

# Organon Pharma (UK) Ltd Carbon Reduction Plan 2023



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# Carbon Reduction Plan

Supplier name: **Organon Pharma (UK) Ltd**

Publication date: **22nd September 2023**

## Overview

The UK (United Kingdom) Government amended the Climate Change Act 2008 in 2019 by introducing a target of at least a 100% reduction in the net UK carbon account (i.e., reduction of greenhouse gas emissions compared to 1990 levels) by 2050. This is otherwise known as the 'Net Zero' Target. (gov.uk 2019)

Action Note PPN (Procurement Policy Note) 06/21, "Procurement Policy Note – Taking Account of Carbon Reduction Plans in the procurement of major government contracts," sets out how to take account of suppliers' Net Zero Carbon Reduction Plans in the procurement of major government contracts. (gov.uk 2021)

This plan outlines Organon Pharma (UK) Ltd.'s compliance with Action Note PPN 06/21.

### **Commitment to achieving Net Zero**

*Organon Pharma (UK) Ltd, a subsidiary of Organon & Co., commits to achieving Net Zero emissions in the UK 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.

<b>Baseline Year:</b> 2020	
<b>Additional Details relating to the Baseline Emissions calculations.</b>	
Organon & Co. spun off from MSD in June 2021. 2020 is used as the baseline year to reflect the spinoff from MSD.	
<b>Baseline year emissions:</b> 2020 (UK Emissions)	
<b>EMISSIONS</b>	<b>TOTAL (MtCO<sub>2</sub>e)</b>
<b>Scope 1<sup>i</sup></b>	1,150 (MtCO <sub>2</sub> e)
<b>Scope 2 (Location-based)</b> <small>2,3,4</small>	3,932 (MtCO <sub>2</sub> e)
<b>Scope 2 (Market-based)</b> <small>2,3,4</small>	5,285 (MtCO <sub>2</sub> e)
<b>Scope 3 (Included Sources)</b>	Not reported in 2020
<b>Total Emissions (Scope 1 and Scope 2 only)</b>	Including Location-based Scope 2 – 5,082 (MtCO <sub>2</sub> e)
	Including Market-based Scope 2 – 6,435 (MtCO <sub>2</sub> e)

<sup>i</sup> The inventory of Scope 1 and 2 GHG emissions includes carbon dioxide (CO<sub>2</sub>), Methane (CH<sub>4</sub>), Nitrous oxide (N<sub>2</sub>O) and hydrofluorocarbon (HFC's) from refrigerant use.

Reporting Year: 2022 UK Emissions	
EMISSIONS	TOTAL (tCO <sub>2</sub> e)
Scope 1	1,121 (MtCO <sub>2</sub> e)
Scope 2 (Location-based) <sup>2,3,4</sup>	3,165 (MtCO <sub>2</sub> e)
Scope 2 (Market-based) <sup>2,3,4</sup>	5,677 (MtCO <sub>2</sub> e)
Scope 3 (Included Sources) <sup>i,ii</sup>	4. Upstream transportation and distribution – 1,750 (MtCO <sub>2</sub> e) 5. Waste generated in operations – 150 (MtCO <sub>2</sub> e) 6. Business travel – 460 (MtCO <sub>2</sub> e) 7. Employee commuting – 1,170 (MtCO <sub>2</sub> e) 9. Downstream transportation and distribution – 5,370 (MtCO <sub>2</sub> e)
Total Emissions	Including Location-based Scope 2 – 13,230 (MtCO <sub>2</sub> e) Including Market-based Scope 2 – 15,740 (MtCO <sub>2</sub> e)

<sup>i</sup> Scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organization, but GHG emissions associated with the value chain. This is an initial estimate of Scope 3 GHG emissions in 2022 based on modelling aligned with The Greenhouse Gas Protocol (GHG Protocol) Corporate Value Chain (Scope 3) Accounting and Reporting Standard (also referred to as the Scope 3 Standard). The GHG emissions model may be subject to further revision which may result in adjustments to the estimated emissions for 2022 in the future. Scope 1 and 2 GHG emissions are based on reported emissions, not modeled emissions, and therefore are not directly comparable to Scope 3 emissions.

<sup>ii</sup> The GHG emissions for upstream and downstream transportation and distribution were calculated using financial data and emissions factors from and the U.S. EPA Office of Research and Development Environmentally Extended Input-Output (EEIO) Factors, Supply Chain GHG Emission Factors for U.S. Industries and Commodities-- Summary Industry Categories. Waste emissions are calculated based on US EPA Emission Factors for Greenhouse Gas Inventories, April 2021, US EPA Office of Resource Conservation and Recovery (February 2016) Documentation for Greenhouse Gas Emission and Energy Factors used in the Waste Reduction Model (WARM), and Factors from tables provided in the Management Practices Chapters and Background Chapters. WARM Version 15, November 2020 Update. Additional data provided by EPA, WARM-15 Background Data. Business Travel GHG emissions are based on our travel data and GHG emission factors for air, rail and car travel. Employee commuting GHG emissions are based on total headcount, assumptions on distance traveled, transportation mode and GHG emission factors for these transportation modes.

## Emissions reduction targets

Organon aims to support the transition to a low-carbon economy, with an ambition to achieve net zero GHG emissions in our operations and through our supply chain.

By 2025 and outlined in our ESG report 2022 (Organon 2022), globally we aim to:

- Reduce our Scope 1 and 2 GHG emissions by more than 25% from 2020 levels.
- Our goal is to have at least 70% of our supplier spend devoted to suppliers that have GHG emissions reduction programs.

We have targets on our other environmental sustainability key areas which are water, materials/waste and biodiversity.

## Carbon Reduction Projects and initiatives

Below you will find examples of carbon reduction measures and projects that have been completed or are being implemented and are in line with the key components of our carbon reduction plan.

### Implementing energy Efficiency Projects at our manufacturing facility

- Our Cramlington manufacturing site has a 5-year Environmental Sustainability Plan in place including energy efficiency measures for the facility.
- Cramlington achieved a 5.4% reduction in energy consumption in 2022 compared to our 2020 baseline performance through introduction of LED lighting and updating equipment to achieve better energy efficiency.
- To advance our greenhouse gas emission goals at the Cramlington plant we have initiated a project to reduce the gas consumption used in creating our steam gas-fired boilers. This project is expected to be completed by December 2023, with a calculated reduction between 7%-14% in gas usage.
- The Cramlington site are considering other initiatives on site, for example options regarding site wide LED/PIR lighting schemes.

### Transfer to renewable energy

We are looking into possibilities to increase the amount of renewable electricity we generate at our manufacturing site and to procure electricity from renewable sources.

The Cramlington manufacturing sites use steam from a neighbouring CHP plant that is fueled by wood chips to heat our LTHW facilities. This contract has been active since 2017. The GHG emissions associated with this steam are much lower than from steam that is generated by fossil fuels.

### Reduce the carbon emission of our fleet

We have initiated several projects to reduce the carbon emissions of our fleet in the UK.

All UK employees are eligible to join our lease car scheme, where the lease options are only hybrid or fully electric vehicles. At our Cramlington site, we have 5 dual 7.5kW chargers, providing 10 car charging facilities.

### Global ESG and CDP

Our full ESG report can be viewed [here](#) which provides more information on our global initiatives and progress and our CDP Climate questionnaire is available [here](#).

## 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 (ghg 2004) and uses the appropriate Government emission conversion factors for greenhouse gas company reporting (gov.uk 2023).

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 (ghg 2011).

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

### Signed on behalf of Organon Pharma (UK) Limited

**Name** Simon Nicholson

**Date:** Sep 28, 2023

**Signature:**

*Simon Nicholson*

Electronically signed by: Simon  
Nicholson  
Reason: Approved  
Date: Sep 28, 2023 08:58  
GMT+1



## References

ghg 2004 <https://ghgprotocol.org/corporate-standard>  
ghg 2011 <https://ghgprotocol.org/standards/scope-3-standard>  
gov.uk 2019 [Climate Change Act 2008 \(legislation.gov.uk\)](https://legislation.gov.uk)  
gov.uk 2021 [PPN 0621 Taking account of Carbon Reduction Plans Jan22.docx \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)  
gov.uk 2023  
<https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>  
[Organon 2022 Organon\\_2022\\_ESG\\_Report\\_FINAL.pdf](#)

## Footnotes

1. The inventory of Scope 1 and 2 GHG emissions includes carbon dioxide (CO<sub>2</sub>), Methane (CH<sub>4</sub>), Nitrous oxide (N<sub>2</sub>O) and hydrofluorocarbon (HFC's) from refrigerant use.
2. Scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organization, but GHG emissions associated with the value chain. This is an initial estimate of Scope GHG emissions in 2022 based on modelling aligned with The Greenhouse Gas Protocol (GHG Protocol) Corporate Value Chain (Scope 3) Accounting and Reporting Standard (also referred to as the Scope 3 Standard). The GHG emissions model may be subject to further revision which may result in adjustments to the estimated emissions for 2022 in the future. Scope 1 and 2 GHG emissions are based on reported emissions, not modeled emissions, and therefore are not directly comparable to Scope 3 emissions.
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