

# Carbon Reduction Plan

Supplier name: Ambu A/S

Publication date: Published (April 1<sup>st</sup> 2024)

## Commitment to achieving Net Zero

2023 has been a milestone year for Ambu's in terms of setting its sustainability ambitions and commitments. In 2023, Ambu's as a business with support of its executive management committed to reaching net-zero targets by 2045, as communicated at Ambu's Annual General Meeting on 14 December 2023 and the executional steps towards approaching net-zero emissions are already in motion being the key pillars in Ambu's transformational ZOOM IN strategy.

The major step last year was that Ambu has successfully closed the process of validation of its near-term SBTi targets for 2030. Ambu's near-term targets are key building blocks in the company's long term commitment objective to achieve net-zero emissions across its value chain. As validated by SBTi Ambu A/S commits to reduce absolute scope 1 and 2 GHG emissions 75% by FY2030 from a FY2021 base year. Ambu A/S also commits that 82% of its suppliers by emissions covering purchased goods and services will have science-based targets by FY2027. The SBTi's Target Validation Team has classified Ambu's scope 1 and 2 target ambition and has determined it is in line with 1.5C trajectory.

In 2024, Ambu expects to submit its long-term carbon reduction targets to the SBTi.

## Executive Summary

Ambu took an important step by signing up with the SBTi (Science Based Targets initiative) in June 2021, which commits Ambu to set near-term carbon emission targets to meet the goals of the Paris Agreement, and to reduce carbon emissions in line with what is needed to limit a global temperature rise to 1.5°C, above pre-industrial levels.

During 2021/22, Ambu conducted a full mapping and calculation of all relevant GHG Emissions of the group including UK entities, including Scope 3 categories for the financial year 2020/21. When comparing our Scope 3 to our total Scope 1 and 2 emissions, emissions from Scope 3 cover 94.84% of our total emissions for FY 2020/21.

To deliver on the reduction of carbon emissions Ambu's plans are:

1. For scope 1 and scope 2 to focus on the use of renewable energy and the energy efficiency, wherein all Ambu's production sites will source 100% renewable power by 2030. This will be done through a combination of renewable energy certificates (RECs), power purchase agreements (PPAs) and investment in installation of renewable power, e.g., solar panels, in close proximity to the company's production sites.
2. For targets attributed to the entire value chain (scope 3), Ambu will continue to focus on engaging with suppliers to support further their sustainable transformation. This will, among other things, be supported by means of the company's its Responsible Supplier Program. The program is specifically designed to ensure that our Ambu's suppliers not only address quality and cost requirements, but also a wide range of sustainability and integrity considerations, including environmental impacts. As purchase of raw materials used to manufacture our products and transportation are our primary drivers of scope 3 emissions, we also work to increase the use of renewable raw materials, e.g., bioplastics and reduce the emissions from transport and logistics.

#### Towards net-zero

Our journey towards net-zero includes defining a long-term roadmap and carbon reduction plan and submitting our targets to SBTi in 2024. The roadmap and plan will, among other things, include extended use of renewable materials and recycling of products and packaging, and approach 100% renewable energy in collaboration with supplier and other partners.

## **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.

<b>Baseline Year: 2020/21*</b>
<i>*As submitted to the SBTi for the purpose of validation of the Ambu's targets and validated 21<sup>st</sup> of December 2023</i>
<b>Additional Details relating to the Baseline Emissions calculations.</b>
<b>Reporting scope:</b> All our greenhouse gas (GHG) emissions are disclosed in line with the guideline of the Greenhouse Gas Protocol. The scope for our GHG emissions covers our four production sites, headquarters, as well as offices and warehouses owned or controlled by Ambu. It also covers all company cars owned or leased by Ambu.

Consumption and emissions from our four production sites and headquarters are based on actual consumption or purchase. Consumption and emissions from warehouses, sales offices and related company cars are based on estimated data due to non-accessible data.

**Scope 1:** covers direct GHG emissions from sources that are controlled by the company.

Ambu has the following sources of Scope 1 emissions:

Consumption of natural gas and LPG.

Consumption of fuels both at production sites and in company cars. As it is not possible to collect complete fuel- or driving data from our company cars used by our sales force, emissions are calculated using a standardised yearly driving distance and emission from an average car.

Refilling of refrigerants from air conditioning and ventilation units.

**Scope 2:** covers indirect GHG emissions from the generation of electricity and district heating. The GHG emissions physically occur at the facility where the electricity or heat is generated.

As from 2020/21, Ambu discloses Scope 2 emissions according to both the market- and location-based method.

**Scope 3:** covers the indirect GHG emissions that occur both up and down the value chain.

Activity data in the shape of monetary data, physical data, supplier specific data and assumptions are multiplied with relevant emission factors.

Descriptions of the included categories are described below.

#### **Category 1: Purchased goods and services**

Raw materials include every purchase of raw materials and components that go into our products, which are registered in Ambu's procurement management system. Outsourced production includes every revenue of Ambu products where the production is outsourced to suppliers.

#### **Category 2: Capital goods**

Capital goods include purchases of manufacturing machines, IT equipment and other larger purchases that deviate from the purchases made in every financial year. Emissions are calculated based on monetary data.

#### **Category 3: Fuel- and energy-related activities**

Emissions are calculated based on energy consumption data, according to the market- based approach reported in Scope 1 and 2, including electricity, district heating and various fuels used at our production sites, headquarters, sales offices, warehouses and company cars owned by Ambu.

#### **Category 4: Upstream transportation and distribution**

Emissions are calculated based on well-to-wheel CO<sub>2</sub>e data from supplier-specific reports and monetary data for third-party transportation and distribution services purchased by Ambu, including inbound logistics, outbound logistics and between own facilities. Transportation of goods from tier one suppliers to Ambu is implicitly included in Category 1 and 2, when the transportation is ensured by the suppliers.

#### **Category 5: Waste generated in operations**

Emissions are calculated based on the actual waste data from our production sites and headquarters, together with an estimation of waste generated per employee multiplied with the total number of employees in Ambu sales offices. Only the transportation of waste sent to recycling and incineration with energy recovery is included in Ambu's Scope 3 emissions, as the net emissions from the recovery of materials and generation of energy is reported as out-of-scope.

**Category 6: Business travel**

Emissions from business flights are captured and delivered by Ambu's travel agent based on data of bookings, emissions from car milage and business travel & events are calculated based on registrations in Ambu's procurement management system.

**Category 7: Employee commuting**

Emissions from employee commuting to Ambu's production sites are calculated based on information provided by relevant employees concerning the share of employees commuting by private car, Ambu bus and other public transportation. This information is applied as an assumption for the other production sites as similar conditions apply. For employees commuting to headquarters and sales offices, assumptions of travel distance and travel type are made.

**Category 11: Use of sold products**

Emissions are calculated based on direct use-phase data for energy-consuming Ambu products. Indirect emissions are also calculated, reflecting the consumption of resources for reprocessing reusable Ambu products. Only products requiring full disinfection are included in the indirect use-phase emissions.

**Category 12: End-of-life treatment of sold products**

Emissions are calculated based on physical data for sold Ambu products mapped in categories representing the different material components of product and packaging. Only the emissions associated with the transportation of waste to treatment facilities and the process of incineration without energy recovery is included in Ambu's Scope 3. Net emissions resulting from the recycling and the incineration with energy recovery are reported as out-of-scope.

**Categories 8, 9, 10, 13, 14 and 15** are deemed not relevant for Ambu due to the nature of the company. Detailed explanation can be provided per request.

**Baseline year emissions:**

<b>EMISSIONS</b>	<b>TOTAL (tCO<sub>2</sub>e)</b>
<b>Scope 1</b>	4,329
<b>Scope 2</b>	18,027 (location-based) 18,505 (market-based)
<b>Scope 3 (Included Sources)</b>	Category 1: 350,693 Category 2: 23,041 Category 3: 4,171 Category 4: 31,416 Category 5: 1,539 Category 6: 2,844 Category 7: 6,401 Category 11: 656 Category 12: 1,922

<b>Total Emissions</b>	445,038 (location-based)
<b>Scope 1, 2 &amp; 3</b>	445,516 (market-based)

## Current Emissions Reporting

Reporting Year: 2022/2023	
EMISSIONS	TOTAL (tCO <sub>2</sub> e)
<b>Scope 1</b>	3,687
<b>Scope 2</b>	20,316 (location-based) 16,083 (market-based)
<b>Scope 3</b> (Included Sources)	Not calculated*
<b>Total Emissions</b>	24,003 (location-based)
<b>Scope 1 &amp; 2</b>	19,771 (market-based)

*\*While we have not made a scope 3 calculation this year, we are committed to disclosing our annual scope 3 emissions, including for the past years, as well as next financial year, as part of our submission of a near-term science-based target. We are currently working on updating the calculations and improving our data.*

Ambu publicly discloses its carbon emissions and progress against targets via CDP disclosures and the records and disclosures including breakdown of emissions into all GHG gases concerned in the Kyoto Protocol could be find on the link below:

[https://www.cdp.net/en/responses/31872?per\\_page=20&sort\\_by=project\\_year&sort\\_dir=desc](https://www.cdp.net/en/responses/31872?per_page=20&sort_by=project_year&sort_dir=desc)

## Emissions reduction targets

In order to continue our progress to achieving Carbon Reductions, we have adopted the following carbon reduction targets validated by SBTi in 2023.

### Scope 1 and 2

The proposed scope 1 and 2 target covers 99.27% of the Ambu's scope 1 and 2 emissions in the base year of 2021, which is more than 95% threshold set by SBTi.

We have a three-step strategy to reduce our CO<sub>2</sub> emissions:

- Minimize carbon emissions from production sites through energy efficiency measures.
- Purchase Renewable Energy Certificates (RECs) with focus on new installations and suppliers who offer a degree of additionality. Additionality ensures expansion of renewable energy production sites.
- Establish Power Purchase Agreements (PPAs) in the countries where we have production facilities in order to ensure additionality and the expansion of renewable energy production.

In 2021/22, we increased our renewable electricity share from 4.2% to 26.1% compared to the 2020/21 baseline year.

## OVERVIEW OF NEAR-TERM SCIENCE-BASED TARGETS

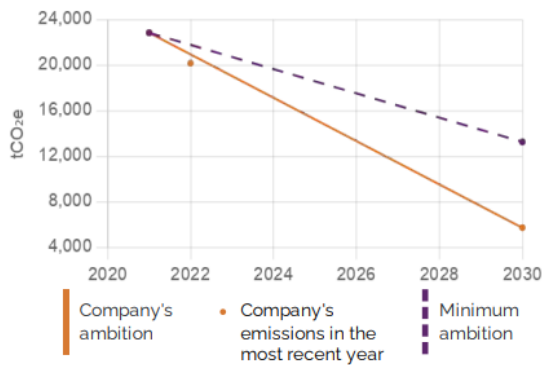
Ambu A/S commits to reduce absolute scope 1 and 2 GHG emissions 75% by FY2030 from a FY2021 base year.

Public: Yes

Temperature classification: 1.5°C

Target Coverage

### ABSOLUTE EMISSIONS



GHG Inventory breakdown	Minimum boundary emissions	Outside minimum boundary	Biogenic Total
Scope 1	100.00%	N/A	N/A
Scope 2 market-based	100.00%	N/A	N/A
Scope 3 total	N/A	N/A	N/A
1. Purchased goods and services	N/A	N/A	N/A
2. Capital goods	N/A	N/A	N/A
3. Fuel- and energy-related activities	N/A	N/A	N/A
4. Upstream transportation and distribution	N/A	N/A	N/A
5. Waste generated in operations	N/A	N/A	N/A
6. Business travel	N/A	N/A	N/A
7. Employee commuting	N/A	N/A	N/A
8. Upstream leased assets	N/A	N/A	N/A
9. Downstream transportation and distribution	N/A	N/A	N/A
10. Processing of sold products	N/A	N/A	N/A
11. Use of sold products	N/A	N/A	N/A
12. End-of-life treatment of sold products	N/A	N/A	N/A
13. Downstream leased assets	N/A	N/A	N/A
14. Franchises	N/A	N/A	N/A
15. Investments	N/A	N/A	N/A

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### Scope 3

Ambu's scope 3 emissions amount to 94.84% in scope 3 base year of 2021, which is more than 40% threshold set by SBTi. Ambu has set a target that covers scope 3. The proposed scope 3 target covers 68.37% of total reported and excluded scope 3 emissions, which passes SBTi threshold of two thirds of scope 3 emissions being covered by targets. Namely, Ambu A/S commits that 82% of its suppliers by emissions covering purchased goods and services will have science-based targets by FY2027 already.

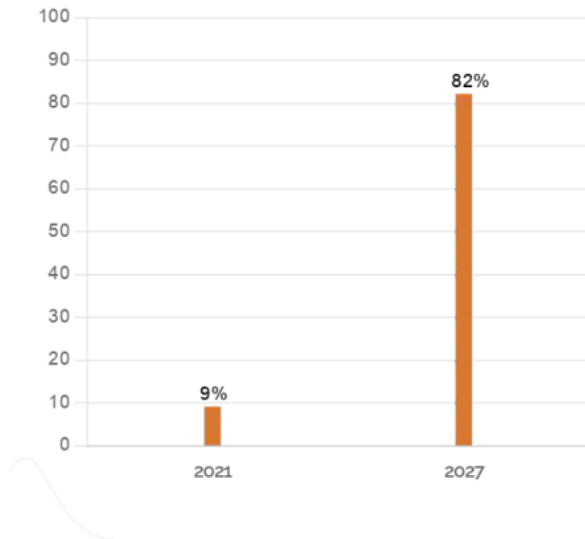
As purchase of raw materials used to manufacture our products and transportation is our primary drivers of scope 3 emissions, Ambu also works to increase the use of renewable raw materials, e.g., bioplastics and reduce the emissions from transport and logistics. On October 15<sup>th</sup>, 2023, Ambu launched the world first single use endoscope containing bioplastic.

# OVERVIEW OF NEAR-TERM SCIENCE-BASED TARGETS

Ambu A/S also commits that 82% of its suppliers by emissions covering purchased goods and services will have science-based targets by FY2027.

Public: Yes

## ENGAGEMENT TARGETS



## Target Coverage

GHG Inventory breakdown	Minimum boundary emissions	Outside minimum boundary	Biogenic Total
Scope 1	N/A	N/A	N/A
Scope 2 market-based	N/A	N/A	N/A
Scope 3 total	68.45%	N/A	N/A
1. Purchased goods and services	82.00%	N/A	N/A
2. Capital goods	N/A	N/A	N/A
3. Fuel- and energy-related activities	N/A	N/A	N/A
4. Upstream transportation and distribution	N/A	N/A	N/A
5. Waste generated in operations	N/A	N/A	N/A
6. Business travel	N/A	N/A	N/A
7. Employee commuting	N/A	N/A	N/A
8. Upstream leased assets	N/A	N/A	N/A
9. Downstream transportation and distribution	N/A	N/A	N/A
10. Processing of sold products	N/A	N/A	N/A
11. Use of sold products	N/A	N/A	N/A
12. End-of-life treatment of sold products	N/A	N/A	N/A
13. Downstream leased assets	N/A	N/A	N/A
14. Franchises	N/A	N/A	N/A
15. Investments	N/A	N/A	N/A

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## Carbon Reduction Projects

### Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2020/21 baseline:

- Purchase of REC certificates for multiple site production sites, one site being 100% covered with REC certificates and another site being 20% covered with the combination of certificates and solar panels installed on site.
- Reduction of Scope 1 emissions as a result of the increased focus on energy efficiency and maintenance.
- Green mobility project that aims to provide understanding of employees commuting choices as well as provide inspiration for initiatives that Ambu can deploy to further engage employees in making sustainable transportation choices such as bicycling, car-pooling and similar (currently ongoing)
- Introduction of bioplastic into handles for all of our endoscopes by the end of 2024 (currently ongoing)

The carbon emission reduction achieved by these initiatives in 2022/23 equate to 3,062 tCO<sub>2</sub>e, a 13% reduction in scope 1 and scope 2 market-based emissions against the 2020/21 baseline and the measures will be in effect when performing the contract.

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

- Public commitment to Net0 targets, public commitment to SBTi targets and ongoing reporting on targets:  
Our journey towards net-zero includes defining a long-term roadmap and carbon reduction plan in 2024. The roadmap and plan will, among other things, include extended use of renewable materials and recycling of products and packaging, and approach 100% renewable energy in collaboration with supplier and other partners.
- Investment in increasing of our share of renewable energy,
- Innovation of our products with the focus on renewable materials such as bioplastic.

## 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>1</sup> and uses 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 on behalf of the Supplier:

*Casper Venbjerg Hansen*

Casper Venbjerg Hansen, Senior Director, Sustainability and Risk & Compliance  
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Date: March 14, 2024 .....

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<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>