

# Carbon Reduction Plan

Supplier name: **Eli Lilly & Company Limited**

Publication date: **January 2025**

## Commitment to Achieving Net Zero

**Eli Lilly & Company Limited** is committed to achieving Net Zero emissions by 2050 for its operations within the UK.

Globally Lilly is committed to be carbon neutral in our own operations (Scope 1 and 2) by 2030.

## 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.

**The Baseline year for this report is 2022.**

\*These emissions have been restated to align to the Streamlined Energy and Carbon Reporting disclosures in the UK Annual Report and Financial Statements.

UK BASELINE EMISSIONS	TOTAL (tCO <sub>2</sub> e <sup>1</sup> )
*Scope 1	618
*Scope 2	195
Scope 3	5,175
<i>upstream transportation and distribution</i>	4,470
<i>waste generated in operations</i>	1
<i>business travel</i>	436
<i>employee commuting</i>	216
<i>downstream transportation and distribution</i>	52
<b>Total UK Emissions</b>	<b>5,988</b>

<sup>1</sup> tonnes of carbon dioxide equivalent

## UK Current Emissions Reporting (2023)

CURRENT EMISSIONS	TOTAL (tCO <sub>2</sub> e)
Scope 1	744
Scope 2	225
Scope 3	6,282
<i>upstream transportation and distribution</i>	5,171
<i>waste generated in operations</i>	2
<i>business travel</i>	771
<i>employee commuting</i>	243
<i>downstream transportation and distribution</i>	96
<b>Total UK Emissions</b>	<b>7,251</b>

### UK Emissions summary

In 2023, total UK emissions were 7,251 metric tonnes of CO<sub>2</sub> equivalent (mtCO<sub>2</sub>e), an increase of 21% since baseline.

There has been an increase in our Scope 1 and 2 emissions as both employee occupancy in our office space and the number of face to face customer meetings for our field-based teams have continued to normalise post COVID-19.

Growth in Scope 3 emissions is primarily driven by the company's accelerated growth during this period. Additionally, other contributing factors include external updates to the US Environmentally-Extended Input-Output (USEEIO) codes and the associated emission factors, and other evolutionary methodology changes that further influenced the overall increase in our calculated Scope 3 emissions. In an evolving Scope 3 data capture and calculation environment, we expect to consider best practices each year to provide best estimates where possible.

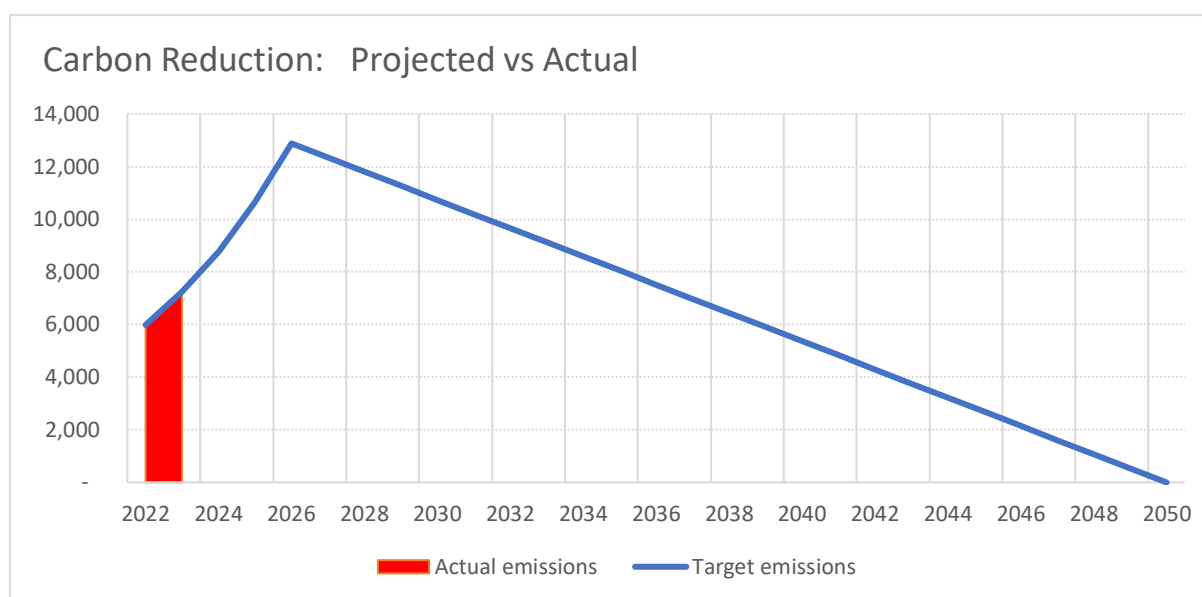
## Emissions Reduction Targets

In order to progress to achieving Net Zero, we have adopted the following carbon reduction targets.

We project that carbon emissions will increase due to the growth in the UK business in the short-term and have reflected this in our projected emissions below.

Progress against these targets can be seen in the graph below.

Progress against our 2050 Net Zero commitment will be tracked annually and the graph below will be updated.



## Carbon Reduction Projects

### Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed and are reflected in our 2023 emissions data.

- Since August 2021 our UK office space has been consolidated into 2 smaller office spaces in Basingstoke and Bracknell.
- These buildings are certified to high environmental standards either EBC B40 or BREEAM “very good”. All hot-desk equipment across UK sites has been designed with energy efficiency as a key priority.
- We have significantly reduced energy demand by moving 90% of our server capacity to a more energy efficient cloud-based platform, eliminating direct energy requirements for server equipment, lighting, and air conditioning.
- We submitted a statutory report to the UK Government Energy Savings Opportunity Scheme (ESOS) stage 3. We reviewed the findings in the report (ESOS) and acted throughout 2023 on highlighted energy reductions (eg plant equipment on the roof).

- We reduced installed lighting sensor timers from 40 minutes to 20 minutes on all office floors to preserve energy.
- 42% of energy purchased for our offices was from renewable sources.
- We are transitioning our employee fleet vehicles to reduce our greenhouse gas emissions from 50/50 petrol hybrid vs diesel in 2019 to 100% electric vehicles by 2030. Following the renewal of employee company fleet vehicle contracts in 2024 we have reached 82% electric fleet vehicles.
- Employees are incentivised to use green travel initiatives such as bike to work and dedicated parking for car sharers.
- We increased the number of electric charging units at our sites to support the adoption of electric vehicles and bikes to support our green travel initiatives.
- We introduced a salary sacrifice scheme for electric vehicles for all employees, allowing them to choose a greener vehicle for the office commute.
- Under the Lilly@Work programme employees are encouraged to work more flexibly, reducing commuter travel to our offices.
- We follow strict waste to energy and recycling protocols across our buildings – nothing goes to landfill. All staff computers are resold or recycled – no technology goes to landfill.
- In 2023 an Employee Sustainability Group was formed to improve awareness of environmental initiatives for work and home.
- For several years, our Green Logistics initiatives have been integral in reducing emissions in our global supply chain. By shifting the transportation of products and materials to less carbon-intensive methods such as ocean shipping versus air, transitioning to reusable shipping containers and implementing recycling programmes, we have taken steps to reduce emissions and waste generated within our supply chain.
- We have consolidated our supply chain to reduce product shipments and optimise deliveries to NHS hospitals.
- Lilly is committed to investigating ways to mitigate plastic waste by exploring new options to reduce end product waste. Lilly is exploring opportunities individually and with industry collaborations. In the UK The [Circularity in Primary Pharmaceutical Packaging Accelerator](#) (CiPPPA) launched a new initiative with ambitions for waste reduction and environmental stewardship, such as the development of effective end-of-life product management of pharmaceutical packaging and diverting waste from landfill sites. Lilly, along with other leading pharmaceutical companies, global over-the-counter (OTC) brands and health care systems such as the NHS, has joined CiPPPA in this collaborative initiative focused on packaging solutions surrounding blisters, inhalers and injectables.

In the future we hope to implement further measures such as:

- By the end of 2025 we will have produced a net zero roadmap strategy for the UK.
- Purchasing 100% renewable energy for our UK offices.
- Continuing to partner with logistics suppliers who prioritise their own environmental impact and commit to Net Zero by 2050 and reduce fossil fuel vehicle reliance by using more biofuels and electric vehicles.
- Reducing overall packaging of products and incorporate recycled material to reduce footprint and indirect emissions.
- Continuing to work with our waste suppliers to review our current waste streams within the buildings and raise awareness to all employees.
- Globally, working to advance transparency across our value chain, including in our Scope 3 emissions. We have begun to engage with key suppliers and identify areas of our value chain where we could potentially drive emissions reductions. We intend to use the data gathered through our supplier engagement efforts to inform our evolving supply chain strategy related to climate change. Our aim is to find ways to collaborate across our industry peers and supply chain sectors to advance our understanding of our entire value chain, their activities and impact on our Scope 3 emissions. We are also investigating opportunities to engage with suppliers to better track and analyse our supply chain emissions.

## 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<sup>2</sup> and uses the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>3</sup>.

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<sup>4</sup>.

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:



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Christopher Stokes, President and General Manager, Lilly UK and Northern Europe

Date: 18 December 2024

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<sup>2</sup><https://ghgprotocol.org/corporate-standard>

<sup>3</sup><https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

<sup>4</sup><https://ghgprotocol.org/standards/scope-3-standard>