

## UK Carbon Reduction Plan

Supplier name: **Fresenius Kabi Limited, United Kingdom (UK)**

Publication date: November 2024

### Overview

The UK Government amended the Climate Change Act 2008 in 2019 introducing a target of at least a 100% reduction in the net carbon account (reduction of greenhouse gas emissions compared to 1990 levels) by 2050. This is the Net Zero Target.

FHC (Holdings) Limited is the holding company of two UK subsidiaries: Fresenius Kabi Limited and Calea UK Limited (together **Fresenius Kabi UK**). These companies are healthcare companies involved in supplying pharmaceutical products, controlled drugs, medical devices, nutritional feed, and nursing services. Both companies operate out of adjacent sites in Runcorn; these consist of warehouse space, offices, and an aseptic compounding centre.

Fresenius Kabi UK takes its responsibility to protect the environment seriously. We constantly work to improve our environmental protection efforts and apply high environmental standards in a bid to reduce greenhouse gas emissions in the UK. Furthermore, Fresenius Kabi UK is in full support of the Net Zero strategies in place across NHS England, NHS Scotland, and NHS Wales.

Fresenius Kabi Limited is classified as a large unquoted UK company under the definition of the Streamlined Energy and Carbon Reporting regulations (**SECR**) by virtue of meeting both financial and employee thresholds.

Fresenius Kabi Limited reports its scope 1 and scope 2 emissions under the SECR. This plan covers all scope 1 and 2 emissions in line with the GHG Protocol Corporate Standard and Action Note PPN 06/21. Improvements have been made in the reporting of Scope 3 emissions.

### Commitment to Achieving Net Zero

Fresenius Kabi Limited is committed to achieving Net Zero emissions in the UK by 2040<sup>1</sup>.

### Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and used as a reference point against which emissions reductions can be measured. The baseline emissions were calculated prior to the introduction of any strategies to reduce emissions. \*

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<sup>1</sup> Fresenius Kabi UK's ultimate parent company Fresenius SE & Co, KqaA has the ambition to be climate neutral in its own operations by 2040 for Scopes 1 and 2 and Net Zero by 2050. More details are set out here [Sustainability Ambition - Fresenius Sustainability Hub 2023](#)

**Baseline Year: 2021****Additional Details Relating to The Baseline Emissions Calculations for Fresenius Kabi UK.**

Fresenius Kabi UK reports its emissions with reference to the latest Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). The following are used to convert energy use in our operations to emissions of CO<sub>2</sub>e: for gas, the 2022 UK Government GHG Conversion Factors for Company Reporting published by the UK Department for Environment Food & Rural Affairs (DEFRA) and for electricity, the International Energy Agency (IEA) 2019. Carbon emission factors for purchased renewable electricity are calculated according to market-based emission factors. Data sources include billing, invoices, and internal systems.

Fresenius Kabi UK operates from two sites in Runcorn – Cestrian Court (**site one**) and Cestrian Court 2 (**site two**). For electricity, gas, fugitive emissions, and diesel consumption, Fresenius Kabi Limited was estimated to be responsible for all site two emissions and 30% of site one emissions; Calea was estimated to account for 70% of site one emissions. Site two electricity is on a 100% green energy tariff. Company car emissions are based on business car mileage by fuel type provided.

2021 is our baseline year for emissions data.

We have completed scope 3 calculations for 2022 in the following categories and using the following data:

- Category 4: Upstream transportation and distribution – These emissions have been estimated based on spend for deliveries from suppliers to Fresenius Kabi UK and from Fresenius Kabi UK to customers (paid for by Fresenius Kabi UK). The incoming deliveries are split between Fresenius Kabi and Calea based on revenue. Several suppliers have been excluded due to a lack of available data. We are committed to improving our reporting of Scope 3 emissions and therefore expect the figures to increase in the future to reflect this.
- Category 5: Waste generated in operations – These emissions are based on primary data and by waste stream and disposal method using DEFRA conversion factors for 2022. The emissions have been split between Fresenius Kabi and Calea based on percentage estimates.
- Category 6: Business travel - These emissions have been based on information provided by Fresenius Kabi UK's travel provider with tCO<sub>2</sub>e provided for each transport type or hotel. Additional business travel has been based on spend. There were some instances where travel type was unknown. We will work to improve this data going forward for any travel booked outside of the travel provider.
- Category 7: Employee commuting - A short survey was carried out in 2021 to ascertain travel distances and transport modes of employees based at the two main locations for Fresenius Kabi UK. Assumptions applied include DEFRA Conversion factors for 2022 and an average petrol engine has been assumed for all employees. The emissions have been split between Fresenius Kabi and Calea based on employee numbers. We will work to improve this reporting to capture further data on future employee surveys.
- Category 9: Downstream transportation and distribution - This has not been included due to a lack of data. We will work to improve this reporting.

<b>Baseline Year Emissions: 2021*</b>	
<b>EMISSIONS</b>	<b>TOTAL (tCO<sub>2</sub>e)</b>
<b>Scope 1</b>	<b>220</b>
<b>Scope 2</b>	<b>312</b>
<b>Scope 3</b>	<b>5,780</b>
<b>Total Emissions</b>	<b>6,312</b>

<b>Current Emissions Reporting</b>	
<b>Reporting Year: 2023</b>	
<b>EMISSIONS</b>	<b>TOTAL (tCO<sub>2</sub>e)</b>
<b>Scope 1</b>	<b>429</b>
<b>Scope 2</b>	<b>298</b>
<b>Scope 3</b>	<b>4,796</b>
<b>Total Emissions</b>	<b>5,523</b>

### **Emissions Reduction Targets**

There are mandatory environmental guidelines which provide the framework for all Fresenius Kabi organisations worldwide. These guidelines include general principles on how to address and prevent environmental risks including how to avoid environmental pollution. Fresenius Kabi also expects similar care towards the environment and its resources from its suppliers; this is set out in its Third-Party Code of Conduct.

Fresenius Kabi UK complies with all requirements of the organisation’s global strategy on environmental management.

\*Due to conversion factor errors discovered, our Scope 1 figures for the 2021 baseline have been amended to reflect the most accurate data available.

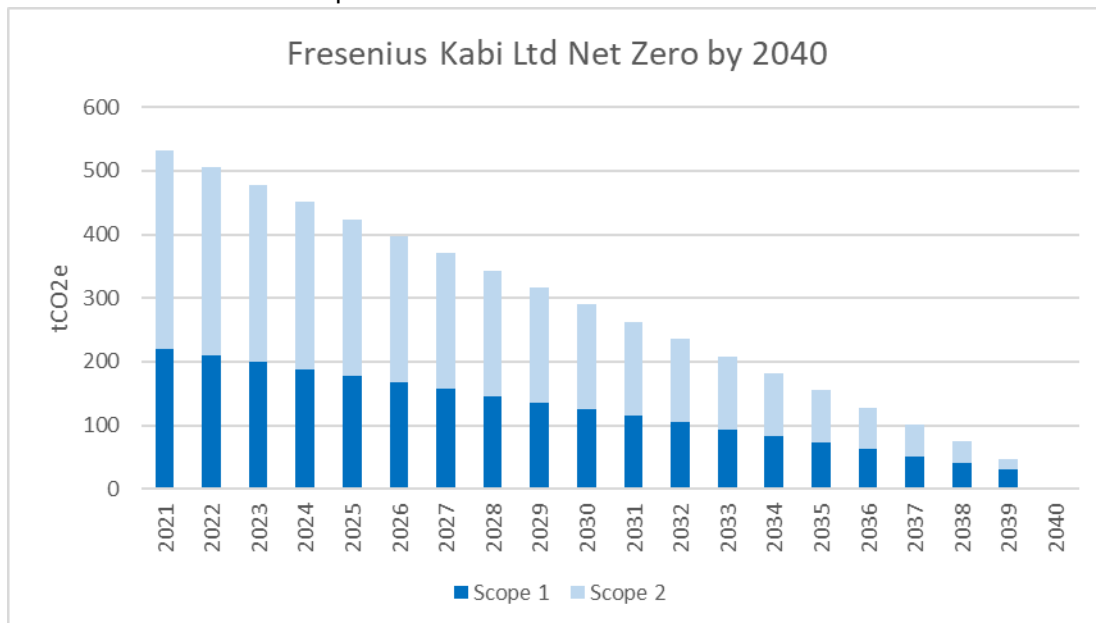
In line with NHS England’s requirement to reach Net Zero by 2040, Fresenius Kabi UK is continuing to develop a detailed roadmap to reach Net Zero in the UK by 2040 for scopes 1 and 2.

We are continuing to improve our reporting on Scope 3 including working with our third-party suppliers.

To achieve Net Zero, we have adopted the following carbon reduction targets:

- We project that carbon emissions for scopes 1 and 2 will decrease to 424 tCO<sub>2</sub>e by 2025. This is a reduction of 21% from our baseline.
- We have mapped out the scopes 1 and 2 emissions pathway to achieve Net Zero by 2040. This would require an average reduction of 5.26% per year.

The graph below shows projected progress against these targets – please note that this is estimated. Any actual reduction is unlikely to be linear, particularly as the carbon footprint of our baseline year is impacted by the effects of the pandemic. This graph does not include our scope 3 emissions.



### Carbon Reduction Projects

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

- Maintaining our ISO 14001 certification through continual improvements and compliance with environmental legislation.
- Continued electrification of our fleet with 37.9% electric or hybrid as at the end of 2023. 100% of our fleet meeting or exceeding minimum standards for clean air zones.
- Energy efficiency projects, such as working towards a complete transition to LED lighting at our sites.
- We are committed to reducing our product packaging. For example, the plastic packaging on Fresubin EasyBottles has reduced by 30% since 2011.

- Continuing to operate comprehensive waste management on our sites to ensure that 0% of our waste is disposed of to landfill.
- Included sustainability clauses in supplier contracts.

In the future we intend to evaluate further measures such as:

- Increase our use of renewable energy, with the plan to transition to 100% renewably sourced gas at our UK sites one and two, as well as 100% electricity backed by renewable energy guarantees of origin at site two. We also continue investing in efficient technology to replace legacy equipment, such as a HVAC upgrade at site one.
- Continue to engage supply chain and delivery partners to manage and reduce our scope 3 carbon emissions.
- Continue to move to cloud-based systems rather than on-premises and promote meetings via collaborative technologies where possible.
- Train our staff in environmental best practise.
- Our executive leadership team will champion sustainable best practise across the organisation.
- Employ an Environment and Sustainability Manager to ensure that we have a clear strategy for our ambitions and priorities moving forward.

### **Declaration and Sign Off**

This Carbon Reduction Plan is complete in accordance with PPN 06/21 and associated guidance and the 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>2</sup> and uses the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>3</sup>.

Scope 1 and Scope 2 emissions are reported in accordance with SECR requirements. The required subset of Scope 3 emissions has been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard<sup>4</sup>.

This Carbon Reduction Plan has been reviewed and signed off by the Executive Leadership Team.

### **Signed on behalf of Fresenius Kabi Limited:**

Mikko Tiitinen – Managing Director UK and Ireland

Date: November 2024

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<sup>2</sup> <https://ghgprotocol.org/corporate-standard>

<sup>3</sup> <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

<sup>4</sup> <https://ghgprotocol.org/standards/scope-3-standard>