

Celltrion Healthcare UK Ltd Carbon Reduction Plan 2025

Carbon Reduction Plan

Celltrion Healthcare UK Ltd

26th March 2025

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.

<Organizational Boundary>

The operational control approach defined by the 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 office used electricity consumption. 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 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.

Other than the electricity consumption to power the office, purchased electricity to power the battery electric vehicles and plug-in hybrid vehicles were accounted for in the scope 2.

<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/disposal 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: Because the UK office pays for all the transportation, including those going to the final customer through the wholesaler, there is no Category 9.

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

EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	1.15
Scope 2	5.60
Scope 3 (Category 4,5,6,7,9)	92.96
Total Emissions	99.72

** 2022 emissions have been corrected due to the errors found in the previous calculation and to align with the SECR reporting.*

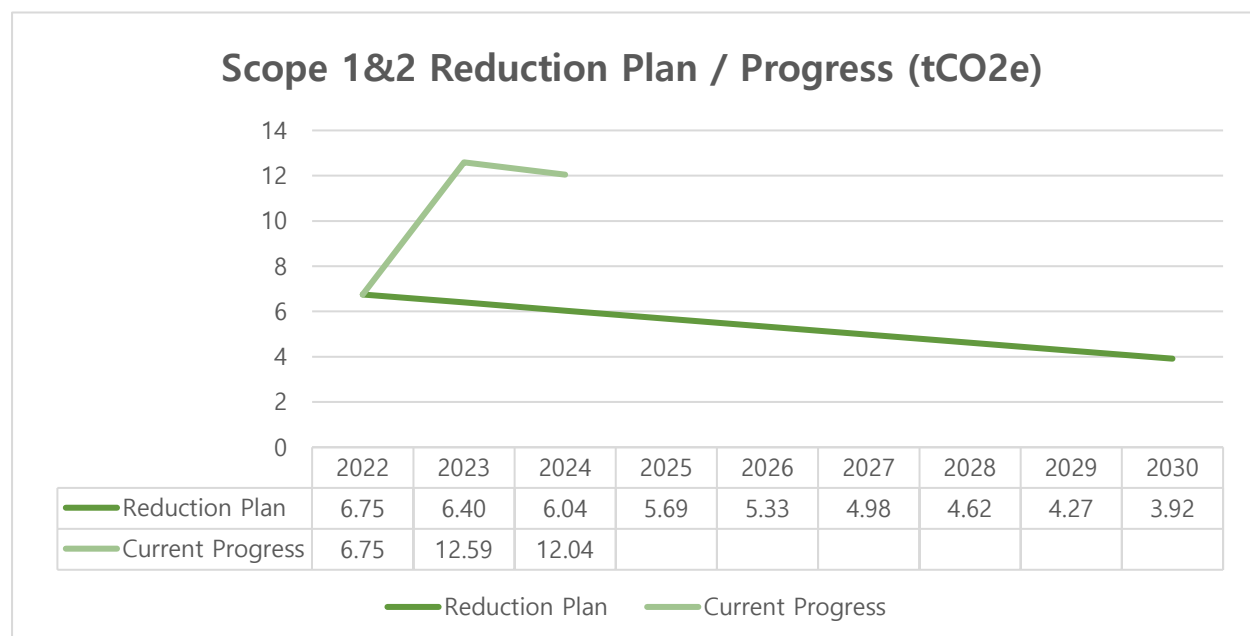
Current Emissions Reporting

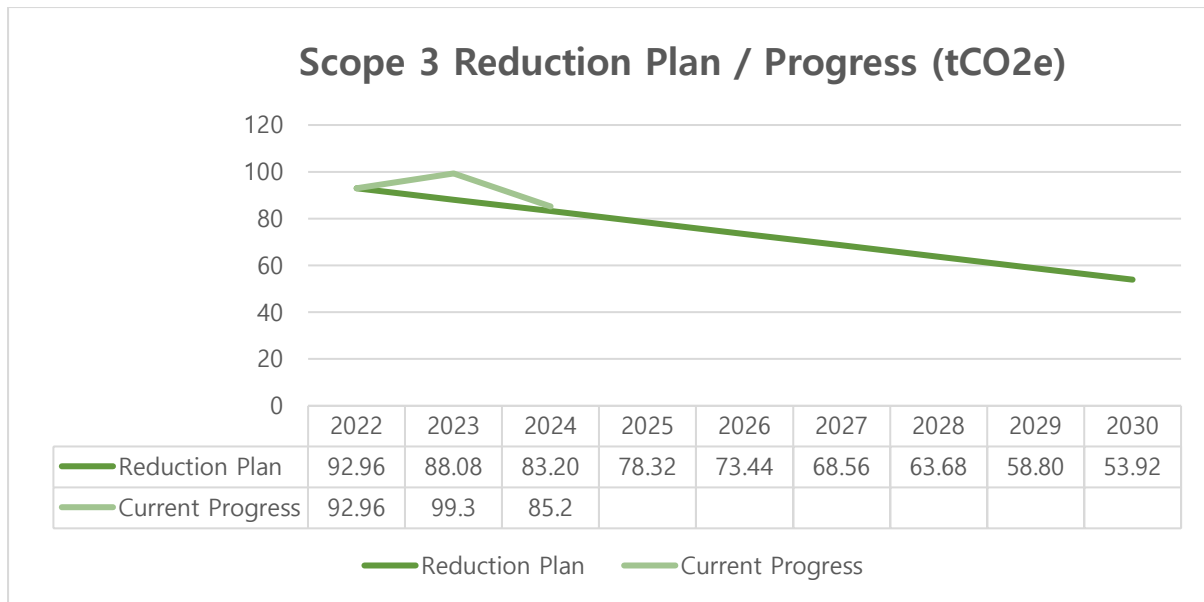
Reporting Year: 2024	
EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	7.48
Scope 2	4.56
Scope 3 (Category 4,5,6,7,9)	85.15
Total Emissions	97.19

Emissions reduction targets

With the long-term goal of achieving zero by 2045, the Celltrion Healthcare UK office aims to reduce Scope 1&2 emissions to 3.92 tCO₂e by 2030. This is a reduction of 42% which is aligned with the SBTi -1.5 °C pathway. Scope 3 will be reduced to 53.92 tCO₂e 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 an increase in scope 1&2 emissions. This may be because more employees were present in the office due to the launch of a new product from the HQ, along with an increase of business trips using company cars due to the increased activity by the field-based employees of the commercial team to promote the new product. From 2023 to 2024, we saw a slight decrease in Scope 1&2. The decrease was particularly notable in office building electricity consumption which can be attributed to building works undertaken throughout the year leading to an overall reduction in the building's electricity consumption and the proportion assignable to Celltrion.

There was a slight increase in Scope 3 emissions, from 2022 to 2023, due to the increase in commuting (category 7) and business trips (category 6) by employees, as more of them were present in the office than before and going on more business trips. However, from 2023 to 2024, there was a slight decrease in Scope 3 emissions. The most significant decreases were from Category 4 (upstream distribution) and Category 5 (Waste disposal). Category 4 (upstream distribution) emissions reduction may be because we stopped our business relationship with one of our two distribution entities. Category 5 (Waste disposal) emissions reduction is because the emission factor for the activity data, provided by the UK Department for Energy Security & Net Zero, decreased by 70%. The UK Department for Energy Security & Net Zero noted that correction of an error affecting the transport emissions for the recycling and (Energy from Waste) led to a reduction of the emission factor by 70%.

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.

In 2024, we executed a significant value chain project that vastly improved our UK distribution model, making it more efficient and effective, leading to a sizable decrease in the number of individual shipments customers and with it a meaningful decrease in GHG emissions. This project led to Scope 3 – Category 4 (Upstream transportation & distribution)'s notable reduction of 25% (12.97 tCO₂e reduction) compared to the 2023 emissions. Compared to 2022, our 2024 Scope 3 – Category 4 (Upstream transportation & distribution) emission decreased by 37% (22.47 tCO₂e reduction).

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 unnecessary 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 standard¹ and uses 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 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) Standard³.

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

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>