th of September. Vertu will create software-based reporting systems to monitor Carbon KPIs to ensure visibility and accountability in different areas of business activity. In this manner we hope to incentivise distinct areas of business to join our carbon reduction vision.

Whilst the primary aim is to reduce carbon consumption in the business, Vertu understands that some activities are key to business function and have a carbon footprint. In these events Vertu will support externally verified carbon credits to fund carbon capture and removal projects.

Calculating our carbon footprint

Vertu Medical has carefully considered the impact in relation to the carbon footprint of its business activities. Due to a lack of actual data information from suppliers Vertu has to estimate the carbon effects of waste generated from operations and also suppliers' carbon emissions when performing activities for Vertu Medical.

Vertu Medical operates globally, de-installing medical equipment from the purchased site and then relocates that equipment to the purchaser. Normally due to restrictions (can be from state legislation and seller restrictions) resale does not occur locally. This then requires shipping, road transport and even in some cases air freight. Vertu Medical understands the value in reducing logistics to reduce carbon footprint however, due to restrictions placed on us we are unable to achieve this.

Vertu Medical is also investing in reducing wasteful practices with respect to natural resources. We are keen to look at parts recovery and the optimisation of medical equipment for purpose. For example, we are keen to use smaller sized extremity MRIs for scans not requiring a whole-body scanner. This will result in energy savings and also improved patient experience.

Where possible we have calculated our emissions using actual data and 2022 UK government conversion factors. In activities in which actual data is not yet available, we have made assumptions using best knowledge calculations and also industry standard data.

Emissions and carbon reporting

Scope 1 emissions are direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by Vertu Medical, actual data from Vertu owned truck mileage and hire car mileage logs.

Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat or cooling. Vertu Medical can use actual data from energy suppliers for the warehouse in Madrid and also from data relating to purchase of helium to cool MRI magnets.

Scope 3 emissions are the result of activities from assets not owned or controlled by Vertu Medical, but are created indirectly by business operations. Scope 3 emissions include all sources not within scope 1 and 2 emissions, they are referred to as value chain emissions and commonly are the majority of Vertu's total GHG emissions. Whilst scope 3 emissions are not directly controlled by Vertu Medical, Vertu can affect these emissions by influencing suppliers. For example, using electric car hire companies.

Examples of scope 3 emissions activities include:

- ***Purchased goods and services*** - water consumption at warehouse and paper use and other office supplies. This emission value is calculated from financial spend.
- ***Capital goods*** - production emission of diagnostic medical equipment whilst owned by Vertu Medical. Again, an emission value is estimated.
- ***Fuel and Energy related activities*** - electricity used in mobile units (CT and MRI) for rental agreements.
- ***Waste generated from operations*** - since we are mainly home based, except for the Madrid office, waste currently is generated on site of a project. We calculate the number of workmen and days on site and attribute a value to the emissions.
- ***Business Travel*** - this includes travel to projects by project managers, and also conferences and meeting customers. We consider the miles travelled, mode of transport and number of employees travelling.
- ***Employee commuting*** - due to the small number of employees Vertu can make good estimates by looking at distance travelled and mode of transport.
- ***Transportation and distribution*** - by using our CRM we are able to look at source of equipment and final destination with mode of transportation and weight of goods. This allows us to make good estimates on the emission data.

Baseline emissions

Reporting year 2022 (1 October 2021 - 30 September 2022)

EMISSIONS	TOTAL (tCO2e)
Scope 1	8.155
Business travel company van	5.510
Business travel hire cars	2.645
Scope 2	29.07
Purchased electricity	9.790
Helium used in cooling magnets	19.28
Scope 3	610.3
Purchased goods and services (water)	1.003
Capital goods	101.8
Fuel and Energy related activities	1.575
Waste generated in operations	10.00
Business travel	8.100
Employee commuting	0.098
Transportation and distribution	487.7
Total	647.5

Emissions Reduction Targets

Vertu is aiming to continue its progress to achieving net zero carbon by 2050, by first improving its data collection on CO2 emissions and then having a 5 year plan to reduce emissions by a minimum of 20%.

Carbon Reduction Projects

Vertu is working on projects to reduce waste of natural resources with respect to MRI equipment. Also, to try and ensure optimisation of usage and also performance of these and other diagnostic medical equipment. This can be via education of users of equipment and via ensuring correct maintenance of equipment.

We are also trying to reduce the amount of dead space in shipping containers to ensure optimal use of shipping space.

With regards to business travel we are encouraging where possible to travel by rail rather than air.

Declaration and Sign off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and other available guidance regarding carbon emissions.

Emissions have been reported in accordance with the standards for Carbon Reduction Plans and GHG Reporting Protocol.

The Carbon Reduction Plan has been reviewed and signed off by the board of directors.



Signature:

Mr Arinder Singh Khabra

Commercial Sales Director

Date: 17/07/2023