Carbon Reduction Plan

For Marlux Medical

Publish date: 25 July 2024

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MARLUX MEDICAL

positive planet

Our Commitment

Marlux Medical is committed to achieving Net Zero emissions by 2038.

What does Net Zero mean in practice?

To achieve Net Zero, we will be aiming to reduce emissions in line with the latest science-based targets (SBTs). SBTs are greenhouse gas reduction goals set by organisations, they are defined as "science-based" when they align with the scale of reductions required to limit global temperature increases to 1.5°C compared to pre-industrial temperatures. To achieve Net Zero under this scenario, we will need to reduce our absolute emissions by 90% from our baseline year.

SBTi recommends that organisations commit to near-term targets (that cover a minimum of 5 years/maximum of 10 years from the baseline year), as well as long-term targets.

Our near-term targets:

- Reduce scope 1 emissions by 42% by 2030.
- Reduce scope 2 emissions to zero by 2030.
- To procure 80% renewable electricity by 2025 and 100% by 2030.
- Reduce Scope 3 emissions by 42% by 2030.
- Measure all scope 3 categories by 2025.

Our long-term targets:

- Reduce our total market-based emissions (scope 1, 2 and 3) by at least 90% by 2038.
- Neutralise any residual emissions using verified carbon offsets.

Scope 1 emissions: direct greenhouse gas emissions that occur from sources owned or controlled by a company, such as emissions from the 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.

Our Carbon Footprint

Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured. We have chosen to set our baseline year as 1 April 2022 – 31 March 2023.

Baseline Year: 2022-23
Additional details relating to the Baseline Emissions calculations: The current reporting year (1 April 2022 – 31 March 2023) is the first year that we have measured and reported our carbon footprint and will serve as the baseline year for future measurements.

Current Emissions Reporting

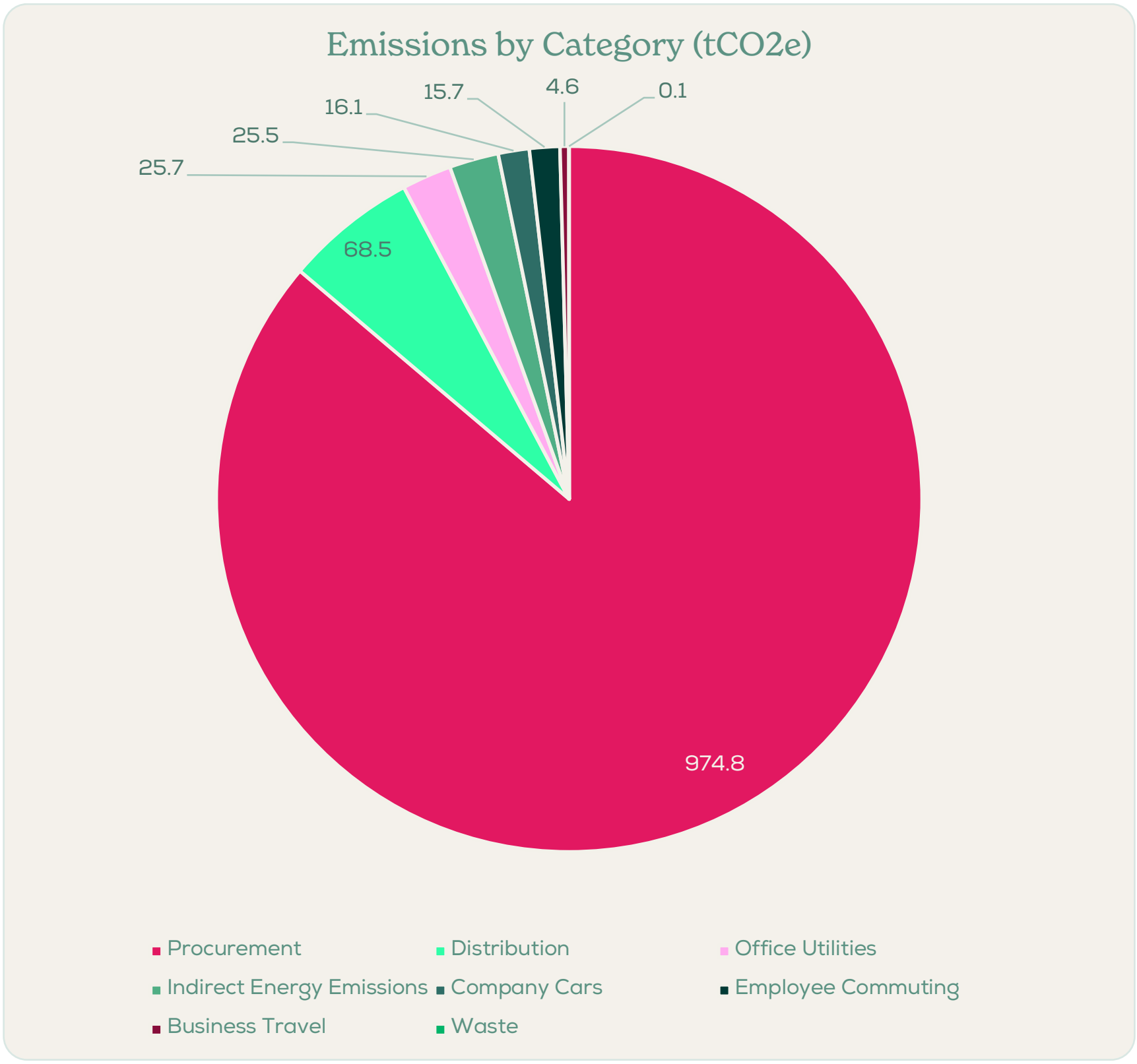
Current Reporting Year: 2022-23	
Emissions	**Total (tonnes CO_2e)**
Scope 1	25.9
Scope 2*	Market-based: 15.9 Location-based: 15.9
Scope 3 including: - Purchased Goods & Services - Capital Goods - Fuel & Energy Related Services - Business Travel - Upstream Transportation & Distribution - *Downstream Transportation & Distribution (none)* - Employee Commuting & Homeworking - Operational Waste & Water - *Leased Assets (Upstream & Downstream) (none)* - Franchises & Investments (none)	1,089.2
Total Emissions*	**Market-based: 1,131.0** **Location-based: 1,131.0**

*Purchased electricity can be measured in two ways. A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). A market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice). A market-based method therefore takes into account the purchase of electricity via a verified renewable energy tariff. We have chosen to base our Net Zero target on a market-based methodology.

Carbon Intensity Metrics

Current year: 2022-23	**Carbon intensity metric**
Employees (tCO_2e per FTE)	62.8
Revenue ($kgCO_2e$ per £)	0.4524

Carbon Emissions Breakdown



Carbon Reduction

Our Net Zero targets

Marlux Medical is committed to achieving Net Zero by 2038. To achieve Net Zero under this scenario, we will need to reduce our absolute emissions by 90% from our baseline year. To keep us on track, we have also set the following near-term targets to 2030.

Our near-term targets:

- Reduce scope 1 emissions by 42% by 2030.
- Reduce scope 2 emissions to zero by 2030.
- To procure 80% renewable electricity by 2025 and 100% by 2030.
- Reduce Scope 3 emissions by 42% by 2030.
- Measure all scope 3 categories by 2025.

Our long-term targets:

- Reduce our total market-based emissions (scope 1, 2 and 3) by at least 90% by 2038.
- Neutralise any residual emissions using verified carbon offsets.

Progress

There are no previous existing carbon emission reduction targets against which to report progress.

Completed Carbon Reduction Initiatives

The following emissions management measures and projects have been completed or implemented.

Activity	Completion Date	Scope
Commit to measuring carbon footprint of business activities year on year to gain an understanding of pinch points and regularly be making efficient and direct improvements to reduce these emissions. Year 1 appointed Positive Planet to support with calculating baseline carbon footprint and reduction recommendations.	2024	1,2,3
Created a Group Green Team (together with Summit Medical) to lead initiatives. This team has been made up of members from different departments to support the roll out of initiatives and management of data, this includes sharing and collaborating throughout the organisations.	2024	1,2,3
Made all our sold privacy curtains recyclable, and removed all plastic packaging. We also introduced 80% recycled cardboard boxes.	2021-2022	3
Switched all our manufacturing to within the UK, which has reduced our manufacturing footprint by 19%. In addition, all our suppliers (apart from one critical supplier) is also based in the UK, and as the other supplier is based in Europe, we have managed to reduce our long-haul manufacturing shipping to zero.	2022	3
Launched curtains with 50% recycled content in March 2023. As using recycled content is considerably lower emissions than virgin material, next year's carbon footprint measurement should show this impact. We are also currently working towards producing hooks from recycled curtains, which will further build upon our sustainable manufacturing achievements.	2023	3
Mandated driver-efficiency training for company van users, which would have the effect of reducing van fuel use.	2022	1

Has an informal policy of encouraging car-sharing where possible when doing business travel, as well as commuting.	2023	3
Created a space in our internal comms chat for environmental positive conversations for our Green Team, as well as talking about sustainability quarterly in our newsletter.	2024	3
Started offering three recycling programmes to customers. Each of these are done differently in order to fit each customer segment's needs best (eg collected by Marlux, mailed back by the customer, etc). These have helped reduce waste, ensuring they either get recycled (if not soiled) or reprocessed to use as recycled manufacturing material.	2022	3
ISO 9001 and ISO 14001 certification. As part of this management system, the organisation has put the following initiatives into place:	1995 (ISO 9001) 2022 (ISO 14001)	1,2,3
This may include environmental management measures such as certification schemes like ISO14001 or PAS 2060, signing up to SBTI or specific measures you have taken such as; - the adoption of LED/PIR lighting controls - changes to policy resulting in a reduction in company travel and flights - the partial hybridisation of the company fleet - implementing a work from home policy		

Future Carbon Reduction Plans

We are committing to action the following emissions management measures and projects in line with our Net Zero targets.

Reduction Plans – Scope 1 & Scope 2				
Activity No.	**Activity**	**Target Date**	**% Reduction Target**	**Category**
1	Ask the landlord to consider low-cost options such as reducing the boiler temperature and adding heat & solar control reflective window sheets.	2024	Low	Stationary Combustion
2	Procure a 100% renewable electricity tariff. This change will reduce market-based emissions (from chosen tariff) from the site to 0 tCO2e.	2025	100% (market-based)	Purchased Electricity
3	Implement energy efficiency measures to reduce the overall amount of electricity consumed at sites, and optimise operational procedures. Examples of reduction measures include: - upgrading lighting and introducing more sensor lighting (for hallways and stairs), and aligning sensor times to usage patterns (eg 3 minutes for corridors, 20 minutes for working spaces) - installing timers on sockets/equipment to automatically turn appliances and machinery off during non-working hours - reviewing and renewing inefficient equipment (when at end of life), and actively consider the energy efficiency of	2025	Medium (location-based)	Purchased Electricity

	equipment and machinery when new purchases are required (eg laptops, fridges, dishwashers)			
4	To reduce heating needed, commission a site audit to determine where insulation can be improved (common areas of improvement are roofs, external walls, windows and doors). Using thermal cameras will often identify these areas of low insulation with ease in colder months. Alternatively, encourage the landlord to do the above.	2030	High	Stationary Combustion
5	As our site is an industrial one, explore annual solutions to heat the site more efficiently and using low-carbon options. Explore the feasibility of installing electric radiative heating (or other heating), following an energy audit to assess feasibility and payback periods to generate 100% of heating demand, with the goal to eventually remove onsite stationary combustion (gas) heating. Alternatively, encourage the landlord to do the above. If the UK Grid is 100% powered by renewable energy before this point, your Scope 2 location-based (and market-based) electricity emissions will already be zero. You would still need to consider gas emissions unless removed (or better technology is available).	2030	High	Stationary Combustion
6	To completely reduce market and location-based electricity emissions to zero, install on-site renewable energy generation technologies where feasible, such as solar PV panels and solar heating to generate as much heating	2030	100% (location and market-based)	Purchased Electricity

	and energy demand as the roof or other space allows. Alternatively, encourage the landlord to do the above. If the UK Grid is 100% powered by renewable energy before this point, your Scope 2 location-based (and market-based) electricity emissions will already be zero.			
	Conduct a review of company vehicles to outline a two-phase strategy for company vehicle electrification, beginning with hybrid and ending with a fully electrified fleet: - switch remaining fossil-fuel van to hybrid - determine a timeframe for hybridisation of this vehicle and commit to this. Although we would have liked to directly to switch to electric vehicles, the fact that our vehicles will be used in areas with limited charging infrastructure makes use of EVs infeasible at the present time. Therefore, once extensive public charging infrastructure is in place in our service areas, we shall then convert our fleet to electric. We shall examine the feasibility of this yearly.	2024	100%	Mobile Combustion Purchased Electricity (EVs)

Based upon the above completed and planned initiatives, it is projected that Scope 1 & 2 carbon emissions will decrease from the current normalised measurement of 41.8 tCO_2e to 15.0 tCO_2e by 2030. This is a reduction of 64% and will keep us on track to Net Zero.

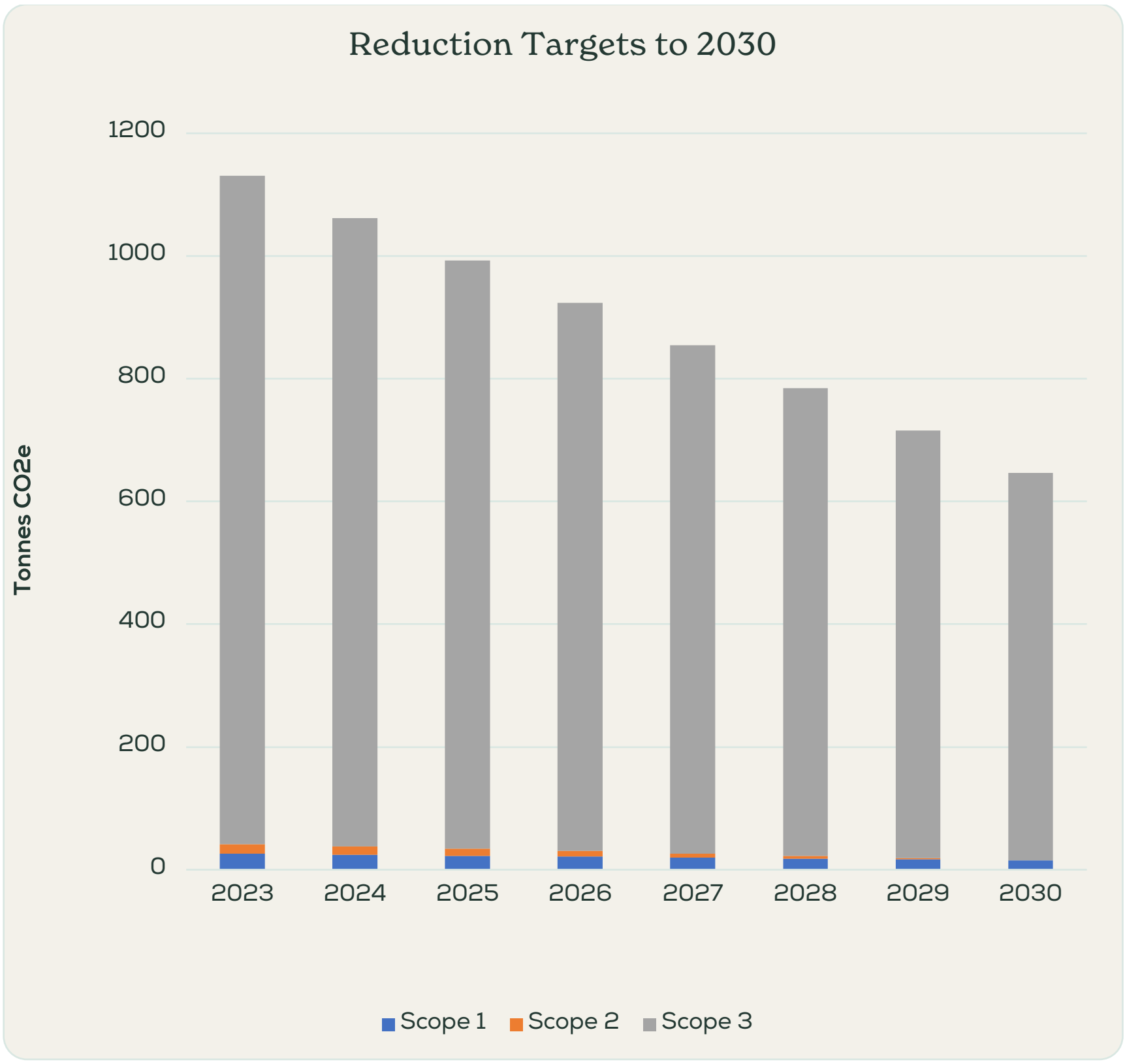
We also aim to implement the further initiatives below to reduce Scope 3 emissions:

Reduction Plans – Scope 3				
Activity No.	Activity	Target Date	% Reduction Target	Category
1	Commit to measuring the remaining downstream Scope 3 categories, meaning that year's carbon emissions measurement will be a full picture of Marlux's carbon impact. Currently, the largest missing category is Disposal of Sold Products, meaning that once these are measured, specific reduction activities targeted at these categories will be able to be created.	2025	-	Product emissions
2	Consider training and engagement for the Green Team, leadership, and the wider employee base. Including and not limited to, certified Carbon Literacy Training for all applicable to roll out to further workforce and share with externals where appropriate. On average, certified learners reduce their carbon footprints by 5-15%, of which ~50% are work-related.	2025	2.5 - 7.5%	Commuting & Homeworking Business Travel
3	Continually explore ways to use as much recycled plastic (or other low-carbon materials) as possible in manufacturing our curtains, as technologies to use recycled plastic in manufacturing is continually improving.	2024	High	Purchased Goods and Services
4	Implement a Sustainable Procurement Policy. Encourage suppliers to adopt sustainable practices and improve their own carbon footprint through supplier engagement, procurement policies and contracts, and monitoring reporting mechanisms.	2025	High	Purchased Goods & Services

	Commit to a Sustainability Audit or Survey to request further information regarding credentials – Plan to send these to the top 5/10 suppliers by spend. This data collection will support reduction journey by gathering important data for future measurement & encourage supply chain integration towards Net Zero. Complete this audit within two phases: 1. Identify suppliers for engagement 2. Formulate and collect data (survey/scoring) Once completed prioritise suppliers with lower carbon footprints as part of the above phased approach. For curtain materials, this may include buying recycled (or at least partially recycled) materials, which tend to be lower carbon. This may also involve purchasing second hand/refurbished (furniture, IT equipment, machinery) and extending the lifespan of purchased items. Develop and monitor procurement policy for all new suppliers to align to Net Zero goals.			
5	Review logistics partners/couriers and utilise the above Sustainable Procurement Policy. Work with providers to gather their emissions data, and/or switch to lower-carbon providers.	2025	Medium-high	Upstream Distribution
6	Develop and implement a Sustainable Travel Policy to support environmental impact of choices when travelling, staying in hotels and commuting. The priorities within this policy will support active travel and low emission travel options where appropriate. Monitor and consider alternatives to air-based travel as a priority and commit to offering support to workforce with options for active travel schemes, such	2025	Medium-high	Business Travel Commuting

	as bike to work. Formalise current informal car sharing policy as part of the Sustainable Travel Policy. Utilise the emissions travel hierarchy: - Digital communication - Walking and cycling - Public and shared transport - EV's and car sharing/clubs - ICE vehicles and car sharing/clubs - Air travel Consider creative ways to engage and support the workforce to influence change. Examples include setting an internal organisation carbon credit scheme (limit that to a number of tCO_2e per year), extra holiday days for low emission travel choice, subsidised travel, equal mileage payments for diesel/petrol/EVs/cycling.			
7	Liaise with key suppliers to see whether they can ship with the minimal amount of packaging needed to secure the product.	2024	Medium	Waste

Based upon the above completed and planned initiatives, it is projected that (as a minimum) Scope 3 carbon emissions will further decrease over the next seven years from the current normalised measurement of 1,089.2 tCO_2e to 631.7 tCO_2e by 2030. This is a reduction of 42% and will keep us on track to Net Zero.


Reduction Targets to 2030
Tonnes CO2e
1200
1000
800
600
400
200
0
2023
2024
2025
2026
2027
2028
2029
2030
Scope 1
Scope 2
Scope 3

Declaration and Sign Off

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard[1] and uses the appropriate Government emission conversion factors for greenhouse gas company reporting[2].

This Carbon Management Plan has been reviewed and approved by Marlux Medical Executive Team.

Signed on behalf of Marlux Medical:

Name: Amy Pedreschi

Position: General Manager

Date: 13/08/24

1 https://ghgprotocol.org/corporate-standard

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