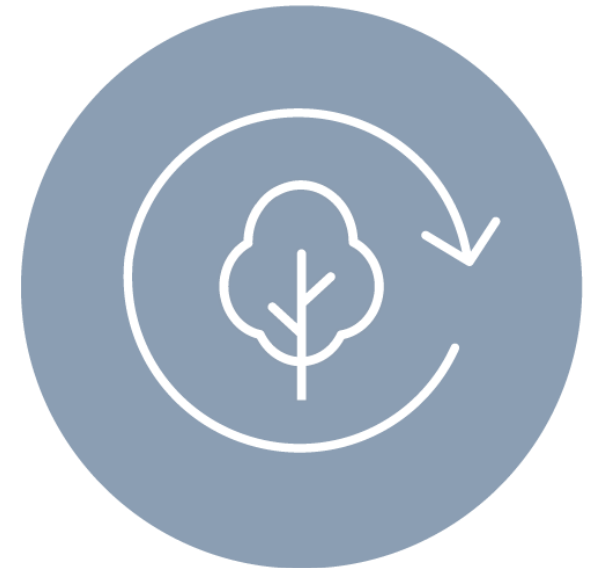


Sustainability at F&P Healthcare

Positioning sustainability as a design challenge to create world leading innovation.



Jonti Rhodes: VP Supply Chain, Facilities & Sustainability

Nic Bishop: Head of Sustainability & Environmental Innovation

Agenda:

- Who are F&P Healthcare
- F&P Environmental & Social Responsibility Policy
- F&P Sustainability Strategy
- Visibility, Focus and Engagement
- Carbon – Strategic direction, Future carbon costs and Sustainability Disclosure – CDP
- Positioning carbon as a design challenge
- Ethical sourcing and Healthcare waste
- Practical Sustainability Actions
- Collaboration and Partners.



Who are Fisher & Paykel Healthcare?



F&P Environmental & Social Responsibility Policy

Our Intention

Our intention is to create a positive lasting impact on society and the environment.

The fundamentals which enable us to achieve this are...

- Doing what is best for the patient
- Supporting our local communities, with an emphasis on those where we have a larger presence
- Continuing our commitment to innovation to enable a more sustainable future
- Verifying and validating our environmental, social and ethical performance and that of our suppliers, and collaborating to continuously improve this performance
- Knowing our actions today impact future generations and acting to improve the environment
- Building trusted long-term relationships to create better outcomes for all
- Striving to provide a high quality of life for our employees and supporting our suppliers to do the same for their people
- Complying with the letter and spirit of laws and regulations relating to environmental and social responsibility.

Key Points: Replaces the 2019 Sustainability Policy, Aligns with refreshed Sustainability Strategy for 2022-2027; Executive responsibilities have been confirmed; Cross functional Governance group to deploy;



Sustainability Strategy 2022-2027



Visibility, Focus and Engagement

- Good data insights and data integrity are important
- Focusing on the right problems
- Having a short med and long-term plan
- Engaging the right people (exec team buy in)
- Balancing social expectations vs actual impact / benefit.



Carbon – Strategic Direction

Our Commitment:

“F&P commits to reduce absolute Scope 1 and 2 GHG emissions by 67.2% by FY2034 from a 2019 baseline. F&P also commits that 87% of its’ suppliers by spend covering purchased goods and services will have science-based emission reduction targets by, FY2024 from a 2019 base year.”

What does this practically look like?

- Ecodesign program – more than 100+ design engineers
- Science Based Targets – Set April 2020
- Supplier Engagement – collaboration and incentives
- Develop internal carbon price – pilot underway
- Develop and rollout our long-term carbon reduction plan.

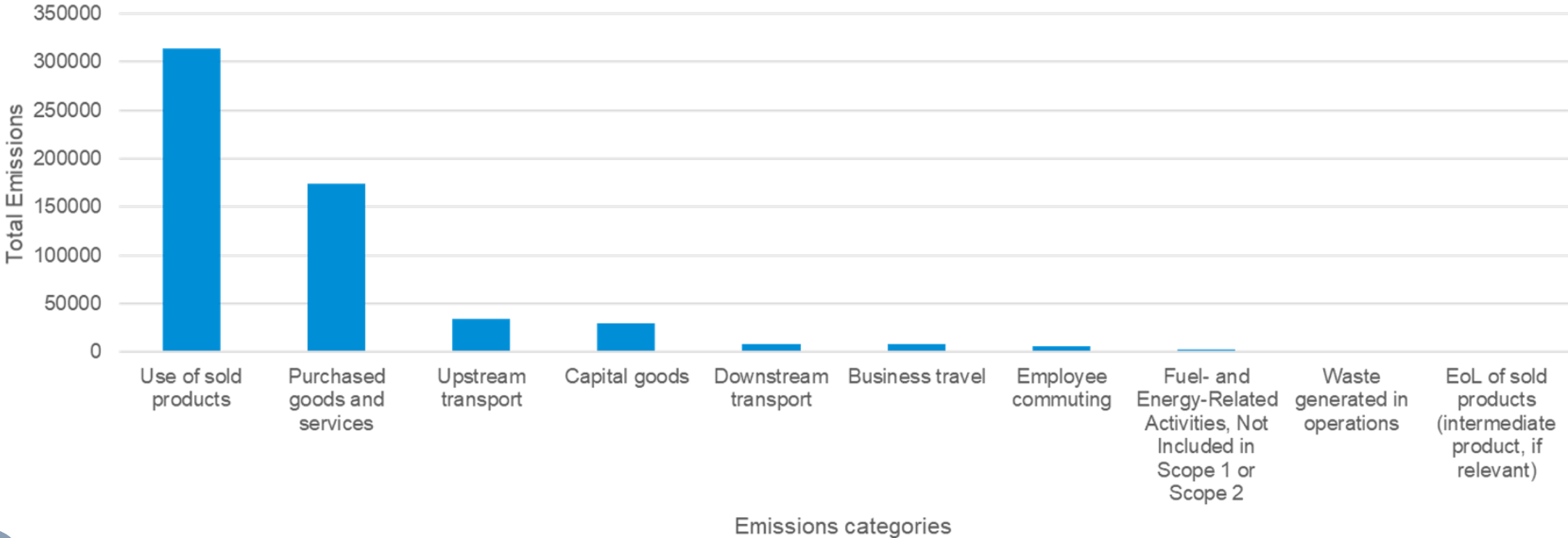


Supply Chain- Carbon / Climate Impact

Carbon is heavily embodied in our Supply Chains.

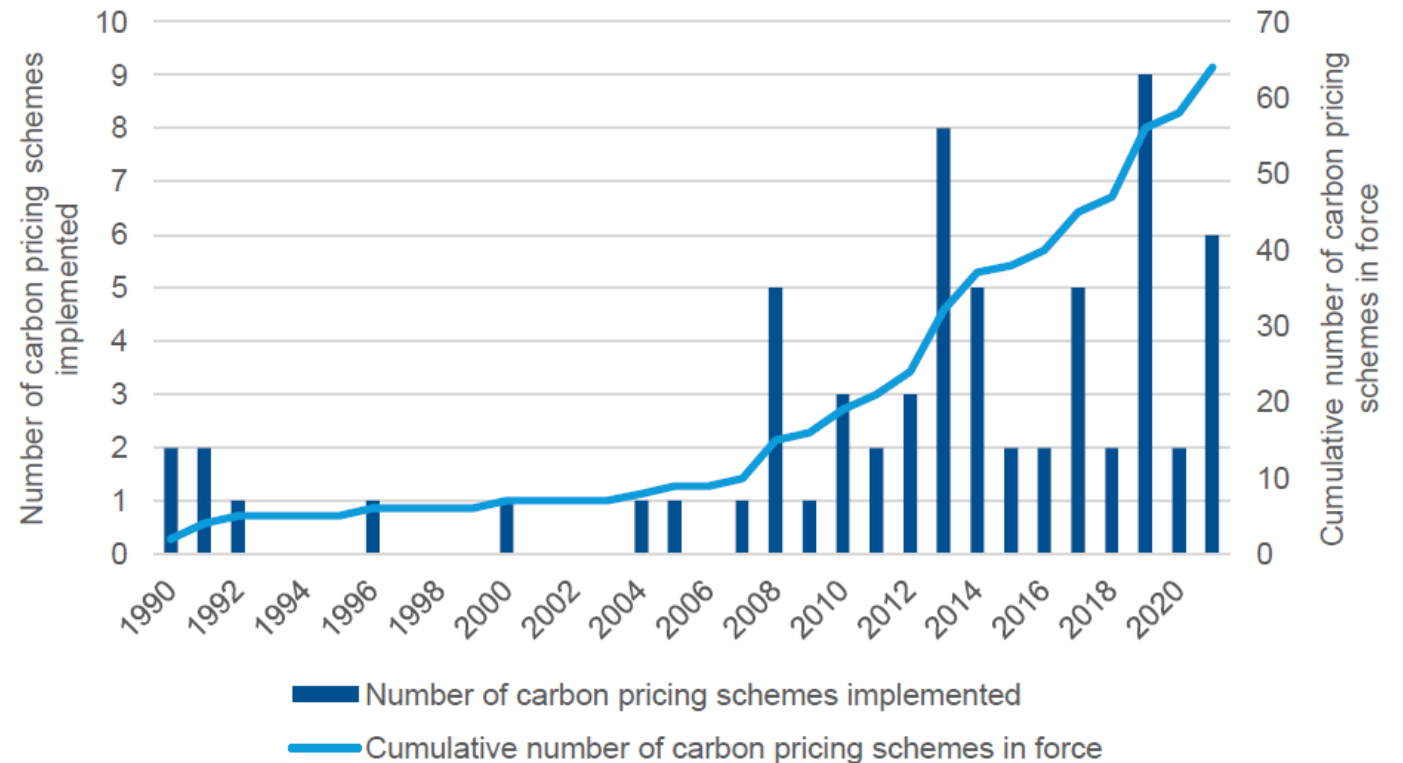
"YOU" can do something about it!

Scope 3 emissions by category



Future Carbon Costs

- New Zealand Emission Trading Scheme (ETS) ~\$77NZD
- Globally Govt schemes range from \$5USD-\$130USD
- Companies may need higher prices internally to adapt faster
- F&P is piloting an internal carbon price to be proactive, to help with designing out future carbon costs.



Sustainability Disclosure - CDP

CDP SCORES			
Topic	FY20	FY21	FY22
Climate	B	A-	B
Supplier engagement	B-	A-	A
Water	C	B	B
Forests	-	C	C

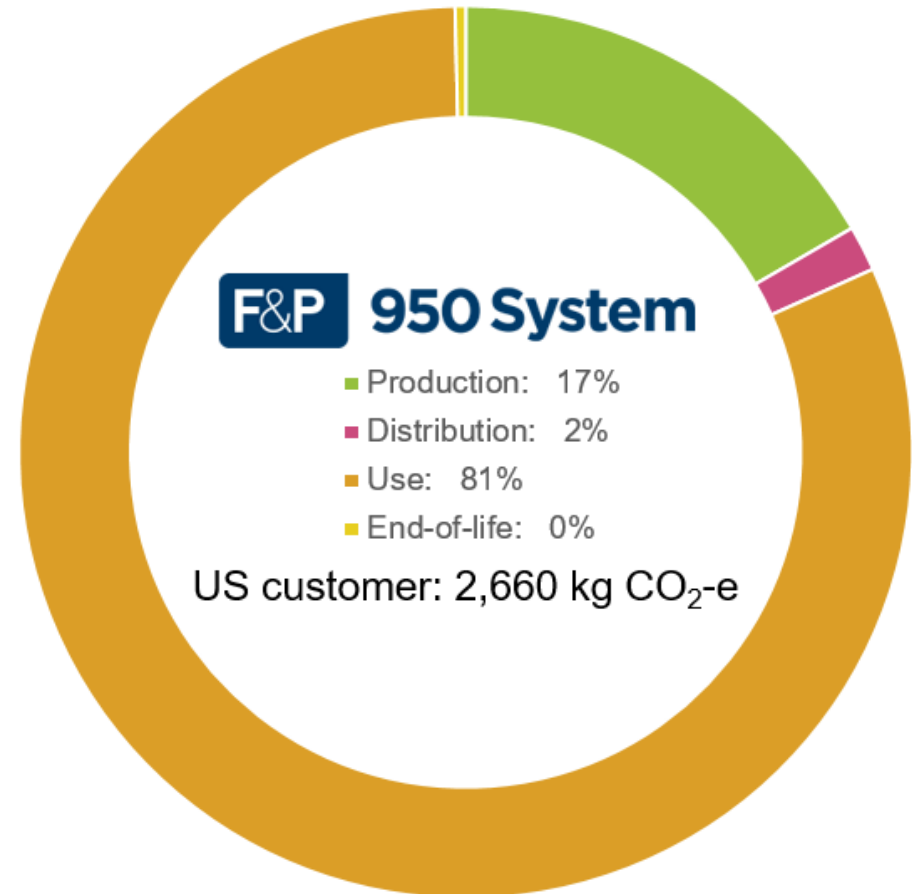
KEY ENVIRONMENTAL METRICS			
Topic	FY20	FY21	FY22
Scope 1 emissions (tonnes CO ₂ e)	1,914	1,465	1,777
Scope 2 emissions (tonnes CO ₂ e)	8,814	11,050	10,309
Scope 3 emissions (tonnes CO ₂ e)	650,000	718,991	457,112
Total emissions (tonnes CO ₂ e)	660,728	734,452	469,198
Water usage (cubic metres)	98,772	134,900	184,171
Landfill waste diverted (cubic metres)	1,032	1,630	2,035
NZ recycling efficiency (percentage of waste diverted from landfill)	66%	62%	68%
Global recycling efficiency (percentage of waste diverted from landfill)	58%	29%	52%



Eco Design – positioning carbon as a design challenge

“Turning the Tap off”

- F&P use Gabi environmental lifecycle assessment software
- All design teams are being trained to conduct LCA assessments
- This provides data for teams to compare options;
- Some customers and tenders are already asking for this data
- With good data we can prioritise and focus on the problem.



Ethical sourcing – engaging everyone on the journey

Sustainable and ethical practices by our suppliers are an essential element as we recognise achieving our vision not only depends on what we do, but also the activities of our supply chain.

Where we started:

Supplier Code of Conduct:

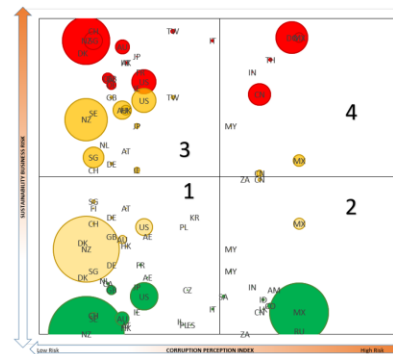
- Signing up all suppliers
- Setting our minimum expectations.



Where we are:

Supplier Engagement

- Prioritise our engagement based on criticality, spend and risk
- Risk heat mapping using indices such as The Corruption Perception Index

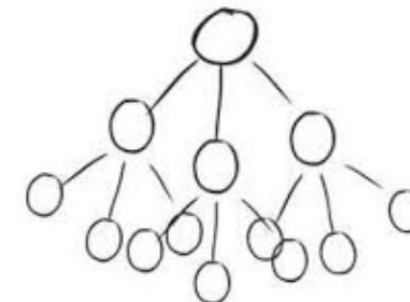


- Supplier Self Assessments
- Supplier Audits.

Where we are going:

Supplier Development and Recognition

- Embedding Sustainability into our sourcing decisions
- Recognising those suppliers that are transparent and actively collaborate and join the journey
- Developing our suppliers to 'pay it forward'.



Healthcare waste – meeting social expectations

- Waste is an important social topic
- Our primary focus is to improve care and outcomes for our patients
- Products and their packaging are the visible side of our environmental impact, and customers and investors frequently ask how we can innovate in this area
- F&P products, end of life environmental impact ~ 0-14%
- In conjunction with ecodesign, we have been conducting recycling/ product stewardship trials.



Robotic recycling disassembly system

F&P's first robotic recycling disassembly system was commissioned in July 2020.



Sustainability – practical actions

Practical Steps Taken at F&P:

1. Sustainability ownership within organisation
2. Science Based Targets
3. Environmental Management System
4. Data collection and measuring our Carbon Footprint
5. Identify key people – who are the stakeholders?
6. Ecodesign Program
7. Green Teams
8. Be transparent and disclose.



Sustainability – collaboration and partners

Our partners have included;

- 1) Environmental Management System – **SGS**
- 2) Measure our Carbon Footprint - **Toitū**
- 3) Identify key people
- 4) Ecodesign Program
- 5) Green Teams;
- 6) Science Based Targets – **SBTi / Toitū**
- 7) Be transparent and disclose – **CDP, DJSI**
- 8) Sustainable business network - climate toolkit.

Sustainability and Carbon / Climate Strategy Partners

- Quantis (Global)
- South Pole (Global)
- SCION (NZ)
- Customers (NZ and Global)
- Suppliers (NZ and Global)
- Other companies.



Our journey and passion for sustainability



Jonti Rhodes

VP: Supply Chain, Facilities & Sustainability



Nic Bishop

Head of Sustainability & Environmental Innovation



Questions



Thank you

