MERZ THERAPEUTICS

Merz Pharma UK Ltd
Carbon Reduction Plan

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Document version	Revision date	Revision details
01	02.04.24	New document
02	04.09.25	Update with 2023 and 2024 results, restatement of 2022

Contents

1. Commitment to achieving Net Zero

Merz Pharma UK Ltd is committed to achieving Net Zero emissions by 2045.

2. Baseline Emissions Footprint

Following its carbon footprint calculation for 2022, Merz Pharma UK Ltd will use the 2022 emissions as the baseline going forward. Prior to 2022, Merz Pharma UK Ltd had undertaken several short-term carbon reduction measures but without any significant data reporting. The 2022 baseline emissions data is the reference point against which future emission reduction is going to be measured.

Following a 2024 methods, data quality, and coverage review, we identified material methodology and classification issues (>5%). In line with our base-year recalculation policy and the GHG Protocol, we **restate the 2022 base year** (and 2023 comparatives) and have recalculated progress accordingly. Our end-targets are unchanged.

Baseline Year: 2022
Additional Details relating to the Baseline Emissions calculations.
As its baseline and point of reference, Merz Pharma UK Ltd have chosen its greenhouse gas emissions footprint from 1st Jan 2022 – 31st Dec 2022. The below data is the result of collecting consumption and spend data, researching emission factors and calculating the carbon emissions. Scope 1 & 2 are included in the 2022 footprint with a subset of scope 3 upstream & downstream activities. Furthermore, the facilities included in the assessment are the offices at Breakspear Park, Hemel Hempstead. Following a 2024 methodology review the following restatements have been made: 1. Scope 1: all vehicle fleet consisting of hybrid vehicles is treated as 100% petroleum car. Therefore, Scope 1 includes the vehicle fleet emissions calculated based on this assumption in 2024 and projected back to the baseline year. 2. Scope 2: previously associated electricity-related emissions for the vehicle fleet have been excluded from Scope 2, as the assumption is that all cars operate as 100% petroleum not electric. 3. Scope 3: internal transport logistics data quality improved. Previously associated internal logistics have been corrected for the proportion of Merz Pharma UK Ltd freight.
Baseline year emissions:

EMISSIONS	TOTAL (tCO_2e)
Scope 1	16.43 (24%)
Scope 2	3.97 (6%)
Scope 3 (Included Sources)	47.5 (70%)
Total Emissions	**67.9(100%)**

3. Current Emissions Reporting (as per baseline year)

Reporting Year: 2023	
EMISSIONS	**TOTAL (tCO_2e)**
Scope 1	16.43 (36%)
Scope 2	5.21 (11%)[1]
Scope 3 (Included Sources)	24.56 (53%)
Total Emissions	**46.24 (100%)**

[1] Market-based emissions associated with the electricity consumption have been identified as 0, due to purchase of Energy Attribute Certificates (EACs) for full consumption. Location-based emissions are 2.81t of CO2e

Reporting Year: 2024	
EMISSIONS	**TOTAL (tCO_2e)**
Scope 1	16.43 (22%)
Scope 2	4.97 (7%)[2]
Scope 3 (Included Sources)	53.4 (53%)
Total Emissions	**74.8 (100%)**

4. Emissions reduction targets

4.1 General

Merz Pharma UK Ltd supports the principles of Paris Climate Agreement and sets its carbon footprint reduction ambitions to support the goal to limit global temperature rise to well below 2°C, preferably to 1.5°C, compared to pre-industrial levels. To continue our progress to achieving Net Zero and in line with the NHS, we have adopted the following carbon reduction targets below.

4.2 Scope 1

To achieve Net Zero, Merz Pharma UK Ltd intend to reduce scope 1 emissions by 90% by 2045, from **16.43** tCO_2e in 2022 to **1.64** tCO_2e. This may not be linear within every reporting year depending on how electricity savings can be implemented.

4.3 Scope 2

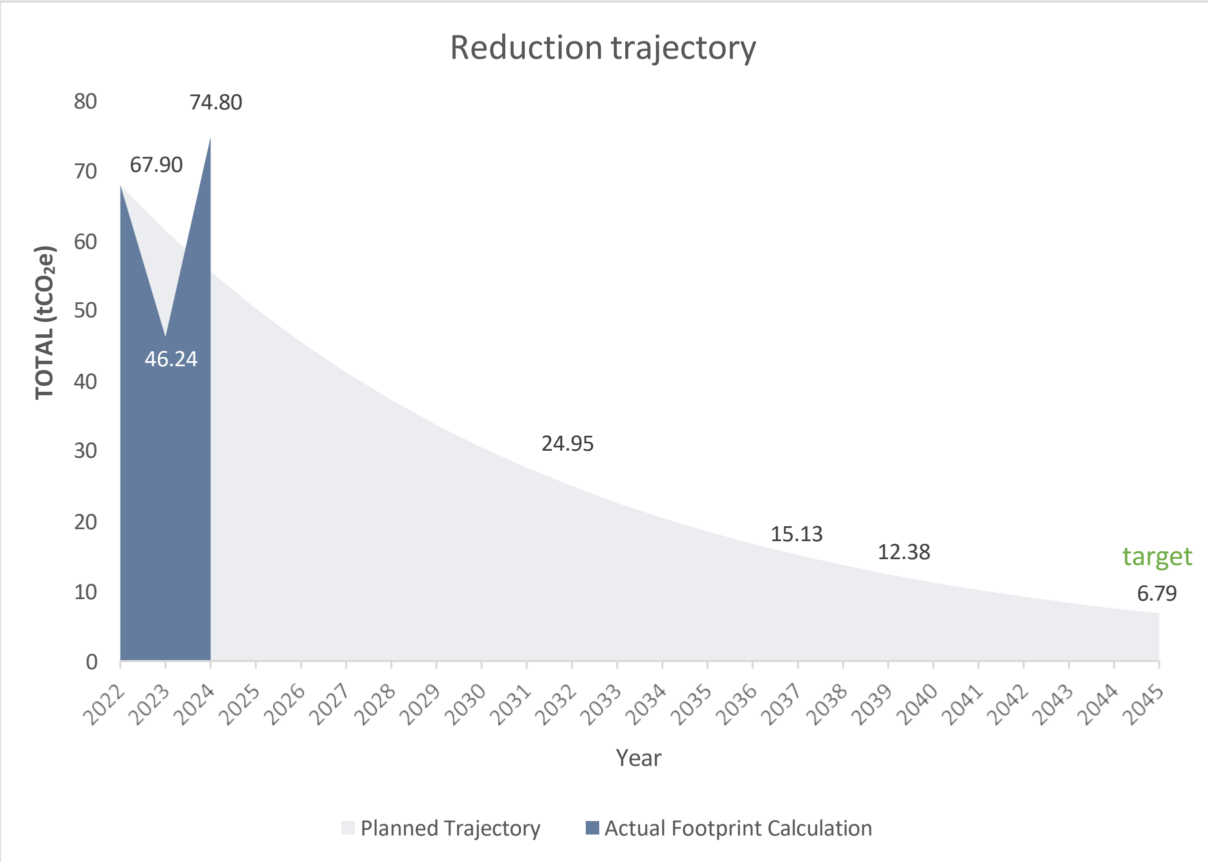
To achieve Net Zero, Merz Pharma UK Ltd intend to reduce scope 2 emissions by 90% by 2045, from **3.97** tCO_2e in 2022 to **0.397**. This may not be linear within every reporting year depending on how electricity savings can be implemented.

[2] Market-based emissions associated with the electricity consumption have been identified as 0, due to purchase of Energy Attribute Certificates (EACs) for full consumption. Location-based emissions are 2.03t of CO2e

4.4 Scope 3

To achieve Net Zero, Merz Pharma UK Ltd intend to reduce scope 3 emissions by 90% by 2045, from **47.5** tCO_2e in 2022 to **4.75**. This may not be linear within every reporting year due to the number of suppliers involved in scope 3. However, the largest contributor is upstream transportation and distribution (inbound logistics from our manufacturing site in Germany)

Progress against the overall target can be seen in the graph below:



5. Carbon Reduction Projects

The following environmental management measures and projects have been completed or implemented prior to or during the 2025 publication of this report:

5.1 Completed Carbon Reduction Initiatives

5.1.1 Reduce Scope 2 emissions (complete)

Most of these initiatives apply to electricity at the Breakspear Park office:

- Use of LED light bulbs in office space
- Use dimmers, motion sensors, or occupancy sensors to automatically turn off lighting in office space when not in use.
- Matched heating, ventilation, and air conditioning (HVAC) schedules to occupancy schedules in office
- Heating system is not running during off times and switch setback temperature to the lowest possible temperature (by law in office)
- Sensitize all employees to switch off electronic devices.
- Blocking sunlight in warm months in office
- Reducing meeting room temperature in office
- Training office-based staff to optimise heating performance.
- Switched to low emission hybrid cars
- Provide drivers & employees with eco-driving style training.
- Switched to a renewable energy provider in 2024 with a Renewable Energy Certificate (REC)

5.1.3 Reduce Scope 3 emissions (complete)

These initiatives apply to a subset of scope 3 (upstream transportation & distribution, business travel, employee commuting, purchased goods & services, fuel and energy-related activities, downstream transportation & distribution)

- Cycle to work scheme.
- Onsite showers to promote cycling into work.
- Switched to hybrid vehicles for business travel and employee commuting.
- Introduced minimum order quantities from Germany manufacturing site to UK distribution centre.
- Encouraged Trusts to place minimum orders to reduce transportation.
- Revised customer engagement approach, which promotes digital interactions.
- Reduced printed materials and increased use of digital resources.
- Optimized internal logistics rounds in Germany

5.2 Future Carbon Reduction Initiatives

5.2.1 Reduce Scope 1 emissions

- Transition to fully electric vehicle fleet (planned in 2025)

5.2.2 Reduce Scope 2 emissions.

- Optimise office space locations to switch to renewable energy powered heating systems

5.2.3 Reduce Scope 3 emissions.

- Transition to fully electric vehicle fleet (planned in 2025)
- Plan to move warehouse facilities to a more efficient location in terms of distance.
- Increase train and public transport commuting for business travel.
- Increase Eurostar use instead of flights for business travel to Head Office (Germany)
- Engaging with logistics providers to switch to green service.
- Engaging with all suppliers to verify their commitment to sustainable resources.

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 Merz Pharma UK Ltd Country Manager & Global Sustainability Manager GmbH.

Signed on behalf of the Supplier:

DocuSigned by:
Zoe Dunbar
SIGNED………366F9405564C4DC……………………..

TITLE: Country Manager, Merz Pharma UK Ltd

24.09.2025 | 16:47 BST
DATE: …………………………………………….

SIGNED Tatiana Kalashnikova (Sep 23, 2025 14:30:57 GMT+2)

TITLE: Global Sustainability Manager, Merz Therapeutics GmbH

23.09.2025
DATE: …………………………………………….