

CARBON-ZERO



CARBON MANAGEMENT PLAN

Prepared for: Ethypharm UK

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1. Executive Summary

This Carbon Management Plan sets out ambitions for Ethypharm UK (Ethypharm) and acts as a roadmap for progress. The emissions from the wider Ethypharm Group are not considered as part of this plan. Reducing carbon emissions is not just about commitment to the environment. The same processes used to identify carbon emissions reduction will also identify and realise financial savings through improved efficiency in the procurement and operation of buildings, transport, manufacturing, and supply processes. The actions outlined within this Carbon Management Plan form part of an efficiency plan to reduce consumption and provide value for money.

Reductions will be achieved through a range of projects including energy initiatives, travel policies and changes to the manufacturing and supply processes. This Carbon Management Plan is viewed as a 'live' document and will be updated annually.

The 2022 baseline carbon footprint was calculated to be **25,047 tonnes** of carbon dioxide equivalent (t/CO_{2e}).

Ethypharm is committed to achieving Net Zero emissions by 2050

Ethypharm have established short term targets on their journey to Net Zero. By 2027, Ethypharm will have reduced their carbon emissions intensity by 50%, compared to the 2022 baseline.

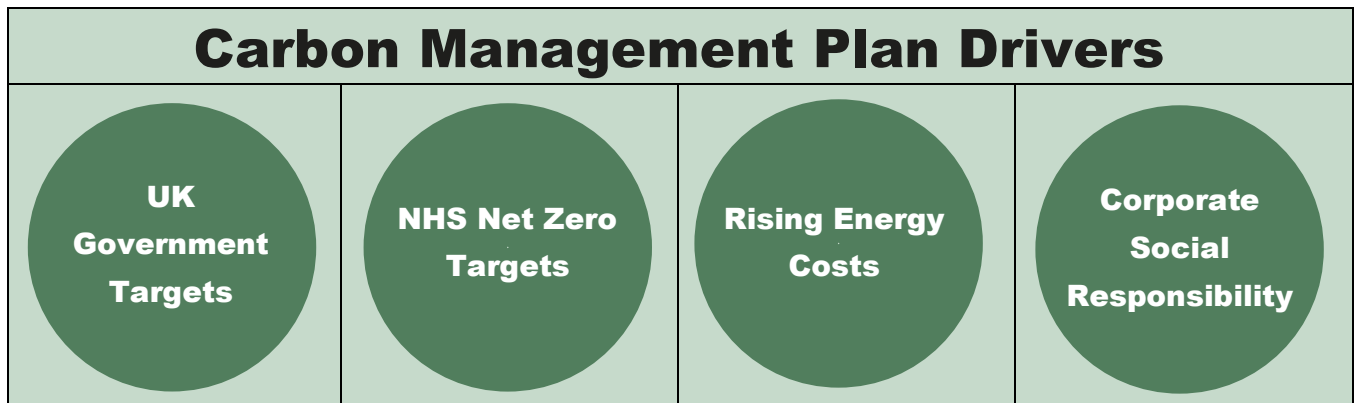
2. Background and Context

Purpose of the Carbon Management Plan:



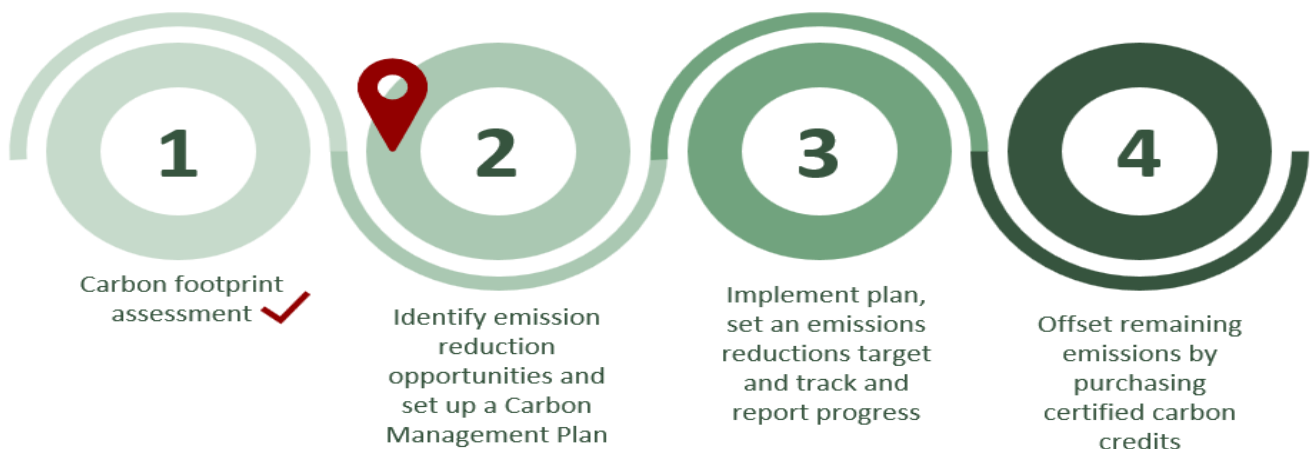
Drivers for Carbon Management:

Organisations and businesses face a complex set of drivers for managing carbon emissions. These drivers should not be considered in isolation and should be considered in reference to the overall goal of minimising environmental impact while contributing to society and the economy.



Becoming a Carbon Neutral Company:

The below summarises the process Ethypharm can undertake to achieve carbon neutrality as part of an overarching Net Zero strategy aligning with broader Government goals.



Scope and Boundaries of the Carbon Footprint:

The scope of this assessment extends to the carbon emissions associated with Ethypharm’s annual business operations. The reporting methodology has been aligned to the GHG Protocol Corporate and Value Chain Standards. The inclusion of scope had been aligned to the mandatory reporting requirements identified by NHS England. The figure below details the mandatory and recommended emissions sources as outlined in these standards, along with confirmation of their inclusion.

GHG Assessment Emissions Sources				Required or Optional (NHS)	Included in Scope	
Category	Emissions Source Category (Aligned to GHG Protocol Corporate and Value Chain Standards)					
Scope 1	Direct emissions arising from owned, leased or directly controlled stationary sources that use fossil fuels and/or emit fugitive emissions.			Required	✓	
	Direct emissions from owned, leased or directly controlled mobile sources.			Required	✓	
Scope 2	Location-based emissions from the generation of purchased electricity, heat, steam or cooling.			Required	✓	
	Market-based emissions from the generation of purchased electricity, heat, steam or cooling.			Required	✓	
Scope 3 – Upstream	1	Purchased goods and services		Optional	✓	
	2	Capital goods		Optional	✓	
	3	Fuel and energy related activities (not included in Scope 1 or 2)	3a	Upstream emissions of purchased fuels	Optional	✓
			3b	Upstream emissions of purchased electricity	Optional	✓
			3c	Transmission and distribution (T&D) losses	Optional	✓
	4	Upstream transportation & distribution.	Outbound courier deliveries of packages		Required	✓
			Third-party transportation and storage of inbound production related goods		Required	✓
	5	Waste generated	Waste treatment		Required	✓
	6	Business travel	All transportation by air, public transport, rented/leased vehicles and taxi.		Required	✓
			Emissions arising from hotel accommodation associated with business travel.		Required	✓
	7	Employee commuting	Employee transport between home and places of work.		Required	✓
Emissions from employee home and remote working			Required	✓		
8	Upstream leased Assets	Operation of assets leased by the reporting company in the reporting year and not included in scope 1 and 2.		Optional	✗	
Scope 3- Downstream	9	Downstream transportation and distribution		Required	✓	
	10	Processing of sold products		Optional	✗	
	11	Use of sold products		Optional	✗	
	12	End of life Treatment		Optional	✗	
	13	Downstream leased Assets		Optional	✗	
	14	Franchises		Optional	✗	
	15	Investments		Optional	✗	

Table 1- Scope of Carbon Emissions Assessment

3. Emissions Baseline

The baseline reporting period covered 1st January 2022 to 31st December 2022. The table below details the emissions per scope for this period. As renewable electricity was not purchased in 2022 both the location-based and market-based emissions were 25,047.5 T/CO_{2e}.

GHG Assessment Emissions Sources		T/CO _{2e}	% of Total Emissions
Category	Emissions Source Category		
Scope 1	Direct emissions arising from owned, leased or directly controlled stationary sources	1,584.7	6.3%
	Direct emissions arising from owned, leased or directly controlled mobile sources	16.9	0.1%
Scope 2	Market-based emissions from the generation of purchased electricity, heat, steam or cooling	895.7	3.6%
Scope 3	1 Purchased goods and services	19,408.5	77.5%
	2 Capital goods	1,238.3	4.9%
	3 Fuel and energy related activities	520.8	2.1%
	4 Upstream transportation & distribution.	31.0	1.2%
	5 Waste treatment	97.0	0.4%
	6 Business travel	169.6	0.7%
	7 Employee commuting & homeworking	771.5	3.1%
	8 Upstream leased assets	-	0.0%
	9 Downstream transportation and distribution	33.5	0.1%
Total Emissions		25,047.5	

Table 2- Baseline Carbon Emissions

4. Current Emissions Reporting

The table below details the market-based emissions (35,186 T/CO_{2e}) per scope for 2025. The location-based emissions for 2025 were 35,996 T/CO_{2e}.

GHG Assessment Emissions Sources		T/CO _{2e}	% of Total Emissions
Category	Emissions Source Category		
Scope 1	Direct emissions arising from owned, leased or directly controlled stationary sources	1,859.3	5.3%
	Direct emissions arising from owned, leased or directly controlled mobile sources	60.8	0.2%
Scope 2	Market-based emissions from the generation of purchased electricity, heat, steam or cooling	0.0	0.0%
	Electricity Purchased for Electric Vehicles	7.4	0.0%
Scope 3	1 Purchased goods and services	23,873.0	67.8%
	2 Capital goods	3,267.2	9.3%
	3 Fuel and energy related activities	465.4	1.3%
	4 Upstream transportation & distribution.	341.9	1.0%
	5 Waste treatment	133.8	0.4%
	6 Business travel	1,086.4	3.1%
	7 Employee commuting & homeworking	863.2	2.5%
	8 Upstream leased assets	-	0.0%
	9 Downstream transportation and distribution	3,227.0	9.2%
Total Emissions		35,185.5	

Table 3- 2025 Annual Carbon Emissions



5. Carbon Footprint Projections

Ethypharm have established a short-term emissions intensity reduction target on their journey to Net Zero. By 2027, Ethypharm will have reduced their carbon emissions intensity by 50%.

From 2022 to 2025 Ethypharm have average an annual growth rate of 150%. Turnover has increased from £54.4 million in 2022 to £181.5 million in 2025 and increased sales has led to higher emissions from the use of Goods and Services. Despite turnover increasing by 234%, the total emissions have only increased by 40%. As a result, the emissions intensity of Ethypharm’s operations has decreased from 461 Kg/CO₂e per £1000 of turnover to 194 Kg/CO₂e.

The figure below details Ethypharm’s annual emissions for 2022-2025 and potential emissions if they had been consistent with the business growth rate. Emissions for 2026-2027 have been forecasted using the annual average growth rate from the past three years of 150% per annum.

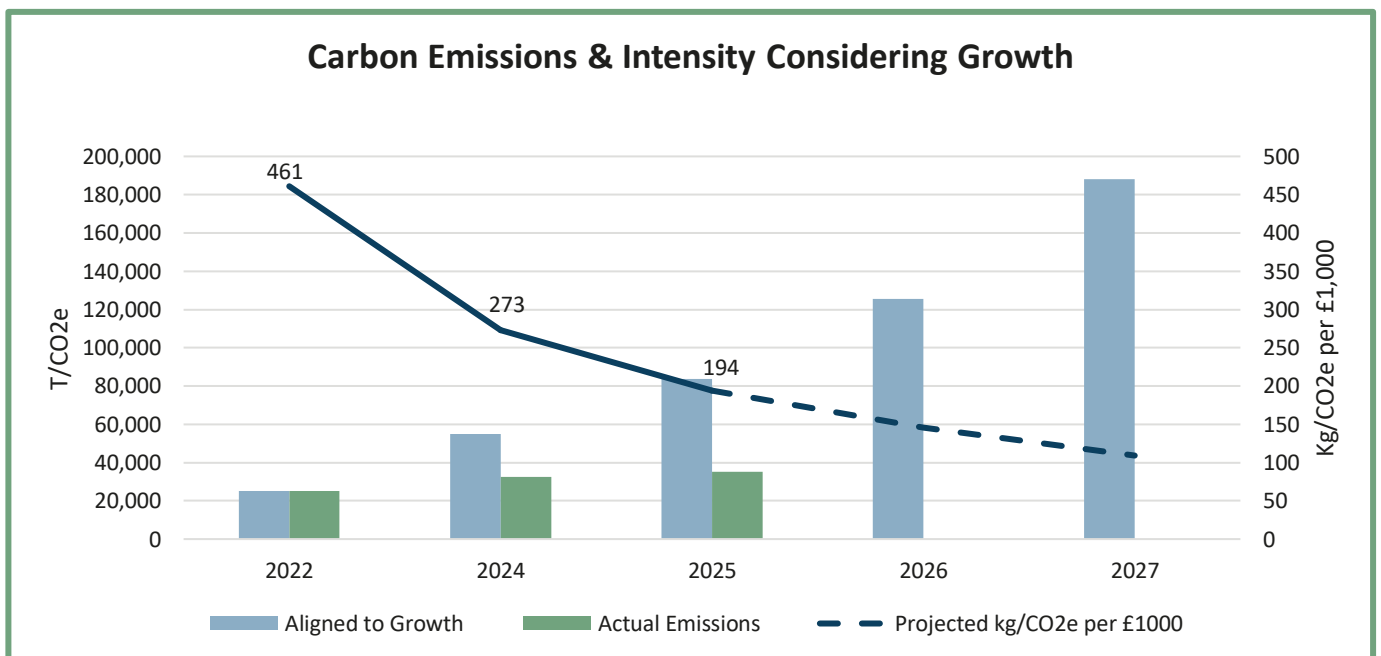


Figure 1- Carbon Emissions Projection Including Growth

Had emissions increased with growth they are expected to be 83,585 T/CO₂e by 2025. Current emissions are 35,186 T/CO₂e, significantly below this figure. If emissions were to rise inline with growth Ethypharm’s annual emissions could surpass 188,000 T/CO₂e by 2027.

By limiting emissions increases despite significant growth Ethypharm have reduced the emissions intensity of their operations. Ethypharm are on track to achieve a 50% emissions intensity reduction by 2027.

6. Completed Carbon Reduction Initiatives

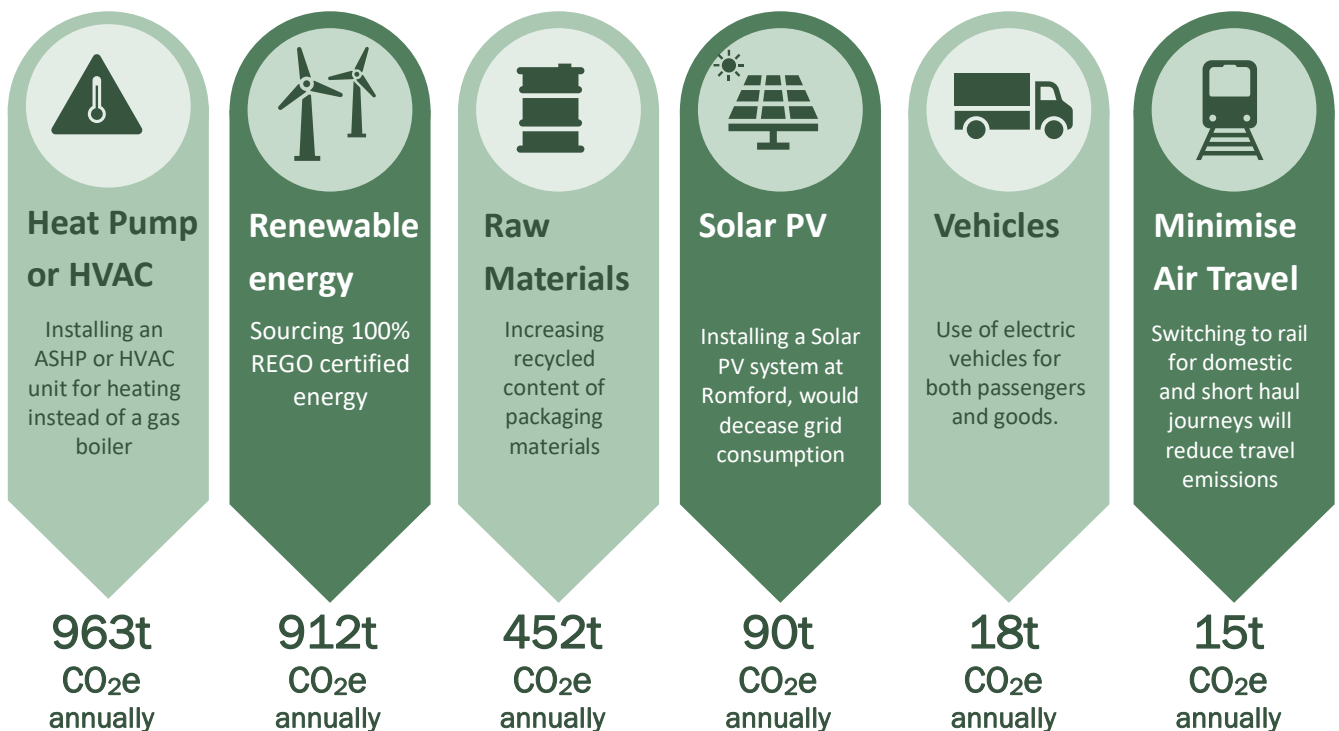
The following environmental management measures and projects have been completed or implemented since the 2022 baseline:

- Certification of ISO 14001
- Pledge to SBTi targets
- Obtained Ecovadis rating
- Installation of LED lighting with motion sensors where appropriate
- A renewable energy tariff has been obtained for all facilities

7. Carbon Reduction Opportunities

To achieve emissions reductions Ethypharm is committed to identifying opportunities for carbon reduction and implementing carbon saving projects. The following sets out some of the opportunities identified through the business carbon assessment as areas to consider for targeting carbon reduction.

The following carbon mitigation projects will be explored further and implemented if deemed feasible. An annual carbon savings value has been estimated for each measure.



8. Management and Delivery of the Carbon Management Plan



In order to ensure that there is effective and ongoing ownership of the Carbon Management Plan, it is important to have a fully defined governance structure.



The Carbon Management Plan and carbon saving target will be approved by internal management, providing endorsement and a clear commitment at the highest level, reinforcing the need for action across the business.



The specific objectives of the Carbon Management Plan will be included in the organisation's strategic plan and other high-level plans. Key stakeholders at all levels of the business will provide overall support for promoting a culture of carbon reduction. The key to success of this Carbon Management Plan is effective engagement within the different areas of the business.

9. Progress Reporting

This Carbon Management Plan is considered as a 'live' document – envisaged to change with the needs and scope of business operations. To ensure the Plan remains fit for purpose the document should be reviewed annually, with attention to:



- Progress towards the overall carbon reduction target (in terms of tCO_{2e})




- Progress of identified carbon reduction projects, including;
 - Any financial savings achieved
 - Costs of implementing projects
 - Wide benefits of projects

10. Declaration

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 and uses the appropriate Government emission conversion factors for greenhouse gas company reporting .

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

Name: Bruno Barcelos
Position: Managing Director
Date: 11-Mar-2026 | 14:04 GMT

DocuSigned by:

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