

Coloplast Carbon Reduction Plan

Supplier name: **Coloplast Ltd (Coloplast A/S)**

Publication date: **23-01-2025**

Background

The decarbonisation of Coloplast's own operations continues to be a key priority with focus on the three workstreams of phasing out the use of natural gas, increasing our renewable energy consumption and increasing the share of electric company cars. Coloplast is dedicated to continuing our efforts of transitioning to renewable energy across our sites globally. Several initiatives have been initiated and are expected to positively impact our scope 1 and 2 emissions from next year and onwards.

Reducing our scope 3 emissions remain a key component of our decarbonisation efforts. We continue the development and implementation of our transition plan, involving short and long-term decarbonisation activities and progress tracking. This plan is based on thorough mapping of value chain activities, including emissions and climate risks. Our current strategic focus is on raw materials, transportation and business travel. In 2023/24 we continued to leverage our supplier sustainability programme as an enabler to achieve our targets.

We aim to completely eliminate emissions related to our own operations and to halve the remaining emissions per product by 2030.

The actions we take to reduce emissions include phasing out the use of natural gas, converting to electric company cars, limiting business travel and air transport of our products, applying eco-design principles when designing new products and engaging with our suppliers to minimise their emissions.

Our actions are based on a detailed emission mapping of all activities across our company. This way, we can focus our efforts to where it matters the most.

Commitment to achieving Net Zero

Our targets and commitment have been validated and approved by SBTi. This means our targets are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement and limit global warming to 1.5°C.

Our science-based targets/SBTi-approved targets are:

- Coloplast commits to reducing scope 1 and 2 GHG emissions by 100% by 2030 from a 2018/2019 base year.
- Coloplast commits to continuing annually sourcing 100% renewable electricity through 2025.
- Coloplast commits to reducing scope 3 GHG emissions by 50% per product manufactured by 2030 from a 2018/2019 base year.

Baseline emissions footprint

| | |
|---|--|
| Baseline Year: 2018/2019 | |
| Additional Details relating to the Baseline Emissions calculations. | |
| Coloplast Ltd is covered under the scope of the parent organisation, Coloplast A/S. | |
| Baseline year emissions: | |
| EMISSIONS | TOTAL (tCO₂e) Access to accurate and reliable data is key to understanding and addressing Coloplast's climate impact. We continuously work to improve data quality and we will continue to develop our climate reporting in line with the GHG Protocol and to comply with the EU's Corporate Sustainability Reporting Directive (CSRD). |
| Scope 1 | 23.830 |
| Scope 2 | 33.780 (Location based) 0 (Market based) <i>100% of scope 2 emissions are currently covered by Renewable energy certificates (RECs) which effectively means 0.</i> |
| Scope 3 (Included Sources) | Categories included in Scope 3 are all accounted for with limited assurance level 23/24. 160.467 (category 1, 4, 6, 8) Category 1 (Purchased goods and services): 120.108 Category 4 (Upstream transportation and distribution): 21.542 Category 6 (Business travel): 13.743 Category 8 (Upstream leased assets): 5.074 |
| Total Emissions | 184.297 |

Current Emissions Reporting

| Reporting Year: 2023/2024 | |
|-------------------------------|---|
| EMISSIONS | TOTAL (tCO ₂ e) |
| | Access to accurate and reliable data is key to understanding and addressing Coloplast's climate impact. We continuously work to improve data quality and we will continue to develop our climate reporting in line with the GHG Protocol and to comply with the EU's Corporate Sustainability Reporting Directive (CSRD). |
| Scope 1 | 17.514 |
| Scope 2 | 31.427 (Location based) 0 (Market based) 100% of scope 2 emissions are currently covered by Renewable energy certificates (RECs) which effectively means 0. |
| Scope 3 (Included Sources) | Categories included in Scope 3 are all accounted for with limited assurance level 23/24. 189.002 (category 1, 4, 6, 8) Category 1 (Purchased goods and services): 152.045 Category 4 (Upstream transportation and distribution): 25.601 Category 6 (Business travel): 6.841 Category 8 (Upstream leased assets): 4.515 |
| Total Emissions | 206.516 |

Emissions reduction targets

In order to continue our progress toward achieving Net Zero, we have adopted the following carbon reduction targets.

Emission reduction targets and progress against these targets can be seen below:

- **100% reduction in scope 1 and 2 by 2030 from 2018/19**

Today, we have reduced our scope 1 and 2 emissions by 27% from 2018/19

- **100% renewable energy by 2025**

Today, 83% of our energy comes from renewable sources We continue to use 100% renewable electricity¹ in our own operations, as we've done since 2018/19.

- **100% electric company cars in 2030**

Today, 11% of our 2,500 company cars are electric. Though our company car fleet increase slightly in 2023/24 (from 2,400 in 2022/23), total emissions from company cars was reduced by 13% compared to 2022/23.

- **50% reduction in scope 3 per product by 2030 from 2018/19**

Today, we have reduced our scope 3 emissions per product by 3% from 2018/19

- **10% reduction of business travel by air from 2018/19 and then freeze**

Today, we have 50% less business travels by air compared to 2018/19 We've reduced the emissions from business travel by air from 13,743 (tCO₂e) in 2018/19 to 6,841 (tCO₂e) in 2023/24. We have achieved this even though our company has grown across all geographies.

- **5% limit on goods transported by air**

Today, 2% of our products are transported by air.

More details about our targets and ambitions can be found on our corporate website below.

[Sustainability \(coloplast.com\)](https://www.coloplast.com/sustainability)

[Sustainability reporting \(coloplast.com\)](https://www.coloplast.com/sustainability-reporting)

Carbon Reduction Projects

Transition to renewable energy

In 2023/24, the two Coloplast's sites in Denmark switched from using natural gas for heating to relying on district heating primarily from renewable sources. This shift led to a reduction of 866 tonnes CO₂e per year from 2023/24 onwards, amounting to 7% reduction of Coloplast's total scope 1 emissions annually.

During 2023/24, two additional electric heat pumps were installed at Coloplast's production site in Nyírbátor, Hungary, to replace existing natural gas boilers. Combined with the improvements achieved with the installation of the first two heat pumps at the site in 2021/22, we have now reduced natural gas consumption at the site by 67% since 2020/21. Altogether, the four electric heat pumps are expected to lead to an annual saving of 3,385 tonnes CO₂e.

During the year, we completed the preparatory work for installing a geothermal energy system in Nyírbátor. The drilling was initiated in September 2024. The new geothermal energy system and supplementary new heat pumps are expected to be fully operational by the end of 2024/25, and upon completion the project is estimated to lead to an annual saving of 1,141 tonnes CO₂e. We are also expanding the use of geothermal energy to sites where other renewable energy sources are not viable. For our site in Minneapolis, USA, the preparations for installation of two geothermal wells will begin in 2024/25.

Coloplast currently covers 100% of electricity use in scope 2 with RECs (Renewable Energy Certificates), effectively reducing our emissions by 32,200 tonnes of CO₂e in 2022/23 (0 emissions in scope 2).

Improving energy efficiency

It is Coloplast's ambition to continuously reduce our energy consumption per product. Combined with the use of renewable energy, this is an effective way to reduce climate impacts from our production as we grow to help even more users. This year, our energy efficiency improved slightly to 0.12 kWh per product compared to 0.13 kWh per product last year.

Electric company cars

Coloplast operated a car fleet of around 2,500 cars in 2023/24 which is a slight increase from last year. Despite this increase, total emissions from company cars was reduced by 13% compared to 2022/23. This year, the share of electric company cars in our fleet increased to 11% with improvements being driven mainly by our sales subsidiaries in the UK, Spain and Germany. Our progress continues to be challenged by slower development of charging networks than anticipated. We also acknowledge the behavioural change needed to reach our target and have initiated activities to address these. The activities include better data collection and clearer guidance to sales subsidiaries regarding requirements and recommendations for the transition to electric company cars. In January 2025 Coloplast implemented a new global company car policy to accelerate the transition.

Decarbonising our operations in the value chain

Access to accurate and reliable data is key to understanding and addressing Coloplast's climate impact. We continuously work to improve data quality for scope 3 emissions by gradually moving from spend based or activity-based calculations to supplier-specific emissions data whenever possible. We also have strict control procedures in place for our emissions accounting, enabling us to restate historical figures based on improved data, refined calculations or updated methodology. We will continue to develop our climate reporting in line with the GHG Protocol and to comply with the EU's Corporate Sustainability Reporting Directive (CSRD).

Engaging with our suppliers

Coloplast's supplier sustainability programme functions as a lever for achieving our Strive25 ambitions and ensuring value chain compliance. During 2023/24, we primarily focused on improving data quality, encouraging target setting among our top emitting suppliers and integrating our climate action requirements into our supplier contracts.

SBTi (Science Based Targets Initiative)

Our targets and commitment have been validated and approved by SBTi. This means our targets are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement and limit global warming to 1.5°C.

Our science-based targets/SBTi-approved targets are:

- Coloplast commits to reducing scope 1 and 2 GHG emissions by 100% by 2030 from a 2018/2019 base year.
- Coloplast commits to continuing annually sourcing 100% renewable electricity through 2025.
- Coloplast commits to reducing scope 3 GHG emissions by 50% per product manufactured by 2030 from a 2018/2019 base year

Looking ahead

Coloplast is dedicated to continuing our efforts of transitioning to renewable energy across our sites globally. Several initiatives have been initiated and are expected to positively impact our scope 1 and 2 emissions from next year onwards. Through a power purchase agreement (PPA) in Denmark, 100% of our electricity consumption in Denmark is now covered by locally generated, renewable energy. This year we have also pursued further feasible options for PPAs in other markets, and this work will continue in 2024/25. In 2024/25, electric heat pumps will be in place at our production site in Sarlat, France, to replace the existing gas boilers. This will not only lead to a transition to renewable energy but is also expected to result in significant energy consumption savings. At our production site in Tatabánya, Hungary, heat pumps will be installed in early 2024/25 to completely eliminate the need for natural gas boilers in favour of 100% renewable energy.

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 standard¹ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting.

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.

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:

Senior Vice President QARA & Sustainability Camille Pagh

Date: 28/1-2025

¹ Corporate Standard | GHG Protocol