

The background of the slide is a photograph of a massive glacier, likely the Perito Moreno Glacier, with jagged, blue-tinged ice walls and a large piece of ice calving into the water, creating a splash. The water is a deep teal color, and the sky is not visible.

Carbon Reduction Plan 2024

Napp Pharmaceuticals Holdings Ltd
March 2024

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Introduction

Napp Pharmaceutical Holdings Limited and its subsidiaries* aims to achieve net-zero Scope 1, 2 and 3 emissions by 2050 at the latest from a 2022 base year.

Document Purpose

Our reduction plan is presented in response to the recent Procurement Policy Note (PPN) 06/21 and provides transparency and demonstrates our progress towards building a robust carbon reduction programme.

Overview

To achieve net-zero, we are aiming for an at least 90% reduction in absolute emissions compared to our base year – any residual emissions will be offset with carbon sequestration offsets, as per the Science-Based Targets Initiative's Net-Zero Standard guidance.

Our Scope 2 emission target will be reported using a location-based methodology.

Napp Pharmaceuticals intends to initiate the process of setting Science-aligned near-term and net-zero targets and committing to the Science-Based Target Initiative in FY24-25.

On the journey to net-zero, Napp Pharmaceuticals will strive to reduce emissions from Scopes 1, 2 and 3 in line with the targets set and will report progress against targets annually.

Napp Pharmaceutical Holdings Limited subsidiaries for this Plan comprise Napp Pharmaceuticals Ltd, Napp Pharmaceuticals Group Ltd, Napp Laboratories Ltd, Bard Pharmaceuticals Ltd, and Qdem Pharmaceuticals Ltd. For this Plan, these companies are collectively referred to as **Napp Pharmaceuticals.*

Baseline Emissions

Scope 1, 2 and 3 – Financial Year [FY] 22 (1st January 2022 – 31st December 2022)

Additional Details relating to the Baseline Emissions calculations.

The Greenhouse Gas (GHG) emissions scope boundary, used to establish Napp Pharmaceutical's FY22 baseline, was determined via an operational control model following the GHG protocol. The baseline includes all Scope 1 and 2 emissions in accordance with SECR requirements. Scope 3 emissions have been calculated as per the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Standard Guidance. Our baseline includes Napp Pharmaceutical Holdings Ltd and the following subsidiary companies: Napp Pharmaceuticals Ltd, Napp Pharmaceuticals Group Ltd, Napp Laboratories Ltd, Bard Pharmaceuticals Ltd, Qdem Pharmaceuticals Ltd. This baseline may be restated if acquisitions are found to increase emissions by more than 5%.

Emissions Scope & Category	Source	tCO ₂ e
Scope 1	Direct	2,311
Scope 2 (location-based)	Indirect	2,602
Scope 3	Indirect	1,124
4. Upstream Transportation and Distribution		431
5. Waste Generated in Operations		4
6. Business Travel		149
7. Employee Commuting		410
9. Downstream Transportation and Distribution		130
Total emissions (location-based)		6,037



Recent-year Emissions

Scope 1, 2 and 3 – Financial Year [FY] 23 (1st January 2023 – 31st December 2023)

Additional Details relating to the Baseline Emissions calculations.

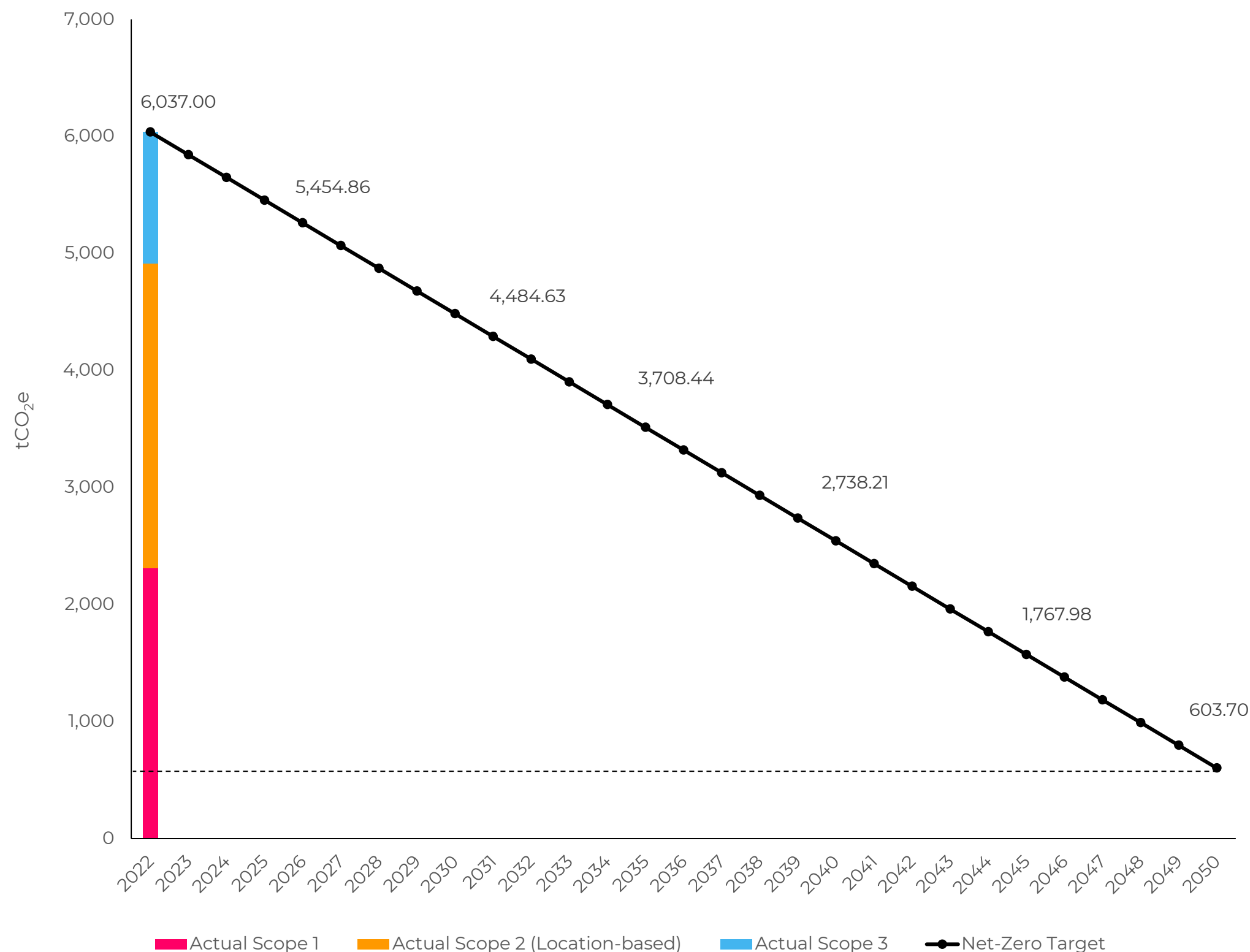
The Greenhouse Gas (GHG) emissions scope boundary, used to calculate our FY23 emissions, was determined via an operational control model following the GHG protocol. This includes all Scope 1 and 2 emissions in accordance with SECR requirements. Scope 3 emissions have been calculated as per the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Standard Guidance. The FY23 result retains Napp Pharmaceutical Holdings Ltd and the following subsidiary companies as per the baseline calculation: Napp Pharmaceuticals Ltd, Napp Pharmaceuticals Group Ltd, Napp Laboratories Ltd, Bard Pharmaceuticals Ltd, Qdem Pharmaceuticals Ltd.

Emissions Scope & Category	Source	tCO ₂ e
Scope 1	Direct	In progress
Scope 2 (location-based)	Indirect	In progress
Scope 3	Indirect	In progress
4. Upstream Transportation and Distribution		In progress
5. Waste Generated in Operations		In progress
6. Business Travel		In progress
7. Employee Commuting		In progress
9. Downstream Transportation and Distribution		In progress
Total emissions (location-based)		In progress

Net-zero Scope 1, 2 and 3 emissions by 2050 at the latest.

Napp Pharmaceuticals is in the process of developing and setting more detailed near term and long-term emission reduction targets.

Net-zero Target



Carbon Reduction Projects

Completed actions

A large proportion of Napp Pharmaceuticals' Greenhouse Gas emissions come from the manufacture of our products, and the associated supply chains, buildings and infrastructure.

Napp Pharmaceuticals has invested in a number of initiatives to improve the energy efficiency of our manufacturing facilities and office buildings, including:

- Optimisation and replacement of a number of our heating and chilling facilities
- Installation of energy efficient lighting
- Improvements to roof insulation
- Consolidation of our office buildings
- A reduction in employee commuting reflecting a hybrid working culture
- Modernisation of IT infrastructure

Identified opportunities for implementation

Napp Pharmaceuticals is working on a range of projects to further reduce Greenhouse Gas emissions and meet our net-zero objectives. These include:

On site Solar Energy:

Feasibilities being undertaken for Solar PV array on site. Production expansion will include 10% energy renewables and plus 10% Biodiversity Net Gain (BNG)

Continued development of our Net-Zero Strategy:

Napp Pharmaceuticals continues to work with our sustainability consultants to develop our net-zero strategy for the business and re-enforce this with developing science-aligned targets for emissions reductions.

Further Infrastructure and process modernisation:

Further upgrades to our external air handling and Steam Condensate systems are underway.

Humidity control has a direct impact on Gas and electrical costs. Our Projects and Quality teams are reviewing our Humidity control requirements.

Energy Behaviour Change programme:

Napp Pharmaceuticals is in the process of assessing and developing an Energy Behaviour Change programme for employees

I: Declaration & 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 standard⁵ and uses the appropriate [Government emission conversion factors for greenhouse gas company reporting](#).

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and 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.

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:

Name: Bryan Lea

Role: Director

Signature: 

Date: 27 March 2024

II: Reporting Methodology

Scope 1 and 2 greenhouse gas emissions have been calculated according to the 2019 UK Government environmental reporting guidance. Consistent with the guidance, relevant emissions factors published in the UK Government's Department for Energy Security and Net Zero (DESNZ) "Greenhouse gas reporting: conversion factors" database-specific reporting year have been used. The CO₂ equivalent conversion factor has been used throughout and, where applicable, the kWh gross calorific value (CV) was used.

Scope 1 and 2 emissions have been calculated using both a location-based and market-based approach:

Location-Based: This method calculates emissions associated with fuel and electricity consumption by using UK average emissions intensities. DESNZ provides UK emissions factors for fuel and grid electricity annually, which are used in location-based reporting.

Market-Based: This method calculates emissions associated with fuel and electricity consumption by using contract-specific emissions intensities. Market-based reporting enables companies that purchase lower carbon fuel and electricity to demonstrate the benefit of their investment.

Transport-related emissions from fuel combustion were calculated using the DESNZ "Greenhouse gas reporting: conversion factors" database.

Scope 3 emissions have been calculated based on the guidance in the Greenhouse Gas Protocol "Corporate Value Chain (Scope 3) Standard".

For all operations, applicable Scope 3 categories were identified based on an operational control boundary. Scope 3 emissions for applicable categories were calculated following methodologies outlined in the GHG Protocol "Technical Guidance for Calculating Scope 3 Emissions", with further guidance taken from the GHG Protocol's detailed methodology chapters for each applicable Scope 3 category.

Most conversion factors were sourced from the DESNZ Greenhouse gas reporting: conversion factors, v1.0 2022 database. Where a spend-based approach was used, as per the GHG Protocol guidance, conversion factors were taken from the University of Leeds and the Department for Environment, Food and Rural Affairs' UK Footprint Results (1990 – 2018)' study or the Department for Environment, Food and Rural Affairs' Indirect emissions for the supply chain' database. Scope 3 emissions include Well to Tank and T&D losses.

