

Nevro Corp. Carbon Reduction Plan

Supplier name: Nevro Corp.

Publication date: September 25, 2024

Commitment to achieving Net Zero

Nevro Medical Limited, through its board of directors, is committed to achieving Net Zero emissions by 2050.

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.

Baseline Year: 2022

Additional Details relating to the Baseline Emissions calculations

Nevro Corp. is expected to be a growth company for the foreseeable future. Recently, the company has begun a process of expanding internal manufacturing capabilities through vertical integration of elements of its supply chain. This process began with an organizational shift in late 2022 and early 2023 to the owned manufacturing of products in an expanded Costa Rica facility designed to comply with the Blue Flag environmental program sponsored within Costa Rica.

In 2022 Nevro Corp. began the process for the collection of Scope 1 and 2 emissions. In 2022, Nevro Corp. collected Scope 1 and Scope 2 data for owned operations in the United States and for operations in Costa Rica to establish a baseline for reporting in 2023, and a subset of Scope 3 collections of data for UK emissions in 2022.

Nevro's greenhouse gas emissions (GHG) were calculated in alignment with the GHG Protocols.

- Scope 1 encompasses direct emissions, including those associated with the direct consumption of natural gas, heating oil, and diesel fuel as well as the emissions associated with owned and leased vehicles. Scope 1 emissions are mainly calculated based on volumes of consumed fuels in each region of operations.
- Scope 2 encompasses indirect emissions, including those associated with the purchase and consumption of local electricity and distinct heating energy. Scope 2 emissions are mainly calculated based on volumes of purchased and consumed electricity and heating energy in each region of operations.
- Scope 3 encompasses other indirect emissions, such as business travel, emissions from extraction of fuels and production of purchased goods and services (including cloud services and video conferencing), vehicles not owned or controlled, outsourced activities, employee commuting (including remote working), and waste disposal. Scope 3 emissions are mainly calculated based on mileage (air travel and ground transportation), stay duration (hotels), energy consumption (upstream emissions from purchased fuels and electricity), spend (purchased goods and outsourced activities), technology usage (cloud services and video conferencing), estimates of employee travel and home energy consumption (employee commuting and teleworking), and industry benchmarks (waste disposal).

Scope 3 emissions in the five required categories including:

1. Upstream transportation and distribution

2. Waste generated in operations
3. Business travel
4. Employee commuting
5. Downstream transportation and distribution

Our first calculation, and baseline calculation (financial year 2022) was our first year of carbon reporting and data gathering, it is more of an initial orientation than a true baseline. We will get a more accurate and stable picture of actual emissions after several reporting cycles when we have systemic data gathering over the next several years.

Factors that influenced our 2022 data include the aftermath of the coronavirus pandemic, the cancellation of operations, reduced travel and overnight stays, and the global economic, and geopolitical impact of the war in Ukraine has complicated our supply chains. Additionally, the investment backlog in the NHS (one of our main customers) and the reduced capacity due to staff shortages in the healthcare sector were of note.

Nevro continues to use 2022 data as the baseline in this report, however, based on the data from 2023 and the next 3-5 years it may prove more appropriate to use a different year as the baseline as it will more accurately reflect operations.

Baseline year emissions: 2022

EMISSIONS	TOTAL (tCO₂e)
Scope 1	In 2022, we determined this number to be 0 for Nevro global operations. However, we expect that 2023 will be a more accurate current state as manufacturing continues to ramp up. 2023 reporting will be provided in 2024.
Scope 2	In 2022, we determined this number to be 0.239 tCO ₂ e of purchased electricity for Nevro global operations facilities. However, we expect that 2023 will be a more accurate current state as manufacturing continues to ramp up. 2023 reporting will be provided in 2024.
Scope 3 (included Sources)	In 2022, we determined this number to be 61.3724 tCO ₂ e for Nevro UK operations in the five subset categories for Scope 3.
Total Emissions	61.6114 tCO₂e

Current Emissions Reporting

Reporting Year: 2023	
EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	In 2023, we determined this number to be 0 for Nevro global operations.
Scope 2	In 2023, we determined this number to be 148.058 tCO ₂ e of purchased electricity for Nevro global operations facilities.
Scope 3 (Included Sources)	In 2023 we determined this number to be 471.189 tCO ₂ e for the five subset categories in UK operations.
Total Emissions	619.247 tCO₂e

Emissions reduction targets

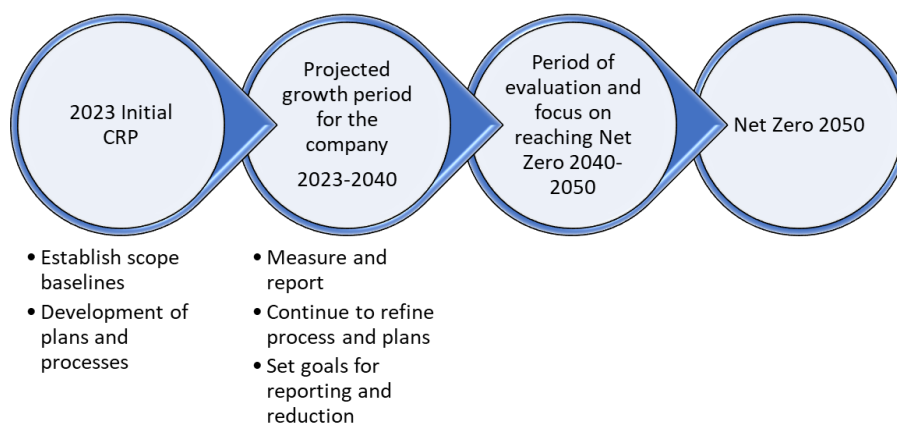
To continue our progress to achieving Net Zero, Nevro plans to set and adopt carbon reduction targets once manufacturing in Costa Rica has normalized, and an accurate picture of the business can be developed. As part of the CRP annual review, Nevro Corp. expects to, on an annual basis, provide a statement of intent for whether the business is considered still in growth for the coming year. If not, Nevro will provide an update with a plan and goals for obtaining Net Zero by 2050.

We believe our 2023 measurements reflect that our business is still in a period of growth. We project that carbon emissions will decrease on a like-for-like basis in tCO₂e and expect to provide a % reduction goal to be reported in 2030.

Nevro is developing a sustainable plan for collecting and reporting Scope 1, 2, and select UK Scope 3 emissions reporting in the next several years using the Evergreen Assessment protocol and the Social Value Programme as guidance. The data above represents Scope 1 and Scope 2 data for 2023 in Nevro Corp. operations on a parent-company consolidated basis and for the UK-only impact of select Scope 3 data in 2023.

- Scope 1 inventory remained the same as there are no direct emissions from stationary sources.
- Scope 2 inventory is tCO₂e of purchased electricity for Nevro global operations increased this year to our base year, this is in line with the growth of the Nevro business, and refrigeration remained the same as no units are charged on site.
- Scope 3 inventory increased this year to our base year, this is in line with the growth of the Nevro business and are also due to the influencing factors explained in the upper section. The tCO₂e in the five subset categories is for operations in the UK only.

The timeline for the plan can be seen below:



Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented during 2023. The carbon emission reduction achieved by these projects will be calculated and reported in the 2024 CRP to determine the tCO₂e, a % of reduction on a unit basis against the baseline data, and the measures are expected to be in effect when performing the contract.

Nevro Corp. baseline activities:

1. Completed the move of a significant percentage of manufacturing activities to Costa Rica from an external third party.
2. Received First Blue Flag from the Government of Costa Rica in the category of "Against Climate Change."
3. Social-Environmental programs at headquarters, including recycling, composting, and social-environmental responsibility activities continue to expand.
4. Completion of the Evergreen Sustainable Supplier Assessment, Level 1 achieved.
5. Data collection from Healthlink Europe and travel system Concur for increased accuracy.

In the future, we hope to implement further measures such as:

1. Explore ongoing reduction of package sizing for additional SKUs and create package reduction measurements.
2. Explore reduction of business travel.
3. Align appropriate Social Value Programme elements to the business.

Nevro Corp. future activities:

1. Analysis of energy bills in all buildings for areas to reduce or redistribute workforce and activities.
2. Commit to the analysis of any new product or site impact on the CRP and

commitment to Net Zero by 2050.

3. Maintain accurate measurements of Scope 1, 2 and select Scope 3 activities in the UK as well as identifying any gaps.
4. Assess the measurements and progress against targets of Scope 1, 2 and select Scope 3 UK activities.
5. Based on the measures of 3 above, appropriately respond to and strive for steady reductions in each scope.
6. Strive to reach Level 2 in the Evergreen Sustainable Supplier Assessment.

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 standard¹ and use the appropriate Government emission conversion factors for greenhouse gas company reporting².

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and we are reporting the required subset of Scope 3 emissions for the UK in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard³.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body) and is available for public review at:

www.NevroESG.co.uk

Signed on behalf of the Supplier, Nevro Medical Limited:

Signature: /s/ Rod MacLeod

Name: RODERICK HENRY MACLEOD

Titel: Director, Nevro Medical Limited and Chief Financial Officer, Nevro Corp.

Date: 26/09/2024

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

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

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