GREENHOUSE GAS INVENTORY

FY2024

ADCOCK INGRAM FY2024 CARBON FOOTPRINT REPORT 21 October 2024

Draft Version 1.0



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REVISION HISTORY

Date	Version	Amendments to previous version	Approved by	Prepared by
20.09.2024	Draft 0.1	First draft	N/A	Robyn Ferrar
21.10.2024	Final 1.0	Included footnotes and recommendation to correct consumption of purchased solar kWh for Distribution as per late correction submitted.	Trevor Wentworth	Robyn Ferrar





SECTION A

1. REPORT OVERVIEW – EXECUTIVE SUMMARY

Table 1: Complete Overview of Adcock Ingram's FY2024 GHG Emissions

Scope 1 Direct Emissions		Metric tonnes of CO ₂ e
Stationary fuel		12 597.62
Fugitive gas		4 376.23
Mobile fuel		253.19
Onsite renewable energy (emissions)		0.00
TOTAL SCOPE 1 EMISSIONS		17 227.04
Scope 2 Indirect Emissions	Location-based	Market-based
Purchased grid electricity	50 716.47	50 716.47
Purchased renewable electricity	1 843.17	0.00
TOTAL SCOPE 2 EMISSIONS	52 559.64	50 716.47
TOTAL SCOPE 1 & 2 EMISSIONS (MARKET-BASED)		67 943.51
Scope 3 Indirect Emissions		
1. Purchased goods and services		21 279.88
2. Capital goods		Not evaluated
3. Fuel- and energy-related activities		15 881.89
4. Upstream transportation and distribution		17 120.96
5. Waste generated in operations		1 561.00
6. Business travel		4 559.85
7. Employee commuting		3 125.17
8. Upstream leased assets		Not applicable
9. Downstream transportation and distribution		Not applicable
10. Processing of sold products		Not applicable
11. Use of sold products		Not evaluated
12. End-of-life treatment of sold products		Not evaluated
13. Downstream leased assets		Not applicable
14. Franchises		Not applicable
15. Investments		Not evaluated
TOTAL SCOPE 3 EMISSIONS		63 528.75
Outside of Scopes:		
Non-Kyoto Protocol GHG emissions		360.80



Figure 1 is a summary of the emissions and company metrics reported by Adcock Ingram in financial year (FY) 2024.



Figure 1: Summary of Adcock Ingram's FY2024 emissions and company metrics





SECTION B

2. INTRODUCTION

This FY2024 CFR has been prepared using the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol) methodology. Within the GHG Protocol, accounting and reporting are guided by five principles – relevance, completeness, consistency, transparency, and accuracy – to ensure that reported information represents a true and fair account of emissions. These principles are intended to underpin all aspects of greenhouse gas (GHG) accounting and reporting according to the GHG Protocol, and to which Carbon Calculated subscribes in the delivery of all its reports.

The GHG Protocol

The GHG Protocol is the most widely used standard for mandatory and voluntary corporate GHG reports and is compatible with other international GHG reporting standards such as ISO 14064. It is derived from a multiple-stakeholder partnership of businesses, NGOs and governments led by the World Resources Institute and The World Business Council for Sustainable Development.

It is important to highlight that under the GHG Protocol, the reporting of both Scope 1 direct emissions and Scope 2 indirect emissions is compulsory. All Scope 3 emissions, (i.e., those from supply chain activities), are reported at the discretion of the reporting company.

This FY2024 CFR should be compared against previous carbon footprint calculations to review changes in annual consumption, boundaries, and areas of improvement.

Carbon Calculated has gone to all reasonable lengths to ensure that the primary information provided by Adcock Ingram is correct. Carbon Calculated is not liable for any inaccuracies that this information might contain. This CFR, in its entirety, is both material and complete and is intended for Adcock Ingram internal use only. Information may, however, be extracted for reporting purposes, such as for submission into international and national GHG registries and for purposes of sustainability reporting. It may also be presented for third-party verification purposes. Figure 2 below shows the detailed breakdown of Scopes and emission categories.





Figure 2: Illustration of Scopes and emission categories

3. NOTABLE YEAR-ON-YEAR CHANGES

Adcock Ingram's reporting and consumption has changed notably between years in the following ways:

- Stationary fuel emissions decreased by 14% due to a 59% decrease in litres of diesel consumption related to loadshedding. Prescription was the only facility to increase consumption due to several municipal infrastructure failures that caused severe interruptions in electricity supply.
- 2) Grid electricity consumption increased by 2%, however, emissions decreased by 3%. This is due to a significant decrease in the grid emission factor (EF) for FY2024. Eskom's EF is now no longer used in favour of the new DFFE-released EF that accounts for electricity imported into grid, which changes the mix of renewables vs. fossil-fuel based energy.



- 3) Emissions from the upstream lifecycle, or Well-to-Tank (WtT) phase, for consumed grid electricity within Scope 2, as well as WtT for T&D losses and employee commuting reported within Scope 3, have been included for the first time in FY2024, as has become best practice in carbon accounting.
- 4) Packaging emissions increased by 9%, primarily due to the inclusion of packaging reported by the Consumer division for the first time. Although from third-party manufacturing, this is regarded as best practice.
- 5) There was a 7% increase in litres of fuel reported by RTT for third party distribution, however RTT's airfreight and "landbased airfreight" both decreased significantly (42% and 72% respectively) compared to the prior year.
- 6) Import/export shipping emissions increased by 5% compared to FY2023. Sea freight tonne km increased by 24% in FY2024, whereas airfreight decreased by 5%. This slight change in the transport mix contributed to limiting the emissions increase to 5%, despite a 23% increase in overall tonne km.
- 7) Adcock's overall waste volumes increased by 19%, however, the emissions increased by 42% due, in part, to a 12% increase in the landfill EF for South Africa in 2024. The volume increases were also weighted towards the emissions generating waste streams (landfill 16% and incineration 212%), which pushed up emissions further. However, the target of 16.3% waste to landfill was achieved 83.7% of waste was recycled, reused or incinerated compared to 83.3% in 2023.
- 8) Plush reduced area in square metres from 2 170 to 700 m² in FY2024 when all non-manufacturing staff moved from the Plush facility into Adcock Ingram's Midrand facility, with only the manufacturing staff and activities remaining in the old facility. This had a material impact on electricity and water consumption at Plush.
- 9) Third party solar energy at the Midrand facility was confirmed to be reported as 100% consumption by Adcock Ingram – the PPA was provided to confirm source of electricity as well as ownership of equipment, thus confirming inclusion at 100% under Scope 2 as purchased electricity.





4. REQUIRED INFORMATION

Table 2 below incorporates the fundamental information pertaining to Adcock Ingram for this CFR.

Table 2: Required	Information f	or GHG	Reporting in	Adcock	Ingram's	FY2024 CFR
	J				9 -	

Required I	nformation	Detail
Organisation	al boundary	 Adcock Ingram's South African operations: Manufacturing: Prescription, OTC, AICC; Genop Healthcare (included with Midrand DC) Distribution Centres: Midrand; Gqeberha; Cape Town; Durban; Bloemfontein; Halfway House AIHC/Corporate (included with Midrand DC) Plush
Reporting pe	riod	Financial year: 01 July 2023 – 30 June 2024
Methodology	/	GHG Protocol – Corporate Accounting and Reporting Standard
GHG consolic approach	dation	Operational Control Approach
Baseline year	·	2015
Baseline year emissions		 Scope 1: 18 082 tCO₂e Scope 2: 52 061 tCO₂e Scope 3: 44 083 tCO₂e Outside of Scopes: 2 424 tCO₂e Water: 335 336 kilolitres
	Scope 1	 Stationary fuel: generators; boilers Mobile fuel: fleet vehicles Mobile fuel: forklifts Fugitive gas: air-conditioning gas; refrigerants; fire suppressants; medical gas Onsite renewable energy: photovoltaic
	Scope 2	 Purchased electricity: grid electricity; renewable electricity
Operational boundary	Scope 3	 Purchased goods & services: water supply; paper; packaging Fuel- & energy-related activities: electricity T&D losses; WtT for Scope 1 fuels and electricity Upstream & downstream transport & distribution (WtW): logistical services; freight transport Waste disposal: landfill; recycling; compost; incineration; wastewater Business travel (WtW): car hire; air travel; accommodation; travel claims Employee commuting: private commuting; public transport
	Outside of Scopes	 Fugitive gas: non-Kyoto Protocol air-conditioning gas (R22)





4.1. COMPANY DESCRIPTION

Adcock Ingram is a leading South African healthcare, personal care and homecare manufacturing and distribution Group of companies and is listed on the Johannesburg Stock Exchange. It has three core areas of business, namely pharmaceutical, hospital products and fast-moving consumer goods. Its product portfolio includes branded and generic pharmaceutical medicines, intravenous solutions, blood collection products, renal dialysis systems, as well as over-the-counter healthcare products, personal care, and homecare products.

The company's primary operations are in South Africa, and the following manufacturing operations are covered by this report:

- Critical Care / Aeroton (AICC) a critical-care facility that produces intravenous fluids, blood bags, renal dialysis products and large- and small-volume parenterals.
- OTC / Clayville a highly-automated factory primarily producing liquids and effervescent formulations.
- Prescription / Wadeville a tablet and capsule facility focused on the manufacture of anti-retroviral medicines that are supplied to the public sector.

RTT is appointed on a non-exclusive basis to provide the services for and on behalf of Adcock Ingram in respect of Adcock Ingram's distribution requirements.

4.2. BASELINE YEAR AND EMISSIONS RECALCULATION POLICY

Baseline-year Calculations

A baseline year is the historical year against which a reporting company's emissions are tracked and compared over time. It is typically the earliest relevant point in time for which a company has reliable data. A baseline year can be a calendar year or a fiscal year.

Adcock Ingram has set FY2015 as the baseline year for carbon footprint calculations because this is the year that best represents the reporting boundaries with reliable and transparent data. There have been no known cases to trigger the recalculation of baseline-year emissions by Adcock Ingram in FY2024.





Baseline-year Recalculation Policy

Baseline-year emissions shall be retroactively recalculated to reflect changes in the company that would otherwise compromise the consistency and relevance of the reported GHG emissions information. Structural changes (e.g., change of ownership or control of emissions-generating activities; mergers; acquisitions; divestments; outsourcing or insourcing of emitting activities); changes in calculation methodology or emission factors; and discovery of significant errors or cumulative errors could trigger a baseline-year recalculation.

Adcock Ingram is advised to develop a baseline-year emissions recalculation policy, and clearly articulate the basis and context for any recalculations. Within this policy, a definition of the "significance threshold" should be articulated which will guide historic emissions recalculations. Generally, defining "significant" as a cumulative change of five percent or larger is recommended in a company's total baseline-year emissions expressed in tonnes of CO₂e. Should this threshold be reached, this would trigger a recalculation of baseline-year emissions for the emissions inventory to align with a company's latest company structure and emission sources.

4.3. EXCLUSIONS AND ASSUMPTIONS

The following exclusions and/or assumptions are noted in relation to the reporting boundary as well as the Scope 1, Scope 2 and Scope 3 emissions covered by the CFR:

4.4. ORGANISATIONAL BOUNDARY EXCLUSIONS

Organisational Boundaries

Organisational boundaries determine which business units (core, subsidiaries, franchises, etc.), facilities, or physical places of operation, owned or controlled by the reporting company, are included in the GHG inventory. The more complex the company structure, the more important are the boundaries of an organisation for the clear definition and scope of the report.

Emissions generated by the following facilities and/or entities are excluded from the reporting boundary:

- Excludes all operations outside of South Africa Adcock Ingram have joint control over facilities in Bangalore, India.
- 4.5. OPERATIONAL BOUNDARY EXCLUSIONS AND ASSUMPTIONS

Operational Boundaries

Operational boundaries determine the actual operational activities of the reporting company that generate emissions; which of these activities should be included in the calculation; and how these activities should be classified (i.e., direct, or indirect emissions).





Operational exclusions and assumptions are detailed in Table 3 below, where known, along with assumptions and justifications.

Table 3:	Exclusions a	nd assumptions	across Scopes	for Adcock	Inaram in FY202	24

	Category	Evaluation status	Assumptions
	Stationary fuels	Relevant, reported with no known exclusions	No known assumptions
Scope 1	Mobile fuels	Relevant, reported with no known exclusions	Fleet vehicle litre usage for head office and the distribution facilities is assumed to be either outsourced to RTT or included within AIHC mobile fuel data.
	Fugitive gas (incl. Outside of Scopes)	Relevant, reported with no known exclusions	No known assumptions
	Onsite renewable energy	Relevant, reported with no known exclusions	Solar equipment at OTC is under Adcock Ingram's operational control.
Scope 2	Purchased grid electricity	Relevant, reported with no known exclusions	Electricity data for head office and Genop is included within the consumption for Midrand DC as they are housed within this facility.
	Purchased renewable electricity	Relevant, reported with no known exclusions	Solar equipment at Distribution facility under operational control of landlord.
Scope 3:			
1	Purchased goods & services	Relevant, partially reported: Office paper Packaging Water supply 	Information on other "goods and services" not evaluated.
2	Capital goods	Relevant, not reported	Information not evaluated.
3	Fuel- & energy-related activities (not included in Scope 1 or Scope 2)	 Relevant, reported: WtT for Scope 1 fuels WtT for Scope 2 grid electricity Electricity T&D losses – lifecycle 	No known assumptions.
4	Upstream transportation & distribution	 Relevant, partially reported: Freight Third-party vehicle fleet 	Courier data is excluded due to limited data available and not material to the footprint - <1% of logistics data.
5	Waste generated in operations	Relevant, reported: Landfill waste Incineration Recycling Compost Wastewater 	Genop waste included within Distribution.
6	Business travel	Relevant, reported: Car hire Air travel Accommodation Travel claims 	FY2023 data was used as a proxy (unreliable data in FY2024) with an estimated increase based on increase in spend, less inflation.
7	Employee commuting	Relevant, reported	A survey was not completed for FY2024 so FY2021 survey results were used as a proxy. WtT emissions included for the first time.



Category		Evaluation status	Assumptions
8	Upstream leased assets	Not relevant, explanation provided	Adcock Ingram does not lease assets.
9	Downstream transportation & distribution	Not relevant, explanation provided	Included under category 4 (exports) or not applicable.
10	Processing of sold products	Not relevant, explanation provided	Adcock Ingram's products do not get sold to third parties for further processing.
11	Use of sold products	Relevant, not reported	Information not evaluated or available.
12	End-of-life treatment of sold products	Relevant, not reported	Information not evaluated or available.
13	Downstream leased assets	Not relevant, explanation provided	Information captured in Scope 1 and 2.
14	Franchises	Not relevant, explanation provided	Adcock Ingram does not operate any franchises.
15	Investments	Relevant, not reported	Information not evaluated.

SECTION C

5. INFORMATION ON ADCOCK INGRAM'S EMISSIONS

5.1. TOTAL SCOPE 1 & 2 EMISSIONS

The GHG Protocol requires carbon footprint calculations to include, as compulsory reporting, all direct emissions under Scope 1 and indirect emissions under Scope 2.

All emissions are calculated using emission factors and reported as metric tonnes of carbon dioxide equivalent (tCO₂e) gases as required by the GHG Protocol. Unless otherwise stated, emission factors are sourced from United Kingdom Department for Environment, Food and Rural Affairs (Defra)¹.

Emission Factors

Emission factors convert operational activity data (e.g., kilometres driven, kilowatt hours of purchased electricity) into a value indicating the GHG emissions generated by that activity – reported as carbon dioxide equivalent (CO₂e). Emission factor values can be sourced from a variety of different providers.

Carbon Dioxide Equivalent (CO2e)

A standard unit for measuring emissions from various GHGs based on their global warming potential (GWP) in relation to that of carbon dioxide.

¹ United Kingdom Department for Environment, Food and Rural Affairs (Defra). 2024. *Greenhouse gas reporting: conversion factors 2024.*



The GHGs covered by this calculation are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃). As described above, all these gases are amalgamated and reported in terms of their CO₂e.

5.2. SCOPE 1 EMISSIONS

Scope 1 emissions are from sources owned or controlled by the reporting company, e.g., generators, refrigeration, air-conditioning units.

Table 4 provides a breakdown of Adcock Ingram's direct Scope 1 consumption and carbon emissions for FY2024. Please note that throughout the CFR, all consumption, and emissions in tonnes of CO₂e are rounded to two decimal places² and intensity metrics are rounded to three decimal places.

Category	Units and Type Total consumption		Metric tonnes of CO ₂ e ³
	Litres – diesel in equipment	450 424.94	1 198.83
	Tonnes – coal in boilers	3 582.97	8 597.12
Stationary fuel (Tt)()	Tonnes – LPG in equipment	0.19	0.56
	Cubic metres – natural gas	1 357 261.00	2 800.27
	Kilograms – acetylene	247.00	0.84
	Total		12 597.62
	Kilograms – HFC 134a	876.00	1 138.80
	Kilograms – R404a	145.00	571.74
Fugitive gos4	Kilograms – R410a	247.00	475.23
rugitive gas	Kilograms – N ₂ O	8 265.00	2 190.23
	Kilograms – CO ₂	242.50	0.24
	Total	9 775.50	4 376.23
	Litres – diesel	35 813.25	95.32
Mobile fuel (TtW) – on-road	Litres – petrol	66 724.66	157.05
	Total	102 537.91	252.37
	Litres – diesel	132.16	0.31
Mobile fuel (TtW) – off-road	Tonnes – LPG in forklifts	0.17	0.51
	Total		0.82
Renewable energy generated onsite	kWh – solar renewable energy	1 473 930.00	0.00
Total Scope 1			17 227.04

Table 4: Adcock Ingram's direct Scope 1 emissions in FY2024

⁴ The GWP for air-conditioning, fire suppressant and refrigeration gas refills are sourced from: Contribution of Working Group III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change. *Fifth Assessment Report of the Intergovernmental Panel on Climate Change*. United Kingdom: Cambridge University Press.



² Should the figures in the breakdown of this CFR be summed manually, there may be variances of 0.01 (up or down) from the totals stated herein due to rounding of data to two decimal places.

³ Unless otherwise stated, all emission factors are provided by: United Kingdom Department for Environment, Food and Rural Affairs (Defra). 2024. *Greenhouse gas reporting: conversion factors 2024.*



5.3. SCOPE 2 EMISSIONS - MARKET-BASED AND LOCATION-BASED EMISSIONS

Scope 2 emissions are associated with the consumption of purchased electricity, heat or steam from a source that is not owned or controlled by the reporting company, e.g., an electricity utility such as Eskom. Scope 2 emissions are reported according to either the location-based or market-based approach.

Location-based electricity

The location-based method reflects the average emissions intensity of electricity grids on which energy consumption occurs, considering all electricity generation (renewable and non-renewable), thus using the grid average emission factor. An example is the national annual electricity emission factor provided by Eskom to South African electricity consumers.

Market-based electricity

The market-based method reflects the emissions from electricity-generating sources that companies have purposefully chosen – for example, energy from a specific wind farm – which may be different from the electricity that is generated for the local grid. Different electricity suppliers and contracts emit more or less GHGs depending on the energy source or technology, resulting in a supplier-specific emission factor.

Where relevant, this means reporting the specific emissions associated with the procurement of energy from a contracted supplier. Contracts with low-carbon electricity suppliers and renewable energy certificates (RECs) are examples of instruments that provide companies with an opportunity to account for emissions under the market-based approach. Regardless of whether supplier-specific emission factors are employed or not, dual reporting of location and market-based electricity is recommended as best practice.

Table 5 provides a breakdown of Adcock Ingram's indirect Scope 2 consumption and carbon emissions for FY2024.

Catagoni	Unite and Easility	Total	Metric tonnes of CO ₂ e ⁵		
Category	Units and Facility	consumption	Location-based	Market-based	
	kWh – Prescription (Wadeville)	10 113 428.00	9 961.73	9 961.73	
	kWh – OTC (Clayville)	19 790 319.97	19 493.47	19 493.47	
Purchased grid electricity	kWh – AICC (Aeroton)	14 692 050.00	14 471.67	14 471.67	
	kWh – Distribution, AIHC & Genop	6 829 968.94	6 727.52	6 727.52	
	kWh – Plush	63 035.06	62.09	62.09	
Purchased renewable electricity	kWh – Distribution, AIHC & Genop	1 871 241.10 ⁶	1 843.17	0.00	
Total purchased electricity (TtW)	53 360 043.07	52 559.64	50 716.47	

Table 5: Adcock Ingram's indirect Scope 2 emissions from purchased electricity in FY2024

⁶ A late correction to kWhs was provided by Adcock Ingram (886 MWh), which can be restated in FY2025 – only total kWh and locationbased emissions would be affected by this correction.



⁵ South African emission factor for grid electricity is sourced from: *Department Of Forestry, Fisheries And The Environment. 2024.* South Africa's 2021 Grid Emission Factors Report, Government Gazette (No 50071).



SECTION D

6. ADDITIONAL INFORMATION UNDER THE GHG PROTOCOL

6.1. SCOPE 3 EMISSION CATEGORIES

Scope 3 emissions

Scope 3 emissions are indirect emissions (other than purchased electricity, heat, or steam) that can be described as relevant to the activities of the reporting company, e.g., business travel, and which are emitted by sources in the reporting company's supply chain. Scope 3 emissions are reported at the discretion of the reporting company.

It is widely accepted that reporting on a variety of Scope 3 categories (refer to Appendix A) allows companies to gain more meaningful and comprehensive information that provides input into their wider business strategy. Furthermore, reporting of Scope 3 categories is increasingly becoming a focus in management of corporate carbon emissions. Certain reporting platforms, such as CDP and the Science Based Targets initiative (SBTi), are steadily requiring greater and more detailed understanding of the entire supply chain of an organisation, making Scope 3 reporting increasingly important for companies.

If a company is reporting on Scope 3 emissions, they will first need to identify which Scope 3 categories are relevant to their operations. Once relevancy is established, the selection of Scope 3 activities is based on the availability, reliability, and accuracy of the relevant data within the organisation.

6.2. RELEVANT SCOPE 3 EMISSIONS

Table 6 outlines Scope 3 emissions generated during Adcock Ingram's reporting year from data that was available and deemed accurate. This Table indicates the consumption together with the calculated emissions. Please refer to relevant footnotes for further details.





Table 6: Adcock	Inaram's	Indirect Scope	e 3 ei	missions	in F	-Y2024

Category		Units and Type	Total consumption	Metric tonnes of CO ₂ e ⁷
		Tonnes – office paper (Mondi Rotatrim ⁸)	34.29	45.45
		Tonnes – glass	2 285.36	3 205.83
		Tonnes – plastic (PP) lids	458.44	1 177.55
		Tonnes – plastic (PS) shrinkwrap	6.94	30.30
		Tonnes – plastic (HDPE)	1 167.52	3 603.43
		Tonnes – plastic (LDPE) plastic bags	134.76	398.80
		Tonnes – plastic (PVC)	2 687.25	7 889.17
1	Purchased goods &	Tonnes – plastic (PET)	152.43	587.60
T	services	Tonnes – aluminium foil (75%)	127.64	1 162.43
		Tonnes – aluminium (25%) LDPE laminates	9.55	28.25
		Tonnes – paper labels	217.52	291.33
		Tonnes – paper leaflets	33.39	44.72
		Tonnes – paper	24.26	32.49
		Tonnes – cartons & shippers	2 024.72	2 417.45
		Kilolitres – municipal water supply	390 787.50	365.09
		Total		21 279.88
		Various – WtT for Scope 1 fuels	Various	2 299.15
2	Fuel- & energy-related	kWh – T&D lifecycle	10 113 428.00	5 689.51
5	activities ⁹	kWh – WtT for Scope 2 grid electricity	10 113 428.00	7 893.23
		Total		15 881.89
		Litres – RTT diesel	2 737 841.76	8 995.56
		Tonne.km – RTT air freight	38 021.85	70.56
	Upstream transportation	Tonne.km – RTT land-based air freight	34 472.26	26.13
4	 third-party vehicles and 	Tonne.km – sea freight	137 726 375.24	2 722.85
	freight (WtW)	Tonne.km – air freight	4 003 477.94	5 013.36
		Tonne.km – road freight	1 169 717.61	292.49
		Total		17 120.96
		Tonnes – landfill	838.55	1 213.37 ¹⁰
		Tonnes – hazardous (incinerated)	593.43	326.39 ¹¹
		Tonnes – recycling	3 059.74	19.61
5	Waste generated	Tonnes – oil reused	64.84	0.00
		Tonnes – charcoal reused	578.41	0.00
		Kilolitres – effluent	8 750.46	1.63
		Total		1 561.00

⁷ Unless otherwise stated, all emission factors are provided by: United Kingdom Department for Environment, Food and Rural Affairs (Defra). 2023. *Greenhouse gas reporting: conversion factors 2023*.

¹¹ A supplier-specific waste incineration emission factor was sourced from A-thermal – emissions are calculated based on the supplier's Scope 1 and 2 emissions per tonne of waste incinerated.



⁸ Emission factor for Mondi Rotatrim paper: Mondi. Released February 2023. Mondi Office Paper Environmental Parameters – Merebank Mill. (Unpublished).

⁹ Emission factors for T&D lifecycle and WtT electricity are sourced from the IEA 2023 report for the year 2021. This is accessed through a purchased licence and cannot be disclosed.

¹⁰ South Africa waste to landfill emission factor is sourced from Friedrich, E., and Trois, C. 2013.

Category		Units and Type	Total consumption	Metric tonnes of CO₂e ⁷
6 Business travel (WtW) ¹²	Km – car hire	112 047.64	24.74	
	Business travel (WtW) ¹²	Km – air travel ¹³	5 125 704.37	1 634.75
		Litres – travel claims	871 680.81	2 665.47
		Bed nights – accommodation	4 645.86	234.89
		Total		4 559.85
7 Employee commuting (WtW) FTE		FTE	2 513.00	3 125.17
Total Scope 3				

6.3. WELL-TO-WHEEL

Well-to-wheel (WtW) emissions include all emissions related to the production, processing, distribution, and use of fuels and electricity. In the case of diesel, emissions are produced during extraction from the earth, refining, distribution to the fuel stations, and combustion in equipment and vehicles. The first half of the process is defined as Well-to-Tank (WtT) and the final stage of use (combustion) is known as Tank-to-Wheel (TtW). Should the vehicle or equipment fall under the operational control of the reporting company, this combustion would be captured as Scope 1 (compulsory reporting), and the WtT emissions should be reported as Scope 3 under Category 3, Fuel-and Energy-related Activities (optional reporting).



Figure 3: Well-to-Wheel emissions

¹³ An 8% uplift factor is included to consider non-direct routes and delays/circling. The impact of radiative forcing is also included.



 ¹² Travel data for FY2024 car hire, flights and accommodation was deemed unreliable. A proxy was used based on FY2023 data with a spend-based increase assumption to estimate FY2024 business travel emissions.
 ¹³ An 8% unlift factor is included to consider non-direct routes and delays (sireling. The impact of radiative factor is included.



6.4. OUTSIDE OF SCOPES

The GHG Protocol methodology was developed to report on all GHGs that were identified under the Kyoto Protocol. Outside of Scopes emissions include, among others, GHGs that are not incorporated under this agreement, as they are presumed to have been phased out under the Montreal Protocol. In South Africa, certain GHGs which are not part of the Kyoto Protocol, such as Freon HCFC22, and are therefore considered Outside of Scopes, continue to be used as gas refills in air-conditioning and refrigeration equipment.

Table 7: Adcock Ingram's direct emissions from Outside of Scope GHG's in FY2024

Description	Units/Type	Total consumption	Metric tonnes of CO ₂ e
Fugitive gas (non Kusta) ¹⁴	Kilograms – HCFC22 (Freon)	205.00	360.80
Fugitive gas (non-kyoto)-	Total	205.00	360.80

7. ILLUSTRATIVE SUMMARY

7.1. ILLUSTRATED OVERVIEW OF RESULTS OF EMISSIONS BY SCOPE FOR ADCOCK INGRAM IN FY2024



Figure 4: Adcock Ingram's market-based emissions in tonnes of CO₂e by Scope in FY2024

¹⁴ The GWP for air-conditioning, fire suppressant and refrigeration gas refills are sourced from: Contribution of Working Group III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change. *Fifth Assessment Report of the Intergovernmental Panel on Climate Change*. United Kingdom: Cambridge University Press.







Figure 5: Adcock Ingram's Scope 1 and 2 emissions in tonnes of CO₂e in FY2024



Figure 6: Adcock Ingram's Scope 2 emissions by facility in tonnes of CO₂e in FY2024







Figure 7: Adcock Ingram's Scope 3 emissions in tonnes of CO₂e in FY2024

8. COMPARISON OF EMISSIONS AND INTENSITY

The aim of completing a footprint each year is to collect the most detailed and accurate data possible and to further extend the operational and organisational boundaries with the goal to use the results to manage and reduce emissions. Table 8 provides a comparison of Adcock Ingram's carbon footprint as compared to prior years and Tables 9 and 10 are comparisons of electricity and water consumption respectively, between years.

Category	FY2022	FY2023	FY2024	% Change
Stationary fuel	12 452.93	14 707.04	12 597.62	-14%
Fugitive gas	6 343.84	6 248.29	4 376.23	-30%
Mobile fuel	161.45	265.49	253.19	-5%
Onsite renewable energy	N/R	0.00 ¹⁵	0.00 ¹⁶	N/A
Total Scope 1	18 958.23	21 220.82	17 227.04	-19%
Total Scope 2 – purchased electricity	55 325.08	52 477.15	50 716.47	-3%
Total Scope 1 & 2	74 283.30	73 697.97	67 943.51	-8%
Purchased office paper	66.73	50.31	45.45	-10%
Purchased packaging	19 936.26 ¹⁷	19 140.27	20 869.33	9%
Purchased water supply	347.03	364.96	365.09	0%
Fuel & energy activities – Scope 1	N/R	2 780.17 ¹⁸	2 299.15	-17%

Table 8: Comparison of Adcock Ingram's emissions between years

¹⁸ Emissions from the upstream lifecycle phase (mining, production, and transport) of Scope 1 fuels are included for the first time.



¹⁵ Onsite renewable electricity (solar - 1 110 MWh) was reported by OTC for the first time in FY2023.

¹⁶ Onsite renewable electricity (solar - 1 474 MWh) was reported by OTC in FY2024.

¹⁷ Restated from 17 590 tCO₂e due to correction to data submitted for prior year comparison.

Category	FY2022	FY2023	FY2024	% Change
Fuel & energy activities – Scope 2 T&D losses	6 527.36	6 260.52	N/A ¹⁹	N/A
Fuel & energy activities – Scope 2 T&D lifecycle	N/R	N/R	5 689.51 ²⁰	N/A
Fuel & energy activities – Scope 2 grid electricity	N/R	N/R	7 893.23 ²¹	N/A
Upstream transport & distribution	15 008.73 ²²	16 385.06	17 120.96	4%
Waste generation	1 656.90	1 100.04 ²³	1 561.00	42%
Business travel	2 273.88 ²⁴	4 074.83	4 559.85	12%
Employee commuting	2 893.86 ²⁵	3 161.23	3 125.17	-1%
Total Scope 3	48 710.75	53 317.39	63 528.75	19%
Outside of Scopes	619.02	371.36	360.80	-3%

Material variance explanations:

- Reduction of 14% for stationary fuels primarily driven by a 59% reduction in generator diesel due to significantly reduced loadshedding at all facilities. However, Prescription increased diesel consumption by 63% due to municipal infrastructure failures causing several severe interruptions in electricity supply.
- Although the volume of fugitive gas increased by 11% in FY2024, this increase was limited to N₂O with all others decreasing significantly. Since N₂O has a much lower emission factor than the gases that decreased, the overall emissions decreased by 30%.
- 42% reduction is waste emissions 130 tCO₂e of the increase in waste emissions relates to an update to the South African landfill emission factor (increased by 12%), waste to landfill increased year-on-year from 723 to 839 tonnes (16%), and incinerated waste increased from 190 to 593 tonnes (212%). Note: the target of 16.3% waste to landfill was achieved 83.7% of waste was recycled, reused or incinerated compared to 83.3% in 2023.
- Business travel increased by 12% as a result of the further normalisation post COVID-19.
- Packaging emissions increased by 9%, primarily due to the inclusion of packaging reported by the Consumer division for the first time. Although from third-party manufacturing, this is regarded as best practice.

since the Adcock IR had was due to be finalised, and the difference was not material, emissions data was not adjusted.



¹⁹ No longer applicable due to the inclusion of T&D lifecycle – see following footnote.

²⁰ T&D lifecycle represents the combined inclusion of T&D losses (reported historically) and the WtT emissions for T&D losses (included for the first time), thus the combination replaces T&D losses as included historically for complete reporting of category 3. ²¹ WtT lifecycle emissions for nurchased and electricity reported for the first time in EV2024

²¹ WtT lifecycle emissions for purchased grid electricity reported for the first time in FY2024.

²² Restated in 2023 from 20 015 tCO₂e due to incorrect third-party data for prior year and change to calculation methodology for FY2023, although WtT emissions (1 489 tCO₂e) only included for RTT. Total should be 15 667 tCO₂e due to a late detected calculation error, but since Adcock's IR was due to be finalised, and the difference not material, emissions data was not adjusted.

 $^{^{\}rm 23}$ Waste restated in 2023 from 1 063 tCO_2e due to incorrect categorisation of some waste streams.

²⁴ Air travel restated in 2023 from 2 515 tCO₂e to 412 tCO₂e due to error found in calculation during prior year comparison.

²⁵ Commuting for FY2022 would normally have been restated to account for updated FTE numbers (should be 3 053 tCO₂e), however,



Figure 8: Adcock Ingram's comparative emissions between years (FY2022-FY2024) by Scope

Division	FY2022	FY2023	FY2024	% Change
Prescription (Wadeville)	9 948 403	9 994 516	10 113 428	1%
OTC (Clayville)	20 805 912	20 297 000	19 790 320	-2%
Critical Care (Aeroton)	13 628 500	13 394 620	14 692 050	10%
Distribution ²⁶ , AIHC & Genop	8 019 633 ²⁷	6 649 000	6 829 969	3%
Plush	162 365	123 662	63 035	-49%
Total	52 564 812	50 458 798	51 488 802	2%

Table 9: Comparison of Adcock Ingram's grid electricity in kilowatt hours between years

Material variance explanations:

- Critical Care increased grid electricity consumption by 10% due to a tender won from government, which increased production volumes in FY2024.
- Plush consumption decreased by 49%, due in part to a reduction in production for the year. Additionally, all non-manufacturing staff moved into the Midrand (Distribution) facility in 2024 resulting in a lower per square metre allocated charge for water and electricity as a result of less floor space being used, with only manufacturing staff and activities remaining at the old Plush facility.

 ²⁶ Distribution includes the following DCs: Cape Town, Gqeberha, Durban, Midrand, Bloemfontein, and Halfway House.
 ²⁷ Includes 371 345 kWh purchased renewables (onsite solar purchased from landlord).





Description	Division	FY2022	FY2023	FY2024	% Change
	Prescription (Wadeville)	48 205	42 024	40 194	-4%
	OTC (Clayville)	118 400	143 700	145 670	1%
Municipal water	Critical Care (AICC)	172 855	177 239	189 712	7%
	Distribution, AIHC & Genop	13 096	15 618	14 986	-4%
	Plush	1 381	796	226	-72%
Perebala water	OTC (Clayville)	13 189	7 831	13 460	72%
Borenole water	Critical Care (AICC)		7 242	4 166	-42%
Total		372 364	394 450	408 414	4%

Table 10: Adcock Ingram's water consumption in kilolitres between years

8.1. COMPANY INTENSITY METRICS

Intensity metrics are indicators that provide a comparison of the amount of CO₂e relevant to an operational indicator. Typically, the indicator is a factor that is comparable across years and sectors. Examples include FTEs, area in square metres (m²), volumes of production, and/or a monetary factor such as EBITDA, revenue, or turnover.

For the purposes of benchmarking with other companies in the relevant sector intensity figures are generally based on Scope 1 and Scope 2 emissions only. This is because these scopes are compulsory for reporting, while Scope 3 categories are reported at the discretion of the reporting company. However, it is important to note that emission intensity values are highly sensitive to changes in the intensity indicators over time and may not sufficiently demonstrate emission reduction efforts by Adcock Ingram.

Table 11: Comparison of Adcock Ingram's emissions and intensity between years

Intensity indicators	FY2022	FY2023	FY2024
Full-time employees (FTEs)	2 455 ²⁸	2 549	2 741
Square metreage (m ²)	115 229 ²⁹	115 229	113 759 ³⁰
Revenue (Rm)	8 705.82	9 131.90	9 643.13
Trading profit (Rm)	1 112.29	1 180.48	1 229.50
Scope 1 & 2 emissions	74 283.30	73 697.97	67 943.51
Scope 1 & 2 tCO₂e/FTE	30.258	28.913	24.788
Scope 1 & 2 tCO ₂ e/m ²	0.645	0.640	0.597
Scope 1 & 2 tCO ₂ e/Rm revenue	8.533	8.070	7.046

²⁸ Restated in FY2023 to include fixed term contractors (since they are equivalent to FTE) and to align comparatively with FTE reporting in FY2023.

³⁰ Area for Plush reduced from 2 170 to 700 m² due to all non-manufacturing staff moving into the Midrand (Distribution) facility in 2024, resulting in less floor space being used at Plush facility.



²⁹ Restated from 149 428 m² due to corrections to OTC area (previously outside space was also included) and Genop moving into Distribution facility before financial year-end.

Intensity indicators	FY2022	FY2023	FY2024
Scope 1 & 2 tCO ₂ e/trading profit	66.784	62.431	55.261
Total emissions	123 614.07 ³¹	127 349.52	131 833.06
kWh of electricity (incl. renewables)	52 564 812	53 013 798	54 833 973
kWh/FTE	21 411	20 798	20 005

9. ADCOCK INGRAM INTEGRATED INFORMATION

9.1. INFORMATION ON OFFSETS AND RENEWABLE ENERGY

Adcock Ingram has not offset any of its GHG emissions through either the purchasing of renewable energy certificates (RECs) or any other appropriate offsetting mechanism.

Adcock Ingram has generated 1 473 930 kilowatt hours of onsite renewable energy in owned equipment in South Africa. This equates to a carbon saving of approximately 1 452 tCO₂e. Adcock Ingram has also purchased 1 871³² megawatt hours of onsite solar electricity from the landlord (Growthpoint) of their Distribution facility in Midrand, saving a further 1 843 tCO₂e.

9.2. VERIFICATION OF GHG INVENTORY

An independent verification party has not verified this report. It is recommended that the CFR be verified by an external third party.

9.3. REPORTING IMPROVEMENTS

Adcock Ingram has improved its reporting from FY2023 to FY2024 by implementing the following measures:

- Including WtT (upstream lifecycle) emissions for grid electricity, T&D losses and employee commuting for the first time. This improves the emissions coverage of those categories already included within Adcock Ingram's operational boundary.
- Packaging purchased by Adcock Ingram's third-party Consumer division was included for the first time, contributing 1 826 tCO₂e to Scope 3.

³² It has subsequently been highlighted that the purchased renewable electricity for Distribution was in fact only 886 MWh – this, and FY2023 consumption (717 MWh) can be restated in FY2025.



³¹ Restated in FY2023: Packaging materials; upstream transport & distribution; business travel (flights) and employee commuting – see Table 8 for detailed explanations.



9.4. REPORTING RECOMMENDATIONS

It is recommended that the following actions are taken to improve the relevance, completeness, consistency, transparency, and accuracy (i.e., the five principles of the GHG Protocol) of Adcock Ingram's emissions:

- Consideration should be given to restating the baseline year or choosing a new baseline year that better represents Adcock's current organisational and operational boundary, with the addition of Plush and Genop and the changes to logistics.
- Fugitive gas data should be investigated more closely to determine completion and accuracy. It was found during FY2024 that some gases were not accurately reported in Hyperion for Critical Care. "Other fugitive emissions" should be broken down into specific gases and corresponding volumes for all facilities.
- A consolidated annual or biannual file format should be provided (instead of monthly) and kept consistent for shipping data, to include all data sources/holders as this would allow for easier reconciliation and reduce errors, queries, and the need for assumptions.
- Business travel reporting was inadequate for FY2024, resulting in the need to use proxy data from FY2023 combined with assumptions based on travel spend to estimate emissions for FY2024. All travel data holders should be engaged during FY2025 to resolve any data quality challenges prior to the close of the reporting cycle.
- Commuting emissions were calculated using a survey carried out during COVID-19 travel restrictions, it is highly recommended that an updated survey is carried out for the FY2025 reporting cycle.
- Engage with Carbon Calculated on Scope 3 categories not currently reported on, and that may or may not be relevant to Adcock, to gain a greater understanding of relevance, materiality, and data requirements. A high-level gap analysis may highlight some low hanging fruits for inclusion within the Scope 3 inventory and an improved Scope 3 emissions coverage.
- Packaging data once again saw a high level of variability and errors in reporting, leading to uncertainty around accuracy. It would be recommended that each data holder does a variance analysis between years to highlight potential anomalies and errors in the data prior to data submission.
- Identify entities located outside of South Africa (such as Bangalore) that are under Adcock's operational control and bring them within the boundary of Adcock's carbon footprint calculations.
- Purchased renewable electricity at Distribution for FY2023 and FY2024 should be corrected for accuracy and comparison purposes in FY2025, and data sources should be verified and aligned internally to avoid similar errors in future reporting.





9.5. STRATEGIC RECOMMENDATIONS

It is recommended that the following actions are taken to improve the Adcock's emissions profile, emissions reduction strategy and perception around climate change risks and opportunities for future reporting:

- Investigate and transition to fugitive gas alternatives with lower GWP to reduce Scope 1 emissions.
 Refrigerants such as R404a have an extremely high GWP compared to others such as HFC 134a.
- Increasing the proportion of purchased renewable energy, or the installation of further renewable energy systems in owned facilities, would significantly reduce the carbon footprint of Adcock Ingram.
- Report to CDP in 2025 to answer to stakeholder requirements.
- Set internal and/or publicly disclosed climate targets to align with the Paris Agreement.

SECTION E

10. CURRENT AND FUTURE TRENDS, OPPORTUNITIES, AND CHALLENGES FOR EMISSIONS MANAGEMENT

10.1. ISSB STANDARDS

At COP26 in 2021, the International Sustainability Standards Board (ISSB) was established by the trustees of the International Financial Reporting Standards (IFRS) with the goal of developing global sustainability standards prioritising investor needs. In June 2023, the ISSB unveiled its first standards, IFRS S1 and IFRS S2. IFRS S1 outlines disclosure criteria for conveying sustainability-related risks and opportunities over the short, medium, and long term, while IFRS S2 focuses specifically on climate-related disclosures, aligning with Taskforce for Climate-related Financial Disclosures (TCFD) recommendations. Both standards, effective from January 2024, integrate existing frameworks like Sustainability Accounting Standards Board (SASB) and TCFD recommendations. The ISSB's initiative aims to enhance consistency and comparability in climate disclosures. CDP has committed to adopting ISSB standards, incorporating IFRS S2 into its global platform from 2024 to streamline reporting for its 20,000 disclosing entities and contribute to a comprehensive global baseline for sustainability disclosures.

For further information on these Standards and their implications for your business please visit our website, or contact us directly.





10.2. ENGAGEMENT AND DECARBONISATION OF THE SUPPLY CHAIN

Extensive research conducted by organisations such as CDP, McKinsey and BCG, indicate that companies' supply chains can generate, on average, approximately 11.4 times more total carbon emissions than operational emissions. As such, in recent years, the focus and push for companies to decarbonise their supply chains (and achieve net zero in the process) has grown. The growing emphasis on decarbonising supply chains and achieving net-zero goals is evident in prominent sustainability frameworks such as CDP, SBTi recommendations, and ISO 20400, which advocate for active engagement with supply chains.

Engaging suppliers in decarbonisation efforts involves various tools, such as GHG emissions disclosures and setting reduction targets. In our experience, it is common for companies to begin their decarbonisation journey with suppliers by calling for them to complete of an annual CDP Supply Chain Questionnaire or even a more informal questionnaire regarding their emissions profile.

Earlier this year the SBTi published its guidelines on supplier engagement, 'Unlocking the Power of Supply Chains for Decarbonization', which gives companies guidance and support for engaging with their supply chains to set science-based targets. For companies not ready for science-based targets, foundational steps like training resources and educational activities can be initiated.

The shift toward supply chain decarbonisation is no longer an option but a necessity for companies aiming to achieve net zero goals. Engaging with suppliers is the key, and it's emphasised by leading sustainability frameworks. For further detail on this subject, please refer to our website³³ or contact us directly.

10.3. FLAG (Forest Land and Agriculture)

The Agriculture, Forestry and Other Land Use (AFOLU) sector plays a significant role in global GHG emissions, accounting for nearly a quarter of the world's emissions. Not only is this sector contributing towards climate change, but it also faces vulnerability to the impacts of climate change. Despite its role in contributing to climate change, the sector also holds the unique potential to actively remove emissions from the atmosphere, offering a means to mitigate climate change impacts.

It is crucial for companies in this sector to measure their net effect on global climate dynamics. However, quantifying these emissions and removals has been challenging. To address this, the GHG Protocol developed



the Land Sector and Removals Guidance, providing companies with a framework to measure these impacts. Recently, the SBTi introduced the FLAG guidance, aligning with the Land Sector and Removals Guidance.

FLAG is a pivotal tool for companies in the AFOLU sector and beyond. The FLAG guidance provides companies with the roadmap to set science-based targets, aligned with the Paris Agreement, on their land-related emissions.

10.4. SCOPE 4

Carbon emissions reporting typically addresses three scopes of impact, with a historical focus on Scope 1 and Scope 2 emissions, and a growing interest in Scope 3. Recently, Scope 4, or 'avoided emissions', has gained attention. These are emission reductions which occur outside a product's (i.e. goods and services) life cycle or value chain, but as a result of the use of that product. Unlike Scopes 1, 2, and 3, there are no officially recognised standards for measuring and reporting avoided emissions, though some guidance documents exist.

Currently, disclosure organisations like CDP and the SBTi do not mandate reporting of Scope 4 emissions. However, as the significance of avoided emissions becomes more apparent, future requirements may evolve. In the short term, the focus is expected to be on Scope 3 emissions, driven by standards like the ISSB and the IFRS Climate-related disclosures. Organisations should remain mindful of Scope 4 emissions, and the impact they may have.

For an in-depth exploration of Scope 4, including associated 'pros' and 'cons', we invite you to delve into our website which offers a comprehensive overview of this topic.

10.5. CLIMATE TRANSITION PLANS

The findings of the Intergovernmental Panel on Climate Change (IPCC) have shown unequivocally that to prevent the most severe consequences of climate change, global temperature rise must be limited to 1.5°C or below. To reach this goal, GHG emissions must be reduced 50% by 2030 and to net-zero by 2050.

Businesses and the private sector have a key role to play in this endeavour. For companies to align with these ambitious climate-science recommendations, it is critical that they begin demonstrating meaningful strategies for a decisive shift toward contributing to a low-carbon economy. Climate transition plans, alternatively referred to as Climate Transition Action Plans (CTAPs), have increasingly been recognised as a critical tool to facilitate this.



CTAPs are comprehensive, time-bound and future-orientated roadmaps, explicitly detailing how an organisation will reshape its current assets, operations, and overall business model to progress toward attaining net-zero by 2050. The development of CTAPs assist in positioning climate change as a focal point of a company's strategy and operations. Beyond this, transition plans allow companies to gain a clearer understanding of potential risks and opportunities which a business might face as a result of climate change, as well as the extent of transformation required to achieve net-zero status and the financial consequences of such a transition. Finally, CTAPs represent an important means through which to illustrate to investors and other stakeholders that your business has considered and developed a robust long-term strategy aimed at harnessing the opportunities arising from the shift to a low-carbon economy, whilst mitigating associated risks.

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APPENDIX A: KEY TERMS AND ABBREVIATIONS

Abatement	Measures companies take to avoid, reduce, or eliminate sources of GHG emissions within a company's value chain. Examples include reducing energy use, switching to renewables, and retiring high-emitting assets
AFOLU	Agriculture, Forestry and Other Land Use
Baseline year	A past year used as a baseline to compare year-on-year emissions
CDP	A non-profit organisation that supports companies and cities in the disclosure of their environmental impact to the international investor community (see www.cdp.net)
CH ₄	Methane
Climate positive / Carbon negative	The activity that goes beyond achieving net-zero carbon emissions to create an environmental benefit by removing additional carbon dioxide from the atmosphere
CO ₂ / CO ₂ e	Carbon dioxide / Carbon dioxide equivalent – conversion of all greenhouse gases to reflect their global warming potential relative to $\rm CO_2$
COP26	Conference of the Parties (the 26th United Nations Climate Change conference)
CTAPs	Climate Transition Action Plans
Decarbonisation	The process by which CO_2 emissions are reduced or eliminated. Under the Net-Zero Standard, most companies are required to reduce emissions by at least 90% to reach net-zero
Defra	United Kingdom Department for Environment, Food and Rural Affairs
Direct emissions	Greenhouse gas emissions from facilities/sources – e.g., generators, fugitive emissions, vehicle fleets, etc. – owned or controlled by a reporting company
Downstream emissions	Greenhouse gas emissions related to manufactured and/or sold goods and services, e.g., end-of-life treatment of sold products, transportation, and distribution of sold products and franchises
Emission factors	Specific value used to convert activity data into greenhouse gas emission values, presented in specific units, e.g., kgCO ₂ e/km travelled
FLAG	Forest Land and Agriculture
FTE	Full-time equivalent/employee
Fugitive emissions	Emissions from gases or vapours from pressurised equipment due to leaks and other unintended or irregular releases of gases e.g., air-conditioning gas leaks, refrigeration and fire-suppressant gas refills, or methane emissions from coal mining
FY	Financial year
GHG	Greenhouse gas – a gas that contributes to the greenhouse effect by absorbing infrared radiation. Carbon dioxide and chlorofluorocarbons are examples of greenhouse gases
GHG Protocol	Greenhouse Gas Protocol – International methodology used to calculate the carbon footprint of an organisation, developed by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI)
GWP	Global Warming Potential – an indication of the global warming effect of a greenhouse gas in comparison to the same weight of CO_2





HFCs	Hydrofluorocarbons
IFRS	International Financial Reporting Standards
Indirect emissions	GHG emissions from facilities/sources that are not owned or controlled by the reporting company, but for which the activities of the reporting company are responsible, e.g., purchasing of electricity, business travel, etc.
Intensity	A metric to compare CO_2e emissions, expressed in terms of another metric of activity, e.g., CO_2e per FTE, area, income, or tonnes of product
IPCC	Intergovernmental Panel on Climate Change
ISSB	International Sustainability Standards Board
Kyoto Protocol	An international agreement linked to the United Nations Framework Convention on Climate Change, which commits its Parties by setting internationally binding emission reduction targets. The Protocol was adopted in Kyoto, Japan, in December 1997 and entered into force in February 2005
Market-based electricity	The emissions from electricity-generating sources that companies have purposefully chosen – for example, energy from a specific wind farm – which may be different from the electricity that is generated for the local grid, thus using a supplier-specific emission factor
Neutralisation	The removal and permanent storage of CO_2 from the atmosphere to counterbalance the impact of emissions that remain unabated from either inside or outside of a company's value chain. This can take the form of technological removals (i.e., Direct Air Capture (DAC) with geological storage) and nature-based solutions (e.g. reforestation)
NF ₃	Nitrogen trifluoride
N ₂ O	Nitrous oxide
Off-road mobile fuel	Fuel emissions from vehicles used onsite, e.g., forklifts, tractors, but not used on public roads
On-road mobile fuel	Fuel emissions from vehicles used offsite, on public roads, e.g., passenger vehicles, delivery vehicles
Outside of Scopes	Emissions accounted for by the direct CO ₂ impact of burning biomass and biofuels where the Scope 1 impact of these fuels has been determined to be a net zero. This also includes non-Kyoto Protocol fugitive emissions outside of the GHG Protocol such as R22 Freon air-conditioning gas refills.
PFCs	Perfluorocarbons
RECs	Renewable energy certificates
SASB	Sustainability Accounting Standards Board
Science Based Target initiative (SBTi)	A partnership between CDP, United Nations Global Compact (UNGC), World Resources Institute (WRI) and World Wildlife Fund (WWF). The initiative enables leading companies to set targets that will hold global warming below 1.5°C or well below the 2°C threshold – as directed by science and promoted through the Paris Agreement
Scope 1 emissions	Emissions resulting from equipment owned or controlled by a reporting company (direct emissions)
Scope 2 emissions	Emissions resulting from consumption of electricity, steam or heat purchased by a reporting company (indirect emissions)
Scope 3 emissions	Emissions resulting from indirect activities, excluding Scope 2, of a reporting company, e.g., commuting travel, business travel, paper consumption (indirect emissions)
SF ₆	Sulphur hexafluoride





TCFD	Taskforce for Climate-related Financial Disclosures
tCO₂e	Tonnes of Carbon Dioxide equivalent — conversion of all greenhouse gases to reflect their global warming potential relative to CO_2 in metric tonnes
Transmission and Distribution (T&D) Losses	The energy losses that occur in the transfer of electricity from the power plant to the end user. Reporting the T&D emissions associated with purchased power helps represent the full impact of an organisation's activities and operations and is regarded as best practice. This does not apply for renewable energy generated onsite
Tank-to-wheel (TtW) emissions	Direct use emissions from fuel combustion in vehicles, generally reported as mobile fuel emissions.
Upstream emissions	Indirect GHG emissions that occur in the development of a material/product, up to the point of sale by the producer, sometimes referred to as cradle-to-gate emissions, e.g., manufacture and delivery of goods or raw materials, business travel, employee commuting and waste generated in operations
Verification/Assurance	The act of reviewing, inspecting, or testing by an independent third-party, to establish and document that a product, service, or system meets regulatory or technical standards
Well-to-Tank (WtT) emissions	Upstream third-party emissions related to the production and distribution of fuel for stationary and mobile equipment and for electricity generation. Generally reported under Scope 3, category 3.
Well-to-Wheel (WtW) emissions	The combination of TtW and WtT emissions.





APPENDIX B: GHG PROTOCOL'S SCOPE 3 CATEGORIES

Emissions-generating activities of the Scope 3 categories

Category	Scope 3 category	Description
1	Purchased goods and services	Emissions from the production of goods (consumables) and services, purchased or acquired by the reporting company.
2	Capital goods	Emissions from the production of capital goods (assets) purchased or acquired by the reporting company.
3	Fuel- and energy- related activities	Emissions from the indirect consumption of fuels and energy not already accounted for in Scope 1 or Scope 2, specifically fuel or energy consumed by third parties because of the operations of the reporting company. Examples include emissions released during the transmission and distribution of electricity from utility to consumer.
4	Upstream transportation and distribution	Emissions from the transportation and distribution of products or services commissioned and paid for by the reporting company in vehicles not owned or controlled by the reporting company. This includes logistics, courier services and shipping.
5	Waste generated in operations	Emissions from the disposal and treatment by a third party of waste generated by the reporting company's operations and employees.
6	Business travel	Emissions from the transportation of employees for business-related activities in vehicles or aircraft not owned or operated by the reporting company. Also included is travel accommodation incurred during employee travel.
7	Employee commuting	Emissions from the commuting between residence and place of work by employees for business-related activities in vehicles not owned or operated by the reporting company.
8	Upstream leased assets	Emissions from the operation of assets leased by the reporting company and not accounted for in Scope 1 and Scope 2. This category is applicable only to companies that operate leased assets.
9	Downstream transportation and distribution	Emissions from the transportation and distribution of products or services sold by the reporting company but where the transportation is commissioned and paid for by the end- user and operated in vehicles not owned or controlled by the reporting company. This includes logistics, retail deliveries and courier services.
10	Processing of sold products	Emissions from the processing of products sold by the reporting company but used in the manufacture of downstream products, pertaining to the Scope 1 and Scope 2 emissions of downstream companies (e.g., manufacturers).
11	Use of sold products	Emissions from the end-use of goods and services sold by the reporting company, pertaining to fuels, feedstocks and products that directly consume energy (fuels or electricity) during use and for the expected lifetime.
12	End-of-life treatment of sold products	Emissions from the end-of-life waste disposal and treatment of products sold by the reporting company.
13	Downstream leased assets	Emissions from the operation of assets owned by the reporting company and leased to other entities, not included in Scope 1 and Scope 2.
14	Franchises	Emissions from the operations of franchises not accounted for in Scope 1 and Scope 2 of the reporting company. This category is only applicable to franchisors accounting for the Scope 1 and Scope 2 emissions of franchisees.
15	Investments	Emissions from the operation of investments (including equity, debt investments and project finance) not accounted for in Scope 1 or Scope 2. This category is applicable to investors (i.e., investing for profit) and companies that provide financial services.

