Nualtra

Net Zero Annual Report & Carbon Reduction Plan

2023 - 2024

nualtra positive planet

Executive Summary
April 2023 - March 2024

Current footprint: 10172.3 tCO_2e

Our highest emitting categories in 2023 were:

- Procurement
- Transportation & Distribution
- Business Travel

We intend to:

- Reduce Scope 1 & 2 emissions by 100% by 2030
- Reduce Scope 3 emissions by 21% by 2030
- Reach Net Zero by 2050

Measurement Results (April 2023 – March 2024):

By Scope	kg	tonnes	% of total
Scope 1	9,110.5	9.1	0
Scope 2 (*Location-based*)	0.0	0.0	-
Scope 2 (*Market-based*)	0.0	0.0	0
Scope 3	10,163,181.4	10,163.2	100
By Source			
Direct	9,110.5	9.1	0
Upstream	10,038,092.8	10,038.1	99
Downstream	125,088.6	125.1	1
By Category			
Office Utilities	9,649.0	9.6	0
Company Cars	9,110.5	9.1	0
Business Travel	127,340.0	127.3	1
Employee Commuting	13,066.7	13.1	0
Procurement	9,464,182.7	9,464.2	93
Distribution	492,678.4	492.7	5
Waste	192.1	0.2	0
Indirect Energy Emissions	56,072.4	56.1	1
Downstream Product Emissions	0.0	0.0	0
Assets & Investments	0.0	0.0	0
Total			
Location-based	10,172,291.9	10,172.3	-
Market-based	10,172,291.9	10,172.3	-

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Our why

Why we're taking action

Achieving sustainability is vital for everyone. It is why taking urgent action to combat climate change and its impacts became a United Nations Sustainable Development Goal in 2015. It is why the NHS and HSE are moving towards net zero positions. It is why Nualtra wants to provide the highest quality of medical nutrition with the lowest level of environmental impact.

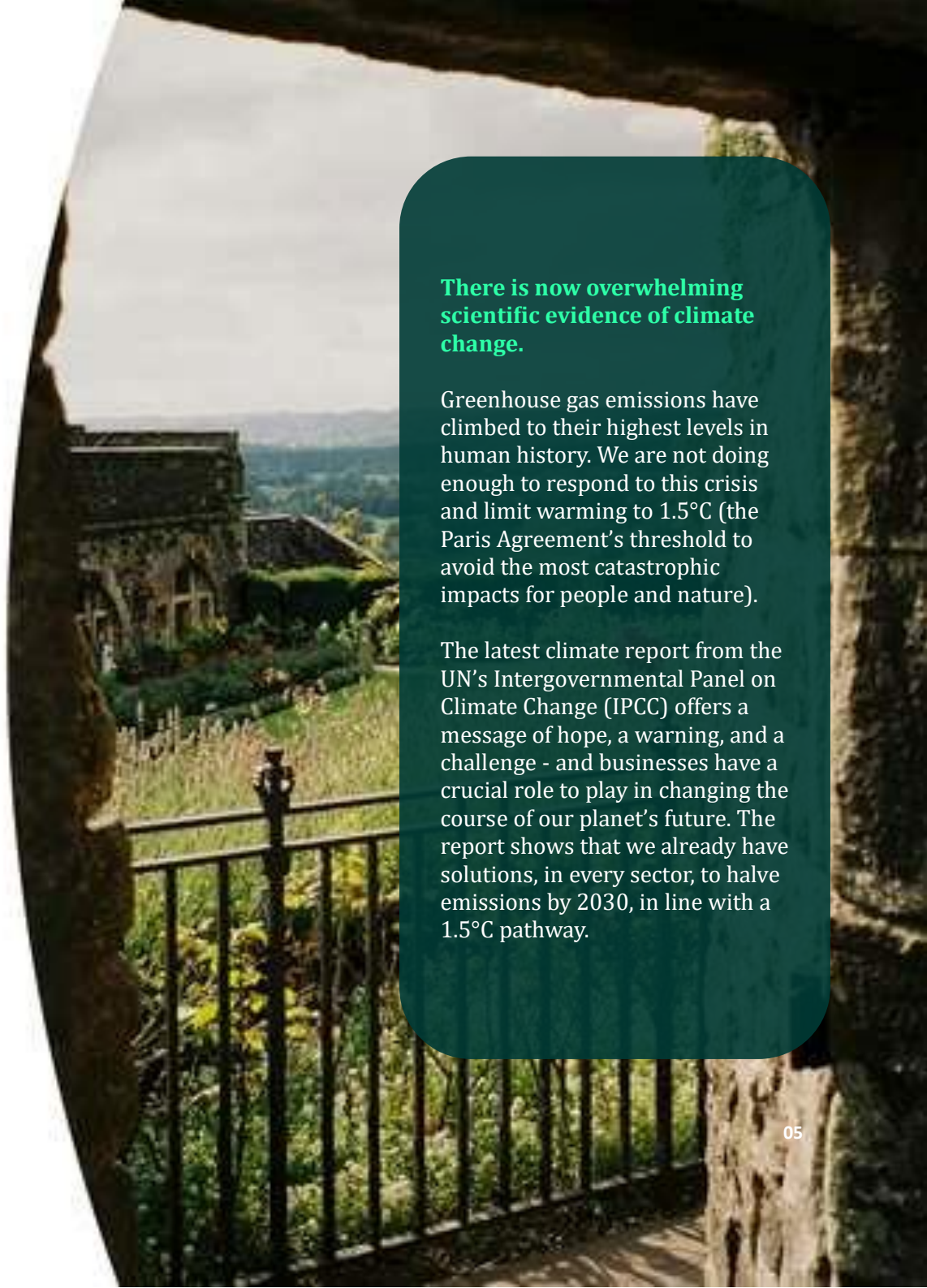
As a supplier of medical nutrition, Nualtra sits in both the healthcare and global food systems. We have a responsibility to support our healthcare partners in achieving their targets and reducing the health impacts that climate change may cause. As a company that also plays a key role in the food supply chain, we have an additional responsibility to safeguard the planet which provides all our nutrition.

We are proud of delivering 'better value, better lives' to healthcare systems, healthcare professionals, and patients. This has been done through providing cost-effective and great tasting products with strong nutritional profiles to patients. But we will do more. We must continue providing the highest quality of medical nutrition, but we must do so with the lowest level of environmental impact possible.

Our Net Zero Roadmap lays out, until 2030, which activities our emissions come from and how we plan to drastically reduce them in line with internationally recognised standards.

Not only do we aspire to reduce Nualtra's emissions to Net Zero by 2050, but we also hope to inspire our customers, supporters, suppliers, industry, and communities to take action.

*british-business-bank.co.uk/research/smaller-businesses-and-the-transition-to-net-zero/



There is now overwhelming scientific evidence of climate change.

Greenhouse gas emissions have climbed to their highest levels in human history. We are not doing enough to respond to this crisis and limit warming to 1.5°C (the Paris Agreement's threshold to avoid the most catastrophic impacts for people and nature).

The latest climate report from the UN's Intergovernmental Panel on Climate Change (IPCC) offers a message of hope, a warning, and a challenge - and businesses have a crucial role to play in changing the course of our planet's future. The report shows that we already have solutions, in every sector, to halve emissions by 2030, in line with a 1.5°C pathway.

Our carbon footprint

Measured by Positive Planet

How we measure our footprint

In devising a carbon reduction plan with the goal of achieving Net Zero, it is critical that we first understand where our emissions come from. To support this, we have partnered with Positive Planet to measure our emissions.

How our carbon footprint is calculated:

Using the GHG Emissions Protocol Standard, business emissions are identified using three scopes of emissions.

Six Greenhouse Gases are calculated as part this emissions report, known as the six Kyoto Protocol GHGs. These gases have the highest Global Warming Potential (GWP) and can all be released through different business activities. For the purposes of emissions reporting, these gases are simplified and measured in the unit of tonnes of carbon dioxide equivalent (tCO_2e). We have measured our Scope 1, 2, and upstream Scope 3 emissions.

CO_2 CH_4 N_2O HFCs PFCs SF_6 NF_3

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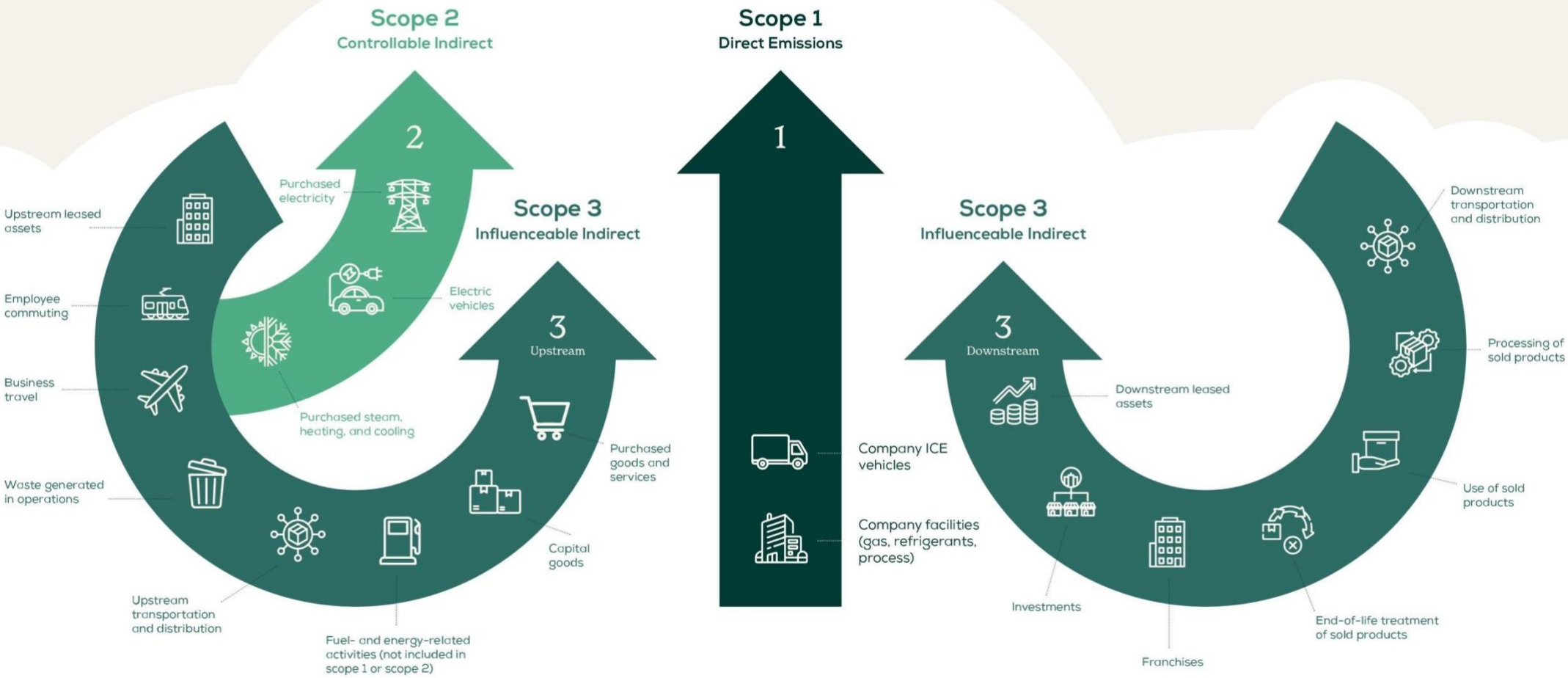


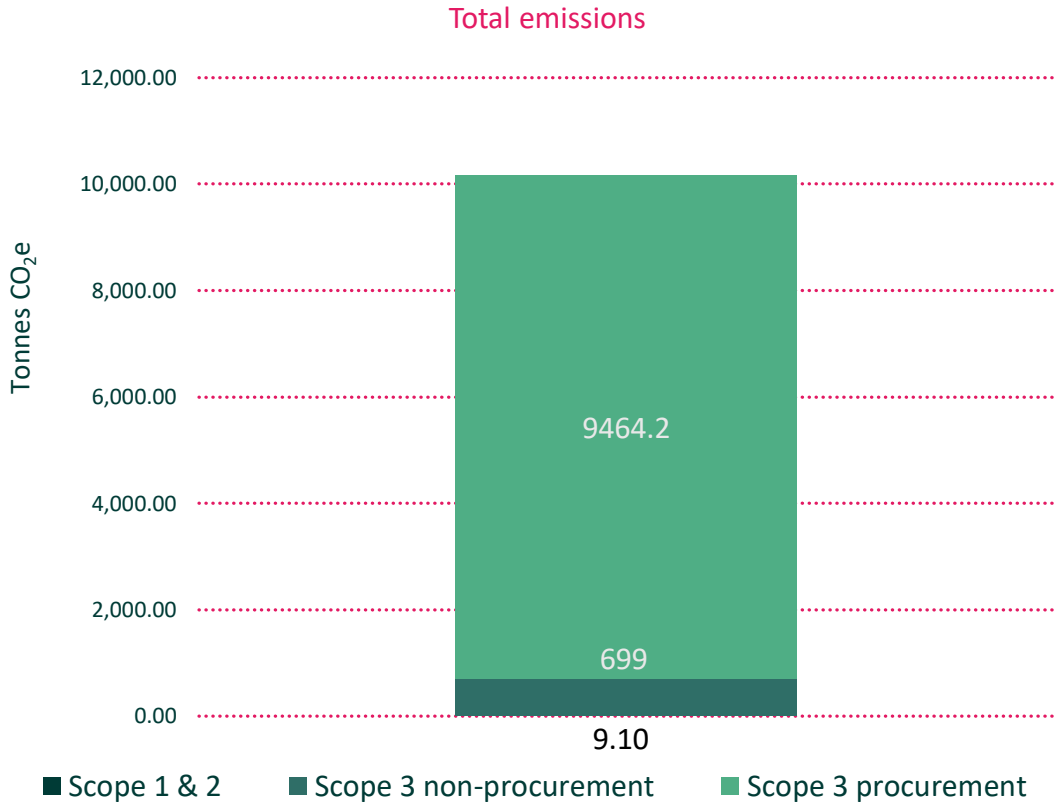
Upstream Activities | Reporting Company | Downstream Activities

Our baseline year: April 2023 - March 2024

Total emissions

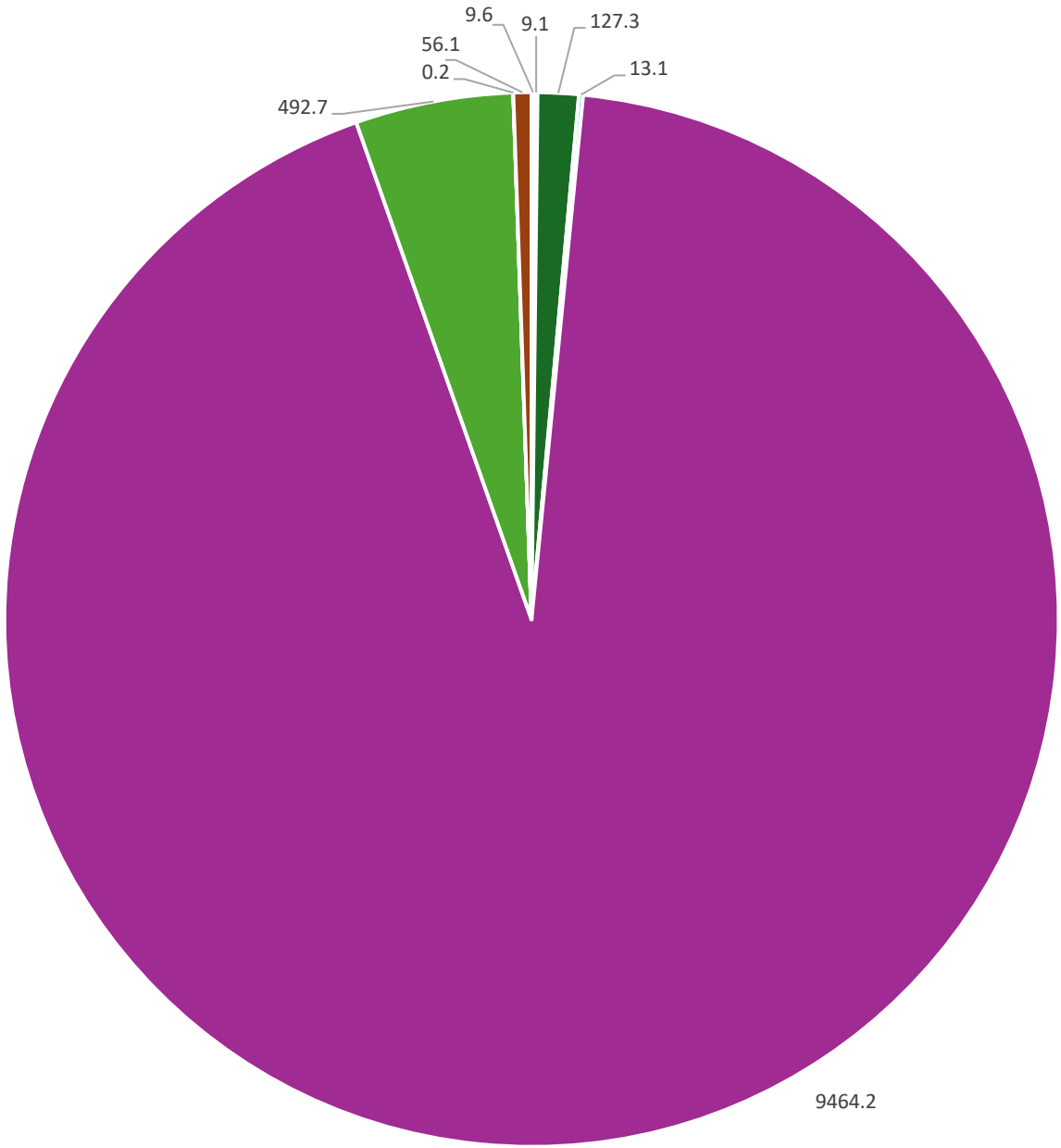
10172.3 tCO_2e

(market-based)



- Our reporting year ran from 1st April 2023 - 31st March 2024. This is our first year of reporting and will be Nualtra's baseline year.
- Our reporting year includes results for all Scope 1, Scope 2, and Scope 3 upstream and downstream (transportation & distribution) categories of emissions.
- Our total emissions equate to a Carbon Intensity Metric of 0.4241 $kgCO_2e$ per full serving of product based on 23,986,947 total servings during the measurement period.

How we measure our footprint



Emissions by Category (tCO2e)

An easier way to view our emissions is by category instead of scopes. We have measured our Scope 1, 2, and upstream Scope 3 emissions. These categories appear in our footprint:

- Office utilities
- Company cars
- Business travel
- Employee commuting
- Procurement
- Distribution
- Waste
- Indirect energy emissions

Our Net Zero targets

Measured by Positive Planet

What does Net Zero mean?

To achieve Net Zero, companies aim to reduce emissions in line with Science Based Targets (SBTs). These are set by organisations and are "Science Based" when they align with the reductions needed to keep global temperature rise well below 2°C, and preferably 1.5°C as per the Paris Agreement. SBTs provide companies with a pathway for sustainably transforming to a low carbon economy.

Current guidance from the Science Based Targets Initiative (SBTi) states that **most businesses should reduce their total emissions across all scopes by 90%** by 2050 at the latest. Carbon removals should then be used to neutralise the residual emissions. Net Zero targets must include Scopes 1, 2 and 3.

Scope 1 emissions

Direct greenhouse gas emissions that occur from sources owned or controlled by a company, such as emissions from combustion of fuels in on-site boilers, furnaces, or vehicles.

Scope 2 emissions

Indirect greenhouse gas emissions that result from the generation of purchased electricity, steam, or other forms of energy consumed by a company.

Scope 3 emissions

All other indirect greenhouse gas emissions that occur in an organisation's value chain, including emissions from upstream and downstream activities.

What's the difference?

Net Zero
When a business has reduced its Scope 1, 2, and 3 emissions by as much as possible, leaving only 'residual' emissions, which cannot be removed. Current guidance from the SBTi states that for most businesses, this means a total reduction in emissions across all Scopes by ~90%. Carbon removals should then be used to neutralise the residual emissions.

Carbon neutral
A carbon neutral business has committed to reducing emissions, and in the meantime balances its remaining emissions through carbon removal/ offsetting schemes.

Zero emissions
When no carbon is produced directly from a particular activity, product, or service (such as the running of an electric van or an electric cooker on electricity produced through solar power).

Our Net Zero targets

1

Reduce Scope 1 & 2 emissions by 100% by 2030

2

Reduce Scope 3 emissions by 21% by 2030

3

Reduce our total emissions by ~90% by 2050, becoming Net Zero

4

Improving data quality by 2028 to capture our emissions accurately representative to our business

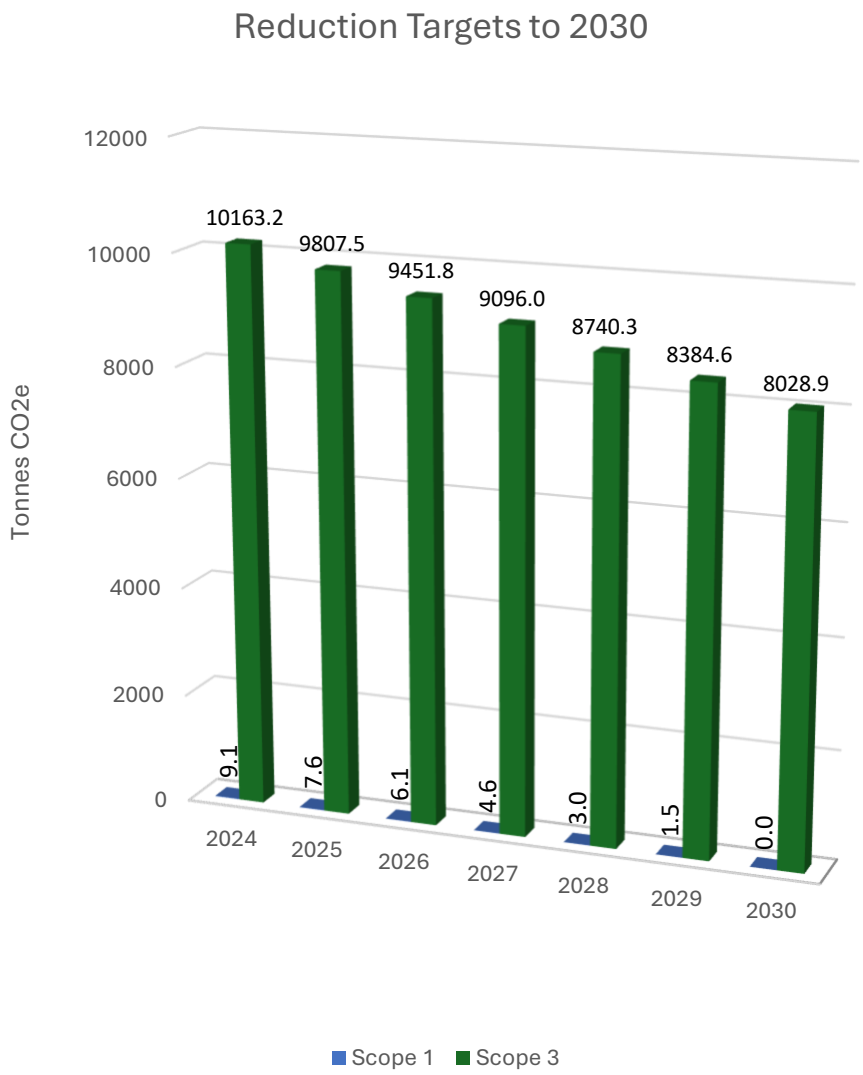
Targeted annual reduction:

Absolute Emissions

We can see how much carbon emissions we must reduce each year by applying each of our carbon reduction targets to our current measured emissions.

The graph* shows that to reach our emissions reductions targets, **we must achieve an annual decrease of (from 2024):**

- **16.67% of Scope 1 emissions to 2030.**
- **3.5% of Scope 3 emissions to 2030, then 10% to 2050.**



*See appendix for calculations

Our Net Zero Roadmap

Measured by Positive Planet

Steps we've taken to reduce emissions

Measuring our carbon footprint

In 2024, we committed to measuring and reporting our business' carbon footprint annually, allowing us to understand where our emissions come from and take action to reduce them. We appointed experts Positive Planet to support.

Employee engagement

We have signed up and rolled out Carbon Literacy Training to our workforce in 2024. Carbon Literacy Training is designed to increase awareness and understanding of climate change and its associated impacts. The goal of this training is to empower individuals and organisations to take action and make more informed decisions, both at home and work, to protect our planet. On average, certified learners reduce their footprints by 5-15%, of which ~50% are work-related.

Steps we've taken to reduce emissions (cont.)

Our Scope 1 and 2 emissions are a small emissions category, accounting for 1% of our total carbon footprint. As we have sole ownership of these emissions, we must concentrate on reducing this figure to zero as fast as possible.

These emissions result from company fleet vehicles. We are conducting a review of our company car policy and fleet management to determine an electrification strategy. Although we have a considerably small fleet of vehicles, we will implement transition to electric vehicles. This step will further entail streamlining our fleet and replacing remaining fossil fuel vehicles with fully electric at the end of their useful life.

We also aim to work with facilities management and other tenants to influence a switch to renewable energy and remove dependency on gas for heating and hot water for our leased assets.

Our priorities for the years ahead

Utilities & Travel

Utilities

In the short-term we are taking actions to incentivise heating efficiency behaviours. We will continue to explore alternative options to gas boilers and will aim to implement these once a viable option is identified.

As part of our commitment to engage with our landlords and reducing energy demand and location-based Scope 2 emissions, we aim to effectively collect data for our sites and influence environmental standards at the premises.

Business travel & commuting

We aim to explore ways in which we can support staff to make more sustainable choices when travelling. We understand that low-carbon modes of transport are not always the most accessible and can often be less convenient due to our site location. Hence, we want to minimise this as far as possible for our staff members. We will engage our staff members in the process, find out what barriers are currently being faced, and seek initiatives which incentivise low carbon travel.

Reducing emissions from procurement

The goods and services we purchase are a sizeable amount contributor to our total carbon emissions. In fact, 93% of our annual footprint comes from procurement emissions.

The goods and services that we procure to operate our business make up the majority of our procurement emissions. This figure has been estimated using spend-based data, which means it cannot tell us much about the emissions of our specific suppliers; but it does tell us that this is an area where we need to focus our efforts.

Ultimately, our supply chain emissions are responsible for the majority of our total business emissions. It is therefore imperative that we engage with suppliers to start collecting data and to use this data to set some reporting and reduction targets.

We're aiming for a 21% reduction in procurement emissions by 2030 from our current reporting period.

This is a 3% reduction year-on-year and will keep us on track to reduce emissions in line with the well-below 2°C scenario.

Starting 2025, we will implement a sustainable procurement policy and send out an annual supply chain survey to begin engagement with our suppliers and improve data quality for procurement. We are currently in the process to develop out a roadmap to engage with our supply chain. We hope to establish and engage them along our decarbonisation journey. We aim to implement a plan moving ahead with them.

Our supply chain

Reducing emissions from the purchase of goods and services will involve a reduction in carbon emissions across our supply chain. Supply chain decarbonisation is not expected to be a fast process, but there are initial steps that we can take to make sure that it happens at a rate consistent with our supply chains own actions.

If we are to reach Net Zero, we will need to work with businesses with similar targets and be able to track emissions and reductions. To get started on this action, we will do the following 3 activities:

1. Supplier Engagement

We have rolled out our supply chain engagement program with our top suppliers and initially aim to build relationships to open communications and to foster a collaborative approach to reducing emissions. By 2026, we will engage with these suppliers to roll out a Net Zero collaborative strategy for our procurement.

2. Supply Chain Surveying

For our wider supply chain, we will utilise regular surveying that we have already kickstarted in 2024 to undertake an initial screening of our supply chain's current sustainability credentials. We will use any available emissions data in our footprint as well as our carbon reduction targets to inform future decision-making.

3. Procurement policy & ESG target setting

We are currently working on procurement policies and principles to align with our Net Zero targets. As part of these new policies, we ultimately aim to set targets for our suppliers to encourage adoption of sustainability and improve tracking of progress.

Reducing emissions from transportation & distribution

Upstream logistics emissions

Engaging with distribution partners to ensure we work with those dedicated to decarbonisation within the logistics industry is key to reducing emissions from the freight of products to our warehouse, clients and customers.

Communicating with distribution partners will allow us to identify those who align with our Net Zero goals. Obtaining direct emissions reports will also allow us to accurately track emissions reductions achieved by our partners as they transition to low emission freight alternatives such as EVs, HVO or hydrogen fuelled vehicles.

Whilst engaging with partners there are some options which may be actionable on our side to improve efficiency and reduce product shipping emissions. We continue to explore the below to identify opportunities:

1. Packaging efficiencies
Reassess our packaging and prioritise minimum packaging for products.

2. Distribution efficiencies
Engage with our distribution partners to understand alternative modes of transport with low carbon emissions.

3. Local and last mile delivery
Once electrified, deliveries made on behalf of our logistics would be significantly lower than those made using conventional road vehicles.

Embedding sustainability into our culture

We are responsible for maintaining positive relationships with our stakeholders – whether that's our team members, clients, partners, or our local community. We are proud to be surrounded by so many brilliant and committed individuals, all focused on tackling the climate crisis and ensuring a better future for us all. As an organisation, we aim to inspire positive change in every area of our work.

Building a sustainable workforce

We aim to provide Carbon Literacy Training to all our employees and to become a Bronze certified Carbon Literate Organisation by February 2026.

Communication and reporting

Public and available on Nualtra's website:

- Annual Net Zero report done by Positive Planet which will cover our carbon footprint and broader Net Zero strategy.
- Nualtra's Sustainability Policy which will be reviewed every 6 months and reflect our company approach and shorter-term initiatives.

Internal employee engagement:

- Quarterly company-wide meetings to update on sustainability goals and progress.

By implementing the above actions, we hope to also reduce our utilities, business travel and commuting emissions by encouraging sustainable behaviours within our team.

Summary

Our Net Zero strategy can be summed up into three major steps:

1. Measure

We will measure our emissions each year and review our priorities for the year ahead each time. During this time, we will place a particular emphasis on gathering supplier-specific data from our suppliers.

2. Reduce

We've already outlined and actioned some short to medium term initiatives to continue working on this year. Using future measurements, we should be able to provide more insight into emissions hotspots as data quality improves.

3. Report and Monitor Progress

In the short to medium term, we will invest funds into our own operations to reduce emissions. Once we see we have reduced the emissions that we can control and influence (especially as we approach the original 90% emissions reduction target), we will commit to maintain and monitor our reduction progress.

Appendix - Calculations

Emissions Reduction Targets Overview (Aligned with SBTi)
As part of our commitment to science-based climate action, our emissions reduction targets align with the Science Based Targets initiative (SBTi) framework. These targets account not only for emissions reductions but also accommodate projected company growth and economic inflation to ensure absolute decarbonisation in line with a 1.5°C trajectory.

Scope 1:

- **Current Emissions**: 9.111 tCO_2e
- **Target**: 100% absolute reduction by 2030
- **Annual Reduction Needed**: 1.518 tCO_2e
- **Year-on-Year Reduction Rate**: 16.67%

This target reflects a commitment to fully decarbonise direct operational emissions. It is a clear, absolute reduction pathway consistent with SBTi's most ambitious criteria. Given the relatively low Scope 1 baseline, the target is considered both ambitious and achievable, even as operations scale.

Scope 3:

- **Current Emissions**: 10,163.181 tCO_2e
- **Target**: 21% absolute reduction by 2030
- **Remaining Emissions by 2030**: 8,028.913 tCO_2e
- **Annual Reduction Needed**: 355.711 tCO_2e
- **Year-on-Year Reduction Rate**: 3.5%

Given the significance of Scope 3 emissions in our value chain, this reduction target accounts for anticipated business growth and upstream/downstream complexity. SBTi permits intensity-based or absolute reductions for Scope 3, and our current approach follows an **absolute reduction**, which is more robust. The 21% cut over 6 years (2024–2030) is ambitious yet realistic, particularly as it accounts for potential emissions increases tied to business expansion and inflationary pressures.

Contextual Considerations:

- **Business Growth**: Our targets are designed to remain valid even with projected company expansion, ensuring that emission reductions outpace growth. This means decoupling emissions from revenue, a key SBTi principle.
- **Inflation & Market Dynamics**: We've adopted a conservative estimation buffer to reflect price volatility and cost increases, particularly in energy and logistics, to maintain integrity in our reduction estimates.
- **SBTi Alignment**: Both targets are structured to comply with SBTi criteria—Scope 1 at 100% absolute reduction and Scope 3 meeting the minimum 2/3 coverage rule and exceeding the required 2.5% YoY reduction threshold for value chain emissions.

Year	Scope 1	Scope 3	Total
2024	9.11	10,163.18	10,172.29
2025	7.59	9,807.47	9,815.06
2026	6.07	9,451.76	9,457.83
2027	4.56	9,096.05	9,100.60
2028	3.04	8,740.34	8,743.37
2029	1.52	8,384.62	8,386.14
2030	-	8,028.91	8,028.91

Appendix

- This report has been prepared for Nualtra in collaboration with our Net Zero Advisory partner Positive Planet.
- The calculation has been completed using the methodologies established and reviewed by Positive Planet.
- All the calculations are based on total emissions considering Global Warming Potential for 100-year period (GWP100) and expressed in CO2 equivalent (CO2e).
- The factors unless mentioned specifically to be otherwise, are from UK Government Conversion Factor for Company Reporting.
- This procedure is based on one of the most established standards, the Greenhouse Gas (GHG) Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The principles of the widely accepted GHG protocol's Corporate Accounting and Reporting Standard. This translates to - completeness, accuracy, transparency, relevance, and consistency are used for the review and benchmarking of the data.
- Intensity metrics have been calculated utilising the 2023-2024 reportable figures for the following metrics and tCO2e for both individual sources and total emissions were then divided by this figure to determine the tCO2e metric.
- For re-baselining and measurement - any variation between re-calculated footprint and previously reported footprint will be considered as significant if it is more than 5%. In such cases re-calculation of base year should be undertaken.

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