



# Westermo

## Environmental Report 2020

**westermo**



# Westermo Annual Environmental report 2021

## Following up environmental objectives



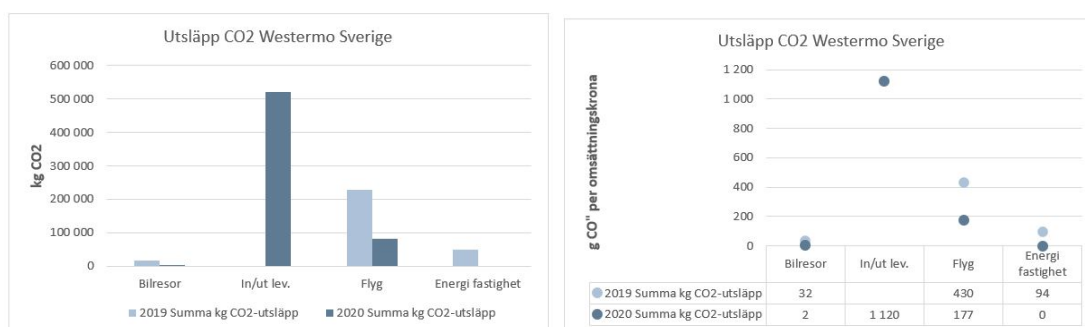
*Image1: During 2020 Westermo took a massive step towards greener business by becoming environmentally certified according to ISO 14001:2015.*

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## 1. Summary

During 2020 Westermo gathered its strength to expand its work to improve its imprint for a sustainable society, and among other things has undergone the environmental certification for ISO14001. A detailed follow-up method has been established, which now allows improvements within the 7 selected environmental aspects. The Corona pandemic has contributed to much reduced travel, at the same time as replacement of the oil boiler with investment in green energy, which has led to emissions being reduced by more than 200 tonnes of carbon dioxide in 2020. In terms of emissions per SEK in turnover, emissions reduced by 68% (travel and energy consumption) during 2020.



By establishment of a value chain we can now chart combined emissions, which during 2020 amounted to approx. 605 tonnes of carbon dioxide.

## 2. Indirect environmental impact (lifecycle perspective) via product development - highlight environmental aspects for customers and others affected

### Overall environmental objectives:

Westermo will improve our and our customers' and suppliers' environmental performance. Our environmental consideration and awareness through the entire lifecycles of our products must be established and well-known internally and externally.

### Detailed environmental objectives 2020:

Increased expertise and awareness regarding the lifecycle perspective must be achieved. (Training Autumn 2020, find good examples. See the existing good examples of environmental investigation, sustainability audit etc. and analyse how these can be used and highlighted in further work).

#### Follow-up 12/03/2021

- > To increase general awareness of the sustainability perspective within the company and our products, all employees underwent environmental training during 2020.
- > We have created a new communication platform for sustainability via our website where we emphasise four aspects to our customers to increase awareness of our products' impact over their service life; Long service life, Extended lifetime, Remote access and Green industries (?).
- > We present 4 "Customer Success Stories" where we show how our products have contributed to a more sustainable total solution for our customers.

## 3. Emissions from business travel by car, train, air - Selection of fuel and means of transport

### Overall environmental objectives:

Emissions must be reduced from meeting related travel per turnover SEK. Renewable fuels or electrical power must be prioritised. Proportion of train journeys must be increased.

### Detailed environmental objectives:

Increased knowledge about the possibilities of charting emissions must be achieved. Clarify the travel policy regarding the environmental viewpoint, examine the opportunities of CO2 emissions being measured.

#### Follow-up 12/03/2021

- > Emissions from cars have reduced by 93.6% per turnover SEK from 2019 to 2020. Actual emissions of carbon dioxide during 2020 were 948 kg.
- > Emissions from flights have reduced by 58.9% per turnover SEK from 2019 to 2020. Actual emissions of carbon dioxide during 2020 were 82,290 kg.
- > Much of the emissions reduction is connected to the reduced travel due to the Corona epidemic. Work with reduced emissions from business travel will continue during 2021.

## 4. Inbound and outbound transport of products/goods etc.

### Overall environmental objectives:

Emissions per turnover SEK must be reduced, CO2 emissions must be measured.

### Detailed environmental objectives 2020:

Review the possibility of using the vChain's portal for calculation and collaborate with vChain to minimise emissions. vChain books transport for Westermo. Ensure that vChain's model reflects continuous improvements among the transporters.

#### Follow-up 18/02/2021

- > During 2020, in line with the objectives, a new working method for continued follow-up was developed, which included the web portal to follow CO2.
- > vChain, which is our third party solution for booking transport, has also endorsed our environmental policy. This is to demonstrate that they are also synched and share our viewpoint when they manage our transport bookings.
- > Actual CO2 emissions from inbound and outbound transport can now be measured for the first time. During 2020 this amounted to 522 tonnes.

## 5. Buildings, energy consumption

### Overall environmental objectives:

Energy consumption must reduce the turnover SEK (set measurement unit).

### Detailed environmental objectives 2020:

Plan for energy charting.

#### Follow-up 18/02/2021

- > Procurement of services for energy investigation in Västerås and Stora Sundby started for energy charting on 30/06/2021.
- > The oil boiler was replaced at the end of 2019, which meant that the first year without oil fired heating led to a reduction in emissions of approximately 50 tonnes.
- > Electrical consumption by Västerås and Stora Sundby combined, also reduced during 2020 by 13.6% to 1.13 MWh.
- > All electricity that is purchased is produced by renewable sources, green electricity, which gives a saving in CO2 of approx. 402 tonnes compared with a Nordic electrical mix. It also remains important to reduce the energy consumption, so that more green electricity is available on the European market, which is in line with Westermo's objectives.

**Background:** Westermo's operations are relatively energy demanding. In the view of many, the IT sector is responsible for as much carbon dioxide emissions globally as air travel. Therefore IT/energy consumption is a significant environmental aspect of Westermo's operations. Virtualisation often contributes to significantly reduced energy consumption.

## 6. Scrap costs in Stora Sundby (management, spillage and waste)

**Overall environmental objectives:** Reduce electronic scrap and the cost of scrap.

**Detailed environmental objectives 2020:** Scrap costs must be reduced in absolute terms, max 430K per month.

#### Follow-up 18/02/2021

- > Scrap costs increased by 13.5 % from 2019 to 2020.
- > The average cost of scrap per month increased from 573K to 650K. Much of this is related to cleaning work, which resulted in a balance error because a lot of old material was scrapped. Major reductions are expected during 2021.

**Background:** It is important from several perspectives (finance, environment and quality) to reduce electronic scrap and scrap costs.

## 7. Purchasing

**Overall objective, purchasing:** Purchasing must lead to alternatives with less environmental load.

**Detailed objectives, purchasing 2020:** Develop and introduce a method to follow-up objectives from Q3 2020 and forward.

### Follow-up 12/03/2021

> During 2020, in line with the objectives, a new working method for continued follow-up was developed, including a web portal for following CO2, annual self-audit with main suppliers and updated order templates and contract templates to demonstrate and project our environmental ambitions.

> vChain, which is our 3rd party supplier regarding transport bookings, has also endorsed our environmental policy to demonstrate that they share our point of view and are in synch with us when they make our transport bookings.

> All our main suppliers have read Westermo's Code of Conduct and our Environmental policy. During 2021 work will continue with environmental certification objectives.

**Background:** Westermo has large purchase volumes and a lot of suppliers. Westermo has good opportunities to have influence by demanding significant volumes of more environmentally-friendly products/services.

## 8. Chemicals - purchase and use

### Overall objectives:

Westermo must only use the least dangerous chemicals. The occurrence of substances in the environment that have been created or extracted must threaten neither human health nor biological diversity.

### Detailed objectives, 2020:

Increase and spread knowledge of the environmental impact from electronics (chemicals), and how Westermo manages this to reduce the environmental impact. 1 training meeting will be held regarding the environmental impact of electronics and Westermo's requirements regarding it (see Westermo document).

### Follow-up 12/03/2021

> Info to R&D HW group about how the environmental impact from electronics has been carried out during autumn 2020.

> Step 1 regarding handling chemicals in the lab in Västerås introduced (see process document). > Everyone with access to the lab has been given a run-through of what applies.

> "I Chemistry" was implemented and introduced in the organisation. This allows simple information retrieval for existing chemicals.

> To increase general awareness of the sustainability perspective within the company and our products, all employees underwent environmental training during 2020.