

Saffron Midco 2 Limited

Directors' report (continued) Year ended 31 March 2021

Sustainability reporting

As a large-scale manufacturer of pharmaceuticals, Sterling has the potential to have significant, detrimental impacts upon the environments in which it operates. As such, we are continuously identifying and reducing the burdens we are responsible for in our processes and through our supply chains.

Beginning in 2021, Sterling built upon the materiality assessment which identified the areas where we can contribute to the UN Sustainable Development Goals (SDGs). The SDGs identified for Sterling's primary focus are: Good Health and Well-being; Decent Work and Economic Growth; Responsible Consumption and Production; and Climate Change.

Sterling have created a Responsible Business Policy which introduces four "pillars" where Sterling can focus their efforts to make tangible differences to our sustainability. These are: Operations; Employees; Communities; and the Environment. When plotted against our material SDGs, a clearer understanding of where Sterling can make a positive difference emerges. Our next step is to understand where we are in these areas, through regular reporting according to GRI principles.

Regarding our Corporate Social Responsibility activities, Sterling currently hold a Silver rating from EcoVadis, missing out on Gold by 1 point in the 2020 assessment. Going forward we are aiming for Gold and ultimately, Platinum.

Carbon emissions

Beginning in 2020 Sterling launched a project to fully understand the carbon footprint it is responsible for. This includes both the emissions directly attributed to our own activities and those occurring as a result of the demand we place on our value chains.

Understanding where these emissions are occurring allows Sterling to make more effective decisions when aiming to reduce our overall footprint; our goal is to reduce our carbon footprint by 50% of FY20 levels by FY25.

	2021	2020
Carbon emissions (measured in tonnes of Co2 equivalent - tCo2eq)		
Scope 1 - Emissions occurring from sources owned/controlled by Sterling (e.g., natural gas combustion)	7,788	7,005
Scope 2 - Emissions from the generation of purchased electricity	5,959	7,011
Scope 3 - Emissions occurring as a consequence of the activities of the business (e.g., waste treatment, business travel)*	28,987	-
Out of Scope – Emissions not covered by the Kyoto Protocol's 6 Primary GHGS (e.g., fugitive emissions of NMVOCs)*	404	-
Total	43,138	-
Intensity ratios (tCo2eq by reference to other business metrics)		
per tonne of product shipped	40	35
per tonne of material charged to process	2	2
per £m turnover	189	203
per employee (full time equivalent)	32	32

* not measured in previous financial year

Methodology - GHG Reporting Protocol - Corporate Standard

Conversion factors - 2019 Government GHG Conversion Factors for Company Reporting