

CARBON REDUCTION PLAN

Supplier name: PHOENIX Medical Supplies Limited
and subsidiaries (PHOENIX UK)

Publication date: 1st March 2025

P5274.1-V2



COMMITMENT TO ACHIEVING NET ZERO

PHOENIX UK are committed to achieving NET Zero by 2050. (This commitment relates specifically to the UK business)

In addition, we are committed to achieve CO₂-neutral by 2030 in our own operations. This target refers to our own operations only (Scope 1+2), not to our upstream and downstream value chain emissions (Scope 3)



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: 1st February 2022 – 31st January 2023

Additional Details relating to the Baseline Emissions calculations.

Due to the limited scope of reporting in previous years the year 2022/2023 will form the baseline year through which we will monitor progress towards PHOENIX UK Carbon Neutral and Net Zero commitments.

The company businesses financial years run from 1st February until 31st January. At the time of writing, data collection is in progress for the 24/25 financial year and therefore will not be available in time for the publication of this document. This data will be updated at the next publication.

The Scope 1 and 2 data is from supplier sourced data which has a good confidence interval and therefore high certainty ranking. Scope 3 data has been generated using the best available limited data which is currently limited to two sources. We aim to improve and increase reporting in the coming years.

Baseline year emissions:

| EMISSIONS | TOTAL (tCO ₂ e) |
|-------------------------------|--|
| Scope 1 | 13,759 |
| Scope 2 | 4,536 Location Based* 4,473 Market Based* <small>*Amendment to Scope 2 figures quoted in the previous Carbon Reduction Plan (Previous figures quoted were from 2021/22)</small> |
| Scope 3 (Included Sources) | 11,260* <ul style="list-style-type: none"> upstream transportation and distribution. waste generated in operations. business travel. employee commuting; and downstream transportation and distribution – this is the data category that 3PL and wholesale medicines distribution companies have to supply to their MAH customers for any NHS procurement contracts in secondary care from April 2024 (Scope 3 Cat 9 carbon emissions). <small>* This figure for the financial year 2023/2024 does not include full reporting for all Scope 3 categories listed. In future we intend to improve reporting on Scope 3 emissions.</small> |
| Total Emissions | 29,555 Location Based* 29,492 Market Based* <small>*Amendment to Scope 2 figures quoted in the previous Carbon Reduction Plan (Previous figures quoted were from 2021/22)</small> |

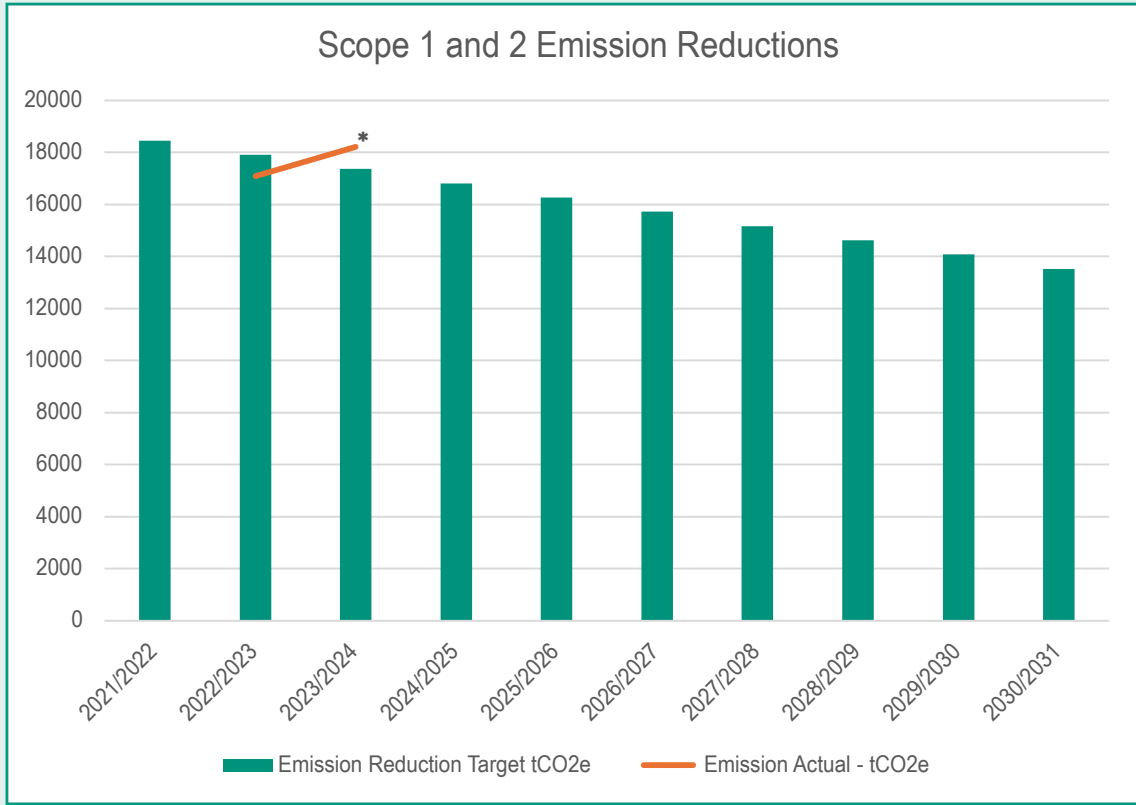
LATEST EMISSIONS REPORTING

Reporting Year: 1st February 2023 - 31st January 2024

| EMISSIONS | TOTAL (tCO ₂ e) |
|-------------------------------|--|
| Scope 1 | 13,879 |
| Scope 2 | 4,331 Location Based |
| Scope 3 (Included Sources) | <p>8,230</p> <ul style="list-style-type: none"> • upstream transportation and distribution. • waste generated in operations. • business travel. • employee commuting; and • downstream transportation and distribution – this is the data category that 3PL and wholesale medicines distribution companies have to supply to their MAH customers for any NHS procurement contracts in secondary care from April 2024 (Scope 3 Cat 9 carbon emissions). <p><small>*This figure for the financial year 2023/2024 does not include full reporting all Scope 3 Categories listed. In future we intend to improve reporting on Scope 3 emissions and in doing so expect to see an increase in reported Scope 3 emissions as availability and quality of data improves.</small></p> |
| Total Emissions | 26,440 Location Based |

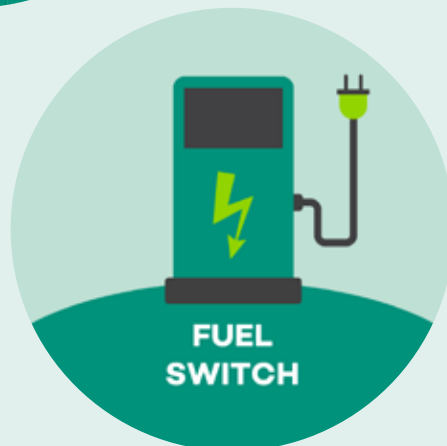
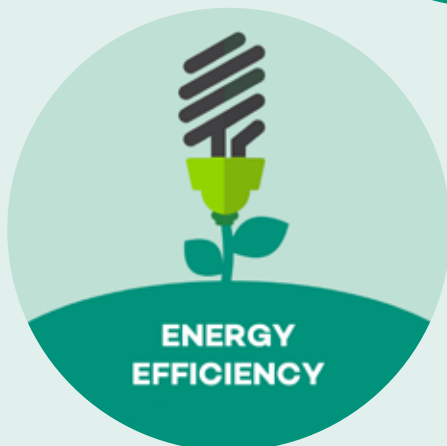
EMISSIONS REDUCTION TARGETS

Continuing our progress towards becoming Carbon Neutral in our own operations by 2030, we have adopted the following carbon reduction pathway.



*Throughout the financial Year 2023/2024 we experienced growth in our operations, leading to increased production, transportation, and energy consumption. In addition, we are undertaking data optimisation with each update to the Carbon Reduction Plan.

PRIMARY FOCUS AREAS FOR REDUCTION OF SCOPE 1 AND 2 EMISSIONS



BUSINESS MEASURES WITH ENVIRONMENTAL IMPACT

2016

Commenced installation of telematics into delivery vehicles.



Installation of first solar PV System on the Birmingham Distribution Centre.

Opening of the NuPAC Centralised Dispensing Centre providing a pouch-based monitored dosage system. Optimising efficiency, reducing the workload on pharmacy colleagues, and freeing up time for community pharmacy teams to provide vital pharmacy services.

Adherence to an ISO140001 Certified Environmental Management System.

2017/18



Increased focus on route optimisation across wholesale and retail network reducing mileage and number of vehicles on the road. This will be a process of continual improvement.

Continuous improvement demonstrated through ISO Certification.



2019/20

Opening of the MediPAC Centralised Dispensing Site providing original pack dispensing, optimising efficiency, reducing the workload on pharmacy colleagues and freeing up time for community pharmacy teams to provide vital pharmacy services.



Introduction of the Bio PE Bag at the MediPAC Centralised Dispensing Centre.

2021/22

Purchase and Rebrand of Distance Selling Pharmacy, offering remote pharmacy services.

Switch to retail bags and pallet wrap with a higher level of recycled content.



Recruitment of first UK Sustainability Manager.

Commenced first electric delivery vehicle trial.



2023

The implementation of driver efficiency and safety training modules for transport teams, to reduce emissions and vehicle consumables (Tyres and Brakes).

Increased monitoring of delivery mileage and driver style to ensure safe and efficient driving style is maintained.



Utilisation of MediPAC Centralised Dispensing Centre to fulfil patient prescriptions received by the Distance Selling Pharmacy.

Opening of three additional outbase sites, offering greater efficiency of final mile delivery.

Construction of the Wakefield Distribution Centre, incorporating an initial solar installation, energy efficient lighting and building envelope.

Closure of end of life/ inefficient distribution depot.

2024

Undertook clustering of Owned Pharmacies and outsourced patient deliveries from these sites – 27 delivery vans removed from fleet.

Opening of a further two additional outbase sites, offering greater efficiency of final mile delivery.



Installation of further solar PV System on the Wakefield Distribution Centre – 1.8Gwh estimated annual production.

Installation of EV Car Chargers at the Wakefield Distribution Centre.



Investigation into the use of HVO across the Wholesale delivery fleet. Increased cost as a fuel switch option is currently prohibitive.

Expansion of the company car list to include more Plug-In/ Hybrid options – Plug in Hybrids available for all car grades.

Completion of LED installation with PIR controls across the wholesale estate.

Closure of end of life/ inefficient distribution depot.

2025 & ahead

Introduction of 4 Ford EV into the wholesale network.



Project to increase MPG of delivery vehicles.



Continuing programme of route analysis to establish opportunities for increased efficiency and emission reduction resulting from internal combustion engine vehicles.



Scoping of further wholesale sites for additional investment, increasing own generation of electricity and reducing reliance on the national grid.



Ongoing installation of LED lighting systems into our owned pharmacy sites to reduce electricity consumption.



Improve recycling process across the estate to reduce waste-based emissions and resource



Commencing strategic review of the longer-term sustainability strategy for PHOENIX UK.



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 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 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 .

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

Signed on behalf of PHOENIX UK:



Stuart Lucas - *Chief Commercial Officer*

Date: 1st March 2025



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

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

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