

A decorative graphic in the top-left corner consisting of various green circles and rings of different sizes and opacities, some overlapping.

Celltrion Healthcare UK Ltd  
Carbon Reduction Plan 2024

# Carbon Reduction Plan

Celltrion Healthcare UK Ltd

1<sup>st</sup> April 2024

## Commitment to achieving Net Zero

Celltrion Healthcare UK is aware that climate change is a major challenge to a healthier future. In the past years, our planet has witnessed the warmest decade recorded, not to mention a series of extreme weather events. Celltrion Healthcare UK recognizes the interconnection between climate change and human actions and acknowledges the company’s shared responsibility to address climate change with the international community.

Hence, Celltrion Healthcare UK pledges to achieve Net-Zero by 2045. To achieve the pledge, the company aims to reduce 42% of the scope 1,2,3 emissions by 2030 compared to 2022 emissions.

## Baseline Emissions Footprint

**Baseline Year:** 2022

### Additional Details relating to the Baseline Emissions calculations.

The operational control approach defined by the Greenhouse Gas (GHG) Protocol has been applied in calculating the emissions. Hence, although Celltrion Healthcare UK (hereafter referred to as “the company”) does not directly pay the electricity bills and the leaseholder pays for the bill, it has been accounted for in the emissions calculation as the company has the operational power to reduce/increase the use of electricity. Additionally, according to the operational control approach long-term leased cars have been accounted as Scope 1 emissions as it is deemed that the Company has the power to reduce/increase emissions stemming from the cars.

#### Scope 1 & 2

Scope 1 encompasses mobile combustions from company-owned or leased cars. Celltrion Healthcare up to this reporting year does not have any emissions stemming from stationary combustion or fugitive combustion.

Scope 2 encompasses purchased electricity. However, as the company pays the bills to the landlord according to the agreement made with the landlord, it was difficult to figure out the exact amount of electricity usage. Hence, an assumption has been made that the company uses electricity according to the proportion of office space to the total building.

#### Scope 3

The following categories have been accounted for in the calculation – A) Category 4 Upstream transportation & transportation B) Category 5 Waste generated in operations C) Category 6 Business travel D) Category 7 Employee Commuting E) Category 9 Downstream transportation and distribution.

Category 4: All emissions stemming from the office paid downstream transportation and all upstream transportation have been accounted for. The distance-based methodology was used for the calculation of inbound and outbound of 2022.

However, for 2023, we were able to get emission factors (annual average emission that occurs to ship Celltrion products to the wholesaler) provided by our outbound service providers (outbound service paid by the UK office and the one that distributes our products to the wholesaler). Hence, for 2023, distance-based methodology was used only for inbound transportation, while, for outbound transportation, emission factors were provided by the service providers.

Category 5: As the landlord is the ultimate entity getting the waste treatment bill, it was hard to know the exact amount generated. Hence, noting the types/treatment methods of the waste generated from the building and the amount of each type/treatment, a proportion of the office has been applied to the total waste amount per each type/treatment to account for the emissions. Waste-type-specific methodology, as mentioned by GHG protocol, has been applied for the calculation

Category 6: All business travels using public transportation, employee-owned vehicles, etc. (i.e. not company owned vehicles) have been accounted for using the distance-based methodology.

Category 7: Emissions from the commute of employees who regularly commute to the office (i.e. not field-based employees) have been accounted for in the calculation. Additionally, the days of working from home have also been considered in calculating the emissions. Distance-based methodology was applied when calculating emissions from the commute.

Category 9: Emissions from downstream transportation (wholesaler to the final customer (hospitals, etc.) have been accounted for in the emissions calculation. For 2022, due to the limitation in obtaining the exact distance travelled, as Celltrion Healthcare UK do not have direct control over the data, average distance per each travel shipment has been applied to the calculation and distance-based methodology was applied for the 2022 calculation. However, for 2023, downstream service providers provided us with the emission factors (annual average and monthly average emissions that occurs to ship Celltrion products to the final customer). Hence, for 2023 these emission factors were utilized for the calculation.

*\*Please note that all emissions have been calculated following the GHG Protocol Guideline and using UK Government GHG Conversion Factors for Company Reporting (2022 & 2023) along with small proportion of data using emission factor provided by the service provider\**

**Baseline year emissions: 2022**

<b>EMISSIONS</b>	<b>TOTAL (tCO<sub>2</sub>e)</b>
<b>Scope 1</b>	6.64
<b>Scope 2</b>	0.37
<b>Scope 3</b> (Category 4,5,6,7,9)	206.38

<b>Total Emissions</b>	213.39
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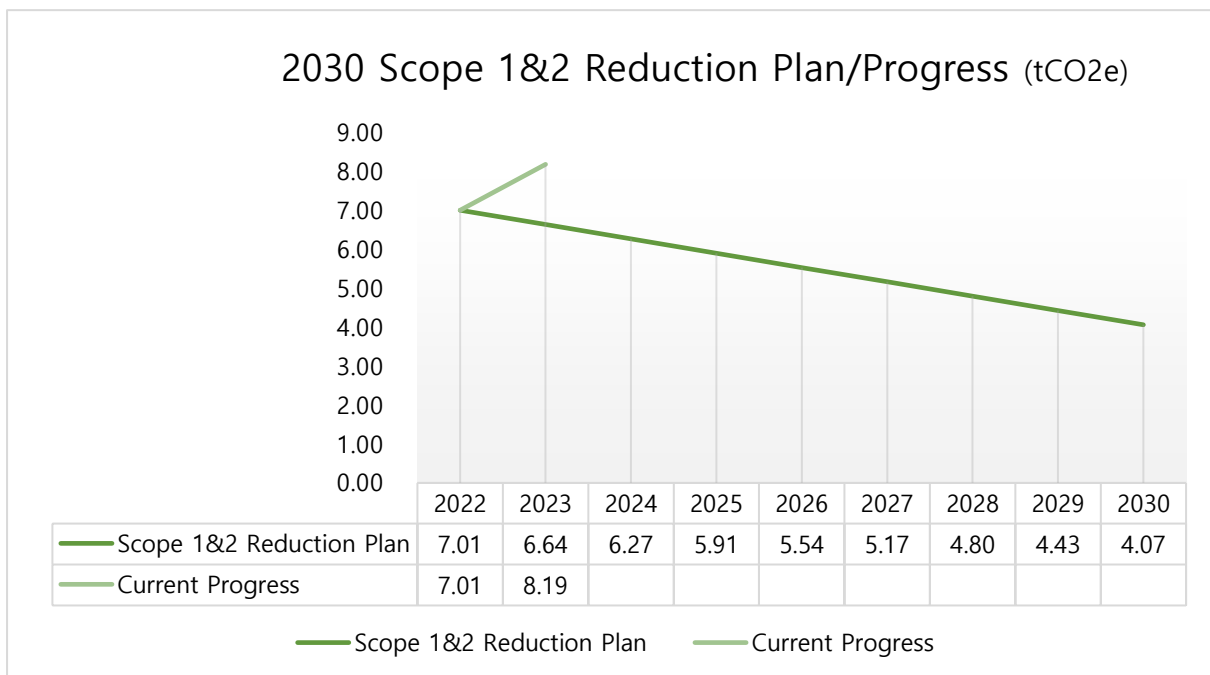
### Current Emissions Reporting

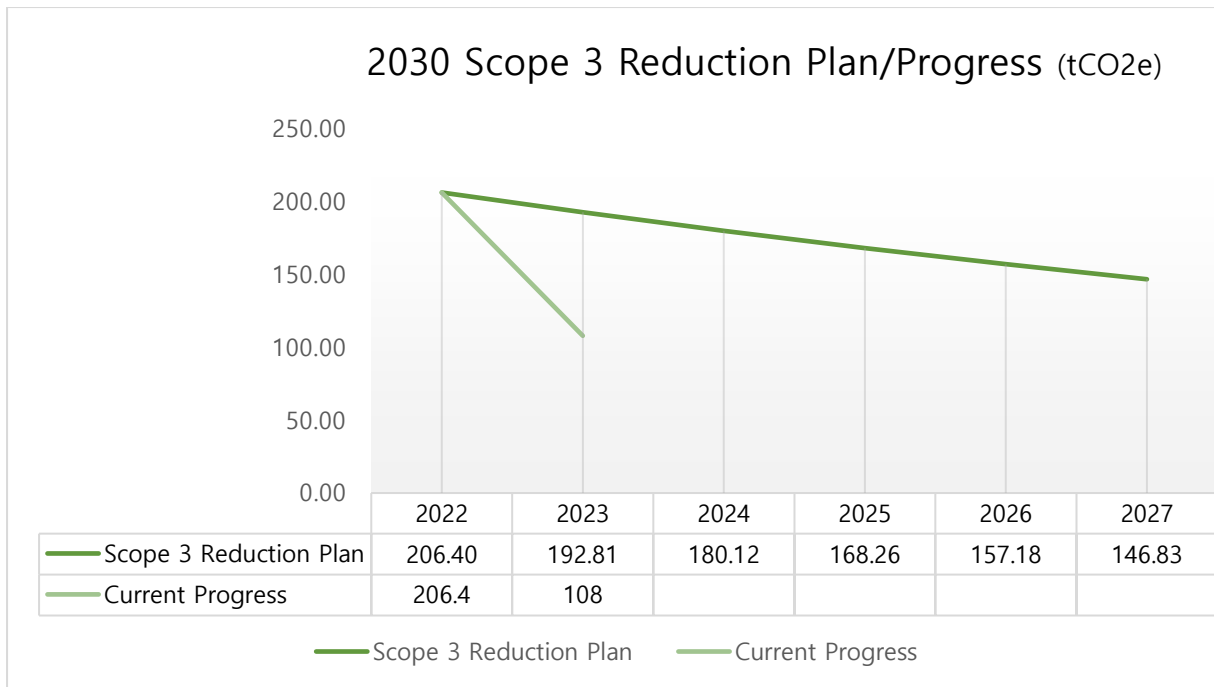
<b>Reporting Year: 2023</b>	
<b>EMISSIONS</b>	<b>TOTAL (tCO<sub>2</sub>e)</b>
<b>Scope 1</b>	7.80
<b>Scope 2</b>	0.39
<b>Scope 3</b> (Category 4,5,6,7,9)	108.0
<b>Total Emissions</b>	116.2

### Emissions reduction targets

With the long-term goal of achieving net zero by 2045, the Celltrion Healthcare UK office aims to reduce Scope 1&2 emissions to 4.07 tCO<sub>2</sub>e by 2030. This is a reduction of 42% which is aligned with the SBTI -1.5 °C pathway. Scope 3 will be reduced to 2,408,190 tCO<sub>2</sub>e by 2030. This is also a reduction of 42%, aligned with the SBTI -1.5 °C pathway.

Progress against the company’s target can be seen through the two charts below.





From 2022 to 2023, we saw a slight increase in scope 1&2 emissions. We believe this is due to an increase in the number of employees working in our office, driven by the need for cross-functional product launch meetings/activities as well as an easing of our Covid remote working practices combined with an increase of activity by the field based commercial team.

Nonetheless, we saw a sharp decline in our Scope 3 emissions. Having analysed our scope 3 emissions, we saw a significant decrease of emissions occurring from Cat 5 (Waste generated) and Cat 4 (Upstream transportation). Cat 5 (Waste generated)'s emission reduction may be because of increased data accuracy for 2023. This year our waste management provider provided us with the information on how non-recyclable waste was treated. For year 2023, non-recyclable wastes were used as energy source through waste combustions. Whereas, last year no specific information was provided on how non-recyclables were treated by the service provider, leading us to use emission factor of 'landfill (the most common treatment method for non-recyclables)'.

Cat 4's (Upstream transportation) decrease may be because of increased accuracy of data provided by our service provider. Our service provider<sup>1</sup> provided 2023 average emissions to transport Celltrion products to the wholesaler to calculate 2023 emissions, whereas it was not provided for the year 2022. Currently, we are unsure where the discrepancy occurs between the emissions of '2022 Cat 4' and '2023 Cat 4'. At this stage, we do not have the full picture of how the service provider came to the 2023 average emissions that occur to transport Celltrion products to the wholesaler, and this will be further inspected in future reviews to increase our GHG emissions accuracy and consistency. If needed, corrections will be made to our emission calculations according to our inspection of the data.

<sup>1</sup> Downstream transportation provider, paid by the UK office, that transports goods to the wholesaler and not final customer.

## Carbon Reduction Projects

### Completed Carbon Reduction Initiatives

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

In 2023, Celltrion Healthcare UK implemented the “A Cycle to Work” initiative to promote sustainable commutes and reduction of GHG emissions. The initiative is non-compulsory and allows employees to purchase bicycles at a lower price and pay over 12 months. Signs were posted to encourage participation from employees.

At this point, it is hard to say that this campaign contributed to our GHG emission reduction **from 2022 to 2023, where there was 97.16 tCO<sub>2</sub>e reduction and 46% decrease**. This is because, as mentioned in the previous section, the dramatic decrease mainly occurred in Cat 4 (upstream transportation) and Cat 5 (Waste generated).

Nonetheless, we will continue to implement this initiative for the coming year to continuously decrease our GHG emissions stemming from employee commute.

### Future Carbon Reduction Initiatives

Celltrion Healthcare UK will implement below actions for the following year to reduce carbon emissions.

1. Continue to implement “A Cycle to Work” initiative to reduce emissions from employee commute.
2. Implement a business travel booking system to better plan for efficient business trips and enhance GHG monitoring.
3. Switch all full petrol/diesel company cars to Hybrid/EV cars.
4. Engaging with transportation suppliers with climate action goal (i.e. setting up selection criteria that investigates supplier climate action)
5. Office campaigns to limit unneeded and unnecessary lighting, cooling, and heating.
6. Look to ensure purchased energy is created from renewable sources
7. Elaborate further on our GHG data and increase transparency

Other than the above actions, as a member of British Generic Manufacturers Association (BGMA), Celltrion Healthcare UK is in full support of the BGMA’s campaign to enable legislation changes to allow electronic Patient Information (PI) in substitution of paper-based PI in all medicinal packaging. Celltrion Healthcare UK believes that this will contribute to the overall industry’s waste reduction.

Additionally, Celltrion Healthcare UK acknowledges room for improvements in terms of GHG emissions data integrity. By moving to systems and/or service providers that can provide the needed data, Celltrion Healthcare UK will reduce the use of assumptions and increase the

use of primary data. This will ensure increased credibility of the company's emissions and help us to better spearhead the necessary reduction strategy.

## **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>2</sup> and uses the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>3</sup>.

Scope 1 and Scope 2 emissions have been reported in accordance with Streamlined Energy and Carbon Reporting (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>4</sup>.

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

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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>