FROM AMBITION
TO ACTION
YOUR CLIMATE JOURNEY STARTS HERE
south pole

Nordic Platform for Mobilising Climate Finance

Low carbon supply chains

15 Oct 2020

Nordic Council of Ministers

south pole

Welcome to our webinar

- **Default audio setting:** mute on joining
- **Questions** via the ***Question box*** are welcome at any time
  - Technical support: we will aim to resolve ASAP
  - Topic-related questions for the discussion: Q&A at the end
- Some of us might be broadcasting from **our homes**. Please bear with us in case of sound and/ or technical issues
- The webinar will be **recorded**
- Until **11:30 AM** (flexible)
- **Landing page**: https://www.southpole.com/en/nordic-platform-for-mobilising-climate-finance

south pole

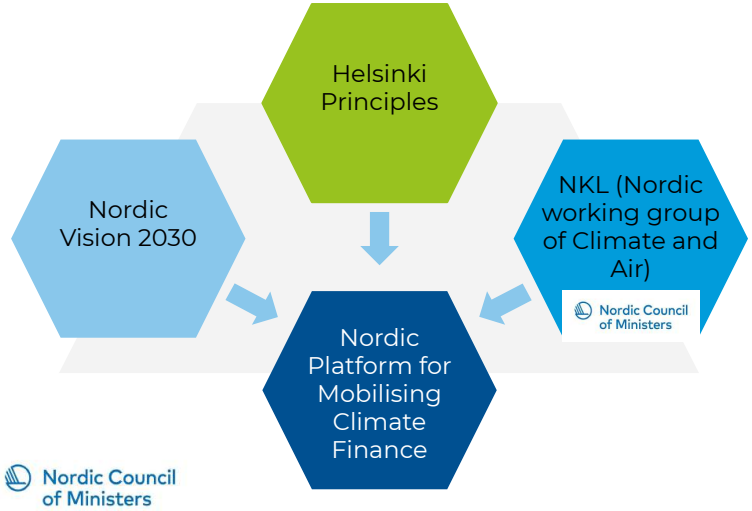
Nordic Platform for Mobilising Climate Finance

An introduction

Nordic Council of Ministers

south pole

The platform



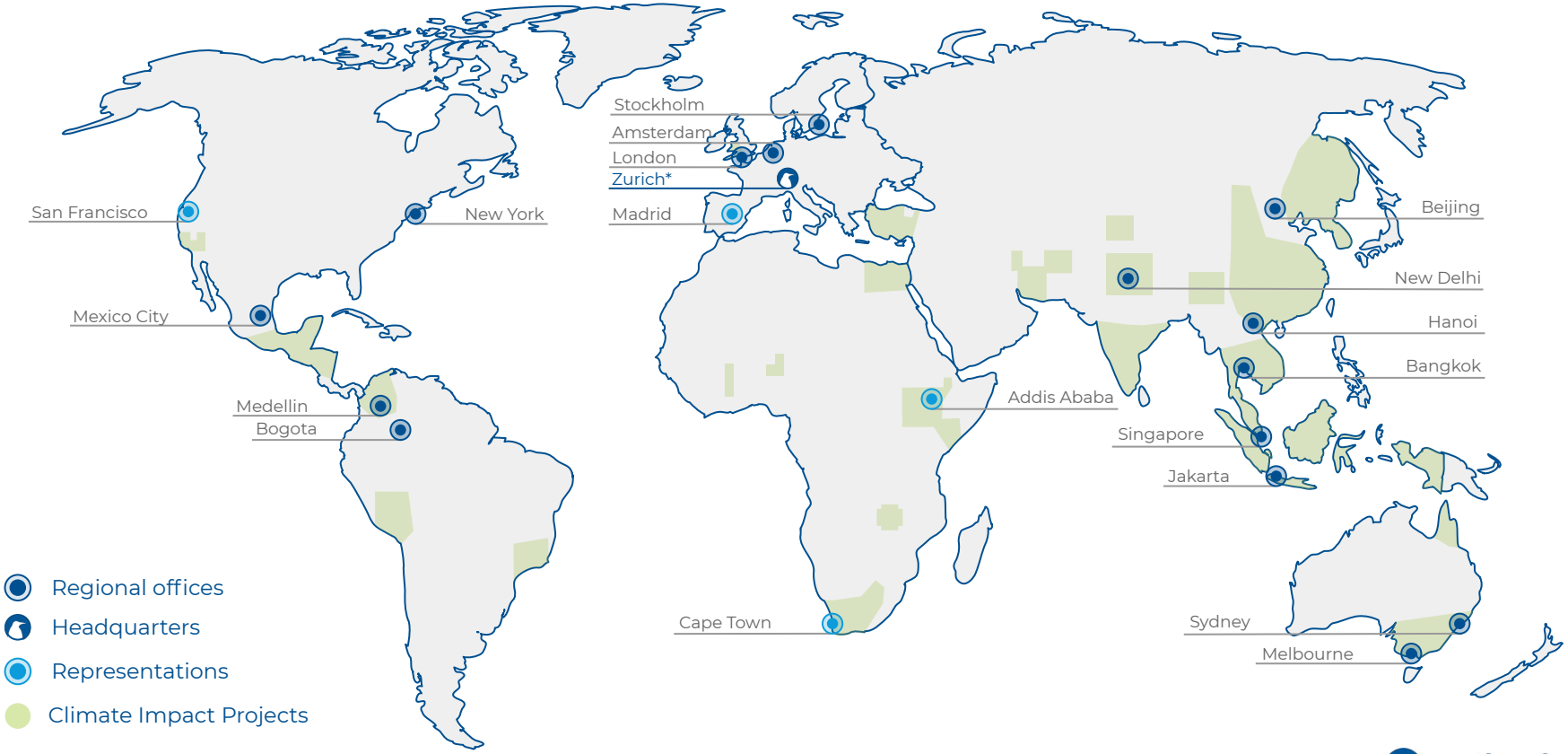
Target setting and reduction roadmap
29th September, 10:00 AM - 11:30 AM CEST
This webinar is complete. thanks for attending!

Low carbon supply chains
15th October, 10:00 AM - 11:30 AM CEST
How to map and deliver low carbon supply chains? The importance of mapping scope 3 emissions across the supply chain is gaining more attention, but how can a multinational company actually achieve this? South Pole, together with Novo Nordisk, Lego, Helly Hansen, Stora Enso and Posti will share insights, good practices and room for discussion.

Physical and Transition risk
29th October, 10:00 AM - 11:30 AM CEST
What physical and transitional climate risks may companies face? and how to manage them? South Pole, together with Fiskars, EK Confederation of Finnish Industries and H&M will share insights, good practices and room for discussion.

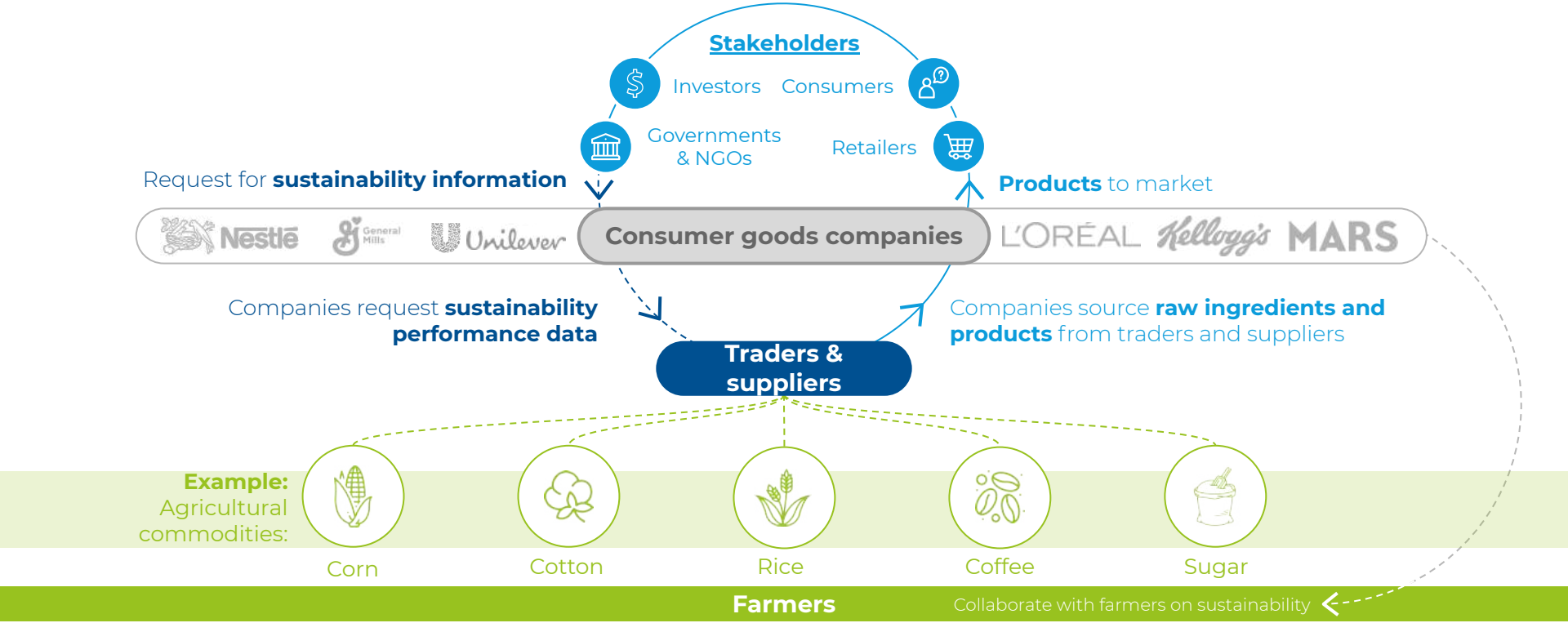
https://www.southpole.com/en/nordic-platform-for-mobilising-climate-finance

Our global reach



Sustainable supply chains in context

Navigating complexity - example: consumer goods



Hosts

Marie Gustafsson
Managing Consultant
South Pole

Naomi Rosenthal
Head of Sustainable Supply Chain Practice
South Pole

Marie Stjernquist
Sustainability Consultant
South Pole

Speakers

Louise Smith
Senior Manager Environmental Supply Chain
LEGO

Rebecka Johansson
Sustainability and R&D manager
Helly Hansen

Morten Storgaard
Global Project Lead Corporate Environmental Strategy
Novo Nordisk

Jatta Kosonen
Head of Quality and Environment
Posti

Hannele Hirvelä
Sustainability Manager
Stora Enso

Confidential Information | ©2020 The LEGO Group | All Rights Reserved

Mapping Supply Chain for Sustainability

The LEGO Group 2020

Mapping and prioritizing our suppliers

- Although our supply chain is quite shallow with much of our spend on raw materials we still have over 6,000 supplier relationships
- We have two teams, Responsible Sourcing focusing primarily on social and labour issues, and Environmental Responsibility focusing on environmental impacts
- We have to ensure that our suppliers are held to high standards on both social and environmental performance, so we work together
- We have begun categorizing our suppliers at each stage:
  - When we begin a sourcing event
  - When we put contracts in place
  - Throughout the supplier relationship management process which will continue for the entirety of the relationship

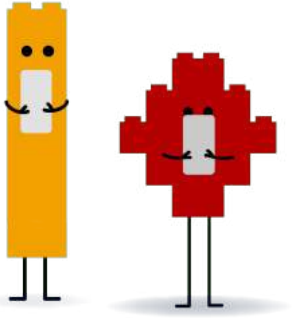
©2020 The LEGO Group.

Social and Labour Risk

- High risk country of origin
- High risk industries
- Less legal protections or less control on workers
- A lack of CSR/Sustainability programmes

Environmental Risk

- High carbon emissions
- Significant local emissions (Air pollution)
- Any use of materials that require mining/extraction e.g. Oil, precious metals
- High use of forest-based commodities
- High use of water in production
- Significant waste created in production

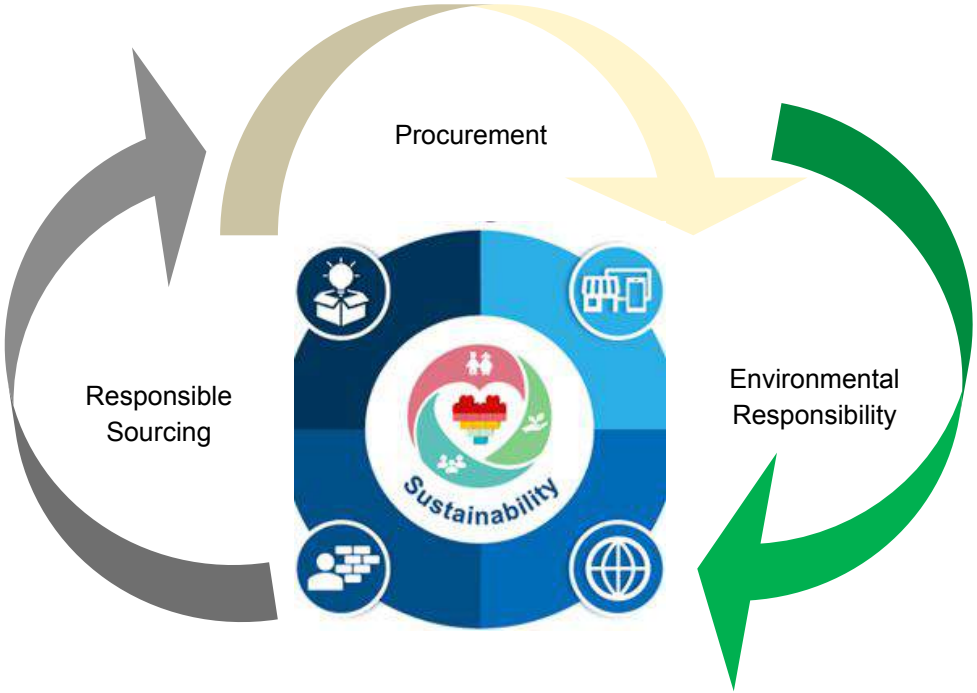


Confidential Information | ©2020 The LEGO Group | All Rights Reserved

Responsible Sourcing | Procurement Categorisation

	Social & Labour Risk	Environmental Risk	Sourcing	Supplier relationship management
Category A	High risk of labour right and H&S abuses	High environmental risks	Social and environmental team engaged from RFI stage	Supplier is enrolled in the social audit programme, and the Engage2Reduce programme
Category B	Medium risk of labour right and H&S abuses	Medium environmental risks	Social and Environmental team available to advise, Procurement team are empowered to lead discussions	Social and environmental team available to advice, Procurement team are empowered to lead discussions
Category C	Very low risk of/no risk of labour right and H&S abuses	Very low environmental risks	Inclusion of social and environmental review at discretion of Procurement	Inclusion of social and environmental review at discretion of Procurement

Working together to put sustainability at the core of Procurement and of our business



REBECCA JOHANSSON
R&D and SUSTAINABILITY MANAGER

HISTORY

INNOVATION SINCE 1877

From our home in Norway, Helly Hansen has been making professional grade gear that helps people stay and feel alive for the last 140 years.

In 1877, after many years at sea, Norwegian captain Helly Juell Hansen and his wife, Maren Margarethe, began producing oilskin jackets, trousers, sou'westers and tarpaulins, made from coarse linen soaked in linseed oil. Since then, the legacy of Helly Hansen lives on, developing and creating a long list of first-to-market innovations.

To this day, we continue to make gear that is trusted by professionals around the world. Helly Hansen apparel is developed through the insights of the 55,000 professionals living and working in the world's harshest environments and can be seen on ski patrollers, mountain professionals, world-class sailors, skiers and adventurers.

1877
CAPTAIN HELLY JUELL HANSEN LAUNCHES A LEGEND

Norwegian captain Helly Juell Hansen wanted to find a better way to protect his sailors from the harsh, Nordic weather. By applying linseed oil to cotton canvas, he created supple, waterproof apparel. Soon after, he and his wife Margarethe started producing "oilskin" jackets and pants in Moss, Norway. Their waterproof gear was an immediate success, landing our first product award at the World Expo in Paris in 1878.

1949
HELOX - THE NEXT EVOLUTION IN WATERPROOF

HELOX waterproof fabric featured a thin sheet of translucent PVC plastic that was sewn into coats to make them waterproof. It was a revolutionary technology that became the must-have protection for outdoor use. With a production of 30,00 coats each month, the success was almost immediate and was used by the Norwegian delegation at the 1952 Olympic games in Helsinki.

1961
FIBERPILE - THE TECHNICAL MIDLAYER IS INVENTED

Helly Hansen partnered with Norwegian Fiber Pile Inc. and developed the original Fiberpile - the first fleece. It featured a high warmth to weight ratio and maintained its thermal qualities even when wet, making it a favorite of lumberjacks and outdoor enthusiasts. The concept lives on and the modern version of Fripile is still in production today.

1990
PROWOOL - THE PERFECT BLEND OF LIFA® AND MERINO

The Prowool (renamed HH® Life Merino) base layer for cold weather conditions was launched in the late 90's, combining LIFA® Stay Dry Technology™ with Merine wool for both moisture transport and added warmth. Designed for professionals facing the coldest conditions it quickly became the go-to piece for performance, warmth and comfort in extreme environments.

1984
HELLY TECH® - THE WATERPROOF AND BREATHABLE SOLUTION

Helly Tech® waterproof and breathable fabric was launched in the 1980's, winning awards and setting the new standard for performance and protection. It also provided the final layer for the 1986 introduction of the Helly Hansen 3-Layer System™, an industry-first program educating people on how to dress for the outdoors. Today, Helly Tech® fabrics are engineered to deliver the specific demands of professional sailors, skiers, and at workplaces around the world.

1970
LIFA® - THE BIRTH OF TECHNICAL BASE LAYER

Helly Hansens LIFA® revolutionized the industry with the introduction of the first technical base layers. LIFA® moves moisture away from the body allowing users to stay warm and comfortable. It has been used by professionals on every ocean, many of the world's tallest peaks and was included in Outside Magazine's list of The Most Influential Gear of All Time in 2012. LIFA® remains the cornerstone of what we believe is the best technical base layer available today.

2004
FOOTWEAR - EXPANDING INTO PROFESSIONAL GRADE FOOTWEAR

In response to demands from professionals around the world, footwear was added to the product line. One of our first efforts was an award winning sailing boot. Today, Helly Hansen's broad range of shoes and boots are worn by professionals and enthusiasts on mountains, oceans, streets and workplaces around the world.

2008
ODIN - AN AWARD WINNING, 3 LAYER APPROACH FOR MOUNTAINEERS

Launched in Summer 2008, the Odin gear is the materialization of our 3-Layer System™. Made for serious mountaineers and athletes, it's a complete, technically evolved checklist of all high-altitude environments and conditions. The Odin Collection won tyhe Red Dot Design Award the same year.

2012
H²FLOW™ - A BETTER SOLUTION FOR TEMPERATURE REGULATION

Helly Hansen introduced the new H²Flow™ Technology in 2012 with the H2Flow™ Jacket, which won an Award for Design Excellence from the Norwegian Design council. The patented H2Flow™ Jacket features an airflow venting system and a protective barrier. It allows adventurers to efficiently regulate their body temperature.

2018
LIFALOFT™ - LIFA® + PRIMALOFT®

With increased warmth, lightweight insulation and superior moisture management properties, LIFALOFT™ Technology is an insulation revolution that will keep you warmer with less weight and bulk compared to traditional polyester.

2016
ELEVATION JACKET - THE ULTIMATE FREE RIDE JACKET

The Elevation is our most award winning jacket ever! It is a durable shell designed, developed and tested with professional freeride skiers. It combines a new Helly Tech® Professional fabric with an unparalelled level of breathability and protection, and our innovative H2Flow™ temperature regulating system which dramatically improves your comfort.

2015
MAGNI - SETTING A NEW STANDARD FOR PERFORMANCE AT WORK

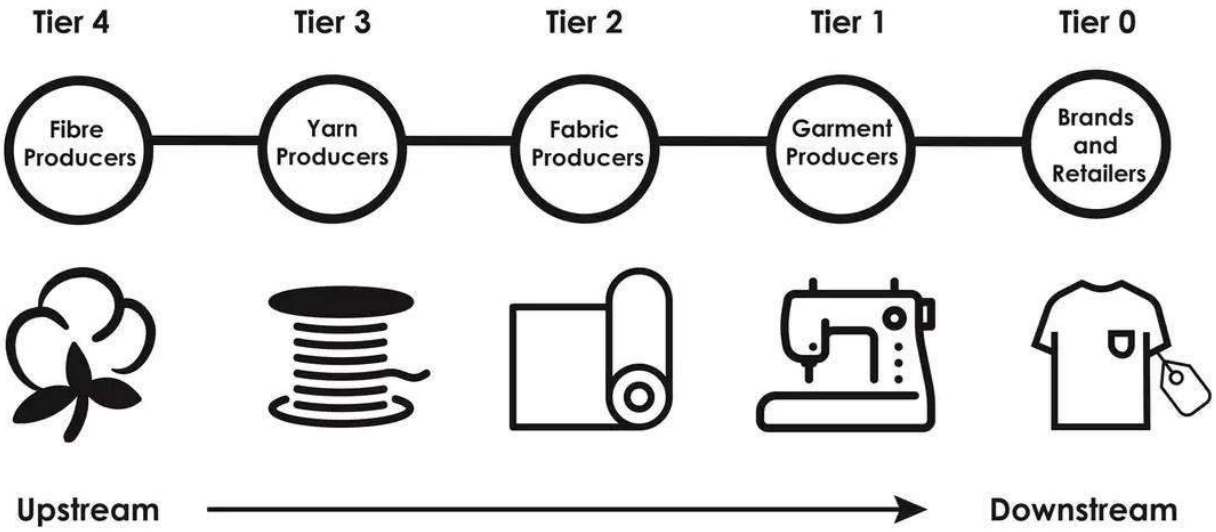
Inspired by the son of Thor in Norse Mythology, the Magni line was introduced and immediately set a new standard for protection, durability and performance in the workplace.

TRUSTED BY PROFESSIONALS

WE MAKE
PROFESSIONAL
GRADE GEAR
TO HELP PEOPLE
STAY AND FEEL ALIVE

TRACE BACK THE CONTENT OF A SAILING JACKET

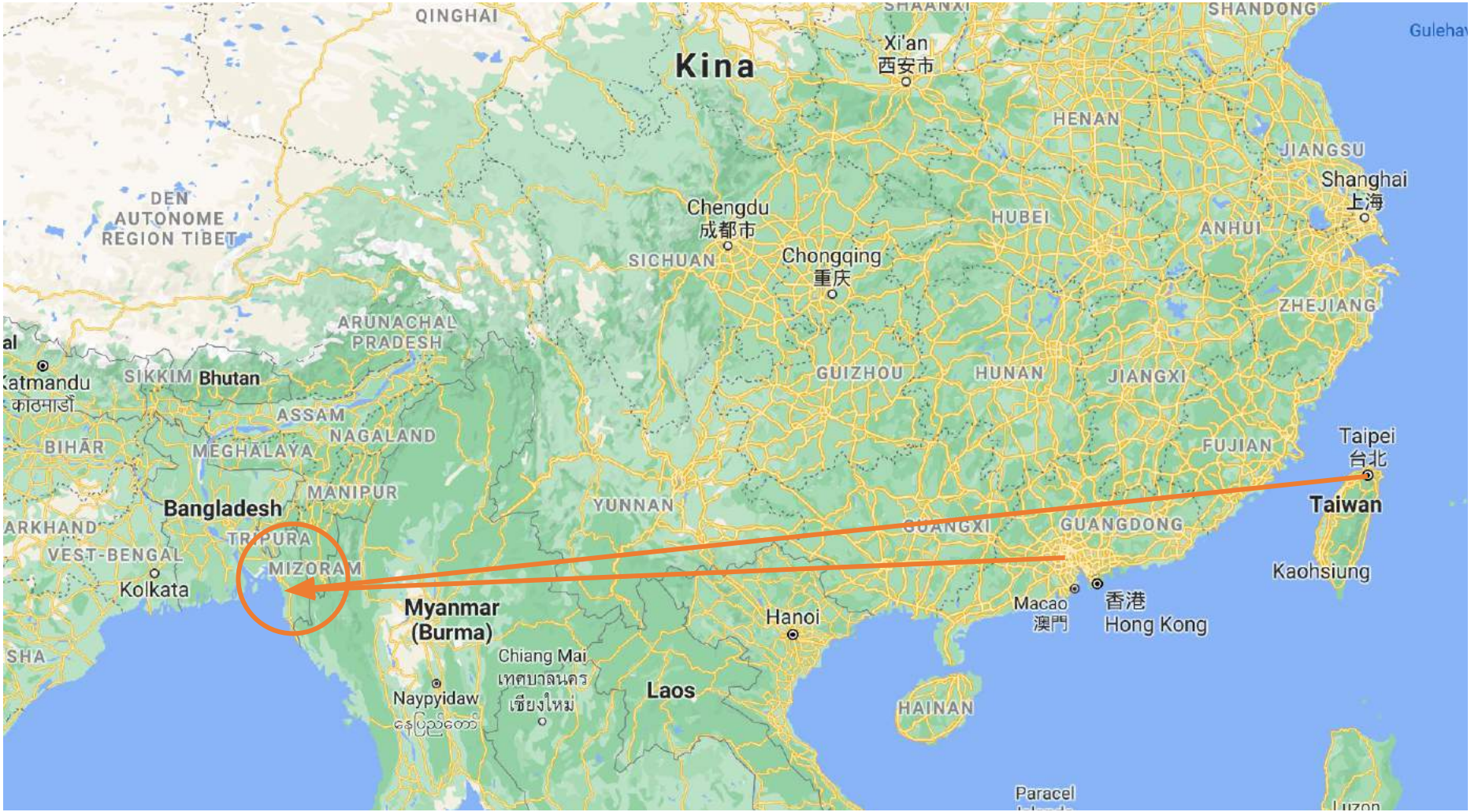
MADE IN BANGLADESH



Source: https://menafn.com/

43 items

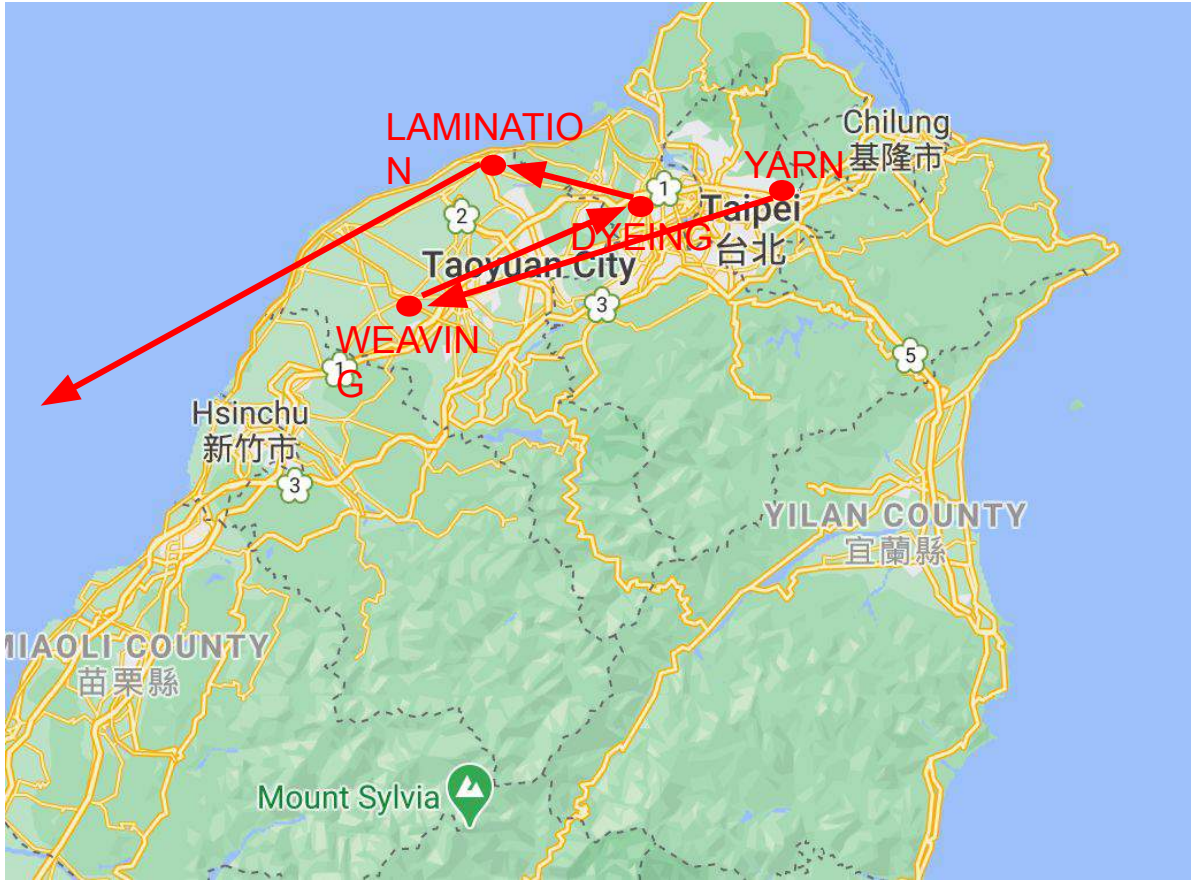
TYPE	Product	Product COO	Product Item Description	Description	Product Material Supplier
FABRIC (8)	BS-8638WMM	TAIWAN	HI-COUNT BREATHABLE 2 layer	HI-COUNT BREATHABLE 2 layer	Singtex
FABRIC (8)	DPEB01-2SDC	CHINA	solution dye 210T taffeta lining	solution dye 210T taffeta lining	e.dye
FABRIC (8)	ALH231 (C6 version)	TAIWAN	Nylon Full Dull - HT protection / HT Performance	Nylon Full Dull - HT protection / HT Performance	Paltex
FABRIC (8)	P0/55HXX 2 layer	CHINA	old TP950-H2QAA, no EN471 certificate	old TP950-H2QAA, no EN471 certificate	Huamao
FABRIC (8)	6125RC	CHINA	Micro velour	Micro velour	Polartec
FABRIC (8)	GC-6193	TAIWAN	Bluesign approved small hole mesh	Bluesign approved small hole mesh	Grand Textile
FABRIC (8)	GC-6827	TAIWAN	brushed tricot	brushed tricot	Grand Textile
TRIM (26)	3.1.109	BANGLADESH	Men 2nd logo	Men 2nd logo	Local - print at manufacturer
TRIM (26)	4.2.220	CHINA	Zip Puller Ullr String Version	Zip Puller Ullr String Version	Unitex
TRIM (26)	3206D 4mil	BANGLADESH	Bemis Branded Sewfree Adhesive	Bemis Branded Sewfree Adhesive	Bemis
TRIM (26)	THREAD - Polyester SPUN	BANGLADESH	SPUN Polyester sewing thread	SPUN Polyester sewing thread	Local
TRIM (26)	THREAD - Polyester Corespun	BANGLADESH	CORESPUN - Polyester sewing thread	CORESPUN - Polyester sewing thread	Local
TRIM (26)	4.7.44 HOOK	CHINA	Dye Cut Velcro - Supplier: G&F	Dye Cut Velcro - Supplier: G&F	G&F
TRIM (26)	4.7.44 LOOP	CHINA	Dye Cut Velcro - Supplier: G&F	Dye Cut Velcro - Supplier: G&F	G&F
TRIM (26)	4.4.44	CHINA	Shockcord	Shockcord	G&F
TRIM (26)	4.3.18	CHINA	Plastic Cordlock watersport 1 hole	Plastic Cordlock watersport 1 hole	Unitex
TRIM (26)	4.3.8	CHINA	Bead	Bead	Unitex
TRIM (26)	4.4.36	CHINA	Piping cord	Piping cord	G&F
TRIM (26)	4.4.54	CHINA	Grossgrain ribbon	Grossgrain ribbon	G&F
TRIM (26)	ST503 0054	BANGLADESH	Bemis ST503 CLR 2 layer 003 3/4 WO X300 20 mm	Bemis ST503 CLR 2 layer 003 3/4 WO X300 20 mm	Bemis
TRIM (26)	Clear PU	BANGLADESH	Clear PU	Clear PU	Local
TRIM (26)	7.442	CHINA	Inside Label, Complex	Inside Label, Complex	Nilørn
ZIPPER (5)	CNFO-56 DA8BLH (N-ANTI)	BANGLADESH	Automatic lock, large hole, reverse slider	Automatic lock, large hole, reverse slider	YKK
ZIPPER (5)	CNFC-56 DA8BLH REVERSE (N-ANTI)	BANGLADESH	Auto lock, large hole, rev slider	Auto lock, large hole, rev slider	YKK
ZIPPER (5)	CNFC-56 DA8BLH REVERSE (N-ANTI)	BANGLADESH	Auto lock, large hole, rev slider	Auto lock, large hole, rev slider	YKK
ZIPPER (5)	CHC-36 DA9 (N-ANTI)	BANGLADESH	Automatic lock, F-Type drop	Automatic lock, F-Type drop	YKK
PACKAGIN(	8.6.01.01	CHINA	Main HH tag back tag sold separate	Main HH tag back tag sold separate	Nilørn
PACKAGIN(	12.6.01	CHINA	Sticker for Main hangtag	Sticker for Main hangtag	Nilørn
PACKAGIN(	8.6.10.07	CHINA	Theme insert: Sailing	Theme insert: Sailing	Nilørn
PACKAGIN(	8.6.02.06	CHINA	Attachment trim: Plastic seal recycled polyester	Attachment trim: Plastic seal recycled polyester	Nilørn
PACKAGIN(	8.6.20.04	CHINA	Waterproof insert: HT Protection	Waterproof insert: HT Protection	Nilørn
PACKAGIN(	8.536	CHINA	Polartec Classic Micro	Polartec Classic Micro	Polartec
PACKAGIN(	ST10210	BANGLADESH	HH corporate polybag sticker.	HH corporate polybag sticker.	Local
PACKAGIN(	Tissue paper	BANGLADESH	Packaging material	Packaging material	N/A
PACKAGIN(	ST10210	BANGLADESH	HH corporate polybag sticker.	HH corporate polybag sticker.	Local
PACKAGIN(	10.2.11	BANGLADESH	Clear PE-bag w/warning as appendix # 10.2.11	Clear PE-bag w/warning as appendix # 10.2.11	
PACKAGIN(	10.3.10	BANGLADESH	Corr.cb. box General	Corr.cb. box General	
PACKAGIN(	10.1.26	BANGLADESH	Superdry - Dessicant	Superdry - Dessicant	Super Dry


QINGHAI
Kina
Xi'an
西安市
SHANDONG
HENAN
JIANGSU
Shanghai
上海
DEN
AUTONOME
REGION TIBET
Chengdu
成都市
HUBEI
ANHUI
SICHUAN
Chongqing
重庆
ZHEJIANG
ARUNACHAL
PRADESH
SIKKIM
Bhutan
GUIZHOU
HUNAN
JIANGXI
ASSAM
NAGALAND
BIHAR
MEGHALAYA
FUJIAN
Taipei
台北
MANIPUR
Bangladesh
YUNNAN
Taiwan
TRIPURA
GUANGXI
GUANGDONG
WEST-BENGAL
MIZORAM
Kaohsiung
Kolkata
Macao
澳門
香港
Hong Kong
Myanmar
(Burma)
Hanoi
Chiang Mai
เทศบาลนคร
เชียงใหม่
Naypyidaw
Laos
HAINAN
Paracel

43 items

TYPE	Product	Product COO	Product Item Description	Description	Product Material Supplier
FABRIC (8)	BS-8638WMM	TAIWAN	HI-COUNT BREATHABLE 2 layer	HI-COUNT BREATHABLE 2 layer	Singtex
FABRIC (8)	DPEB01-2SDC	CHINA	solution dye 210T taffeta lining	solution dye 210T taffeta lining	e.dye
FABRIC (8)	ALH231 (C6 version)	TAIWAN	Nylon Full Dull - HT protection / HT Performance	Nylon Full Dull - HT protection / HT Performance	Paltex
FABRIC (8)	P0/55HXX 2 layer	CHINA	old TP950-H2QAA, no EN471 certificate	old TP950-H2QAA, no EN471 certificate	Huamao
FABRIC (8)	6125RC	CHINA	Micro velour	Micro velour	Polartec
FABRIC (8)	GC-6193	TAIWAN	Bluesign approved small hole mesh	Bluesign approved small hole mesh	Grand Textile
FABRIC (8)	GC-6827	TAIWAN	brushed tricot	brushed tricot	Grand Textile
TRIM (26)	3.1.109	BANGLADESH	Men 2nd logo	Men 2nd logo	Local - print at manufacturer
TRIM (26)	4.2.220	CHINA	Zip Puller Ullr String Version	Zip Puller Ullr String Version	Unitex
TRIM (26)	3206D 4mil	BANGLADESH	Bemis Branded Sewfree Adhesive	Bemis Branded Sewfree Adhesive	Bemis
TRIM (26)	THREAD - Polyester SPUN	BANGLADESH	SPUN Polyester sewing thread	SPUN Polyester sewing thread	Local
TRIM (26)	THREAD - Polyester Corespun	BANGLADESH	CORESPUN - Polyester sewing thread	CORESPUN - Polyester sewing thread	Local
TRIM (26)	4.7.44 HOOK	CHINA	Dye Cut Velcro - Supplier: G&F	Dye Cut Velcro - Supplier: G&F	G&F
TRIM (26)	4.7.44 LOOP	CHINA	Dye Cut Velcro - Supplier: G&F	Dye Cut Velcro - Supplier: G&F	G&F
TRIM (26)	4.4.44	CHINA	Shockcord	Shockcord	G&F
TRIM (26)	4.3.18	CHINA	Plastic Cordlock watersport 1 hole	Plastic Cordlock watersport 1 hole	Unitex
TRIM (26)	4.3.8	CHINA	Bead	Bead	Unitex
TRIM (26)	4.4.36	CHINA	Piping cord	Piping cord	G&F
TRIM (26)	4.4.54	CHINA	Grossgrain ribbon	Grossgrain ribbon	G&F
TRIM (26)	ST503 0054	BANGLADESH	Bemis ST503 CLR 2 layer 003 3/4 WO X300 20 mm	Bemis ST503 CLR 2 layer 003 3/4 WO X300 20 mm	Bemis
TRIM (26)	Clear PU	BANGLADESH	Clear PU	Clear PU	Local
TRIM (26)	7.442	CHINA	Inside Label, Complex	Inside Label, Complex	Nilørn
ZIPPER (5)	CNFO-56 DA8BLH (N-ANTI)	BANGLADESH	Automatic lock, large hole, reverse slider	Automatic lock, large hole, reverse slider	YKK
ZIPPER (5)	CNFC-56 DA8BLH REVERSE (N-ANTI)	BANGLADESH	Auto lock, large hole, rev slider	Auto lock, large hole, rev slider	YKK
ZIPPER (5)	CNFC-56 DA8BLH REVERSE (N-ANTI)	BANGLADESH	Auto lock, large hole, rev slider	Auto lock, large hole, rev slider	YKK
ZIPPER (5)	CHC-36 DA9 (N-ANTI)	BANGLADESH	Automatic lock, F-Type drop	Automatic lock, F-Type drop	YKK
PACKAGIN(	8.6.01.01	CHINA	Main HH tag back tag sold separate	Main HH tag back tag sold separate	Nilørn
PACKAGIN(	12.6.01	CHINA	Sticker for Main hangtag	Sticker for Main hangtag	Nilørn
PACKAGIN(	8.6.10.07	CHINA	Theme insert: Sailing	Theme insert: Sailing	Nilørn
PACKAGIN(	8.6.02.06	CHINA	Attachment trim: Plastic seal recycled polyester	Attachment trim: Plastic seal recycled polyester	Nilørn
PACKAGIN(	8.6.20.04	CHINA	Waterproof insert: HT Protection	Waterproof insert: HT Protection	Nilørn
PACKAGIN(	8.536	CHINA	Polartec Classic Micro	Polartec Classic Micro	Polartec
PACKAGIN(	ST10210	BANGLADESH	HH corporate polybag sticker.	HH corporate polybag sticker.	Local
PACKAGIN(	Tissue paper	BANGLADESH	Packaging material	Packaging material	N/A
PACKAGIN(	ST10210	BANGLADESH	HH corporate polybag sticker.	HH corporate polybag sticker.	Local
PACKAGIN(	10.2.11	BANGLADESH	Clear PE-bag w/warning as appendix # 10.2.11	Clear PE-bag w/warning as appendix # 10.2.11	
PACKAGIN(	10.3.10	BANGLADESH	Corr.cb. box General	Corr.cb. box General	
PACKAGIN(	10.1.26	BANGLADESH	Superdry - Dessicant	Superdry - Dessicant	Super Dry

TAIWAN


LAMINATION
YARN
DYEING
WEAVING
Chilung
基隆市
Taipei
台北
Taoyuan City
Hsinchu
新竹市
YILAN COUNTY
宜蘭縣
MIAOLI COUNTY
苗栗縣
Mount Sylvia

HOW TO CAPTURE THE FULL CARBON FOOTPRINT?

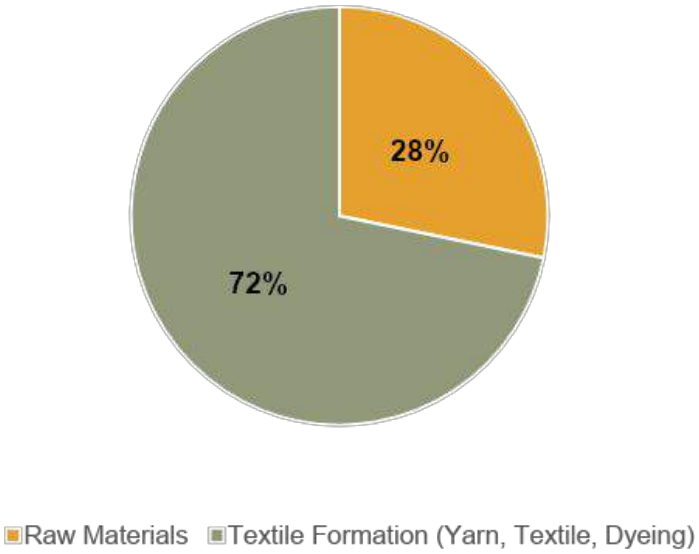
116 garment manufacturer

>300 material suppliers

>90% of the corporate carbon footprint is coming from our products.

How to collect data on all materials from each individual manufacturer – and ensure we drive improvements?

Tier 2 and upstream CO2e



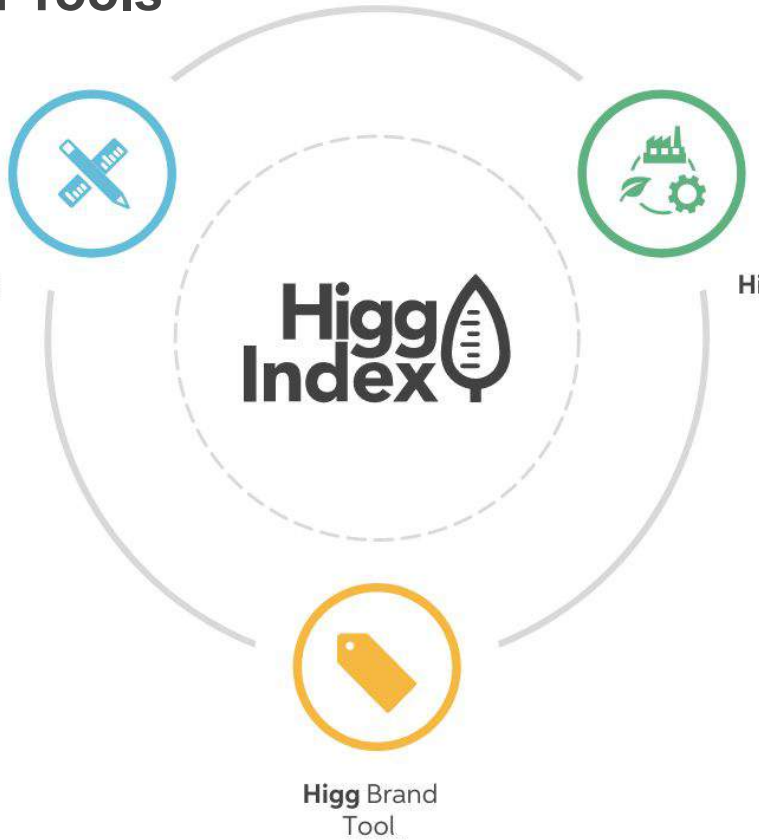
Higg Index

“Measurement with Intention”

Standardized measurement

is a precursor to collective action.

Higg Index Suite of Tools



GENERIC IMPACT DATA FOR THE MOST COMMON TEXTILES

FACILITY ENVIRONMENTAL PERFORMANCE

Section Scores

Environmental Management

Self	Verified
88%	---

Guidance

Energy

Self	Verified
90%	---

Guidance

Water

Self	Verified
65%	---

Guidance

Waste

Self	Verified
56%	---

Guidance

Wastewater

Self	Verified
42%	---

Guidance

Air

Self	Verified
15%	---

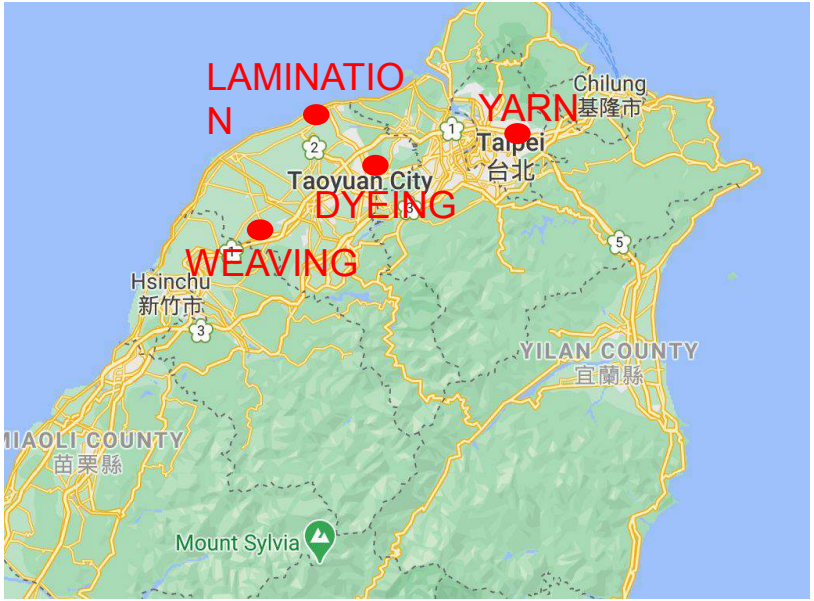
Guidance

Section Scores

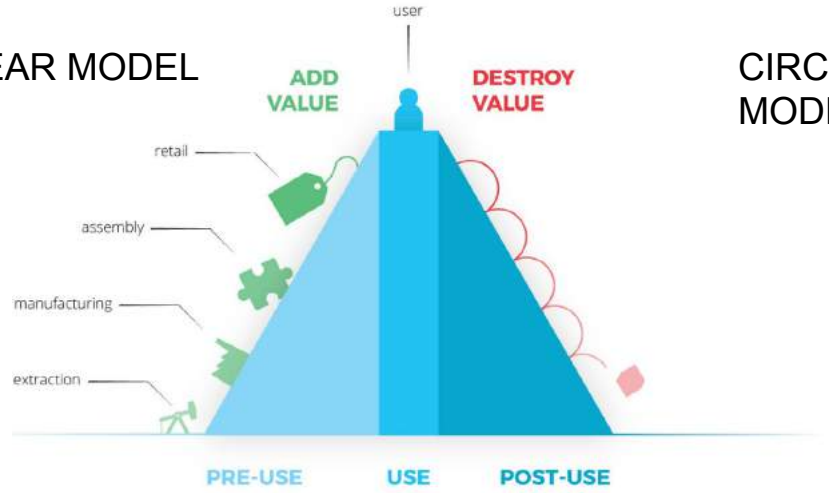
	Self	Verified
Environmental Management	21%	---
Energy	90%	---
Water	75%	---
Waste	34%	---
Wastewater	50%	---
Air	35%	---

Section Scores

	Self	Verified
Environmental Management	92%	---
Energy	40%	---
Water	35%	---
Waste	45%	---
Wastewater	50%	---
Air	38%	---



LINEAR MODEL



CIRCULAR MODEL

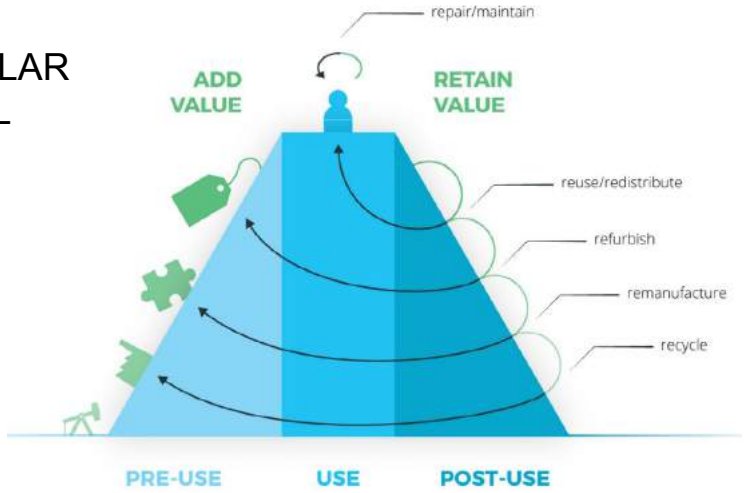


Figure: Value Hill Model, idea about end of life strategy

* QUANTIS REPORT

WHAT CAN ACCELERATE THE TRANSITION?

1. TAX POLLUTION NOT PEOPLE (ex-tax.com)

- in combination w a carbon border adjustment mechanism

2. TRANSPARENCY

3. INVESTMENT IN CIRCULAR SYSTEMS

- Infrastructure for collection, sorting and recycling
- Enable repair and re-use + consumer education

circular FOR zero

Morten Storgaard

Global Project Lead

October 2020

Novo Nordisk at a glance

Novo Nordisk is a leading global healthcare company, founded in 1923 and headquartered in Denmark.

Our purpose is to drive change to defeat diabetes and other serious chronic diseases such as obesity and rare blood and endocrine disorders.

We do so by pioneering scientific breakthroughs, expanding access to our medicines and working to prevent and ultimately cure disease.

Products marketed in
170
countries

Total net sales
122
billion DKK

Supplier of nearly
50%
of the world's insulin

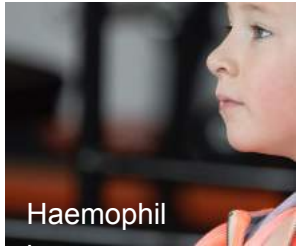
30
million people use our diabetes care products

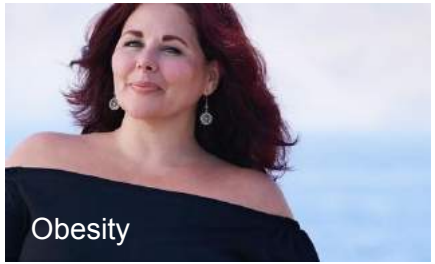
Affiliates in
80
countries

R&D centres in China, Denmark, India, UK and US

Strategic production sites in Denmark, Brazil, China, France and US

About
43,500
employees





Among the world's
10
largest pharma companies measured by market value[1]

Zero impact
is our ambition

circular FOR zero

Embracing a circular mindset

To achieve **zero impact**, we embrace a **circular mindset**

CIRCULAR SUPPLY

CIRCULAR COMPANY

CIRCULAR PRODUCTS

7 projects with targets toward 2030

CIRCULAR SUPPLY

1. Reduce supplier footprint
   All supply based on 100% renewable power
2. Ensure circular procurement

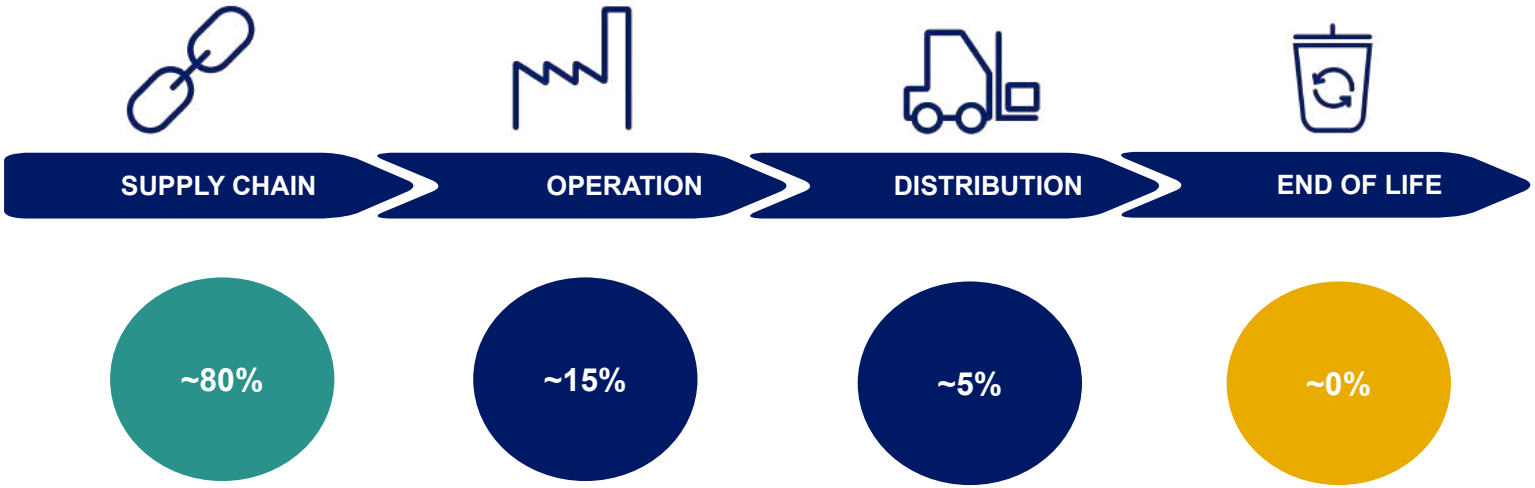
CIRCULAR COMPANY

3. Get operations to zero CO_2
   Zero CO_2 from own operations and transport
4. Eliminate waste of energy, water and materials
5. Support affiliates going green

CIRCULAR PRODUCTS

6. Design products for circularity
7. Solve end-of-life product challenge

80% of Novo Nordisk total CO_2 footprint comes from the supply chain



Novo Nordisk supply chain CO_2 emissions (2019): 1.300.000 tons

Novo Nordisk®

Process to ensure renewable power from new and existing suppliers

Existing suppliers

Select key suppliers → Enrol to programme → Commitment → Performance review

Supplier selection

Based on CO_2 impact and leverage

Share expectations

Agree on aspects and process towards footprint reduction

Roadmap approved

Roadmap for 100% renewable power & other relevant milestones

Follow up with <u>key</u> suppliers

Ensure supplier data and evaluate performance

New suppliers

Sourcing tender → Supplier selection → Contracting → Target tracking

Selection criteria

Commit to use 100% renewable power to produce NN products within 12 months

Supplier evaluation

Environmental criteria weighted ~10%

Appendix

Supplier sign-off commit to 100% renewable power

Follow up on <u>key</u> suppliers

Ensure supplier data and evaluate performance

circular FOR zero

Our learnings

1

Organizational embedding

Anchor process with individual procurement units

2

Keep it simple

Commitments for renewable power is a good place to start

3

Utilize your leverage

Leverage varies, utilize it where you can

novo nordisk

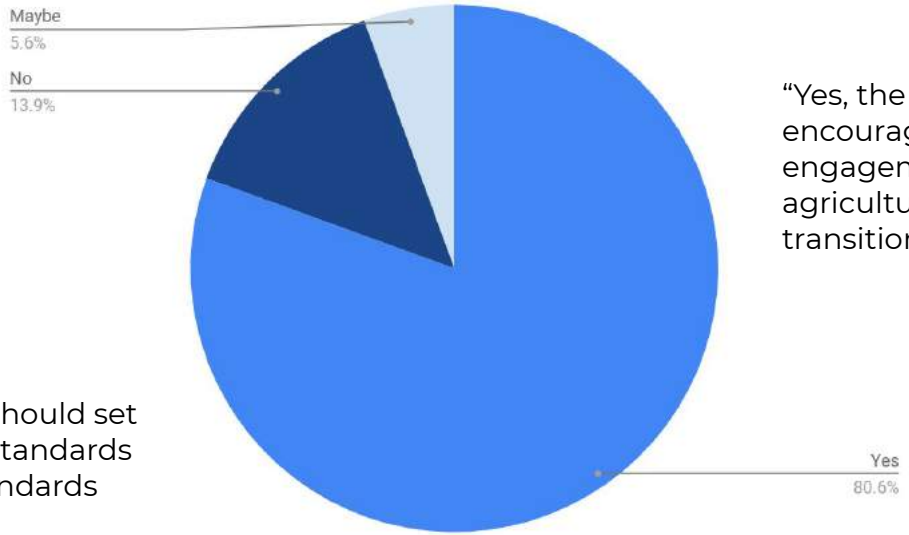
Thank you
&
Q&A

What we have asked you

south pole

Is there a role for (Nordic) governments to facilitate low carbon supply chains?

Not really. But taxation should cover supply chains as well by taxing imports on carbon.



"Yes, the governments can encourage better supply chain engagement and support e.g. agricultural producers in transition finance"

"Yes, Nordic governments should set government supply chain standards and use this to drive up standards across the economy"

➢ **Task: what role according to you?** Answer through the question box

south pole

posti

Zero Carbon 2030

Jatta Kosonen,
Head of Quality and Environment

Posti in brief

Operations in
8
countries

200,000
business
customers

400
years of history

22,000
employees

Owner
The State of Finland

EUR 1,6
billion net sales
in 2019

We operate in eight countries but our operations focus on Finland, Baltic states and Russia.

Our countries of operation are Finland, Sweden, Norway, Estonia, Latvia, Lithuania, Russia and Poland.

posti

Our business groups

Parcel and eCommerce

- Parcel services
- E-commerce services
  Digital services
- International e-commerce

Postal Services

- Letters
- Newspapers
- Magazines
- Direct marketing
- Digital solutions
- Multichannel messaging solutions

Transval

- Warehousing services
- Industrial services
- Terminal services
- Human resource services
- Retail services
- Consulting services

Aditro Logistics

- Logistics services
- Warehousing services
- Staffing
- Transport services

Itella Russia

- Warehousing services
- Road freight services
- Customs clearance services
- Other logistics services

posti

Did you know this about us?

Around
2,900
service points

7
million postal items sent daily

We visit about
3
million households and companies every weekday

100%
carbon neutral services since 2011, zero emissions by 2030

posti

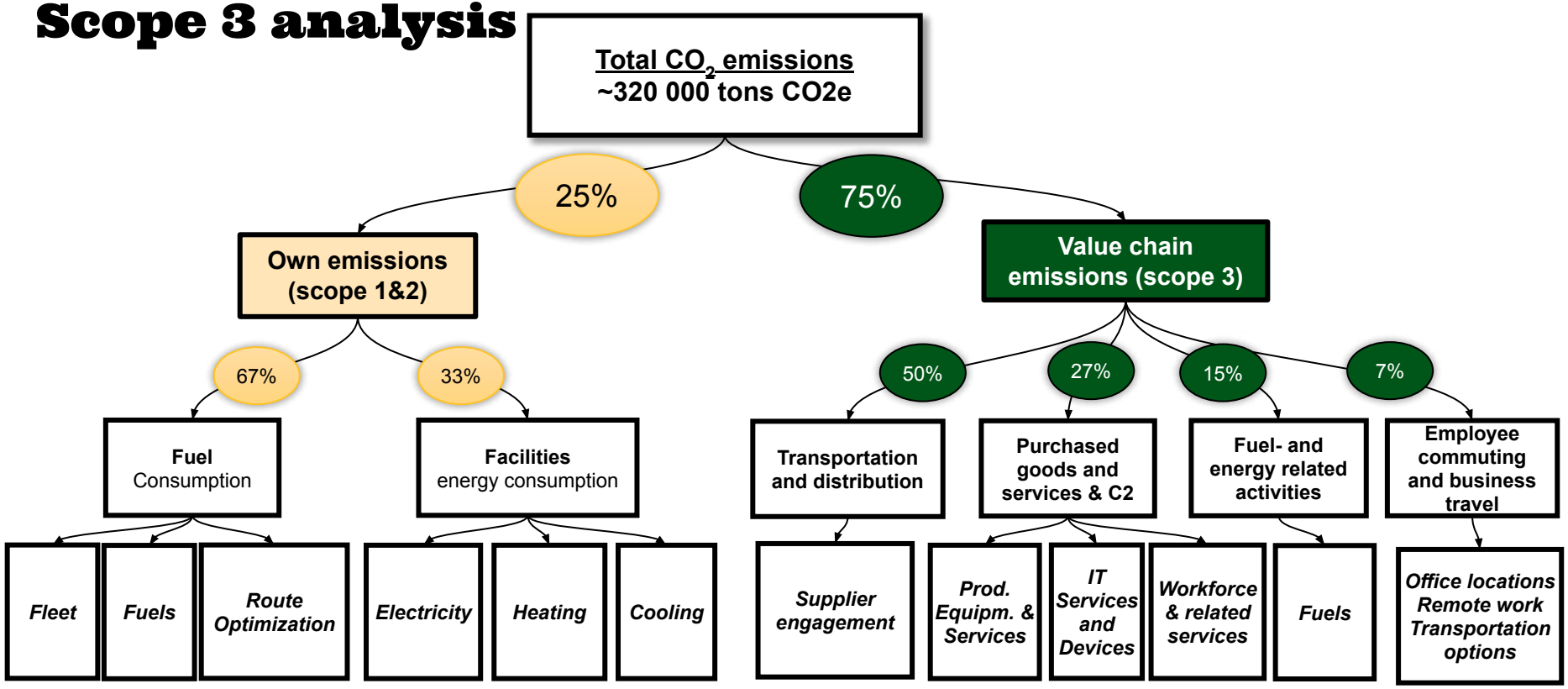
100 % Carbon neutral already – Zero emissions by 2030

- We are already 100% Carbon neutral - through our environmental program and voluntary carbon offsetting
- Sustainability is in the core for our work – We belong to the best 1% of companies in EcoVadis-assessment and we follow the ISO 9001-, ISO 14 001 and ISO 45001 standards in our operations

100 % Carbon neutral already – Zero emissions by 2030

- This is not enough for us, our new ambitious target is aim for Zero Emissions in our own operations by 2030.
- We are committed to Science Based Target initiative (SBTi) and our next step is to approve our climate targets in accordance with the 1,5 degrees pathway.

Posti CO2 emissions – Our new baseline after Scope 3 analysis



posti

Reducing footprint in our own emissions

We started to use renewable diesel on our own parcel last mile fleet.

That's **3.8 million kg** co2 saved annually.

We are investing heavily on more sustainable truck fleet – e.g. our 10 LBG trucks are **100 percent** carbon free.

Each LNG-truck saves **24 percent** of emissions.

38 percent of households are reached with electricity in our postal delivery.

e-cars, e-scooters, e-trolleys and e-bikes.

100 percent of the electricity we use in Finland is renewable.

We have cut heating of our facilities by **35 percent** and electricity by **25 percent**.

Route optimization has decreased our emissions **5 % annually** since 2007**.**

0 % **100 %**

posti

75% of our emissions are from value chain – Supply chain plays a major role in our Zero Carbon journey

- In our field of business only way to make a change that lasts is to do it ***together with our partners***
  - We are approaching this by:
    - ***Inviting*** our partners in this journey with us
    - ***Helping*** our partners in moving towards more sustainable solutions
    - ***Preferring*** low emission solutions in our partner selections
    - ***Challenging*** the status quo and finding new ways together
    - ***Including*** emission reporting as a one business parameter

posti

In short:

We want to minimize our negative footprint by being **Carbon Zero by 2030.**

To achieve this we do investments, develop our processes and invite our partners to this journey with us

We want to **maximise our positive handprint** by enabling more sustainable choices and growth.

For example, we boost **sustainable online shopping** with our partners.

posti

Thank You!

posti

Driving Low Carbon Supply Chain

South Pole webinar

15.10.2020

Hannele Hirvelä, Stora Enso

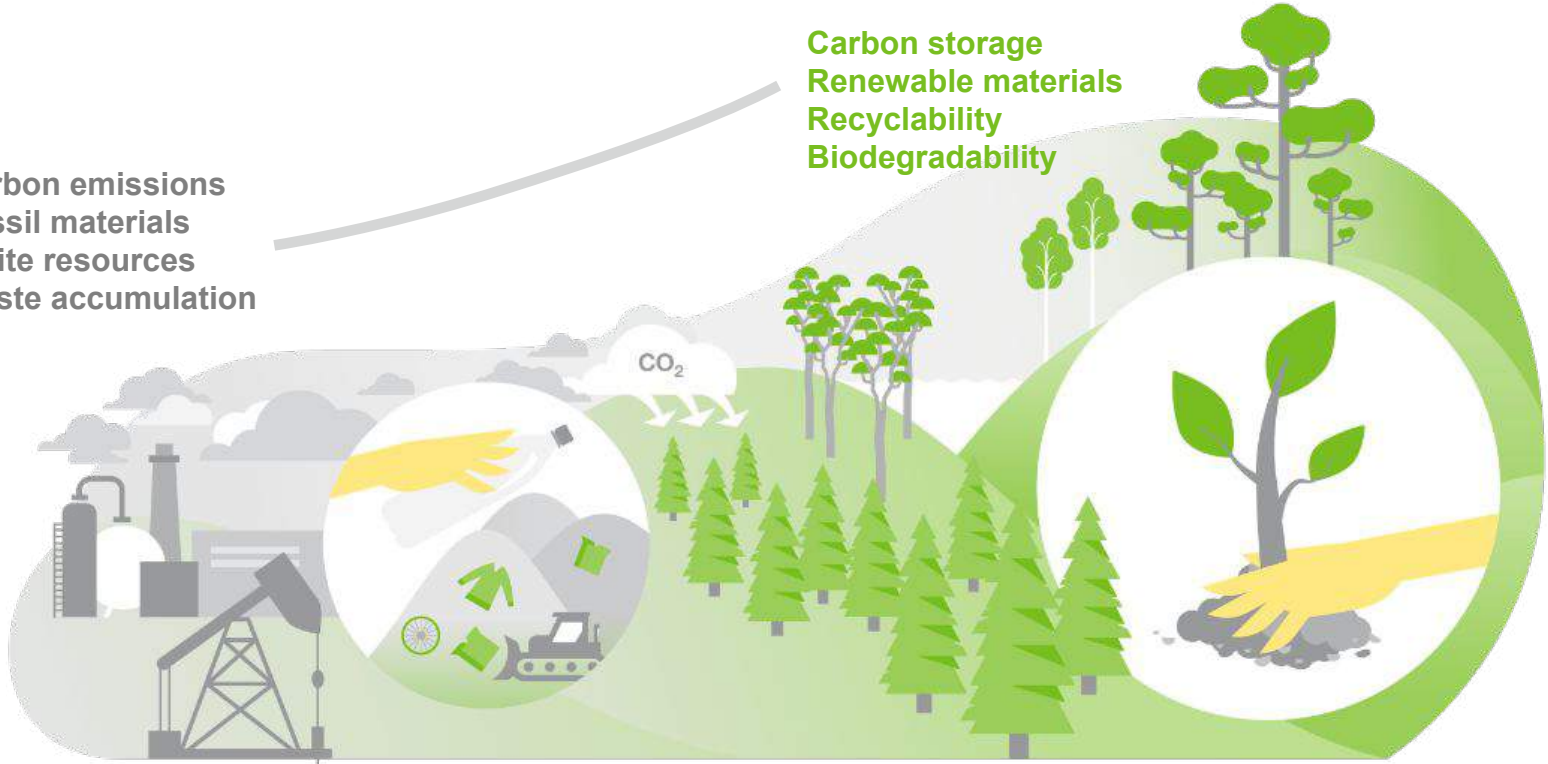
storaenso

THE RENEWABLE MATERIALS COMPANY

From a fossil world to a renewable future

Carbon emissions
Fossil materials
Finite resources
Waste accumulation

Carbon storage
Renewable materials
Recyclability
Biodegradability



Stora Enso in brief

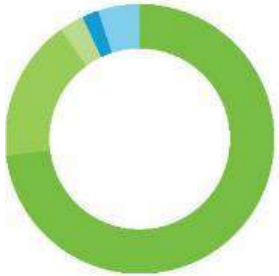
Sales in 2019
EUR 10.1 billion

Countries
30

Employees
25 000

Shares listed on Nasdaq in Helsinki and Stockholm

Sales by destination



- Europe 73%
- Asia Pacific 17%
- North America 3%
- South America 2%
- Other 5%

Personnel by country[1]

- Finland 25%
- China 19%
- Sweden 20%
- Poland 8%
- Germany 4%
- Russia 4%
- Other Europe 16%
- Brazil and Uruguay 3%
- Other countries 1%

[1] Including 50% of the employees at Veracel in Brazil and Montes del Plata in Uruguay.

Sustainability in sourcing activities

Sustainability is part of all steps of the sourcing process - from pre-qualifying suppliers to assessing their risk, monitoring performance and driving development.

The sustainable sourcing process requires certain steps to be taken by purchasers and suppliers in order to ensure sustainable performance throughout the supply chain and that sustainability risks are mitigated.

Supplier development

Supplier development can be driven in multiple ways. For example based on audit findings Corrective Action Plans set and their implementation followed. In addition other more proactive development activities, such as webinars and e-learning on sustainability topics.

Supplier pre-qualification → **Sustainability criteria in tenders** → **Supplier Sustainability Risk Assessment** → **Supplier Monitoring** → **Supplier Development**

Supplier Code of Conduct coverage
96% of spend

Safety e-learning coverage
85% of spend

We audit between 40-65 suppliers annually based on our risk assessment.

Science Based Targets

Stora Enso was the first forest products company to set ambitious science-based targets to reduce our greenhouse gas (GHG) emissions.

Targets for our operations

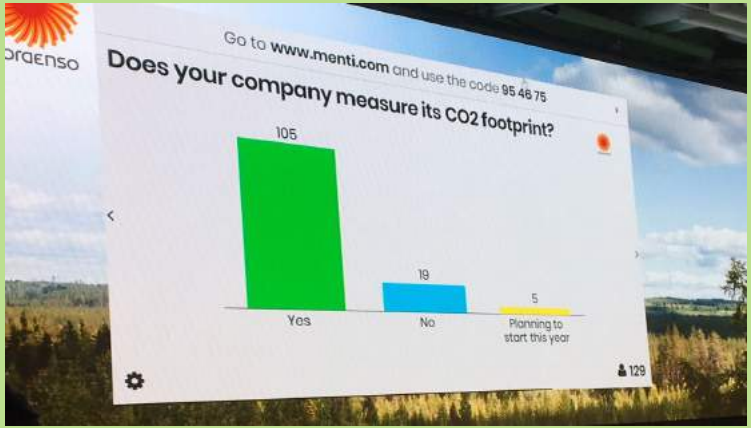
- Reducing GHG emissions from operations by **31%** per tonne of pulp, paper, and board produced by 2030, compared to a 2010 baseline.

- **Engagement targets for our customers**
  - Training our customer-facing staff on the advantages of setting science-based targets.

- **Engagement targets for our suppliers**
  - 70% of our suppliers in terms of spend to set GHG reduction targets.

We are committed to **driving change in our supply chain**.

- Starting with communication and aiming at measured emission reductions.



Stora Enso Supplier Day 2018

Sustainability Criteria in tenders
Driving emission reductions

From beginning of 2018 Sustainability Criteria for suppliers have been part of all tenders and sourcing decisions.

Simplified model that can be complemented by category or tender specific topics.

By asking about our suppliers' CO2 footprint we:

- increase their awareness about climate change
- urge them to monitor their own emissions
- encourage them to set their own CO2 targets
- highlight that we value good climate performance

Sustainability Criteria in tenders

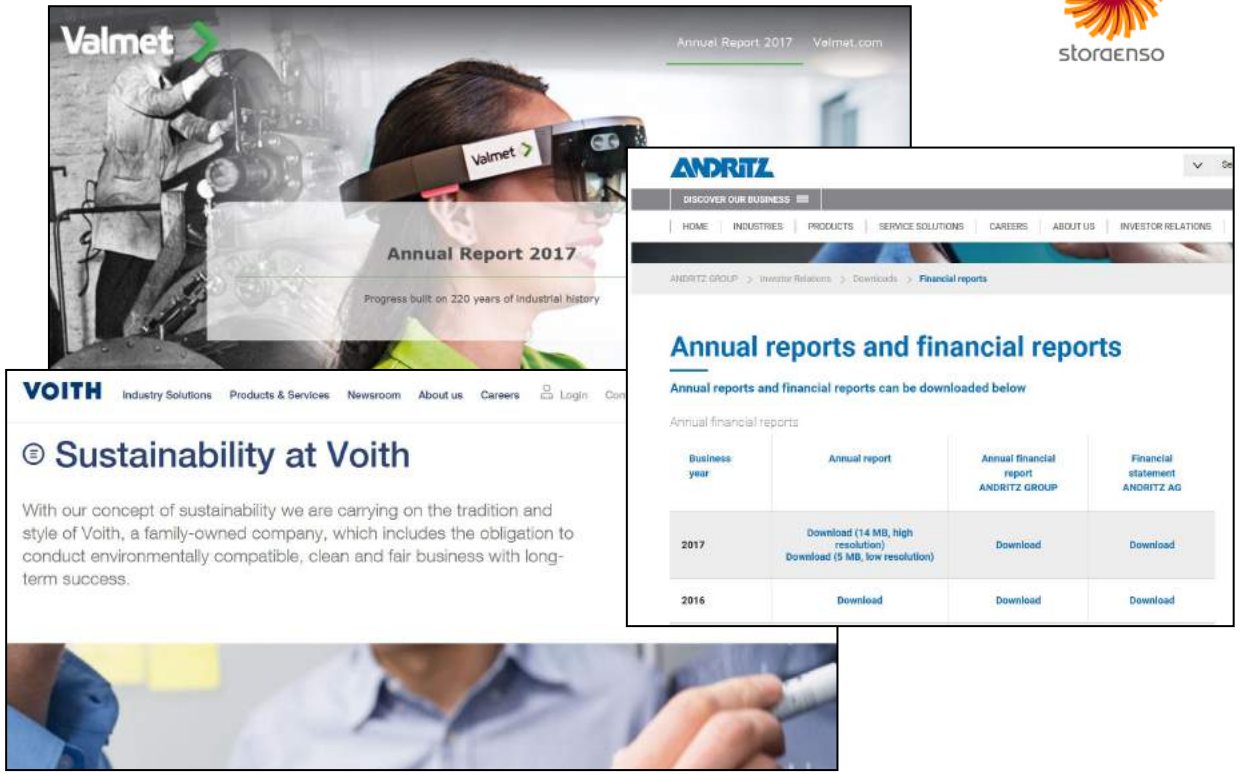
Safety	**Total recordable injury rate & 3 year trend**
Climate	**Carbon dioxide emissions per sales & 3 year trend**
Financial Stability	**Credit rating**

Robotics and AI

Stora Enso supplier base over 20 000 suppliers

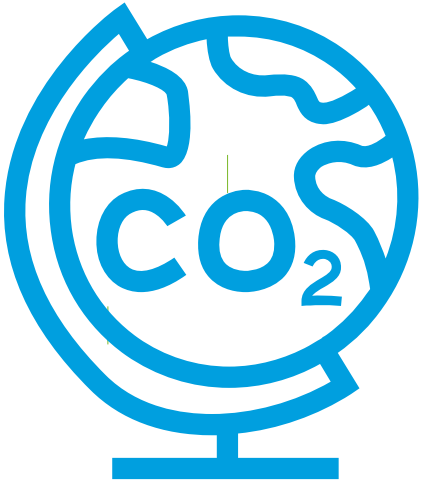
Many suppliers publish transparent information of their sustainability performance

Digitalization needed to utilize available information on wide scale



Summary –elements of Stora Enso sustainable sourcing climate work

- Know our supplier base and mitigate risks
  - Holistics, not fooled by only big spend or only first tier
- We dare to drive change, demand for sustainability
  - We seek opportunities, seek alternatives
  - Just do it, pilot -"better done than perfect"



Thank you

hannele.hirvela@storaenso.com

Q&A

I. Input from the audience & Speakers' perspectives

From:
Is there a role for (Nordic) governments to facilitate low carbon supply chains?

To:
'What is the role for Nordic governments to (...)?'

Thank you for attending!

Feel free to contact us

Marie Gustafsson

Managing Consultant
South Pole
m.gustafsson@southpole.com

Naomi Rosenthal

Head of Sustainable Supply Chain Practice
South Pole
n.rosenthal@southpole.com

For registration and more info about the **Nordic Platform for Mobilising Climate Finance**, please see here

south pole