

serres

SUSTAINABILITY REPORT

2024





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This is Serres

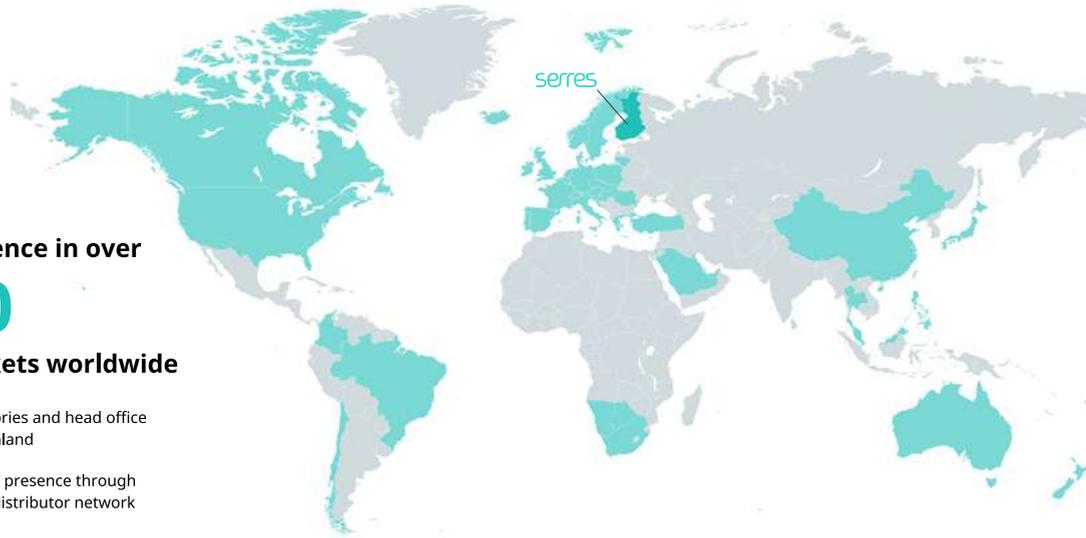
A Finnish family-owned company that designs and manufactures surgical fluid management solutions for hospitals all around the world. We focus on bringing **responsible workflow** to the operating room by making medical suction and disposal safe and sustainable.





Presence in over
50
markets worldwide

- Factories and head office in Finland
- Local presence through our distributor network



Serres is an innovative Medical Technology company specializing in safe and sustainable medical fluid management solutions for hospitals worldwide. With over 50 years of expertise, our two Finnish factories produce reusable and single-use products and are leaders in plastics molding technology.

Quality, reliability, and precision are paramount in healthcare, and we are proud to be a trusted partner for professionals and hospitals worldwide. With a presence in over 50 markets and use in more than 80,000 procedures daily, our solutions set the standard for safety and sustainability in fluid management.

Our core product, a single-use suction

bag, is designed for the safe, efficient, and environmentally responsible collection and storage of patient fluids. To further enhance sustainability, our suction management system includes reusable components, such as suction canisters and Serres Nemo – a device that enables the hygienic and sustainable disposal of medical fluids.

By integrating reusable elements and optimizing waste management, our system helps reduce the environmental footprint of operating rooms while maintaining the highest safety and performance standards. Sustainability is at the core of our innovation, ensuring that we meet the evolving needs of healthcare while minimizing our impact on the planet.

Serres is part of Paree Group, a Finnish family-owned company founded in 1973. Paree Group is committed to making an impact today for a healthier and more sustainable tomorrow through its operations in MedTech and the built environment.

Our solutions for medical suction and disposal are available through our distributors, strategic partners representing local healthcare and market knowledge. As our partners, they ensure our product availability and support our customers in maximizing the benefits of our medical fluid management portfolio.

“Used in **80,000 procedures** daily in more than 50 markets, Serres’ products set the standard for safety, reliability, and sustainability in fluid management.”





Message from the CEO

Sustainability is a fundamental principle rooted in everything we do. In 2023, we defined our sustainability roadmap to guide us ambitiously and systematically toward the targets set around the central themes presented in this sustainability report.

The World Health Organization (WHO) defines an environmentally sustainable healthcare system as enhancing, preserving or restoring health while minimizing negative environmental impacts.¹ We are proud to innovate, manufacture, and provide healthcare professionals with products that enable safe and efficient surgeries. However, at the same time, we recognize that the healthcare sector contributes to nearly 5% of global CO₂e emissions, with some high-income nations seeing figures as high as 10%², where operating rooms contribute to 25-30% of a hospital's total carbon footprint.² We now see a clear trend in many of the countries where we sell our products that environmental objectives increasingly influence tendering criteria and

purchasing decisions in hospitals. Knowing this, we are dedicated to assisting hospitals in transitioning to net-zero emissions and in doing this we will also sustain the value creation of our and our partners' businesses over time.

The geopolitical situation remains challenging, yet we have consistently worked to supply our crucial products, achieving a customer satisfaction rate of 93% for delivery accuracy. Our exceptional product quality has consistently remained outstanding, with only one reported failure for every million uses. Furthermore, in 2024, we took several actions to further secure the integrity of our material supply and the way we operate locally through our distributors.

Building on our strategic pillar 'Sustain-

ability as a business driver,' Serres stands as a profitable and financially stable company dedicated to investing in sustainable technology. In 2024, we delivered significant business growth. Our net sales reached approximately EUR 38 million. Serres remains a profitable and financially stable company committed to investing in a sustainable future.

I would like to extend my gratitude to our employees and partners for their unwavering dedication to our sustainability agenda and upholding our commitment to being responsible partners in all our undertakings.

Nicke Svanvik
Serres Group CEO

1) [Environmentally sustainable health systems: a strategic document](#) | WHO

2) [Climate change and health: three grand challenges](#) | Nature Medicine



2024 highlights

Responsible manufacturing

Manufacturing in Finland

Producing **0%** landfill waste

Using **100%** non-fossil electricity

Recycling of waste* **78%**

We have an EcoVadis bronze medal



Trusted partner

93% customer satisfaction

91% of suppliers from the EU ****

100% of suppliers & **93%** of distributors committed to the Code of Conduct



Sustainable product design

1.8 million grant from Business Finland

Product safety and quality -

only one reported failure per million uses**

Serres Suction bag - exceptionally thin design

Portfolio LCA calculated and verified by a third party

1200 tonnes of liquid waste reduced with Serres Nemos globally***



Inspiring workplace

180 Professionals



Recognized as one of Finland's most inspiring workplaces

100% Committed to Code of Conduct

* Share of recycled scrap material compared to the total amount of waste material
** Source Serres sustainability report, 1.16 ppm is 1.16 parts per million.
*** Almost 400 Serres Nemo devices, average of 6000 running cycles annually
**** First-tier product-related



Values and principles

Sustainable healthcare |

Quality |

Customer centricity

Collaborate to win |

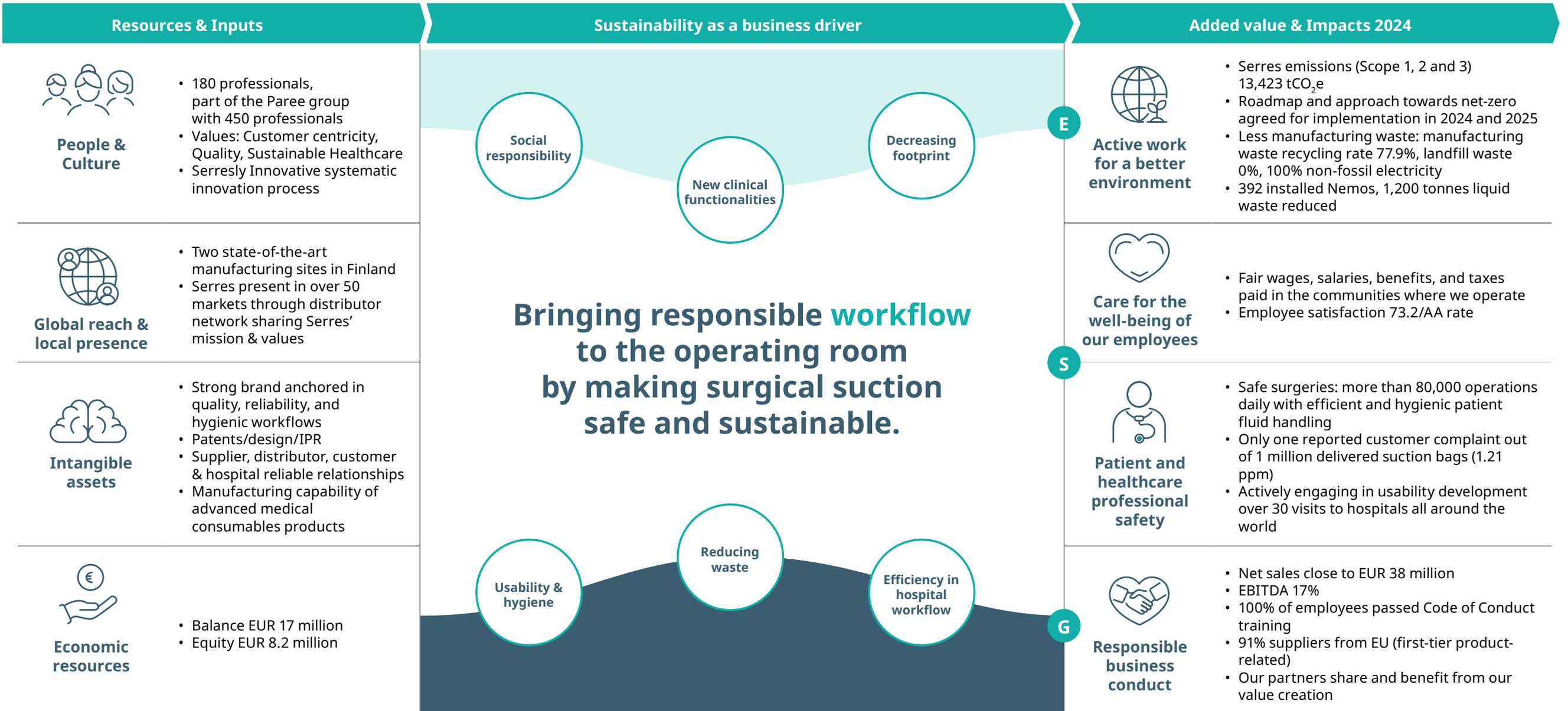
Consistent integrity |

Courage to renew |

Creativity through diversity



Value creation



Our approach

Sustainability is deeply rooted within our culture and embodies our brand promise **to bring responsible workflow to the operating room**. Serres' sustainability roadmap sets the guidelines and targets for comprehensive short and long term sustainability work.





Commitment to Sustainability

At Serres, sustainability is not just a choice but essential to our long-term business success. As environmental sustainability becomes increasingly important to our customers and also guides their net-zero targets, we have responded to that by ambitiously setting sustainability as our business driver. We continuously enhance our performance to lead the industry, create value with partners, and set new sustainability standards.

Our mission is to generate long-term value for stakeholders and society while ensuring economic sustainability. To achieve this, we focus on profit development and financial stability, building a strong foundation for growth. Our sustainability roadmap includes five key targets that keep us competitive, responsible, and future-focused.

1 Achieving a Net-Zero Carbon Footprint

By 2040, we are committed to achieving net-zero carbon emissions in our operations without compromising patient safety. Examples of how we reach this target:

- Increasing energy efficiency in our facilities.
- Transitioning to renewable energy sources across operations.
- Mandating our suppliers to set Science-Based Targets for reducing their carbon.

2 Driving Sustainable healthcare Innovations

We actively collaborate with hospitals, partners, and ecosystems to tackle environmental challenges and promote the circular economy. We innovate solutions that disrupt norms and meet evolving market demands sustainably.

Examples of how we reach this target:

- Conducting LCA analysis and the impact on entire value chain.
- Reducing the environmental impact of raw materials.
- Increasing the use of renewable and recyclable materials in products and packaging.

- Innovating new technologies and solutions to enhance efficiency and sustainability in hospital workflows.

3 Fostering a Sustainable Workplace Culture

Sustainability is a shared value among all employees, and where we encourage each other to continuously improve our sustainability performance.

Examples of how we reach this target:

- Sustainability targets implemented for annual employee target setting.
- Sustainability awareness question implemented into an annual employee survey.
- Sustainability teams in both of our factories.

4 Upholding Our Brand Promise as a Sustainability Forerunner

We strive to be recognized as a trusted leader in sustainability within our industry. Our brand promise is Bringing responsible workflows to the operating room. This requires us to:

- Set high sustainability standards in all of our operations.

- Report and communicate transparently about our sustainability goals and performance.
- Actively market and communicate directly and via our distributors how our solutions can help our customers lessen their environmental impact.

5 Conducting Business Responsibly

Our overarching goal is to guarantee that every partner within our value chains operates with the utmost ethical standards. Our approach includes:

- Ensuring that all partners operate with the utmost ethical standards and in compliance with laws and regulations.
- All of our suppliers and distributors comply with our Code of Conduct.



Commitment to Quality and Safety

The safety of patients and healthcare professionals is our top priority. We take pride in being a forerunner in product quality. Our dedication to quality and sustainability has been recognized with multiple certifications and achievements, including:

- **Ecovadis Bronze Medal (2024)** – A testament to our commitment to environmental responsibility.
- **ISO 14001, ISO 13485, MDR and MDSAP Certifications** – Ensuring product quality, environmental responsibility and international regulatory compliance.
- **Chemical Industry's Responsible Care (RC) Sustainability Program** – Reflecting our dedication to responsible chemical management and sustainability.

Double materiality assessment

Serres' double materiality assessment was conducted in 2023 as part of our parent group (Paree Group) materiality assessment, and it was conducted in line with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS). It has been used to identify, assess and prioritize the environmental and social sustainability impacts, risks and opportunities of the business, as well as to create insights to steer action for the future

by aligning business strategies, targets and governance accordingly. The assessment covered entire value chains, including activities in the upstream and downstream value chains.

The impact materiality assessment covered both negative and positive impacts. Negative impacts included actual impacts (severity in terms of the impact's scale, scope and irremediable character, any of which could make the impact severe) and potential impacts (likelihood and severity, the latter of which takes precedence in the case of human rights). Positive impacts covered actual impacts (in terms of scale and scope) and potential impacts (in terms of scale, scope and likelihood). The financial materiality assessment covered business risks and opportunities, their likelihood of occurrence and the size of potential financial effects. The analysis also considered how the assessment would differ in the short- and long-term horizon. The scoring of impact and financial materiality for each sustainability topic, along with the evaluation of double materiality scoring, was conducted. This aimed to provide a justified analysis of materiality thresholds and identify material topics. The results and the entire process were documented, creating a rigorous double materiality assessment for CSRD reporting and other uses. Serres' leadership team reviewed and validated the findings and the thresholds to be used for materiality.





Priorities and performance

Focus Area	Objective	KPI's	Targets	Performance
 Patient and healthcare professional safety	To ensure a responsible and reliable supply of products	Delivery assurance (customer satisfaction)	Above 95%	93.1%
	To ensure the quality of processes, customer satisfaction, to follow the quality experienced by the customer, and to detect the risks and needs for improvement	Customer complaints compared, delivered suction bag pcs, ppm*	Below 10	1.21 ppm*
	To ensure the quality of processes and to detect the risks and needs for improvement	Number of internal non-conformities in production compared to the produced pcs, ppm*	Below 10	2.3 ppm*
 Active work for better planet	Reducing carbon footprint towards net zero	SBTi delivery vs plan	Target setting for short-term and net-zero SBTi targets for Serres aims to start in 2025	From 2025 onwards
	To increase the use of non-fossil electricity sources	Serres share of non-fossil electricity, %	Non-fossil electricity: ≥ 15%	100%
	To increase the recycling of waste	Share of recycled scrap material compared to total amount of waste material	Above 70%	77.9%
 Care for wellbeing of employees	To ensure employee satisfaction and engage employees	PeoplePower index	Above Finland general norm 69.3	73.2
	To ensure a safe working environment	Number of lost time injuries	To be defined	3
	To ensure diversity	Employee by gender	Not set	Employees by gender - Female 59% - Male 41%
 Responsible business	To ensure supplier delivery reliability	Supplier delivery assurance	> 95%	98.1%
	To ensure compliance to CoC	CoC compliance for suppliers	100%	100%
	To ensure compliance to CoC	CoC compliance for distributors	100%	93%
	To ensure compliance to CoC	CoC training and commitment coverage, % (personnel)	100%	100%
	An anonymous reporting possibility for any concerns for internal and external use	Notifications in the whistleblowing channel	All reporting has been managed accordingly	1

* parts per million



Sustainability governance

Group level steering group is responsible for coordinating sustainability work within the group. Members include the CEO of the group, CEOs from the 4 subsidiaries, the Group Head of Sustainability and the Group CFO.

The Group Head of Sustainability reporting to Paree Group's CEO, is responsible for leading the sustainability work at the group level and supporting subsidiaries in setting sustainability targets, building roadmaps, implementing them and reporting on them. The CEO of Serres Group bears the ultimate responsibility for successfully implementing Serres' strategy, including sustainability.

At Serres, the management team is responsible for embedding sustainability into the management work and implementing Serres' sustainability topics into our strategy, roadmaps and everyday operations. The Director of Quality, Regulatory and

Sustainability is responsible for Serres' sustainability work and reports to Serres' CEO.

Serres' Director of Quality, Regulatory and Sustainability is part of Paree Group's Sustainability Team, which the group's Head of Sustainability leads.

The Sustainability Team manages day-to-day sustainability topics and ensures the smooth sustainability operation between all companies. Both manufacturing sites have a sustainability team to ensure that employee level involvement and ideation form the manufacturing point of view.

Serres' board approves Serres' sustainability targets and roadmap. Sustainability issues are regularly discussed at board meetings along with other business priorities.

Sustainability risks are evaluated as part of business risk evaluation in Serres, Paree Group and other subsidiaries. Sustainability risks and opportunities were also studied in the double materiality assessment in 2023 for all group companies.

Memberships and commitments

Serres is a member of several organizations, including FIBS ry, UN Global Compact, the Association of Finnish Work, HealthTech Finland and Chamber of Commerce through Paree Group.

Serres has been committed to Responsible Care, the chemical industry's sustainability program, since 1999. We have an obligation to organize the collection and recycling of all our packaging waste. The obligation applies to packaging put on the Finnish market as well as the collection and recycling of imported packaging. We fulfill that obligation through our agreement with Rinki Oy. According to Finnish legislation, a producer is also responsible for recycling and handling the waste from its electrical and electronic products. We fulfill that obligation through our agreement with Selt Oy.

Stakeholder engagement

A well-functioning stakeholder dialogue is a key to our success. We aim for an active and transparent dialogue with our stakeholders and regularly engage with them. We have a global presence, and we operate mainly through our distributors. We impact over 80,000 medical procedures daily in over 50 markets.

By fostering transparency and cultivating trusted, long-term relationships with our distributors, we ensure swift responses to customer complaints and address any potential misuse of our products. Consistent performance assessments guarantee the safe and responsible use of our products.

We enforce e-learning solutions and, when necessary, provide face-to-face training sessions to prioritize the safety of patients and healthcare professionals.

We proactively assist our end customers, including healthcare facilities and hospitals, in making sustainable choices, and we encourage our distributors to adopt sustainable practices. While we may not directly engage with consumers, we strive to develop products that prioritize the utmost safety for patients and healthcare professionals and provide healthcare personnel with the solutions to deliver optimal patient care.

“Serres has been committed to Responsible Care, the chemical industry's sustainability program, since 1999.”

Stakeholder engagement



Stakeholder group	How we engage	Key interest topics	How we respond
 Distributors	<ul style="list-style-type: none"> • Distributor and quality agreement • Complaint channels (digital, email and direct) • Distributor performance evaluation • eLearning portal • Extranet for distributors • Insight and satisfaction assessments and surveys • Whistleblower channel 	<ul style="list-style-type: none"> • Roles and responsibilities • Product use • Product complaints • Product delivery performance • Product safety and sustainability • Environmental sustainability and CO₂e calculations • Hospital workflows and product improvement 	<ul style="list-style-type: none"> • Complaint handling process • Complaints recorded in a system without delay • Processing complaints within 30 days • Recall and vigilance reporting process • Technical support following standard operating procedures (SOPs) • Brand equity and responsible marketing
 Healthcare service providers	<ul style="list-style-type: none"> • Product & prototype simulations and testing • Purchase and tender requirements • On-site technical support and installations (Finland) • Digital training • Instructions for product usage (IFU) • Whistleblower channel 	<ul style="list-style-type: none"> • Responsible and sustainable product co-design • Informed decisions • Safe and correct usage of our products • Product performance and warranty assurance • Waste collection and recycling methods and technologies 	<ul style="list-style-type: none"> • Product design and new product development • Trustworthy data • Technical support following standard operating procedures • Installation acceptance and warranty • End-user training
 Suppliers of raw materials and services	<ul style="list-style-type: none"> • Supplier assessments and audits • Data compliance • Supplier meetings • Supplier surveys • Whistleblower channel • Code of Conduct 	<ul style="list-style-type: none"> • Sustainable and responsible performance • LCA and REACH data exchange • Contractual issues • Transparent information sharing 	<ul style="list-style-type: none"> • Guidance on data quality, and training from 2024 onwards • Standardized supplier evaluation process
Policymakers, authorities and legislators	<ul style="list-style-type: none"> • Participation through memberships 	<ul style="list-style-type: none"> • Communication and co-operation with authorities 	<ul style="list-style-type: none"> • Compliance with laws and regulations
 Our own employees and management	<ul style="list-style-type: none"> • Employee engagement survey • Regular CEO message • Leadership round table discussions with managers and supervisors • Quarterly Paree Group message • Target and performance discussions • Whistleblower channel • Occupational health and safety 	<ul style="list-style-type: none"> • Sustainable leadership and operations • Honesty and fairness • Well-being of our employees 	<ul style="list-style-type: none"> • Company and team-level survey action plan • Target and performance review • Transparent information sharing
 Research organizations and industry Ecosystems	<ul style="list-style-type: none"> • Joint research/innovation projects 	<ul style="list-style-type: none"> • New technologies • Policy guidance • LCA methodology • New circular economy business models 	<ul style="list-style-type: none"> • Sharing the market knowledge & requirement within ecosystems
 Owners	<ul style="list-style-type: none"> • Board of directors' meetings 	<ul style="list-style-type: none"> • Financial performance, long-term value creation • Management of sustainability risks and opportunities • Sustainable operations • Compliance with laws and regulations 	<ul style="list-style-type: none"> • Reporting and participation in board meetings



Active work for a better environment

Setting a **net-zero target** is essential to fighting climate change and moving toward a more sustainable and resilient future.

Path to Sustainability

KPIs

- Target setting for short-term and net-zero SBTi targets for Serres aims to start in 2025.

Serres is committed to the Paris Agreement’s goals. Achieving the net-zero target helps us follow regulations, be more efficient, manage risks, access markets, stay competitive and build our reputation as a responsible company.

To create transparency in our operations and make informed decisions, we took active steps several years ago to calculate our operations’ emissions. This initiative has provided us with invaluable insights into our value chain and the impact of each stage.

Serres emissions calculations

Serres conducted its first emission calculation including Scope 1 and Scope 2 in 2021 using 2020 data. That calculation was conducted by an external partner, Mitopro. In 2023, Ecobio

calculated the Scope 1 and 2 emissions for Serres, Pree Group and other subsidiaries. The 2023 assessment covered emissions for 2022, including Scopes 1 and 2 and selected categories (1, 4, 5, 6, 7, and 9) of Scope 3.

The data coverage and quality were improved for 2024 calculations (using 2023 data). In 2025, using 2024 data, data coverage was further improved and now includes all relevant Scope 3 categories for Serres (1, 2, 3, 4, 5, 6, 7, 9, 11 and 12).

In total, Serres’ carbon footprint in 2024 (including Scopes 1, 2 and 3) amounted to 13,423 tCO₂e. Scope 1 emissions were 192 tCO₂e, Scope 2 312 tCO₂e and Scope 3 12,920 tCO₂e.

Most of the emissions in Scope 1 came from fuels used in owned company cars and a smaller part from refrigerant leaks. In Scope 2, emissions came mainly from heating.

It was found that most emissions were generated from Scope 3 emissions. Within Scope 3, category 1 emissions (purchased goods and services) accounted for the most significant amount of emissions.

GHG emissions emissions by Scope, tCO₂e

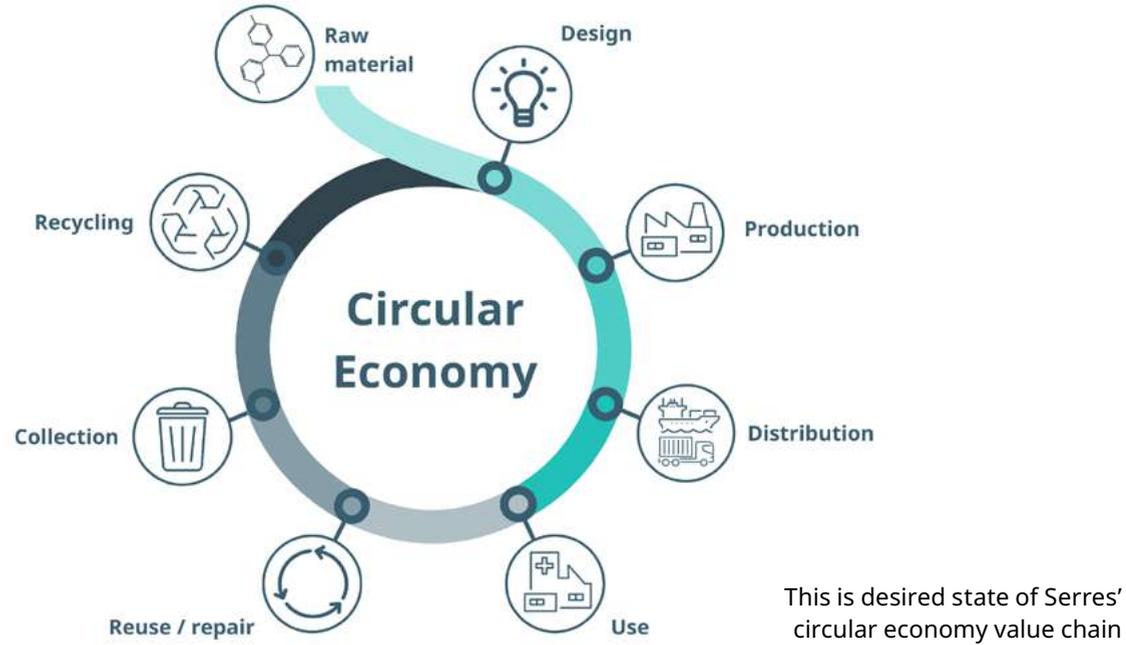


Key performance indicators/GHG emissions	2022	2023	2024
Greenhouse gas emissions Scope 1, tCO ₂ e	0	180	192
Greenhouse gas emissions Scope 2, tCO ₂ e	1,529	1,219	312
Greenhouse gas emissions Scope 3, tCO ₂ e	5,844.5*	6,019**	12,920***

*Main raw materials for suction bags production and Outbound logistics included.

**Categories 1, 4, 5, 6, 7 and 9 included.

*** Categories 1, 2, 3, 4, 5, 6, 7, 9, 11 and 12.



Resource use and circular economy

Serres is committed to reducing the use of virgin resources and working towards a circular economy. Paree Group, Serres, and other subsidiaries are concerted in prioritizing the circular economy and minimizing our environmental footprint while maximizing our positive impact or handprint.

To enforce the targets, we established a Circular Economy Center of Excellence in 2023 with a clear aim to work towards reducing waste and increasing the amount of recycled material in our products and packaging. The Center of

Excellence has participants from Paree Group, Serres and the other subsidiaries working in different roles within the organizations.

Another focus area is incorporating design for sustainability into research and development and new product development processes and ensuring that all new products are aligned with sustainability expectations.

When developing products and solutions, we consider their societal impact, use of resources and economic implications. We also assess their environmental impact, including recyclability and potential for remanufacturing. Moreover, we prioritize functional design and efficient manufacturing.

Materials

Materials used in Serres production include raw plastic materials, solidifying agents, components, and packaging materials. Serres' product and packaging design roadmap follows four principles: reduce, renew, recycle, and reuse. We intend to apply these guiding principles comprehensively to product design decisions, without compromising hygiene, safety, or workflow efficiency. We verify the LCA effects to ensure positive effects. In the future, we plan to expand these guiding principles to cover product design decisions that do not compromise hygiene, safety, or workflow efficiency and have verified positive LCA effects.

Our product packaging includes a dispenser box that is placed in a transport box. A small portion of our products are also packed in

plastic bags.

The share of recycled fiber in our dispenser package is 75% and in our transport box, 70%. Since 2005, the plastic waste generated when manufacturing our Serres Suction bag film and lid in our manufacturing lines has been collected and sent to a third party for recycling. The waste is processed and granulated into recycled plastic to manufacture new products. Each kilogram of recycled plastic reduces emissions by 2 kgCO₂e compared to virgin plastic.

Material selections consider the requirements of REACH Regulation No 1907/2006 and RoHS Directive 2011/65/EU. Compliance with REACH and RoHS is monitored based on suppliers' declarations and material safety data sheets, which an external service provider keeps up to date.

Key performance indicators/Material use	Target	2022	2023	2024
Main raw materials in production, tonnes*		2,673	2,501	2,626
Suction bag scrap, average	Below 2.25%	2.0%	1.55%	1.41%

* The main raw materials in production are polyethylene (PE) and polypropylene (PP) for suction bags and polycarbonate (PC) for canisters.



Waste and recycling

Waste management at Serres manufacturing is based on local waste legislation. Total waste consists mainly of energy and recyclable waste. No landfill waste is generated. Serres has set targets for the manufacturing factories to increase the share of recycled waste in total waste.

Producer responsibility for packaging applies to packaging placed on the Finnish markets as well as recycling and collection of imported packaging. Serres fulfills its

responsibility through an agreement with Finnish Packaging Recycling RINKI Ltd. According to Finnish legislation, a producer is liable for the recycling and other waste management of its electrical and electronic equipment put on the market by the producer. This obligation is fulfilled through the agreement with the SELT association, which manages recycling, dissemination of information, registration and other statutory obligations on behalf of its members.

Key performance indicators/Waste	2022	2023	2024
Total waste (both factories), tonnes	233	192	235
Hazardous waste (both factories), tonnes	0.2	0.5	0.16
Energy waste, tonnes	75	54	51.8
Recycled waste, tonnes	158	138	183
Landfill waste, tonnes	0	0	0
Recycling rate, %	79%	69%	77.9%



Energy

Energy consumption mainly consists of the electricity and heat consumed at the factories. In addition, small amounts of energy are used at the offices. Energy consumption is reported as consumption of electricity at the Kauhajoki and Saarijärvi plants and as district heating at Kauhajoki. The Saarijärvi factory heat consumption is included in the rental. Energy and water consumption is regularly monitored, and energy audits are conducted to explore

options for improving energy efficiency. All water consumed is municipal water.

The latest energy audit was conducted at the end of 2021; the next one will be in 2025.

Serres has set a target for its share of non-fossil electricity. In 2024, Serres achieved a significant milestone in its sustainability journey by transitioning to 100% non-fossil electricity.

“100% non-fossil electricity

Key performance indicators/Energy use	2022	2023	2024
Use of electricity, MWh	4,648	4,334	4,450
Share of renewable electricity, MWh	1,673	1,300	0
Share of nuclear electricity, MWh	1,813	1,690	4,450
Share of fossil electricity sources, MWh	1,162	1,434	0
Serres share of renewable electricity, %	30.60%	30%	0
Use of district heating, MWh	1,831	1,198	1,070
Use of water, m3	1,006	1,014	883

Logistics

In logistics planning, products are delivered in the largest possible delivery units or as full loads. For 2021, the logistics partners provided the greenhouse gas emissions from outbound logistics for the first time. The majority of outbound transports are completed via road and sea.

To optimize logistics, we've reduced empty space in packaging and adjusted dimensions to maximize pallet, truck, and container capacity, ensuring efficient and sustainable transport. A 2023 market study found Serres' packaging efficiency is four times higher than similar-use products.



Key performance indicators/Logistics	2021	2022	2023	2024
Air	0.4%	0.4%	0.3%	1%
Road	66.6%	66.2%	75.9%	79%
Sea	33%	33.5%	23.8%	20%



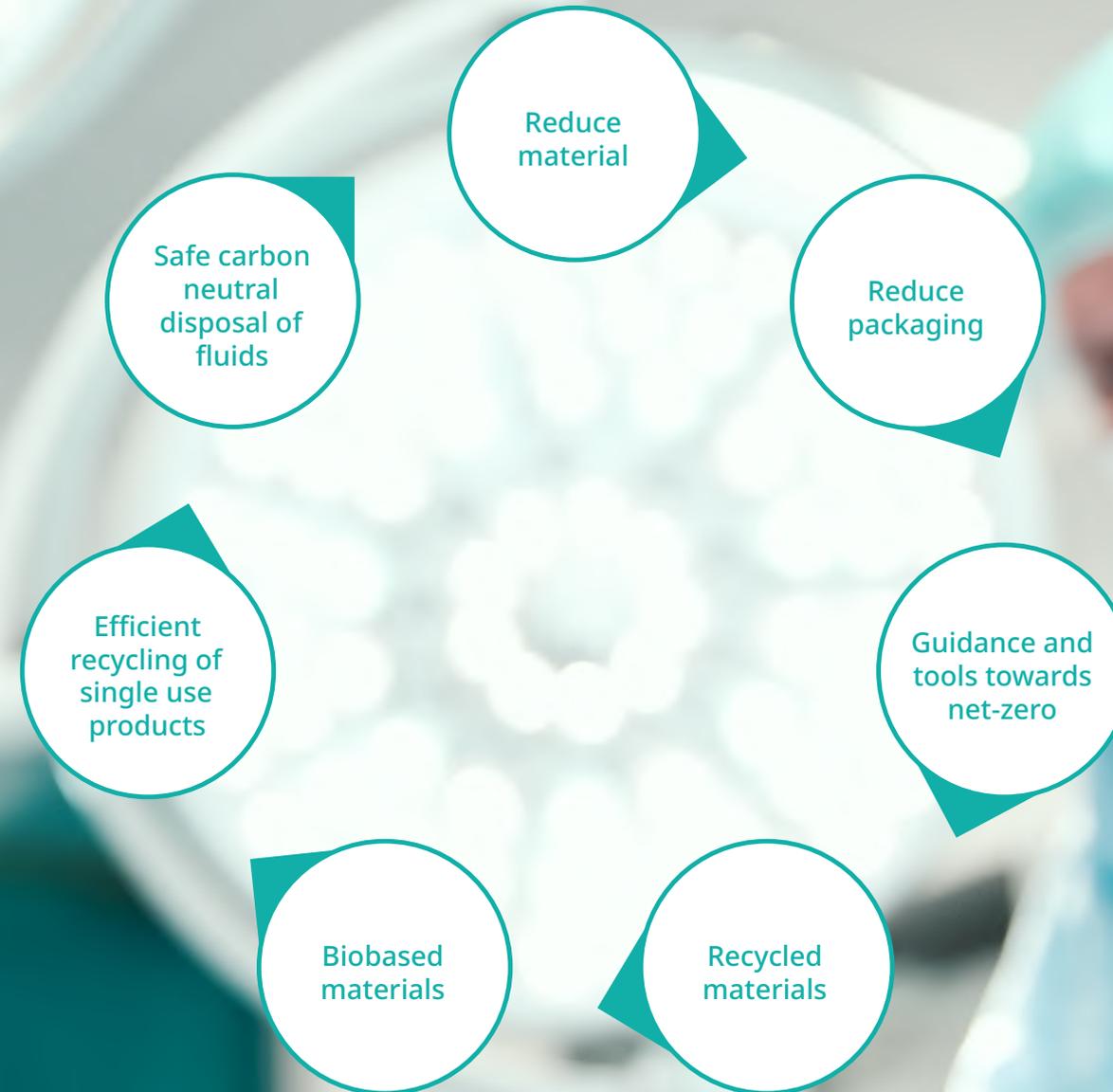
Sustainable product design

As environmental challenges grow, healthcare organizations must innovate for long-term sustainability. This means reducing waste, recycling materials, and minimizing resource use – without compromising safety or hygiene. Sustainability and clinical excellence must advance together.

Operating rooms are a major source of hospital waste, accounting for 25–30% of a hospital’s carbon footprint.* Recognizing this, Serres prioritizes sustainability in product design, driving innovation to reduce waste and improve efficiency. Our commitment is to develop environmentally responsible solutions that support high-quality, sustainable healthcare.

Serres is committed to offering lower-carbon alternatives to help reduce our products’ environmental impact. This includes designing material-efficient products and using recycled and renewable raw material sources in product and packaging development. Furthermore, our R&D efforts focus on making it possible for our products and packaging materials to be recycled at the end of their life cycle.

* Blood loss quantification during major abdominal surgery: prospective observational cohort study | BMC Surgery T





In 2024, we conducted a Voice of the Customer study with an external partner involving 30 hospitals in three countries. This study focused on identifying drivers and future trends in hospitals to ensure our solutions meet sustainability requirements.

In 2024, Serres received a €1.8 million public research grant from Business Finland to advance Circular Economy Innovations. This funding supports our strategy to develop low-carbon hospital products, sustainable fluid management solutions, and reduce plastic waste, helping hospitals to reach net-zero.

The project integrates material and technology research, LCA methodology, and business model development to drive sustainable healthcare. It also enables collaboration across the global circular value chain, including suppliers, hospitals, waste management firms and policymakers. In 2024, we partnered with 21 organizations, including

hospitals, research institutes and recycling experts.

We aim to develop solutions that reduce environmental impact and improve the efficiency of healthcare workflows. An example of this is our Serres Nemo device, which is our solution for surgical fluid waste disposal onsite at hospitals. The Nemo solution reduces infectious waste to be shipped for disposal in OR wards by up to 97%, contributing to hospital emission and cost reduction targets. In 2024, we have 392 Serres Nemo devices installed across 16 different countries, contributing to an average of 1,200 tonnes of waste reduced from medical fluids. *

Our core product, the Serres Suction bag, collects patient fluids during an operation. The hybrid design of Serres' suction solution includes a reusable canister and a single-use suction bag. This reduces material use because only the lightweight suction bag in direct

contact with surgical fluids is disposed of after the operation. The reusable suction canister can be used for several years. Hybrid solutions offer significant benefits by minimizing material use and waste generation while maintaining high hygiene and patient safety standards.

At Serres, we continuously evaluate the carbon emission impact of our solutions to ensure that we are making the most environmentally responsible choices. It is utilized in internal decision-making processes, including product and solution development, process improvement and strategy formulation. By integrating these principles into our R&D, we aim to create products that not only meet the highest standards of clinical performance and safety but also contribute to a more sustainable healthcare.

Product emissions calculations

We have seen a growing interest from our customers in understanding the environmental impact of our products and solutions. To address this, in 2024 we conducted cradle-to-gate Life Cycle Assessment (LCA) for 35 products and cradle-to-grave LCA for the Nemo device according to the ISO 14067 standard.

For Serres, producing reliable, data-driven insights is critical to helping hospitals identify the sources of their emissions, reduce waste and implement responsible workflows. Our

LCA assessment capability also includes the CO₂e emissions calculation of the hospital fluid waste handling processes and different end of product life scenarios. By providing transparent and trustworthy data, Serres supports hospitals in making informed decisions to meet their emissions reduction targets. Hospitals have valued our new capability of providing Life Cycle Assessment (LCA) data, which allows Serres to support better public tenders by providing reliable carbon footprint data. This includes emissions from the whole value chain covering extraction of natural resources, manufacturing, packaging, transport, use, and disposal.

Ecosystems and partnerships

Partnering across industries and research organizations is crucial to drive circular economy solutions, as demonstrated by the VTT-lead PlasticCircularity research project, funded by Business Finland. Serres became part of the ecosystem, and the project kicked off in 2024. The project jointly drives the recycling of more challenging plastic waste streams, such as those used in healthcare, through cutting-edge recycling technologies and innovative business models. In the project, we collaborate with 10 partners in this ecosystem to build a value chain and create business opportunities for the circular economy of plastics.

Care for the well-being of our employees

Serres is an organization of 180 professionals. Our goal is **to offer meaningful work in a well-managed and safe environment** where people are treated equally. Our employees are encouraged to further their personal development. We believe that well-being at work results from motivated employees, interesting work tasks, an open workplace environment and clear targets.





Sustainability culture

Our sustainability roadmap for 2024 prominently features the theme of “Sustainability Culture.” This theme underscores our commitment to fostering a workplace environment where sustainability is a shared value among all employees. We believe we can achieve greater collective impact by encouraging each other to continuously improve our sustainability performance.

In 2024, we successfully established Sustainability Teams at our factories. These teams spearheaded 34 initiatives aimed at enhancing our sustainability practices. We also set personal sustainability targets for Serres employees. This initiative empowers each team member to contribute to our overall sustainability goals, fostering a sense of ownership and accountability. Together, these efforts reflect our dedication to embedding sustainability into the core of our operations and culture.

Employee well-being and engagement

Serres encourages open dialogue and engagement and active participation in day-to-day workplace interactions. We have

an annual employee survey in place. The survey’s primary goal is to enhance employee engagement by leveraging insights from the survey and implementing development actions based on identified needs. This process establishes a foundation for an improved employee experience and operational efficiency. When conducted professionally, the employee survey serves as a valuable tool for recognizing strengths and pinpointing areas for potential development within Serres.

The survey provides management with real-time and accurate information to address any existing issues and fortify the organization’s strengths for the future. This, in turn, supports employees in their day-to-day activities and fosters long-term development and engagement. The PeoplePower index (PPI) provides an overall rating of the employee survey results. In November 2024, Serres’ PPI was at level five (73.2/AA) on a seven-point scale Serres has succeeded better in the last four years (2021–2024) than the average Finnish employer.*

Our employee benefits include financial compensation for sports, culture, well-being and commuting services. We also promote a healthy lifestyle by providing an opportunity for a bike benefit and arranging a special sports day.

“Serres was recognised as one of Finland’s most inspiring workplaces based on our employee survey results.”

Key performance indicators/Employee metrics	2022	2023	2024
Employee survey			
• Response rate, %	86.8%	88.3%	90.0%
• PeoplePower index	70.3	70.5	73.2
• PeoplePower rating	A+	A+	AA
Total number of employees 31.12.2023	151	151	157
Employees by employee group			
• White collar **	59	61	67
• Blue collar	92	90	90
• External workforce	24	16	24
Employees by employment contract type			
• Permanent employees, %	95%	145 (96%)	150 (96%)
• Temporary employees, %	5%	6 (4%)	7 (4%)

** includes external consultants for Serres



Competence development

We aim to identify and cultivate the skills essential for implementing our strategy and achieving annual targets. This systematic approach ensures that our personnel possess the necessary competencies for current and future responsibilities, fostering job satisfaction and reducing stress.

Our dedication to equal opportunities for professional development is evident in various initiatives.

Moreover, our employees receive group-wide webinar training on social media, supervisors' rights and responsibilities, AI principles, diversity and inclusion and environmental sustainability-related trainings. These initiatives align with our competence development goals and showcase our proactive approach to providing valuable skills to our employees.

Performance discussions

Performance management is a strategic, annual and business-driven process geared towards enhancing individual and collective performance. This involves continuous dialogue throughout the year, encompassing performance reviews, target setting and discussions of the Individual Development Plan (IDP).

Target and development discussions occur systematically between supervisors and team members during the first quarter of the year, with detailed records stored in the HR system. Regular follow-ups, including a mid-year review, ensure alignment with objectives and offer additional support where needed. Sustainability related question was added to the employee survey in 2024 to enforce the sustainability culture.

Equality and diversity

Serres is committed to promoting equality, preventing discrimination and cultivating an inclusive work environment. We systematically adhere to the obligations set forth by the Act on Equality between Women and Men and the Non-Discrimination Act. Our procedures explicitly communicate our commitment to systematically promoting workplace equality and preventing discrimination.

The Equality Plan serves as a strategic tool to support equality and nondiscrimination while preventing direct and indirect discrimination and harassment within our work community. Prepared following the obligations imposed by the Equality Act, this plan outlines procedures that underscore our commitment to systematically promoting diversity, equality and inclusion in the workplace. Our operations align with the vision, strategy and values approved by the company's board of directors,

emphasizing fairness and equality in how we treat our staff.

Guided by our values, Serres strives to treat its staff with equity and fairness, promoting equality in various aspects, including recruitment, staff development, support,

career opportunities and the reconciliation of work and family life. As of December 31, 2024, our workforce consists of 59% women and 41% men. Our employees' average age is slightly under 47 years and we welcomed 19 new employees to Serres.

Key performance indicators/Employee metrics	2022	2023	2024
Employee by gender			
• Female, %	59%	89 (59%)	92 (59%)
• Male, %	41%	62 (41%)	65 (41%)
Employees by age group			
• Below 20 years, %	0%	0%	0%
• 20-29 years, %	8.6%	14 (9%)	18 (11%)
• 30-39 years, %	19.9%	29 (19%)	30 (19%)
• 40-49 years, %	27.8%	42 (28%)	36 (23%)
• 50-59 years, %	33.8%	54 (36%)	58 (37%)
• Over 60 years, %	9.9%	12 (8%)	15 (10%)
Management by gender			
• Execute leadership team, women			30%
• Board of directors, women			25%
Average age of employees, years	46	46.6	46.4
Newcomers			
• White collar	6	8	9
• Blue collar	9	10	10
• External workforce	51	31	n/a
Leavers			
• White collar	13	8	3
• Blue collar	4	10	8
Attrition rate (white-collars, 12 months rolling)	7.9	8.5	3.1
Retirements			
• Retirement (old age pension)	4	1	2
• Retirement (other)	0	1	1
• Average retirement age	64	64.8	64.5



Occupational health and safety

Serres upholds a systematic approach to occupational health and safety, ensuring the effective implementation and continuous improvement of safety measures. Our managers and supervisors play a key role in overseeing working conditions, facilities, machinery, and equipment while ensuring safe working methods. Employees are expected to follow regulations, promote safe practices, and properly use personal protective equipment. Regular safety training keeps employees informed and prepared.

The Occupational Health and Safety Committee, a collaborative body of management and employees, monitors working conditions and drives improvements. It oversees the action plan's implementation and ensures compliance with safety guidelines. Accidents, near misses, grievances, and risk assessments are systematically integrated into the plan, fostering a proactive safety culture. Company management evaluates and implements the committee's proposed initiatives, ensuring a consistent and comprehensive approach to occupational health and safety across the organization.





Risk identification and incident management

Serres conducts thorough hazard and risk assessments to ensure a safe work environment, covering various aspects such as accidental, chemical, and physical hazards. Best practices, including monitoring visits and forms from occupational health and safety authorities, are employed, with risk assessments updated when conditions change or at least once annually. Accidents at work, near misses, grievances from the occupational health and safety commissioner and risk assessments are systematically updated in our action plan. Employees are encouraged to contribute their ideas and concerns on workplace safety, health and related matters to their employer. All initiatives and feedback are integral components of building a systematic safety culture. We record accidents and sick leaves and use statistics to refine occupational health and safety practices. The work environment undergoes continuous monitoring through internal audits embedded in our operating system. The management, informed by audit results, creates actions for improvement, with the impact of these actions

assessed. In every accident, a detailed report is generated and stored. In the event of a major incident, authorities are promptly notified, and thorough investigations follow. Preventive safety measures, such as regular walkabout safety inspections and safety observations, are implemented. Safety observations identify potential issues in physical working conditions or work actions, assessing risks to occupational safety or process safety events. Additionally, safety observations recognize positive practices in physical working conditions or work actions.

Dependent on local practices, employees have access to comprehensive occupational health services, covering entry health checks, periodic health checks, workplace surveys, and medical care. Our comprehensive occupational health care contract supports employee health, emphasizing sick leave management and work ergonomics. Additionally, we provide comprehensive health insurance for all personnel, ensuring a consistent and clear reporting system for sick leaves and their causes.

Key performance indicators/ Employee health and safety

	2022	2023	2024
Number of high consequence injuries	0	0	0
Number of lost time injuries	2	0	4
Number of total recordable injuries	4	0	5
Lost time injuries frequency, LTIF	8.6	0	14.3
Total recordable injuries frequency, TRIF	17.3	0	17.9
Absence hours due to illness, h	11,984	12,490	16,331
Absence hours due to injuries, h	1,034	0	440
Absence rate, %	5.6	5.4	5.8
Near-miss cases, number of	17	14	14
Walkabout safety inspections	16	27	38



Patient and healthcare professional safety

The safety of patients and healthcare professionals takes precedence above all. **Safe medical fluid collection** is critical because the liquid waste from medical suction can be infectious or hazardous. To uphold our forerunning position in product quality, we work with the highest quality criteria to guarantee that all our products have the necessary certifications and are safe for our customers and patients.

Designed for safety

To ensure patients and healthcare professionals' safety, we designed our core product, the Serres Suction bag, for the most demanding conditions. Product quality and safety are prioritized from design to production. Developed in close cooperation with healthcare professionals, our suction system ensures optimal efficiency and safety in the operating room. With a single connection for setup, it's ready to use and minimizes human error. In 2024, we conducted an end-user feedback study on our solutions' ease of use, efficiency, and safety with 14 different hospitals in 8 different European countries. Gathering insight from our product users is vital in optimizing efficient and safe workflows in hospitals.

The Serres Suction system and Serres Nemo are designed to work together, creating an integrated closed-loop system that eliminates direct contact with collected blood and fluids. This solution significantly enhances the hygiene and safety of operating room (OR) staff by preventing exposure to potentially infectious materials, thereby protecting healthcare staff from contamination.

Quality management

Several different standards and regulations regulate Serres' business. These rules and regulations define how we in the medical device sector operate every single day. Examples of these include ISO 13485, MDSAP (Medical Device Single Audit Program), and

the European Union Medical Device Regulation (EU MDR). To ensure that we comply with applicable requirements, audits (both external and internal) are carried out regularly at Serres. Accredited third-party organizations perform external audits.

Complaints, vigilance events and CAPA

All complaints related to our products are transferred to the complaint handling system. This also includes serious incidents and near incidents. The complaint handling system includes an investigation of the complaint, determination of immediate corrections, preliminary root cause analyses, and analysis of the need for a corrective and preventive action (CAPA) process. If a CAPA process is needed, it will be linked to the complaint. The complaint handling process includes an evaluation of the need to update the risk management file if new risks, more serious risks than expected or more frequently recurring problems, are detected. The Quality Department monitors and participates in the complaint-handling process and evaluates the need for vigilance reporting. Any serious incident must be reported to the competent authority as stipulated by the European Union Medical Device Regulation (EU MDR). Also, any possible field safety corrective actions need to be communicated. Complaints, non-conformities, CAPAs, incidents, and near incidents are reviewed quarterly during the CAPA reviews, and the summary of such data constitutes a component of the annual product review.



Product compliance and safety

We meet the market's demand for our products and consistently exceed expectations in delivering to our customers. We are proud of our delivery assurance, which is 93.1%.

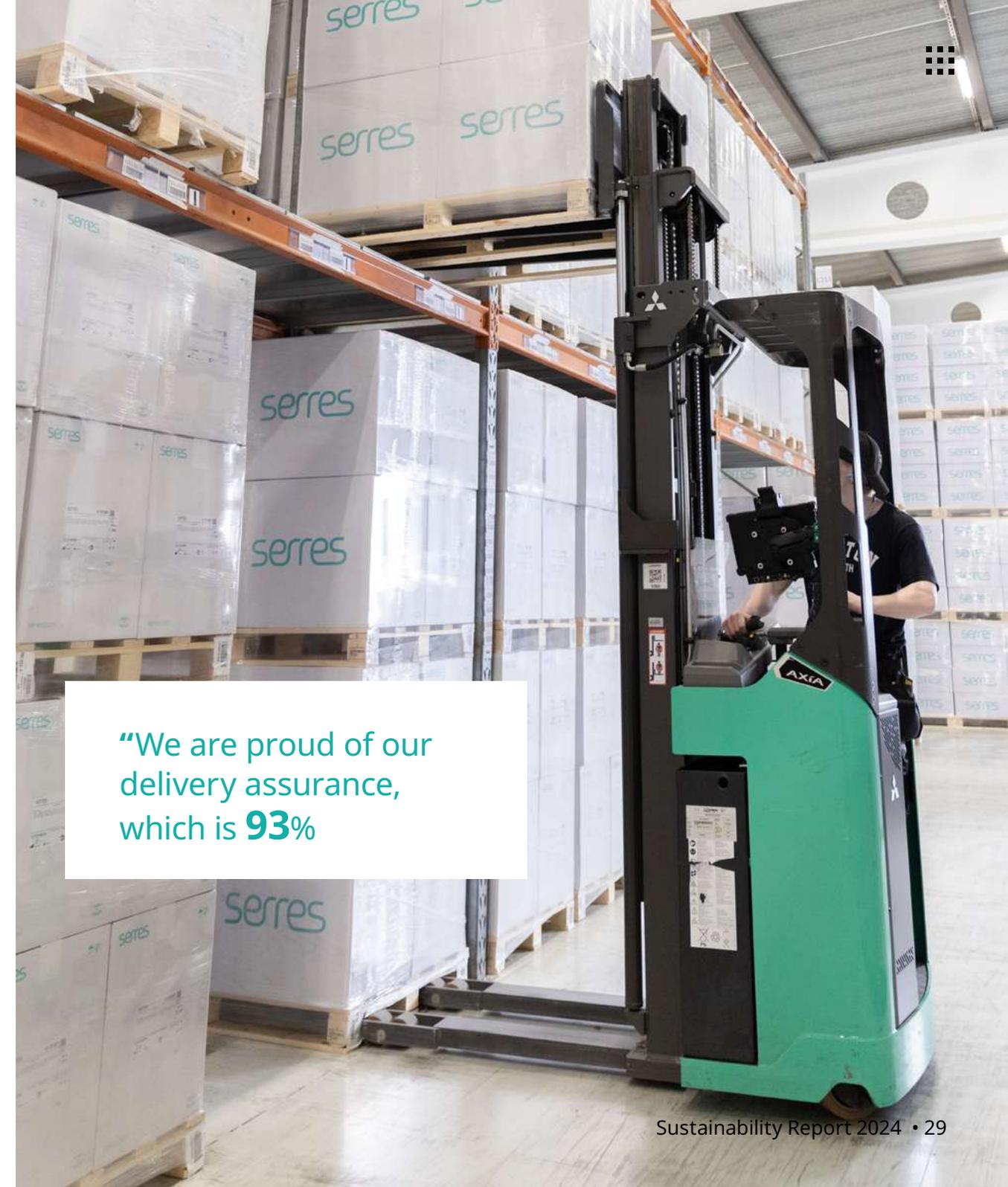
Key performance indicators/ product compliance and safety	Target	2022	2023	2024
Delivery assurance, % average	Above 95%	94.0%*	95.5%	93.1%
Customer complaint compared delivered suction bag pcs, ppm**	Below 10 ppm	1.1	1.16	1.21
Number of internal nonconformities in production compared to the produced pcs, ppm**	Below 10 ppm	2.3	2.3	2.3

* Change in calculation method, not comparable with previous years

** parts per million

Reliable supply

Key performance indicators/ Delivery assurance	Target	2022	2023	2024
Supplier delivery assurance, %	>95%	97.0%	98.6%	98.1%



“We are proud of our delivery assurance, which is **93%**”

Responsible business conduct

At Serres, we **consider responsibility** a collective endeavor. Everyone must know and follow applicable laws and regulations.





Code of Conduct

Our Code of Conduct, launched in 2023, is a set of rules that outlines what we expect from our staff within an organization. It includes general-level guidance on topics such as anti-corruption, environmental topics, human rights, and harassment prevention. The Code of Conduct is supplemented by various policies, principles, and guidelines, including our environmental policy.

Everybody at Serres must participate in the Code of Conduct training and testing. 100% of our personnel and suppliers and 93% of

our distributors are committed to the Code of Conduct.

Serres has made its whistleblowing channel available for its internal and external stakeholders. All reported cases undergo thorough investigation and follow-up.

One notification was sent through the channel in 2024.

Serres has not made any political contributions in 2024. Lobbying is done through industry associations of which we are members.

Business partners

Serres has a global distribution network that represents the Serres brand to healthcare providers in over 50 countries. The Serres supply chain comprises materials and services suppliers, subcontractors and contract manufacturers.

Our goal is to select suppliers whose social and environmental standards are in line with our own, and who act in a way that is consistent with the principles and values of our Supplier and Distributor Code of Conduct.

We use our Supplier and Distributor Code of Conduct as criteria for evaluating and sustaining relationships with suppliers and business partners. Our commitment is to do business with partners whose social and environmental standards align with our own, adhering to the principles and values outlined in our Supplier or Distributor Code of Conduct.

91% of our first-tier product-related suppliers are based in the EU.

Reporting principles

Serres has reported on its sustainability performance since 2022.

We effectively communicate our sustainability activities and performance to our stakeholders, thereby creating value for our businesses. The report is targeted to all our stakeholders interested in our sustainability work and performance. The report has not been verified.

Carbon footprint calculations

Serres has conducted its carbon footprint calculation according to the standards and guidance described in the GHG Protocol (GHG Protocol version 2004). For Scope 3 emissions, a separate Scope 3 emission calculation standard (Corporate Value Chain (Scope 3) Accounting and Reporting Standard) was applied. The results of Scope 1, 2 and 3 calculations are included in this report.

Scope 1 emissions sources include emissions generated from fuels of cars owned by Serres, as well as refrigerant leaks.

Scope 2 accounts for GHG emissions from the generation of purchased electricity and heat consumed by Serres. Two different emission

values were calculated according to the GHG Protocol: market and location-based emissions. In Serres' case, only market-based emissions are included in the carbon footprint. Location-based emissions are reported separately as additional information.

Scope 3 emissions are other indirect emissions originating from the corporation's supply chain. Scope 3 consists of 15 different emission categories, of which categories 1, 2, 3, 4, 5, 6, 7, 9, 11 and 12 were identified as relevant in Serres' carbon footprint calculation.

Uncertainties

When interpreting the results, it is important to consider the potential uncertainties. Data in Scopes 1 and 2 was site and supplier-specific, and therefore, the emissions represent the most accurate quality. Contrary to Scopes 1 and 2, many estimations and assumptions are commonly made in Scope 3. This is because there is often less specific data and emission information for Scope 3.



serres

Bringing responsible workflow
to the operating room.

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