



Cabinet Office

CARBON REDUCTION PLAN GUIDANCE

Notes for Completion

Where an In-Scope Organisation has determined that the measure applies to the procurement, suppliers wishing to bid for that contract are required at the selection stage to submit a Carbon Reduction Plan which details their organisational carbon footprint and confirms their commitment to achieving Net Zero by 2050.

Carbon Reduction Plans are to be completed by the bidding supplier¹ and must meet the reporting requirements set out in supporting guidance, and include the supplier's current carbon footprint and its commitment to reducing emissions to achieve Net Zero emissions by 2050.

The CRP should be specific to the bidding entity, or, provided certain criteria are met, may cover the bidding entity and its parent organisation. In order to ensure the CRP remains relevant, a Carbon Reduction Plan covering the bidding entity and its parent organisation is only permissible where the detailed requirements of the CRP are met in full, as set out in the Technical Standard² and Guidance³, and all of the following criteria are met:

- The bidding entity is wholly owned by the parent;
- The commitment to achieving Net Zero by 2050 for UK operations is set out in the CRP for the parent and is supported and adopted by the bidding entity, demonstrated by the inclusion in the CRP of a statement that this will apply to the bidding entity;
- The environmental measures set out are stated to be able to be applied by the bidding entity when performing the relevant contract; and
- The CRP is published on the bidding entity's website.

Bidding entities must take steps to ensure they have their own CRP as soon as reasonably practicable and should note that the ability to rely on a parent organisation's Carbon Reduction Plan may only be a temporary measure under this selection criterion.

The Carbon Reduction Plan should be updated regularly (at least annually) and published and clearly signposted on the supplier's UK website. It should be approved by a director (or equivalent senior leadership) within the supplier's organisation to demonstrate a clear commitment to emissions reduction at the highest level. Suppliers may wish to adopt the key objectives of the Carbon Reduction Plan within their strategic plans.

A template for the Carbon Reduction Plan is set out below. Please complete and publish your Carbon Reduction Plan in accordance with the reporting standard published alongside this PPN.

¹Bidding supplier or 'bidding entity' means the organisation with whom the contracting authority will enter into a contract if it is successful.

²Technical Standard can be found at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/991625/PPN_0621_Technical_standard_for_the_Completion_of_Carbon_Reduction_Plans__2_.pdf

³Guidance can be found at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/991623/Guidance_on_adopting_and_applying_PPN_06_21__Selection_Criteria__3_.pdf

Carbon Reduction Plan

Supplier name: Therakos (UK) Limited

Publication date: 19th March 2024

Commitment to achieving Net Zero

Therakos (UK) Limited (Therakos UK) is committed to achieving Net Zero emissions by 2050.

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 reductions can be measured.

Baseline Year: 2023

Additional Details relating to the Baseline Emissions calculations.

Baseline year was calculated using the data for the period January to December 2023.

The Baseline year includes calculation of the emissions categories defined by the GHG Reporting Protocol Corporate Standard⁴.

The greenhouse gas (GHG) emissions conversion factors applied to the emissions calculations refer to the UK GHG Conversion Factors⁵ and the Association of Issuing Bodies⁶.

Therakos UK has reviewed and considered the following relevant activity data when calculating GHG emissions.

Scope 1 Emissions:

Fuel consumption in company leased vehicles.

Scope 2 Emissions:

Electricity usage in buildings.

Scope 3 Emissions:

Category 4: Upstream transportation & distribution - transportation and distribution expenditure.

Category 5: Waste generated in operations – waste and wastewater data estimate based on annual generation by FTEs.

⁴ <https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>

⁵ <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023>

⁶ <https://www.aib-net.org/facts/european-residual-mix/2022>

Category 6: Business travel - travel agency data including air distance, as well as rail, hotel, fuel and taxis expenditure.
 Category 7: Employee commuting - employee working from home (home energy) and employee commuting (transport) based on proportion of FTEs.
 Category 9: Downstream transportation & distribution – not applicable.
 Therakos UK is currently working to improve data quality collection for Scope 3; these improvements will be reflected in future emissions calculations.

Baseline year emissions: 2023

EMISSIONS	TOTAL (tCO₂e)
Scope 1	13.88
Scope 2 (location-based)	18.89
Scope 2 (market-based)	33.30
Scope 3 (Included Sources)	674.53
Category 4: Upstream transportation & distribution	181.42
Category 5: Waste generated in operations	0.07
Category 6: Business travel	467.98
Category 7: Employee commuting	25.06
Category 9: Downstream transportation & distribution	-
Total Emissions (location-based)	707.29
Total Emissions (market based)	721.71

Current Emissions Reporting

Reporting year: 2023	
EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	13.88
Scope 2 (location-based)	18.89
Scope 2 (market-based)	33.30
Scope 3 (Included Sources)	674.53
Category 4: Upstream transportation & distribution	181.42
Category 5: Waste generated in operations	0.07
Category 6: Business travel	467.98
Category 7: Employee commuting	25.06
Category 9: Downstream transportation & distribution	-
Total Emissions (location-based)	707.29
Total Emissions (market based)	721.71

Emissions Reduction Targets

In order to align to the UK government Net Zero 2050 target, we have adopted the following emissions reduction targets:

- Therakos UK is committed to Net Zero by 2050 (for Scope 1 and 2); with a Near-Term commitment to sourcing 100% renewable electricity from 2030.

This emissions reduction pathway aligns with a Near-Term (2030) emissions reduction target of 23% of total Scope 1 and 2 location-based emissions, and 77% of total Scope 1 and 2 market-based emissions.

- Therakos UK is committed to Net Zero by 2050 (for Scope 3);
- Targets are aligned to the Paris Agreement 1.5°C scenario

The Net Zero targets are set to follow the trajectory and be aligned to the Paris Agreement to limit temperature increase to 1.5°C above pre-industrial levels; this will be achieved by applying, from the baseline year 2023 to 2050, an annual 3.3% absolute reduction to Therakos UK's GHG emissions associated with its operational activities.

Net Zero Targets for Scopes 1 & 2

Business-as-usual

Therakos UK modelled in a business-as-usual (BAU) scenario for Scopes 1 & 2 emissions, applying an average UK economic growth rate of 1.60% per annum (pre-pandemic average) and the Business, Energy and Industrial Strategy (BEIS) grid decarbonisation forecast to 2050⁷. The natural increase in emissions associated with Scope 1 and the reduction of Scope 2 emissions following the UK grid decarbonisation are illustrated in figure 1 below. It illustrates the gap between Therakos UK's BAU scenario and its 1.5°C-aligned emissions reduction pathway.

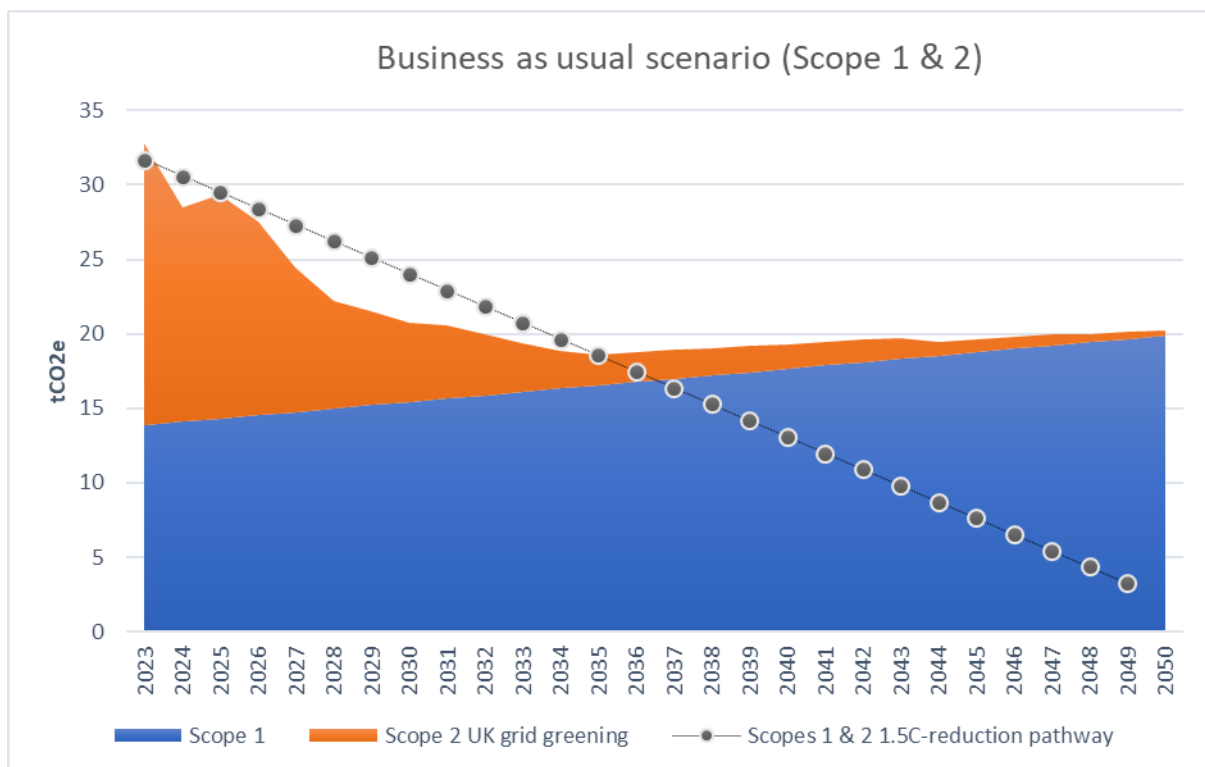


Figure 1. Business-as-usual scenario

⁷ <https://www.gov.uk/government/publications/valuation-of-energy-use-and-greenhouse-gas-emissions-for-appraisal>

1.5°C-aligned scenario

In the 1.5°C-aligned scenario, Therakos UK is committed to an annual 3.3% reduction of emissions to achieve Net Zero by 2050, with 10% of residual emissions in 2050 to be compensated through a comprehensive offsetting scheme.

This annual 3.3% reduction of emissions also aligns with Therakos UK’s Near-Term reduction targets of 23% of Scope 1 and 2 location-based emissions and 77% of Scope 1 and 2 market-based emissions by 2030.

In figure 2 below, Therakos UK modelled 1.5°C-aligned scenarios for Scopes 1 & 2, considering Scope 2 scenarios for location-based and market-based, as follows:

- Location-based with UK grid decarbonisation (red bar);
- Location-based 1.5°C-aligned with an absolute 3.3% emissions reduction (orange bar). No consideration of UK grid decarbonisation;
- Market-based 1.5°C-aligned with an absolute 3.3% emissions reduction (yellow bar), considering Therakos UK commitment to sourcing 100% renewable electricity from 2030.

Figure 2 also includes the Net Zero commitment by 2050 for Scope 1, with an annual 3.3% absolute emissions reduction to 2050 (blue bar) and a plan to offset the 10% residual Scope 1 emissions by 2050 (green bar).

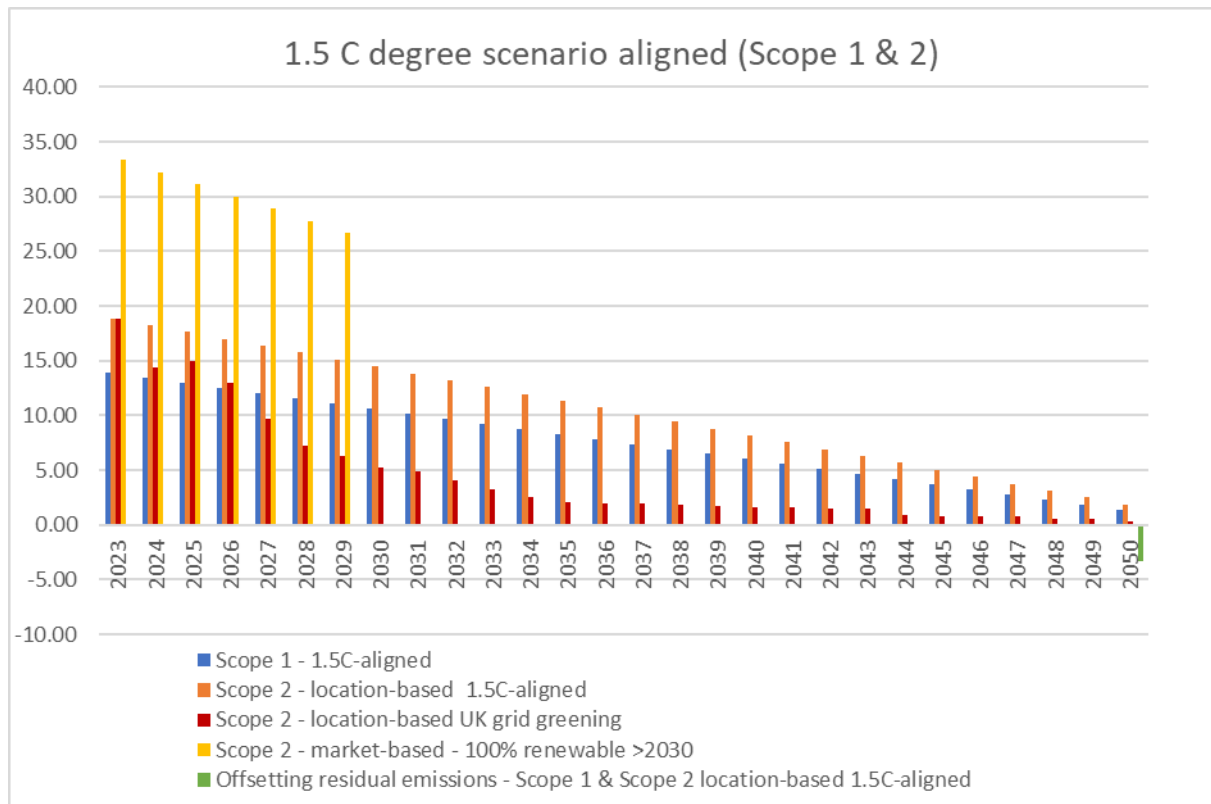


Figure 2. 1.5°C-aligned scenario for Scopes 1 & 2

Net Zero Targets for Scope 3

Therakos UK is committed to achieving Net Zero by 2050 for their Scope 3 emissions from its baseline year of 2023.

Figure 3 below illustrates the annual 3.3% absolute emissions reduction path by categories, with an offset of the 10% residual Scope 3 emissions by 2050 (green bar).

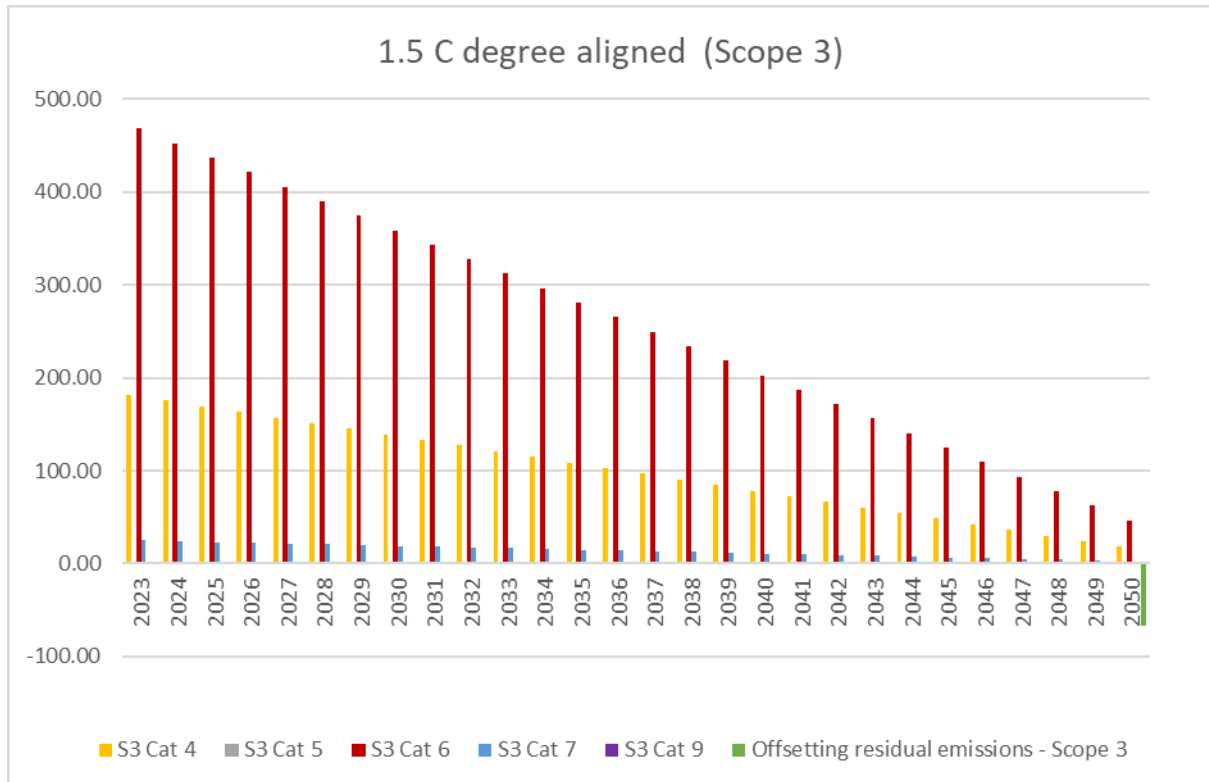


Figure 3. 1.5°C-aligned scenario for Scope 3.

Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2023 baseline. These measures will be in effect when performing the contract:

- Our Global Travel Policy ensures any business travel is determined essential and cannot be substituted by other means, including video conferencing. When air travel is required, air emissions are reduced by using economy class for short flights.
- Recycling of waste at our London-based office.

In the future we hope to implement further measures such as:

By 2030:

- Scope 1: Piloting the use of electric vehicles within Europe (which - if successful - will become applicable across all our UK and European commercial fleet).

- Scope 2: Switching to 100% renewable electricity for our London-based office (targeting zero Scope 2 emissions).
- Scope 3:
 - Engaging UK 3rd party distribution & logistics partner in reducing their scopes 1 & 2.
 - Sending zero waste to landfill from 2030 onwards.

By 2050:

- Scope 1: Changing our company leased vehicles to electric vehicles.
- Scope 3:
 - Supporting our suppliers with the reduction of their Scopes 1 & 2 emissions, in order to reduce our own Scope 3 emissions (from Transportation and Distribution) when calculated on an allocation basis.
 - Offsetting the emissions from our business air travel through the purchase and retirement of carefully selected carbon credits from projects in the UK.
 - Installing electric vehicle charging stations.

Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and its associated guidance and reporting requirements for Carbon Reduction Plans.

Emissions have been calculated and reported in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard⁸ and uses the appropriate UK Government emission conversion factors for greenhouse gas company reporting⁹.

Scope 1 and Scope 2 emissions have been reported in accordance with HM Government Environmental Reporting Guidelines, 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) Standard¹⁰.

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

Signed on behalf of the Supplier:

DocuSigned by:
Godrich, Toby
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Toby Godrich
Director, Therakos (UK) Limited

DocuSigned by:
Henriette Nielsen
13A4FDFE607C4D7...

Henriette Nielsen
EVP and Business Transformation Officer
Mallinckrodt Pharmaceuticals

3/21/2024 | 3:19:43 PM CDT

Date:

⁸<https://ghgprotocol.org/corporate-standard>

⁹<https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

¹⁰<https://ghgprotocol.org/standards/Scope-3-standard>