Smartway

Carbon Reduction Plan

Supplier name: Smartway Pharmaceuticals Limited
Publication date: November 2026



Commitment to Achieving Net Zero

Smartway Pharmaceuticals Limited is committed to achieving net zero emissions by 2045. This Plan covers the Company's UK operations, including the Scope 3 emissions associated with those operations, and reports Smartway Pharmaceuticals Limited as a standalone entity at 100%.

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. Smartway Pharmaceuticals' baseline is the financial year 2024/25 (1 April 2024 to 31 March 2025), based on data provided by Smartway and its partners and reported in our first Carbon Reduction Plan.

Baseline year: 2024/25 (1 April 2024 to 31 March 2025)

Reporting year: 2025/26 (1 April 2025 to 31 March 2026)

Baseline Year Emissions and Current Emissions Reporting

Emissions	Baseline year 2024/25 (tCO2e)	Reporting year 2025/26 (tCO2e)
Scope 1: Building fuels (mains gas)	4.77	4.86
Scope 1: Transport (van diesel)	14.93	18.53
Scope 1: F gas (fugitive emissions)	0.00	0.00
Scope 1 total	**19.70**	**23.40**
Scope 2: Purchased electricity (location based)	12.56	10.04
Scope 3: Categories 1 to 7	105,172.74	94,981.13
Total emissions	**105,205.00**	**95,014.57**

**Totals may not sum due to rounding.*



Note on comparability: the 2024/25 baseline Scope 3 figure of 105,172.74 tCO2e was reported as a single spend based 'upstream and downstream transportation' estimate of 104,999.96 tCO2e together with business travel, employee commuting, water, waste and grey fleet. For 2025/26 the inventory has been restructured to follow the GHG Protocol Scope 3 categories, and the equivalent spend based emissions now appear under Category 1 (purchased goods and services, 92,277.70 tCO2e) and Category 4 (upstream transportation and distribution, 2,278.97 tCO2e). The baseline total is unchanged, but category level comparisons between the two years should be read with this in mind.

Greenhouse Gas Emissions

Greenhouse gases are accepted as predominantly responsible for the greenhouse effect and consequent global climate change. Figures are aggregated to give total greenhouse gas emissions in CO2 equivalents (CO2e).

The sources of greenhouse gas emissions that this report is based upon are as follows:

Emissions source 2025/26	Scope	Total (tCO2e)	CO2 (t)	CH4 (t)	N2O (t)	HFCs (t)	PFCs (t)	SF6 (t)
Combustion of gas	1	4.86	4.85	0.01	0.00	N/A	N/A	N/A
Fugitive emissions	1	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Combustion of fuel for transport	1	18.53	18.30	0.00	0.24	N/A	N/A	N/A
Renewables, solar PV	1	0.00	0.00	0.00	0.00	N/A	N/A	N/A
Purchased electricity, location based	2	10.04	9.92	0.05	0.07	N/A	N/A	N/A
Purchased goods and services	3	92,277.70	0.00	0.00	0.00	N/A	N/A	N/A
Capital goods	3	269.63	0.00	0.00	0.00	N/A	N/A	N/A
Electricity T&D losses	3	1.05	1.04	0.00	0.01	N/A	N/A	N/A
Upstream transport	3	2,278.97	0.00	0.00	0.00	N/A	N/A	N/A
Waste and water	3	1.24	0.00	0.00	0.00	N/A	N/A	N/A
Business travel	3	73.75	0.00	0.00	0.00	N/A	N/A	N/A
Grey fleet	3	1.23	1.23	0.00	0.00	N/A	N/A	N/A
Employee commuting	3	77.56	0.00	0.00	0.00	N/A	N/A	N/A
Category 8 to 15	3	0.00	0.00	0.00	0.00	N/A	N/A	N/A
Total gross tCO2e		**95,014.57**	**35.34**	**0.07**	**0.32**	**0.00**	**0.00**	**0.00**

Grouping by ‘Scope’

Greenhouse gas emissions are identified as one of three groups, known as scopes. These relate to their means of control:

- **Scope 1:** Direct emissions: GHG from the Company’s owned buildings and assets, such as gas or fuel, where the company has direct control over its purchase and consumption.
- **Scope 2:** Indirect emissions from other organisations that produced the electricity, district heat, steam or cooling that the Company bought to use but has little or no control over.
- **Scope 3:** Other indirect emissions that occur in the Company’s value chain as a result of the Company’s actions, both upstream and downstream.

The table below shows the Scope 1 and 2 position for Smartway Pharmaceuticals, which amounts to a fractional component of the total data assessed:

Fuel	Scope	tCO2e	% of Scope 1 and 2
Purchased electricity	2	10.04	30.0
Mains gas combustion	1	4.86	14.5
Diesel road fuel	1	18.53	55.4
Renewables (solar PV)	1	0.00	0.0
Fugitive emissions (F gas)	1	0.00	0.0
Total		**33.44**	**100.0**



The table below shows the Scope 3 Categories 1 to 15 for Smartway Pharmaceuticals where data is available and the category is deemed to be relevant:

Scope 3 Category	Category	Basis	tCO2e	% of Scope 3
Cat 1	Purchased goods and services	Spend	92,277.70	97.15
Cat 2	Capital goods	Spend	269.63	0.28
Cat 3	Fuel and energy related activities (electricity T&D losses)	DEFRA factor	1.05	0.00
Cat 4	Upstream transportation and distribution	Spend	2,278.97	2.40
Cat 5	Waste: Cardboard	Actual	0.03	0.00
Cat 5	Waste: Mixed recycle	Actual	0.05	0.00
Cat 5	Waste: Non-hazardous industrial	Actual	0.10	0.00
Cat 5	Waste: Controlled pharmaceutical	Actual	0.55	0.00
Cat 5	Waste: Hazardous	Actual	0.00	0.00
Cat 5	Water supply and treatment	DEFRA factor	0.52	0.00
Cat 6	Business travel: Domestic	Spend	4.52	0.00
Cat 6	Business travel: International	Spend	69.23	0.07
Cat 6	Business travel: Grey fleet (employees' own cars)	Mileage claims	1.23	0.00
Cat 7	Employee commuting	Staff survey	77.56	0.08
Cat 8	Upstream leased assets	Included in Scope 1 and 2	-	-
Cat 9 to 15	Not relevant (see Basis of calculation)			
Total Scope 3			**94,981.13**	**100.00**

**Totals may not sum due to rounding.*

It is evident from the above that Scope 3 emissions make up the dominant share of Smartway Pharmaceuticals' footprint at 99.96%. The dominant category is Scope 3 Category 1, Purchased Goods and Services, at 97.15% of all Scope 3 emissions.

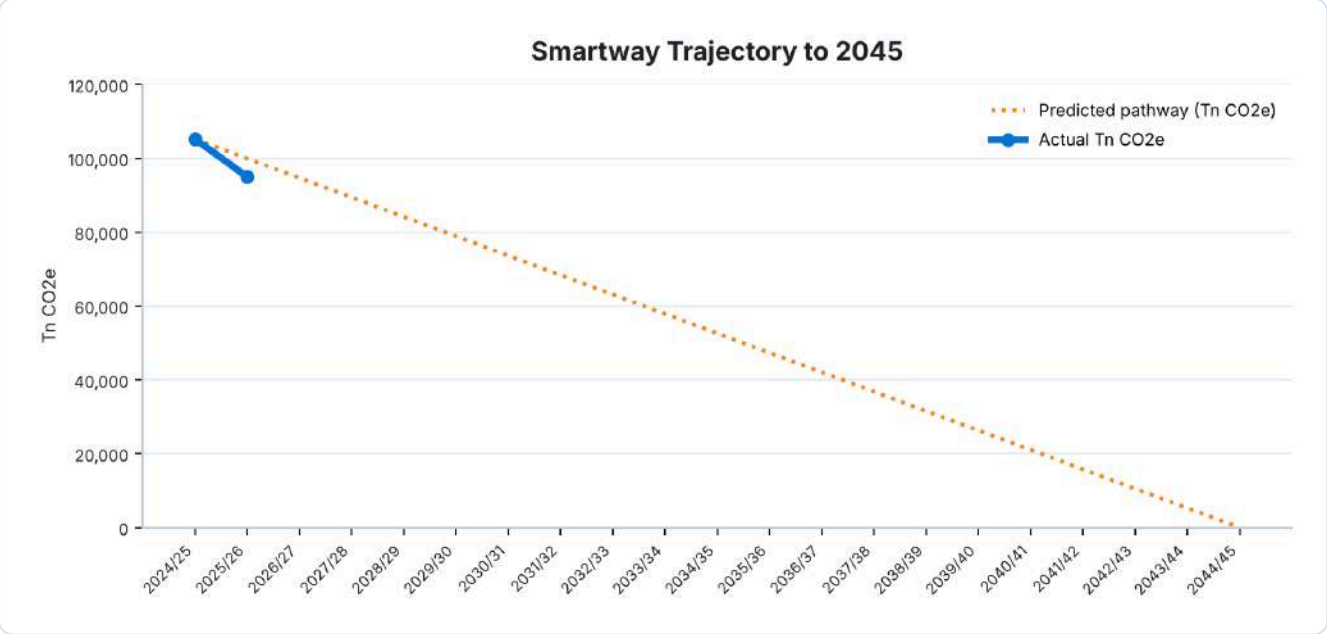
Emissions Reduction Targets

In order to continue our progress to achieving net zero, we have adopted the following carbon reduction targets. This is Smartway Pharmaceuticals' second Carbon Reduction Plan and financial year 2024/25 is our baseline. We have set interim targets to 2030; after 2030 we will set targets for the remaining period to ensure we reach Net Zero by 2045.

Our targets are to reduce Scope 1 and 2 emissions in line with a straight-line pathway to Net Zero by 2045, to move our van fleet to electric vehicles at the next lease renewal, and to obtain activity-based data from our main suppliers so that Scope 3 can be tracked on a like for like basis.

We project that carbon emissions will decrease over the next five years to 73,644 tCO2e by 2030/31. This is a reduction of 30% against the 2024/25 baseline. The trajectory for Scope 3 will be broadly dependent upon the supply chain, how it is managed and the decisions taken by procurement.

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



The graph shows the 2024/25 baseline, actual emissions for 2025/26 and the projected pathway to Net Zero by 2045. Total reported emissions fell by 9.7% between the baseline year and 2025/26 (105,205.00 to 95,014.57 tCO2e, including 1.23 tCO2e of business mileage in employees' own cars reported for the first time), although Scope 1 and 2 emissions rose by 3.7% (32.26 to 33.44 tCO2e) because of higher fleet diesel use as we made more deliveries, while electricity emissions fell by 20.1%.

Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2024/25 baseline. The carbon emission reduction achieved by these schemes equate to 3.36 tCO2e a year (14,580 kWh), a 10.4% reduction against the 2024/25 Scope 1 and 2 baseline of 32.26 tCO2e. They are published on the Government's ESOS portal as our action plan, first recorded in March 2025 and updated in December 2025, with the next update due in December 2026. We measure and report our emissions annually.

- M1: Transition of old vans to new vans
- M2: Energy Use Policy and staff behaviour
- M3: Server room temperature raised
- M4: Air conditioning comfort zone controls
- M5: LED replacement of CRM fluorescent tubes
- M6: Air conditioning controllers set to automatic
- M7: Driver vehicle maintenance and safety checks (tyres and servicing)
- A 7.4 kW Rolec electric vehicle charge point is in place at the London site.

Our energy consumption is recorded through monthly billed gas, transport fuel pumped, and electricity data, giving us an accurate measured basis for our two largest direct sources. Our waste is measured from collection records rather than estimated. Our Flexible Working Policy and remote working arrangements mean not all staff need to be on site at the same time, and we capture and report employee commuting from staff surveys (70 of 99 staff responded in 2025/26, extrapolated to all staff).

Because purchased goods, equipment and services make up the majority of our footprint, we work with the partners in our supply chain to improve the way they operate, and this engagement will deepen year on year as we reduce reliance on spend based estimates in favour of actual supplier data.

Smartway Pharmaceuticals operates a fleet of diesel delivery vans, which is our largest direct emissions source (18.53 tCO2e in 2025/26, 55% of Scope 1 and 2 emissions). Our fleet measures and electrification plans are set out in this section. Working with our consultants CLS Energy, we are continually improving the tracking and monitoring of our data.

Future Carbon Reduction Initiatives

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

- Implement energy efficiency measures at our site and across the van fleet, targeting fleet diesel (our largest direct source at 55% of Scope 1 and 2) and electricity use.
- Transition the diesel van fleet to battery electric vehicles at the next lease renewal, supported by an onsite charging infrastructure plan; our target is an all-electric fleet no later than 2035, with a preference to complete this by 2030 where technically and financially feasible.
- Assess a solar PV installation at the London site to supply on site consumption and fleet charging, and replace mains gas heating with electric heating where technically and economically feasible.
- Increase the proportion of actual supplier and activity data in our inventory, reducing reliance on spend based estimates.
- Establish a dedicated Working Group to work on energy efficiency and carbon reduction initiatives across the company's supply chain.
- Set out and act on our route to net zero by 2045, reviewing progress in each annual iteration of this Plan.



Basis of Calculation

Smartway Pharmaceuticals' emissions have been calculated for each scope and Scope 3 category where activity data is available, on the bases set out below. Where actual data was available it has been used in preference to spend based estimates; the balance has been calculated from financial data using appropriate emissions factors. We intend over time to reduce reliance on spend based calculations, working with our partners and suppliers.

Scope 1 comprises mains gas heating (converted to kWh from monthly utility billing) and diesel used in the Company's delivery vans (from fuel card records). No F gas leakage was recorded in maintenance reports during the year.

Scope 2 comprises electricity from monthly kWh billing, apportioned to the office area Smartway Pharmaceuticals occupies against the total building area from the site's current EPC.

Scope 3 Categories:

Each category is set out below with either its method of calculation or, where excluded, the reason.

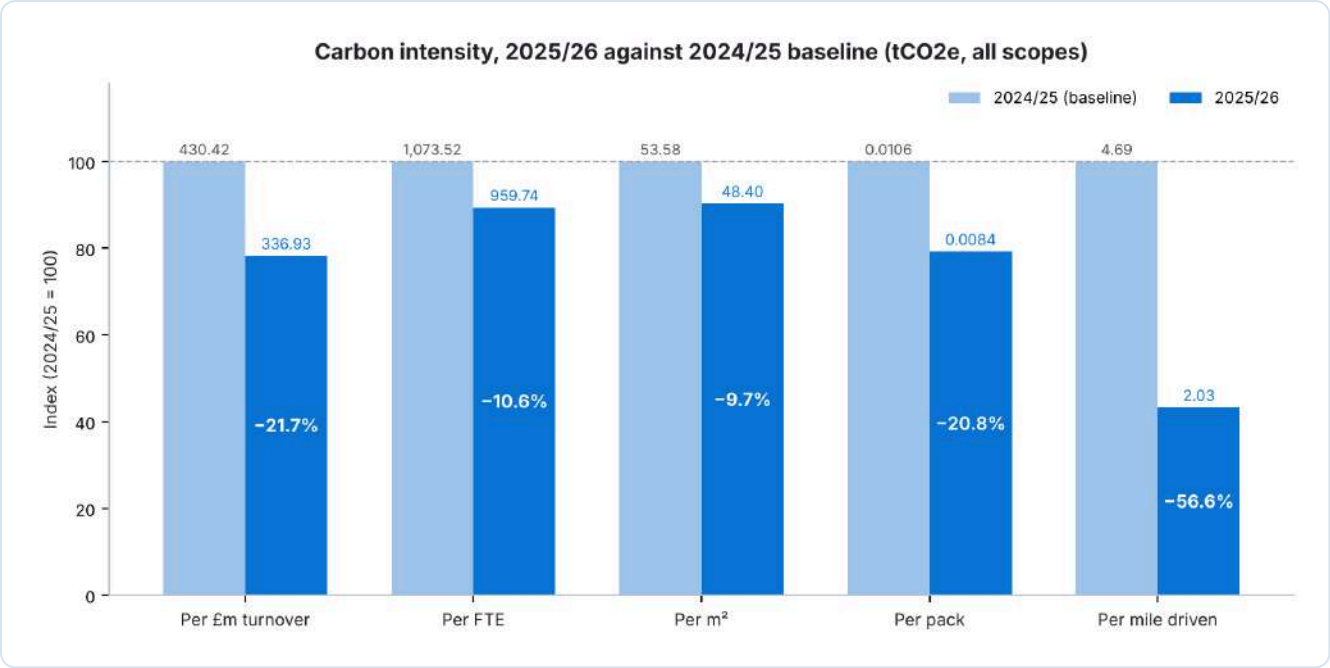
- **Purchased goods and services:** Spend based, using financial data and an emissions factor.
- **Capital goods:** Spend based, using UK financial vendor data and an emissions factor.
- **Fuel and energy related activities:** Calculated from electricity transmission and distribution (T&D) losses using DEFRA emissions conversion factors.
- **Upstream transport:** Spend based, using financial data and an emissions factor for domestic and international freight as no breakdown of locations or transport mode is available.
- **Waste:** calculated from waste company collection notes, converting volume to mass using SEPA methodology and DEFRA emissions conversion factors. Hazardous and controlled waste factored by pallets and conversion to kg provided by Waste care and in house measurements.
- **Business travel:** Spend based, using financial data and an emissions factor. This is broken down by domestic and international business travel. Grey fleet (business mileage in employees' own cars, 4,611 miles) is also included in this category, calculated from mileage claims.

- **Employee commuting:** Calculated from staff surveys covering 70 of 99 staff, extrapolated to all staff on the basis of the usual travel patterns reported in the survey.
- **Upstream leased assets:** The Company's leased delivery vans and leased premises are under Smartway's operational control, so their fuel and energy use are already reported within Scope 1 and 2. No other upstream leased assets were identified.
- **Downstream transport:** Products reach customers in our own vans (reported in Scope 1) or through third party distribution companies that we pay for (reported in Category 4). Some customers collect their orders themselves. These journeys are arranged and paid for by the customer, are not currently measured and are considered not material.
- **Processing of sold products:** Not relevant. Smartway distributes finished pharmaceutical and medical products that are not subject to further processing by customers.
- **Use of sold products:** Not currently quantified. The medicines and medical products Smartway distributes do not generally consume energy in use.
- **End of life treatment of sold products:** Not currently quantified. End of life treatment of product packaging and unused medicines is managed by customers (pharmacies, hospitals and other healthcare providers) through regulated pharmaceutical waste routes. This category is considered not material at this stage and will be kept under review.
- **Downstream leased assets:** Not relevant. Smartway does not lease assets to other organisations.
- **Franchises:** Not relevant. Smartway Pharmaceuticals does not operate franchise-based activities.
- **Investments:** Not relevant. Smartway Pharmaceuticals Limited holds no equity investments, joint ventures or project finance that fall within this category.

Intensity Metrics

The intensity metrics used are deemed to be the most appropriate and available for Smartway Pharmaceuticals, with turnover having the most meaningful applicability.

Intensity Metrics	Intensity Tn CO2e Per Aspect 2024/25	Intensity Tn CO2e Per Aspect 2025/26
Turnover (per £m)	430.42	336.93
GIA (per m2)	53.58	48.40
Staff numbers (per FTE)	1073.52	959.74
Packs transported (per pack)	0.0106	0.0084
Miles driven (per mile)	4.69	2.03



Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 006 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[1] and uses the appropriate government emission conversion factors for greenhouse gas company reporting[2].

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements (where required), and the required subset of Scope 3 emissions have been reported in accordance with the Corporate Value Chain (Scope 3) Standard[3].

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:

Josh Cocklin

Chief Executive Officer and Director

Date: 6 November 2026

Next Steps

Having produced this first-year of data following the baseline, we have been careful to select appropriate intensity ratios so that these are comparable and a relevant measure for the company.

It is recommended that the company continues to act on energy saving opportunities and works to encourage the improvement of its supply chain. This will assist the company to establish:

- Where the significant energy users are.
- What controls and savings can be made through improved data collection from suppliers.
- What technologies are appropriate to reducing energy use and costs.
- The optimal route towards zero carbon.

Energy Consultant

Alan Asbury
Director
CLS Energy (Consultancy) Ltd.

This Carbon Reduction Plan has been independently produced by our consultants CLS Energy (Consultancy) Ltd.

Responsibility for any penalties that may be applied by HM Government, DESNZ, the Environment Agency or its agents remains entirely with Smartway Pharmaceuticals Limited. Similarly, any liability upon CLS Energy (Consultancy) Ltd, its associates and Assessors is limited in its entirety to the budgetary quote agreed to deliver this report.

1. https://ghgprotocol.org/corporate-standard
2. https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting
3. https://ghgprotocol.org/standards/scope-3-standard