

# Carbon Reduction Plan 2025

Supplier name: Thornton & Ross Ltd.

Publication date: March 2025

## Commitment to achieving Net Zero

Thornton & Ross Ltd (T&R) 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 reduction can be measured.

Baseline Year: 2022	
EMISSIONS	TOTAL (tCO <sub>2</sub> e)
Scope 1	1531
Scope 2	1327
Scope 3	6232
Category 4	1658 - Upstream Transportation and Distribution
Category 5	25 - Waste Generated in Operations
Category 6	125 - Business Travel
Category 7	1109 - Employee Commuting
Category 9	3315 - Downstream Transportation and Distribution
<b>Total Emissions</b>	<b>9090</b>

Reporting Year: 2023	
EMISSIONS	TOTAL (tCO <sub>2</sub> e)
Scope 1	1513
Scope 2	0 – 100% renewable electricity supply from Q4 2022
Scope 3	6822
Category 4	1415 - Upstream Transportation and Distribution
Category 5	27 - Waste Generated in Operations
Category 6	124 - Business Travel
Category 7	1522 - Employee Commuting
Category 9	3733 - Downstream Transportation and Distribution
<b>Total Emissions</b>	<b>8335</b>

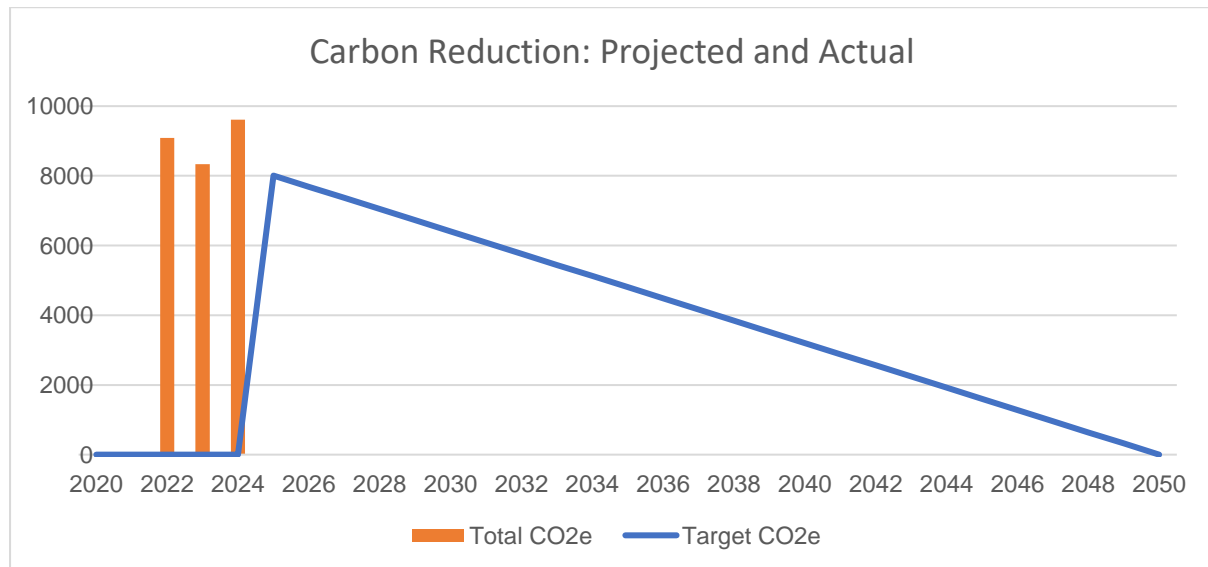
## Current Emissions Reporting

Reporting Year: 2024	
EMISSIONS	TOTAL (tCO <sub>2</sub> e)
Scope 1	1598.6
Scope 2	0 - 100% renewable electricity supply from Q4 2022
Scope 3	8010.53
Category 2	1851 - Capital Goods
Category 4	1599.18 - Upstream Transportation and Distribution
Category 5	29.59 - Waste Generated in Operations
Category 6	276.64 - Business Travel
Category 7	503.51 - Employee Commuting
Category 9	3642.64 - Downstream Transportation and Distribution
<b>Total Emissions</b>	<b>9609.13</b>

## Emissions reduction targets

STADA Arzneimittel AG, the parent company of T&R, is dedicated to significantly reducing its Scope 1 and 2 carbon emissions in alignment with the 1.5°C global temperature rise limit set by the Paris Agreement. As part of this commitment, STADA aims to reduce its Scope 1 and 2 emissions by 42% between 2020 and 2030.

For further details, please refer to STADA's Sustainability Report 2023 at [www.stada.com](http://www.stada.com). Between 2020 and 2024, T&R successfully reduced its Scope 1 and 2 emissions by 55.2% (3565tCO<sub>2</sub>e to 1598.6CO<sub>2</sub>e), positioning T&R to surpass its target while continuing to expand our business.



## Carbon Reduction Summary

Whilst T&R has made significant strides in reducing water consumption and achieving zero Scope 2 emissions, there has been a rise in both energy consumption and Scope 1 emissions in 2024. The increase in carbon intensity per million packs highlights the need for additional energy efficiency measures and optimization in our operations to meet our long-term sustainability goals.

In alignment with the Evergreen NHS tender submission requirements, T&R can confirm that Scope 3 emissions reporting has been fully addressed for Categories 4, 5, 6, 7, and 9. This reporting has been consistently completed and submitted on an annual basis since 2022, in accordance with the NHS's expectations.

Additionally, following the appointment of our new Sustainability Lead, a comprehensive plan has been developed to expand our Scope 3 emissions reporting. The new plan aims to encompass all relevant categories within Scope 3 emissions, ensuring a thorough and holistic approach to sustainability. This will enable us to track, report, and reduce emissions across the entire value chain, further strengthening our commitment to environmental responsibility and aligning with the evolving requirements of the NHS and our broader sustainability objectives.

As part of our ongoing commitment to accurate and transparent emissions reporting, it is important to note the adjustments made in the Scope 3 accounting for 2024. Specifically, the

introduction of Category 2, emissions from Capital Goods expenditure. This has resulted in the increase of our overall emissions by 15.3% and our Scope 3 emissions by 17.42%.

If T&R exclude this new scope from the total Scope 3 emissions accounting this year, as there was no data available from previous years, there is a reduction of 9.71% in the total reported Scope 3 emissions. T&R are continuously refining our data collection methods to ensure accuracy and minimize any discrepancies in the reporting as the Scopes are expanded.

Furthermore, T&R have made notable progress in improving waste management practices. Waste data collection shows an improvement in waste segregation at source, which is a positive step forward. However, to further align with the new "Simpler Recycling" Legislation coming into effect in March 2025, T&R have already planned additional improvements in the waste management strategy for the coming year.

In 2024, the T&R organisation increased its total CO<sub>2</sub> emissions (scope 1 & 2) from 2023 by 5.63% from 1,523 tCO<sub>2</sub>e to 1,598.6 tCO<sub>2</sub>e. T&R remain committed to identifying opportunities for emission reductions and improving our environmental performance across all areas of the business.

## Carbon Reduction Projects

T&R can report on the recent environmental management measures and projects implemented across the operations, many of which have been introduced since the 2022 baseline. These initiatives reflect the ongoing commitment to sustainability and energy efficiency:

- **LED Lighting Installations:** T&R have successfully installed LED lighting across approximately 80% of the Huddersfield operational areas, significantly reducing energy consumption. Additionally, LED lighting was installed in the onsite warehouse, with an expected annual saving of 113,000 kWh (resulting in a 1% reduction in Scope 1 emissions), and in Dispatch, which will save an estimated 116,400 kWh annually (2% reduction in Scope 1 emissions).
- **Compressed Air Leak Survey and Remediation:** A comprehensive survey of compressed air leaks was completed, followed by necessary remediation work, resulting in an anticipated annual saving of 51,582 kWh (1% reduction in Scope 1 emissions).
- **Steam Trap Survey and Remediation:** T&R conducted a steam trap survey and addressed identified issues, leading to a projected annual saving of 67,000 kWh (1% reduction in Scope 1 emissions).
- **New HVAC System Installation:** A new HVAC system has been installed, designed to facilitate heat/cooling energy recovery, and reduce energy losses.
- **Software PLC Modifications:** Modifications to the software PLC have been made to enable automatic shutdowns when a production artifact is exhausted (e.g., halting labelling when bottles are depleted). Similar improvements are being planned for other production lines.
- **Energy-Efficient Wastewater Treatment Plant:** T&R have constructed a new energy-efficient wastewater treatment plant, further reducing our environmental impact.
- **Roof Replacement at Goods-In Warehouse:** The Goods-In warehouse roof has been replaced with passive insulation, supporting better temperature control and reducing heating demand.
- **Air Curtain Installation:** T&R have installed air curtains to replace existing space heaters, improving energy efficiency while maintaining a comfortable temperature during colder months.

- Reduction in Business Travel: T&R have significantly increased the use of video conferencing and reduced overseas travel, as well as improved the monitoring of T&R business travel to manage Scope 3 emissions.
- Electric Vehicle Initiatives: T&R are providing electric vehicle charging points for employees, introducing an electric vehicle purchasing benefit scheme, and enhancing the Cycle to Work scheme.

Furthermore, T&R continue to utilise a green energy contract, sourcing all electricity from renewable sources. This ensures that the entire electricity consumption from both T&R and STADA's UK Technical Operations is powered by renewable energy. As a result, we have successfully reduced our Scope 2 emissions from 1,327 tCO<sub>2</sub>e in 2022 to 0 tCO<sub>2</sub>e in 2023 and beyond. This green energy contract has been extended beyond 2025, securing the ongoing commitment to sustainability.

As a benefit, T&R have also introduced a staff salary sacrifice scheme to enable the purchase of energy efficient domestic appliances. Although this does not have direct bearing on the company's GHG emissions we are hoping this will encourage workplace engagement and behavioural change from staff.

Options and costs for a BMS (Building Management System) have been investigated to understand the factory use habits and to optimise this based on operations.

## Future Carbon Reduction Projects

Looking ahead, T&R are planning to implement a range of initiatives aimed at further enhancing the sustainability efforts and reducing our environmental footprint. These include:

- Transitioning from Heated Shrink-Wrappers to Banding: Where feasible, T&R will replace energy-intensive heated shrink-wrappers with more sustainable banding solutions.
- Upgrading Heating Systems: T&R are planning to replace outdated boilers with a more efficient heating system. Initial scoping indicates a projected annual saving of 1,250,000 kWh (224.6tCO<sub>2</sub>e), representing a 14% reduction in our Scope 1 emissions for 2024.
- Exploring On-Site Renewable Energy Generation: T&R are actively considering the implementation of on-site renewable energy solutions to further reduce our reliance on external energy sources.
- 'Power Down 220' Project: This initiative will reduce the site voltage to 220V, helping lower energy consumption. Equipment was installed in 2023 and is currently being prepared for activation.
- Upgraded Building Management System (BMS) Study: T&R are conducting a study to assess the feasibility of installing an upgraded BMS. This system would provide centralized visibility, zoning, and optimization of energy consumption, supported by integrated AI capabilities. The study is currently under review by company management.
- Ultrasonic Survey Update: T&R are updating our 2022 ultrasonic survey of compressed air leaks to evaluate the effectiveness of recent improvements and further investigate ongoing reports of leakages.
- As identified in the 2022 SECR submission, the company still intends to increase the monitoring of energy consumption, especially within production, by developing heat maps of energy consumption with a focus on manufacturing lines.

T&R have identified that a significant portion of our carbon emissions has yet to be fully calculated, with the majority likely arising from Category 1 within Scope 3 emissions. In 2025,

the plan is to implement robust data capture methodologies to accurately measure and establish a clear baseline for these emissions.

To ensure that sustainability is integrated across all aspects of the operations, T&R will work closely with the procurement team to ensure that sustainability criteria are considered in all key contract awards, covering both physical and non-physical goods. This will help drive T&R commitment to reducing our carbon footprint and align with the business's broader sustainability objectives. These measures are all undergoing feasibility studies and will form part of the T&R sustainability plan to help meet STADA Global carbon reduction requirements.


## 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>1</sup> and uses the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>2</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>3</sup>.

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

Signed on behalf of Thornton and Ross:



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Date: 31.03.2025 .....

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<sup>1</sup><https://ghgprotocol.org/corporate-standard>

<sup>2</sup><https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

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