

# Demant

## Demant makes ambitious commitment to take climate action

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**Global hearing healthcare and audio technology group, Demant, joins the Science Based Targets initiative, committing to set ambitious climate targets for a future with reduced global warming. For Demant, this means significantly reducing carbon emissions and targeting net-zero emissions. “It will help us build a more resilient business,” says CEO Søren Nielsen.**

There is an indisputable need to take care of our globe and make sure that we leave it in good shape for coming generations. Naturally, business action to reduce global warming is central to this future and Demant wants to contribute. By joining the Science Based Targets initiative, Demant gets a clearly defined route to future-proof progress and reduction of carbon emissions.

“Aligning climate targets with science is the best way to ensure that the progress of the Demant Group actually makes a difference in keeping global temperature rise down,” says Demant CEO, Søren Nielsen.

### **An ambitious commitment**

Demant joins the initiative committing to align climate targets with what is deemed necessary by science to meet the most ambitious aim of the Paris Agreement: to limit global warming to 1.5°C by reaching net-zero global carbon emissions by 2050.

For the Demant Group it means reducing own direct and indirect emissions (scope 1 and 2) by approximately 50% in 2030 with 2019 as baseline and targeting net-zero carbon emissions in 2050 at the latest.

### **Part of a larger effort**

Climate action makes sense for the planet as well as for Demant and setting science-based targets is part of a larger effort to address the Group’s entire footprint.

In this effort, Demant has formed a partnership with an external partner to re-check the baseline of the group’s own direct and indirect emissions (scope 1 and 2), to create a materiality assessment and initial estimation of value chain emissions (scope 3) as well as to set emissions reduction targets aligned with the criteria provided by the Science Based Targets initiative:

“The Science Based Targets initiative enables businesses to set emissions reduction targets in line with climate science, and since the introduction in 2015 it has grown to become the best practice for committing to ambitious targets. We at Schneider Electric are proud to be part of Demant journey and to support another Nordic company leading the way for climate action in their industry,” says Thomas Träger, Zone President Nordic Baltic.

Being a broad group, Demant splits its emissions mapping into business areas (Hearing Care, Hearing Aids, Hearing Implants, Diagnostics and Communications), which essentially involves looking at all three scopes from both a group and a business area level. This approach makes the data outcome further refined and enables effective business area-specific efforts in the future.

### **Success from reduction of value chain emissions**

Despite being a growth-company, Demant has been successful in reducing emissions per employee and intend to maintain this development. Demant might not be part of the most emissions-heavy industries, however, since 2010 the company has tracked direct and indirect emissions from its own operations, such as electricity use and company fleet. In 2019, the group emitted 2,03 tonnes CO2 per fulltime employee.

Demant estimates that around 90% of the company’s emissions come from the extended value chain. As a result, the transition towards a zero-carbon footprint will rely heavily on partnerships and the level of engagement and motivation from the company’s suppliers. In short, reduction of value chain emissions is the key to the most impactful difference and success for Demant. The company expects the target for scope 3 to be a similar reduction to that of scope 1 and 2 (app. 50%), including setting science-based supplier engagement targets.

Though this is a comprehensive task, according to Demant CEO, Søren Nielsen, there is a lot to gain from it, particularly in the long run:

“I am positive that this approach will benefit Demant in a multitude of ways. It will help us build a more resilient business and strengthen collaboration with suppliers and partners and, equally as important, spur innovative thinking,” he says and adds: “Certainly, this is what our customers, users and many other stakeholders expect of us as a responsible company, and it corresponds completely with Demant’s values and our long-term sustainability mindset.”

The commitment to Science Based Targets initiative is part of an overall aim for Demant to lead a business existing in harmony with the environment and local communities. Within 24 months of pleading the commitment, Demant will develop targets for validation of Science Based Targets initiative and expects to do so during 2022. The final deadline is August 2023.

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## **About Demant A/S**

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Demant is a world-leading hearing healthcare and technology group built on a heritage of care, health and innovation since 1904. The Group offers innovative technologies, solutions and know-how to help improve people's health and hearing. In every aspect, from hearing care, hearing aids and hearing implants to diagnostic equipment and services and audio solutions, Demant is active and engaged. Headquartered in Denmark, the Group employs approx. 16,500 people globally and is present with solutions in 130 countries where we create life-changing hearing health. William Demant Foundation holds the majority of shares in Demant A/S, which is listed on Nasdaq Copenhagen as a blue chip stock.