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 supplier[1] 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 Standard[2] and Guidance[3], 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.

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

[2]Technical 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

[3]Guidance 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 Template

Supplier name: Orifarm UK Limited

Publication date: Orifarm ESG Report 2024

Commitment to achieving Net Zero

[Orifarm Supply AS] Awaiting SBTI validation of our short-term targets.

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	
Additional Details relating to the Baseline Emissions calculations.	
So far, our measurements of CO2 emissions have been focusing on scope 1 and 2. We need however to include scope 3 in our reporting to present a transparent and full picture of our impact on climate and environment. Therefore, we have been working on developing a methodology for Orifarm's GHG emissions that applies to all operations, facilities, and activities within the Orifarm Group. This methodology outlines the processes and guidelines for calculating and reporting greenhouse gas (GHG) emissions across Scope 1, Scope 2, and Scope 3 categories. The methodology will be included in our policies and Standard Operating Procedures (SOP) and will be implemented across companies in the Orifarm Group. With the new methodology fully implemented, we will evaluate our targets and progress in meeting our current ambitions. This will be part of the sustainability statement in our CSRD compliant annual report 2025.	
Baseline year emissions: 2022	
EMISSIONS	**TOTAL (tCO_2e)**
Scope 1	4,315
Scope 2	(Location-based and market-based) 8,264
Scope 3 **(Included Sources)**	To be defined 2025
Total Emissions	12,579

Current Emissions Reporting

Reporting Year: 2024	
EMISSIONS	**TOTAL (tCO_2e)**
Scope 1	3,178
Scope 2	(Location-based and market-based) 9,566 *
Scope 3 **(Included Sources)**	To be defined 2025
Total Emissions	12,744

**The market-based emissions increased to 11270 CO2e tons in 2023 (7206 CO2e tons in 2022). This is first of all based on our decision to end our purchase of unbundled RECs.*

Orifarm has reduced scope 1+2 market-based GHG emissions by 18.8% from 2023 to 2024.

Emissions Reduction Targets

Orifarm has committed to set near-term and long-term company-wide emission reductions in line with science-based net-zero with the SBTi.
Orifarm has responded to the SBTi's urgent call for corporate climate action by committing to align with 1.5°C and net-zero through the Business Ambition for 1.5°C campaign.

Orifarm Targets
Operational GHG Emissions

- SBTi-aligned interim target, 2025 - At least 15.7% reduction; no use of unbundled RECs or offsetting
- SBTi-approved near-term target, 2030 - At least 42% reduction; no use of unbundled RECs or offsetting

Renewable Energy

- 30% renewable energy, 2025 Without use of unbundled RECs
- 50% renewable energy, 2030 Without use of unbundled RECs

Our baseline for 2022 is 21% renewable energy

Energy use from renewable sources
The energy consumption in 2024 ended at 27,746 MWh (35,242 MWh in 2023) with a share of renewable energy at 2% (4% in 2023). The share of renewable energy is partly coming from our own production of renewable electricity through PV solar panels and partly through the renewable energy share in the energy grid in the country of use.

In 2023, Orifarm signed the commitment letter for setting science-based targets. With that signature, we indicated the importance of ambitious renewable energy and climate emission-reduction targets in our organisation and supply chain.

By now, we have set near term targets for our CO2 emissions (scope 1+2). For scope 1+2 our target is a reduction of 54.6% in 2033.

Carbon Reduction Projects

Sustainable initiatives in Orifarm's logistics operations reduce our CO2 emissions and maintain efficiency

Transportation Projects - For example, double-deck trailers can carry 66 pallets in two layers, reducing the number of trucks on the road and helping address driver shortages. Modular road trains, which are 25 meters long, can reduce CO2 emissions by up to 42% per pallet. These trains also use solar panels to power refrigeration units, although their use is limited in some countries.

All our transport partners use EURO6 engines, which reduce pollution and fuel consumption. Since September 2024, we have also switched to HVO diesel for container transport between Fredericia and Odense, reducing CO2 emissions by up to 90%.

Emission Reduction Project – Poland Production Facility. This facility is a significant contributor to our CO2 emissions. Here, Orifarm is placing a strong emphasis on prioritizing and implementing initiatives to reduce emissions at the factory:
Freecooling Project: Orifarm enhanced the Freecooling system, which uses winter air to cool the facilities without energy-intensive compressors. By repurposing existing drycoolers, this modernization will save electricity annually by efficiently operating at temperatures below +5°C.

Heat Recovery from Air Compressors: Partnering with Atlas Copco, Orifarm innovatively repurposed the heat generated by the air compressors to power technological equipment. This initiative will save thermal energy annually.

Heat pump installation: A new installation to support a heat pump from Gazuno, connected to the chilled water return pipeline. This is expected to save more thermal electrical energy annually, and the project will reduce Orifarm's carbon footprint and enhance Orifarm's sustainable practices.

Focus on our ecosystem

Pollution - Orifarm has integrated pollution and environmental concerns linked to the pharmaceutical products into our supply chain risk assessment. In this way, we assess both environmental product properties and the supply chain where it is produced. This process is part of a supplier management improvement process.

In 2024, we have not experienced any significant pollution issues – like breaches or accidents - in our factories.

Water Consumption - The water consumption at our sites for 2024 ended at 49.3 thousand m^3 (51.6 thousand m^3 in 2023). This is mainly linked to our production site in Poland. We have no sites placed in water-stressed areas and therefore the total consumption is reported from non-water-stressed areas.

Waste - The total amount of waste was reduced from 1,839 tons in 2023 to 1,597 tons in 2024. Also, we were able to recycle 11% more waste in 2024 compared to the previous year.

Waste management has been a systematic part of our operations at our site in Odense for many years. We've implemented initiatives to reduce waste and boost recycling across all operations. In 2024, we have achieved a notable 99.68% recyclability for coloured plastic and cardboard and 98.01% for clear plastic.

Our targets for share of renewable energy are unchanged, and we believe our efforts will bear fruit in the coming years. One of these efforts have this year been our focus on implementing solar panels in Poland, aiming to achieving CO2 neutrality at our production site in Poland by 2032.

It is our ambition to implement an environmental management system based on the ISO14001:2015 to secure we are in control and continuously improve our packaging materials to promote a higher environmental responsibility with our suppliers, subcontractors, and strategic partners.

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[4] and uses the appropriate Government emission conversion factors for greenhouse gas company reporting[5].

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[6].

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:

……*John Vaughan* ……

Date: ……19/03/2025……..……..

[4] https://ghgprotocol.org/corporate-standard
[5] https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting
[6] https://ghgprotocol.org/standards/scope-3-standard