

# Carbon Reduction Plan

Supplier name: Novartis Pharmaceuticals UK Ltd

Publication date: November 2024

## Commitment to achieving Net Zero

Novartis Pharmaceuticals UK Ltd as part of Novartis AG is committed to achieving Net Zero emissions by 2040.

## 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.

<b>Baseline Year: 2022</b>	
<b>Additional Details relating to the Baseline Emissions calculations.</b>	
Currently Novartis' emissions data is calculated using methodologies approved by the Science Based Target initiative. This reporting is reported at the global enterprise level (Novartis AG) and therefore data in this CRP submission will utilise this data. In future years we anticipate that as our ESG reporting capabilities mature we may be able to provide more granular UK specific data and if this occurs, will provide clarifications on any deviations from the baseline identified in this document. Figures for the baseline year of 2022 have been restated to take into account the spin-off of our Sandoz generics and biosimilars business.	
<b>Baseline year emissions:</b>	
<b>EMISSIONS</b>	<b>TOTAL (tCO<sub>2</sub>e)</b>
<b>Scope 1</b>	<b>258,757</b>
<b>Scope 2</b>	<b>106,579 (market-based)<sup>1</sup></b>

<sup>1</sup> Scope 2 includes market-based and location-based emissions.

<p><b>Scope 3</b> <b>(Included Sources)</b></p>	<p><b>4,829,157</b> (across all source categories applicable to Novartis). Individual values are provided below for the sub-set of the 5 Scope 3 source categories requested.</p> <p><b>SBTI calculated Enterprise level values for the following Scope 3 source categories:</b></p> <ol style="list-style-type: none"> <li>1. Purchased goods and services</li> <li>2. Capital goods</li> <li>3. Fuel and energy related activities</li> <li><b>4. Upstream transportation and distribution (125,501)</b></li> <li><b>5. Waste generated in operations (19,094)</b></li> <li><b>6. Business Travel (79,652)</b></li> <li><b>7. Employee Commute (68,423)</b></li> <li><b>9. Downstream transportation and distribution (24,828)</b></li> <li>12. End of life treatment of sold products</li> </ol>
<p><b>Total Emissions</b></p>	<p><b>5,237,736</b></p>

## Current Emissions Reporting

Reporting Year: 2023	
EMISSIONS	TOTAL (tCO <sub>2</sub> e)
Scope 1	245,725
Scope 2	44,102 (market-based)
Scope 3 (Included Sources)	<p><b>4,420,582</b> (across all source categories applicable to Novartis). Individual values are provided below for the sub-set of the 5 Scope 3 source categories requested.</p> <p><b>SBTI calculated Enterprise level values for the following Scope 3 source categories:</b></p> <ol style="list-style-type: none"> <li>1. Purchased goods and services</li> <li>2. Capital goods</li> <li>3. Fuel and energy related activities</li> <li><b>4. Upstream transportation and distribution (194,044)</b></li> <li><b>5. Waste generated in operations (12,253)</b></li> <li><b>6. Business Travel (110,643)</b></li> <li><b>7. Employee Commute (85,631)</b></li> <li><b>9. Downstream transportation and distribution (70,177)</b></li> <li>12. End of life treatment of sold products</li> </ol>
<b>Total Emissions</b>	<b>4,710,409</b>

## Emissions reduction targets

In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets. We aim to be carbon neutral from energy in our own operations by 2025 (scope 1 and 2), reduce absolute scope 1 and 2 greenhouse gas emissions 90% by 2030 and achieve net-zero by 2040 from a 2022 baseline year.

## Carbon Reduction Projects

Globally Novartis is running a wide range of projects across the company to achieve net zero carbon emissions by 2040. Our steps to achieve that include a plan:

- By 2025 to become carbon neutral in our own operations<sup>2</sup> and include environmental criteria in all supplier contracts by 2025
- By 2030, to reduce absolute scope 1 and 2 GHG emissions by 90% from a 2022 base year. Reduce absolute scope 3 GHG emissions by 42% within the same timeframe.
- Maintain a minimum of 90% absolute scope 1 and 2 emissions from a 2022 base year. Reduce absolute scope 3 GHG emissions 90% from a 2022 base year.

In July 2024, the Science Based Targets initiative (SBTi) approved the near and long-term science-based emissions reduction targets of Novartis, aiming for net-zero greenhouse gas emissions by 2040 across our value chain. Our strategy is hence consistent with limiting global warming to 1.5°C above pre-industrial levels. Within the scope of this commitment, we have joined the [Business Ambition for 1.5°C](#) and have also become part of [Race to Zero](#), the UN-backed campaign led by the High-Level Champions for Climate Action.

We are a signatory of [The Climate Pledge](#) and a member of [RE100](#), to help accelerate progress toward 100% renewable electricity, and [EV100](#), helping drive the transition to electric vehicles.

We are committed to using 100% renewable electricity across our operations by 2025 in line with our RE100 commitment. In 2023, 92% of our purchased electricity consumption was renewable, compared with 84% a year earlier, after sourcing renewable electricity for Novartis sites that are not included in our power purchase agreements in Europe (including the UK) and North America. We are also implementing multiple projects to reduce our thermal emissions i.e. emissions from combustion of fossil fuels across the company. Some of the projects include implementation of biomass-based steam generation, conversion to electric boilers and use of renewable electricity to operate them, solar thermal installation etc.

Under the CDP, Novartis achieved Double A List status in Climate Change and Water Security. Novartis also maintained its AA rating in the 2023 MSCI ESG Ratings assessment.

In the UK organisation, one of our single largest areas of emissions, is the carbon footprint of our fleet vehicles. We are therefore working on an ambitious plan to transition this to a low Carbon fleet by 2025.

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

- Develop strategies and solutions to reduce the GHG emissions of business travel and commuting
- Work across industry to reduce the GHG emissions of Clinical Trials
- Partner with organizations to implement renewable power and further reduce our reliance on fossil fuels

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<sup>2</sup> Scope 1 and 2 from energy <https://www.novartis.com/esg/environmental-sustainability/climate>

## Declaration and Sign Off

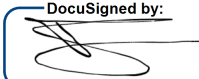
This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

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>3</sup> and uses the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>4</sup>.

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) Standard<sup>5</sup>.

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:

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<sup>3</sup> <https://ghgprotocol.org/corporate-standard>

<sup>4</sup> <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

<sup>5</sup> <https://ghgprotocol.org/standards/scope-3-standard>