



# Carbon Reduction Plan



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# Commitment to achieving Net Zero

Alliance Healthcare (Distribution) Limited (“The Company”) (which includes Alcura UK) has set an ambition to achieve Net Zero emissions by 2030 for Scope 1 and 2 emissions. The Company is a subsidiary of Cencora, Inc.

In 2021, Cencora formally committed to a science-based target in line with the Science Based Target initiative (SBTi) guidance. This has now been validated with a set science-based target to reduce 54.6% absolute Scope 1 and 2 GHG emissions by FY2032 from an FY2019 base year. Cencora also commits that 82% of its suppliers by spend, covering purchased goods and services, will have science-based targets by FY2027. This near-term target has been validated by SBTi. The Company has set a market ambition to achieve net zero on Scope 1 and 2 by 2030 against a 2019 baseline year.

All Scope 1 and 2 market-based emissions have undergone third-party assurance for inclusion in the Cencora 2023 ESG Report. Details of the methodology used, and the verification process can be found in the 2023 ESG Index Report and the 2023 ESG Summary Report both available on our public website [here](#).



In 2023, the President of The Company, joined Cencora’s global ESG Council. The council’s overarching purpose is to ensure the integration and co-ordination of the Group’s ESG strategy and practices across all Cencora business units. The Council leads the Group’s efforts to embrace a companywide ESG approach, integrate ESG throughout the business, and ensure high standards of accountability for the management of priorities and goals. In addition to this, The Company has created a local ESG steering group which will focus on the businesses ESG initiatives, the steering group which is comprised of senior leaders from across the organisation will report into the UK Executive Leadership Team and Director of ESG to provide full transparency and accountability of its Net Zero roadmap.

# Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced before the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

## Baseline Year: 2019

### Additional details relating to the Baseline Emissions calculations.

The Company was acquired by Cencora in June 2021. FY2019 was the last typical fiscal year (e.g., not affected by the COVID-19 pandemic) before the acquisition

EMISSIONS	TOTAL (tCO <sub>2</sub> e)
Scope 1	25,773
Scope 2	676 – market-based emissions
Scope 3 (Included Sources)	26,512 Scope 3 relevant categories are 4 - Upstream T&D, 5 - Waste, 6 - business travel, 7 - employee commuting and 9 – downstream transportation and distribution
<b>Total Emissions</b>	<b>52,961</b>

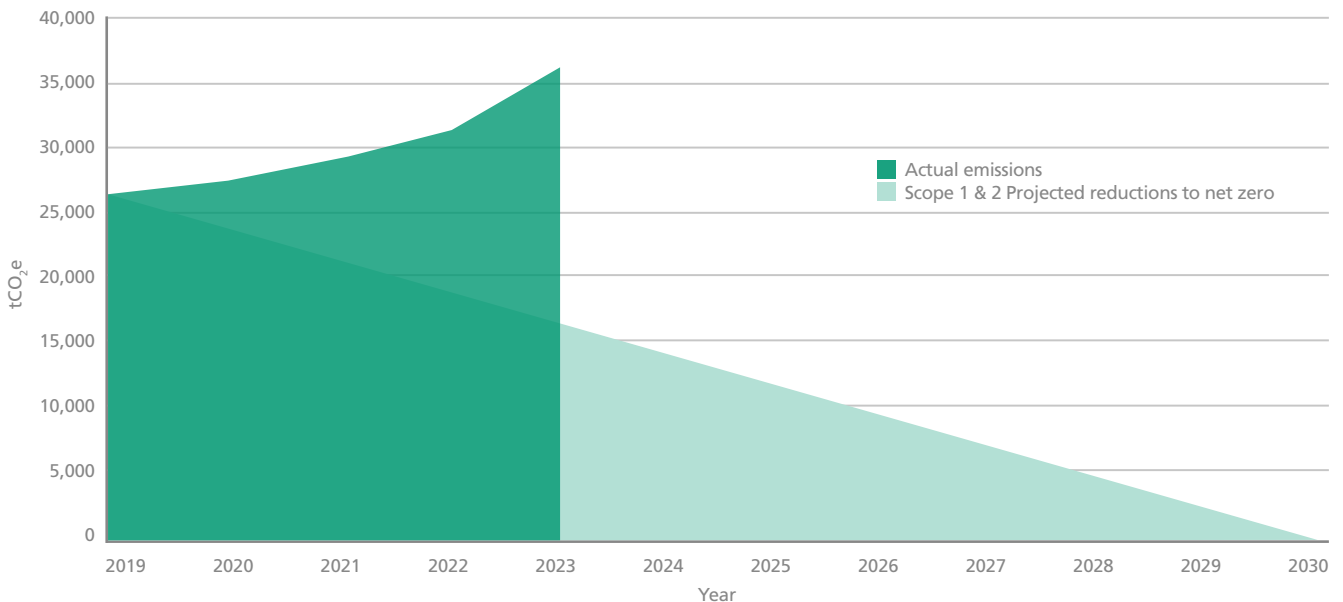
## Current Emissions Reporting Year: 2023

The Company reporting year is from Oct-22 to Sept-23

EMISSIONS	TOTAL (tCO <sub>2</sub> e)
Scope 1	35,664
Scope 2	774 – market-based emissions
Scope 3 (Included Sources)	30,838 Scope 3 relevant categories are 4 - Upstream T&D, 5 - Waste, 6 - business travel, 7 - employee commuting and 9 – downstream transportation and distribution
<b>Total Emissions</b>	<b>67,257</b>

# Historical Emissions & Scope 1/2 Reduction Forecast

The below graph is an illustration of the actual YTD absolute Scope 1 and 2 market-based emissions for The Company from FY2019 to FY2023 against projected year on year Scope 1 and 2 emissions.



Emissions from 2021 to 2023 have increased due to several factors. Due to legislative changes wholesalers must operate temperature-controlled vehicles. As a result, The Company replaced approximately 600 vehicles between 2021 and 2023. The new vehicles, although more efficient, demand additional diesel to power the ambient temperature control and fridge, increasing the companies fuel usage. Additionally, The Company began operating the Boots Cross Dock Centres in 2021, expanding its HGV fleet by over 300 vehicles increasing The Company’s emissions per annum by 30%.



# Carbon Reduction Activities

The Company has several ongoing initiatives across UK operations including the development of warehouse and fleet management strategies to reduce Scope 1 and 2 emissions in line with the NHS Delivering Net Zero Policy.

## Scope 1 Activities

In 2023, The Company introduced an electric support vehicle to prepare teams for the upcoming electric delivery van transition, expected to begin in 2025. The Company is committed to this transition and is working with OEMs and vehicle converters to meet GDP specifications and customer delivery expectations. With over 400 HGVs in operation, The Company is exploring all opportunities to reduce its HGV emissions impact. In the short-term investigating alternative fuels and for the longer-term, monitoring all developing and improving technologies of electric and hydrogen vehicles.

Additionally, The Company updated its car policy to require a minimum business mile threshold for retaining a company car, aiming to reduce carbon emissions. Further to this, The Company has reviewed its company car lists, offering additional vehicle options which has resulted in a 40% increase in employee selection of electric vehicles.

## Scope 2 Activities

The Company is continuously updating its facilities to LED lighting and, where possible, implementing onsite renewable technology. Currently, LED lighting has been installed in four service centres, with an additional three planned for 2024. The Company in 2023 continued to purchase renewable electricity for all service centres and offices.

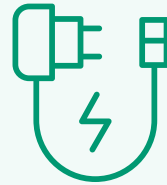
The deployment of photovoltaic panels at our Preston service centre is ongoing. The Company has an additional service centre scheduled in 2025 to increase its solar generate power. The Company is now compliant with the Energy Savings Opportunity Scheme (ESOS), having completed its reporting following government legislation.

## Waste

The Company currently sets waste reduction targets across its operations which has resulted in the organisation recycling up to 60% of its waste. We are continuing to work with our service centre teams to increase recycling and reduce single-use plastic.

## Additional initiatives

Additionally, The Company is supporting several manufacturing partners in providing logistics to support their recycling of their waste streams by being a partner to take back certain waste type and aid in diversion of landfill.



# Declaration and Sign-off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standards 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>1</sup> and use the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>2</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>3</sup>.

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

Signed:



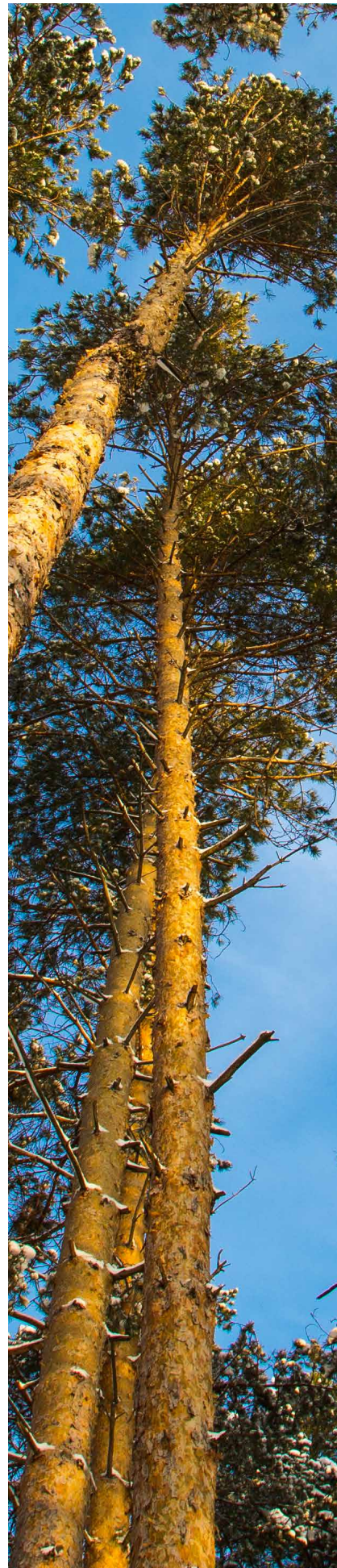
Marie Evans, Managing Director,  
Alliance Healthcare (Distribution) Limited

Dated 15/10/2024

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

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

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





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