



Cabinet Office

## CARBON REDUCTION PLAN GUIDANCE

### Notes for Completion

Where an In-Scope Organisation has determined that the measure applies to the procurement, suppliers wishing to bid for that contract are required at the selection stage to submit a Carbon Reduction Plan which details their organisational carbon footprint and confirms their commitment to achieving Net Zero by 2050.

Carbon Reduction Plans are to be completed by the bidding supplier<sup>1</sup> and must meet the reporting requirements set out in supporting guidance, and include the supplier's current carbon footprint and its commitment to reducing emissions to achieve Net Zero emissions by 2050.

The CRP should be specific to the bidding entity, or, provided certain criteria are met, may cover the bidding entity and its parent organisation. In order to ensure the CRP remains relevant, a Carbon Reduction Plan covering the bidding entity and its parent organisation is only permissible where the detailed requirements of the CRP are met in full, as set out in the Technical Standard<sup>2</sup> and Guidance<sup>3</sup>, and all of the following criteria are met:

- The bidding entity is wholly owned by the parent;
- The commitment to achieving net zero by 2050 for UK operations is set out in the CRP for the parent and is supported and adopted by the bidding entity, demonstrated by the inclusion in the CRP of a statement that this will apply to the bidding entity;
- The environmental measures set out are stated to be able to be applied by the bidding entity when performing the relevant contract; and
- The CRP is published on the bidding entity's website.

Bidding entities must take steps to ensure they have their own CRP as soon as reasonably practicable and should note that the ability to rely on a parent organisation's Carbon Reduction Plan may only be a temporary measure under this selection criterion.

The Carbon Reduction Plan should be updated regularly (at least annually) and published and clearly signposted on the supplier's UK website. It should be approved by a director (or equivalent senior leadership) within the supplier's organisation to demonstrate a clear commitment to emissions reduction at the highest level. Suppliers may wish to adopt the key objectives of the Carbon Reduction Plan within their strategic plans.

A template for the Carbon Reduction Plan is set out below. Please complete and publish your Carbon Reduction Plan in accordance with the reporting standard published alongside this PPN.

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<sup>1</sup>Bidding supplier or 'bidding entity' means the organisation with whom the contracting authority will enter into a contract if it is successful.

<sup>2</sup>Technical Standard can be found at:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/991625/PPN\\_0621\\_Technical\\_standard\\_for\\_the\\_Completion\\_of\\_Carbon\\_Reduction\\_Plans\\_\\_2\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/991625/PPN_0621_Technical_standard_for_the_Completion_of_Carbon_Reduction_Plans__2_.pdf)

<sup>3</sup>Guidance can be found at:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/991623/Guidance\\_on\\_adopting\\_and\\_applying\\_PPN\\_06\\_21\\_\\_Selection\\_Criteria\\_\\_3\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/991623/Guidance_on_adopting_and_applying_PPN_06_21__Selection_Criteria__3_.pdf)

# Carbon Reduction Plan

Supplier name: Demant (Parent), Oticon Ltd (Bidding Entity)

Publication date:

## Commitment to achieving Net Zero

Demant is committed to achieving Net Zero emissions by 2050.

## 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: 2019</b>	
<b>Additional Details relating to the Baseline Emissions calculations.</b> 2019 is our baseline year. Demant joined the Science Based Targets initiative in 2021, committing to set targets in line with what climate science deems necessary to limit global warming to 1.5°C. SBTi guidelines prescribe that the Demant Group must reduce our own direct and indirect emissions (scope 1 and 2) by 46.2% in 2030 with 2019 as baseline. After tracking our scope 1 and 2 footprints for several years, 2021 was the year where we added to that work, ensuring a robust baseline for scope 1 and 2 targets and diving into our scope 3 emissions.	
Scope 3 is estimated.	
<b>Baseline year emissions:</b>	
<b>EMISSIONS</b>	<b>TOTAL (tCO<sub>2</sub>e)</b>
<b>Scope 1</b>	9,594
<b>Scope 2</b>	18,839
<b>Scope 3 (Included Sources)</b>	524,667
<b>Total Emissions</b>	553,100

## Scope 3 Breakdown – Baseline Emissions (2019)

Category	%	Scope 3 Emissions
Downstream transportation and distribution	14.2%	74,502.7
Upstream transportation and distribution	77.5%	406,616.9
Employee commuting	7.0%	367,26.7
Waste generated in operations	0.9%	4,722.0
Business travel	0.4%	2,098.7
Total	100%	524,667

## Current Emissions Reporting

Reporting Year: 2023	
EMISSIONS	TOTAL (tCO <sub>2</sub> e)
Scope 1	12,316
Scope 2	18,153
Scope 3 (Included Sources)	793,306
<b>Total Emissions</b>	<b>823,775</b>

## Scope 3 Breakdown – Current Emissions

Category	%	Scope 3 Emissions
Downstream transportation and distribution	14.00%	111,063
Upstream transportation and distribution	77.60%	615,605
Employee commuting	6.90%	54,738
Waste generated in operations	1.00%	7,933
Business travel	0.50%	3,967
Total	100%	793,306

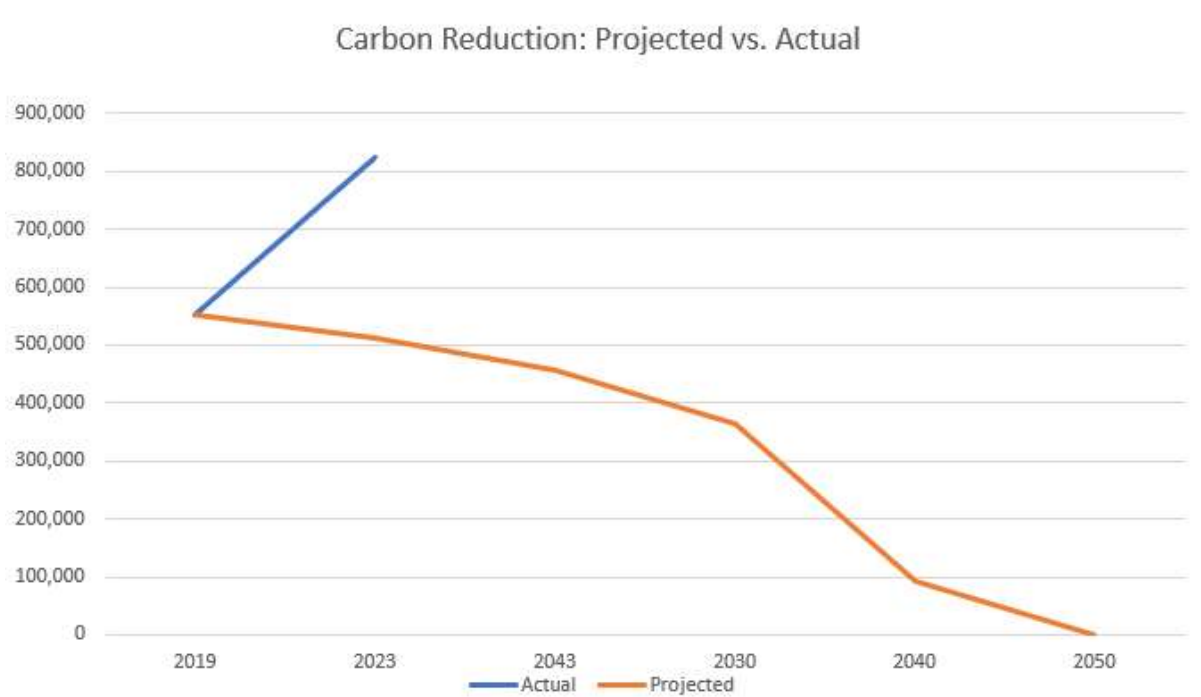
## Emissions reduction targets

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

Demant aim for a minimum reduction of 46% in emissions by 2030 compared to 2019. This is a reduction of 7.6% per year.

We project that carbon emissions will decrease over the next five years to 510,741t CO<sub>2</sub>e by 2029. This is a reduction of 38%.

Progress against these targets can be seen in the graph below:



## Carbon Reduction Projects

### Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2019 baseline. The carbon emission reduction achieved by these schemes equate to an increase of 270,675tCO<sub>2</sub>e, an 49%ge increase against the 2019 baseline. There is an increase due to an increase in business and covid fall out. The measures that will be in effect when performing the contract are:

- ISO 14001:2015 in the UK, as well as in production site in Poland
- Adoption of LED lights in UK HQ
- Scopes 1,2 and 3 approved by SBTi
- Road map to net zero
- Road map to 100% renewable electricity

- Annual Sustainability Report
- Removal of plastics in NHS hearing aid packaging
- Reduction in printed marketing materials

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

- More research and development projects to optimise products and packaging
- Addition of renewable electricity sources to sites
- A reduction of 5% in energy in UK HQ (2024 target)
- A reduction of 5% in waste in UK HQ (2024 target)
- Continuation of ISO 14001 certification
- Open project to reduce the content and weight of our labelling (Instruction For Use) shipped with each product

## 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>4</sup> and uses the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>5</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>6</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:



Bronwen Coleman, director & General Manager

Date: 8th February 2024

<sup>4</sup><https://ghgprotocol.org/corporate-standard>

<sup>5</sup><https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

<sup>6</sup><https://ghgprotocol.org/standards/scope-3-standard>