

Sustainability Report

2020/21

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

Tabitha,
IC device user



Highlights 2020/21

58%

Production waste is recycled, improved from 41% in 2019/20

10%

Scope 3 emissions reduced per product, compared to base year 2018/19

2.2_{ppm}

Lost Time Injury frequency, improved from 2.5 ppm in 2019/20



Overview of 2020/21

The table illustrates our governance, ambitions and performance.

Commitments	UN Global Compact principles	2025 ambitions	2020/21	2019/20	
Strive25 priority areas					
	Improving products and packaging	Principle 7-9	90% of packaging is recyclable	75%	75%
			80% of packaging consists of renewable materials	70%	70%
			75% of production waste is recycled	58%	41%
	Reducing emissions ¹	Principle 7-9	Net-zero scope 1 & 2 emissions ^{2,3}	23,100	21,000
			100% renewable energy	67%	67%
			50% electric company cars	2%	1%
			50% scope 3 emissions reduced per product by 2030 ³	10%	0.3%
			10% reduction of air travel vs. 2018/19 and then freeze	81%	45%
5% limit on goods transported by air	2%	4%			
Ongoing commitment					
	Responsible operations	Principle 1-6, 10	100% white collars trained in Code of Conduct	99%	98%
			2.0 Lost Time Injury frequency ⁴	2.2	2.5
			30% representation of female senior leaders (VP+)	24%	24%
			75% share of diverse teams	50%	51%
			Engagement score above industry benchmark	8.2	7.9

¹from base year 2018/19

² in tonnes CO2e

³targets submitted to Science-Based Targets initiative (SBTi) for validation

⁴ in ppm

Table of content

Introduction	4
CEO letter	5
Business model and risks	6
Governance of sustainability	7
2025 sustainability strategy	9
Improving products and packaging	9
Reducing emissions	15
Responsible operations	21
Raising the standards of care	22
Product quality	24
Employee health and safety	26
Business ethics and compliance	28
People and culture	32
Inclusion and diversity	33
Performance tables	36
Basis of preparation	36
Environment data	37
Social data	42
Governance data	44
Appendices	45
Stakeholder engagement and materiality	45
Independent limited assurance report	47



This report constitutes our Communication on Progress in implementing the principles of the United Nations Global Compact and supporting the broader UN goals.

We welcome feedback on its contents.

INTRODUCTION

CEO letter

CEO letter

Coloplast is a purpose-driven company. For more than six decades, we have worked to make life easier for people with intimate healthcare needs. Today, we help more than two million – and aspire to help even more in the years to come. Last year, we launched our Strive25 strategy with a clear priority to run our company in a more sustainable way. We want to improve our products and packaging and reduce emissions while improving how we operate responsibly. Although there is still more work to do, I believe we are showing good progress across all three areas. Here are a few highlights.

Improving products and packaging

Plastic waste is a challenge in our society and Coloplast is committed to being part of finding sustainable solutions. Our priority is to bring more renewable materials into our products and packaging and increase recyclability, as well as working on our product design to minimise our impact.

As there are strict limitations on our products, there are more possibilities when it comes to packaging. In 2020/21, we have focused on primary packaging and initiated a project to convert virgin PET plastic trays to recycled PET plastic trays in ostomy baseplates and protective seals within our supporting products portfolio.

During 2020/21, we exceeded our waste recycling target of 50% by 2025 due to a new partnership in Hungary, enabling us to recycle our production waste into materials used for flooring in playgrounds and sports fields.

Consequently, we now recycle 58% of our production waste. The partnership shows the potential in seeking new and different ways of operating, and we will continue to pursue options like these to accelerate the agenda even further. Therefore, we have set a new waste recycling target of 75% by 2025.

Reducing emissions

Reducing emissions is another priority to Coloplast. The latest IPPC report underlined the need for action to fight climate change and limit the global temperature increase to 1.5°C as listed in the Paris Agreement. Our ambition is to become net-zero in scope 1 & 2 and use 100% renewable energy by 2025. In 2020/21, we have been in dialogue with renewable energy suppliers and initiated a project to install solar panels on the roof of our site in the US. Our new site in Costa Rica already uses 100% renewable electricity. This year, we submitted our net-zero scope 1 & 2 target and scope 3 target of 50% emissions reduced per product by 2030 to the Science-Based Targets initiative for validation. These are ambitious targets, and we can only succeed if we work together with our suppliers and partners. I am optimistic and look forward to the challenge.

Ensuring responsible operations

Ensuring responsible operations is key to running a successful company. We strive to improve how we operate, and this is tied to our company values, respect and responsibility. This year, we signed the Confederation of Danish Industry's



Gender Diversity Pledge, committing our global company to increase diversity in our senior leadership, as we believe that diversity leads to different perspectives, more nuanced discussions, and ultimately better results. I encourage you to read on and learn more about our sustainability efforts in 2020/21 – and I hereby confirm our commitment to the ten principles of the UN Global Compact as well as our support to the UN Sustainable Development Goals.

A handwritten signature in blue ink, which appears to read 'Kristian Villumsen'. The signature is fluid and cursive.

Kristian Villumsen
President and CEO

INTRODUCTION

Business model and risks

Business model and risks

Business model

Coloplast develops and markets products and services that make life easier for people with private and personal medical conditions within Ostomy Care, Continence Care, Wound & Skin Care and Interventional Urology.

Coloplast employs more than 12,500 people and operates globally with sales subsidiaries in more than 40 countries. The company has production sites in Denmark, Hungary, the United States, China, Costa Rica and France.

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 & climate change strains from our production. Coloplast has policies in place for relevant risks on these four topics, which are addressed throughout this report. The policies are published along with this report on [Coloplast.com](https://www.coloplast.com).

TCFD commitment

In 2020/21, Coloplast committed to report step-by-step according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The governance of the climate-related risks and opportunities is evaluated by the Executive Leadership Team and the Board of Directors.

Coloplast signed the business ambition for 1.5°C pledging to ensure alignment

with the Paris agreement and setting targets for 1.5°C science-based emission reduction for Scope 1, 2 and 3 emissions. Our aim is to become net-zero in scope 1 & 2 by 2025 and reduce scope 3 emissions per product with 50% by 2030. These targets have been submitted to the Science-Based Targets initiative (SBTi) for validation.

Going forward, climate-related risks and opportunities will be aligned with the business, strategy, and financial planning based on scenario analysis which will be included in the reporting and climate-related criteria in remuneration for executive management will be implemented from 2021/22.

Climate change risks and opportunities

As an outcome of the corporate strategy, Strive25, Coloplast established an internal working group to implement the recommendations of the TCFD and integrated it within the existing Enterprise Risk Management framework.

As formulated by the TCFD, the industry which Coloplast is in, is not considered to have high exposure to climate change risks. However, the preliminary risk assessment performed by the working group revealed potential long-term exposures to both physical and transitional risks within our supply chain and manufacturing.

Based on the preliminary climate risk assessment, physical risks such as rising sea water levels at Coloplast facilities

and extreme weather patterns affecting supply chains were identified.

The transition from a linear economy to a circular economy business model represents a range of risks to Coloplast. Transitional risks such as the demand for more sustainable products and packaging and further legal requirements with focus on Environmental, Social and Governance (ESG) for supply chain were also identified.

One of the main transitional risks is the potential development in climate-related policy and regulation. Future policy actions, both at a national and EU level, may seek to either constrain actions which contribute to the adverse effects of climate change or promote adaptation. Examples include the implementation of a carbon tax, tightening of energy efficiency standards or extended producer responsibility. The implementation of such initiatives represents a risk to Coloplast, which calls for adaptation. Also, regulatory developments that include new disclosure or reporting requirements to address climate-related issues represent a transitional risk, to which Coloplast must stay compliant as well as competitive.

However, the transition to a circular economy-based business model also represents several opportunities for Coloplast. The Strive25 strategy and sustainability ambitions enable us to focus on investing in and utilising new technology to transition our innovation and enabling us to continue making lives easier for people with intimate health care needs. Improving products and packaging as well as reducing emissions are two areas in which Coloplast can contribute to a circular economy.

Governance of sustainability

Coloplast's mission is to make life easier for people with intimate healthcare needs. With our ambitious commitment to sustainability, we want to make sustainability easier for our users - they do not choose their conditions and they should never be concerned about using Coloplast products in any way. Coloplast has been signatory to the UN Global Compact since 2002, and the ten principles in the Global Compact is part of our foundation and way of doing business. Coloplast also contributes to sustainable development and the 17 UN Sustainable Development Goals (SDG's).

Sustainability is anchored at the top

To ensure that we deliver on our sustainability ambitions, we have ensured the right organisational anchoring. The sustainability steering

committee is governed by the Executive Leadership Team, to ensure progress on the strategy. The sustainability steering committee cover aspects such as sustainability risks, opportunities, as well as recommendations for further improvements. The steering committee convenes four times a year.

The sustainability department is responsible for embedding the strategy in the organisation as well as identifying further strategic opportunities. The sustainability department is placed within Global Quality and Regulatory Affairs; a department that is involved with the decision-making around Coloplast products throughout the value-chain.

Within the Strive25 period, Coloplast is committed to investing up to DKK 250 million on more sustainable solutions and focus on building

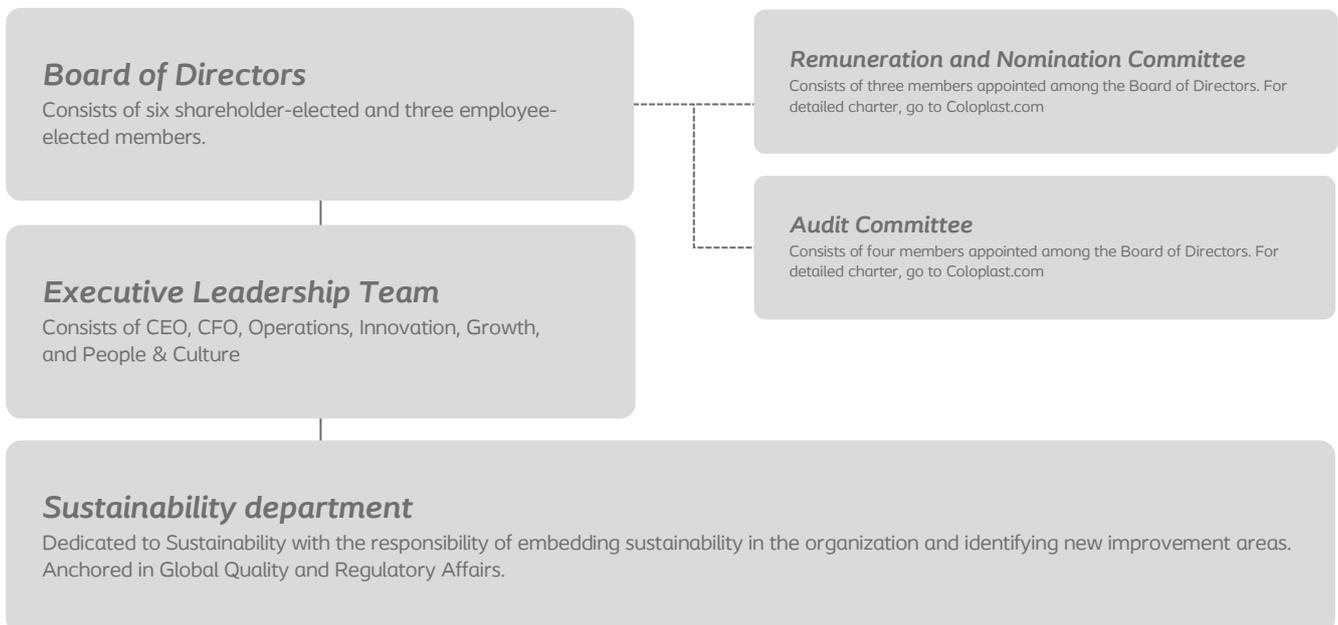
competencies within our organisation to accelerate this change and help achieve our renewable energy ambitions.

Read our Quality and Sustainability policy at [Coloplast.com](https://www.coloplast.com).

Management systems: ISO14001

Our environmental management system is certified on the internationally acknowledged ISO14001 environmental certification scheme. Today, eight out of nine production sites, including our corporate headquarters, are certified according to the ISO 14001 standard. Our new production site in Costa Rica is expected to be certified during 2021/22.

In addition, our subsidiary in Stockholm, Sweden has recently been certified.



Improving products and packaging

Coloplast SpeediCath® Flex

2025 ambitions

90%

of packaging is recyclable

80%

of packaging consists of renewable materials

75%

of production waste is recycled

SDGs impacted

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION





Improving products and packaging

As a manufacturer of medical products made primarily of plastic, Coloplast embraces the responsibility to contribute to solving the problems with plastic waste and wants to support the UN Sustainable Development Goals (SDGs) 12 on responsible production and consumption. However, within healthcare there are distinct clinical and regulatory limitations to reducing plastic waste.

Coloplast users are increasingly concerned about environmental impacts. Coloplast incorporates environmental performance when developing new products, focusing on designing our products and packaging to be recyclable and made of renewable materials (such as recycled or bio-based) with less environmental impact.

Renewable and recyclable packaging

While there are strict limitations to our products and within the medical device sector, it takes time to implement material changes, thus we see more possibilities when it comes to improving our packaging. For our products currently on the market, we have initiated packaging projects with the ambition of providing our users with 90% recyclable packaging and 80% packaging consisting of renewable materials by 2025. We will report on the progress of our change in packaging projects once we have launched a successful pilot ready to for full scale production.

Our secondary and tertiary packaging material, such as retail and shipper boxes, already consist of renewable materials and are recyclable. Most of these come from sustainable forestry.

In 2020/21, we have focused our efforts on primary packaging, which is part of the product. We have carried out internal investigations to find recyclable solutions for converting multilayer foil packaging which helps to hold the saline solution in intermittent catheters. We also initiated a project to convert virgin PET plastic trays to recycled PET plastic trays used in ostomy baseplates and protective seals within our supporting products portfolio.

We will never compromise on product safety and clinical performance as well as being mindful of the impact any change in primary packaging might have on user perception. Therefore, the investigations required a cross-functional team approach for several products and invested in increasing internal competencies on renewable materials and recyclability.

The medical device sector is heavily regulated and developing new relevant plastic materials is an industry-wide challenge that we cannot solve by ourselves. We have investigated potential partnerships with suppliers to understand the availability of renewable materials and other industry actors to find solutions and needed infrastructure to handle plastic waste and recycling. Furthermore, we have outlined our position on hazardous substances which enables us to identify opportunities and risks at an early stage and proactively to substitute relevant substances if needed.

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](https://www.coloplast.com).

Sustainability in innovation

Sustainability in product development

The primary method used by Coloplast to address environmental challenges is to incorporate eco-design principles when developing products. This means:

- Using less materials per product and reducing the amount of waste per product
- Using raw materials with lower environmental impact such as renewables
- Avoid hazardous substances
- Improve product and packaging recyclability
- Minimising the total carbon footprint from production and distribution

Life cycle assessments therefore guide Coloplast's environmental efforts, covering everything from raw materials to waste management, energy consumption, disposal and transportation of goods.

Coloplast has further strengthened the governance of eco-design to accelerate sustainability in innovation and eco-design in products and packaging.

Coloplast expects to see the effect in packaging soon, but the impact on new sustainable products on the market will not materialise before 3-4 years' time.

Single use is easiest and safest

Because most of Coloplast's products are contaminated after use, they must be disposed of properly due to risk of infection. This means that Coloplast's products are incinerated or sent to a landfill after disposal. However, Coloplast designs product packaging to be recyclable when possible and will run campaigns through the Coloplast Care program in local countries to help users recycle more and appropriately.

Reducing packaging

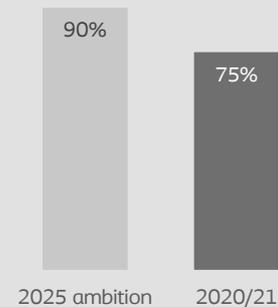
Coloplast has initiated projects to minimise unnecessary packaging to switch to renewable materials with less environmental impact.

In 2020/21, Coloplast piloted a Digital Ostomy notification tool called Heylo to minimise worry and reduce leakage among stoma users. The Heylo packaging is an example of eliminating plastics with a one-material packaging concept with FSC™ certified cardboard to enable recyclability, effectively making it easier for our users to dispose of in the same recycling system.

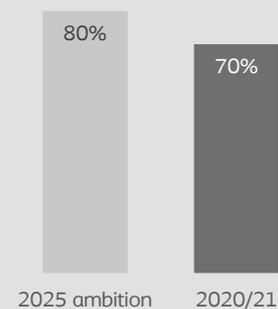
Another example of increasing recycled materials is the Heylo StarterKit that has a recycled PET plastic tray.

Key figures

SHARE OF RECYCLABLE PACKAGING*



SHARE OF PACKAGING CONTAINING RENEWABLE MATERIALS *



*Packaging ambitions covering products currently on the market

Phasing out hazardous substances

Coloplast products are safe

Coloplast is mindful when selecting materials and substances used in products and complies with international and local regulations and standards, including EU's chemicals legislation, also known as REACH, the California proposition 65 list and more. For many years, Coloplast has worked on reducing phthalates in our products and has ongoing projects to reduce. All Coloplast products are biocompatible and safe for the intended purpose, and Coloplast adopts a proactive approach to ensure that Coloplast follows its position on substances. Coloplast has

set up a structured monitoring process to detect and identify changes in regulations, science and technology early on. This enables us to identify opportunities and risks at an early stage and proactively substitute respective substances if needed. The results and risks are reported biannually to Coloplast's Substance Substitution Group and feeds into our product development and innovation processes.

Our substance position

During 2020/21, Coloplast developed a position on substances to make our commitments clear, set an industry example and show transparency.

Coloplast evaluates substances which are harmful to users and those harmful to the environment. We actively strive to reduce the health- and environmental impact of our products.

Coloplast's position demands that we adhere to the strictest global chemical regulatory requirements for substances used in our products, which is based on stringent laws and scientifically established threshold limit values – and without compromising safety and clinical performance. Additionally, Coloplast proactively seeks to phase out or ban particular substances of concern before they are subject to legal enforcement. Coloplast's substance position may therefore go beyond legislative compliance and stakeholder consultation. Decisions to seek substitution on substances are based on considerations of the level of concern, commercial availability, and technical feasibility of potential alternatives.

Coloplast's product requirements regarding the use of hazardous substances are captured in "Coloplast's Substance Requirement List" (CSRL). The list combines all legal, industry and voluntary requirements regarding chemical substances used in products and primary packaging material. If a hazardous substance according to the CSRL list is identified in Coloplast products, the Substance Substitution Group will review the substance and initiate a plan to investigate potential alternatives or eliminate the substance.

Next year, we will increase focus on hazardous substances in production processes and packaging.

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 purpose
- We follow and comply with international and local regulations and standards – including REACH, the California proposition 65 list, EU MDR, FDA, the 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 escalating to Coloplast's Substance Substitution Group which convenes biannually

Read our full position paper on hazardous substances at [Coloplast.com](https://www.coloplast.com)

Reducing and recycling waste

Reducing waste

Coloplast has the ambition to continuously reduce the amount of production waste generated per product. For the fourth year in a row, Coloplast has reduced waste generated per product. The improvements this year can be explained by the progress from the implementation of new production technologies within Ostomy Care and improvements in product design.

Waste recycling

During 2020/21, a new pilot project in Hungary led to a breakthrough in Coloplast's waste recycling resulting in an impressive 58% of production waste being recycled – and exceeding our target of 50% in 2025.

The recycled waste is used by a local waste handling company in producing rubber flooring for sports fields, railway systems, riding halls, building insulation, and kindergartens. Read more about the partnership on page 13.

Additionally, this year Coloplast has established a Waste Recycling Competence Center in Hungary in order to share best practices and knowledge on waste recycling across the sites globally.

As Coloplast is further committed to make improvements, and, as we have already achieved our current 2025 goal, we have set a new target of increasing our recycling rate to 75% by 2025.

In order to achieve the new target of 75% waste recycling, Coloplast is in the coming years looking into new recycling technologies such as chemcycling and dry agglomeration, as well as new recycling partnerships.

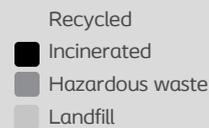
In 2020/21, we have initiated dialogue for applied research partnerships on advancing recycling technologies for mixed plastic waste in Denmark and Hungary.

Water management

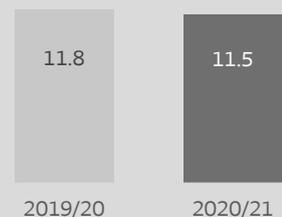
Coloplast uses very limited amounts of water for production. Water is primarily used for sanitation purposes and gardening.

In 2020/21, we saw a slight increase in water consumption due to return of employees after COVID-19 compared to last year. Whenever water is used, our focus is to reduce.

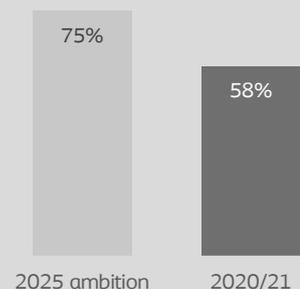
Key figures



WASTE GENERATED PER PRODUCT (GRAMS)



RECYCLING RATE OF PRODUCTION WASTE



Recycling partnership in Hungary

Approximately 80% of Coloplast's production waste stems from the largest production sites in Tatabanya and Nyírbátor in Hungary.

Therefore, this was a good place to start looking for alternative solutions to waste management to deliver on our waste ambitions in Strive25 and to find a partner suitable to use our production waste as a resource.

This year, Coloplast had a breakthrough in waste recycling due to a local partnership in Hungary with a local recycling manufacturer.

The recycled Coloplast waste ends up as rubber flooring for sports fields, railway systems, riding halls, building insulation, and kindergartens. The photo below shows the process of Coloplast's waste and how it ends up as rubber flooring.

From incineration to new use

The search for a suitable partner was not an easy process. Using an innovative waste recycling technology, it is possible to use the waste as a molded

component in rubber-based composite products.

Prior to the partnership, the majority of Coloplast's production waste was sent to incineration due to the difficulty of handling the complex multi-component waste in a more sustainable way.

With this partnership, Coloplast simplifies waste handling at our facilities, avoids incineration of valuable materials and applies a circularity principle to our production.



Coloplast waste



Finished product

Reducing emissions

2025 ambitions

Net-zero

scope 1 & 2 emissions

100%

renewable energy

50%

Electric company cars

50%

scope 3 emissions reduced per product by 2030

10%

reduction of air travels vs. 2018/19 and then freeze

5%

limit on goods transported by air

SDGs impacted

13 CLIMATE ACTION





Reducing emissions

In the World Economic Forum's Global Risks Report 2021, the three risks most likely to happen are all related to climate change: extreme weather, climate action failure, and human environmental damage. As we look to the recent IPCC report, the alarming message is clear: climate change is accelerating at an unprecedented pace. Acting now is urgent.

Environmental and climate-related issues such as climate change and natural disasters are material issues for Coloplast and for our stakeholders. The changing climate is a cause of concern for our customers and society. There is an increasing demand from our customers to provide products with a lower carbon footprint. Additionally, we have well informed users dedicated towards climate action.

Coloplast is committed to running our company in a more sustainable way and the strong voices from our stakeholders only adds to our momentum. Therefore, as a way of listening and responding, in 2020/21, we committed ourselves to the Business ambition for 1.5°C to ensure alignment with the Paris Agreement and have submitted our emission reduction targets to the Science-Based Targets initiative (SBTi) for validation.

As a growing company, we are challenged with making absolute reductions of our emissions. However, the situation also represents several opportunities.

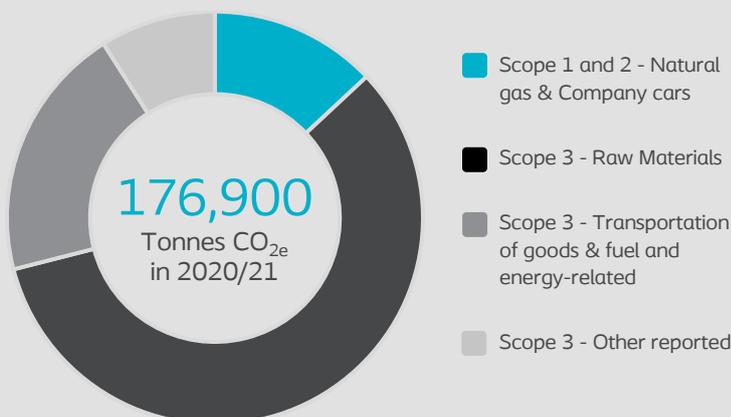
Our ambition is to become net-zero in scope 1 & 2 and use 100% renewable energy by 2025. We will also challenge our behaviour to reduce our emissions

related to how we travel and ship our products. We will reduce business travel by 10% compared to 2018/19 levels and convert 50% of our company car fleet to electric vehicles within the Strive25 strategy period. We have also set targets to reduce our value chain emissions and by 2030, Coloplast aims to have a 50% scope 3 emission reduction per product compared to base year 2018/19.

During 2020/21, Coloplast submitted its scope 1, 2 and 3 targets to the Science-Based Targets initiative for validation. In 2020/21, Coloplast performed a detailed screening of its entire emissions across the value chain and updated emissions from our base year 2018/19 onwards. As part of the process, Coloplast will be including more categories in its scope 3 reporting.

Coloplast continues to take our ambitions beyond our own operations and work with our suppliers. Both in terms of identifying new materials with lower environmental impact and by collaborating with our suppliers to ensure environmentally friendly and socially responsible operations. With the 2025 ambitions, Coloplast is committed to contribute to climate action as expressed by the UN Sustainable Development Goal 13.

Coloplast's Total Scope 1, 2 and 3 emissions



Net-zero scope 1 & 2 emissions

Using energy from renewable sources

With the Strive25 strategy, Coloplast is advancing its efforts on renewables. It is our ambition that our sites will be running on 100% renewable energy by 2025. Our plan is to procure electricity from renewable sources and phase out the use of natural gas by converting to electric heat pumps or by using biogas. Coloplast has committed to investing approximately DKK 100 million in CAPEX during the Strive25 period to achieve this target and going forward, climate-related criteria will be part of remuneration for executive management. This will be implemented from 2021/22.

For some years, Coloplast has been purchasing renewable energy certificates for electricity consumption at all production sites. Electricity accounts for more than 60% of total energy consumption in production. Coloplast currently covers 100% of electricity use with renewable energy, effectively reducing our emissions with more than 29,000 tonnes CO₂e. During 2020/21, we have investigated scenarios for phasing out natural gas at our global sites focusing on Denmark, Hungary and US. We are currently working with engineering consultants to have the technical plans finalised and ready for implementation during 2021/22. Based on the technical plans, the additional need for electricity at each site and/or the option of using biogas for heating will be established along with the conversion of the heat pumps. Recently, we initiated the installation of an electric heat pump at one of our largest sites in Nyírbátor in Hungary. In addition, Coloplast will

replace our Renewable Energy Certificates covering electricity use with Power-Purchasing Agreements (PPA's) at all global sites that ensures additionality by establishing new renewable power sources on Coloplast's request. In 2020/21, we have been in dialogue with renewable energy suppliers globally and have initiated a project to install solar panels on the roof of our Minneapolis site in US. Our new site in Costa Rica is already using 100% renewable electricity from the grid and there is a plan to plant trees at the site to preserve biodiversity.

Improving energy efficiency

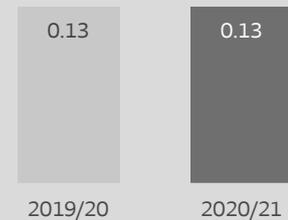
Coloplast has an ambition to continuously reduce energy used per product produced. In combination with using energy from renewable sources, this is an efficient way Coloplast can reduce climate related impacts from production. During 2020/21, Coloplast has maintained last year's level of energy per product at 0.13 kWh. Despite opening a new factory this year, the energy level is on par due to higher efficiency.

Electric company cars

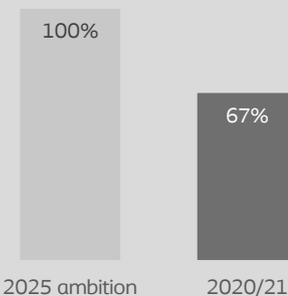
Coloplast operates a car fleet consisting of around 2,000 cars, which emitted 11,500 tonnes CO₂e in 2020/21. To reduce its impact, Coloplast will shift to electric company cars with a target of 100% by 2030 and 50% by 2025. In 2020/21, we converted 41 cars to electric mainly in Israel, Denmark and UK. We are continuously monitoring the maturity of the technology and infrastructure to support the use of electric cars globally.

Key figures

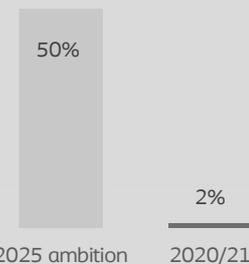
ENERGY USED PER PRODUCT (KWH)



SHARE OF RENEWABLE ENERGY



SHARE OF ELECTRIC COMPANY CARS*



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

Scope 3 – Reducing product footprint

Business Ambition for 1.5°C

In 2020/21, Coloplast committed to the Business Ambition for 1.5°C, aligning with the Paris Agreement and have submitted our emission reduction targets to the Science-Based Targets initiative. Committing to aligning our targets with what is necessary by science to meet the Paris Agreement enables Coloplast to build an even more resilient business and strengthens the collaborations with our suppliers. There is also an increasing demand from our customers to provide products with a lower carbon footprint. The impact of our products was considered important by approximately 70% of our users in a survey recently conducted in the UK.

During 2020/21, Coloplast performed a detailed emission screening to map all Coloplast activities across the value chain as part of our target submission process to the Science-Based Targets initiative. By 2030, Coloplast aims to have a 50% scope 3 emission reduction per product compared to base year 2018/19. In 2020/21, Coloplast reduced scope 3 emissions by 10% per product. This was because we used less air freight for transportation of goods and due to COVID-19, our business travel was reduced significantly.

To improve transparency and build on our reporting, in addition to the previously reported scope 3 categories, Coloplast has this year included sterilisation, energy-related emissions and distribution of our products in the reporting. Coloplast has focused on the most significant sources of emissions with high data quality and will report additional sources of emissions as the

data quality improves. To ensure better controls of the data reported in Scope 3, Coloplast has developed strict control procedures for emissions being externally reported. We expect to expand the scope of the limited assurance of our data going forward.

Reducing scope 3 emissions

Out of the total scope 3 emissions, 67% of Coloplast's scope 3 emissions are from raw materials. Therefore, in 2020/21, Coloplast initiated an engagement with 50 of its raw material suppliers responsible for 70% of the raw material emissions to start a dialogue about identifying materials with a lower environmental footprint and to get more detailed emission data from the suppliers.

The engagement with our raw material suppliers is among the first activities we have commenced as part of Coloplast's supplier sustainability program. We launched this program in 2020/21 and will continue to increase our engagement with direct and indirect suppliers across the value chain to reduce our scope 3 emissions. We have identified key areas of improvement with specific actions within raw materials, production, transportation of goods and business travel to drive our emissions reduction. Along with this, a data improvement plan has been developed to continuously increase the data collected from our value chain partners, refine the calculations and update the methodologies used.

Furthermore, Coloplast's Supplier Sustainability Program will launch a pilot next year, including 150 suppliers with

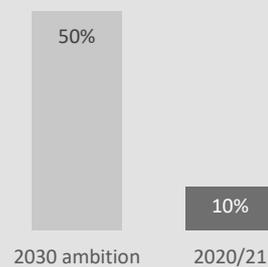
Key figures

SCOPE 3 EMISSIONS



- Raw materials
- Transportation of goods
- Fuel and energy-related activities
- Other reported

SCOPE 3 EMISSIONS REDUCED PER PRODUCT*



*2030 ambition is Scope 3 emissions reduced per product by 2030 compared to base year 2018/19

*target has been submitted to Science-Based Targets initiative (SBTi) for validation

2025 SUSTAINABILITY STRATEGY

Reducing emissions

the highest environmental or social risk exposure for further assessment, to establish a baseline for future criteria and a 2025 target. There is a need for improving our emissions data from our raw materials, and a close collaboration with our suppliers is needed to reach our target of reducing our scope 3 emissions.

All employees at Coloplast are also committed to making their contribution to climate action, considering we are all consumers. For example, we have started to use paper infills and paper tape for our recyclable shipper boxes at some of our sites. We have also launched a car pooling and bike to work concept in Denmark as well as bus services for our employees across different sites. In 2021/22, our plan is to build on this internal engagement and share best practices to contribute to our emission reduction targets.

Transportation of goods

Transportation of goods, both upstream and downstream, accounted for approximately 14% of Coloplast's total greenhouse gas emissions in 2020/21. With Coloplast's growth rates, transportation needs will increase going forward and, consequently, total greenhouse gas emissions from transportation of goods will also increase. Coloplast mitigates emissions from transportation of goods by substituting air with sea and ground transportation, as air transportation emits up to 100 times more CO₂e compared to sea freight.

In 2020/21, items were shipped from our production site in Hungary to China using rail transport. Transportation and distribution were optimised further,

keeping emission reduction in mind by focusing on container height optimisation in China. Furthermore, a pilot for distribution by road between Denmark to Germany was initiated and additional rules have been put in place for larger deliveries by air freight. All these actions have contributed significantly to reducing goods transported by air.

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

In accordance with the Strive25 ambitions, Coloplast will limit the use of air freight to 5% of total shipped miles.

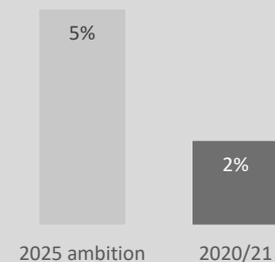
Reducing business travels

Despite growing across all geographies, Coloplast wants to reduce emissions from company air travels by 10% compared to 2018/19-levels and then freeze. Coloplast will limit the number of business trips, while promoting emission efficient choices when travelling. Coloplast will also strengthen digital meeting possibilities and working from home capacities in the organisation.

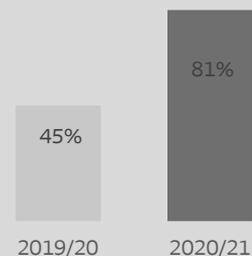
As COVID-19 continued during 2020/21, the emissions from air travel have been reduced by 81% compared to 2018/19 levels. However, once the situation normalises, Coloplast remains committed to reducing business travel.

Key figures

SHARE OF PRODUCTS TRANSPORTED BY AIR



EMISSION REDUCTION FROM BUSINESS TRAVELS*



*2025 ambition is 10% reduction of air travels vs. 2018/19 and then freeze

Supplier Sustainability Program

Responsible supply chain management

Coloplast is committed to drive a responsible social and environmental development, respecting human rights and driving a positive impact in the countries we operate in. To run an ethical and transparent business, we want to cooperate with our more than 12,000 direct and indirect suppliers and business partners.

Screening new suppliers

Through standardised auditing in the approval process for new raw material suppliers, Coloplast ensures that the ten principles of the UN Global Compact are integrated into procurement decisions.

For all new raw material suppliers, Coloplast explains its standards on human rights, labour, environment and anti-corruption outlined in the Supplier Code of Conduct. In high-risk countries, all raw material suppliers are audited by an external partner according to 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 eliminating the contract. Through the approval process, Coloplast maps relevant risks and ensures to engage with suppliers to improve local conditions if necessary. Coloplast has audited all new suppliers based in high-risk countries.

Monitoring suppliers

Coloplast annually monitors social and environmental risks on approved suppliers. All high-risk suppliers must be evaluated at least every third year by an external partner. The evaluation is based on the severity of findings, the supplier's response to the corrective-action plan and when the initial assessment was performed. Here, Coloplast will select suppliers to be re-approved. This year, Coloplast conducted two audits but was not able to visit all suppliers within scope due to COVID-19.

Supplier Sustainability Program

During 2020/21, Coloplast developed a new Supplier Sustainability Program to map its supply chain impact within direct and indirect suppliers and prepare for the EU Due Diligence Act. The Act will require companies to understand human rights-, environmental- and ethical risks throughout the value chain. The program will include an evaluation of suppliers' sustainability practices, and supplier prioritisation will depend on the supplier's nature of business.

This year, Coloplast developed a materiality assessment to identify which suppliers are exposed to sustainability risks, e.g. violating human rights, environmental risks and more. In 2021/22, we will initiate a pilot to verify the assessment and evaluation process to establish a baseline for our supplier requirements and set a 2025 target. By 2025, Coloplast aims to address 100% of our direct and indirect suppliers in tier one through the Supplier Sustainability Program.

Our supplier ambitions

The new Supplier Sustainability Program supports the Strive25 ambitions and aims to strengthen the focus on;

- Searching for and developing materials with a lower environmental impact
- Improving production practices, e.g. lower emissions and reduce waste
- Enabling better recycling of raw materials and production waste at supplier sites
- Ensuring high standards and continued compliance with our suppliers
- Strengthening our supplier base to further improve the environmental footprint with the right partners
- Increased monitoring of direct and indirect suppliers of products and services to our business.

Responsible operations

Ongoing commitments

100%

white collars 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

5 GENDER
EQUALITY



8 DECENT WORK AND
ECONOMIC GROWTH



10 REDUCED
INEQUALITIES



Responsible operations

Being responsible is our core value

Coloplast is committed to run an ethical, transparent and responsible business. This is tied to our company values, Respect and responsibility.

Within the Strive25 corporate strategy, we have listed ongoing commitments, which we upheld ourselves to deliver on. This is simply something, we never compromise on.

This section covers all the commitments we have made to ourselves within Raising the Standards of Care; Product quality; Employee health and safety;

Business ethics and compliance; People and culture and Inclusion and diversity.

Raising the standards of care describes Coloplast's efforts to help more people with intimate healthcare needs globally. Since the beginning in 2007, the program has supported more than 70 projects worldwide.

As a company making medical devices for users it is key that product quality is upheld. We never compromise on clinical performance or user safety.

Ensuring a safety culture among our employees is vital for keeping our employees safe on the job. Therefore, we track and monitor the development

and have ambitions to ensure we reduce injuries.

Being a global business and operating in multiple legal environments, we ensure to train our employees in our Code of Conduct, to have policies and processes in place to run an ethical business and that we have the right channels to report any potential misconduct.

Lastly, our employees make out the special Coloplast spirit, culture and without them, Coloplast would not be Coloplast. This is also reflected in our leadership promise which builds on our existing strong purpose-driven company culture: we aim high, we simplify, we empower, and we are inclusive.

We ensure that our employees are being treated fairly, equally and ensure that we have a motivated workforce which reflects the society we are part of.



RESPONSIBLE OPERATIONS

Raising the standard of care



Raising the standard of care

The majority of patients which Coloplast serves have chronic conditions that, in most cases, need to be managed permanently.

Coloplast is focused on raising the standards of care through advocating for establishing reimbursement, which will ensure patients have access to the products they need, for as long as they need them.

As market leader, Coloplast is fully committed to drive and improve sustainable access to better treatments, technologies, product categories and training that are benefiting user needs – which goes beyond choice of brand.

Coloplast additionally runs training seminars to ensure the best care for our users through the Coloplast Care Program. Through this, we have supported more than two million users

in more than 30 countries. To ensure safe and proper application, the patients are trained in how to use the product by a healthcare professional.

Therefore, Coloplast provides education and training for healthcare professionals through our educational collaboration platform, Coloplast Professional. Here, we provide input from local clinicians, insights obtained from Coloplast Care to improve local support and support through Coloplast Care advisors to find the optimal user solution.

Clinical performance program

Our user's face many challenges such as leakage, skin irritation and urinary tract infections. To respond to our user's care needs, Coloplast has developed a

Clinical Performance Program to tackle the biggest issues users face making progress on key technologies and running clinical trials to document the outcomes and benefits to users, society and payers.

Access to healthcare

Through Coloplast's corporate partnership programme, Access to Healthcare, Coloplast is committed to improving conditions for people who need care in the areas of ostomy, continence and wound care. Established in 2007, the programme has so far supported more than 70 projects in approximately 20 countries. The programme is part of Coloplast's continued efforts to raise the standard of care.

During 2020/21, Coloplast has provided funding and input for the International

Case study - Raising the standard of care for people in Japan living with incontinence

For the past four years, the Japanese Ministry of Health, Labour and Welfare (MHLW) has made significant steps to raise the standard of continence care. In 2016, as a result of a project with the MHLW, health care professionals and local patients' associations, the MHLW improved conditions for incontinence (IC) patients. Data from the project demonstrated high health economic efficiency, which paved the way for the introduction of a reimbursed category for hydrophilic coated intermittent catheters, enabling more people with urinary retention problems and bladder management needs to live a full, dignified life. Thus, the standard of care was raised in Japan. Japan generally has an advanced and modern healthcare system, but the development introduced a more modern treatment.

Building on the initial project, in 2018 the MHLW additionally introduced a new trans-anal irrigation category (TAI), providing bowel management users access to receive better treatment as well. In 2020, the Japanese authorities made further improvements. Previously, users have had to visit their prescribing doctor every month to renew and get products, which – taking some of the patients' conditions into consideration – has been demanding. Now they can opt to visit every three months, which improves quality of life. The MHLW also further increased funding for both intermittent catheters and TAI. This allows health care professionals to prescribe the best possible continence treatment. The higher standard of care and improved reimbursement program for IC and bowel management in Japan took effect on April 1st, 2020.

RESPONSIBLE OPERATIONS

Raising the standards of care

Spinal Cord Society (ISCoS) to develop the second edition of the e-learning platform, www.elearnsoci.org, which seeks to raise the standard for patient education and caregiver training. The second edition will include a module specifically for SCI users and caregivers alongside the other seven modules for healthcare practitioners.

All projects are created in collaboration with local stakeholders. The focus of Access to Healthcare projects varies, but the projects address similar themes. It is important that the projects create value for people with intimate healthcare needs and help 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.

Access to Healthcare projects support the long-term ambitions of Coloplast by bringing us closer to users and helping us to gain new or deeper insights into the needs of other stakeholders, including healthcare practitioners, civil society and policy makers.

Responsible advocacy

Coloplast works in partnership with many external stakeholders to share our views on the issues that affect our industry, clinicians and the rights of users. Coloplast conducts advocacy both as a company and in coordination with external partners, including

national and regional industry associations.

Measuring Quality of Life

Measuring the Quality of Life is part of Coloplast's process when it comes to assessing the impact of our products on our users. Quality of Life is measured using standard Quality of Life tools in our clinical studies, which enables Coloplast to get important feedback and improve our products.

Case study - Breakthrough in improving the standard of care for many children and adults in Poland

As global market leader, Coloplast has through the Access to Healthcare program supported awareness in Poland around the advantages that patients experience when hydrophilic intermittent catheters are the proper standard of treatment for people with neurogenic bladder dysfunction. Up until today, the standard of care has been uncoated catheters, a treatment standard that is associated with increased urinary tract infections and other medical complications compared to hydrophilic catheters, which eventually translate into a lower quality of life for users. 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 other stakeholders including pediatric urologists, healthcare system experts, patient groups, and other stakeholders. As a result of solid clinical evidence and a series of public consultations the Ministry of Health recently decided to introduce significantly improved reimbursement for hydrophilic catheters for children and adults in need of bladder management – a significant improvement that will enable more people to live a full, dignified life. The improved reimbursement scheme takes effect as of December 1st, 2021. To support a successful transition to the new standard of care, Coloplast will focus on training healthcare professionals on the correct use of hydrophilic catheters. Coloplast will also place great emphasis on educating and supporting users through the Coloplast Care program. We are confident that the enhanced reimbursement will lead to improved patient outcomes to the benefit of users and the Polish healthcare system.



Product quality

Quality standards

It is essential to Coloplast's mission to deliver safe and reliable products. That is why Coloplast has a unified global quality management system with established uniform global 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 mitigations, product improvements as well as future product development.

As part of a regulated industry, Coloplast's products and quality management system live up to strict regulatory standards established by authorities worldwide such as the FDA, Japanese Ministry of Health, the International Standardization Organization, and the European Commission. Compliance to 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. In 2020/21, Coloplast had 110 full day audits on quality and system conformity.

Medical Device Regulation

The European Commission has issued completely new and highly increased requirements to the Medical Device

industry as laid down in the Medical Device Regulation (MDR). Since this new regulation was published, Coloplast has revised and updated every aspect of the quality management system and is in 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 and Coloplast has obtained MDR-certificate for the first products.

Product recalls

If customer feedback or internal controls reveal that already distributed products have quality defects with a potential risk of safety, Coloplast will initiate a voluntary product recall to remove the products from the supply chain as well as the market. Coloplast had 4 voluntary product recalls during the financial year 2020/21:

Titan Inflatable Penile Prothesis

- In October 2020, Coloplast initiated a voluntary recall of 16 Lots within the EU and US as the pumps did not meet requirements.

Philips Bougies

- In April 2021, Coloplast initiated a voluntary recall of 2 Lots within the EU and Israel due to a labelling error.

Peristeen Plus

- In May 2021, Coloplast initiated a voluntary recall of 49 Lots within the EU due to an inconsistency on the temperature indicator.

SupraFlow

- In July 2021, Coloplast initiated a voluntary recall of 1 Lot within the EU and RU, SA, ZA due to packaging errors.

On-going commitment

Deliver safe and reliable product to our users

Key figures

4

Product recalls in 2020/21

0

FDA warning letters

Multi District litigation closed

Since 2011, Coloplast has been involved in a multidistrict litigation (MDL), alleging injuries resulting from the use of transvaginal and transabdominal mesh products designed to treat pelvic organ prolapse and stress urinary incontinence.

RESPONSIBLE OPERATIONS

Product quality

The MDL was formally closed on December 18, 2020, and an estimated 98% of the MDL cases have been settled. The regulatory landscape for surgical mesh products has transformed consequently. In 2016, the U.S. FDA reclassified transvaginal Pelvic Organ Prolapse mesh products from Class II to Class III. The Class II classification of Stress Urinary Incontinence meshes did not change.

In 2019, the FDA determined that all transvaginal synthetic mesh devices can no longer be commercialized in the US. Coloplast markets alternative solutions for the same type of products including tissue products as well as alternative procedures for pelvic organ prolapse. Coloplast has been committed to work closely with the FDA and physician investigators on 522 clinical studies. We

also have an increased focus on physician education, centers of excellence and collaboration with implanters, and spent more than 3000 hours every year on educational events for over 300 surgeons who participated in Coloplast Interventional Urology educational seminars since 2019.

Coloplast remains committed to the Women's Health business. We are confident that our medical devices are safe and effective when used by a qualified surgeon with the appropriate, fully consented patient. It is our conviction that women and their doctors should have a choice often referred to 'gold standard' therapies to successfully treat Pelvic Organ Prolapse and Stress Urinary Incontinence. Our clinical studies continue to reinforce clinical decisions and drive adoption of the Coloplast Women's Health portfolio.

Animal testing

Animal testing is a standard method for documenting the safety of medical devices. By having a precise account of the composition of Coloplast products, animal testing can be avoided. However, in some cases animal testing is necessary due to legal requirements and safety assessments. All animal testing used by Coloplast are performed by Good Laboratory Practice certified laboratories. This year, Coloplast used 1,576 animals for testing in relation to pre-clinical safety documentation. There has been an increase in use of animals for testing compared to last year due to tests for MDR submission on old devices to comply with MDR requirements. Coloplast does not use transgenic animals in testing. Read our Animal Testing policy available on [Coloplast.com](https://www.coloplast.com).

Medical Device Regulation (MDR)

- The European Commission has issued completely new and highly increased requirements to the Medical Device industry as laid down in the Medical Device Regulation (MDR).
- Since this new regulation was published, Coloplast has revised and updated the quality management system and is in 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, which was successfully completed
- Products with higher risk classes need to be MDR-certified before 26 May 2024

Coloplast has obtained MDR-certificate for the first products.

Key figures



- Rodents (include mice, rats and guinea pigs)
- Other animals (include rabbits, pigs and dogs)



Employee health and safety

Providing a safe and healthy work environment for employees is a core value for Coloplast. Safety is everybody's responsibility in Coloplast - both managers and employees.

Reducing occupational injury

The most common injury for both white- and blue-collar employees are behaviour-based, for instance stumbling and falling. Coloplast recently completed a three-year safe plan to strengthen safety culture across all production sites, larger distribution centres, headquarters as well as selected sales subsidiaries.

In 2020/21 a new SafePlan (2.0) was launched to continue the focus on safety behaviours globally along with a new five-year target to reduce LTI frequency to 2.0 ppm by 2025. The purpose of SafePlan 2.0 is to continue changing the mindset by enforcing four safety behaviours globally across Coloplast and at all management layers;

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

In addition to reducing injuries, the safety culture campaigns have since the last five years contributed to more than a fourfold increase in the reported near-miss accidents and safety observations. This year, Coloplast's lost-time injury frequency was 2.2 ppm, which accounts for 51 accidents. This mainly covers accidental trips and falls or heavy lifting. Coloplast has thereby achieved the 2021 target to reduce the LTI frequency

to 2.8 ppm. This corresponds to more than a 50% reduction of the LTI-frequency compared to 2017/18 level. The result is based on continued focus on safety behaviour at sites and distribution centres. The sales organisation, who have been working from home due to COVID-19 reducing the risk of injuries, will have increased focus on safety from 2021/22.

Furthermore, a proactive KPI for production sites and larger distribution centres has been defined, and local targets for this will be set for 2021/22. To support the proactive KPI, a new reporting tool, Coloplast Safe App, was developed. The implementation has started in Denmark and Hungary, and further implementation is planned. In 2021/22, a safety campaign including the new safety behaviour *Stay focused* will be launched.

Ensuring safety under COVID-19

During COVID-19, a top priority for Coloplast has been to keep our employees safe while keeping production running to serve our customers with the products they need. Global contingency plans and guidelines for how to react if an employee has been infected, was shared with the leaders across all sites. Furthermore, multiple safety measures have been implemented at distribution centres and production sites to ensure that production and distribution can continue in a safe and stable way.

Coloplast is proud that leaders as well as employees have shown a true safety mindset in the state of emergency.

On-going commitment

Ensure a safe and healthy work environment for employees

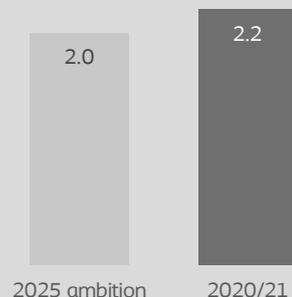
SDG impacted

Goal 8

'Decent work and economic growth' (8.8)

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

RESPONSIBLE OPERATIONS

Employee health and safety

Reducing repetitive work

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.

Coloplast has developed a system for measuring this type of work, which enables improvements and track progress. Since 2008, Coloplast has more than halved the amount of stations considered to require 'high' and 'very high' repetitive work.

ISO 45001

Coloplast's health and safety management system is certified according to Occupational Health and Safety standard, ISO 45001. The ISO-certification is a management system used to ensure that sites adhere to the same rules globally and continuously improve their performance.

All production sites and selected distribution sites are ISO 45001-certified which means a coverage of 95% of Coloplast employees in production, distribution centres, Postponement Center and Coloplast headquarters in Denmark. Our new production site in Costa Rica is expected to be certified during 2021/22.

Offering healthy choices

Coloplast performs workplace assessments globally, and through the Coloplast Life programme, Coloplast provides options to make healthy choices for employees. For example, local activities as trying an electric bike or encouraging more movement during the workday in a "stand more sit less"-campaign. To maintain well-being for employees during COVID-19, local activities like daily online exercises were arranged. Other initiatives include free medical screenings and health checks at Coloplast's Nyírbátor site and free flu vaccinations at Coloplast UK. In Denmark, Coloplast has a stress policy with stress-counselling.





Business ethics and compliance

Coloplast sells products and operates in more than 140 countries, and business cultures and regulations vary around the world. The Business Ethics & Compliance function is a global function with a Group Chief Compliance Officer leading a team of Compliance & Ethics employees. The Group Chief Compliance Officer reports to the Senior Vice President & Group General Counsel and annually reports on priorities, compliance risks, and updates to the Audit Committee. The Business Ethics & Compliance team is comprised of regional compliance officers and accompanying teams, specialised officers and managers and part time supporting resources such as Legal Counsel's in selective countries.

Coloplast BEST our Code of Conduct

The Coloplast BEST Code of Conduct outlines our commitment to responsible business practices and the key principles that form Coloplast's approach to acting with integrity. It applies to all Coloplast employees around the world, at all levels of the organisation, including Coloplast's Board of Directors, as well as contracted employees (temporary workers, student workers etc.).

Third parties working on behalf of Coloplast are also expected to follow the principles outlined in the Coloplast BEST; specific Code of Conducts for Distributors and Suppliers have been developed and rolled out.

Coloplast values employees' ability to use good judgment and common sense, rather than learning a set of rules by heart. That is why Coloplast BEST is

value-based rather than rule-based and has the ambition of installing a compliance mind-set throughout the organisation.

Coloplast BEST address the most common issues and challenges our employees may face, and offers general guidance, but it cannot cover all circumstances or anticipate every situation. When facing a dilemma not addressed by a law, industry code, Coloplast BEST, or internal policies, employees are expected to apply the overall principle of integrity presented in Coloplast BEST, use their critical thinking, and reach out to their managers and/or compliance officers to seek further guidance.

Coloplast is committed to having high standards for working with users and organisations both in terms of respecting the boundary between clinical expertise and our own product knowledge and when handling personal data. In addition to Coloplast BEST, employees are expected to live up to all applicable legal requirements (e.g. national law, federal law or other) and the industry codes that Coloplast is signatory to. All Coloplast employees are expected to: read and comply with Coloplast BEST, ask questions when unsure, and report any suspected misconduct or violation of Coloplast BEST.

To read Coloplast BEST, please visit [Coloplast.com](https://www.coloplast.com).

Continuous training efforts

Regular training on the Coloplast BEST is mandatory for all employees and the content, format and training plans are reviewed on an annual basis. All white-collar employees must complete the Coloplast BEST e-Learning within 45 days of hire and on an annually basis thereafter.

In addition to the Coloplast BEST training, Coloplast continues to expand its training activities and develop new training to support employees' engagement and understanding, especially those in high-risk parts of the organisation. Examples of other education provided throughout the year 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.

Transparency reporting

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

RESPONSIBLE OPERATIONS

Business ethics and compliance

Distributor handling

Coloplast has dedicated resources to conduct risk assessments and due diligence of its distributors and to create action plans for compliance improvements where needed. Coloplast has implemented a system to manage its integrity and compliance risks related to its tier one distributors. Through this process, Coloplast engages in active dialogue with distributors about the compliance situation in their market 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 program.

Ethics hotline

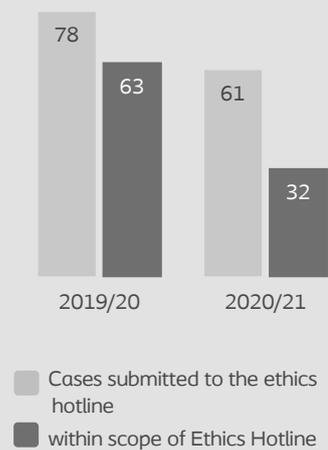
Coloplast has a global [Ethics Hotline](#), which enables employees and other stakeholders to report, in good faith, suspected breaches of the Coloplast BEST Code of Conduct or other concerns anonymously. Coloplast's Ethics Hotline is managed by an independent third party. The reported cases are managed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

Coloplast encourages an open, transparent and honest culture, where employees are free to raise questions and concerns without the fear of retaliation. In 2020/21, Coloplast has received a total of 61 cases, 32 of which have been within the scope of the Ethics Hotline.

In addition, all cases submitted to direct management or local or regional compliance officers have been 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.

Key figures

CASES SUBMITTED TO ETHICS HOTLINE



RESPONSIBLE OPERATIONS

Business ethics and compliance

Data privacy

By pursuing online activities targeted at users, Coloplast is collecting and handling more personal data. Users trust Coloplast with information about their personal life, and it is a priority for us to treat this data with the utmost respect and confidentiality. Many countries have legislation in place obligating companies to handle personal data securely. Coloplast handles and protects personal data in accordance with national law – and with the same approach across our company. Internal and third-party audits are used to ensure secure and reliable data handling.

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

A Group Data Protection Officer within Coloplast is fully dedicated to focus on data privacy and is supported by local privacy representatives from our subsidiaries. The Group Data Protection Officer reports to Coloplast management on a regular basis and

engage with representatives of important group functions in a Data Privacy Board. In addition, the efforts and status on data privacy is reported annually to the Audit Committee.

Please see our Information Security Policy on [Coloplast.com](https://www.coloplast.com).

Ethical marketing practices

Healthcare professionals and the people who use our products and services count on us to provide clear and accurate information on our products and services, how to use them and how they can help. Our products are classified as medical devices, which means promoting them is strictly regulated. We follow all 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, improving products, raising awareness about our products and in exchanging scientific information. We are committed to giving the healthcare professionals the most up-to-date clinical data and training, to make sure they can use our products safely and effectively, for the benefit of the users.

While providing support also to our users in view of our products, we do not engage in medical diagnosis or treatment advice but clearly refer to a healthcare professional and/or Intended Use of the products. Coloplast always recommends listening to the advice of the healthcare professionals.

On-going commitment

100%

of all white-collar employees trained in Code of Conduct

SDG impacted

Goal 16

'Peace, justice and strong institutions' (16.5, 16.6 and 16.b)

Key figures



RESPONSIBLE OPERATIONS

Business ethics and compliance

Community Engagement

Respecting local cultures, regulations and customs is important to Coloplast. Coloplast wants to contribute to the local communities in which the company operates. Either through donations or involving local NGOs. Considering this, Coloplast also considers tax management to be an important part of community engagement as taxes contribute to value generation.

Donations

To ensure that our donations are meaningful and benefit both the local community and Coloplast as much as possible, Coloplast has a policy on donations, which leverages cash and product donations. Coloplast wants to focus donations on activities that either seek to empower our users, support the local community or engage our employees. The policy on donations is based on Eucomed Guidelines for grants and WHO's guidelines for donating medical equipment. Read the full policy on [Coloplast.com](https://www.coloplast.com).

Responsible tax management

Coloplast sees taxes as an important part of our business. Respecting local tax laws and regulations are important to Coloplast's reputation and brand. In addition, taxes contribute to the economic value generation in the countries where Coloplast operates. The Coloplast 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 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 and avoid double taxation. Coloplast does not facilitate suppliers, customers, employees, or other partners in tax evasion.

Read the tax policy in full on [Coloplast.com](https://www.coloplast.com).

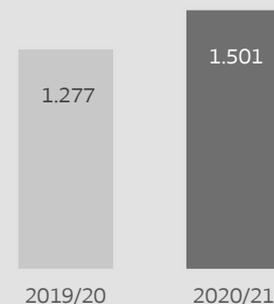
Country-by-country tax reporting

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

Following the decision at the Annual General Meeting in December 2020, the Board of Directors assessed the viability for Coloplast to do country-by-country tax reporting from the financial year 2020/21. The Board of Directors has decided that Coloplast will publish country-by-country tax reporting in the Annual Report in 2020/21. Coloplast has applied a reporting scope that will provide improved transparency given Coloplast's specific conditions while also taking the newly agreed EU directive into consideration.

Key figures

TAXES PAID (DKK MILLION)



22.6%

Effective tax rate in 2020/21



See our introduction to country-by-country tax reporting

<https://investor.coloplast.com/introduction-to-country-by-country-reporting/>



People and Culture

Evolving how we lead

If you can't see it, you can't be it. At the heart of delivering on Strive25 is our people and culture. As a growing company, Coloplast has expanded the total workforce by around 300 during 2020/21, primarily in the commercial organisation. Throughout Strive25, Coloplast will continue to expand the number of leaders and employees as we grow.

The People & Culture strategy for Strive25 revolves around three key pillars: Evolving how we lead, Talent for future and Inclusion & Diversity.

This year, our focus has been on making our leadership promise come alive through our leaders. All people leaders have been introduced to the Leadership Promise and have implemented it across the organisation. Our Leadership Promise applies to all employees as we all take on leadership tasks every day within our own areas. Therefore, we work with leadership across our organisation and continue to invest in leadership training programs. All our senior leaders (VP+), including our Executive Leadership Team, are going through an extensive leadership journey. Additionally, we continue to run our Business Leadership Program for our Director level leaders to build leadership competencies to create a stronger succession and leadership pipeline.

To secure strong leadership focus, we track progress on two key metrics: voluntary employee turnover and employee engagement.

Employee turnover

Voluntary turnover level in 2020/21 reached 10.1%, compared to 8.2% in 2019/20. Coloplast has seen a positive effect on voluntary turnover rates during COVID-19 and is still below the pre-COVID-19 level.

Employee engagement

Coloplast tracks employee engagement twice a year. Results are shared with local management who then act on key areas to maintain high engagement levels. Despite COVID-19, Coloplast still sees a highly engaged workforce. During 2020/21, the engagement score was 8.2 compared to 7.9 in 2019/20, with a response rate of 90%. This score is above the Healthcare industry benchmark and places Coloplast in the top 25th percentile.

Flexible working

COVID-19 has had far reaching consequences for our daily lives and ways of working together. Coloplast quickly adapted ways of working, processes, and digital platforms to a home office set-up in the very early phases of the pandemic.

We have taken great learning to future ways of working, our use of digital platforms, and our approach to flexibility. As a result, Coloplast recently launched an updated global position on flexible working to stay an attractive, inclusive, modern workplace in the markets we operate in.

Key figures

12,728

employees at year-end

59%

of critical managerial positions filled by internal candidates

10.1%

voluntary employee turnover in 2020/21

8.2 out of 10

employee engagement score

Talent for the future

Attracting and developing talent is a core element of ensuring Coloplast has the best people for the future. We hire for careers, which means that we mobilise and develop talent to secure strong succession for critical managerial positions. We develop our employees and leaders through strong individual development plans and run targeted development programs on different levels securing a strong leadership pipeline. This year, 59% of critical managerial positions were filled by internal candidates. This is below our 67% aspiration as we have taken in external talent in key leadership positions.

RESPONSIBLE OPERATIONS

Inclusion and diversity



Inclusion and diversity

It is part of Coloplast's DNA to respect the individual and secure equal opportunities for all. Coloplast is committed to build an inclusive culture that leverages diversity at all levels. We therefore have integrated inclusion and diversity in all of our people processes such as in our global recruitment process, head-hunter policy, performance evaluation, succession planning or people survey.

Additionally, this year, we launched Our new Leadership Promise where inclusion is one element out of four that constitutes Our Promise. All leaders are expected to master this as we evolve how we lead.

During 2020/21, Coloplast signed the Confederation of Danish Industry's Gender Diversity Pledge, committing to a target of 40/60 gender distribution in management and our board of directors by 2030.

Inclusive workplace environment

Coloplast wants every employee to feel that they belong in the company, to bring their differences to work daily and to fulfil their potential because of and not despite of their differences. Coloplast prohibits any kind of discrimination or harassment of employees due to their gender identity, age, race, ethnicity, nationality, sexual orientation, religious belief, social and economic background, physical or mental ability etc.

This is formalised in our Inclusion & Diversity policy, Anti-Harassment and Anti-Discrimination policy as well as the

Anti-Retaliation policy which is available at [Coloplast.com](https://www.coloplast.com).

Diverse Teams

We believe that diversity in teams leads to better innovation, performance and decisions. Therefore, we have chosen to 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 from director level and above. Our ambition is to reach a share of 75% diverse teams before 2025 through natural turnover. In 2020/21, the share of diverse teams was 50%, compared to 51% in 2019/20.

Over the past two years, VPs and above have made five-year action plans for how to create diverse teams within their area of responsibility. This year, our Director level leaders will create plans. Successful diverse teams only flourish if we lead inclusively – we therefore offer unconscious bias e-learning to all and inclusive leadership training to our leaders.

Along with this, to ensure racial and ethnic equity in its workforce, we leverage global training on unconscious bias, our job descriptions and ads are made neutral followed by standard interview guides. In North America, apart from hiring a Manager of Supplier Diversity, we have launched two Employee Resource Groups (ERG's) led by employees: Women's resource group and People of Color resource group.

On-going commitment

Year-on-year

increase in share of female representation in senior leadership

Year-on-year

increase in share of diverse teams

SDG impacted

Goal 5

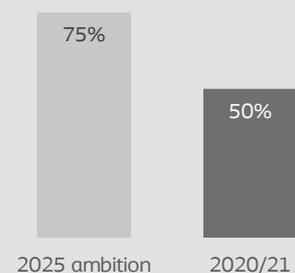
'Gender Equality' (5.5)

Goal 10

'Reduced Inequalities' (10.3)

Key figures

SHARE OF DIVERSE TEAMS



RESPONSIBLE OPERATIONS

Inclusion and diversity

Gender representation in management

Coloplast continues to track and monitor progress on gender representation at all levels. During 2020/21, Coloplast signed the Confederation of Danish Industry's Gender Diversity Pledge, committing to a target of 40/60 gender distribution in management and our board of directors by 2030. In 2020/21, Coloplast had 46% female managers at or above manager level from 43% last year. However, looking at senior leadership* alone, there is an underrepresentation of females. This year, the share of female senior leaders is 24%, which is the same as last year.

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

Gender pay gap

Coloplast is committed to equal remuneration for equal work. Therefore, Coloplast lets skills and experience determine matters related to compensation.

In 2020/21, Coloplast performed an analysis on the gender pay gap across senior management levels in the organisation. The analysis showed that

there is equal remuneration between female and male leaders with no significant pay difference.

Gender representation among Board of Directors

Coloplast aims for its Board of Directors to consist of the best qualified individuals. With 3 out of 6 shareholder-elected board members being female at the end of the financial year, Coloplast maintains equal gender representation among Board of Directors, in compliance with the Danish Financial Statements Act, section 99b.

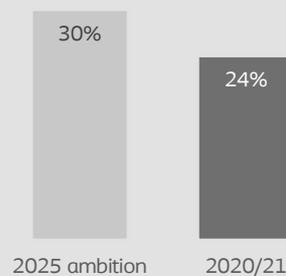
Employing people with disability

Coloplast works to employ people with disability globally. This includes ensuring reasonable accommodations at sites as well as proactively hiring people with disability.

Key figures



SHARE OF FEMALE SENIOR LEADERS (VP-LEVEL AND ABOVE)*



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, section 99a and b as well as Act 107d and the requirement specified by the EU non-financial reporting directive. In addition, Coloplast is a participant in the UN Global Compact and thereby committed to provide a Communication on Progress.

Defining materiality

Disclosures in this report is 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 with and direct involvement of customers, investors, policy makers, employees and media. Find the full materiality assessment on page 46.

Scope

Unless otherwise noted, 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 production and distribution centres. Coloplast has nine production sites and the corporate headquarters (Mørdrup, Humlebæk, Tatabanya 1 and 2, Nyírbátor, Zhuhai, Mankato, West River Road/Minneapolis, Sarlat and Cartago) and 3 global distribution sites (Hamburg, Atlanta, Tatabanya.)

PERFORMANCE TABLES

Environment data



Environment data

Waste

(Part of PwC's limited assurance report 2020/21)

Accounting policy

Waste is based on invoiced or weighted amounts from the production sites, distribution centres and corporate headquarter and is reported based on the consumption 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.

	Unit	2020/21	2019/20	2018/19	2017/18
Total waste generation	Tonnes	14,678	15,097	14,206	13,770
...of which goes to hazardous waste handling	Tonnes	512	608	632	601
...of which goes to landfills	Tonnes	418	1,028	1,089	1,042
...of which goes to incineration	Tonnes	5,295	7,219	7,943	7,629
...of which is recycled	Tonnes	8,453	6,242	4,543	4,498
...per product	Grams/product	11.5	11.8	12.2	12.5

Water

(Part of PwC's limited assurance report 2020/21)

Accounting policy

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

	Unit	2020/21	2019/20	2018/19	2017/18
Total water use	m3	266,521	248,709	234,299	258,171

PERFORMANCE TABLES

Environment data

Energy

(Part of PwC's limited assurance report 2020/21)

Accounting policy

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

	Unit	2020/21	2019/20	2018/19	2017/18
Total energy use	MWh	167,704	162,340	163,367	157,999
...of which renewable energy	%	67	67	67	33
...per product	kWh/product	0.13	0.13	0.14	0.14
...of which natural gas	MWh	55,767	52,836	53,535	51,791
...of which coal or fuel distilled from crude oil	MWh	105	5	7	15
...of which electricity	MWh	111,832	109,499	109,036	105,198
...of which district heating and cooling	MWh	0	0	788	944

PERFORMANCE TABLES

Environment data

GHG emissions

(Part of PwC's limited assurance report 2020/21)

Accounting policy

Scope 1 and 2: Emissions reported cover all Coloplast production sites (Denmark, Hungary, France, US, China and Costa Rica), selected offices (Denmark and US) and global 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 timed 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 consumption handled in air cleaning systems. Data on Hydrofluorocarbon (HFC) gasses is obtained from local registrations 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 Green House 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.

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 which cover all transportation between Coloplast sites, sterilization sites and distributors in Emerging Markets. Main suppliers with spend above 2%, in total accounting for 96% of upstream transportation spend, were included in 2020/21.
3. Business travels:
 - Based on data from Coloplast's global travel agents and calculated by using the VDR standard for corporate travel. Data from global travel agents accounted for 53% of total business air travel costs in 2020/21 and the remaining 47% 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 primarily are leased. Emissions are based on the number of FTE's working there and is calculated using a conversion factor from the Danish Energy Agency.

All emission data are rounded to the nearest 100.

PERFORMANCE TABLES

Environment data

GHG Emissions (continued)

(Part of PwC's limited assurance report 2020/21)

	Unit	2020/21	2019/20	2018/19	2017/18
Scope 1 / direct emissions ²⁾	Tonnes CO ₂ e	23,100	21,300	22,000	21,100
...natural gas	Tonnes CO ₂ e	11,400	10,800	11,000	10,400
...VOCs and HFC gasses	Tonnes CO ₂ e	200	300	300	300
...leased company cars ²⁾	Tonnes CO ₂ e	11,500	10,200	10,700	10,400
Scope 2 / indirect emissions ³⁾	Tonnes CO ₂ e	0	0	0	16,600
...electricity (market-based)	Tonnes CO ₂ e	0	0	0	16,600
...electricity (location-based)	Tonnes CO ₂ e	29,200	28,600	33,800	33,100
Scope 1 + 2 / emission intensity ²⁾	Tonnes CO ₂ e	23,100	21,300	22,000	27,300
...per product ²⁾	Grams CO ₂ e/product	18.1	16.6	18.8	33.3
...per revenue ²⁾	Tonnes CO ₂ e/DKKm	1.2	1.1	1.2	1.3
Scope 3 / other relevant indirect emissions ²⁾	Tonnes CO ₂ e	130,900	149,500	138,900	144,500
...1. Purchased goods and services	Tonnes CO ₂ e	108,400	115,700	100,500	95,900
...raw materials	Tonnes CO ₂ e	103,100	108,800	93,800	88,500
...contract manufacturing	Tonnes CO ₂ e	5,300	6,900	6,700	7,400
...2. Transportation of goods	Tonnes CO ₂ e	15,500	22,900	21,400	28,100
...upstream transportation	Tonnes CO ₂ e	15,500	22,900	21,400	28,100
...3. Business travels	Tonnes CO ₂ e	2,300	6,400	12,600	16,400 ¹⁾
...4. Leased assets (upstream)	Tonnes CO ₂ e	4,700	4,500	4,400	4,100

¹⁾ Figures based on previous accounting method. Business travels figures from 2018/19 onwards are based on a more accurate VDR method.

²⁾ Emissions from leased company cars are now presented together with Scope 1 and 2, whereas it was previously presented as Scope 3 Emissions. Consequently, data for previous years have been adjusted.

³⁾ Market-based method is used to report scope 2 emissions and for tracking progress.

PERFORMANCE TABLES

Environment data

GHG Emissions (continued)

(Not part of PwC's limited assurance report 2020/21)*

Accounting policy

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

1. Purchased goods and services:
Sterilization: Includes emissions from external sterilization of Coloplast products. The calculation is based on energy use at selected, representative sterilization facilities. Emissions from transportation of Coloplast products to/from sterilization facilities are included in upstream transportation of goods.
2. Fuel and energy-related activities (not included in Scope 1 or 2): Includes 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, 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 1.
3. Transportation of goods:
Downstream transportation: emissions reported by selected carriers (accounting for approx. 70% of delivered quantities) in 2020 are extrapolated to the reporting periods using carrier-specific spend.
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	2020/21	2019/20	2018/19	2017/18
Scope 3 / other relevant indirect emissions	Tonnes CO2e	22,900	22,000	21,500	22,900
...1. Purchased goods and services	Tonnes CO2e	2,400	2,300	2,100	2,000
...sterilization	Tonnes CO2e	2,400	2,300	2,100	2,000
...2. Fuel and energy-related activities	Tonnes CO2e	10,100	9,400	9,800	10,900
...3. Transportation of goods	Tonnes CO2e	9,500	9,100	8,800	8,200
...downstream transportation	Tonnes CO2e	9,500	9,100	8,800	8,200
...4. Waste generated in operations	Tonnes CO2e	900	1,200	800	1,800
Scope 3 / total (both included and excluded in PwC's limited assurance report)	Tonnes CO2e	153,800	171,400	160,500	151,000

*Additional categories included based on updated screening of scope 3 emissions

PERFORMANCE TABLES

Social data



Social data

Anti-corruption

(Part of PwC's limited assurance report 2020/21)

Accounting policy

White-collar employees trained in Code of Conduct accounts for the percentage of active white-collar employees at the end of the accounting year who have completed an e-learning module and a test in our Code of Conduct. 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	2020/21	2019/20	2018/19	2017/18
White-collar employees trained in Code of Conduct	%	99	98	99	99
Cases submitted to the ethics hotline	Number	61	78	48	18
...of which within scope	Number	32	63	46	13

Employees

(Part of PwC's limited assurance report 2020/21)

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. Cases with sick leave due to COVID-19 is not included.

	Unit	2020/21	2019/20	2018/19	2017/18
Occupational injuries and accidents (all employees)	LTI freq.	2.2	2.5	3.0	4.4 *

*Updated figures based on updated data

PERFORMANCE TABLES

Social data

Employees (continued)

(Not part of PwC's limited assurance report 2020/21)

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 plus employees on leave of absence. Managers include all positions at or above Manager level. Senior leaders includes 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	2020/21	2019/20	2018/19	2017/18
Employee headcount	Number	12,728	12,568	12,234	11,738
...Blue-collar	Number	5,324	5,488	5,452	5,316
...White-collar	Number	7,404	7,080	6,782	6,422
Regions					
...European markets	Number	8,056	8,173	7,784	7,622
...Other developed markets	Number	1,501	1,351	1,294	1,157
...Emerging markets	Number	3,268	3,044	3,043	2,927
Gender diversity					
...Female employees total	%	63	64	62	63
...Female managers	%	46	43	42	41
...Female senior leaders	%	24	24	21	20
Employee turnover					
...voluntary turnover	%	10.1	8	-	-
Employee engagement					
...Response rate	%	90	88	-	93
...Engagement score	Index	8.2	7.9 ¹⁾	-	74

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 2020/21)

Accounting policy

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

Board members consist of shareholder-elected board members. Employee representatives are not included. Board independence is based on independence criteria listed as part of the Danish recommendation on good corporate governance. Overboarded members accounts for board members with more than five mandates at listed companies according to ISS Proxy Voting Guidelines. For more on individual board members, please see [Coloplast.com](https://www.coloplast.com).

	Unit	2020/21	2019/20	2018/19	2017/18
Attendance Rates					
...at Board Meetings	%	96	96	96	95
...at Audit Committee Meetings	%	96	88	100	100
...at Remuneration and Nomination Committee Meetings	%	100	100	100	-
Board composition					
...Board members total	Number	6	6	6	6
...Independent board members	Number	4	3	4	4
...Overboarded members	Number	-	1	-	-
...Female board members	Number	3	2	2	2

Stakeholder engagement and materiality

Stakeholder engagement

Coloplast's main stakeholders include shareholders, users, clinicians, employees, business partners and society in general. Coloplast has ongoing dialogue with its stakeholders through different channels and used these for the purpose of the materiality assessment:

Users

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

Clinicians

Coloplast works with clinicians on advisory boards by engaging in semi-annual focus group meetings as well as facilitating education of healthcare professionals.

Employees

Coloplast communicates to employees daily through the Coloplast intranet "Connect" and holds information meetings 4 to 6 times a year that are broadcasted globally reaching more than 3,000 employees in 2020/21. In addition, Coloplast conducts global engagement surveys bi-annually.

Society

Coloplast has incorporated the UN Sustainable Development Goals into the materiality assessment to reflect the world 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/investor_relations.

APPENDICES

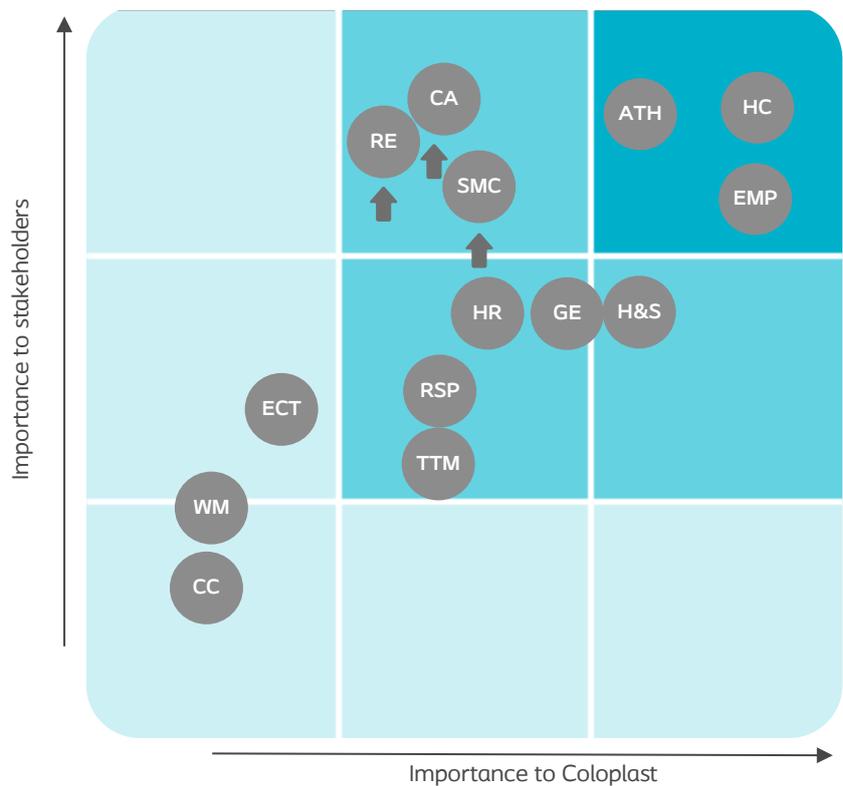
Stakeholder engagement and materiality

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 pose a potential risk or positive impact towards 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.



Material topics

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

Independent limited assurance report on selected Social and Environmental Data for 2020/21

To the Stakeholders of Coloplast A/S

We have been engaged by Coloplast A/S ('Coloplast') to provide limited assurance on selected Social and Environmental Data stated on pages 37-40 and page 42 in the Coloplast Sustainability Report for the period 1 October 2020 to 30 September 2021 prepared in accordance with the Accounting Policies stated on pages 36-40 and page 42 in the Coloplast Sustainability Report 2020/21.

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 on pages 37-40 and page 42 in the Coloplast Sustainability Report 2020/21 have not been prepared, in all material respects, in accordance with the Accounting Policies stated on pages 36-40 and page 42 in the Coloplast Sustainability Report 2020/21.

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 as stated on pages 37-40 and page 42 in the Coloplast Sustainability Report 2020/21, which includes:

- Energy consumption
- Water consumption
- Waste consumption
- GHG emissions, scope 1, 2 and selected scope 3 categories
- Share of renewable energy
- Lost time incident 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 39-40, 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.

APPENDICES

Independent limited assurance report

Our independence and quality control

We have complied with the independence requirements and other ethical requirements in the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and 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 needs to be read and understood together with the Accounting Policies on pages 36-40 and page 42, 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 whether data has been appropriately measured, recorded and reported;
- performed analysis of data from reporting sites, selected based on risk and materiality to Coloplast;
- 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; and
- evaluated the evidence obtained.

APPENDICES

Independent limited assurance report

Management's responsibilities

Management is responsible for:

- designing, implementing, and maintaining internal controls over information relevant to the preparation of the Selected Social and Environmental Data that are free from material misstatement, whether due to fraud or error;
- establishing objective Accounting Policies for preparing the selected Social and Environmental Data;
- preparation of the GHG statement in accordance with defined Accounting Policies
- measuring and reporting the Selected Social and Environmental Data based on the Accounting Policies; 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 2020 - 30 September 2021 are free from material misstatements, whether due to fraud or error.
- forming an independent conclusion, based on the procedures we performed and the evidence we obtained; and
- reporting our conclusion to the stakeholders of Coloplast.

Hellerup, 1 November 2021

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab CVR no. 3377 1231

Mogens Nørgaard Mogensen
State Authorized public accountant

Kim Tromholt
State Authorized public accountant

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 & Skin Care and Interventional Urology. We operate globally and employ about 12,500 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



[Ostomy Care](#) / [Continence Care](#) / [Wound & Skin Care](#) / [Interventional Urology](#)

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 and interventional urology. We operate globally and employ about 12,500 employees.

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