

UK Carbon Reduction Plan

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

Publication date: 20 April 2022 – updated March 2023

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. Scope 3 emissions are being mapped and this reporting will continue to improve.

Commitment to Achieving Net Zero

Fresenius Kabi Limited is committed to achieving Net Zero emissions in the UK by 2040¹.

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.

¹ Please note that this is in relation to scope 1 and scope 2 only. Fresenius Kabi UK (in line with its wider group) is carrying out further work to understand its upstream and downstream supply chain (scope 3) to be included in its climate change target

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 CO₂e: for gas, the 2021 UK Government GHG Conversion Factors for Company Reporting published by the UK Department for Environment Food & Rural Affairs (DEFRA) and for electricity, International Energy Agency (IEA) 2019. Carbon emission factors for purchased electricity calculated according to location-based emission factors. Data sources include billing, invoices and internal systems.

Fresenius Kabi UK operates from two sites in Runcorn: For site one, usage estimations were made based on the data available for 2021, so averages were used to fill in the missing months. For electricity, gas, fugitive emissions, and red diesel consumption, Fresenius Kabi Limited was estimated to be responsible for all site 2 emissions and 30% of site 1 emissions; Calea was estimated to account for 70% of site 1 emissions. Company car emissions is based on litres of fuel used for business mileage and a report of all vehicles for January 2022 setting out the type of car and fuel type.

Emissions data as required by the PPN have not been published in the UK previously and we have selected 2021 as our baseline.

We have completed Scope 3 calculations for 2021 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 FHC). The incoming deliveries are split between Fresenius Kabi and Calea based on revenue. Other third-party delivery suppliers have been excluded due to a lack of available data. We will work to improve this reporting going forward.
- 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 2021. 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 tCO₂e 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 had been carried out 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 2021 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 does not form a part of our scope 3 for 2021 due to a lack of available data. We will work to capture this in future.

Baseline Year Emissions: 2021	
EMISSIONS	TOTAL (tCO₂e)
Scope 1	1,684*
Scope 2	312
Scope 3	5,780
Total Emissions	7,776

Current Emissions Reporting	
Reporting Year: 2021	
EMISSIONS	TOTAL (tCO₂e)
Scope 1	1,684*
Scope 2	312
Scope 3	5,780
Total Emissions	7,776

***Amended figure following an internal review**

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 as well as how to avoid environmental pollution. Fresenius Kabi also expects careful and responsible handling of nature 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.

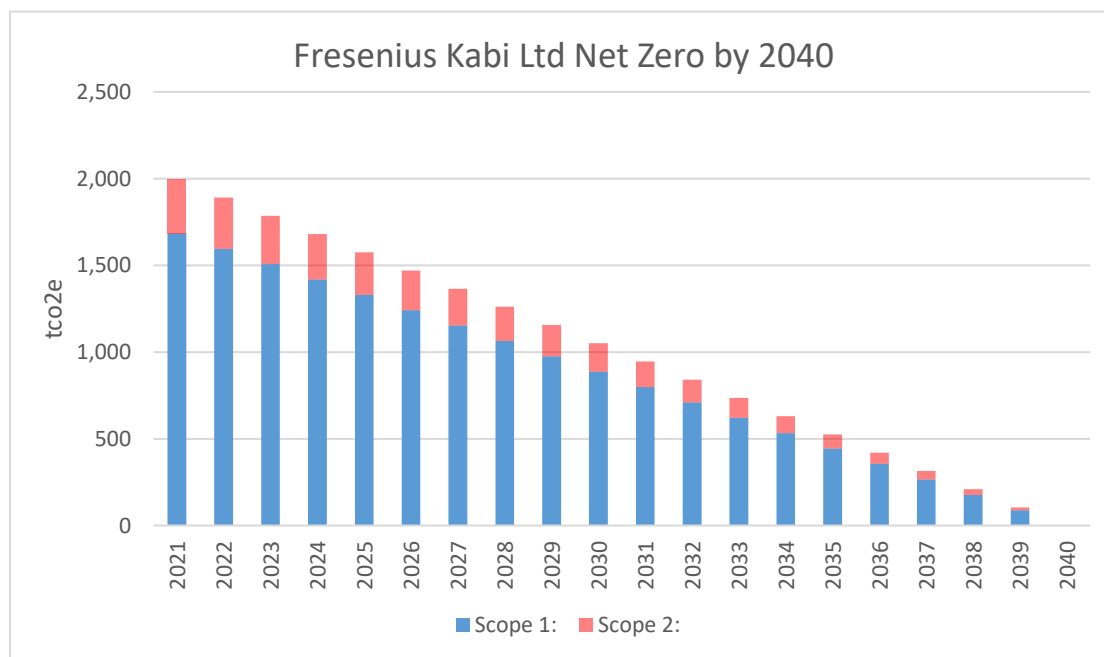
In line with NHS England’s requirement to reach Net Zero by 2040, Fresenius Kabi UK is developing a detailed roadmap to reach Net Zero in the UK by 2040 for scopes 1 and 2. Details will be available in future reports.

We completed a mapping exercise for the above categories in Scope 3 and will work to improve our reporting on this including working with our third-party suppliers.

In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets:

- We project that carbon emissions will decrease to 1,571 tCO₂e by 2025. This is a reduction of 21%.
- We have mapped out the scopes 1 and 2 emissions pathway to achieve Net Zero by 2040. This would require a 5.26% reduction in emissions per year.

The graph below shows projected progress against these targets – please note that this is estimated only and will not be a linear reduction. 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 2021 baseline:

- Continued transition to greener vehicle fleet
- Upgrading building facilities to LED lighting
- Continue to reduce product packaging and waste

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

- Refurbishment and improvement/upgrade of facilities to be more energy efficient
- On site renewable energy installations and/or increasing our use of renewable energy
- Working with the supply chain and delivery partners to manage and reduce our scope 3 carbon emissions
- Move to cloud-based systems rather than on-premises

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 standard² and uses the appropriate Government emission conversion factors for greenhouse gas company reporting³.

Scope 1 and Scope 2 emissions have been 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) Standard⁴.

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: 20 April 2022 revised March 2023

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

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

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