2021/22

Sustainability Report

Statutory Report cf. Danish Financial Statements Act sections 99(a), (b) and 107(d)

Juan | OC user

Company registration (CVR) No. 69 74 99 17

Highlights 2021/22

250,000

patients joined Coloplast® Care in 2021/22

71%

production waste recycled in 2021/22

8%

scope 1 and 2 emissions reduced since the base year 2018/19

Brian | IU user

Overview of 2021/22

Commitments		UN Global Compact principles	2025 ambitions	2021/22	2020/21
Strive25 priority areas					
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Improving products and packaging	Principles 7-9	90% of packaging recyclable	78%[1]	75%
			80% of packaging consisting of renewable materials	76%[1]	70%
			75% of production waste recycled	71%	58%
13 CLIMATE ACTION	Reducing emissions[2]	Principles 7-9	100% reduction of scope 1 & 2 emissions by 2030[2, 3]	8%	–7%
			100% renewable energy	72%	67%
			50% electric company cars	4%	2%
			50% reduction of scope 3 emissions per product by 2030[2, 3]	9%	10%
			10% reduction of air travel[2] and then freeze	55%	81%
			5% limit on goods transported by air	3%	2%
Ongoing commitment					
5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES	Responsible operations	Principles 1-6, 10	100% white collars trained in Code of Conduct	100%	99%
			2.0 Lost Time Injury frequency[4]	2.4	2.2
			40% representation of female senior leaders (VP+) by 2030	21%	24%
			75% share of diverse teams	55%	50%
			Engagement score above industry benchmark	8.2	8.2

[1]due to a new and improved reporting tool, the packaging data is not comparable with data previously reported
[2]from the base year 2018/19
[3] target validated by Science Based Targets initiative (SBTi)
[4] in parts per million

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COMMUNICATION ON PROGRESS

UN GLOBAL COMPACT

This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

CEO letter

Coloplast is a purpose-driven company. We work to make life easier for people with intimate healthcare needs. Every second, 47 people around the world pick up and use a Coloplast product to manage an intimate healthcare condition.

By improving standards of care, raising the bar with innovative products, and creating access for more users across markets, we help users experience a higher quality of life. Today, we help more than two million, and we aspire to help even more in the years to come.

As we grow, we have made it a clear priority to do so in a sustainable way. With our Strive25 strategy, we set an ambition to reduce our emissions and improve our products and packaging while operating responsibly. This ambition will be extended to Atos Medical, the new addition to the Coloplast family.

In the current economic climate, building a sustainable and resilient business is more important than ever. Derived effects of COVID-19 have temporarily impacted some of our KPIs. As these effects wane, we remain on track with our ambitions compared to pre-COVID-19 levels. I am pleased with the progress we have seen this year and look forward to continuing the momentum.

Reducing emissions

We have an ambition to phase out the use of natural gas and convert to renewable energy solutions at our sites. In all, we have reduced our scope 1 and 2 emissions by 8% since the base year 2018/19, and 72% of our energy consumption now comes from renewable sources. We now have electric heat pumps installed at our sites in Hungary and China. We also signed Coloplast's first power purchase agreement this year, securing renewable electricity covering all operations in Denmark from 2023/24.

This year, the Science Based Targets initiative (SBTi) validated our carbon emissions reduction targets. SBTI's approval of our targets is a recognition that our efforts are aligned with a 1.5˚C future.

Improving products and packaging

Plastic waste is a worldwide challenge, and we are committed to doing our part when it comes to finding and scaling better solutions. In 2021/22, we continued our progress on sustainable waste management with a recycling rate of 71%. We also further embedded sustainability into innovation and have partnered up with leading Danish manufacturers, recycling partners and research institutions to map potentials for plastic recycling and build better infrastructure for plastic circularity.

Operating responsibly

In line with our values, respect and responsibility, we constantly strive to improve how we operate across the business. This year, we have expanded our Leadership Promise and provided training for our leaders in production. We have further strengthened gender diversity in our leadership pipeline and rolled out inclusive leadership training.

Despite a challenging job market, our voluntary employee turnover remains at pre-COVID-19 levels. I am also happy to see that we uphold a high employee engagement score of 8.2, which is well above the healthcare industry benchmark.

I invite you to learn more about our sustainability efforts for 2021/22 on the following pages, and I reaffirm Coloplast's continued commitment to our sustainability targets, the ten principles of the UN Global Compact and the UN Sustainable Development Goals.

Kristian Villumsen
President and CEO

Business model and risks

Business model

The Coloplast Group develops and markets products and services within Ostomy Care, Continence Care, Wound & Skin Care, Interventional Urology and Voice & Respiratory Care.

Coloplast employs more than 14,500 people and operates globally with sales subsidiaries in more than 40 countries. The company has production sites in Denmark, Hungary, France, Sweden, Germany, the United States, China, and Costa Rica.

Risks

Coloplast is mindful of the risks posed towards society such as, but not limited to, labour and human rights in our direct operations and in our supply chain, fraud among distributors, and environmental and climate change strains from our activities. We have policies in place for relevant risks on these topics, which are published alongside this report at Coloplast.com.

Climate-related risks

The medical device industry is not considered to have a high exposure to climate change risks. However, a preliminary risk assessment performed by internal working groups revealed potential long-term exposures to both physical and transition risks related to climate change within our supply chain and manufacturing.

Coloplast is committed to reporting step-by-step according to the recommendations of the Task Force on Climate-Related Financial Disclosures framework (TCFD). We have signed the business ambition for 1.5°C in alignment with the Paris agreement, and our carbon emission reduction targets are validated by the Science Based Targets initiative (SBTi). This year we continued our commitment by assessing physical and transition risks for all sites in scope for our sustainability reporting. We have also established a clear roadmap for how to achieve full disclosure in line with the TCFD recommendations.

Our assessment has identified transition risks such as increased demand for more sustainable products and packaging and increased legal and compliance requirements with focus on ESG. Physical risks identified include extreme weather patterns and rising sea water levels affecting our supply chain. Our internal assessment has found that Coloplast facilities have low exposure to physical risks resulting from more frequent and severe weather systems and changing climate conditions.

Climate-related opportunities are addressed within our sustainability ambitions as part of Strive25.

Looking ahead, we will strengthen our understanding of material risks and opportunities to our business and incorporate this into our strategy and financial planning. To sharpen our focus, a performance target linked to climate-related criteria has been implemented in remuneration for Executive Management. The risk reporting process has been adjusted to accommodate for reporting of climate-related risks, which usually have a longer time horizon than other risks.

EU Taxonomy

Coloplast has conducted an assessment of revenue, CAPEX and OPEX activities eligible under Regulation (EU) 2020/852, known as the EU Taxonomy Regulation. Our assessment is based on a materiality threshold of 6% of total forecasted revenue for 2021/22 and uses the EU Taxonomy Compass as well as the definition laid down in Annexes I and II of The Climate Delegated Act.

Our assessment includes, but is not limited to, activities pertaining to transportation (activity 6), construction and real estate (activity 7), information and communication (activity 8), and professional, scientific and technical activities (activity 9).

According to our assessment, each of the activities evaluated is below our materiality threshold and thus not in scope for reporting. We conclude that we have no material eligible activities on which to report within revenue, CAPEX and OPEX.

Governance of sustainability

Users of Coloplast products and services do not choose their conditions, and they should never be concerned about using our products in any way. With our Strive25 strategy, we have made an ambitious commitment to sustainability. In short, we want to make sustainability easier for our users.

Coloplast is in the process of integrating Atos Medical into our sustainability ambition and reporting. From 2022/23 onwards, Atos Medical will be included in our reporting.

Coloplast has been signatory to the UN Global Compact since 2002, and the ten principles in the Global Compact are part of our foundation and way of doing business. Coloplast also fully commits to contribute to the achievement of the UN Sustainable Development Goals (SDGs) with key focus on:

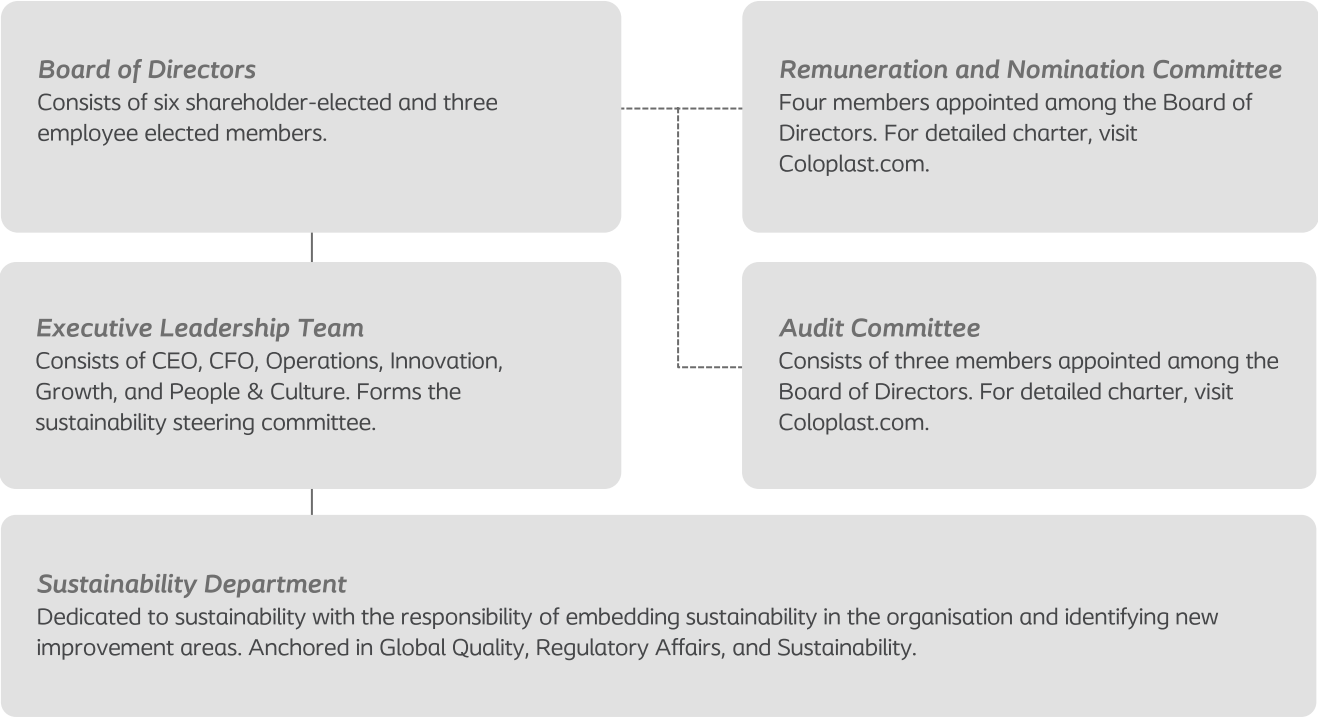
- SDG 3: Good Health and Well-Being
- SDG 12: Responsible Consumption and Production
- SDG 13: Climate Action

Sustainability is strongly anchored

We have ensured top-level organisational anchoring of sustainability. The sustainability steering committee is governed by the Executive Leadership Team and covers aspects such as sustainability risks, opportunities and recommendations for further improvements. The steering committee convenes four times per year. The Sustainability Department is placed within Global Quality, Regulatory Affairs and Sustainability at Coloplast's global HQ, a department involved with the decision-making around Coloplast products throughout the value chain. It is the responsibility of the Sustainability Department to embed our sustainability strategy across the organisation, engage with stakeholders and identify further strategic opportunities.

Within the Strive25 period, Coloplast has committed to investing up to DKK 250 million in more sustainable solutions and capacity building.

Read our Quality and Sustainability policy at Coloplast.com.



Management systems: ISO 14001 and ISO 45001

Coloplast's environmental management system is certified according to the internationally acknowledged ISO 14001 standard. Our health and safety management system is certified according to the ISO 45001 standard.

ISO 14001
Coloplast has secured ISO 14001 certification for all eight production sites and the corporate HQ in Humlebæk. This corresponds to 85% coverage of Coloplast employees at production sites, distribution centres and HQ. Our sales subsidiary in Sweden is also certified according to ISO 14001.

ISO 45001
Coloplast has secured ISO 45001 certification for all eight production sites, our three major distribution centres and corporate HQ. This corresponds to 93% coverage.

New sites
Our new production site in Cartago, Costa Rica was audited for ISO 14001 and ISO 45001 certification in September 2022. No major non-conformities have been raised, and new ISO 14001 and ISO 45001 certificates covering all certified Coloplast entities including Cartago are expected to be issued by the end of 2022.

We are setting a plan for certification of Atos Medical's three production sites in Sweden and Germany.

ESG disclosure

Coloplast is in constant dialogue with various stakeholders. We listen and respond to questions from users, payers, suppliers, investors, and others. To ensure transparency and improve our reporting, Coloplast annually reports on salient ESG information.

In the spring of 2022, Coloplast hosted a virtual ESG event. The event provided investors, analysts, media, and other stakeholders with an update on our sustainability strategy and introduced a broader group of Coloplast leaders who are at the forefront of executing the strategy. Material from the event can be found at Coloplast.com.

Governance of sustainability

As stakeholder expectations regarding ESG disclosure evolve and intensify, the need to focus our efforts has become key.

During 2021/22, we conducted an analysis of relevant ESG ranking methodologies. Based on this analysis and our priorities, we have chosen to participate in the following ESG rankings:

Corporate Knights

- Coloplast was included on the Global 100 list of the most sustainable corporations globally in 2022, ranking as the most sustainable company in our industry

CDP

- Coloplast was given a score of B- on climate change in 2021, which is above the Medical Equipment & Supplies sector average of C

Sustainalytics

- Coloplast holds a 14.7 score in Sustainlytics, which indicates a low risk

MSCI

- Coloplast was given an AA score, which places us in the top 30% for healthcare equipment and supplies

Living the Coloplast mission

Coloplast is a purpose-driven company. We make life easier for people living with intimate healthcare needs. Most Coloplast users have chronic conditions that require permanent management. In 2021/22, we continued to help more than two million users globally and welcomed more than 250,000 new users to our patient support programme, Coloplast® Care. But many user needs remain unmet across our business areas. Building better standards of care, raising the bar with innovative products and creating access for as many users as possible is a direct embodiment of our mission. We are building the consumer healthcare company of the future – enabling self-care for chronic users and supporting healthcare systems to meet, in a cost-effective way, increasing demand as the world population ages. These are the guiding principles of our work and our key contribution to SDG 3.

Innovation

Through innovation, we aim to enable personalised care, covering core products, extended solutions and services. Our Clinical Performance Programme aims to bring clinically differentiated products to the market, backed by clinical evidence. The new catheter platform, Luja™, addresses key urinary tract infection risk factors and will launch in 2023. The world's first digital leakage notification system, Heylo™, also launching in 2023, addresses the mental burden caused by fear of leakage. Atos Medical continues the launch of the Provox® Life™ portfolio, which is now available in 15 markets. Provox Life is a new product line designed to optimise patients' breathing ability under different circumstances, further enabling 24/7 use of heat and moisture exchangers for improved pulmonary health.

Supporting users and healthcare professionals

Getting appropriate support is crucial in ensuring that users establish a good routine and experience a high quality of life. Through the Coloplast Care programme, we support users in more than 30 countries with services tailored to the needs of each individual market. We also provide training for healthcare professionals through our educational collaboration platform Coloplast® Professional. During 2021/22, Atos Medical also launched a website offering easy access to reliable information and patient testimonials for total laryngectomy patients and their loved ones. We further support education and improvement of treatment standards through our Access to Healthcare programme.

Access to healthcare

Coloplast's corporate partnership programme Access to Healthcare aims to improve conditions for people within ostomy, continence and wound and skin care. Established in 2007, the programme has so far supported more than 80 projects across more than 20 countries. All Access to Healthcare projects are created in collaboration with local stakeholders, focusing on various themes with the common goal of creating value for people with intimate healthcare needs and helping them live with dignity.

Access to Healthcare projects bring together practitioners, users, NGOs and other public and private stakeholders to empower users, train practitioners and advocate for better care. The programme also supports Coloplast's long-term ambitions by bringing us closer to users and helping us gain insights into the needs of diverse stakeholders, including healthcare practitioners, societies and policy makers.

Creating access for more users

As market leader, Coloplast is committed to establishing lasting and consistent access to products, technologies, services and training that benefit users, beyond choice of brand. We have set a long-term ambition of continually creating or improving access to better care for another one million new users across all our business areas and geographies.

To achieve this ambition, we raise the standards of care in two main ways. First, we advocate for establishing and improving reimbursement to ensure that users have access to the products they need for as long as they need them. Recent successes include establishing or improving reimbursement for hydrophilic catheters in Poland, Japan, South Korea and Australia. A current key focus area is improving bladder management for people with spinal cord injuries in China, where access to intermittent catheters is limited. Second, we are entering new segments in existing markets, such as Multiple Sclerosis in Europe.

Case story

Improved treatment standard for bladder management in Poland

Through an Access to Healthcare project in Poland, Coloplast has supported awareness-building around the advantages experienced by patients when hydrophilic intermittent catheters replace uncoated catheters as the proper standard of treatment for people with neurogenic bladder dysfunction. The previous treatment standard is associated with more frequent urinary tract infections and other medical complications. This standard eventually translates into lower quality of life for users, compared to treatment using hydrophilic catheters.

Although many urologists and patients were aware of the benefits of hydrophilic catheters, the lack of appropriate reimbursement was the key hurdle to improving the standard of care. Coloplast has advocated for improved reimbursement alongside paediatric urologists, healthcare system experts, patient groups, and other key stakeholders.

As a result of solid clinical evidence and a series of public consultations, the Polish Ministry of Health in 2021 decided to introduce significantly improved reimbursement for hydrophilic catheters for children and adults in need of bladder management – an important enabler for more people to live full, dignified lives.

The improved reimbursement scheme took effect on December 1st, 2021 and has had a distinct impact on ease of compliance and quality of life for many users in Poland.

"I have treated children with spina bifida for four years. As a doctor, I know the importance of proper catheterisation to avoid irreversible damage. I also live with spina bifida myself and have been self-catheterising for almost as long as I can remember. Until recently, I would bring a bag of equipment everywhere: catheters, gloves, gel, wipes or gauze and disinfectant liquid. As a child, I did not join overnight school trips due to the fear of leakage, discomfort or my friends finding out about my need to catheterise.

For many years there was no alternative to this way of living. When hydrophilic catheters first appeared in Poland, it was a great improvement. Unfortunately, I could not afford them and would only buy a few for special occasions.

When reimbursement for hydrophilic catheters was introduced in Poland, it was a milestone which significantly improved the quality of life for me and surely many other people. Hydrophilic catheters are easier, faster and more comfortable to use. They take up much less space and are more discreet. I have always loved spending time outdoors, biking and fishing, and I often take my daughter on walks outside to share my fascination with animals and nature.

People with disabilities such as spina bifida want to live free and normal lives. With better and more affordable access to hydrophilic catheters, I can offer better medical care to my young patients. As for myself, I can live more freely and without an increased risk of infection."

Adrian Filip
IC user

Age: 34
Occupation: Medical doctor, Paediatrics
Private life: Adrian lives with his wife and two children – a 4-year-old daughter and a 10-month-old son

Improving products and packaging

Strive25 ambitions

90%

of packaging recyclable by 2025

80%

of packaging consisting of renewable materials by 2025

75%

of production waste recycled by 2025

SDGs impacted

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Improving products and packaging

As a manufacturer of medical products made primarily of plastic, Coloplast embraces our responsibility to contribute to solving the problems with plastic waste in support of SDG 12 on responsible production and consumption.

When addressing these challenges, we must work within distinct clinical and regulatory limitations. The medical device sector is heavily regulated, and developing new relevant plastic materials is an industry-wide challenge which we cannot solve on our own. We continuously investigate potential partnerships with suppliers and other industry actors to understand the availability of renewable materials and develop solutions to handle plastic waste and recycling.

We incorporate environmental performance when developing new products. Our focus is on designing our products and packaging to be recyclable and made of renewable materials, such as recycled or bio-based, with a lower environmental impact.

Renewable and recyclable packaging

Implementing material changes to medical devices takes time. We see more immediate opportunities in improving our packaging. Our ambition is to reach 90% recyclable packaging and 80% packaging consisting of renewable materials by 2025.

In 2021/22, we have established a new internal reporting tool to classify raw materials based on composition. This tool has improved the data quality of our reported figures on renewable and recyclable packaging and will also support us in identifying opportunities for new material change projects. Based on this tool, we are currently at 78% recyclable packaging and 76% packaging consisting of renewable materials. These results cannot be compared with previously reported data due to the updated reporting tool.

Our secondary and tertiary packaging, such as retail and shipper boxes, already consists of renewable materials and is recyclable, and majority of these materials come from sustainable forestry.

The primary packaging of Coloplast products is often an integral part of the product, providing key functionalities such as usability and sterility. In 2021/22, Coloplast initiated a project to achieve sustainable primary packaging for a range of products across the business areas of wound and skin care, continence care and ostomy care. These products have two main aspects in common: Firstly, the primary packaging is non-recyclable, typically with a multi-layer material composition. Secondly, they are sterilised using ethylene oxide (ETO). The project will identify a suitable material that both comes from a renewable source and is recyclable after use. By spanning several business areas, the project has the potential to contribute significantly to delivering on our Strive25 ambitions.

We continue our progress on projects initiated previously. These include redesigning of multi-layer foil packaging for intermittent catheters and replacement of virgin PET plastic trays with recycled PET plastic trays for ostomy baseplates and protective seals within our supporting products portfolio.

Our position on plastic

As a manufacturer of medical products made of plastic, Coloplast has a responsibility. We embrace that responsibility and we have clear priorities:

- Product safety and clinical performance cannot be compromised
- Single-use products are the easiest and safest option for our users
- Sustainability should be easy for our users
- We need to identify new materials and support the development of new technologies
- Partnerships across the industry are essential

Read our full position paper on plastic at Coloplast.com.

Sustainability in innovation

Sustainability in product development

To improve transparency in decision-making and address environmental challenges early in the product development phase, Coloplast integrates eco-design principles into our innovation processes. These principles are based on life cycle thinking and help us ensure that our future products use less material, generate less production waste, use more sustainable raw materials such as renewable and recycled materials, avoid hazardous substances, are more recyclable and have more recyclable packaging. During 2021/22, we achieved the following milestones:

- Defined sustainability assessment process for all innovation projects in chronic care and wound and skin care
- Developed project-level assessment toolbox
- Proposed uniform assessment criteria and targets
- Trained colleagues in the eco-design principles and assessment toolbox
- Conducted the first sustainability assessments and evaluated the results

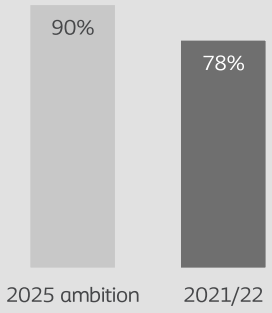
We continuously evaluate the implementation work and update the toolbox as needed to steer innovation toward sustainable choices and to make sure our new products adhere to our emission reduction targets and the latest science in the sustainability field. For 2022/23, our ambition is to embed our sustainability assessment in innovation within intervention urology and voice and respiratory care.

Such comprehensive assessment of our innovation pipeline also allows us to identify sustainability hotspots and engage with them early on. Measuring future products against our SBTi-validated emission reduction targets prompts us to scout for more sustainable materials and collaborate even more closely with our suppliers.

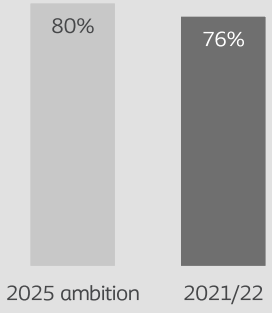
One example of sustainable product development is Coloplast's SpeediCath® Flex Set. The packaging for this product no longer contains aluminium, which reduces the product's environmental impact compared to traditional packaging and also creates better conditions for recycling.

Key figures

SHARE OF RECYCLABLE PACKAGING[1, 2]



SHARE OF PACKAGING CONTAINING RENEWABLE MATERIALS[1, 2]



[1] Packaging ambitions covering products currently on the market

[2] Due to a new and improved reporting tool, the packaging data is not comparable with data previously reported

Phasing out hazardous substances

Our proactive position on hazardous substances

All Coloplast products are biocompatible and safe for the intended purposes. We have launched a position paper on hazardous substances, which includes the Coloplast Substance Requirement List (CSRL) and serves as a guiding document for our internal work to phase out hazardous substances.

During 2021/22, we also included the Coloplast Substance Requirement List in the design process for new products, thereby ensuring that any requirements related to hazardous substances are met up-front during the design and material selection phases.

Coloplast currently has five ongoing projects to remove substances included on the REACH candidate list from our products. The products are biocompatible and safe for the intended purposes with exposure to the relevant substances at very low and acceptable levels. However, in accordance with our position on substances, we have decided to proactively remove or replace these substances.

Our structured monitoring process to detect changes in regulation, science, and technology early on has further resulted in two meetings in our Substance Substitution Group. As an outcome of these effort, initiatives have been launched to review options for removal or replacement of relevant substances. This work exemplifies how our substance position enables us to identify opportunities and risks at an early stage and proactively substitute substances before regulation requires it.

Substances in our packaging and working environment

2021/22 also saw a strengthened focus on substances as they pertain to packaging and working environment. We have built a database with a complete and structured overview of substances used across all Coloplast production processes, which will form the basis for future ambitions and initiatives related to substances in our packaging as well as our working environment, most notably at production sites. In the coming year we will strengthen our focus on substances and their environmental impact.

Coloplast's substance position

Coloplast is mindful when selecting materials and substances used in our products. We commit to and ensure that:

- Coloplast products are biocompatible and safe for the intended purposes
- We follow and comply with international and local regulations and standards – including REACH, the California proposition 65 list, EU MDR, FDA, EN ISO 10993-1:2020 and more

  We monitor and track changes in regulations to identify and mitigate risks early on. The risks are reported to management on a quarterly basis, including escalation to Coloplast's Substance Substitution Group, which convenes biannually

Read our full position paper on hazardous substances at Coloplast.com.

Reducing and recycling waste

Reducing waste

Coloplast has an ambition to continuously reduce the amount of production waste generated per product. Our new sustainability assessment tool for product design includes a waste parameter, which will support further improvement on reducing waste.

Production waste recycling

During 2021/22, we continued our progress on recycling more of our production waste. A total of 71% of Coloplast's production waste is now recycled, primarily through a partnership with a recycling manufacturer in Hungary. Using an innovative waste recycling technology, the manufacturing partner uses Coloplast's production waste as a moulded component in rubber-based composite products used for flooring at schools, horse riding grounds, sport fields, railway systems or as building insulation.

We have mainly focused our waste recycling efforts on our major production sites in Hungary, which are responsible for 80% of Coloplast's total production waste. As we look ahead, we will expand our focus to all production sites globally. To this end, our Waste Recycling Competence Centre based in Hungary has been extended to cover all production sites to share best practices and further improve our performance across sites and waste streams. In Costa Rica, we are currently in dialogue with potential partners regarding recycling of our production waste for use in construction materials.

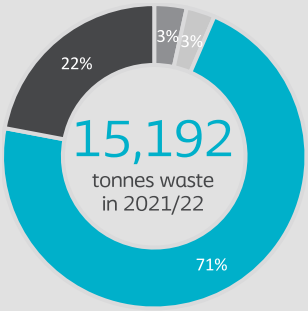
Sustainable waste management

Coloplast is dedicated to broadening our approach to sustainable waste management even further. In the coming years, we will focus on higher-value activities such as reducing, reusing and repurposing. Currently, we are exploring new and emerging technologies within mechanical and chemical recycling as well as commercial and applied research partnerships. One such partnership is the Circular Industrial Plastic Partnership described on the following page.

Water management

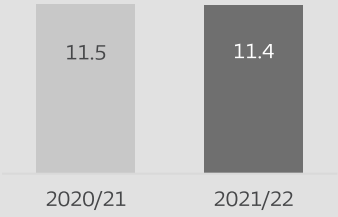
Coloplast uses very limited amounts of water for production. Water is primarily used for sanitation purposes and gardening. In 2021/22, we saw a slight decrease in water consumption compared to the previous year. Whenever water is used, our focus is to reduce.

Key figures

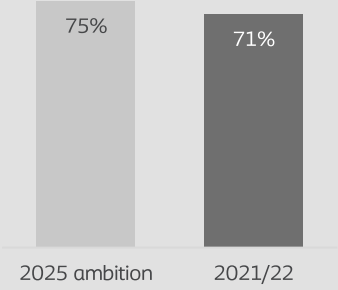


- Hazardous waste
- Landfill
- Recycled
- Incinerated

WASTE GENERATED PER PRODUCT (GRAMS)



PRODUCTION WASTE RECYCLING RATE



Case story

Cross-industry partnership for circular plastic

In 2021/22, Coloplast joined the Circular Industrial Plastic partnership alongside leading Danish manufacturing and recycling companies.

Today, many industrial products are made of plastic. Many of these products end up in landfills or are incinerated due to limited recycling technologies or because the products are not designed to be recycled. The partnership aims to map plastic materials currently used by the partner companies and create better infrastructure and technologies for mechanical and chemical recycling. As a producer of medical devices primarily made of plastic, Coloplast faces unique challenges in relation to circularity, not least that our products are often contaminated after use and therefore characterised as hazardous waste.

We are currently focused on making our packaging more recyclable and using renewable materials, but over the coming years we expect recycling technologies to evolve. The partnership is therefore a valuable lever, not only for achieving our Strive25 ambitions but also setting new ambitions beyond 2025.

The partnership runs for three years and has a budget of DKK 41 million of which DKK 18 million is funded by the Danish Ministry of Environment under the Danish Eco-Innovation Programme (MUDP).

It is run by the Danish Technological Institute and brings together six manufacturing companies, eight reprocessing companies and three knowledge partners.

> *We want to make sustainability easy for our users. The challenge of plastic waste is industry-wide, and we cannot solve it on our own. We are happy to join this partnership with other industrial partners to share challenges and perspectives and, ultimately, contribute to enabling a foundation for more circular product design and creating basis for better recycling infrastructure and legislation.*

– Nassera Ahmed, Senior Director, Sustainability at Coloplast

Reducing emissions

Strive25 ambitions

100%
reduction of scope 1 & 2 emissions by 2030

100%
renewable energy by 2025

50%
electric company cars by 2025

50%
reduction of scope 3 emissions per product by 2030

10%
reduction of air travels by 2025 and then freeze

5%
limit on goods transported by air

SDGs impacted

13 CLIMATE ACTION

Reducing emissions

Climate change is accelerating at an unprecedented pace, and acting now is urgent. But reducing emissions is not only good for the climate. It also helps future-proof growth, saves money, provides resilience against regulation, boosts investor confidence, and spurs innovation and competitiveness in a market where customers are increasingly demanding sustainable products.

As part of Strive25, Coloplast has made it a strategic priority to reduce emissions and contribute to accelerating climate action. We are committed to emission reduction targets in line with limiting global warming to 1.5˚C as outlined in the Paris Agreement.

It has long been our priority to have our emission reduction targets approved using a standardised and transparent methodology to ensure that we reduce our emissions at the scale and speed needed. In 2021/22, our targets for emission reductions in scope 1, 2 and 3 as well as for renewable energy were validated by the Science Based Targets initiative (SBTi). SBTi is an independent organisation defining and promoting best practice in science-based target setting. Our science-based targets are:

- Coloplast commits to reduce absolute scope 1 and 2 GHG emissions by 100% by 2030 from a 2018/2019 base year.
- Coloplast also commits to continue annually sourcing 100% renewable electricity through 2025.
- Coloplast further commits to reduce scope 3 GHG emissions by 50% per product manufactured by 2030 from a 2018/2019 base year.

Our commitment to reduce absolute scope 1 and 2 GHG emissions by 100% by 2030 entails the elimination of all energy-related emissions in scope 1 and 2 by 2025 and the elimination of emissions from company cars by 2030. We have now reduced scope 1 and 2 emissions by 8% since the base year 2018/19. This year the reduction was mainly driven by the phasing out of natural gas and the electrification of processes.

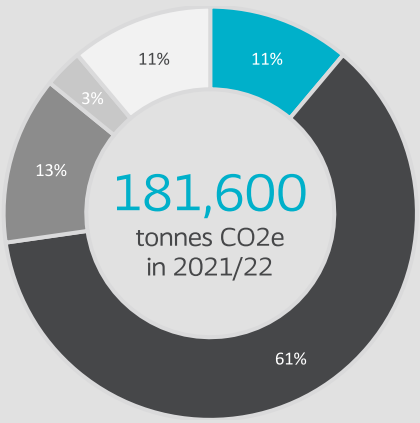
Procuring 100% of our electricity from renewable sources is a key step towards reducing our overall emissions. Today, 72% of our electricity consumption is from renewable sources, up from 67% in 2020/21.

Setting an intensity-based target for scope 3 emissions impacts Coloplast products currently under development as well as future products. We see this as a means to future-proof our compliance and drive our competitive advantage. Our per-product scope 3 emissions were reduced by 9% in 2021/22 compared to the base year 2018/19. This represents a slight increase since 2020/21. The result is mainly driven by an increase in business travel post COVID-19 and in raw material emissions.

Our decarbonisation plan is based on detailed emission mapping of all activities across Coloplast's value chain. The plan takes several avenues, including phasing out the use of natural gas, converting to electric vehicles, limiting business travel, limiting air freight of our products, and engaging with our suppliers.

We are challenging our behaviours and reinventing how we do business. The following pages offer a more detailed description of our activities for reducing emissions, progress and key priorities as we look ahead.

Coloplast's Total Scope 1, 2 and 3 emissions



- Scope 1 and 2 - Natural gas & company cars
- Scope 3 - Raw Materials
- Scope 3 - Transportation of goods
- Scope 3 - Fuel and energy-related
- Scope 3 - Other reported (see pp. 37-39)

Scope 1 and 2 – reducing emissions

Using energy from renewable sources

Coloplast continues to advance our efforts on renewable energy with the ambition to have all sites running on 100% renewable energy by 2025. Our approach is to procure electricity from renewable sources and phase out the use of natural gas primarily through electrification but also by other means such as utilisation of district heating based on renewables where feasible.

We completed several projects to phase out the use of natural gas at our production sites during 2021/22. An electric heat pump has been installed at our Nyírbátor facility, and electric equipment has replaced the natural gas-powered boiler and VOC abatement plant at our Zhuhai site. More projects will follow in 2022/23.

For some years, Coloplast has been purchasing renewable energy certificates (RECs) for electricity consumption at all our production sites. Electricity accounts for more than 60% of the total energy consumption in our production. Coloplast currently covers 100% of electricity use with RECs, effectively reducing our emissions by 30,000 tonnes CO2e in 2021/22.

Our ambition is to replace RECs with Power Purchase Agreements (PPAs). This will ensure additionality in the regions where we produce through the construction of new renewable power generation capacity at our direct request. In 2021/22, Coloplast signed its first PPA, which will ensure renewable energy covering 100% of the electricity consumption for Coloplast in Denmark from 2023/24 onwards. Signing our first PPA is a milestone for Coloplast. We are committed to continuing our progress on renewable energy and will assess feasible options for additional PPAs in the future with a strong focus on Hungary.

Improving energy efficiency

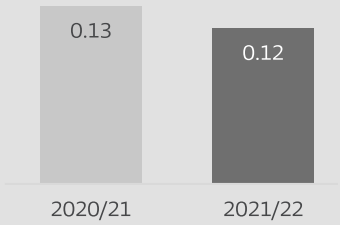
Coloplast has an ambition to continuously reduce energy consumption per product. Combined with the use of energy from renewable sources, this is an efficient way to reduce the climate-related impacts from our production. During 2021/22, we slightly improved our energy efficiency to 0.12 kWh per product from 0.13 kWh per product in 2020/21.

Electric company cars

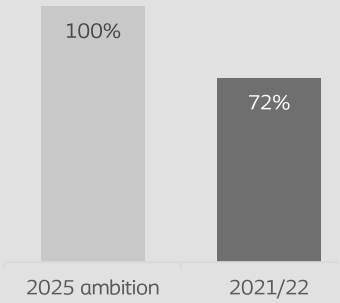
Coloplast operates a car fleet consisting of around 2,000 cars, which emitted 10,700 tonnes CO2e in 2021/22. To reduce our impact, Coloplast will shift to electric company cars with a target of 50% by 2025 and 100% by 2030. During the past year, we replaced more than 50 cars with electric models, mainly in the UK, France and the Netherlands. Our progress is challenged by long lead times for manufacturing and delivery as well as slower development of charging networks in relevant regions than anticipated. We are continuously monitoring the maturity of the technology and infrastructure to support the use of electric cars globally.

Key figures

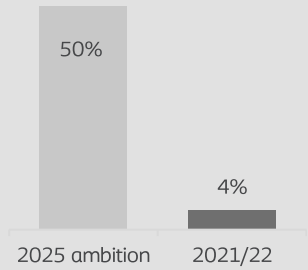
ENERGY USED PER PRODUCT (KWH)



SHARE OF RENEWABLE ENERGY



SHARE OF ELECTRIC COMPANY CARS*



*2030 ambition is 100% electric company cars in scope 1 & 2

Case story

Renewable energy at Coloplast sites

PPA signed for Coloplast in Denmark

In 2021/22 Coloplast entered into its first power purchase agreement (PPA), through a contract with Better Energy.

The new agreement will deliver green power to Coloplast's Danish sites, ensuring renewable energy for 100% of Coloplast's electricity consumption in Denmark from 2023/24 onwards. The PPA constitutes a ten-year agreement providing Coloplast with 9 GWh electricity per year.

The agreement marks an important milestone in Coloplast's efforts to replace renewable energy certificates (RECs) with PPAs. It also allows Coloplast to support the construction of new renewable power generation capacity in Denmark through Better Energy's construction of a new solar park of more than 70 hectares.

Complete phase-out of natural gas at Zhuhai

Our Zhuhai site in China has now phased out the use of natural gas in favour of more renewable sources of energy. To achieve this, several changes have taken place. These include replacing the gas boilers used in production with electrical boilers, replacing the gas heater with an electric heater and introducing a new transformer to support the increased power demand. This conversion from natural gas to more sustainable sources of energy leads to an annual emissions reduction of 90% for Coloplast China from 2023 onwards.

With this important development in place, Coloplast China continues to assess further opportunities to support Coloplast's Strive25 sustainability ambitions. These include renewable energy projects as well as waste water management, production waste reduction and more.

Electric heat pumps in place at Nyírbátor

During 2021/22, our production site at Nyírbátor installed an electric heat pump to reduce the use of natural gas. The site has also completed an electrification modification to its air handling unit.

The use of natural gas has hitherto been integral to manufacturing at the site, as it has been the main source of energy powering our clean room technology. With the electric heat pump in place, we can secure the correct temperature, humidity and air change rate of the clean rooms without relying on natural gas. Due to the efficiency of the new system, the electricity consumption has not increased significantly.

With these changes, the Nyírbátor site achieved an emissions reduction of 1,680 tonnes CO2e and reduced the consumption of natural gas by 48% in 2021/22. Work continues on further electrification at the site.

Scope 3 – reducing product footprint

Transparent reporting

Coloplast is focused on accounting and reporting the most significant sources of emissions while continuously broadening our scope to improve transparency. In 2020/21 we expanded our scope 3 reporting to include sterilisation, energy-related emissions, distribution of products, and waste generated in our operations. In 2021/22, we also report emissions from expanded categories. As the data quality for remaining scope 3 categories improves, we will expand our reporting. To ensure better controls of the data reported in scope 3, Coloplast has developed strict control procedures for externally reported emissions.

Effective value chain emission reductions can only be achieved in collaboration with suppliers, partners, and employees. We have identified key improvement areas and taken specific action within raw materials, production, transportation of goods and business travel. We have also developed a data improvement plan to expand the data collected from our partners, refine calculations and update methodologies.

Raw materials

Raw materials are a major source of value chain emissions, accounting for 68% of the reported scope 3 emissions in 2021/22. We engage with our 50 top-emitting suppliers, and in 2021/22 we have worked to include more suppliers in our supplier sustainability programme. Furthermore, we have integrated climate impact assessment into our innovation process, increasing the focus on developing new products with a lower carbon footprint together with our raw material suppliers. In 2021/22, we also initiated emission assessments of existing products to identify priority products for projects to reduce emissions from raw materials used.

Transportation of goods

Upstream and downstream transportation of goods accounted for approximately 15% of Coloplast's total scope 3 emissions in 2021/22. With Coloplast's growth rates, transportation needs will increase going forward, meaning that total emissions from transportation of goods will also increase. Coloplast mitigates emissions by substituting air with sea and ground freight with an ambition to limit the use of air freight to 5% of total goods transported.

2021/22 has been challenging for material and product transportation. The impacts of COVID-19 on the supply chain intensified, while the geopolitical situation in Europe created new challenges. Despite these challenges, our focus remains on optimising the utilisation of all overseas containers and minimising air freight volumes.

Coloplast users are often very dependent on receiving a stable and adequate supply of products. In case of extraordinary events in the supply chain, Coloplast will prioritise user needs and, if needed, send products by air to ensure that they reach users in time.

Reducing business travel

Despite growing across all geographies, Coloplast aims to reduce emissions from company air travel by 10% compared to 2018/19 levels and then freeze. We will limit the number of business trips while promoting emission-efficient choices when travelling. We are also strengthening digital meeting resources and working-from-home capacities. We have included emission information from available travel options when employees book business travel – making everyone's impact more visible and nudging toward alternative choices. To facilitate these choices, Coloplast has expanded the list of rental car suppliers in Europe and popularised the use of cars for short business trips.

As COVID-19 impacts on travelling have been reduced in 2021/22, the emissions from air travel have increased compared to 2020/21. However, compared to pre-pandemic levels, the emissions from air travel have decreased by 55% since the base year 2018/19.

Supplier Sustainability Programme

Coloplast has an ambition to lower the climate impact of our business, both in our own operations and across our value chain. We are also committed to running an ethical and transparent business with respect for human rights and to building capacity in the countries where we operate. To this end, we collaborate closely with our direct and indirect suppliers and business partners – more than 12,000 in all.

Coloplast's Supplier Sustainability Programme provides the framework for how we collaborate with suppliers and helps us prepare for the EU Due Diligence Act, which will require companies to better understand environmental, ethical and human rights risks throughout the value chain. Additionally, Coloplast respects internationally recognised human rights, including labour rights, as defined in the Universal Declaration of Human Rights and do so in compliance with the ten principles of the UN Global Compact.

Reducing value chain emissions

Our Supplier Sustainability Programme supports the Strive25 ambition to reduce scope 3 emissions. A survey conducted among 50 top-emitting raw material suppliers in 2021/22 indicates varying stages of progress, with some suppliers having already committed to emission reduction targets and others just beginning the journey. These insights will inform Coloplast's ongoing work with suppliers in relation to emission reductions.

During 2022/23, Coloplast will expand the list of top-emitting suppliers to 100+ direct and indirect suppliers. We will formulate and communicate our aspirations for these suppliers to commit to reducing emissions as an important driver in reaching our target of reducing our scope 3 emissions by 50% per product by 2030.

Supplier ESG assessment

2021/22 saw the results of Coloplast's first ESG self-assessment survey piloted among 80 key suppliers across direct and indirect categories. The survey covered areas such as anti-bribery and anti-corruption, environmental protection, health and safety, human and labour rights, and supply chain responsibility. During 2022/23, Coloplast will include the learnings from this pilot survey in the further development of our Supplier Sustainability Programme.

Ongoing screening and monitoring

Coloplast annually monitors social and environmental risks related to existing and new suppliers. Our supplier standards on human rights, labour, environment and anti-corruption are laid down in Coloplast's Supplier Code of Conduct, which can be read in full at Coloplast.com. For new raw material suppliers, Coloplast ensures that the ten principles of the UN Global Compact are integrated into procurement decisions through standardised auditing in the approval process. Through this process, Coloplast maps relevant risks and engages with the supplier to improve local conditions if needed.

All raw material suppliers in high-risk countries are evaluated as part of the approval process and at least every third year thereafter by an external partner in accordance with local regulations, Coloplast's Supplier Code of Conduct and the UN Global Compact.

If an issue is identified, Coloplast and the supplier must agree on necessary improvements in a corrective action plan. Coloplast prefers to work with suppliers to improve standards rather than terminating the contract. Subsequent outcomes depend on the severity of the findings and the supplier's response to the corrective action plan. In some instances, Coloplast may decide to select suppliers for re-approval.

During 2021/22, Coloplast conducted audits with seven suppliers, up from two in 2020/21. Our audit programme has regained traction post COVID-19, and we are on track with our ongoing supplier sustainability audit programme. In 2022/23, we plan to conduct audits with 12 high-risk suppliers.

Responsible operations

Ongoing commitments

100%

white-collar employees trained in Code of Conduct

2.0 ppm

Lost Time Injury frequency by 2025

30%

representation of female senior leaders (VP+)

75%

share of diverse teams

Engagement score

above industry benchmark

SDGs impacted

Product quality

Quality standards

It is essential to Coloplast to deliver safe and reliable products. That is why we have a unified global quality management system with established processes to manage quality and risks throughout product development, production, and distribution, as well as extensive post-market surveillance.

All customer feedback, complaints and adverse events are handled on an individual basis, identifying the root cause and generating input for mitigation, product improvement and future product development.

Coloplast's products and quality management system meet strict regulatory standards established by authorities worldwide such as the FDA, the Japanese Ministry of Health, the International Standardization Organization, and the European Commission. Compliance with these standards is verified on site through external audits by independent auditors and notified bodies.

All Coloplast sites involved in design, production, packaging and central distribution are certified according to one or more of the following standards and regulations: ISO9001, ISO13485, MDSAP, EU MDD and EU MDR. In 2021/22, Coloplast had 60 full-day audits on quality and system conformity.

Medical Device Regulation
The European Commission has significantly increased its requirements for the medical device industry through the Medical Device Regulation (MDR). Since this regulation was published, Coloplast has revised and updated every aspect of our quality management system, and we are in the process of revising all relevant product documentation. The quality management system and all class I non-sterile products had to be compliant by 26 May 2021. Products with higher risk classes need to be MDR certified before 26 May 2024. Coloplast has obtained MDR certification of around 15 product groups. In addition to this, all class I non-sterile products are MDR compliant. In total, our MDR compliant products represent around 75% of Coloplast revenue. Atos Medical is in great momentum with the MDR certification process for the voice prosthesis Provox Vega, which is currently under review by the notified body, while TRACOE has received its first MDR certificate for the TRACOE experc set.

Product recalls

In the event that customer feedback or internal controls reveal quality defects with potential safety risks in products already delivered, Coloplast initiates a voluntary product recall to remove the products from the supply chain and the market. Coloplast had 3 voluntary product recalls in 2021/22:

Titan implant Torosa
- In November 2021 Coloplast initiated a voluntary recall of one lot of Titan implant Torosa in the US and Canada due to wrong sizes printed on the labels.

Conveen Protact
- In April 2022 Coloplast initiated a voluntary recall of all lots in the EU due to new regulation for Cosmeceuticals banning some substances used for fragrances in Conveen Protact.

Percutaneous Dilatator Set
- In August 2022 Coloplast initiated a voluntary recall of one lot of Percutaneous dilatator set in France and Germany due to release of items with an unapproved design change.

Animal testing

Animal testing is a standard method for documenting the safety of medical devices. By having a precise account of product composition, animal testing can be avoided. In some cases, however, animal testing is necessary due to legal requirements and safety assessments. All animal testing done by Coloplast is performed by Good Laboratory Practice certified laboratories. Coloplast does not use transgenic animals in testing.

This year, Coloplast used 1,296 animals for testing in relation to pre-clinical safety documentation. Of these, 93% were rodents (mice, rats and guinea pigs). Animal testing was mainly used for MDR submission and product performance documentation. We have replaced animal testing with analytical chemistry and in-vitro testing when possible. See our Animal Testing policy at Coloplast.com.

Business ethics and compliance

Business Ethics & Compliance (BE&C) at Coloplast is a global function headed by a Group Chief Compliance Officer reporting to the Senior Vice President & Group General Counsel. The Group Chief Compliance Officer reports to the Executive Leadership Team twice per year on priorities and risks and annually to Coloplast's Audit Committee on compliance priorities, risks, and relevant changes in the legislation and compliance landscape. The BE&C team is comprised of regional compliance officers and accompanying teams, specialised staff and part-time supporting resources in key markets.

Coloplast BEST – our Code of Conduct

The Coloplast BEST Code of Conduct outlines our commitment to conducting responsible business and acting with integrity. It applies to all Coloplast employees without exception. Third parties working on behalf of Coloplast are also expected to follow Coloplast BEST, and additional Codes of Conduct also apply to Distributors and Suppliers.

Coloplast values employees' ability to use good judgement rather than learning a set of rules by heart. That is why Coloplast BEST is value-based rather than rule-based and aims to instil a compliance mindset. Coloplast BEST addresses the most common issues and challenges our employees may face, but it cannot anticipate every scenario. When faced with a dilemma not addressed by law, industry code, Coloplast BEST or internal policies, employees are expected to apply an overall principle of integrity, use critical thinking and reach out to their managers and/or compliance officers for further guidance.

Regular training in Coloplast BEST is mandatory for all employees, and all white-collar employees must complete the Coloplast BEST e-learning module within 45 days of hire and on an annual basis thereafter. In 2021/22, the Coloplast BEST completion rate was 100%. Coloplast also continues to expand its training activities to support employees' engagement and understanding, especially those in high-risk areas of the organisation. Examples of trainings include Conflict of Interest, Raising Concerns, and Data Breach Reporting. Additionally, regional and department-specific in-person training is conducted based on the specific and unique needs of the region, country or department.

Coloplast is committed to high standards for working with users and organisations. In addition to Coloplast BEST, employees are expected to live up to all applicable legal requirements and industry codes to which Coloplast is signatory. All Coloplast employees are expected to read and comply with Coloplast BEST, ask questions when in doubt, and report any suspected misconduct or violation of Coloplast BEST. To read Coloplast BEST, please visit Coloplast.com.

On 31 January 2022, Coloplast acquired Atos Medical. Atos Medical has its own Code of Conduct which applies to all Atos Medical group companies and their related stakeholders. Atos Medical's Code of Conduct is built on the same principles as Coloplast BEST, and during 2022/23 all Atos Medical employees will be trained in – and expected to adhere to – Coloplast BEST.

Transparency reporting

As part of the Business Ethics & Compliance programme, Coloplast has controls in place to track transfers of value (e.g., consulting payments) to healthcare professionals. Coloplast tracks and reports transfers of value to healthcare professionals in accordance with local and regional legal requirements.

Distributor handling

Coloplast has dedicated resources tasked with conducting risk assessments and due diligence of its distributors and to create action plans for compliance improvements where needed. We have implemented a system to manage integrity and compliance risks related to our tier one distributors. Through this process, Coloplast engages in active dialogue with distributors about the compliance situation in their markets and the expectations set forth in Coloplast's Global Distributor Code of Conduct.

Risk assessment

Coloplast's Business Ethics and Compliance team performs various risk assessments on an on-going basis to continuously have a good understanding of where specific attention is needed. The risk assessments are performed internally together with the relevant business units to ensure a complete overview of the business and its risks. Based on the risk assessments, Coloplast updates its compliance programme as required.

Ethics Hotline

Coloplast has a global Ethics Hotline, which enables employees and other stakeholders to, anonymously and in good faith, report any suspected breaches of Coloplast BEST or other concerns. Coloplast's Ethics Hotline is managed by an independent third party. The reported cases are managed in accordance with our Ethics Hotline Management Policy, which includes day-to-day oversight by Coloplast's Ethics Hotline Committee and quarterly reporting to Coloplast's Audit Committee.

At Coloplast, we encourage an open, transparent and honest culture, where employees are free to raise questions and concerns without fear of retaliation. In 2021/22, Coloplast received a total of 70 cases, of which 48 were within the scope of the Ethics Hotline.

In addition, all cases submitted to direct management or local or regional compliance officers are included in the Ethics Hotline investigation process. All cases that are within scope have been investigated and addressed with appropriate remediation and sanctions, in some instances this means termination of contract or employment.

Data privacy

Coloplast collects and handles personal data as part of its online activities targeted toward users. Our users trust us with very sensitive information, and it is a priority for us to treat this data with the utmost respect and confidentiality. Many countries have legislation in place requiring companies to handle personal data safely and securely. Coloplast handles and protects all personal data in accordance with national law – and with the same approach across all group companies. Internal and third-party audits are conducted to ensure secure and reliable data handling.

To ensure compliance with applicable data privacy laws, including GDPR, we have updated our policies and procedures and created a data privacy governance structure. Furthermore, Coloplast's Board of Directors has adopted a Data Ethics Policy that applies to all Coloplast group companies. In working with data, we ensure that appropriate measures are in place to safeguard ethical data processing, and we have implemented extensive security measures to ensure secure data storage. Coloplast is certified according to ISO 27001 on information security and facilitates awareness and training sessions for employees on data privacy via e-learning and intranet sites.

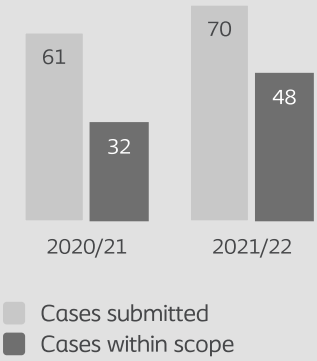
Coloplast has a Group Data Protection Officer fully dedicated to focusing on data privacy and supported by local resources in our subsidiaries. The Group Data Protection Officer reports regularly to Coloplast management and engages with representatives of important group functions on a Data Privacy Board. In addition, the efforts and status on data privacy is reported annually to Coloplast's Audit Committee. Please see our Information Security Policy and Data Ethics Policy at Coloplast.com.

Ethical marketing

Healthcare professionals and the people who use our products and services count on us to provide clear and accurate information. Our products are classified as medical devices and are as such subject to strict regulation regarding promotion. We follow all

Key figures

CASES SUBMITTED TO THE ETHICS HOTLINE*



* The Ethics Hotline deals with cases regarding business ethics. Cases not within scope of the Ethics Hotline are redirected to People & Culture for investigation.

applicable laws and regulations, always ensuring that our communication is factual, evidence-based and gives accurate, objective and complete information.

Collaboration with healthcare professionals is key in developing innovative technologies and solutions, improving our products, raising awareness about our offering and exchanging scientific information. We are committed to giving healthcare professionals the most up-to-date clinical data and training to ensure that they can use our products safely and effectively for the benefit of their patients.

We do not engage in medical diagnosis or advise on course of treatment but unequivocally refer to a healthcare professional and/or Intended Use of the products.

Responsible advocacy

Coloplast engages in advocacy both as a company and in partnership with external stakeholders. Building alliances with key external stakeholders, including industry associations and patient advocacy groups, plays an important role in improving health outcomes.

Community Engagement

Respecting local cultures, regulations and customs is important to Coloplast. We want to contribute to the local communities in which we operate, either through donations or by involving local NGOs. Coloplast also considers tax management to be an important part of community engagement as taxes contribute to value generation.

Responsible tax management

Respecting local tax laws and regulations is important to Coloplast's reputation and brand. In addition, taxes contribute to economic value generation in the countries where Coloplast operates. Coloplast's tax contributions include corporate income tax, employee taxes, indirect taxes, property taxes, custom duties, excise duties and other local taxes. In Coloplast, taxes are paid where business activities generate value in accordance with internationally accepted standards. Coloplast does not allow commercial needs to override compliance with applicable laws, nor do we base commercial activities on tax avoidance schemes. To ensure this, Coloplast maintains an open and transparent relationship with local tax authorities and bases tax decisions on our commercial strategy. Within these principles, Coloplast will pursue tax opportunities, including seeking relevant government-sponsored tax incentives and strive to avoid double taxation. Coloplast does not facilitate suppliers, customers, employees, or other partners in tax evasion. Read the full tax policy at Coloplast.com.

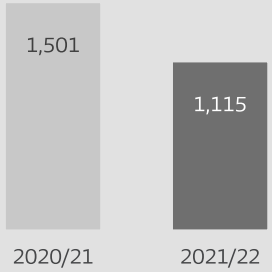
Country-by-country tax reporting

With the Strive25 strategy, Coloplast continues to demonstrate a strong commitment to sustainability initiatives and company ethics, including improved ESG reporting.

Coloplast will continue to transparently publish country-by-country tax reporting on our website for 2021/22 in line with the relevant EU directive.

Key figures

TAXES PAID (DKK MILLION)



23.2%

effective tax rate in 2021/22

Employee health and safety

Providing a safe and healthy work environment for employees is a top priority for Coloplast. Safety is everybody's responsibility at Coloplast.

Reducing occupational injuries

Coloplast continues to progress on our efforts to reduce occupational injuries. In 2021/22, our lost-time injury frequency was 2.4 ppm, which accounts for 57 accidents. The most common injuries for both white- and blue-collar employees are accidents due to trips, falls or heavy lifting. The increase from 2.2 ppm in 2020/21 can be explained by more employees returning to our sites post-COVID-19. We are on track to reach our 2025 ambition of 2.0 ppm.

We strive to foster a positive safety mindset among all employees by championing four key safety behaviours globally across sites and at all management layers:

- You see it, you own it
- Think twice
- Dare to care
- Stay focused

Since initiating our first SafePlan in 2017/18, we have seen a significant strengthening of our safety culture with an eightfold increase in reported near-miss accidents and safety observations.

A proactive KPI for production sites and larger distribution centres has been defined, and local targets have been set. To support the proactive KPI, Coloplast has several channels for reporting and raising awareness.

In 2021/22, a safety campaign including the new safety behaviour *Stay focused* was launched. Coloplast also recognised the United Nations' International Day for H&S at Work with a range of activities aimed at employee engagement in health and safety across production sites worldwide. In 2022/23 a campaign focussing on slips, trips and falls will be launched across all sites.

Ensuring safety during COVID-19

During 2021/22 differentiated safety measures to tackle COVID-19 were implemented according to local needs. Coloplast continues to monitor developments in the COVID-19 pandemic with a key focus on keeping employees safe and ensuring continued stable production and distribution.

Improving ergonomics

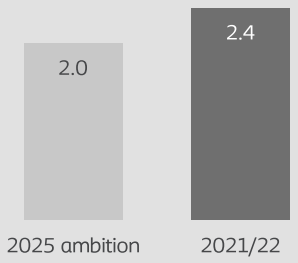
Coloplast emphasises an ergonomically correct workplace setup whenever manual labour is required in production. Therefore, Coloplast systematically works to reduce repetitive work and reduce the strain from unavoidable repetitive work by rotating workstations. Examples of improvements from 2021/22 include process optimisation, automation and training.

Offering healthy choices

Coloplast performs workplace assessments globally, and through our employee health and well-being programme, Coloplast Life, we provide employees with tools and options to make healthier choices. Examples from our sites around the world include a weekly vegetarian day and an edible garden at the Coloplast HQ canteen and offers of individual health screenings and free psychological councelling. Other initiatives include a wellbeing committee at the production site in Costa Rica and free medical screenings and health checks at our Nyírbátor site.

Key figures

LTI FREQUENCY (IN PPM)[1]



[1)] Parts per million (ppm): number of injuries resulting in absence from work of one day or more per one million working hours

People and culture

Coloplast aspires to be the employer of choice. As a growing company, we expanded the total workforce by 2,100 employees in 2021/22, of which 1,200 are additional colleagues from the acquisition of Atos Medical. During the Strive25 period, Coloplast will continue to grow and to attract and retain people in all regions.

We want to foster a culture where every individual feels engaged and is empowered to make decisions – and where individuals and teams can grow together. We continue to create an inclusive workplace where we strive to meet people's diverse needs and enable everyone to thrive in their job.

Our work is based on three key pillars: Evolving how we lead and grow (together); People and talent for future; and Inclusion & Diversity.

Expanding our Leadership Promise

During 2021/22, we continued to make our leadership promise come alive through local initiatives and by building our leaders' capabilities. We launched a middle-management leadership programme covering around 400 leaders across our production sites with the aim of building even stronger future leaders who have a global mindset and live our leadership promise.

Moreover, we have launched a new 'Leadership Injections' initiative to ignite more cross-functional leadership networks and inspire our leaders with the latest trends in leadership.

To develop our strong leadership bench, we continue to build leadership competencies through our global talent programmes for aspiring and current leaders. We also continue our new global graduate programme Coloplast Strive, designed to have a global reach and address talent needs and important future capabilities within Marketing, R&D, Global Operations, and Finance.

Besides our global programmes, we believe in and develop our employees and leaders individually through targeted development plans, thereby securing a strong leadership pipeline.

This year, 85% of critical managerial positions were filled by internal candidates, exceeding our 67% aspiration.

People for the future

Today's talent marketplace is more competitive and challenging than ever. We focus increasingly on how to position Coloplast as an attractive employer, and how to best identify, attract and recruit future global and local talent. To secure focus on global employee retention and engagement, we track progress on two key metrics: voluntary employee turnover and employee engagement.

Employee engagement

Employee engagement is a key indicator of employee well-being. The result of Coloplast's engagement survey is shared with local management who act on key areas to maintain high engagement levels. Coloplast upholds our engagement score of 8.2 in 2021/22 with a response rate of 90%.

Key figures

13,687
employees at year-end

10.6%
voluntary employee turnover in 2021/22

8.2 out of 10
employee engagement score

This score is above the healthcare industry benchmark.

Employee turnover

The voluntary turnover level in 2021/22 was 10.6%, which is comparable with 2020/21 levels. Despite a challenging job market, Coloplast remains at pre-COVID-19 levels of 10-11%.

Returning to our offices

COVID-19 had far-reaching consequences for Coloplast employees and our ways of working together. We have introduced local hybrid working policies and continue to work with flexibility, allowing for individual needs while maintaining collaboration and energy within and between teams.

Inclusion and diversity

Coloplast is committed to building and sustaining an inclusive culture that offers equal opportunities and leverages diversity at all levels. We have integrated inclusion and diversity in all people processes, such as attraction and recruitment, performance and development, succession, and engagement survey.

All leaders are expected to master inclusive leadership as we evolve how we lead and grow. In 2021/22, we offered inclusive leadership training for all Directors.

Inclusive workplace environment

Enabling employees to bring their differences to work and fulfil their potential because of – not despite – their differences is key to Coloplast. We prohibit all discrimination or harassment based in gender identity, age, race, ethnicity, nationality, sexual orientation, religious belief, social and economic background, physical or mental ability.

This is formalised in our policies on Inclusion & Diversity, Anti-Harassment and Anti-Discrimination, and Anti-Retaliation. Inclusion & Diversity and anti-harassment is also included in the yearly, mandatory Coloplast BEST training for all employees. Read our policies in full at Coloplast.com.

Diverse teams

We believe that diversity in teams leads to better innovation, performance, and decisions. We lead and drive diversity through teams and strive to ensure a healthy balance of gender, generation, and nationality in each team.

We track and monitor the mix of diversity in all teams at Director level and above. Diverse teams are defined by a balanced mix of genders, nationalities, and generations. Our ambition is to reach a share of 75% diverse teams before 2025 through natural attrition, and senior managers (VP+ and Directors) have set action plans to achieve this ambition. We have seen a rise in the share of diverse teams from 50% to 55% in 2021/22.

To ensure racial and ethnic equity in our workforce, we have leveraged global training on unconscious bias and made our job descriptions and ads gender neutral. Across North America and Europe, we continue to see strong interest in forming new employee research groups. This year we have once again added new Employee Resource Groups (ERGs) led by highly passionate employees. ERGs are voluntary, employee-led groups which drive events, educational webinars, social discussion etc. to raise awareness of inclusion and diversity topics.

Gender representation in management

Coloplast continues to track and monitor progress on gender representation at all levels. Coloplast is a signatory to the Confederation of Danish Industry's Gender Diversity Pledge and committed to a target of 40/60 gender distribution in management and on the Board of Directors by 2030. As of 2021/22, 45% of all managers are female. Looking at senior leadership* alone, the representation of females is 21% in 2021/22. However, we are on target with a 40/60 split at Director level, indicating that Coloplast is strengthening its female leadership pipeline.

To ensure progress on gender representation, as well as diversity, Coloplast has implemented initiatives including monitoring diversity in our succession pipelines and talent pools, a global recruitment process that mitigates biases and ensures diversity in all our recruitments, and engagement in diversity-related events, boards, and partnerships globally.

During 2021/22, we also implemented a new parental leave policy and family package in Denmark, giving equal conditions for all parents.

Gender pay gap

Coloplast is committed to equal remuneration for equal work. We let skills and experience determine compensation.

In 2021/22, Coloplast performed our annual analysis of the gender pay gap across senior management levels in the organisation. This showed no significant pay difference between male and female leaders.

Gender representation on Board of Directors

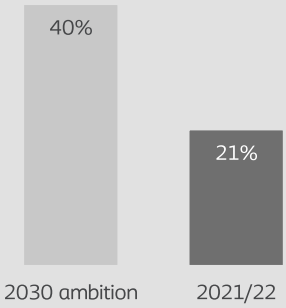
Coloplast aims for its Board of Directors to consist of the best qualified individuals. Coloplast maintains equal gender representation among the six shareholder-elected members of its Board of Directors in compliance with the Danish Financial Statements Act, section 99b.

Employing people with disabilities

Coloplast employs people with disabilities globally and works to ensure an inclusive workspace, which includes having appropriate equipment and aids.

Key figures

SHARE OF FEMALE SENIOR LEADERS*



3 out of 6

Shareholder-elected board members are female

*Senior leadership comprising Vice Presidents, Senior Vice Presidents and the Executive Leadership Team.

Performance tables

Basis of preparation

Reporting standards

This report complies with the Danish Financial Statements Act, sections 99a and b as well as section 107d and the requirements of the EU non-financial reporting directive. In addition, Coloplast is a participant in the UN Global Compact and thereby committed to providing a Communication on Progress.

Defining materiality

Disclosures in this report are selected according to Coloplast's materiality assessment. Coloplast bases its materiality assessment on an analysis of significant economic, environmental and social impacts of Coloplast's activities. The analysis is based on internal priorities as well as experience from dialogue and direct involvement with customers, investors, policy makers, employees and media. Find the full materiality assessment in the report's appendices.

Scope

Unless otherwise stated, the data and reporting included in the performance tables cover the entire Coloplast organisation, i.e. production sites, distribution centres, administration, sales and representative offices.

For water, waste and energy, the reporting scope covers Coloplast's HQ, production sites and distribution centres. Coloplast has eight production sites (Mørdrup, Tatabanya 1 and 2, Nyírbátor, Zhuhai, Mankato, West River Road/Minneapolis, Sarlat and Cartago), the corporate HQ (Humlebæk) and three global distribution centres (Hamburg, Atlanta, Tatabanya.)

In the event of acquisitions, Coloplast will include any acquired business units from the following full financial year. Consequently, Atos Medical will be included in our reporting from 2022/23.

Environmental data

Waste

(Part of PwC's limited assurance report 2021/22)

Accounting policy

Waste is based on invoiced and/or weighted amounts from the production sites, major distribution centres and corporate HQ and is reported based on the waste generation registered. Waste splits pertaining to disposal methods are reported based on data registered. Waste per product is calculated based on data registered and number of Coloplast products registered in our master data.

	Unit	2021/22	2020/21	2019/20	2018/19
Total waste generation	Tonnes	**15,192**	14,678	15,097	14,206
...of which goes to hazardous waste handling	Tonnes	**522**	512	608	632
...of which goes to landfills	Tonnes	**460**	418	1,028	1,089
...of which goes to incineration	Tonnes	**3,348**	5,295	7,219	7,943
...of which is recycled	Tonnes	**10,862**	8,453	6,242	4,543
...per product	Grams/product	**11.4**	11.5	11.8	12.2

Water

(Part of PwC's limited assurance report 2021/22)

Accounting policy

Total water use includes invoiced and/or metered amounts from production sites, major distribution centers and corporate HQ and is based on registered consumption.

	Unit	2021/22	2020/21	2019/20	2018/19
Total water use	m3	**259,439**	266,521	248,709	234,299

Energy

(Part of PwC's limited assurance report 2021/22)

Accounting policy

Data on energy consumption is obtained from invoiced consumption from our utility providers and/or from readings of meters at production sites, major distribution centers and corporate HQ, and it is based on registered consumption. Energy per product is calculated as total energy consumption in kWh per number of Coloplast products registered in our master data. Electricity from renewable sources is related to Coloplast's purchased electricity certificates and is disclosed as a percentage of total energy.

	Unit	2021/22	2020/21	2019/20	2018/19
Total energy use	MWh	**163,222**	167,704	162,340	163,367
...of which renewable energy	%	**72**	67	67	67
...per product	kWh/product	**0.12**	0.13	0.13	0.14
...of which natural gas	MWh	**45,473**	55,767	52,836	53,535
...of which coal or fuel distilled from crude oil	MWh	**10**	105	5	7
...of which electricity	MWh	**117,739**	111,832	109,499	109,036
...of which district heating and cooling	MWh	**0**	0	0	788

GHG emissions

(Part of PwC's limited assurance report 2021/22)

Accounting policy

Scope 1 and 2: Emissions reported cover all Coloplast production sites (Mørdrup, Tatabanya 1 and 2, Nyírbátor, Zhuhai, Mankato, West River Road/Minneapolis, Sarlat and Cartago), Coloplast Headquarter and three major distribution centres (Germany, Hungary and US).
Leased company cars covers emissions from all leased company cars submitted by local affiliates. Emissions are calculated using average CO2 emission factors multiplied by the average distance travelled per car. To accommodate actual driving patterns, a correction factor is used. Data on Volatile organic compounds (VOCs) is based on amounts handled in air cleaning systems. Data on Hydrofluorocarbon (HFC) gasses is obtained from local registrations and/or invoices. Emissions from electricity consumption are based on International Energy Agency (IEA) country-specific GHG emission factors. Emissions from the other consumption categories are based on emission factors from IPCC (HFCs), IEA (district heating) and the Danish Energy Agency (natural gas). Per product and per revenue emission are measured as total emissions (scope 1 & 2) in tonnes CO2e divided by the total number of Coloplast products or revenue in million DKK, respectively.

Scope 3: GHG emissions reported are aligned with the Greenhouse Gas Protocol Accounting and Reporting Standard and include categories considered material to Coloplast. Quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. As data quality for remaining scope 3 categories improves, we plan to expand the assurance of our reporting.

1. Purchased goods and services:
   - Raw materials: Covers all ingoing raw materials registered in Coloplast's primary ERP production data management system. Does not include goods contract manufactured for Coloplast, production equipment and other capital goods, processing aids and other supporting materials.
   - Contract manufacturing: Covers GHG emissions from outsourced production, e.g. finished goods produced by external suppliers under the Coloplast brand. Emissions from outsourced production are calculated using Coloplast's average CO2 scope 1 & 2, and emissions resulting from raw materials used.
2. Transportation of goods:
   - Upstream transportation: Based on supplier-provided data covering all transportation between Coloplast sites, sterilization sites and distributors in Emerging Markets. Main suppliers with spending above 2%, in total accounting for approximately 90% of upstream transportation spending, were included in 2021/22.
3. Business travels:
   - Based on data from Coloplast's global travel agents and calculated using the VDR standard for corporate travel. Data from global travel agents accounted for more than 60% of total business air travel costs in 2021/22. The remaining data relating to air travel costs were extrapolated based on the average amount of CO2e per spend to ensure completeness of data.
4. Leased assets (upstream):
   - Energy consumption in sales offices, subsidiaries and local/regional warehouses: Covers all sales offices, subsidiaries and regional warehouses, which are primarily leased. Emissions are based on the number of FTE's working there and are calculated using a conversion factor from the Danish Energy Agency.

All emission data are rounded to the nearest 100.

GHG Emissions (continued)

(Part of PwC's limited assurance report 2021/22)

	Unit	2021/22	2020/21	2019/20	2018/19
Scope 1 / direct emissions[1)]	Tonnes CO2e	**20,300**	23,600[3)]	21,300	22,000
...natural gas	Tonnes CO2e	**9,300**	11,400	10,800	11,000
...VOCs and HFC gasses	Tonnes CO2e	**300**	200	300	300
...leased company cars[1)]	Tonnes CO2e	**10,700**	12,000[3)]	10,200	10,700
Scope 2 / indirect emissions[3)]	Tonnes CO2e	**0**	0	0	0
...electricity (market-based)	Tonnes CO2e	**0**	0	0	0
...electricity (location-based)	Tonnes CO2e	**30,000**	29,200	28,600	33,800
Scope 1 and 2 / emission intensity[1)]	Tonnes CO2e	**20,300**	23,600[3)]	21,300	22,000
...per product[1)]	Grams CO2e/product	**15.2**	18.5[3)]	16.6	18.8
...per revenue[1)]	Tonnes CO2e/DKKm	**0.9**	1.2	1.1	1.2
Scope 3 / other relevant indirect emissions[1)]	Tonnes CO2e	**145,100**	130,900	149,500	138,900
...1. Purchased goods and services	Tonnes CO2e	**117,000**	108,400	115,700	100,500
...raw materials	Tonnes CO2e	**110,300**	103,100	108,800	93,800
...contract manufacturing	Tonnes CO2e	**6,700**	5,300	6,900	6,700
...2. Transportation of goods	Tonnes CO2e	**17,600**	15,500	22,900	21,400
...upstream transportation	Tonnes CO2e	**17,600**	15,500	22,900	21,400
...3. Business travel	Tonnes CO2e	**5,600**	2,300	6,400	12,600
...4. Leased assets (upstream)	Tonnes CO2e	**4,800**	4,700	4,500	4,400

[1)] Starting in 2020/21, emissions from leased company cars are now presented together with scope 1 and 2, whereas they were previously presented as scope 3 emissions. Consequently, data for previous years have been restated.
[2)] Market-based method is used to report scope 2 emissions and for tracking progress.
[3)] Figure has been restated due to improved data quality

GHG Emissions (continued)

(Not part of PwC's limited assurance report 2021/22)

Accounting policy

Scope 3: GHG emissions reported have been identified as material for Coloplast

1. Purchased goods and services:
   Sterilisation: Includes emissions from external sterilization of Coloplast products. The calculation is based on energy consumption at selected, representative sterilisation facilities. Emissions from transportation of Coloplast products to/from sterilisation facilities are included in upstream transportation of goods.
2. Fuel and energy-related activities (not included in scope 1 or 2) include (1) upstream emissions from natural gas consumption, (2) upstream fuel emissions from electricity consumed (market-based), (3) trade-adjusted emissions from transmission and distribution of electricity, and (4) upstream emissions of fuels used in Coloplast leased car fleet. Emission factors from DEFRA are used for 1, 2 and 4. Emission factors from IEA are used for 3.
3. Transportation of goods:
   Downstream transportation: Emissions reported by selected carriers are extrapolated to the reporting periods using carrier-specific quantities.
4. Waste generated in operations: Emissions from waste management are based on actual waste amounts reported to be sent to recycling, incineration or landfilling, and emission factors from DEFRA.

	Unit	2021/22	2020/21	2019/20	2018/19
Scope 3 / other relevant indirect emissions	Tonnes CO2e	**16,200**	22,900	22,000	21,500
...1. Purchased goods and services	Tonnes CO2e	**2,400**	2,400	2,300	2,100
...sterilisation	Tonnes CO2e	**2,400**	2,400	2,300	2,100
...2. Fuel and energy-related activities	Tonnes CO2e	**6,300**	10,100	9,400	9,800
...3. Transportation of goods	Tonnes CO2e	**6,800**	9,500	9,100	8,800
...downstream transportation	Tonnes CO2e	**6,800**	9,500	9,100	8,800
...4. Waste generated in operations	Tonnes CO2e	**700**	900	1,200	800
Scope 3 / total	Tonnes CO2e	**161,300**	153,800	171,400	160,500
Scope 1, 2 and 3 / total	Tonnes CO2e	**181,600**	177400	195,100	182,500

Social data

Anti-corruption

(Part of PwC's limited assurance report 2021/22)

Accounting policy

White-collar employees trained in Code of Conduct indicates the percentage of active white-collar employees who have completed an e-learning module and a test in our Code of Conduct at the end of the accounting year. Numbers are based on registrations in Coloplast's learning management system. Only employees that have been with Coloplast for more than 45 days are included in the reporting (excluding long term leave such as maternity leave, long sick leave etc. and excluding personnel not employed by Coloplast such as contractors or consultants). Cases submitted to the Ethics Hotline include all cases reported either directly via the Ethics Hotline system or through line management. The scope of relevant cases for the Ethics Hotline includes violations of all topics covered by Coloplast's Code of Conduct, Coloplast BEST. Business Ethics & Compliance cases reported via the Ethics Hotline are investigated via Coloplast's standard global compliance investigations process. Not all cases are substantiated.

	Unit	2021/22	2020/21	2019/20	2018/19
White-collar employees trained in Code of Conduct	%	**100**	99	98	99
Cases submitted to the Ethics Hotline	Number	**70**	61	78	48
...of which within scope	Number	**48**	32	63	46

Employees

(Part of PwC's limited assurance report 2021/22)

Accounting policy

Occupational injuries and accidents (LTI freq.) are calculated as the number of injuries per one million working hours for Coloplast employees and temporary workers. An occupational injury is defined as an injury resulting in absence from work for more than one day.

	Unit	2021/22	2020/21	2019/20	2018/19
Occupational injuries and accidents (all employees)	LTI freq.	**2.4**	**2.2**	2.5	3.0

Employees (continued)

(Not part of PwC's limited assurance report 2021/22)

Accounting policy

Employee headcount includes all active full-time and part-time contracts. European markets include: UK, Germany, France, the Nordics, Benelux, Austria, Switzerland, Italy, Spain, Denmark and Hungary. Other developed markets include: USA, Canada, Japan and Australia. Emerging markets include countries not listed in the other categories for all remaining markets in Americas, Asia, Africa, Europe and Oceania plus production in China.

Female employees total, female managers and female senior leaders all include both active employees and employees on leave of absence. Managers include all positions at or above Manager level. Senior leaders include the Executive Leadership Team, Senior Vice Presidents and Vice President positions.

Employee turnover indicates the share of employees who have left Coloplast within the last year out of an average employee headcount. The employee engagement score is based on a 0-10 scale, where 10 indicates the highest engagement level.

	Unit	2021/22	2020/21	2019/20	2018/19
Employee headcount	Number	**13,687**	12,728	12,568	12,234
...Blue-collar	Number	**5,736**	5,324	5,488	5,452
...White-collar	Number	**7,951**	7,404	7,080	6,782
Regions					
...European markets	Number	**8,502**	8,056	8,173	7,784
...Other developed markets	Number	**1,520**	1,501	1,351	1,294
...Emerging markets	Number	**3,665**	3,268	3,044	3,043
Gender diversity					
...Female employees total	%	**63**	63	64	62
...Female managers	%	**45**	46	43	42
...Female senior leaders	%	**21**	24	24	21
Employee turnover	%	**14**	13	13	-
...voluntary turnover	%	**11**	10	8	-
Employee engagement					
...Response rate	%	**90**	90	88	-
...Engagement score	Index	**8.2**	8.2	7,9[1)]	-

[1)] Due to the introduction of a new engagement survey, the engagement score is not comparable with data previously reported.

Governance data

Governance

(Not part of PwC's limited assurance report 2021/22)

Accounting policy

The attendance rate is measured as number of meetings attended per member divided by total number of meetings multiplied by number of members.

Board members are shareholder-elected board members. Employee representatives are not included. Board independence is based on independence criteria listed as part of the Danish recommendation on corporate governance. Overboarded members are board members with more than five mandates at listed companies according to ISS Proxy Voting Guidelines. For more on individual board members, please visit Coloplast.com.

	Unit	2021/22	2020/21	2019/20	2018/19
Attendance Rates					
...at Board Meetings	%	99	96	96	96
...at Audit Committee Meetings	%	92	96	88	100
...at Remuneration and Nomination Committee Meetings	%	100	100	100	100
Board composition					
...Board members total	Number	6	6	6	6
...Independent board members	Number	4	4	3	4
...Overboarded members	Number	-	-	1	-
...Female board members	Number	3	3	2	2

Appendices

Stakeholder engagement and materiality

Listening to our stakeholders

Coloplast's main stakeholders include shareholders, users of our products and services, healthcare professionals, employees, business partners and society at large. We engage in ongoing dialogue with our stakeholders through different channels and base our materiality assessment on this dialogue.

Users
Coloplast conducts annual satisfaction surveys targeting users in more than ten countries. Furthermore, Coloplast engages with users when developing products and through our support programme, Coloplast® Care, which aims to help users by providing guidance and support.

Healthcare professionals
Coloplast engages with healthcare professionals through advisory boards which convene several times per year. We also facilitate education of healthcare professionals.

Employees
Coloplast communicates to employees daily through the Coloplast intranet "Connect". We also host formal information meetings with our executive leadership team four to six times per year; these meetings are broadcast to reach employees globally. In addition, Coloplast conducts biannual global engagement surveys across all employee groups.

Society
Coloplast has incorporated the UN Sustainable Development Goals into the materiality assessment to reflect the global community's priorities. Additionally, Coloplast works with relevant societal organisations through the Access to Healthcare partnership programme and maintains a sustained dialogue through regular updates on healthcare progress and challenges in local communities. Coloplast also engages external stakeholders through our public affairs work, where Coloplast seeks to maintain high standards of professionalism and transparency.

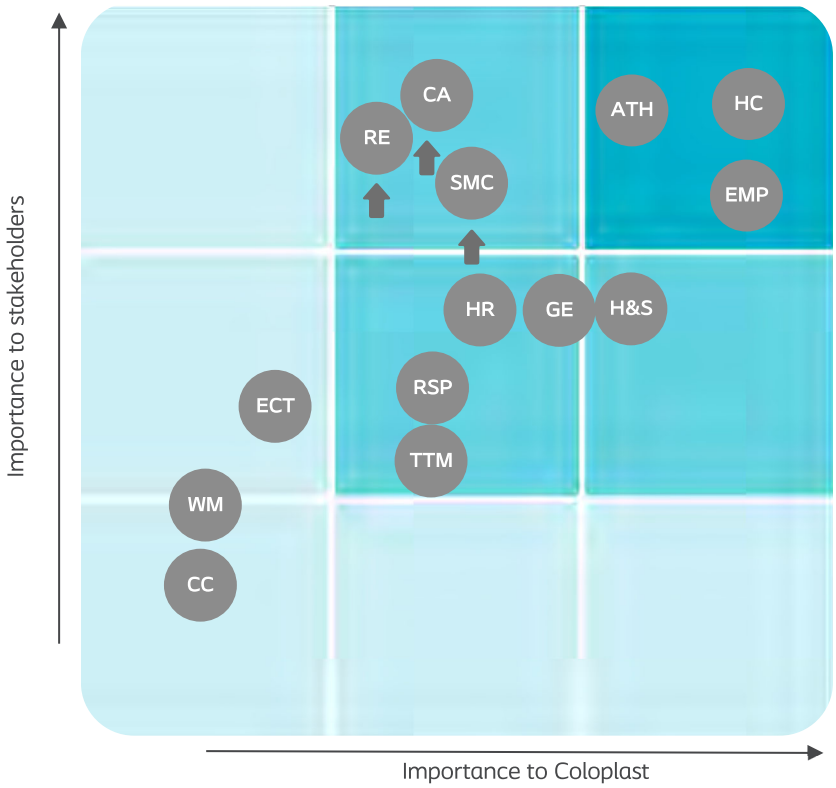
Shareholders
The CEO and CFO together with our Investor Relations and Sustainability departments facilitate dialogue with shareholders on a regular basis and host Capital Markets Days. For more information, please visit Coloplast.com.

Materiality

Coloplast's materiality assessment is based on own assessments of topics as well external input. For example, more than 1,400 users were surveyed.

The material issues chosen are areas where Coloplast poses a potential risk to or has a positive impact on stakeholders and the UN Sustainable Development Goals.

In 2019/20, the materiality assessment was updated with the insights generated from the impact assessment conducted as the baseline for the Strive25 sustainability strategy as well as the work with TCFD. The most significant change is the increased importance of climate change and sustainable materials to Coloplast users as well as regulators. Both were changed from 'medium' to 'high' importance. Coloplast will update its materiality assessment again during 2022/23.



Material topics

- HC — Using zero hazardous chemicals
- EMP — Ethical marketing practices
- ATH — Improving access to high-quality healthcare
- H&S — Having a safe and healthy workplace for employees
- CA — Climate action
- GE — Achieving gender equality
- SMC — Sustainable material consumption
- HR — Protection of human rights
- RSP — Responsible sourcing of products
- CC — Sponsoring community charities
- TTM — Transparent tax management
- RE — Renewable energy & energy efficiency
- ECT — Ethical pre-clinical and clinical trials
- WM — Water management

Independent limited assurance report on selected social and environmental data for 2021/22

To the Stakeholders of Coloplast A/S

Coloplast A/S ('Coloplast') engaged us to provide limited assurance on selected Social and Environmental data for the period 1 October 2021 to 30 September 2022 (2021/22) described below and set out in the Sustainability Report of Coloplast for 2021/22.

Our conclusion

Based on the procedures we performed and the evidence we obtained, nothing has come to our attention that causes us to believe that the selected Social and Environmental data for 2021/22 on pages 35 to 38 and 40 in the Sustainability Report 2021/22 have not been prepared, in all material respects, in accordance with the accounting policies stated on pages 35 to 38 and 40 in the Sustainability Report 2021/22.

This conclusion is to be read in the context of what we say in the remainder of our report.

What we are assuring

The scope of our work was limited to assurance over the selected Social and Environmental data for 2021/22 on pages 35 to 38 and 40 in the Sustainability Report 2021/22 of Coloplast, which includes:

- Energy consumption
- Water consumption
- Waste generation
- GHG emissions, scope 1, 2 and selected scope 3 categories
- Share of renewable energy
- Lost time injury frequency
- Code of Conduct training
- Ethics hotline cases

Professional standards applied and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' and, in respect of the greenhouse gas emissions stated on pages 37-38, in accordance with International Standard on Assurance Engagements 3410 'Assurance engagements on greenhouse gas statements', issued by the International Auditing and Assurance Standards Board'. Greenhouse Gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our independence and quality control

We have complied with the independence requirements and other ethical requirements in the International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, professional behaviour and ethical requirements applicable in Denmark.

PricewaterhouseCoopers applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our work was carried out by an independent multidisciplinary team with experience in sustainability reporting and assurance.

Understanding reporting and measurement methodologies

The selected Social and Environmental data need to be read and understood together with the accounting policies on pages 35 to 38 and 40, which Management is solely responsible for selecting and applying. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Work performed

We are required to plan and perform our work in order to consider the risk of material misstatement of the selected Social and Environmental data. In doing so and based on our professional judgement, we:

- Conducted interviews with data owners to understand the key processes and controls for measuring, recording, and reporting the selected Social and Environmental data.
- Performed limited substantive testing on a selective basis of the selected Social and Environmental data at corporate head office and in relation to Coloplast's production sites to check that data has been appropriately measured, recorded and reported.
- Performed analysis of data from reporting sites, selected based on risk and materiality to the Group.
- Made inquiries to significant development in reported data.
- Considered the disclosure and presentation of the selected Social and Environmental data.
- Assessed whether Coloplast in relation to the reported greenhouse gas emissions data has complied with the principles of relevance, completeness, consistency, transparency, and accuracy outlined in the Greenhouse Gas Protocol (WRI and WBCSD, 2001); and
- Evaluated the obtained evidence.

Management's responsibilities

Management of Coloplast A/S is responsible for:

- Designing, implementing, and maintaining internal controls over information relevant to the preparation of the Selected Social and Environmental data that is free from material misstatement, whether due to fraud or error.
- Establishing objective accounting policy for preparing the selected Social and Environmental data.
- Measuring and reporting the selected Social and Environmental data based on the accounting policy; and
- The content of the selected Social and Environmental data.

Our responsibility

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the selected Social and Environmental data for the period 1 October 2021 to 30 September 2022 is free from material misstatement, whether due to fraud or error.
- Forming an independent conclusion, based on the procedures performed and the evidence obtained; and
- Reporting our conclusion to the Stakeholders of Coloplast A/S.

Hellerup, 7 November 2022

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 3377 1231

Mogens Nørgaard Mogensen
State Authorized Public Accountant
mne21404

Rikke Lund-Kühl
State Authorized Public Accountant
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The Coloplast story begins back in 1954. Elise Sørensen is a nurse. Her sister Thora has just had an ostomy operation and is afraid to go out in public, fearing that her stoma might leak. Listening to her sister's problems, Elise conceives the idea of the world's first adhesive ostomy bag.

Based on Elise's idea, Aage Louis-Hansen, a civil engineer and plastics manufacturer, and his wife Johanne Louis-Hansen, a trained nurse, created the ostomy bag. A bag that does not leak, giving Thora – and thousands of people like her – the chance to live the life they want.

A simple solution that makes a difference.

Today, our business includes Ostomy Care, Continence Care, Wound and Skin Care, Interventional Urology, and Voice and Respiratory Care. We operate globally and employ more than 14,500 employees.

Our mission

Making life easier for people
with intimate healthcare needs

Our values

Closeness... to better understand
Passion... to make a difference
Respect and responsibility... to guide us

Our vision

Setting the global standard
for listening and responding

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Ostomy Care | Continence Care | Wound and Skin Care | Interventional Urology | Voice and Respiratory Care

Coloplast

Coloplast develops products and services that make life easier for people with very personal and private medical conditions. Working closely with the people who use our products, we create solutions that are sensitive to their special needs. We call this intimate healthcare. Our business includes ostomy care, continence care, wound and skin care, interventional urology, and voice and respiratory care. We operate globally and employ more than 14,500 employees.

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