Total emissions 2019

Based on the methodology described in the previous section, we have estimated our total emissions and have identified four main levers that drive our emissions:

- Products & Components - covering the emissions embedded in the materials, components and products that we offer.
- Travel - the emissions generated by our business travels.
- Logistics - covering inbound logistics for our raw materials, components and finished products plus the distribution of our products to our customers.
- Own sites & Operations - made up of a range of contributions such as onsite energy consumption, consultancy services, facility maintenance, tools, hardware, and office equipment.

Our total carbon footprint in 2019 was estimated to be 69 kilotonnes CO₂e. Our efforts to reduce our emissions will be shaped around these levers and are detailed on the following pages.

2030 goal: Achieve a minimum 70% reduction in carbon emissions by 2030 across: facilities, transport, travel and supply chain. Offset any residual emissions.

Reductions based on 2019 levels

2021 ambition to action:
Reduce absolute emissions by 10% from 2019 level by:
- reducing air freight by 25% from 2.1 to 1.6 million ton-kilometres;
- reducing business travel cost by 20% through travelling less and smarter;
- while still growing the business, reducing total weight shipped to customers from xx to yy;
- only working with freight forwarders who have a focus on emissions reduction.
Absolute reductions needed

According to the UN Emission Gap Report (2019), global emissions need to be 55% lower in 2030 compared to 2018 to put the world on the least-cost pathway to limiting global warming to below 1.5°C compared to pre-industrial temperatures.

We recognize this and accept our share of accountability. We are charting out a pathway based on a minimum 70% reduction of our CO₂e emissions. We have a shared dedication and commitment with our shareholders, the Laerdal Board, senior management and employees to follow through on the reduction initiatives that will stem from the ambitions set out in this document.

“The greatest danger to our planet is the belief that someone else will save it.”

Robert Swan, OBE, FRGS
Polar Explorer

Cooperation for change

Laerdal is joining forces with several prominent companies across sectors to reduce CO₂e emissions and to increase use of circular materials in the value chain. In doing so, we accept the challenge to:

- adopt targets to reduce CO₂e emissions in a “science-based” manner so that they can be assessed by others and are in line with the level of decarbonization required to keep global temperature increase below 1.5°C compared to pre-industrial temperatures;
- set interim targets to be reached in the coming 1 to 5 years, not only a long-term target; and
- cover Scope 1, 2 and 3 emissions.

Skiftnorge

Laerdal has joined Skiftnorge which is an initiative to accelerate the transition to a low-carbon economy and support the Norwegian Government in delivering on its national climate commitments by 2030.
**Logistics**

We will reduce the emissions from our inbound logistics and distribution from eleven to five thousand tons of CO₂e per year by 2030.

This will be achieved in part by optimizing our logistics network and in part by actively selecting freight forwarding options with proven low CO₂e emissions.

To help us, we have built a reporting solution that enables us to assess the emissions from our global flow of goods. This tool helps us to identify the emissions from our different trade lanes. We do this by analyzing our transactional data to model what we have shipped from A to B. This is combined with emission factors to provide a detailed overview of the emissions from our logistics activities.

**Targeted reductions by 2030**

Achieving our ambitions will take time and require systematic and long-term efforts. We will initiate and fund projects within four levers - Products and components, Logistics, Travel and Own sites and operations - every year during the next ten years to enable us to reach our targets. The results will be achieved based on our ability to mobilize all employees to work throughout the entire value chain to identify opportunities for improvements so that we can accelerate the impact we have for a more sustainable future.

We will reduce emissions from our products and components from thirty-three to eleven thousand tons of CO₂e per year by 2030.

These reductions will be achieved by initiatives undertaken at our manufacturing sites as well as in cooperation with suppliers in our value chain.

By introducing more recycled and bio-based material into our products we will achieve a reduction in both CO₂e emissions and usage of raw materials. As we transition to using more circular and shared user models, complemented by digital solutions, we will see a decrease in resources and energy needed and, at the same time, an increase in usage of our solutions. Ultimately, we will be helping save more lives using less resources.

Starting now, we will plan for solutions internally with total emissions in mind and will work with partners that share our commitment to achieve an overall reduction in emissions.
**Own sites and operations**

We will reduce emissions from our own sites and operation from seventeen thousand to zero tons of CO$_2$e by 2030.

This is a very ambitious target bearing in mind the complexity and diversity of emissions sources included in this category. As can be seen in the graph to the right, this category includes diverse levers such as outsourced services, IT, and depreciation of machinery. In setting such an ambitious target, there is a recognition that to reduce our emissions we must start early. We will take initiatives in many areas in parallel to achieve our goal.

Reducing the emissions for this category will be a truly global effort with activities undertaken across all disciplines and all locations. We have already introduced usage of renewable energy at most manufacturing sites and more actions will be taken within 2021 for further improvements.

**Estimated residual emissions to be offset**

Our current estimates show that in 2030 we will be generating 21 kilotonnes of CO$_2$e emissions that will need to be offset.

Currently, the most promising carbon capture technology is the approach of planting trees. Research shows that ten years after planting, an average tree will absorb about 21kg of CO$_2$e per year from the atmosphere.

This means that one million trees planted within 2021 will offset the potential residual emissions of 21 kilotonnes CO$_2$e per year from 2031 onwards.

We will by mid-2021 investigate if further emission reductions can be achieved and other solutions for removing our emissions from the atmosphere, but we are now planning for offsetting the current estimated residual emissions by planting one million trees.

*One million trees planted to help save one million lives.*
Carbon reduction initiatives in different functions

The carbon reduction program goes across all units in Laerdal, and many initiatives are underway or will be started shortly. Some are based on specific plans others based on developments in the market. In dialogue with 3 corporate leaders we learnt their perspective on the situation:

Ambitious partners in logistics and services

“On logistics, we have proactively addressed the \( \text{CO}_2 \) emissions footprint and selected our transportation partners with the commitment to be carbon neutral by 2030. We select partners who can complement and support efforts for reductions in freight/distance travelled by our products, reductions in emissions from using low-emissions vehicles and reductions in energy consumption at our distribution centers. We have increased the concept of cross-docking, meaning, the products are distributed directly from our factories to end-customers with marginal handling and storage time at our central Distribution Centers (DCs). This reduces the square footage needed in our facilities and our central DCs are located as close as possible to final delivery destinations in Asia Pacific, Americas and Europe.

On services, we will continue our digital-first customer service strategy. This includes delivering information and updates to our customers on educational and technical services proactively via an online portal. We will also do more remote diagnosis and online video-based support.”

Petra Ellen Hansen. Director Operations.

Sales and Services and COVID 19 in 2020

“From March to August 2020, travelling to customer sites essentially stopped. We worked remotely with our customers to support them during these very special circumstances. Development in video conferencing and teamwork software made it possible to do business with minimal on-site meetings. This has created alternative perspectives on how to cooperate and to present the value we can offer through virtual demonstrations. We believe the “new normal” after COVID 19 will look different with increased use of virtual tools to assure our solutions cover users’ real needs.”

Tor Bryne. VP Sales, Marketing & Services.

Selection and partnering with our suppliers

“When selecting suppliers, we are looking for partners who live up to international standards and who can align their ambitions on sustainability with ours. We realize that the 2030 goals can only be achieved in partnership and collaboration with our suppliers. The sustainability ambitions and geographical locations are dimensions when identifying and selecting suppliers that will become even more important than before.

BB Electronics in Suzhou in China is one of several suppliers who share our values and ambitions. They are working on many sustainability-related initiatives in parallel, including changing from single use to reusable boxes when sending us “Work in Progress” components locally. They have also installed insulating curtains around machines to reduce power usage.”

Sjur Gausel. Director of Strategic Sourcing.