



SUMMARY OF TOITŪ CARBONREDUCE CERTIFICATION!

FOR FISHER & PAYKEL HEALTHCARE
CORPORATION LIMITED



Summary for 01 April 2022 to 31 March 2023

TOITŪ CARBONREDUCE ORGANISATION CERTIFIED: FISHER & PAYKEL HEALTHCARE CORPORATION LIMITED

Toitū carbonreduce means committing to ongoing reductions while achieving annual measurement for at least the Toitū mandatory emissions.ⁱⁱ



Measured emissions to **ISO 14064-1:2018** and **Toitū requirements**



Managing and reducing against **Toitū requirements**

This report provides a summary of the annual greenhouse gas (GHG) emissions inventory and management report for Fisher & Paykel Healthcare Corporation Limited as part of the annual work to achieve Toitū carbonreduce certification. Additional details of the annual achievements, commitments, and verification are available on request from Fisher & Paykel Healthcare Corporation Limited.

This report is the annual greenhouse gas (GHG) emissions inventory and management report for Fisher & Paykel Healthcare Corporation Limited.

Fisher and Paykel Healthcare Corporation Limited (F&P) recognize that the natural environment is of essential value. To reflect our commitment towards a cleaner world, F&P set Science-based carbon reduction targets and is dedicated to implementing sustainable business practices and maintaining an ongoing carbon emission measurement and reporting scheme.

This report is the annual greenhouse gas (GHG) emissions inventory for F&P. The inventory is a complete and accurate quantification of the amount of GHG emissions that can be directly attributed to the organization's operations within the declared boundary and scope for the specified reporting period. The inventory has been prepared in accordance with the requirements of the measure-step of Toitū Carbonreduce Programme, which is based on the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) and ISO 14064-1:2018 Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals. Where relevant, the inventory is aligned with industry or sector best practices for emissions measurement and reporting.

The inventory report and any GHG assertions are expected to be verified by a Programme-approved, third-party verifier. The level of assurance is reported in a separate Assurance Statement provided to the directors of the certification entity.

ACHIEVEMENTS

These achievements have been verified in line with ISO 14064-3:2019 and Toitū carbonreduce Programme Technical Requirements for the 01 April 2022 to 31 March 2023 measurement period.

EMISSIONS MEASUREMENT

Fisher & Paykel Healthcare Corporation Limited's greenhouse gas emissions for this year (01 April 2022 to 31 March 2023) were 341,705.03 tCO₂e. Fisher & Paykel Healthcare Corporation Limited has measured the emissions resulting from its operational activities, purchased energy, and selected impacts from its value chain activities, including business travel, freight, and waste sent to landfill. The annual inventory is detailed in the following table. Emissions and reductions are reported using a market-based methodology.ⁱⁱⁱ

Category (ISO 14064-1:2018)	Scopes (GHG Protocol)	GHG emissions (tCO ₂ e)		
		Base Year 2020/2021	Previous Year 2021/2022	Current Year 2022/2023
Category 1: Direct emissions	Scope 1	1,465.42	1,776.86	2,286.91
Category 2: Indirect emissions from imported energy (location-based method*)	Scope 2	14,542.45	13,893.90	14,529.43
Category 2: Indirect emissions from imported energy (market-based method*)	Scope 2	11,050.35	10,308.97	11,105.03
Category 3: Indirect emissions from transportation	Scope 3	90,764.16	49,107.15	48,802.68
Category 4: Indirect emissions from products used by organisation	Scope 3	165,525.17	145,418.12	145,258.75
Category 5: Indirect emissions associated with the use of products from the organisation	Scope 3	463,118.79	262,869.80	134,251.67
Total direct emissions (market-based method)		1,465.42	1,776.86	2,286.91
Total indirect emissions (market-based method)		730,458.47	467,704.04	339,418.13
Total gross emissions (location-based method)		735,415.99	473,065.83	345,129.44
Total gross emissions (market-based method)		731,923.89	469,480.90	341,705.03
Category 1 direct removals		0.00	0.00	0.00
Purchased emission reductions		0.00	0.00	0.00
Total net emissions (location-based method)		735,415.99	473,065.83	345,129.44
Total net emissions (market-based method)		731,923.89	469,480.90	341,705.03

*Gross and net emissions are reported using a market-based methodology. Contact Fisher & Paykel Healthcare Corporation Limited for full details.

** Due to a change in methodology in 2023 Renewable Energy Certificates are now deducted directly from category 2 emissions.

The operational GHG emission sources included in this inventory are shown in Figure 1 below.

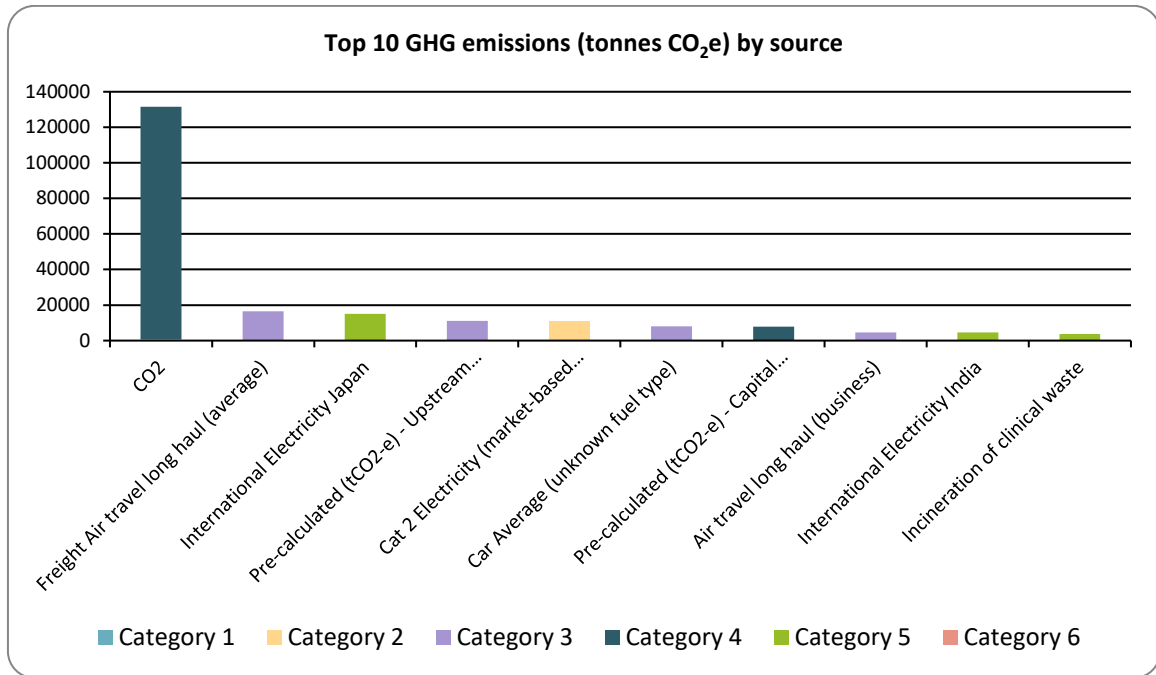


Figure 1: Top 10 GHG emissions (tonnes CO₂e) by source

SCOPE OF MEASURED INVENTORY

CONSOLIDATION APPROACH

An operational control consolidation approach was used to account for emissions. Organisational boundaries were set with reference to the methodology described in the GHG Protocol and ISO 14064-1:2018 standards.^{iv}

Organizational boundaries were set with reference to the methodology described in the GHG Protocol and ISO 14064-1:2018 standards. The GHG Protocol allows two distinct approaches to be used to consolidate GHG emissions: the equity share and control (financial or operational) approaches. The Programme defaults to the equity share consolidation approach. If the intended use goes beyond Toitū certification and an alternative consolidation approach (operational control or financial control) is more appropriate, this shall be justified in the Emissions Inventory and Management Report and approved by the Programme.

Justification:

The operational control consolidation approach was selected based on where F&P has full operational control. This means F&P has full authority to introduce and implement operating policies at the operational level. With this control, F&P collects all required data for GHG Inventory reporting, as well as setting emission reduction targets and implementing them. The selected operational control consolidation approach is consistent with the intended use of F&P's GHG inventory.

BOUNDARIES

Please refer to the organizational description table below.

Figure 2: Organisational structure showing business units included and excluded

No F&P global business units were excluded from this inventory. Excluded emissions do not exceed 5% of the total footprint within the organisation boundary stated.

MANAGING AND REDUCING

This is the 11th year of reporting under the Toitū carbonreduce programme and the 3rd year since the baseline year was reset to 20/21. An absolute increase in Category 1 and 2 emissions of 876.17 tCO₂e has been achieved against base year. A reduction in emissions intensity (for Category 1, 2 and mandatory Category 3 and 4 emissions) of 8.89 tCO₂e/\$M has been achieved based upon a 3-year rolling average.



* Due to changes in MfE emission factors the location-based emissions for 2021, 2022 and 2023 have been updated.

Figure 3: Performance against target since the base year

Category 5 emissions reduced further in 2023 from the levels seen in 2021 and 2022. The amount of hardware sold continued to decline as the impact of the COVID-19 pandemic waned. The overall inventory reduced, despite increases in both Scope 1 and Scope 2 emissions.

Fisher & Paykel Healthcare's Carbon Reduction Plan

Fisher & Paykel Healthcare is committed to creating a positive, lasting impact on society and the environment. Our response to the challenges of climate change is multi-faceted, with several emissions-reduction initiatives taking place across our business.

We have been measuring our carbon footprint since 2012, and in 2019 we set Science Based Targets consistent with the Paris Agreement to govern our Scope 1 and 2 emissions out to 2034. These targets have us working toward a 67% reduction in emissions from the 2019 baseline. We have also integrated the disclosure recommendations from Taskforce for Climate-Related Financial Disclosures (TCFD) into our reporting for the last three years and grant the NHS access to some of our more detailed disclosures through CDP (formerly the Carbon Disclosure Project).

Looking further ahead, we are developing a longer-term carbon reduction plan for our global business, which identifies a pathway to net zero emissions by 2050. This plan is currently in draft and is undergoing extensive review internally with both Executive Management and the Board. We wish to make sure it is fit-for-purpose before we release this externally and apply the necessary rigour and analysis of our scenarios, including those that relate to the use-phase of our product life-cycle.

Science Based Targets were approved in June 2020, using a baseline of 2019 which was estimated using the Science Based Target screening tool. This used a mixture of actual Scope 1 and 2 data from Toitū and forecast data for expanded Scope 3 using cost carbon intensity factors.

Overall Scope 1 & 2 emission have increased since the setting of Science Based Targets. Unplanned growth driven by the global response to COVID-19 drove higher electricity use in manufacturing operations in recent years. Plans have been developed for carbon reduction of Scopes 1&2, and these actions are beginning to be implemented. The first phase of the solar array installation at our Tijuana campus in Mexico is one example.

Installation of the second and third phases of the Mexico solar array initiative should provide overall Scope 2 reductions once operational. Further projects to reduce scope 1 and 2 emissions will be communicated when approved.

Target name	Baseline period	Target date	Type of target (intensity or absolute)	Current performance (tCO ₂ e)	Current performance (%)	Comments
Science Based Target – Scope 1&2 (Joint)	2019	2034	absolute	14,529.43	Target (Whole target period): -67.2% Actual: 29.8%	29.8% above baseline due to business growth. Using location-based method.

COMMITMENTS

REDUCTION TARGETS

Fisher & Paykel Healthcare Corporation Limited is committed to managing and reducing its emissions. Fisher & Paykel Healthcare Corporation Limited's commitments, including GHG emissions reduction targets and plans, have been reviewed and are in line with Toitū carbonreduce programme requirements.

F&P 's carbon reduction targets were 'science-based, developed in line with the scale of reductions required to keep global warming below 1.5 C from pre-industrial levels. Science Based targets are the global benchmark in long term carbon reduction target setting, with more than 1400 organizations globally committing to support a 1.5-degree future world. Fisher & Paykel Healthcare has also joined the Climate Leaders Coalition in New Zealand, supporting the New Zealand Government commitment to a net zero 2050 world.

F&P's current short term Science Based Targets set out to 2034 for Scope 1&2 are due for review in April 2024, at which point consideration of updated targets will be assessed.

Fisher & Paykel Healthcare Limited commits to reduce absolute category 1 and 2 GHG emissions 67.2% by 2034 from a 2019 base-year. The target for Category 1 and 2 emissions meets science aligned ambition levels for 1.5°C warming.

Looking ahead, Fisher & Paykel Healthcare Corporation Limited is currently focused on the following projects.



Objective	Project	Responsibility	Completion date	Potential co-benefits (if applicable)	Potential unintended consequences (if applicable)	Actions to minimise unintended consequence (if applicable)
Scope 1&2 Reduction	Mexico Solar Initiative - Phase 1 (install completed Jan 2022, due to be operational June 2022)	Nic Bishop	20/06/2022 (completed)			
Scope 1&2 Reduction	Mexico Solar Initiative - Phase 2/3	Nic Bishop	20/06/2024			
Scope 1&2 Reduction	Global office renewable energy contracts	Nic Bishop	1/04/2025			
Scope 1&2 Reduction	Mexico Renewable Electricity Certificates	Nic Bishop	1/04/2025			
Scope 3 - embodied carbon	Ecodesign program - embodied carbon reduction (multiple phases looking out over 20 years)	Nic Bishop	1/04/2040			
Scope 3 - freight emissions	Minimise air-freight emissions	Nic Bishop	1/04/2024			
All scopes	F&P Carbon Reduction Long-Term Plan	Nic Bishop	2035-2050			

CERTIFICATE DETAILS

Certification status:	Toitū carbonreduce certified organisation
Certificate number:	2022082J, Year 2 of 3 year certificate period
Valid until:	10 May 2025
Measurement period:	01 April 2022 to 31 March 2023
Base year:	01 April 2020 to 31 March 2021
Audited by:	Deilen Deri Consulting Limited / Toitū Envirocare
Level of assurance:	Reasonable for Categories 1 to 4 and Limited for Category 5 (methodology and assumptions)

ⁱ ©Enviro-Mark Solutions Limited 2020.

Disclaimer: This Certification Summary Statement is a summary of the information (validated and verified for relevant components of the certification) considered for certification and the certification decision. It should not be taken to represent the full submission for certification. Whilst every effort has been made to ensure that the information in this Statement is accurate and complete, Enviro-Mark Solutions Limited (trading as Toitū Envirocare) does not, to the maximum extent permitted by law, give any warranty or guarantee relating to the accuracy or reliability of the information.

ⁱⁱ The mandatory sources that must be included in any Toitū carbon programme inventory include:

- All direct emissions from the activities of the organisation, or the part of the organisation being certified. Direct emissions come from assets owned or controlled by the organisation, such as emissions from fleet vehicles, boilers, generators and HVAC systems.
- All emissions from imported energy (electricity, heat and steam)
- Emissions from business travel and freight paid for by the organisation
- Emissions associated with waste disposed of by the organisation, as well as the transmission and distribution of electricity, and natural gas

ⁱⁱⁱ All purchased and generated energy emissions are dual reported using both the location-based method and market-based method in the certified Inventory Report and appendices. This summary document presents the information using the market-based method. Note that reductions and any required compensation are assessed using that method. Dual reporting illustrates the role of supplier choice, onsite renewable energy generation and contractual instruments in managing indirect emissions from energy alongside any ongoing energy efficiency and reduction efforts. This dual reporting aligns with ISO 14064-1:2018 and the GHG Protocol. Please contact this organisation for the dual reporting details applicable to this inventory.

^{iv} Control: the organisation accounts for all GHG emissions and/or removals from facilities over which it has financial or operational control. Equity share: the organisation accounts for its portion of GHG emissions and/or removals from respective facilities.