



Net Zero Targets & Climate Transition Planning

WHEREAS: The increasing rate and number of climate related disasters affecting the global economy is raising alarms, making the corporate sector’s contribution to climate mitigation a significant policy issue.

In addition to environmental and social harms, climate change is creating systemic risks to the economy. The latest IPCC publication states that the window for limiting global warming to 1.5 degrees, and thereby avoiding the most catastrophic impacts of climate change, is quickly narrowing and that immediate, sharp emissions reduction is required of all market sectors and industries. ¹

Shareholders are increasingly concerned about material climate risk to their portfolios and seek clear, consistent disclosures from companies in which they invest, including credible climate goals and plans.

In response to the need for robust greenhouse gas (GHG) reduction targets and climate transition plans and actions, the Climate Action 100+ initiative, a coalition of more than 700 investors with over \$68 trillion in assets, issued a Net Zero Benchmark (Benchmark) outlining metrics that create climate accountability for companies and transparency for shareholders. Indicators 1 through 5 of the Benchmark require companies to set net zero emissions ambitions; adopt short, medium and long term GHG reductions goals; and disclose strategic actions to achieve decarbonization targets. ²

ResMed, Inc. produces digital health technologies and cloud-connected medical devices, providing a broad range of medical and consumer products. The healthcare sector and associated services create significant carbon emissions from operations and supply chains, and is exposed to climate risks including supply chain disruptions and exposure to increasing natural disasters. Failure to assess, report, and reduce emissions creates physical, transition, and competitive risk for ResMed, especially with regard to supplier climate readiness.

While our company discloses certain GHG emissions data and has undertaken some energy efficiency activities, including investing in improved manufacturing processes

¹ https://report.ipcc.ch/ar6wg3/pdf/IPCC_AR6_WGIII_FinalDraft_FullReport.pdf

² <https://www.climateaction100.org/wp-content/uploads/2021/03/Climate-Action-100-Benchmark-Indicators-FINAL-3.12.pdf>



and upgrading facility lighting systems – ResMed does not have a comprehensive climate transition plan. ResMed does not quantify, nor has it set targets to reduce its enterprise wide GHG emissions, including its Scope 3 emissions. By setting science-based GHG emissions reduction targets for its Scope 1-3 emissions, disclosing a decarbonization plan to achieve such goals, and demonstrating progress toward achieving them, ResMed can provide investors with assurance that management is reducing its climate contribution and addressing the physical, transition, and competitive risks associated with climate change.

BE IT RESOLVED: Shareholders request the Board issue a report, at reasonable expense and excluding confidential information, disclosing how the Company intends to reduce its GHG emissions in alignment with the Paris Agreement's 1.5 degree goal requiring net zero emissions by 2050.

SUPPORTING STATEMENT: Proponents suggest, at Board and Company discretion, that GHG reduction goals include:

- A timeline for setting a net zero GHG reduction target, and aligned interim goals;
- An enterprise-wide climate transition plan to achieve net zero emissions;
- Annual reports demonstrating progress towards meeting emissions reduction goals;
- Other information the Board deems appropriate.