



# Carbon Reduction Plan

Supplier name: Bioventus Coöperatief U.A.

Publication date: January 30, 2024

## Commitment to Achieving Net Zero

Bioventus is committed to achieving Net Zero emissions by 2050.

Note that due to the small size and structure of Bioventus, this Carbon Reduction plan is held and implemented at the operating level (Bioventus LLC) and is supported and adopted by the bidding entity (Bioventus Coöperatief U.A.), who is a wholly owned subsidiary of Bioventus LLC. The environmental measures set out in this plan are able to be applied by the bidding entity when performing the relevant contract.

## Baseline Emissions Footprint

<b>Baseline Year: 2022</b>	
<b>Additional Details relating to the Baseline Emissions calculations:</b>	
Bioventus is currently undergoing a significant change to its manufacturing architecture, consolidating 2 of its manufacturing facilities into an existing facility in Memphis, TN (USA) that will be expanded with new state-of-the-art capabilities. This is a multi-phase program, with some consolidation expected to be complete in early 2024, and additional consolidation completed in 2025. Given the significant nature of the change to its manufacturing architecture and supply chain, a revised GHG baseline will be completed once the new architecture is fully in place, which will include Scope 1, 2 and relevant categories of Scope 3 emissions. Regarding Scope 3 emissions, Bioventus has evaluated Scope 3 categories for relevance and is working toward gathering the data necessary to calculate these emissions.	
<b>Baseline Year Emissions: Calendar Year 2022</b>	
<b>EMISSIONS</b>	<b>TOTAL (tCO<sub>2</sub>e)</b>
Scope 1	836 (Location based)

<b>Scope 2</b>	636 (Location based)
<b>Scope 3</b>	50.47 (Business travel, UK car fleet) * <i>*Work commenced in 2023 to collect data related to additional relevant Scope 3 categories</i>
<b>Total Emissions</b>	1,522.47 tCO <sub>2</sub> e

## Current Emissions Reporting

<b>Reporting Year: Calendar Year 2022</b>	
<b>EMISSIONS</b>	<b>TOTAL (tCO<sub>2</sub>e)</b>
<b>Scope 1</b>	836 (Location based)
<b>Scope 2</b>	636 (Location Based)
<b>Scope 3 (Included Sources)</b>	50.47 (Business travel, UK car fleet) * <i>*Work commenced in 2023 to collect data related to additional relevant Scope 3 categories</i>
<b>Total Emissions</b>	1,522.47 tCO <sub>2</sub> e

## Emissions Reduction Targets

Bioventus is committed to aligning with the NHS net zero goals and has developed a global sustainability program aimed at understanding carbon emissions and other environmental impacts across operations, supply chain and products. The objective of this work is to develop a net zero roadmap that outlines strategies and near-term targets that support our net zero journey. Our goals related to climate change include:

- A long-term commitment to achieve Net Zero emissions by 2050
- Setting near-term science-based emissions reduction targets in line with a 1.5° emissions scenario

As part of the Sustainability Program, Bioventus initiated work to complete a Scope 1 and 2 emissions baseline (calendar year 2022), which was completed during 2023. We also assessed Scope 3 emissions categories to determine which are relevant to our organization, and began to collect data needed to develop a Scope 3 baseline for relevant Scope 3 categories. This includes product mapping activities for key product lines which will provide for data calculating emissions related to upstream and downstream transportation/distribution.

The activities listed below reinforce the organizations commitment to reducing our carbon footprint, with more carbon reduction activities anticipated to be identified and executed following additional work to quantify Scope 3 emissions.

1. We will complete a substantial change to our manufacturing architecture by early 2024 with additional work to be completed in 2025. This change will consolidate two facilities

into one existing/expanded facility in Memphis, TN (USA) with new state of the art capabilities. This significant architecture change is expected to reduce GHG emissions through:

- a. Improved energy efficient manufacturing capabilities located in Memphis, TN. The expanded facility will utilize an energy management system and more energy efficient HVAC equipment than at the previous (former) facilities.
  - b. Simpler supply chain routes. Raw materials are currently drop shipped to each manufacturing location. Consolidating into one location will reduce routes for these shipments. In addition, the consolidation work will eliminate intermediate 3PL (third party logistics) company shipments to customers by shipping direct from the expanded Memphis, TN facility.
2. We will expand the use of electric vehicles among our sales force. Through implementation of policies and incentive programs, we expect to continuously increase the use of electric vehicles among the sales fleet. The sales force at Bioventus is more than 45% of the workforce, making this an impactful program to reduce Scope 3 emissions from business travel.

We project that carbon emissions will decrease over the next five years, and will publish year over year GHG emissions data in regular updates to this carbon reduction plan.

## Carbon Reduction Projects

### Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed/implemented over the past 24 months. The carbon emission reduction achieved by these projects will be reflected in year-over-year emissions reporting provided by Bioventus through this plan.

- Bioventus facilities in Valencia, CA, Memphis, TN and Durham, NC have upgraded or are utilizing LED lighting.
- The expanded manufacturing location in Memphis, TN has been fitted with new energy efficient HVAC equipment and is utilizing an energy management system within the facility. Single stream recycling has also been implemented for the new facility.
- Air compressor systems at our Bioventus facility in Memphis, TN have been adjusted to optimize their trigger settings, reducing the number of cycle times each day and resulting in lower energy use and GHG emissions.

Future sustainability projects that will result in GHG emission reductions include:

- Energy reduction through utilization of occupancy sensors in work areas across Bioventus facilities.
- Energy, water and waste reductions related to the consolidation of the Bioventus manufacturing architecture into the expanded Memphis, TN location, as well as incorporating sustainability into Continuous Improvement activities.
- Evaluation of rooftop solar projects at certain Bioventus facilities.

- Reduction in supply chain routes resulting from the new manufacturing architecture; including less drop shipments of raw materials into manufacturing locations and streamlined shipping to customers (eliminating 3PL intermediaries).
- Changes to supply chain shipping modalities, including moving away from air shipments, when possible, to modes that result in less GHG emissions (ocean, ground).
- Packaging improvements to some product lines.

## 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<sup>1</sup> and uses the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>2</sup>.

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<sup>3</sup>.

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

Signed on behalf of the Supplier:

*Michael Crowe*  
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Date: *29 Jan 2024*  
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<sup>1</sup> <https://ghgprotocol.org/corporate-standard>

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

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