Getinge climate disclosure

2023

GETINGE

About Getinge

Getinge specializes in manufacturing and supplying products and systems for the healthcare and life science industries, aiming to enhance clinical outcomes and streamline workflows. Its offerings are essential for hospitals and life science institutions, spanning across three key business areas: Acute Care Therapies, Surgical Workflows, and Life Science.

Getinge operates in 40 countries, maintains production facilities in Europe, Asia, and America, and sells its products in more than 135 countries. This extensive operational network is supported by a global supply chain, including subcontractors who deliver a broad range of products, such as metals, plastics, electronics, and finished components.

Acknowledging the healthcare sector's role in contributing almost 5% to global carbon emissions, Getinge is engaging in efforts to mitigate its own, suppliers' and customers' environmental footprint. Getinge specifically focus on efforts to decrease impact in their value chain, which encompasses in-house research and development, production, marketing, sales, logistics, as well as the lifecycle management of products involving customers, end-users, and end-of-life disposal. Carbon emissions are prevalent at most stages of this value chain, with significant emissions arising from purchased goods and services, transportation of goods to and from production sites, and the usage of sold products.

Aligned with Getinge's commitment to lowering climate impact, the company established a climate target in 2023 aligned with the Science Based Targets initiative (SBTi). The company has established both near-term and long-term emission reduction goals that align with the Paris Agreement's objective to limit global warming to 1.5°C, which is now validated by SBTi.
The approved long-term target is:

- Net zero emissions scope 1, 2 & 3 by 2050, which in practice means reducing all emissions by at least 90% compared with the base year 2021.

The near-term targets are to reduce

- Scope 1 & 2 emissions by at least 90% and
- Scope 3 emissions by at least 25% by 2030 (base year 2021).

This report presents the results and analysis of Getinge's greenhouse gas emissions for the year 2023 including the emissions from the base year 2021. It includes an overview of the methods employed to quantify these emissions, ensuring clarity and transparency in Getinge's environmental impact assessment.

Method

The Greenhouse Gas Protocol (GHG Protocol) has been used to calculate the carbon emissions from Getinge. The protocol is the most recognised global standard for calculating greenhouse gas emissions from a company's operations. The calculations have been carried out according to the three associated standards: The Corporate Standard, The Corporate Value Chain (Scope 3) Standard and the Technical Guidance for Calculating Scope 3 Emissions.

According to the GHG Protocol, an activity's emissions must be reported in three scopes (see Figure 1 below), where:

- Scope 1 represents direct emissions from the operations.
- Scope 2 includes indirect emissions generated during the production of purchased electricity, district heating, cooling, and process steam.
- Scope 3 comprises other indirect emissions, both upstream and downstream in the value chain, arising from activities such as purchased travel, transportation, production of purchased goods and services, and commuting trips of employees.

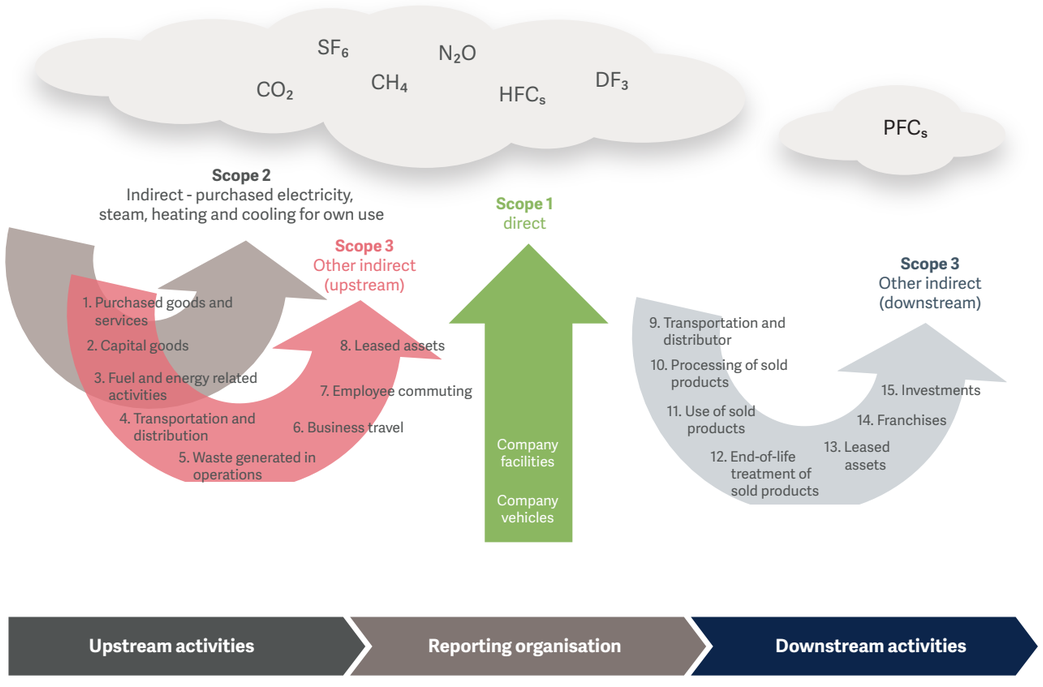


Figure 1. Schematic figure of emissions related to an activity and its value chain, according to the GHG Protocol.

A description of the calculation methods for all scopes and categories, including details on data sources, assumptions, default values and emission factors, is available in the Methodologies and calculations section in the appendix of this report.

Operational Control Approach

Companies have different legal and organisational structures. The GHG Protocol therefore requires a control approach to be determined, either the operational control approach or the financial control approach. The allocation of greenhouse gas emissions in Scope 3 is affected by the chosen control approach and is therefore important to report.

For this climate statement, the operational control approach has been chosen. This means that greenhouse gas emissions are classified as direct emissions when the activity gives rise to emissions during use, for example when leasing vehicles or operating in rented premises.

Method for Scope 2

According to the GHG protocol guidelines for scope 2, emissions from electricity consumption are calculated using either a location-based method or a market-based method. This climate disclosure uses the market-based method. Location-based emissions consider the carbon intensity of the local electricity grid where an organization operates. Market-based emissions consider the actual energy sources an organization has chosen to purchase. If an organization buys renewable energy, the emission factor is typically assigned as zero.

Scope and Limitations

Getinge's climate disclosure includes all emissions in scope 1 and 2. Greenhouse gas emissions in Getinge's value chain are reported in scope 3 and are categorised according to the GHG protocol in 15 different categories. Table 1 below shows which scope 3 categories are included and excluded in the climate accounts.

Scope 3-category		Relevant category for Getinge
3.1	Purchased goods and services	Included
3.2	Capital goods	Included
3.3	Upstream fuel and energy-related activities not included in Scopes 1 and 2	Included
3.4	Upstream transportation and distribution	Included
3.5	Waste management	Included
3.6	Business travel	Included
3.7	Employee commuting	Included
3.8	Upstream leased assets	Included (presented in Scope 1 and 2)
3.9	Downstream transportation and distribution	Included
3.10	Processing of sold goods	Excluded
3.11	End use of sold goods	Included
3.12	End-of-life treatment/disposal of sold goods	Included
3.13	Downstream leased assets	Excluded
3.14	Operation of franchises	Excluded
3.15	Operation of investments	Excluded

Result and analysis

The total results for the carbon calculation by scope and category are displayed in table 2 below. Getinge's total greenhouse gas emissions for 2023 were a total of 591 154 ton CO2e. Getinge's total emissions for 2023 reveal a modest reduction of 1.5% compared to the prior year, alongside nearly no changes compared to baseline 2021.

Getinge's emissions are predominantly classified under Scope 3, with the most substantial contributions emanating from category 3.11, related to the use of sold products, and 3.1, which covers purchased goods and services. Getinge has dedicated considerable effort towards achieving a stable and credible assessment of emissions in these areas, but work is still needed and ongoing to improve the assessment.

DETAILED EMISSIONS PER SCOPE [ton CO_2e]	2023	2022	2021
Scope 1	**16 896**	**17 274**	**17 075**
Oil	93	88	94
Gas	3 802	3 408	4 956
Leased vehicles	13 001	13 778	12 025
Scope 2	**5 556**	**10 166**	**12 507**
Electricity	614	4 511	9 409
Heating	0	97	210
Leased Spaces	4 942	5 558	2 888
Scope 3	**568 702**	**572 008**	**561 621**
3.1 Purchased goods and services	160 287	162 224	157 878
- Purchased goods Others	68 816	66 014	61 495
- Purchased goods Plastic	17 495	18 944	20 393
- Purchased goods Metal	20 688	25 109	22 949
- Purchased goods Electronics	13 454	15 370	13 348
- Purchased services	39 834	36 786	39 693
3.2 Capital goods	24 607	25 510	22 542
3.3 Upstream fuel and energy-related activities	2 891	2 986	2 645
3.4 Upstream transportation and distribution	41 299	50 394	56 608
- Inbound transportation	6 012	6 909	8 600
- Outbound transportation	35 287	43 485	48 008
3.5 Waste generated in operations	103	100	113
3.6 Business travel	5 142	3 028	1 502
3.7 Employee commuting	7 883	7 446	7 200
3.8 Upstream leased assets	-	-	-
3.9 Downstream transportation and distribution	1 764	2 174	2 400
3.10 Processing of sold products	-	-	-
3.11 Use of sold products	323 489	316 790	309 325
3.12 End of life treatment of sold products	1 236	1 356	1 409
3.13 Downstream leased assets	-	-	-
3.14 Franchises	-	-	-
3.15 Investments	-	-	-
Total	**591 154**	**599 381**	**591 203**

Analysis

Continuously Improving calculation methods

Getinge has been working on emissions calculations for scope 1, 2 and 3 since the base year 2021 constantly seeking to improve the measurements and calculations. Since the starting point of calculating the emissions, valuable insights have been gained, revealing several areas where the process of measuring and calculating can be improved for both precision and effectiveness. Getinge has been committed to refining and advancing the methods, continuously striving to enhance the quality of the calculations.

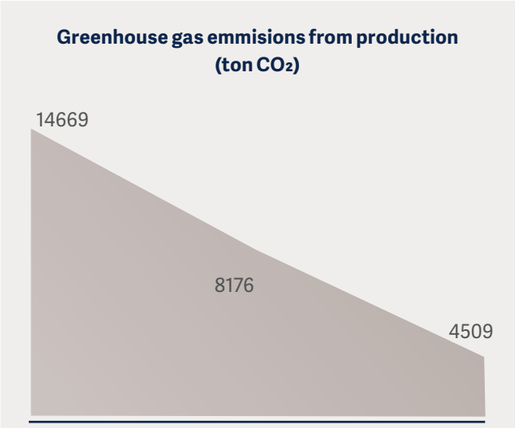
The changes made over the years have been designed to improve outcomes, however, these changes have had an impact on the interpretation of the short-term results. Specifically, when interpreting the result in category 3.1 "Purchased goods and services" since a large share of the calculations made is based on both spend and weight of material. Getinge have noticed that the categorizations and values of the data made in previous years were sometimes less accurate which has led to a hard work trying to identify and correct the data.

These changes pose challenges in accurately comparing annual results, attributed to the integration of updated values. While major updates have been retroactively recalculated to 2021, certain categories remain unable to undergo recalculation with the current available information.

This is a challenge Getinge aim to address in the near future to work towards the most accurate outcome possible Moving forward, Getinge is committed to enhancing the quality of specific emission categories to strengthen the reliability and comparability of emission calculations over time.

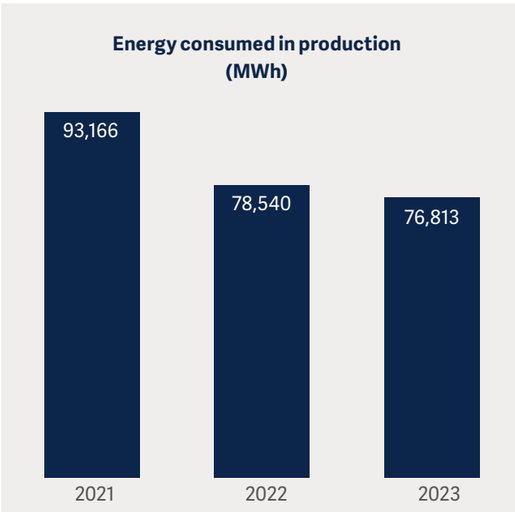
Progress Scope 1 & 2

The emissions of scope 1 & 2 from production have seen a significant reduction (see Graph 1 below) mostly attributed to the shift from fossil-based to renewable sources of electricity and to other actions such as energy efficiency investments and shifting to LED-lighting.



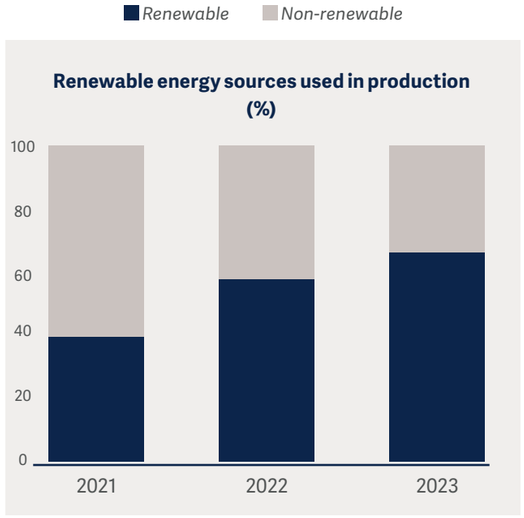
Graph 1: Greenhouse gas emissions from Getinge production (ton CO_2) 2021-2023

Energy efficiency has partially contributed to the reduction in emissions as can be seen by Graph 2 below



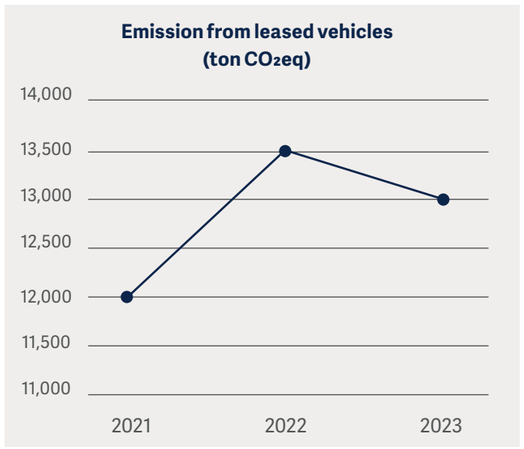
Graph 2: Reduction in Energy consumption (MWh) from production between 2021-2023

The most significant reduction in emissions in 2023 was the result of two large production units reporting the purchase of international renewable energy certificates (iRECs) for all of 2023. As a result, the reported Scope 1 and 2 GHG emissions and share of renewable energy changed considerably during the year, resulting in 67% of the energy used in production at a global level coming from renewable sources. (see Graph 3 below)



Graph 3 : Renewable energy sources used in production (%) 2021-2023

The electrification of Getinge's leased vehicles continued in 2023 but there were still challenges regarding the availability of charging infrastructure in some parts of the world affecting the number of electrical vehicles in the fleet and thus the emissions negatively as can be seen in graph 4.



Graph 4: Emissions from leased vehicles (ton CO_2eq) between 2021-2023

Progress Scope 3 emissions

Important steps were taken regarding scope 3 emissions in 2023 in our business units to understand the measures that will make the greatest difference for reducing emissions and achieving the company's near and long-term targets. The three main areas where reduction will be key to achieving the targets are:

- purchased goods and services,
- upstream and downstream transportation
- emissions from the use of sold products

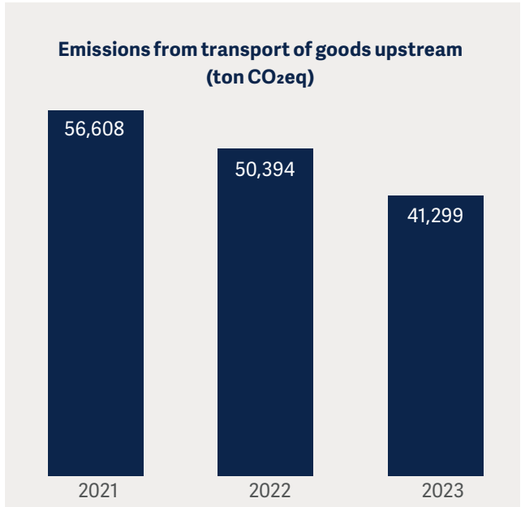
"Reducing emissions from purchased goods and services will take time"

Reducing emissions from purchased goods and services is challenging in the med tech industry due to the regulated nature of the industry. Despite this, Getinge is taking steps which will reduce emissions both in the near- and longer-term perspectives. The supply chain engagement activities initiated in 2022 continued in 2023 with a focus on direct suppliers of goods that have a relatively high emission impact (metals, plastics and electronics). The aim is to obtain primary environmental data on products and alternatives, and to partner with existing suppliers to support their carbon emission reduction journeys. This reduction is estimated to have an impact of between 5-20% of emissions from purchased goods. The more significant impact will come from the work that has started in the three business areas to identify key eco-design opportunities by systematically challenging design, material and component selection as well as continuously aiming to reduce the material flows through efficiency. This includes replacing materials with lower-emission alternatives, such as recycled metals to make larger products such as washers and sterilizers and understanding how bio-based and other alternative plastics can replace fossil-based plastics.

The impact from these actions will however take time and will be visible first in the long term as the process of replacing materials is expected to take time since Getinge operates in a highly regulated industry.

Decrease in emissions from goods transportation

One of the focus areas for emission reduction during the past two years has been on goods transportation due to the possible impact that can be made near term. Goods transportation emissions have continued to decrease during 2023 because of shifting transport mode from air freight to sea freight on several logistics routes most notably between Europe and US. The decrease represents a decrease of more than 25% since the base year.



Graph 5: Emissions from goods transportation (ton CO_2eq) 2021-2023

"Decarbonization of the grid paramount for use of sold products emission reduction"

Some of Getinge's products use a significant amount of energy and therefore cause larger amounts of carbon emissions, depending on the source of energy used by the customer. For the products that significantly contribute to carbon emissions during the use phase (for example sterilizers and washer-disinfectors), the company continuously evaluates options to further improve energy efficiency. One example is the Getinge's efforts regarding ecodesign principles when developing new products.

A reduction of the carbon footprint in the customer use phase requires a reduction in fossil generated electricity in favor of electricity produced from non-fossil sources. Improved instructions for use and an enhanced dialogue with business partners are measures that will be important for ensuring a continuous reduction in emissions from the use of products.

During 2023 the emissions from use of sold products saw an increase in emissions which is attributed to higher sales of larger sterilizers which use more energy and thus result in greater carbon emissions in the calculation made.

Next steps in emission reduction

During 2023, the three Business Areas in Getinge have worked on developing carbon emission reduction roadmaps. Although the actions that will be taken in the coming years differ based on the nature of the products sold by the different business areas the following actions will be in focus:

- Eco Design and Life cycle principles applied to make the best long-term decisions in product development
- Energy efficiency of sterilizers and washers in focus
- Partnerships upstream to ensure reduction of emissions from suppliers as well as finding alternative materials to replace high emitting existing materials
- Partnerships downstream to promote the shift to renewable sources of electricity
- Continued focus on modal shift for goods transport and collaboration with suppliers to make logistics efficient and low emitting

Methodologies and calculations (Appendix)

Scope 1: Direct emissions
Heating and other fuel consumption in production sites and company vehicles.
Note that leased vehicles are also included in scope 1 for the reporting, the methodology can be seen under category 3.8.

Activity data:
- A record of all fuel consumption during the measurement period (monthly), including gas and oil consumption is collected.

Emission factors:
- Fuel consumption-based factors from the GHG protocol tool for stationary combustion and The Industry Association Swedenergy.
- Refrigerants emission factors from DEFRA UK database.

Scope 2: Purchased energy
Electricity and heating in production sites and offices.

Activity data:
- All purchased electricity and district heating during the measurement period is collected
- For all offices the energy consumption is either based on real activity data or estimated based on surface (measured in m2).

Emission factors:
- Energy consumption-based factors from the IEA database.
- Renewable electricity factors from Vattenfall.
- Renewable electricity factors from AIB.
- District heating factors from Werner (2017).
- District heating factors from The Industry Association Swedenergy.

Scope 3.1 – Purchased Goods and Services
The emissions represented in category 3.1 are based on the services and products Getinge has purchased during the year. These purchases were divided into five different categories:
- Plastics
- Metals
- Electronics and Electrical
- Other
- Purchased services

3.1 – Plastics
There are 10 different types of plastic in the calculations, which are based on the same methodology. The description below is applicable for all plastic types.

Activity data:
- Spend data from plastic supplier is collected and then divided into type of plastic and weight.

Emission factors:
- Plastic emission factors from the Zero carbon product database.
- Plastic emission factors from the DEFRA database.
- Plastic emission factors from the Ecoinvent database.
- Each factor is increased with 20% to include the last processing step of each material.

Assumptions:
- Assumed value on the type of plastic(s) each supplier delivers to Getinge.
- Assumed value on price per kg to calculate the total weight of each plastic type.
- Scale up factor based on spend to cover all plastic goods.

3.1 – Metals
There are 5 different types of metals in the calculations, which are based on the same methodology. The description below is applicable for all metal types.

Activity data:
- Spend and weight data is collected for each purchase of metals, which is categorized based on type of metal. If metals can't be categorized an assumed diversity is applied.

Emission factors:
- Metal emission factors from the Zero carbon product database. The emission factors have values based on the origin countries of the metal and are then weighed to a general factor depending on the share of where the metals are bought from and how large share of recycled (secondary metals) is included.
- Each factor is increased with 20% to include the last processing step in manufacturing of material.

Assumptions:
- To include further processing of metals after production, each factor is increased with 20%.
- The emission factors are based on the mix of origin of countries 2021.

3.1 – Electronics and Electrical
This category is based on weight data, which is divided into every business area and divided into the different categories below.

Activity data:
- Spend and weight data is collected for each purchase of electronic category, which is categorized based on type of electronical product. Each type of product is then assumed to include a specific mix of materials.

Emission factors:
- Material emission factors from the Zero carbon product database.
- Material emission factors from the DEFRA database.

Assumptions:
- The categorization of different products into a product group.
- The specific mix of materials included in the emission factors applied to the product groups.

3.1 – Other
This category is only based on spend data. All data are recalculated each year based on the exchange rate between the currency paid with and SEK, to match the values from 2021 (and the emission factors).

Activity data:
- Spend data for each purchase of products that cannot be categorized in the other named categories is collected. The spend data is then categories into different purchase types and each type of product is then assumed to include a specific mix of materials.

Emission factors:
- Material emission factors from Supply Chain GHG Emission Factors for US Commodities and Industries v1.1.
- Material emission factors from the DEFRA UK database.
- Material emission factors from the EPA database.
- Material emission factors from the Zero carbon product database.

Assumptions:
- The categorization into specific purchase types.
- The specific mix of emission factors to build the specific emission factors to the purchase types.

3.1 – Purchased services
This category is only based on spend data. All data are recalculated each year based on the exchange rate between the currency paid with and SEK, to match the values from 2021 (and the emission factors).

Activity data:
- Spend data for each purchase of services is collected. The spend data is then categorized into different service types.

Emission factors:
- Material emission factors built from CDP data from relevant IT companies.
- Material emission factors from the Trucost database.
- Material emission factors from the EPA database.
- Material emission factors from Supply Chain GHG Emission Factors for US Commodities and Industries v1.1.

Assumptions:
- The categorization into specific service types.
- The mapping of specific emission factors to specific service types.

Scope 3.2 – Capital goods
This category is only based on spend data of larger investments that Getinge has made over the measurement period.

Activity data:
- Spend data for each purchase of services is collected. The spend data is then categorised into different types of investments.

Emission factors:
- Material emission factors built from CDP data from relevant companies.

Assumptions:
- USD to SEK factor used is the same year on year.

Scope 3.3 – Fuel- and Energy-related activities
The emissions represented in category 3.3 are based on calculations in scope 1 and 2 (including leased assets).

Scope 3.4 – Upstream Transportation and Distribution
The emissions represented in category 3.4 are based on the transportation services that Getinge has purchased during the year. The inbound and outbound transports in the value chain have been separated in the calculations since the gather.

Activity data:
- Inbound: Getinge gather and estimate weight for each product bought, for each order the region of the supplier and the end location of the good is gathered.
- Outbound: Getinge receive emission or transport reports from forwarders.

Emission factors:
- Transportation mode emission factors from the DEFRA UK database.

Assumptions:
- Inbound: The length of each transport is estimated based on the region on which the goods are transported from and the region where the goods are transported to.
- Inbound: The type of transport mode used is estimated based on if it's a Domestic, Inter-continental or Intra-continental transport.
- Outbound: To cover the forwarders that could not provide an emission or transport report, Getinge scale up the results based on spend.

Scope 3.5 – Waste Generated in Operations
This category is only based on weight data of waste produced at Getinge production sites.

Activity data:
- Weight data is collected from each production site and categorized into specific waste types.

Emission factors:
- Material emission factors from the DEFRA UK database.

Scope 3.6 – Business Travel
The emissions represented in this category are based on data supplied from global supplier BCD, which gives an emission report that lists emissions from Getinge global business travel not including travel done outside of the global supplier (local travel).

Activity data:
- Getinge collect emission data from global travel supplier that summarized trips made during the measurement period.

Emission factors:
- The emission factors used by the global supplier is based on DEFRA UK and EPA database. Note that these are not used directly by Getinge.

Assumptions:
- All business travel is covered in travel agency data.

Scope 3.7 – Employee Commuting
The emissions represented in 3.7 are based on the number of Getinge´s employees and estimations on travel behavior.

Activity data:
- Number of full-time employees during the measurement period.
- Assumption on travel behavior based on Getinge's best knowledge.

Emission factors:
- Factors representing public transport and car travel from Tremod database.

Assumptions:
- Assumed that each coworker either going by car or public transport and the mix between these modes is assumed.
- Assumed average length of distance traveled.
- Assumed number of average working days per year.

Scope 3.8 – Upstream Leased Assets
The emissions represented in 3.8 are based on Getinge´s leased vehicles and leased spaces during the year. Note: Since Getinge uses an operational control approach, these emissions will be included in scope 1 and 2 emissions when reporting.

3.8 – Leased vehicles (incl. in scope 1 and 3.3)
Activity data:
- Distance traveled on average by each leased vehicle.
- In a few cases, precompiled emission report from leasing suppliers.

Emission factors:
- Vehicle manufacturer WLTP emission factors, based on type of engine/vehicle.
- Vehicles emission factors from DEFRA database.

Assumptions:
- To calculate the WTT emission factors, an assumed value of 15% is added to the calculations. Based on the fact that most of the leased vehicles use diesel as a fuel.
- For the vehicles with no specific data on WLTP emissions, an average WLTP factor representing traditional diesel engine was used.

3.8 – Leased spaces (incl. in scope 2 and 3.3)
Activity data:
- Area of the leased spaces (m2), divided into offices or warehouse and country.

Emission factors:
- Energy consumption-based factors from the IEA database.

Assumptions:
- The energy consumption is based on average consumption factors per area from CREEM.

Scope 3.9 – Downstream Transportation and Distribution
The emissions represented in 3.9 should be based on the transportation of products that Getinge does not purchase or have control over. Data for this type of transportation was not readily available, and this category has therefore been based on a calculation that customers pay almost 5% of total outbound transports and therefore these are considered as downstream emissions.

Scope 3.10 – Processing of Sold Products
Non-applicable for Getinge.

Scope 3.11 – Use of Sold Products
The emissions represented in 3.11 are based on the expected energy consumption from Getinge's sold products during their lifetime.

Activity data:
- Number of sold products that consume direct energy, sold during the measurement period.
- Estimated energy profile for the sold products during its lifetime.
- Lifetime expectancy is calculated to be on average 10 years

Emission factors:
- Global electricity emission factor from "Our world data" database.
- Steam factor from DEFRA UK.

Assumptions:
- The expected energy profile is not available for every type of product sold, therefore an average energy profile for a category of products has been applied.
- Since Getinge does not have availability over the type of electricity or steam their customers will use, global emission factors for the electricity and steam consumption have been applied.

Scope 3.12 – End-of-Life Treatment of Sold Products
The emissions represented in 3.12 should be based on the total weight of the products sold by Getinge during the year. This data was not readily available for the calculated year and is thus correlated to the materials purchased for the products that are produced.

Activity data:
- Weight data.
- Spend data (used to calculate an estimated weight).

Emission factors:
- Material economics report "Industrial transformation 2050".
- Waste handling factors from DEFRA UK.

Assumptions:
- Material bought is the same as material sold.

Scope 3.13 – Downstream Leased Assets
Non-applicable for Getinge.

Scope 3.14 – Franchises
Non-applicable for Getinge.

Scope 3.15 - Investments
Non-applicable for Getinge.

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With a firm belief that every person and community should have access to the best possible care, Getinge provides hospitals and life science institutions with products and solutions aiming to improve clinical results and optimize workflows. The offering includes products and solutions for intensive care, cardiovascular procedures, operating rooms, sterile reprocessing and life science. Getinge employs spproximately 12,000 people worldwide and the products are sold in more than 135 countries.

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