

## 1 Introduction

Climate accounting is the process of measuring and reporting the greenhouse gas emissions associated with our organization's activities. We use climate accounting to track our environmental performance, identify opportunities for improvement, and communicate our progress and commitments to our stakeholders. Our base year is 2019, when the Laerdal Board concluded on the goals.

## 2 Greenhouse Gas (GHG) Protocol

All three scopes according to the GHG protocol are included in our emissions calculations. For Scope 3 emissions, we include most of the 15 categories identified in the protocol, with a few exceptions (see table below). Summarized, we are reporting on emissions from cradle to customer site. We are continuously considering how we can improve and expand what we measure and report on.

Scope	Up/Downstream	NR	Emission categories	Reported by Laerdal in the following category
1	Upstream		Direct Fuel	Scope 1
2	Upstream		Indirect electricity	Scope 2
3	Upstream	1a	Purchased goods and services, production related	Products
3	Upstream	1b	Purchased goods and services, not-related production	Operations
3	Upstream	2	Capital goods	Operations
3	Upstream	3	Fuel and energy related activities	Included in scope 1 and scope 2
3	Upstream	4	Upstream transport and distribution	Logistics
3	Upstream	5	Waste generated in operations	Operations
3	Upstream	6	Business travel	Travel
3	Upstream	7	Employee commuting	Not yet included due to lack of data
3	Upstream	8	Upstream leased assets	Operations
3	Downstream	9	Downstream transport and distribution	Logistics
3	Downstream	10	Processing of sold products	Not applicable
3	Downstream	11	Use of sold products	Not yet included Due to lack of data
3	Downstream	12	End-of-life treatment of sold products	Not yet included Due to lack of data
3	Downstream	13	Downstream leased assets	Not yet included Due to lack of data
3	Downstream	14	Franchises	Not applicable
3	Downstream	15	Investments	Not applicable

### 3 Data sources

To calculate our emissions, we need reliable and comprehensive data on the emissions intensity of the products, services, and sectors that we use or produce. We use four data sources in our climate accounting:

#### 3.1 Supplier-specific data

When available, we trust and use LCA values provided by our suppliers for the components, products, and finished goods that we purchase. A hard requirement is that they have been calculated in line with the GHG protocol and relevant ISO standards. We consider that our suppliers have the best knowledge and data on their own production processes and supply chains and require that they follow relevant standards and guidelines for reporting their emissions. We also verify the plausibility and consistency of the emission factors provided by our suppliers by comparing them with other sources and benchmarks.

#### 3.2 Ecoinvent data

For intermediate components and products without reliable supplier-specific data, we use Ecoinvent data to estimate their emissions. Ecoinvent is a global database of life cycle inventory data for various products and services. We use the most recent and relevant version for our purposes.

#### 3.3 UK Government data

The UK government provides conversion factors for company reporting of greenhouse gas emissions. Currently, we use the Scope 3 emissions factors for business travel. These factors are updated yearly.

#### 3.4 Figaro database

A statistical database for economic modeling and analyzing globalization's impact which was developed by Eurostat and the European Commission's Joint Research Centre (JRC). It covers 64 industries and products across EU, US, and UK, as well as their respective major trade partners. Additionally, it supports policy analysis in trade, sustainability, and industrial strategy.

### 4 Methodologies

Besides choosing a data source, we use two methods for allocating the emissions data to our organization's activities:

#### 4.1 Activity-based methodology

This uses the physical data of the products and services that we use or produce, such as quantities and units, to estimate the emissions associated with them. For example, if we consume 100 kWh of electricity, we multiply that by the emission factor of electricity in the relevant region to get the emissions from our electricity consumption. This methodology is more accurate and precise but requires more data collection and analysis. We include activity data in all scopes as and when this data gradually becomes available.

## 4.2 Spend-based methodology

Here, emissions are calculated based on financial expenditures. We utilize the Figaro Database (see Section 3.4) for our spend-based calculations. We are taking significant steps to reduce our reliance on spend-based methods in favor of activity-based methodology to improve accuracy and precision. We are making continuous efforts to improve the relevant data (weight and country of origin) for all our products and components.

## 5 Uncertainty analysis

We acknowledge that our emission calculations have some uncertainty due to data gaps, model assumptions, parameter variability, and methodological choices. One of the main sources of uncertainty is the deficit of supplier-specific data for many components, products, and finished goods. As explained above, we use secondary data to estimate emissions for components without supplier-specific data, based on their share of the total mass or cost of the product.

We have an action plan to request and collect more supplier-specific data and documentation to improve our emissions calculations. This approach assumes that components without supplier-specific data have similar emission profiles as those with supplier data, which may not always be true. Moreover, Ecoinvent data (see Section 3.2) may not reflect the specific geographic and temporal conditions of production and use.

We have considered alternative solutions to reduce uncertainty, such as using other systems similar to Ecoinvent or generic emission factors for finished goods. However, we have decided to stick with our current approach, as it provides a reasonable balance between accuracy and feasibility. It also allows us to be transparent and accountable for our calculations and results.

Our method of climate accounting has been tested and validated with external experts and consultants, who agree with our conclusion that consistency and control of method are more important than adding further complexity.