

PAREE GROUP

2023

SUSTAINABILITY REPORT



# Contents



## Paree Group

- About Paree Group ..... 3
- CEO's greetings ..... 4
- 2023 at a glance ..... 5
- Our strategy – a look forward ..... 6
- Sustainability at Paree Group ..... 7
- Materiality assessment ..... 9
- Stakeholder engagement ..... 10
- Climate ..... 11
- Resource use and circular economy ..... 13
- Own workforce ..... 14
- Responsible sourcing ..... 18
- Business conduct ..... 18
- Reporting principles ..... 19
- Assurance of the climate data ..... 20



## Innokas

- About Innokas ..... 23
- Message from CEO Janne Kostamo ..... 24
- 2023 Innokas key events at a glance ..... 25
- Value creation ..... 27
- Sustainability at Innokas ..... 28
- Materiality assessment ..... 29
- Stakeholder engagement ..... 31
- Our people ..... 32
- Consumers and end-users ..... 36
- Climate ..... 37
- Resource use and circular economy ..... 38
- Responsible sourcing ..... 41
- Business conduct ..... 43
- Governance ..... 44
- Cubist ..... 45



## Serres

- About Serres ..... 48
- Message from the CEO ..... 50
- 2023 at a glance ..... 51
- Value creation ..... 52
- Our approach ..... 53
- Active work for a better environment ..... 59
- Care for the well-being of our employees ..... 65
- Patient and healthcare professional safety ..... 69
- Responsible business conduct ..... 71
- Reporting principles ..... 73



## Vieser

- About Vieser ..... 78
- Message from the CEO ..... 79
- 2023 at a glance – Vieser highlights ..... 80
- Our strategy – a look forward ..... 81
- Sustainability at Vieser ..... 82
- Materiality assessment – material topics ..... 84
- Climate ..... 86
- Resource use and circular economy ..... 87
- Own workforce ..... 88
- Responsible sourcing ..... 91
- Consumers and end-users ..... 92
- Business conduct ..... 93



# About Paree Group

Family-owned Paree Group is a long-term owner of leading small and medium-sized growth companies that all share its mission to make an impact today for a more sustainable and healthier tomorrow through their operations in MedTech and the built environment.

The company was founded in 1973 in Kauhajoki, Finland. Today, the Group consists of the parent company Paree Group Oy and its subsidiaries, including Cubist IT AB, Innokas Yhtymä Oy, Serres Oy and Vieser Oy. The head offices of Paree Group, Innokas, Serres and Vieser are in Espoo Finland, and Cubist in Stockholm, Sweden. Innokas has factories in Helsinki and Kempele, Finland, and Tallinn, Estonia. Serres' factories are based in Kauhajoki and Saarijärvi, Finland. Paree Group products and services are delivered to over 50 countries.

**Paree Group** has over 400 employees working in innovation and product development, project management, quality and regulation, sustainability, sales, marketing, software, and operations. In 2023 the Group revenue was approximately EUR 82 million.

**Innokas Group** has 30 years of experience of highly demanding technology and of working with a wide range of customer projects ranging from healthtech to other complex, intelligent devices and solutions that help improve the quality of people's lives. Its annual revenue in 2023 was around EUR 37 million, and it is servicing a global customer base through its close to 200 dedicated employees in four different locations and two factories in Finland and one Estonia.

→ [Read more](#)

**Serres Group** develops smart and sustainable surgical patient fluid management solutions. Its products are sold in more than 50 countries through value-driven distribution partner networks. Serres annual revenue in 2023 was over EUR 35 million and its some 175 devoted professionals were servicing more than 75,000 surgical interventions daily. Serres operates in Finland, Germany, China and United States and has two factories in Finland.

→ [Read more](#)

**Vieser Oy** designs and sells high-quality floor drain solutions and unique design covers and bathroom products. Production started in Kauhajoki in 1973 and today all production still takes place in Finland. Vieser floor drains play a small but crucial part in prolonging the life cycle of buildings. Since 1973, Vieser drains have been installed in over 7 million bathrooms in Nordic homes. Sustainable development is considered in the design of products and innovations, in materials, and in recyclability - throughout the value chain. In 2023, Vieser's annual revenue was around EUR 7 million.

→ [Read more](#)

**Cubist IT AB** is a Sweden-based IT consultancy company, building a healthier future. Cubist engages in a broad range of agile software development services and data-driven projects with a purpose to add clinical value. Cubist is servicing the Nordic market through its over 30 highly skilled specialists. Its revenue in 2023 was approximately EUR 4 million.

→ [Read more](#)



**Paree Group has over 400 employees working in innovation and product development, project management, quality and regulation, sustainability, sales, marketing, software, and operations.**



# CEO's greetings

I am delighted to present to you our first Paree Group-wide sustainability report, reflecting our commitment to environmental, social and ethical business practices.

In a rapidly changing world, our Group has embraced sustainability as part of our mission and business strategies, and as a core principle guiding our actions and decisions. As megatrends such as climate change, resource scarcity, and social inequality continue to reshape the global landscape, we remain committed to addressing these challenges proactively.

The global economic turmoil that began with the COVID-19 pandemic in 2020 and created market uncertainties across industries also colored the operating environment in 2023. The primary focus of Paree Group's business portfolio lies in the healthcare sector where the demand has remained stable, contributing to a satisfactory financial performance.

The business environment in 2023 was characterized by heightened awareness of sustainability issues, increased regulatory scrutiny and evolving customer preferences. Recognizing the importance of sustainable business practices, we are continuously integrating sustainability considerations

into our operations and cooperation with our partners. In 2023, we have focused on defining our sustainability baseline and building sustainability roadmaps for our businesses. Promoting responsible business practices is crucial to our business. In line with this commitment, we have provided training to all our employees on our Code of Conduct and developed Supplier and Distributor Codes of Conduct, which we will share with our partners. Additionally, we have established a whistleblowing channel that is available both internally and externally for reporting compliance concerns. In 2026, we will start CSRD reporting and have already started our preparations for the process.

As we look to the future, sustainability will remain a cornerstone of our business strategy and culture. We are committed to setting ambitious goals, measuring our progress, and engaging our stakeholders in meaningful dialogue and cooperation. We aim to create long-term value for our owners, employees, and customers by reducing our footprint and increasing our handprint. Collective efforts will contribute to a more sustainable and prosperous future for all.

**Mika Hagberg**  
CEO, Paree Group



Recognizing the importance of sustainable business practices, we are continuously integrating sustainability considerations into our operations and cooperation with our partners.





# 2023 at a glance

Paree Group launched its renewed values and strategy through the organizations, sustainability being in the mission and a strategic goal.



The first group-level Code of Conduct was launched and training was provided to personnel and boards.

The first double materiality assessment was conducted for the group and its subsidiaries.

The first group-level sustainability strategy and roadmap and the subsidiaries' roadmaps were completed.



The first carbon footprint calculations were carried out for Scope 1, 2 and partly for Scope 3.

# Our strategy – a look forward

Paree Group Oy's portfolio strategy is to hold and develop companies that deliver value in accordance with our mission: to improve our customers' contribution to a more sustainable tomorrow and improve people's health.

Our services cover the entire value chain from the initial idea to the commercialized solution which is:

- **smart** and innovative resulting from customer-centric and data-driven data processes.
- **safe** to use for our end-users as well as employees and partners to develop, manufacture and deliver.
- **sustainable** for both people and the planet, while also focusing on the business profitability and competitive advantage.
- **effective** for recurring everyday challenges, making customer workflows more fluent.

Our business portfolio draws its success from collaborations with both internal and external stakeholders combined with our engineering excellence.



Paree Group's target is to be the best long-term owner of our subsidiaries and the employer of choice for our employees.

## Value creation

Paree Group's target is to be the best long-term owner of our subsidiaries and the employer of choice for our employees. The parent company provides high-quality and cost-efficient shared services to support the business objectives of Paree Group and its subsidiaries. These services consist of human capital development, financing and reporting, cyber security and ICT services,

sustainability leadership and business controlling and planning services. We support, guide and coach our subsidiaries to create customer value and attain profitable business growth.

We ensure value creation for shareholders through our portfolio management process. The parent company maintains an active understanding of the subsidiary strategies, conducts business follow-ups and assigns competent board of directors based on the

subsidiary's individual needs. Portfolio management provides the foundation for parent company guidance, business planning, investment and risk management across the group.

We believe that the best business results and the most sustainable outcomes are created through a diverse workforce and trusting collaboration. We strive for long-term business partnerships, driving toward shared goals and win-win outcomes.



# Sustainability at Paree Group

For Paree Group, sustainability values are rooted in our origin story. Paree’s purpose of creating impact today for a healthier tomorrow manifests itself in our vision to offer smart solutions for a better tomorrow.

Our values, which directly or indirectly align with sustainability, include Consistent Integrity, Courage to Renew, Collaborate to Win and Creativity through Diversity.

For us, sustainability is not just a choice, it is critical for our market access and long-term business success. It is important to continuously reduce our footprint while increasing our customers’ handprint through our operations, products and services. Innovating sustainable products and services to disrupt norms and meet evolving market demands is crucial for our success. Being responsible enhances the brand, builds credibility and cultivates trust, engaging stakeholders.

## Paree Group’s sustainability focus areas

### Focus area

**Responsible business practices:**  
To create trust and succeed, Paree Group and its subsidiaries must commit to responsible business practices. Our overarching goal is also to ensure that every partner within our value chains operates with the utmost ethical standards. Our target is that all relevant laws and regulations as well as our internal guidelines and group-level sustainability guidance are followed accordingly.

**Pathway to net-zero:**  
Setting a net-zero target is not only crucial to combat climate change but also a vital step toward a more sustainable and resilient future. Reaching a net-zero target supports our regulatory compliance, operational efficiency, risk management, market access, competitiveness and reputation building.

**Sustainability awareness building and engagement:**  
We integrate sustainability seamlessly into our management system, decision-making and compensation structures. We foster a workplace culture where employees feel proud of the organization’s sustainable practices. As people, employees and leaders, we embody sustainability in all aspects through our value chains with all our stakeholders. By participating in relevant external sustainability initiatives, we bring insights and best practices across our entire group.

**Sustainability reporting:**  
We meet the legal sustainability reporting requirements and effectively communicate our sustainability activities and performance to our stakeholders, thereby creating value for our businesses.

**Support for sustainable business:**  
We encourage and support our subsidiaries to explore and capitalize on new business opportunities by piloting pioneering sustainability initiatives. Our goal is not only to expand our business horizons but also to contribute significantly to sustainable practices, ensuring a positive impact on both our organization and the broader ecosystem. We also include sustainability in our M&A criteria and due diligence.

### KPIs

→ CoC training and commitment coverage 100%: 96% in 2023  
  
→ Number of notifications in whistleblowing channel: 0 in 2023

→ Short-term, long-term and net-zero SBTi targets for the whole group in place 2025

→ Sustainability awareness and engagement of our employees, scale 1–5 (employee engagement survey) (from 2024 on)  
  
→ Sustainability as part of remuneration of top management from the beginning of 2025

→ Compliant CSRD report in place 2026

→ M&A sustainability due diligence process in place and implemented in 2024

Moreover, Paree Group directs the efforts of its subsidiaries in key focus areas by offering sustainability guidance, emphasizing the minimum requirements each subsidiary should include in their sustainability targets and roadmaps.



## Sustainability governance structure

At Paree Group, sustainability is owned by the board of directors, CEO and leadership team. The CEO bears the ultimate responsibility for the successful implementation of the Group's strategy, including sustainability. The same goes for the subsidiaries. The Paree Group board approves the group-level sustainability targets and roadmap as well as sustainability guidance for its subsidiaries. Sustainability issues are discussed in the board meetings regularly along with other business priorities.

Sustainability will be one of the performance metrics in the top management target setting. The Group Head of Sustainability, reporting to the Group CEO, is responsible for leading the sustainability work at the group level and supporting subsidiaries

in their sustainability target setting, roadmap building, implementation and reporting.

The Group Head of Sustainability leads the Sustainability Team consisting of Sustainability Heads of subsidiaries that are reporting to their respective subsidiary CEOs. The Sustainability Team manages daily sustainability topics and ensures smooth operation between all companies in sustainability. The subsidiaries implement the sustainability roadmaps as part of their strategies and daily business. There are also Centers of Excellence based on specific sustainability topics, including representatives from subsidiaries. The Centers advance key sustainability activities in the whole group.

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



Sustainability issues are discussed in the board meetings regularly along with other business priorities.





# Materiality assessment

Paree Group’s double materiality assessment was conducted in line with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS), still drafts at the time of the assessment in April–June 2023.

Paree Group wanted to carry-out the assessment to future-proof the company for the upcoming CSRD regulation and to get insights to the development of Paree Group’s first sustainability strategy.

The assessment covered three of Paree Group’s subsidiaries: Innokas, Serres and Vieser. Innokas’ analysis was observed to encompass Cubist as part of the businesses, given their similarities. The assessment covered Paree Group’s and its subsidiaries’ entire value chains, including its own activities and activities in the upstream and downstream value chains.

The core team at Paree Group consisted of leaders and experts in sustainability, finance, business development and HR from both the group and its subsidiaries. In addition, a group of internal experts, including the group CEO and owners, and all subsidiary CEOs, were engaged to assess the impacts, risks and opportunities. Paree Group’s core team took part in the assessment work in shared working sessions and asynchronous reviews throughout the project.

## The process

The external expert conducted a desk study, using relevant background materials such as stakeholder engagement results, risks assessments and sustainability reports. This was complemented by the identification of typical industry impacts, risks and opportunities. The expert also organized and conducted the interviews with internal and external stakeholders, focusing on the owners of the company, employees, and customers of the subsidiaries because he considered them the most important stakeholders for providing input and feedback to the materiality assessment. Internal working sessions were held to discuss the materiality analysis and potential impacts for each subsidiary along with internal workshops to assess the impact and financial materiality of sustainability topics. Additionally, an internal workshop with the sustainability leaders of the group and its subsidiaries was conducted to validate the double materiality assessment.

## Impact assessment

The **impact materiality** assessment covered both negative and positive impacts, actual and potential.

The **financial materiality** assessment covered business risks, opportunities, their likelihood of occurrence and the size of potential financial effects.

The project group assessed each environmental, social and business governance topic based on impacts on the medium-term horizon. They scored the impact and financial materiality for each sustainability topic, including the evaluation of double materiality scoring. They documented the results and the entire process, and the sustainability leaders of Paree Group and the subsidiaries reviewed and validated the findings and the thresholds to be used for materiality. We also collected feedback for the double materiality assessment from employees through a sustainability survey.

Paree management validated the results of the double materiality assessment in the fall of 2023.

The double materiality assessment identified six material topics for Paree Group:



Climate change



Resource use and circular economy



Own workforce



Workers in the value chain



Consumers and end-users



Business conduct

These topics will be at the center of Paree Group and its subsidiaries’ sustainability work and reporting in the coming years.



# Stakeholder engagement

Engaging in both informal and formal dialogues with our stakeholders is essential to understand their concerns and expectations and to gain understanding of the business environment. Our key stakeholders are our owners, customers and personnel. In addition to those, we also want to engage with many other parties listed in the table below.

Paree Group and its subsidiaries are members in several organizations, including FIBS ry, UN Global Compact, the Association of Finnish Work, HealthTech Finland and Chamber of Commerce. Our goal in participating is to promote our industries, engage in discussion, learn from our stakeholders, and provide our employees with opportunities for sustainability education, aiming to support our business and sustainability efforts.

## Stakeholder engagement

Stakeholder group	Key expectations	Interaction with stakeholders
Authorities and regulators	Compliance with laws and regulations	External audits, communications with authorities
Competitors	Showing leadership in sustainable operations	Communications through selected channels
Contract manufacturers, subcontractors, suppliers and service providers	Sustainable partners Contractual issues Honesty and fairness	Sustainable operations Supplier assessments and audits, supplier meetings, supplier surveys
Customers, distributors and end-users	Support to fulfill sustainability requirements from their stakeholders Operations in accordance with relevant laws and regulations Safe products for patients and users	Regular customer feedback, distributors meetings, trainings and webinars
Industry associations	Active participation and input in sustainability initiatives	Active participation in meetings and initiatives
Landlords	Sustainable operations Compliance with laws and regulations	Discussions and communications, answers to inquiries
Local communities	Sustainable operations Compliance with laws and regulations	Discussions and communications, answers to inquiries
Non-governmental organizations	Sustainable and transparent operations Fact-based reporting and communications	Communications
Owners	Financial performance, long-term value creation Management of sustainability risks and opportunities Sustainable operations Compliance with laws and regulations	Board of directors meetings, quarterly Paree Group information sessions
Personnel	The company operates in a sustainable manner Occupational health and safety Fairness, respect for others	Employee engagement survey, regular employee meetings and updates, monthly CEO message, whistleblower channel





# Climate

Paree Group and its subsidiaries are committed to reducing our environmental footprint as well as increasing our handprint.

Paree Group and its subsidiaries are committed to reducing our environmental footprint as well as increasing our handprint. By 2026, we aim to calculate and report our carbon footprint for all three Scopes and to set science-based targets (according to the Science Based Targets initiative's criteria) with the roadmap toward net-zero, supporting the Paris Agreement's goals.

The first carbon footprint calculations were made in 2023 for the year 2022, covering the Group and its subsidiaries. The calculations covered Scopes 1 and 2 and categories 1, 4, 5, 6, 7 and 9 of Scope 3. The data coverage and quality were insufficient to obtain reliable

results for Scope 3. We found however that Scope 3 emissions generated the majority of the company's emissions. Within Scope 3, category 1 emissions (purchased goods and services) accounted for the most significant amount of emissions.

The data coverage and quality were improved for our 2024 calculations (based on 2023 data), but still insufficient for publishing the Scope 3 results at the group level. However, some of our subsidiaries report their Scope 3 emissions for certain categories in their respective reports. Our goal is to improve the data quality and cover all Scope 3 categories for the reporting year 2025.



In total, Paree Group's carbon footprint amounted to 1,902 tCO<sub>2</sub>e including Scopes 1 and 2.

**PAREE GROUP**





Meanwhile, we continue to identify ways to reduce our energy consumption and increase our energy efficiency. More about the actions can be found in the subsidiary reports.

In total, Paree Group's 2023 carbon footprint amounted to 1,902 tCO<sub>2</sub>e, including Scopes 1 and 2. Scope 1 emissions were 234 tCO<sub>2</sub>e and Scope 2 emissions 1,667 tCO<sub>2</sub>e. Most of the Scope 1 emissions came from fuels and a minor part from two refrigerant leaks (9%). 75% of Scope 2 emissions came from electricity, including electricity consumption of corporate-owned or leased electric cars. The remaining 25% came from heating.

With regard to each subsidiary, Serres generated the largest amount of Scope 1 and 2 emissions, amounting to 1,399 tCO<sub>2</sub>e and representing up to 74% of total Scope 1 and 2 emissions.

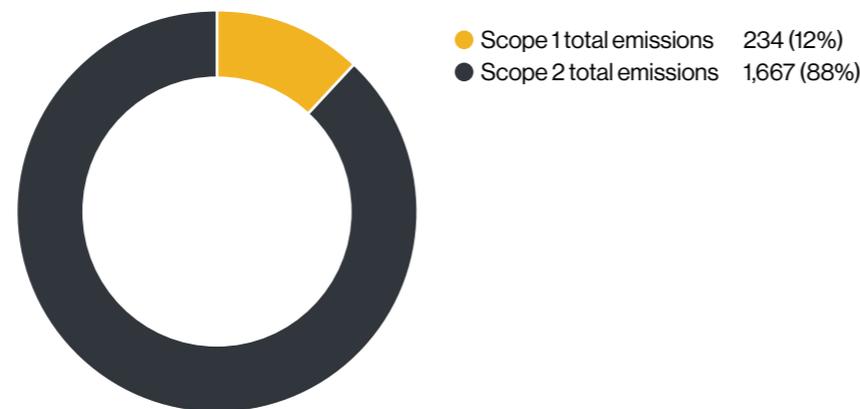
As shown in the figure Total GHG emissions, Innokas Medical came in second with a total of 441 tCO<sub>2</sub>e, representing 23% of all emissions. Vieser generated 47 tCO<sub>2</sub>e, representing 2% of all emissions. Cubist and Paree Group generated 6 tCO<sub>2</sub>e (approximately 0.3% of all emissions) and 9 tCO<sub>2</sub>e (approximately 0.5% of all emissions) respectively.

More information on the subsidiaries' emissions is available in their respective reports. The calculation scope, method and uncertainties are presented in the chapter Reporting principles.

### Scope 1 & 2 emissions, tCO<sub>2</sub>e

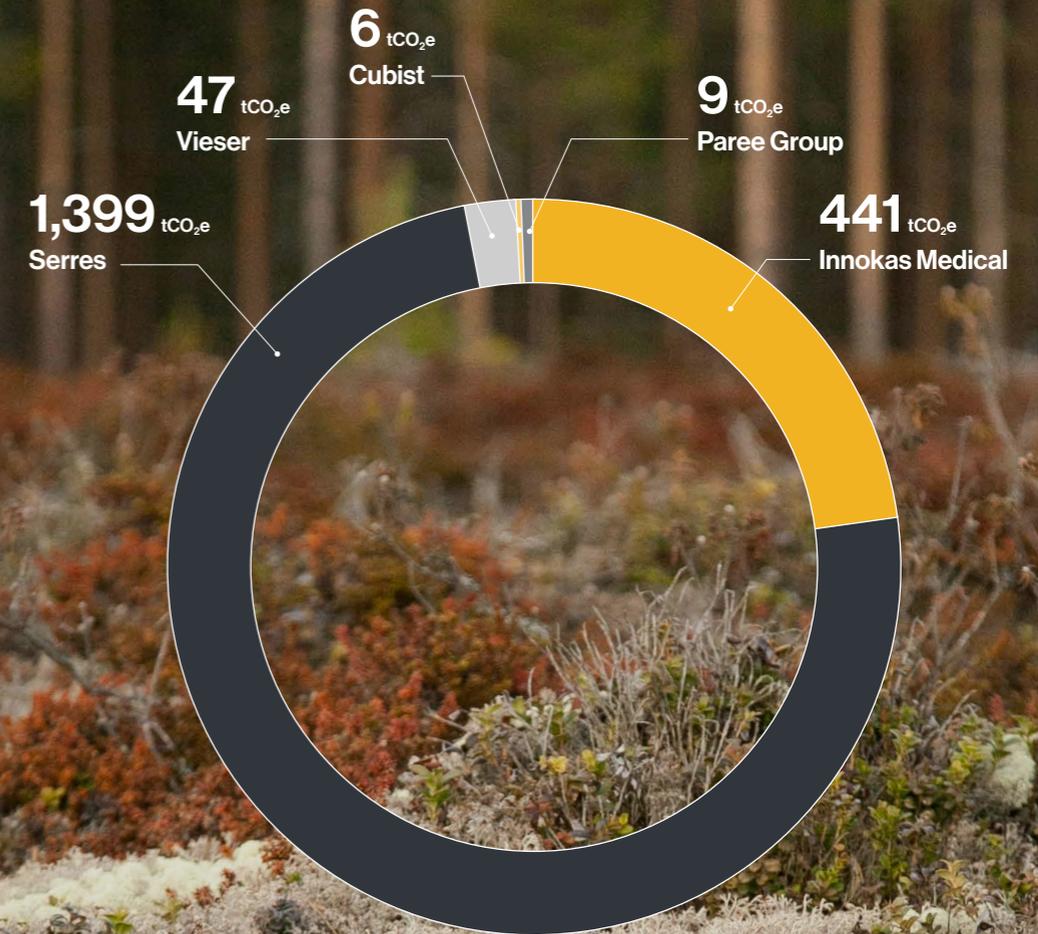
	Scope 1	Scope 2	
		Market-based	Location-based
Innokas Medical	22	419	397
Serres	180	1,219	533
Vieser	30	17	5
Cubist	2	4	4
Paree Group Corp.	0	9	1
<b>Total Paree Group</b>	<b>234</b>	<b>1,667</b>	<b>940</b>

### GHG emissions by scope\*



\* Market-based Scope 2 figures have been used in calculations

### Total Scope 1 and 2 emissions\*





# Resource use and circular economy

Paree Group and its subsidiaries are committed to reducing the use of virgin resources and working toward a circular economy.

Circular economy is a material focus area for different subsidiaries with the aim to reduce our footprint and increase handprint.

In 2023, we set up a Circular Economy Center of Excellence with participants from the subsidiaries working with supply chains, starting with a clear aim to work toward reducing waste and increasing the amount of recycled material in production and packaging.

Another focus area is R&D and new product development. The subsidiaries incorporate design for sustainability into their processes

and ensure that new products are aligned with sustainability expectations such as societal impact, resource and economy, environmental impact recycling and remanufacturing in addition to functionality and manufacturability.

Collaboration is the best way for reaching results both internally and externally. We will work more closely with suppliers, customers and stakeholders working toward a future where materials are continually reused and recycled.

Read more in subsidiary reports.



We will work more closely with suppliers, customers and stakeholders working toward a future where materials are continually reused and recycled.





# Own workforce

At Paree Group, our Human Resources (HR) function is dedicated to fostering a work environment that prioritizes employee engagement, well-being and continuous development.

Our social targets for 2023 and beyond align with our commitment to social sustainability, encompassing various aspects of talent acquisition, performance management and rewarding, leadership and culture, and competence development.

## Recruitment

We embrace creativity through diversity as a core value, a principle that guides us at every step of our recruitment process. Our aim is to enhance our employer brand, placing Paree as an employer of choice within the industry. By employing modern recruitment practices, we seek professionals with strong skills, positive attitudes and a passion for continuous learning and development.

## Competence development

Paree Group's commitment to competence development aligns with our overarching goals.

The aim is to identify and cultivate the skills essential for implementing our strategy and achieving our annual targets. This systematic approach ensures that our personnel have the necessary competencies for current and future responsibilities.

Our dedication to equal opportunities for professional development is evident in our various initiatives across our organizations. The Paree Leading for Future program facilitated by Henley Business School and language studies exemplify our commitment to comprehensive and impactful learning experiences. These initiatives contribute to linguistic and leadership skills, ensuring a well-rounded and skilled workforce.

Moreover, our employees are provided with group-wide webinar trainings, spanning topics such as social media, supervisors' rights and responsibilities, AI principles, diversity and inclusion. These initiatives not only align with our competence development goals but also showcase our proactive approach in providing valuable skills to our employees.





## Performance discussions

Performance management at Paree is a strategic, annual, and business-driven process geared toward enhancing individual and collective performance. This involves continuous dialogue throughout the year, encompassing performance reviews, target setting and discussions on the Individual Development Plan (IDP). The process focuses not only on what goals are achieved but also on how they are achieved, emphasizing value-based behaviors.

Target and development discussions take place systematically between supervisors and team members during the first quarter of the year, with records stored in the HR system. Regular follow-ups, including a mid-year review, ensure alignment with objectives and offer additional support where needed.

## Employee well-being and engagement

For years, Paree Group has actively been gathering feedback from its employees, using an external partner to conduct an annual employee survey. The primary goal of the survey is to enhance employee engagement by leveraging insights from the survey and implementing development actions based on

identified needs. This process aims to establish a foundation for an improved employee experience and operational efficiency. The employee survey serves as a valuable tool for recognizing strengths and pinpointing areas for potential development within Paree Group.

The survey provides management with accurate information to address existing issues and fortify the organization's strengths for the future. This, in turn, supports employees in their daily activities and fosters long-term development and engagement. The People Power Index, which offers an overall rating of the survey results, indicated a robust performance for Paree Group in November 2023, reaching level five (72.4/AA) on a seven-point scale. Notably, Paree Group has outperformed the general norm of employers in Finland for the past three years (2021–2023)\*. The Leadership Index stands out as a particular strength, highlighting positive sentiments toward feedback mechanisms, reward practices and trust in senior leaders' decision-making abilities.

Additionally, Paree Group supports employee well-being through HeiaHeia, a social well-being app promoting activity and community engagement. We also offer benefits like ePassi for sports, culture, well-being and commuting services, along with a bike benefit, encouraging a healthy and balanced lifestyle.

\* Eezy Flow Oy.

## Employee survey index

	Paree	Innokas*	Serres	Vieser	The Group
Employee survey response rate %	87.5	79.4	88.3	78.9	83.3
People Power Index	74.4	72.9	70.5	81.4	72.4
People Power rating	AA	AA	A+	AAA	AA

## Personnel demographics

	Paree	Innokas*	Serres	Vieser	The Group
<b>Total number of employees 31 December 2023</b>	<b>32 (7%)</b>	<b>233 (54%)</b>	<b>151 (35%)</b>	<b>18 (4%)</b>	<b>434 (100%)</b>
<b>Employees by personnel group</b>					
White-collar**	32 (100%)	156 (67%)	61 (40%)	18 (100%)	267 (62%)
Blue-collar	0	77 (33%)	90 (60%)	0	167 (38%)
Blue-collar external workforce	0	1	16	0	17
<b>Employment contract type</b>					
Permanent	29 (91%)	223 (96%)	145 (96%)	18 (100%)	415 (96%)
Fixed-term	3 (9%)	10 (4%)	6 (4%)	0	19 (4%)
<b>Working time type</b>					
Full-time	32 (100%)	218 (94%)	150 (99%)	18 (100%)	418 (96%)
Part-time	0	15 (6%)	1 (1%)	0	16 (4%)
<b>Age structure</b>					
Below 20 years	0	1 (1%)	0	0	1 (0%)
20–29 years	4 (13%)	33 (14%)	14 (9%)	0	51 (12%)
30–39 years	5 (16%)	57 (24%)	29 (19%)	8 (45%)	99 (23%)
40–49 years	11 (34%)	71 (30%)	42 (28%)	4 (22%)	128 (29%)
50–59 years	11 (34%)	55 (24%)	54 (36%)	6 (33%)	126 (29%)
Over 60 years	1 (3%)	16 (7%)	12 (8%)	0	29 (7%)
Average age of employees, years	45.0	43.3	46.6	43.7	44.6

\* The data includes figures from Innokas and Cubist.

\*\* The white-collar figure includes external consultants for Paree and Serres.



## Occupational health and safety

Companies within Paree Group maintain a systematic approach to occupational health and safety management, with the management overseeing the definition, organization and enforcement of general guidelines. This ensures that occupational health and safety-related activities are well-organized and effective. Our organizational culture places a high value on safety, quality and continuous development.

Managers and shift supervisors play a crucial role in the day-to-day implementation of occupational health and safety measures in the workplace. They are responsible for overseeing working conditions, facilities, machinery, equipment and controlling work practices. Employees are expected to follow regulations and actively contribute to promoting safe work practices, including the proper use of personal protective equipment. Regular safety training sessions are provided to keep employees informed and prepared.

### The Occupational Health and Safety Committee

The Occupational Health and Safety Committee, a collaborative body between employer and employees, monitors working conditions and

initiates improvements. This committee oversees the implementation of the action plan and adheres to occupational health and safety guidelines. Accidents, near misses, grievances identified by the occupational health and safety commissioner, and risk assessments are all integrated into the action plan. Company management takes responsibility for assessing and implementing initiatives proposed by the Occupational Health and Safety Committee. This framework applies to our subsidiaries, Serres and Innokas, ensuring a consistent and comprehensive approach to occupational health and safety across our organization.

### Risk identification and incident management

At Paree Group, we conduct thorough hazard and risk assessments to ensure a safe work environment, covering various aspects such as accidental, chemical and physical hazards. Best practices, including monitoring visits and forms from occupational health and safety authorities, are used, with risk assessments updated on regular intervals.

We systematically update accidents at work, near misses, grievances from the occupational health and safety commissioner, and risk assessments to our action plan. We encourage employees to contribute their ideas and concerns on workplace safety, health and related matters to their employer. All initiatives

## Occupational health and safety

	Paree	Innokas*	Serres	Vieser	The Group
Number of high consequence injuries	0	0	0	0	0
Number of lost time injuries	0	1	0	0	1
Number of total recordable injuries	0	4	0	0	4
Lost time injuries, frequency, LTIF	0	3.17	0	0	1.63
Total recordable injuries, frequency, TRIF	0	12.7	0	0	6.5
Working hours	48,771	315,063	230,600	20,805	615,239
Absence hours due to illness	436	10,688	12,490	112	23,726
Absence hours due to injuries	0	8	0	0	8
Absence rate, %	0.89	3.39	5.42	0.54	3.86
Near-miss cases, number of	n/a	7	14	n/a	21
Walkabout safety inspections, number of	n/a	10	27	n/a	37

\* The data includes figures from Innokas and Cubist.

and feedback are integral components of building a systematic safety culture.

We record accidents and sick leaves, using statistics to refine occupational health and safety practices. In every accident, a detailed report is generated and stored. In the event of a major incident, authorities are promptly notified and thorough investigations follow.

We implement preventive safety measures, such as regular walkabout safety inspections and safety observations. Safety observations identify potential issues in physical working conditions or work tasks, assessing risks to occupational safety or process safety events. Additionally, safety observations recognize positive practices in physical working conditions or work actions.

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

### Equality and diversity

Paree Group is committed to promoting equality, preventing discrimination and cultivating an inclusive work environment. We systematically adhere to the



”

As of December 2023, our workforce comprises 50% men and 50% women, reflecting a balanced gender distribution. This is also visible in, for example, the group’s manager population, where 43% of the members were female.

obligations set forth by the Act on Equality between Women and Men and the Non-Discrimination Act. Our procedures explicitly communicate Paree Group’s commitment to systematically promoting workplace equality and preventing discrimination.

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

Guided by our values, Paree Group strives to treat the employees with equity and fairness, promoting equality in all aspects, including recruitment, employee development, support and career opportunities, and to reconcile work and family life.

We are committed to fostering diversity and inclusion. As of December 2023, our workforce comprises 50% men and 50% women, reflecting a balanced gender distribution. This is also visible in, for example, the group’s manager population, where 43% of the members were female.

In 2023, we welcomed 75 new employees to Paree Group companies.



### Gender distribution

	Paree	Innokas*	Serres	Vieser	The Group
Male	14 (44%)	133 (57%)	62 (41%)	8 (44%)	217 (50%)
Female	18 (56%)	100 (43%)	89 (59%)	10 (56%)	217 (50%)

### Women in managerial positions

	Paree	Innokas*	Serres	Vieser	The Group
Total 31 December 2023	38%	52%	30%	60%	43%

### Employee turnover

	Paree	Innokas*	Serres	Vieser	The Group
<b>Total number of newcomers 2023</b>	<b>6 (8%)</b>	<b>46 (61%)</b>	<b>18 (24%)</b>	<b>5 (7%)</b>	<b>75 (100%)</b>
<b>Newcomers by personnel group</b>					
White-collar	6 (100%)	22 (48%)	8 (44%)	5 (100%)	41 (55%)
Blue-collar	0	24 (52%)	10 (56%)	0	34 (45%)
<b>Total number of leavers 2023</b>	<b>2 (4%)</b>	<b>29 (54%)</b>	<b>18 (33%)</b>	<b>5 (9%)</b>	<b>54 (100%)</b>
<b>Leavers by personnel group</b>					
White-collar	2 (100%)	21 (72%)	8 (44%)	5 (100%)	36 (67%)
Blue-collar	0	8 (28%)	10 (56%)	0	18 (33%)
<b>Retirements</b>					
Old age pension	0	0	1	0	1
Other pension	0	0	1	0	1
Average retirement age of employees	n/a	n/a	64.8	n/a	64.8
<b>Attrition rate (12 months rolling)</b>					
White-collar	3.3	12.4	8.5	17	10.7

\* The data includes figures from Innokas and Cubist.



# Responsible sourcing

Paree Group and its subsidiaries have committed to ethical behavior and expect the same from their partners.

We aim to select only suppliers whose social and environmental standards are consistent with our own, and who act in a way that is consistent with the principles and values of our Supplier and Distributor Codes of Conduct.

The majority of our subsidiaries' first tier suppliers are based in Finland and EU.

In 2023, we started our supplier sustainability risk assessments, created a self-assessment questionnaire and launched a Supplier Code of Conduct (SCoC). At the same time, we started to discuss and share our SCoC with our suppliers. We opened up our whistleblowing channel to our

external stakeholders, enabling them to report their concerns and suspected violations of our Code.

In 2024, we aim to finish the risk evaluations, distribute self-assessment forms to our suppliers, ensure commitment to our SCoC. We will start with the highest-risk suppliers. Additionally, we plan to complete the same actions for our distributors. Once we clearly understand our partners' sustainability practices, we will start sustainability audits. We will focus on the highest-risk partnerships. At the end of the day, our goal is to promote sustainability in collaboration with our partners.



At the end of the day, our goal is to promote sustainability in collaboration with our partners.

# Business conduct

At Paree Group, we consider responsibility a collective endeavor.

Knowing and following applicable laws and regulations is a basic requirement for all of us. Our Code of Conduct applies to everyone in our company, at every level, including employees, management and board members. Our Code of Conduct, launched in 2023, is a set of rules that outlines what we expect from our staff. It includes, for example, general guidance on anti-corruption, environmental topics, human rights and harassment prevention. The Code of Conduct is supplemented with various policies, principles and guidelines, including our environmental policy.

Everybody in our group must participate in the Code of Conduct training and testing. New employees are trained as part of their onboarding. Our e-learning platform is available in both Finnish and English for our white-collar workers. At the factories, the training was given face-to-face, with sessions in Estonian and Russian provided at the Tallinn facility. At the end of 2023, 96% of the group's and subsidiaries' employees had completed the

training, passed the test and committed to our Code.

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

Paree Group has a whistleblowing channel for its internal and external stakeholders available on our [website](#). Through the First Whistle grievance channel, reporting of concerns can be done in good faith, anonymously if desired and without fear of reprisal. All reported cases undergo a thorough investigation and follow-up.

In 2023, no notifications were sent through the channel. We are not aware of any breaches of our Code of Conduct taking place in 2023 either.

Paree Group has not made any political contributions in 2023. Lobbying is done through industry associations we are members of.

# Reporting principles

This first group-level sustainability report covers Paree Group Oy and its subsidiaries: Cubist IT AB, Innokas Medical Oy, Serres Oy and Vieser Oy.

Each subsidiary has its dedicated section in the report, with Cubist integrated into Innokas' report. Serres has published their reports in 2022 and 2023 as well. The data covers year 2023 and focuses solely on our own operations unless explicitly stated otherwise.

The report is targeted to all our stakeholders interested in our sustainability work and performance.

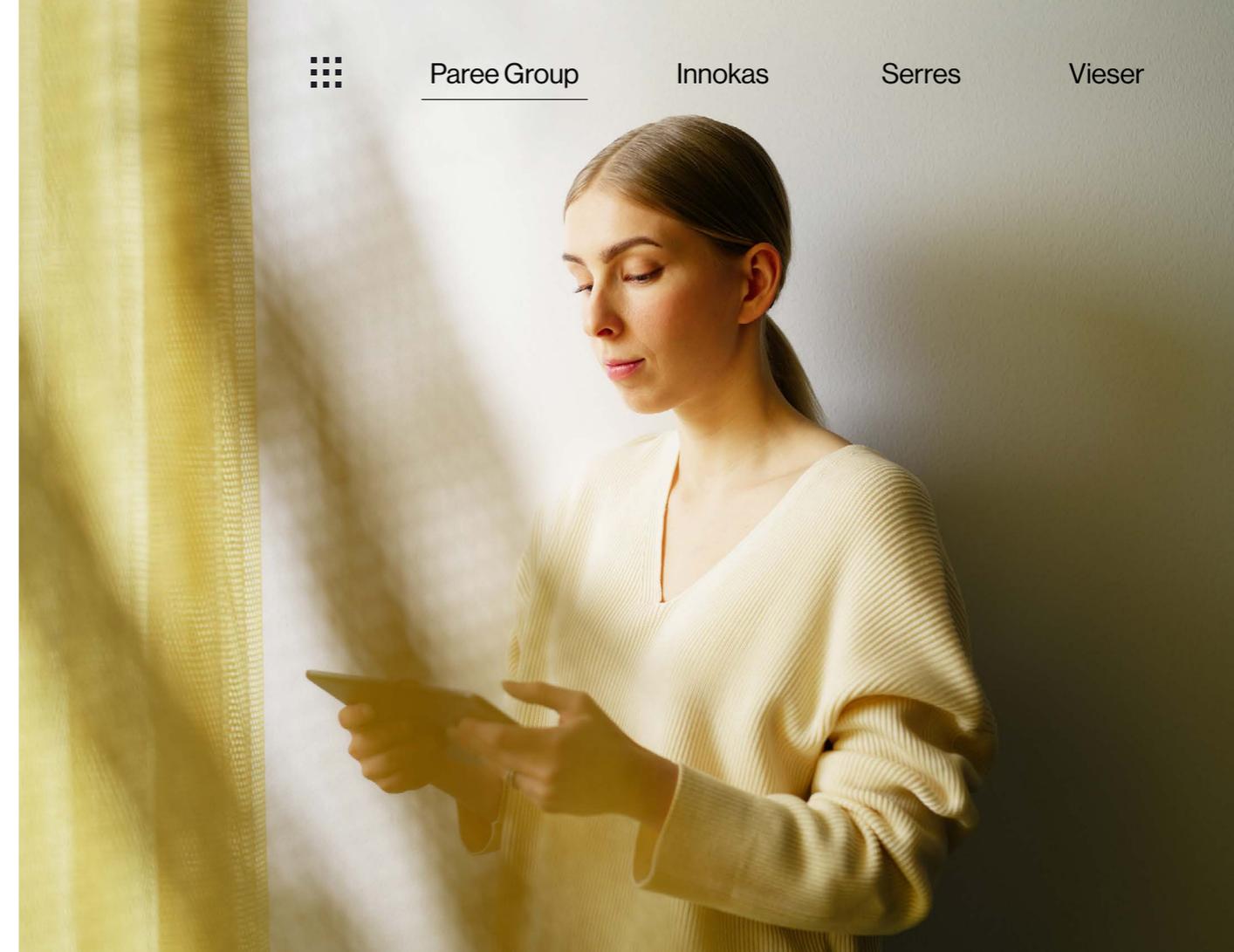
The report has not been verified.

## Carbon footprint calculations

Paree Group, along with its subsidiaries Innokas Medical, Serres, Vieser and Cubist, has conducted its carbon footprint calculation according to the standards and guidance described in the GHG Protocol (GHG Protocol version 2004, amendment 2013). For Scope 3 emissions, a separate Scope 3 emission calculation standard (20112) and a technical guide (20133) that supplement the GHG Protocol were applied in a separate calculation.

Paree Group has set the organizational boundaries under the control approach, and thus accounts for 100% of the GHG emissions from operations it controls. The calculation includes all the relevant global operations of the corporation. Therefore, the calculation includes Paree Group's subsidiaries Innokas Medical, Serres, Vieser and Cubist and their operations. Paree Group has set the operational boundaries to include Scope 1 and Scope 2 in one calculation and has additionally included Scope 3 in a separate calculation. Scope 3 consists of 15 different emission categories, of which categories 1, 4, 5, 6, 7 and 9 were primarily identified as relevant in Paree Group's carbon footprint calculation for 2022. The data coverage and quality of Scope 3 emissions is not enough for reporting Scope 3 emissions at the group level. Serres and Vieser report Scope 3 emissions for selected categories in their respective reports.

Scope 1 consists of direct GHG emissions that occur from sources that are owned or controlled by the corporation, such as owned or leased



vehicles. Scope 2 accounts for GHG emissions from the generation of purchased electricity and heat consumed by the corporation. Two different emission values were calculated according to the GHG Protocol: market and location-based emissions. In Paree Group's case, only market-based emissions are included in the carbon footprint. Location-based

emissions are reported separately as additional information. The data for Scopes 1 and 2 was site and supplier-specific, and therefore the emissions represent the most accurate quality of the calculations. Since this is Paree Group's first carbon footprint calculation, the base year has not been set yet and it will be set at a later time.



# Assurance of the climate data

OpenCO2net Oy has performed a limited assurance on greenhouse gas (GHG) emissions inventory (Scope 1, 2 and 3) for the year 2023, for Paree Group including its subsidiaries Cubist, Innokas Medical, Serres and Vieser. This is a summary of the assurance report.

Emission sources included in the calculation were as follows:

- Scope 1:
  - Fuel combustion
  - Own vehicles
  - Direct fugitive emissions
- Scope 2:
  - Energy purchased for own use (electricity and district heating)
  - market-based
  - location-based
- Scope 3:
  - Purchased goods and services (including raw materials used by Serres and Vieser but not raw materials from other subsidiaries, and not including purchased services)
  - Upstream transportation and distribution

- Waste
- Business travel
- Employee Commuting
- Downstream transportation and distribution

Paree Group Oy's greenhouse gas emission calculation (Scope 1, 2 and 3) for 2023 has been verified against the guidelines of the following standards (verification criteria):

- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition), World Resources Institute/World Business Council for Sustainable Development (March 2004)
- Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard (September 2011)

## Assurance conclusion

OpenCO2net Oy has checked the scope of the calculation, the input data used and the calculation results, and in their opinion, the GHG emission calculation (Scope 1, 2 and 3) of Paree Group have been carried out in accordance with the

set verification criteria. Based on the performed procedures and evidence obtained, nothing has come to their attention that causes them to believe that Paree Group Oy's greenhouse gas emission calculation (Scope 1, 2 and 3) is not properly prepared, in all material aspects, in accordance with the verification criteria.



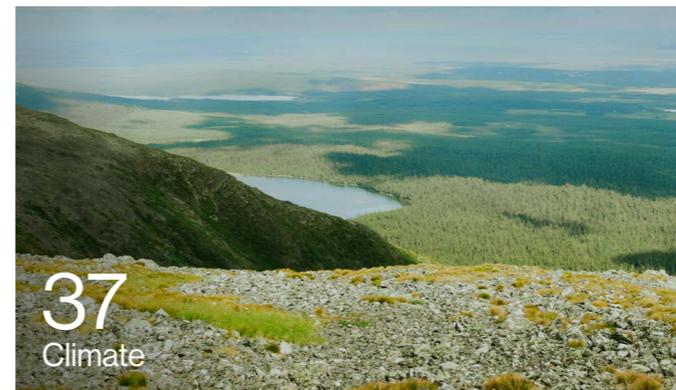
# Innokas

We are on a mission to improve people's lives by realizing meaningful technology innovations with our customers.



# Contents

- About Innokas.....23
- Message from CEO Janne Kostamo.....24
- 2023 Innokas key events at a glance.....25
- Value creation.....27
- Sustainability at Innokas .....28
- Materiality assessment .....29
- Stakeholder engagement.....31
- Our people.....32
- Consumers and end-users .....36
- Climate .....37
- Resource use and circular economy.....38
- Responsible sourcing.....41
- Business conduct.....43
- Governance .....44
- Cubist.....45



# About Innokas

Innokas is a growing contract design, development and manufacturing company with 30 years of experience of working with highly demanding technology. We work with an exceptionally wide range of customer projects, from healthtech to other complex, intelligent devices and solutions that help improve the quality of people's lives.

Innokas employs close to 200 people from different fields of expertise and provides its customers with services throughout their product's lifecycle. The company serves its customers with two business lines:

- **Design and development services**, including project steering, software development, hardware and electronics engineering, and a full spectrum of quality and regulatory services.
- **Manufacturing services** specializing in complex electronics, and electromechanical assemblies.

Innokas has three FDA registered factories working under an ISO 13485- and MDSAP-certified quality management system and a team of 60 experts providing engineering as well as quality and regulatory services.

Innokas aims to forge lasting partnerships with customers for mutual continuous improvement and share expertise for sustainable business. We help our customers turn technology ideas into reality and innovations into meaningful, long-term success.



employs close to

**200**

people from different fields of expertise



Innokas has

**3**

ISO 13485-certified factories



# Message from CEO Janne Kostamo

Welcome to Innokas' first sustainability report reflecting our commitment to environmental, social and ethical business practices. In the middle of global challenges like climate change and social inequality, Innokas is dedicated to integrating sustainability as a core aspect of its business strategies. Driving sustainability is already built into our mission and values, and we recognize its importance in driving long-term success and maintaining strong relationships with our customers and other stakeholders. We are seeking to invest in concrete actions that not only benefit Innokas but also support our stakeholders on the journey toward more sustainable business practices.

In 2023, we started this work by creating the first sustainability roadmap for Innokas. Continuing to work toward the targets we defined, our focus in 2024 is two-fold: one, we take actions to achieve a full transparency of our supply chains, and two, we seamlessly integrate sustainability into our design and development services.

We have started surveying our supplier chains and assessing our suppliers' readiness to fulfill sustainability requirements, in addition to the safety and quality standards we already have in place.

Consequently, we set supplier requirements and will create a plan to discontinue partnerships in the long run with those unable or unwilling to meet them if no actions are taken. We continuously manage and monitor our supplier register by leveraging our prior knowledge on materials.

We aim to provide our companions with well-informed choices on sustainability-related matters and engage them with our practices. Ultimately, the data we gather and calculate regarding the products' carbon footprint benefits our customers and adds to their knowledge.

Moreover, we are dedicated to empowering our product development team with the knowledge and tools necessary to integrate sustainability into every stage of product creation. At this time, we have initiated plans to train our team to understand the principles of sustainable product design, focusing on its implications for both the product and the materials used. The planning is under work according to our sustainability roadmap.

**Janne Kostamo**  
CEO, Innokas



# 2023 Innokas key events at a glance

## First EcoVadis survey was carried out at Innokas

The survey set a baseline for our sustainability roadmap targets and gave us our first official rating. Innokas gained a bronze medal in its first EcoVadis assessment.

## Sustainability was added as one entity to Innokas' Quality Policy

The policy now mentions responsibility in terms of the environment, working conditions and procurement. Safety and compliance of the manufactured devices have already been part of Innokas' policies.

## Key figures

Turnover

EUR **37.3** million

Net profit

EUR **2.9** million

Employees close to

**200**

Reliability of deliveries

**96%**

Customers' net promoter score (NPS)

**38**

## Innokas renewed its brand and created new mission and vision statements for the company

Responsibility and sustainable development of our operations have already been built into Innokas' values. With the brand renewal, Innokas wanted to keep our commitments and strengthen our resolve: We are on a mission to improve people's lives by realizing meaningful technology innovations with our customers. Together, we can improve the quality of life, individually and nation-wide. We want to nurture a company culture that makes it feel good and fulfilling to work for and with us. We want to preserve a good quality of life for future generations by doing responsible business.



Employee survey index at Innokas

**72.1**

(PeoplePower rating AA)

## Innokas entered new market areas

Sustainability in the healthtech industry continues to gain a significant increase in importance. Strict safety and compliance requirements of medical devices come first and may, for example, override requirements deriving from circular economy targets. There are, however, many ways to make our industry more sustainable, ways that increasingly impact the value chain. This has long been the case in other fields of the technology industry, which is why Innokas has also come to a phase where we have needed to take a wider perspective on sustainability.



## Innokas implemented a new process management model

All Innokas' core processes were mapped and described, and trainings were organized for the entire Innokas personnel. Efficient business processes enable customer-centricity and improved collaboration. Moreover, by standardizing our ways of working, we ensure a more systematic approach to continuous improvement in all areas of our operations.

## Business domain of new customers in 2023



● Medical industry  
● Other industries

All complaints

1%

of delivered devices and of these 10.4% were justified complaints

Scrapping

0.2%

of annual OPS turnover

# Value creation

## Inputs and resources

### Environment



- 3 production sites in 2 countries
- Over 300 suppliers globally
- Energy and water consumption

### Social

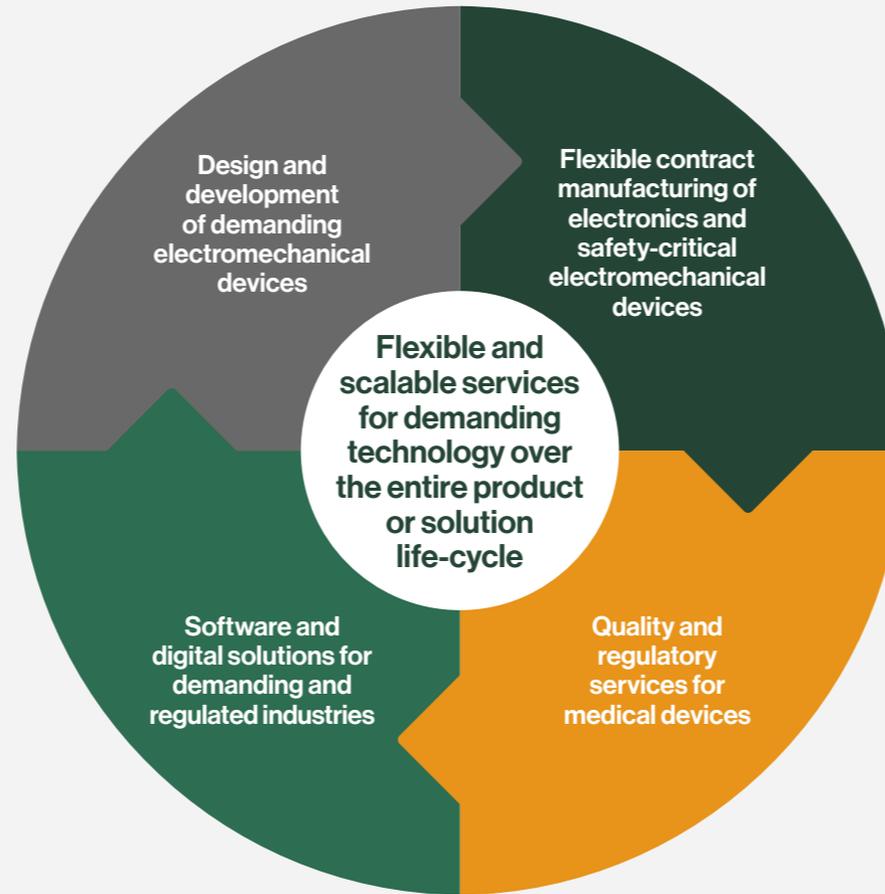


- Close to 200 professionals in 2 countries and 4 locations
- Feedback and insights from long-term customers
- Uninterrupted material and service supplies from long-term partners

### Economic/ Governance



- Balance EUR 18.3 million
- Equity EUR 5.3 million
- Innokas process management model
- Innokas Quality Management System



Flexible and scalable services for demanding technology over the entire product or solution life-cycle

**Innokas values**  
Quality • Expertise • Responsibility • Meaningfulness

## Outputs and impacts



- Scope 1 and 2 emissions total 441 tonnes CO<sub>2</sub>e
- CO<sub>2</sub> data informs customers' decision-making and helps them make better choices
- Increased transparency about CO<sub>2</sub> emissions in the whole value chain



- Personnel costs EUR 10.7 million
- Personnel job satisfaction score 72.1 (People Power Rating AA)
- Innokas NPS 38
- Availability of healthcare technology and other quality-of-life-improving technologies through our customers to end-users
- Employee engagement, well-being and competence development



- Net sales EUR 37.3 million
- Net profit EUR 2.9 million
- Innokas long-term corporate value and profitability

# Sustainability at Innokas

Sustainability is built into our mission and aligns with our core values. We recognize that our commitment to sustainability is critical for business success and enables new opportunities for us and our customers. Meeting sustainability expectations is vital for maintaining strong relationships with our key stakeholders. Innokas is in a unique position as a contract design and manufacturing company to influence the sustainability of the whole value chain as we can affect the transparency and conduct of our supply chain as well as the choices our customers make in developing and bringing new products and solutions to market.

Innokas created its first sustainability framework and roadmap during the second half of 2023. Innokas' targets and activities align with Paree Group's sustainability targets and key themes. The roadmap consists of five goals, with responsible owners, activities and KPIs defined until 2026.

## Sustainability goals at Innokas



### Sustainability 360° is our mindset

Sustainability isn't just a buzzword for us; it's our way of life. As people, employees and leaders, we embody sustainability in all aspects through our value chains with all our stakeholders. Sustainability guides our organization's decisions at all levels.



### Sustainability requirements are met

We ensure that all relevant sustainability laws and regulations as well as our internal guidelines and group-level sustainability guidance are followed accordingly. Our dedication to meeting these requirements demonstrates our commitment to responsible business practices.



### We are a sustainable contract manufacturing partner

As a partner in contract manufacturing, we take pride in being leaders in sustainability. Our focus on ecological practices and ethical sourcing sets us apart as a reliable and sustainable choice.



### Design-for-sustainability is mastered in development

Sustainability is at the core of our product development process. We excel in creating products that have minimal negative impacts and maximal positive impact on the environment, people and society through their lifecycles.



### New sustainability business ventures are launched

We constantly explore innovative ways to contribute to a more sustainable world. Our commitment to launching new sustainability-focused business ventures drives positive change and enhances our environmental footprint.

# Materiality assessment

Innokas' double materiality assessment was carried out as a part of Paree Group's double materiality assessment, conducted in April–June 2023.

The assessment was made in line with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting standards (ESRS), still drafts at the time of the work.

Innokas' analysis was observed to include Cubist as part of our business, given the similarities in our operations. The assessment covered Paree Group's and its subsidiaries' entire value chains, including its own activities and activities in the upstream and downstream value chains.

## Impact assessment

The **impact materiality assessment** covered both negative and positive impacts, actual and potential.

”

The impact and financial materiality for each sustainability topic, including the evaluation of double materiality, were scored.

PAREE GROUP

The **financial materiality assessment** covered business risks, opportunities, their likelihood of occurrence and the magnitude of potential financial effects.

The project group assessed each environmental, social, and business governance topic based on impacts on the medium-term horizon. The impact and financial materiality for each sustainability topic, including the evaluation of double materiality, were scored.

The results and the entire process were documented, and Innokas' leadership team reviewed and validated the findings and the thresholds to be used for materiality.



The key drivers of materiality across the value chain

Impact materiality	Value chain phase driving impact	Value chain phase driving impact			Key impact materiality drivers	Financial materiality	Value chain phase driving risks & opportunities			Key financial materiality drivers
		Upstream	Own operations	Downstream			Upstream	Own operations	Downstream	
<p>Climate change</p>	Important	✓	✓	✓	Scope 3: manufacturing of electrical components Scope 1 & 2: energy use at own facilities	Important	✓			Supply chain disruptions arising from extreme weather conditions Changes in production capacity due to climate change mitigation
<p>Resource use &amp; circular economy</p>	Critical	✓	✓	✓	Design for sustainability: product lifetime optimization through maintenance and software updates	Important	✓	✓	✓	Availability and price of components for electrical equipment (linked to climate) Lifetime extension: maintenance and software updates
<p>Own workforce</p>	Significant		✓		Well-being and competence development	Critical		✓		Talent attraction and retention
<p>Workers in the value chain</p>	Important	✓			Potential workers' rights risks and impacts in tiers 2 and 3 Downstream value-chain workers' work efficiency (positive)	Informative			✓	Risks related to potential data security issues resulting in reputational damage or impacts on customer loyalty Opportunities in the quality and ease of use of products
<p>Consumers &amp; end-users</p>	Critical			✓	Contribution to patient health and safety (positive)	Critical			✓	Opportunities driven by the ability to create safe, easy to use products contributing to patient health and safety Risks related to data security and personal data protection
<p>Business conduct</p>	Important	✓	✓	✓	Corporate governance Business conduct impacts from global value chain Transparent reporting	Important	✓	✓	✓	Economic / trade sanctions (geopolitics) Transparency and trust as a business partner

# Stakeholder engagement

Innokas communicates actively with its customers and other key stakeholders. Customer engagement is defined and organized according to Innokas' sales and marketing strategies and the relevant core processes. Guidelines and instructions for communication practices with relevant stakeholders are defined in the Innokas Quality Manual.

The company is a member of several clusters and ecosystems, especially in the healthtech

field, such as Healthtech Finland, Healthtech Norway, Swedish Medtech and Health Valley in the Netherlands. We strive to actively participate in the activities of these networks and to share Innokas' expertise and to offer support where appropriate within and via these networks. These networks also provide us with new opportunities to learn about sustainability, an increasingly important topic on the industry's agenda.

## Stakeholder engagement

Stakeholder group	Key expectations	Interaction with stakeholders
Authorities and regulators	Compliance with laws and regulations	External audits and communications with authorities
Customers	Support to fulfill stakeholders' sustainability requirements Operations following relevant laws and regulations Strategy and business model to match customer needs Safe and efficient products for patients and end-users	Regular customer feedback, customer letters, meetings, social media accounts, company web pages, events
End-users	Safe and efficient products for patients and end-users	Medical device reporting system
Industry associations	Sustainable member Active participation in sustainability initiatives	Information sharing on social media accounts, websites, event participation, newsletters, answers to inquiries
Landlords	Sustainable operations Compliance with laws and regulations	Discussions and communications, answers to inquiries
Owners	Management of sustainability risks and opportunities Sustainable operations Compliance with laws and regulations	Board of directors meetings, regular reporting
Personnel	The company operates in a sustainable manner Occupational health and safety Fairness, respect for others, equal treatment Personal and career development	Employee engagement survey, regular business unit, and team meetings and updates, companywide monthly info meetings, whistleblower channel, development plans and training
Society and local communities	Sustainable operations Compliance with laws and regulations	Discussions and communications, answers to inquiries
Subcontractors, suppliers and service providers	Sustainable partner Contractual issues Honesty and fairness	Sustainable operations Supplier assessments and audits, supplier meetings and surveys



# Our people

At Innokas, our Human Resources (HR) function is dedicated to fostering a work environment that prioritizes employee engagement, well-being and continuous development.

Our social targets for 2023 and beyond align with our commitment to social sustainability, encompassing various aspects of talent acquisition, performance management and rewarding, leadership and culture, and competence development.

Our values define who we are and create a sense of shared identity within our organization. They influence the way we work with each other — and the way we serve our clients and engage with our communities. Our values are quality, responsibility, meaningfulness and expertise. We know that by working together and taking the responsibility together, everyone achieves more, contributing to the overall success of the company.

## Competence development

Innokas' commitment to competence development aligns with our overarching goals. The aim is to identify and cultivate the skills essential for implementing our strategy and achieving our annual targets. This systematic approach ensures that our

personnel possess the necessary competencies for current and future responsibilities. One of our core values is expertise, and we at Innokas are committed to learning and developing our skills and sharing our expertise with others. Innokas supports diverse learning and continuous development.

Our dedication to equal opportunities for professional development shows in various initiatives. Most of the learning at work happens in day-to-day work, and it is our responsibility as a company to facilitate that. The Paree Leading for Future program facilitated by Henley Business School and language studies exemplify our commitment to comprehensive and impactful learning experiences. These initiatives contribute to linguistic and leadership skills, ensuring a well-rounded and skilled workforce.

Moreover, group-wide webinar trainings, spanning topics such as social media, supervisors' rights and responsibilities, AI principles, diversity and inclusion, exemplify our commitment to diverse and impactful learning opportunities.



These initiatives not only align with our competence development goals but also showcase our proactive approach to providing valuable skills to our employees.

### Performance discussions

Performance management at Innokas is a strategic, annual and business-driven process geared toward enhancing individual and collective performance. This involves continuous dialogue throughout the year, encompassing performance reviews, target setting and discussions about the Individual Development Plan (IDP). The process focuses not only on what goals are achieved but also on how they are achieved, emphasizing value-based behaviors.

Target and development discussions take place systematically between supervisors and team members during the first quarter of the year, with records stored in the HR system. Regular follow-ups, including a mid-year review, ensure alignment with objectives and offer additional support where needed.

### Employee well-being and engagement

At Innokas and Cubist, we invite our employees to participate. It is important to us that everyone's voice is heard. We have been actively gathering feedback from our employees for several years,

utilizing an external partner to conduct an annual employee survey. The primary goal is to enhance employee engagement by leveraging insights from the survey and implementing development actions based on identified needs. This process aims to establish a foundation for an improved employee experience and operational efficiency. The employee survey serves as a valuable tool for recognizing strengths and pinpointing areas for potential development within Innokas and Cubist.

The survey provides management with real-time and accurate information to address any existing issues and fortify the organizations' strengths for the future. This, in turn, supports employees in their day-to-day activities and fosters long-term development and engagement. The PeoplePower Index, which offers an overall rating of the survey results, indicated a robust performance for Innokas and Cubist in November 2023, reaching level five (72.9/AA) on a seven-point scale. The response rate was 79.4%. The Leadership index stands out as a particular strength, highlighting positive sentiments toward feedback mechanisms, rewarding practices, and trust in senior leaders' decision-making abilities. Additionally, the Engagement index is one of Innokas and Cubist's strengths and above the norm\*.

We also have other channels and practices in place to gather feedback from employees, such

### Employee survey index

	2023
Employee survey response rate %	79.4
People Power Index	72.9
People Power rating	AA

The data includes figures from Innokas and Cubist.

as different forums like our health and safety committee, cooperation committee, target, and development discussions, one-on-one meetings, the whistleblower channel, Teams forums, surveys and the employee suggestion system. We also acknowledge the importance of a psychologically safe environment where people feel encouraged to share ideas without fear.

Additionally, Innokas supports employee well-being through benefits like ePassi for sports, well-being, and cultural services, along with a bike benefit, encouraging a healthy and balanced lifestyle. Innokas offers also comprehensive occupational healthcare services, complemented with easy access mental health support. We also offer HeiaHeia, a social well-being app promoting activity and community engagement to all employees. At every site, we also have a team that consists of our employees. They organize different kind of events to our employees and promote well-being at work.

\* Eezy Flow Oy.



The Engagement index is one of Innokas and Cubist's strengths and above the norm.



## Occupational health and safety

Innokas maintains a systematic approach to occupational health and safety management, with the management overseeing the definition, organization and enforcement of general guidelines. This ensures that occupational health- and safety-related activities are well-organized and effective. Our organizational culture places a high value on safety, quality and continuous development. The work safety and near miss figures are followed and communicated monthly to the personnel by management.

Supervisors play a crucial role in the day-to-day implementation of occupational health and safety measures. They are responsible for overseeing working conditions, facilities, machinery, equipment and the control of working methods. Employees are expected to adhere to regulations and actively contribute to promoting safe working practices, including the proper use of personal protective equipment. Regular safety training sessions are provided to keep employees informed and prepared.

Innokas also has an occupational Health and Safety Committee in place. It is a collaborative body between management and employees that monitors working conditions and initiates improvements. This committee oversees the implementation of the action plan and adheres to occupational health and

safety guidelines. Accidents, near misses, grievances identified by the occupational health and safety commissioner, and risk assessments are all integrated into the action plan. Company management takes responsibility for assessing and implementing initiatives proposed by the Occupational Health and Safety Committee. This ensures a consistent and comprehensive approach to occupational health and safety across our organization.

## Risk identification and incident management

At Innokas, we conduct thorough hazard and risk assessments to ensure a safe work environment, covering various aspects such as accidental, chemical and physical hazards. Best practices, including monitoring visits and forms from occupational health and safety authorities, are employed, with risk assessments updated on regular intervals. We are also a part of Vision Zero Forum, which is a network of workplaces that aims to motivate and encourage workplaces to strive for a high level of safety and well-being at work.

Employees are encouraged to contribute their ideas and concerns on workplace safety, health and related matters to their employer. All initiatives and feedback are integral components of building a systematic safety culture.

## Occupational health and safety

	2023
Number of high consequence injuries	0
Number of lost time injuries	1
Number of total recordable injuries	4
Lost time injuries, frequency, LTIF	3.17
Total recordable injuries, frequency, TRIF	12.7
Working hours	315,063
Absence hours due to illness	10,688
Absence hours due to injuries	8
Absence rate, %	3.39
Near-miss cases, number of	7
Walkabout safety inspections, number of	10

The data includes figures from Innokas and Cubist.

We record accidents and sick leaves, using statistics to refine occupational health and safety practices. For each accident, a report is generated and stored. In the event of a major incident, authorities are promptly notified and thorough investigations follow.

Preventive safety measures, such as regular walkabout safety inspections and safety observations, are implemented. Safety observations identify potential issues in physical working conditions or work tasks, assessing risks to occupational safety or process safety events. Additionally, safety observations recognize positive practices in physical working conditions or work tasks.



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

### Equality and diversity

Innokas is committed to promoting equality, preventing discrimination and cultivating an inclusive work environment. We respect people of all kinds. We systematically adhere to the obligations set by the Act on Equality between Women and Men and the Non-Discrimination Act. We raise employee's awareness of this subject area.

The Equality Plan serves as a strategic tool to support equality and nondiscrimination while preventing direct and indirect discrimination and harassment within our work community. Prepared in accordance with the obligations imposed by the Equality Act, this plan outlines procedures that underscore our commitment to promoting diversity, equality and inclusion in the workplace. Our operations align with our vision, strategy and values, emphasizing fairness and equality in how we treat our staff.

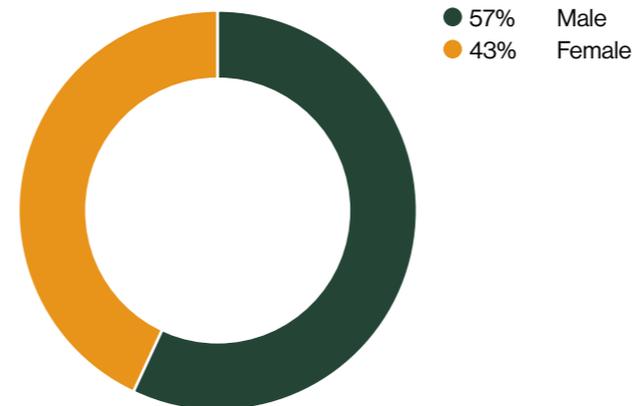
Guided by our values, Innokas strives to treat employees with equity and fairness, promoting equality in all aspects, including recruitment, employee development, support, career opportunities and the reconciliation of work and family life.

We are committed to fostering diversity and inclusion. As of December 2023, our workforce consists of 57% men and 43% women. In the manager group, 52% of the members were female.

### Gender distribution

	2023
Male	133 (57%)
Female	100 (43%)

### Employees by gender



### Personnel demographics

	2023
<b>Total number of employees 31 December 2023</b>	<b>233</b>
<b>Employees by personnel group</b>	
White-collar	156 (67%)
Blue-collar	77 (33%)
External workforce	1
<b>Employment contract type</b>	
Permanent	223 (96%)
Fixed-term	10 (4%)
<b>Working time type</b>	
Full-time	218 (94%)
Part-time	15 (6%)
<b>Employees by age group</b>	
Below 20 years	1 (1%)
20–29 years	33 (14%)
30–39 years	57 (24%)
40–49 years	71 (30%)
50–59 years	55 (24%)
Over 60 years	16 (7%)
Average age of employees, years	43.3
<b>Newcomers</b>	
White-collar	22 (48%)
Blue-collar	24 (52%)
<b>Leavers</b>	
White-collar	21 (72%)
Blue-collar	8 (28%)
Total number of leavers 2023	29
<b>Attrition rate (white-collar, 12 months rolling)</b>	<b>12.4</b>
<b>Retirements</b>	
Retirement (old age pension)	0
Retirement (other)	0
Average retirement age	n/a

The data includes figures from Innokas and Cubist.

# Consumers and end-users

No matter the industry area and use of the device and solutions we design, develop or manufacture or consult our customers about, we strive to follow our mission of focusing on devices that have a positive effect on quality of life.

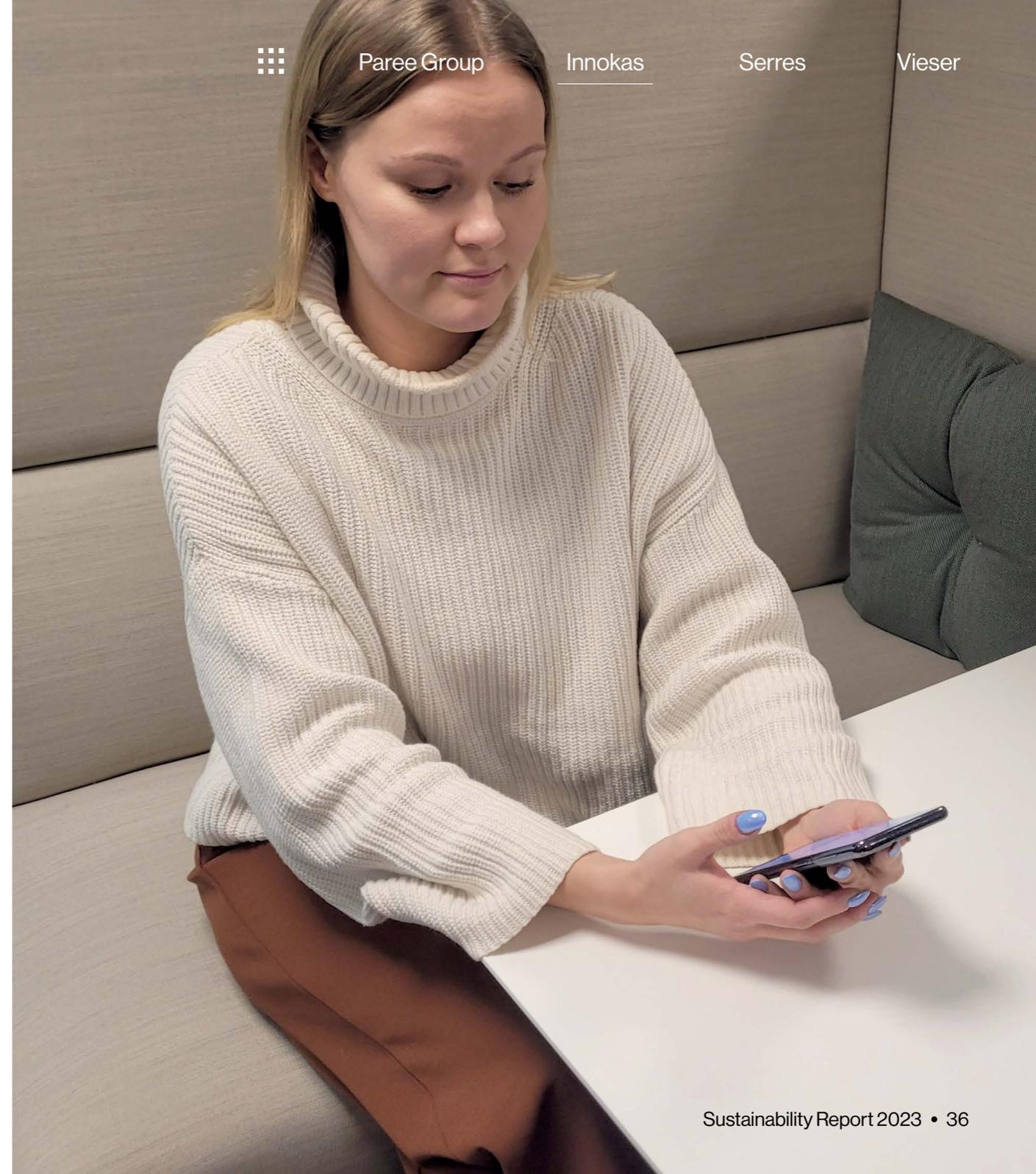
As a Contract Development and Manufacturing Organization (CDMO), Innokas is typically not in direct contact with the end-users and consumers of the devices and solutions we design, develop, or manufacture for our customers. The end-users of these products and solutions vary widely depending on the product or service in question. While we do not directly serve end-users, we strive toward the same goals as our customers: creating and bringing to market products that contribute to improving people's quality of life.

”

We recognize that we are uniquely positioned to empower our customers to create products and services that prioritize safety, efficiency and ease of use for their intended purpose.

We recognize that we are uniquely positioned to empower our customers to create products and services that prioritize safety, efficiency and ease of use for their intended purpose. Working in the MedTech field, Innokas is accustomed to following strict quality demands and complying with regulations aiming to ensure patient and end user safety and efficiency in the product's intended use. Moreover, Innokas follows the regulations concerning, for example, safety of electromechanical devices, such as electrical safety and the requirements of the REACH Regulation No 1907/2006 and RoHS Directive in material selections 2011/65/EU.

Quality is an integral part of all our processes, forming a sum of its parts. It encompasses state-of-the-art standards, product specifications, work instructions, statistics reporting, third-party inspections and customer satisfaction, forming a basis for all our operations. Especially in the context of medical device quality, safety, performance and a risk-based approach are paramount, guiding all our decisions and actions.



# Climate

We are committed to reducing our environmental footprint and increasing our handprint. In the first phase, our focus is on improving carbon footprint calculations.

By 2026, we aim to calculate and report our carbon footprint for all three Scopes and to set science-based targets (according to the Science Based Targets initiative's criteria) with the roadmap toward net zero, supporting the Paris Agreement's goals.

The first carbon footprint calculations were made in 2023 for the year 2022 covering the group and its subsidiaries. The calculations covered Scopes 1 and 2 and categories 1, 4, 5, 6, 7 and 9 of Scope 3. The data coverage and quality were insufficient to obtain reliable results for Scope 3. We found however that the majority of emissions generated were Scope 3 emissions. Within Scope 3, category 1 emissions (purchased goods and services) accounted for the most significant number of emissions.

The data coverage and quality were improved for our 2024 calculations (based on 2023 data), but still insufficient for publishing the Scope 3 results at the group level. However, some of Paree Group's subsidiaries report their Scope 3 emissions for certain categories in their respective reports. The groups and Innokas goal is to improve the data quality and cover all Scope 3 categories for the

reporting year 2025. Meanwhile, we continue to identify ways to reduce our energy consumption and increase our energy efficiency.

Innokas has established actions in its sustainability roadmap that we aim to pursue. We continue to work on improving our EcoVadis rating and are taking actions based on the first report. The next EcoVadis assessment is initiated during the spring of 2024.

## GHG emissions

Emissions by source	2023		2022	
	Emissions (tCO <sub>2</sub> e)	Share of emissions (%)	Emissions (tCO <sub>2</sub> e)	Share of emissions (%)
<b>Scope 1</b>				
Fuels	22	100	11	100
Scope 1 total emissions	22	5	11	3
<b>Scope 2</b>				
Electricity	309	74	180	61
Heat	110	26	115	39
Scope 2 total emissions	419	95	295	97
<b>Total</b>	<b>441</b>	<b>100</b>	<b>306</b>	<b>100</b>

Find information on Reporting Principles and Assurance of the climate data [here](#).

GHG emissions by scope, tCO<sub>2</sub>e



# Resource use and circular economy

Innokas is committed to reducing the use of virgin resources and work towards circular economy. Circular economy is a key focus area considering our aim to reduce our footprint and increase our handprint.

## Design for Sustainability

Aligning to Paree-wide targets, Innokas is incorporating design for sustainability into our processes. According to Innokas' Sustainability roadmap, sustainability will be at the core of our product development process. We aim to excel at creating products that have minimal negative impacts and maximal positive impacts on the environment, people and society through their life cycles.

Currently, we are initiating the integration of sustainability-focused design and circular design principles into our processes.

”

Our mission is to integrate circular design principles into our daily processes, ensuring they are considered in all our projects.

In Q2, we will start a pre-study. Throughout Q3 and Q4, we will host workshops to gather ideas, inform experts and study how to embed circular thinking into our daily operations.

After raising our awareness, our next step involves training our product development experts in circular economy principles. Additionally, we plan to initiate competitive benchmarking during the pre-study phases.

Our mission is to integrate circular design principles into our daily processes, ensuring they are considered in all our projects. We will guide our customers through informed decision-making by justifying choices and providing carbon footprint calculations. We aim to facilitate better choices in circular design.

Within Innokas, we will aim to minimize waste from prototypes in high-volume products by keeping track of our overall scrapping rate and costs. We will also continue to prioritize remote customer contact over on-site visits unless essential.



## How product development affects the value chain

Innokas' primary goal in circular design is to heighten awareness of its potential and feasibility, emphasizing how various choices influence the design process and the outcome for the customer. We aspire to guide our customers toward more sustainable choices throughout the product life cycle. Although we are still only in the early stages, we aim to realize this vision within the next few years.

As a supplier and subcontractor, Innokas already has an ideal position to help our customers make informed choices to move toward the circular economy. Our checklists and templates facilitate this integration. For instance, we can advocate for using a percentage of recycled plastic in products to reduce carbon footprint. Shortening the supply chain, minimizing the use of single-use parts and reducing excessive packaging are other key steps. Additionally, designing products for easy

”

We aspire to guide our customers toward more sustainable choices throughout the product life cycle.

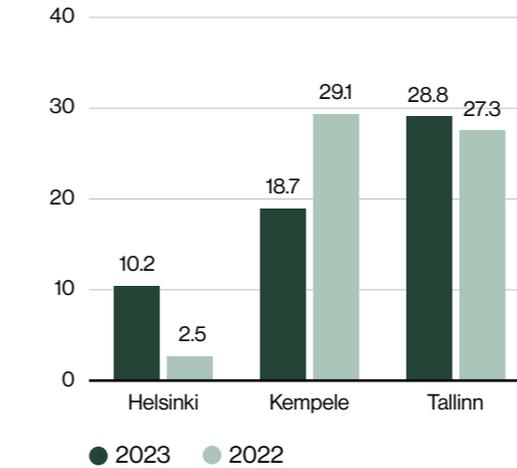
maintenance can significantly cut down on carbon emissions by eliminating the need for on-site expert visits. These initiatives not only benefit the environment but also contribute to cost savings.

## Resource usage and waste

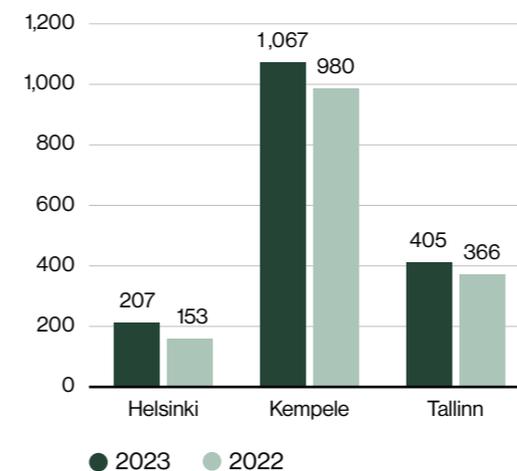
Innokas is committed to advancing sustainable practices throughout our operations. Our focus in 2024 is on increasing the awareness and skills of every Innokas employee to consider sustainability in our daily decision-making by providing training to our personnel on sustainability activities. In our own operations, efforts include monitoring waste management, energy and water use, employee commuting methods, and remote work options. We anticipate faster progress in optimizing our own consumption rates as these areas are within our direct control.

In 2024, we will define and implement measures for making our own manufacturing process more sustainable. In 2023, Innokas encountered challenges with numerous rejected plastic casings due to a supplier's insufficient quality surveillance, leading to waste and delivery delays. This serves as a reminder to both Innokas and our suppliers of the environmental impact of flawed processes and the paramount importance of considering sustainability throughout the organization's operations.

Amount of treated waste, t



Amount of treated waste water, m<sup>3</sup>



Waste

Site	Waste type	2023		2022	
		Amount of waste (t)	Waste treatment method	Amount of waste (t)	Waste treatment method
Helsinki	Biowaste	0.98	Composted	0.86	Composted
	Pallets	1.50	R12B	0.02	R12B
	Glass	0.09	R12B	0.05	R12B
	Metal	1.23	R12B	0.05	R12B
	Plastic	0.08	R12B	0.04	R12B
	Cardboard	0.56	R12B	0.42	R12B
	Mixed waste	1.45	Combustion	0.94	Combustion
	Office paper	0.27	R12B	0.11	R12B
	Hazardous waste	0.10	Combustion or landfill	0.01	Combustion or landfill
Kempele	Mixed (energy) waste	-	-	4.38	Combustion
	Plastic	0.12	R12B	-	-
	Mixed wood	4.51	Combustion	4.86	Combustion
	Cardboard	6.77	R12B	7.22	R12B
	Data protection material	0.00	R12B	1.59	R12B
	Electronic waste	5.14	R12B	8.9	R12B
	Aluminium waste	1.12	R12B	0.48	R12B
	Other metal waste	1.01	R12B	1.36	R12B
	Hazardous waste	0.06	Combustion or landfill	0.28	Combustion or landfill
Tallinn	Mixed (energy) waste	25.05	R12B	24.36	R12B
	Recyclable cardboard and paper waste	2.1	R12B	2.29	R12B
	Recyclable plastic packages	0.05	R12B	0.03	R12B
	Materials contaminated with dangerous chemicals	0.02	Combustion or landfill	0.02	Combustion or landfill
	Single-use and rechargeable batteries	0.02	R12B	0.02	R12B
	Electronic waste	0.33	R12B	0.24	R12B
	Plastic	1.24	R12B	0.29	R12B

R12B means Recycling or re-use.

Certain changes in the amount of waste compared to the previous years result from the improved data collection and reporting methods as well as one-time scrapping patches made during the calculation period.



Case

# Innokas partakes in Circular Design training program to implement sustainable change

Design Forum Finland's circular design program took place in 2023. It was the first of its kind, and Innokas was the first technology company to participate. While sustainability issues are being talked about in the healthtech sector, the circular economy has been sparsely addressed due to the strict regulations that set priorities for the product development. Innokas experts attended the strategic track of the program, designed for executives seeking solutions.

Sustainability is a challenge, especially in the healthtech landscape. The safety and hygiene standards are high and implementing the circular design principles should not compromise the safety of the product. As an example, one of the requirements for using any material is biocompatibility. In simple terms, biomaterials must perform their function

without eliciting a toxic or injurious effect on biological systems. This poses a challenge as it is much more difficult to ensure biocompatibility with reused materials than with virgin materials.

However, products and production can still be made more sustainable despite these challenges. Innokas is already taking steps to ensure the longevity of the products it designs and manufactures by using maintenance services more. Preserving the environment and building responsible value chains are in line with Innokas' mission to improve people's lives through our work, and responsibility is one of our core values.

Innokas has an exceptionally significant role in promoting circular design in the field. Since we handle both design and manufacturing for our clients, it is imperative

that we make responsible choices that impact the entire product life cycle. By integrating circular design principles into Innokas' processes, we not only enhance sustainability but also provide our clients with a competitive edge.

Innokas' management is committed to continuous development. Furthermore, the program mandated participating companies to invest in developing their operations and service design with concrete actions in accordance with the practical advice given during the program.

"We are the people who actualize our company's values into reality. We want sustainability matters to be a tangible part of our everyday processes instead of superficial ideas. We are moving with the

green transition toward more sustainable growth," Jouni Riuttanen elaborates on the management's commitment to the transition. Jouni was Innokas' sales manager during the circular design program.

Antti Virtanen from Innokas' Design Studio, who participated in the R&D track designed for key personnel, is positive about the possibilities as well: "Our objective is to translate ideas into tangible outcomes with the help of this program. We aspire to offer high-quality consultancy on sustainability in product development, encompassing material choices, recycling and production technologies. Our commitment is to promote our understanding and expertise in these areas."

## Details on the Circular Design program

The program's implementation was carried out by Design Forum Finland and Ethica Oy under the guidance of the Finnish Ministry of Environment together with the following partners: VTT, SYKE, Sitra, Frankly Partners, Miltton and Alice Labs.

The program was aimed at companies from any field looking to address sustainability issues in product design.

The program consisted of two different tracks: a strategic level for corporate management, including board members, owners and investors, and additionally a track for those involved in product and service development that guide them to practical work.

# Responsible sourcing

Paree Group and Innokas have committed to ethical behavior and expect the same from their respective partners. We at Innokas aim to select only those suppliers whose social and environmental standards are consistent with our own and who act in a way that is consistent with the principles and values of our Supplier Code of Conduct (SCoC).

## Sustainability in the value chain

We acknowledge the critical importance of various actions within our value chain, driven by considerations of material impacts, risks and opportunities.

To begin with, safety and compliance with EU regulations are paramount factors when selecting materials for purchase. We prioritize the safety of materials for both production processes and final device use. Maintaining quality and safety

standards is non-negotiable, and we refrain from spot purchases solely at Innokas' discretion.

Moreover, we meticulously evaluate all our suppliers, ensuring they meet our stringent criteria. In instances where customers opt to select their own suppliers, we provide guidance on evaluation and criteria. We actively engage with suppliers to negotiate terms regarding factors like return policies and the reusability of packaging materials.

To mitigate risks such as material shortages or regulatory changes, we employ a multi-faceted approach. This includes maintaining strong, long-standing relationships with trusted suppliers, promoting transparency within our supply chain through annual surveys and questionnaires, and diversifying our sourcing to avoid being dependent on a single provider for any material. By adhering to these strategies, we proactively address potential challenges and uphold the integrity and sustainability of our operations at every step of the value chain.

”

We actively engage with suppliers to negotiate terms regarding factors like return policies and the reusability of packaging materials.



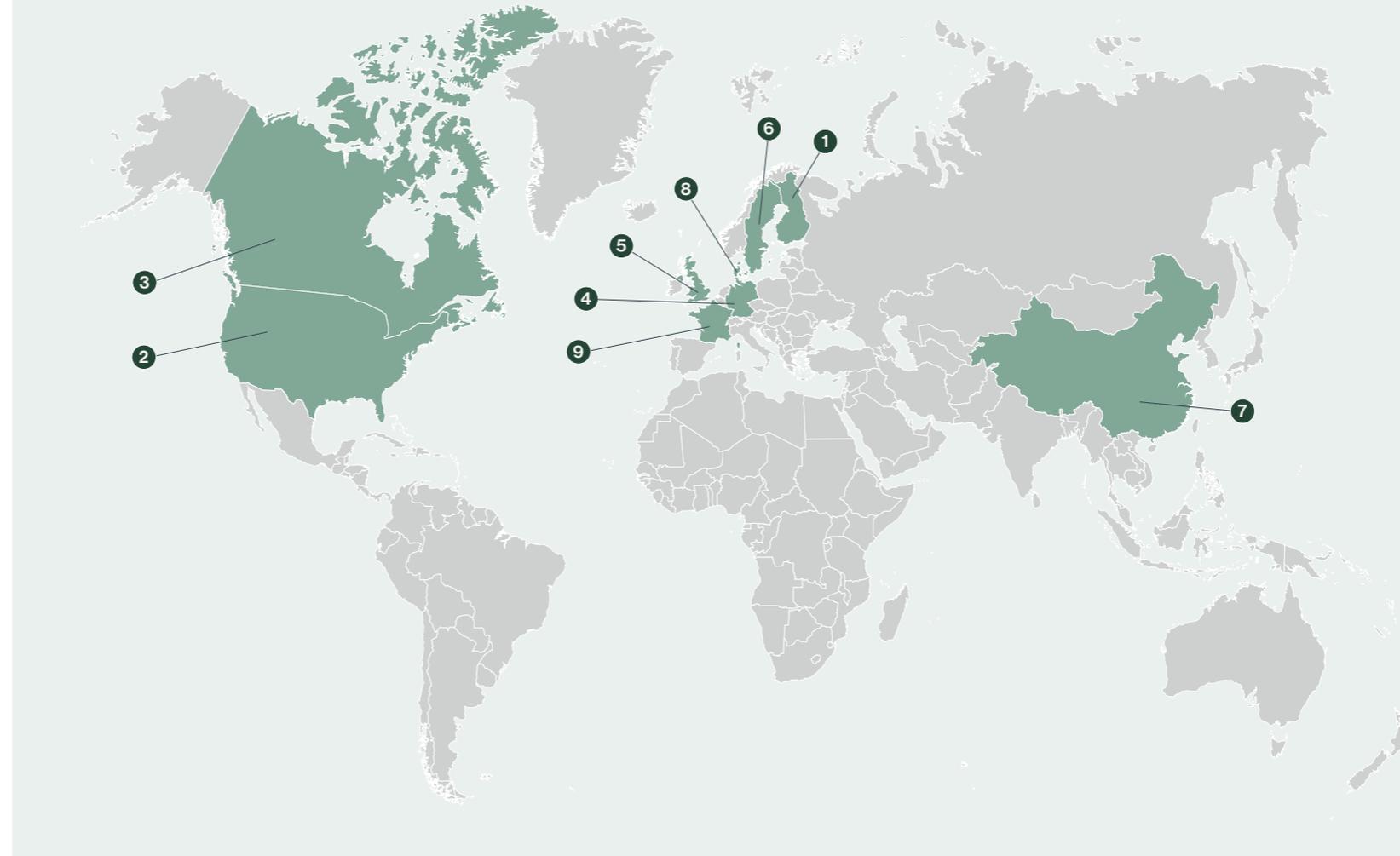
## Transparency of suppliers

During 2024, we aim to carry out the supplier risk assessment, develop and implement the measurement and monitoring of suppliers' level of sustainability, finalize self-assessment for our suppliers, and implement and secure commitment to Innokas' SCoC, starting with the most high-risk suppliers.

Our priority is to set the standard for transparent collaboration with our suppliers. The primary sustainability challenge we have faced with the 2023 reporting involves component purchasing and transit and calculating more accurate CO<sub>2</sub> emissions as we were not yet able to acquire detailed data from all of our suppliers.

For example, concerning our Tallinn manufacturing, we sent questionnaires to 116 suppliers we work with, of which 38% responded by the set date. As a result, spend-based calculations were used in addition to estimate carbon emissions.

Despite limited access to historical data, we are actively working to establish a transparent supply chain. Through our continued detailed inquiries of our suppliers and transit partners, we lay the groundwork for improvements. While refinement is ongoing, we are confident in our ability to enhance the system over the next two years.



### Geographic supplier distribution

1. Finland	26
2. USA	3
3. Canada	2
4. Germany	2
5. Great-Britain	2
6. Sweden	2
7. China	1
8. Denmark	1
9. France	1

Whereas the first phase of our questionnaires focuses on CO<sub>2</sub> emissions, Innokas will extend the survey to ethical sourcing practices in 2025. Innokas is also committed to setting a benchmark as a supplier. As evidenced by the SRG audits

conducted at Innokas Tallinn site every three years by clients like GE Healthcare, we prioritize not only assessing the factory's environmental standards but also ensuring the well-being and fair treatment of workers.

”

Through our continued detailed inquiries of our suppliers and transit partners, we lay the groundwork for improvements.

# Business conduct

At Innokas, and as a part of Paree Group, we consider responsibility a collective endeavor. Knowing and following applicable laws and regulations is a basic requirement for all of us.

## Business conduct

Paree Group's common Code of Conduct applies to everyone in our company, at every level, including employees, management and board members. Our Code of Conduct, launched in 2023, is a set of rules that outlines what we expect from our staff within the organization. It includes general guidance on, for example, anti-corruption, environmental topics, human rights and harassment prevention. The Code of Conduct is supplemented with various

policies, principles and guidelines, including our environmental policy.

Everybody in our group must participate in the Code of Conduct training and testing. New employees are trained as part of their onboarding. Our eLearning platform is available in both Finnish and English for our white-collar workers. At the factories, the training was given face-to-face, with sessions in Estonian and Russian provided at the Tallinn facility. At the end of 2023, 90% of Innokas employees had completed the training, passed the test and committed to our Code.

”

Everybody in our group must participate in the Code of Conduct training and testing. New employees are trained as part of their onboarding.



# Governance

At Innokas, the leadership team is the owner of sustainability and therefore responsible for implementing the company's sustainability roadmap and aligning it with our parent Paree Group's targets.

## Sustainability governance structure

The CEO bears the ultimate responsibility for the successful implementation of the strategy, including sustainability.

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

Innokas' Head of Quality Management System is responsible for overseeing the targets and KPIs defined in Innokas' roadmap, and that the reporting is done to track the outcome of the activities defined in the roadmap.

Assessing sustainability risks and possibilities is integrated into the agenda of Innokas' annual strategy review.

CEO and Innokas Leadership team plans and implements

Board of Directors approves

Head of QMS oversees and reports



# Cubist

Cubist IT AB is an IT consultancy company, building a healthier future. Cubist engages in a broad range of agile software development services and data-driven projects with a purpose to make a true difference for people and society and add clinical value. Based in Sweden, Cubist serves the Nordic market.

At Cubist, we work as IT consultants primarily within the health sector. Our customers are product companies that develop and market their products mainly to healthcare providers. We offer a consultant or a team of consultants to work on the customer's project either within the customer's organization or in our office in a co-creation setting in as part of the customer's development team. The solutions we work with are often part of larger IT systems operated by the customer. When our customers purchase our services, they see our work as indirect procurement

## Sustainability at Cubist

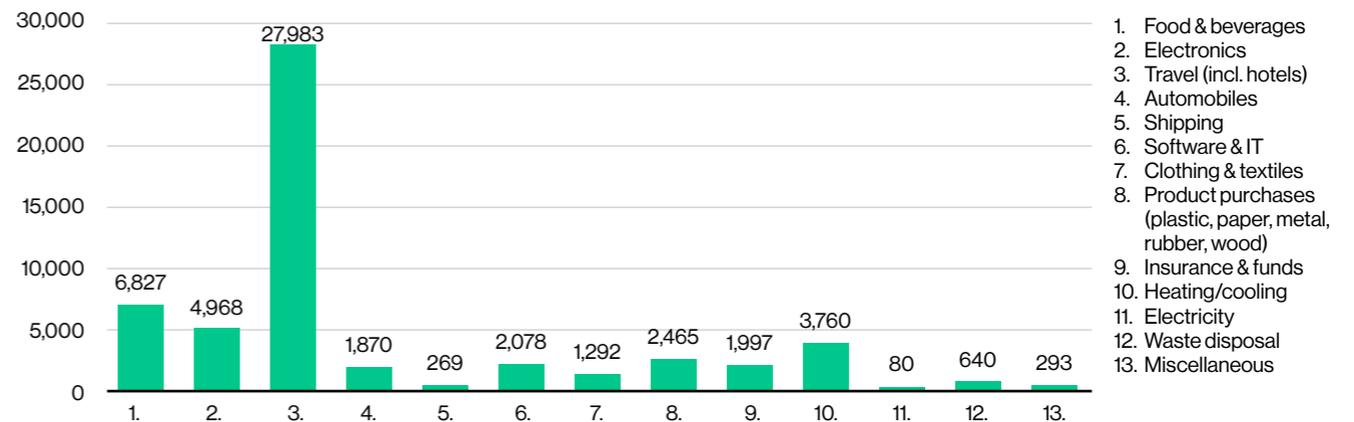
At Cubist, we consider sustainability as a key part of our work. Sustainability has everything to do with our identity: We focus on IT and medical technology, and have chosen this business area because we want to do something good for the environment and the world around us, i.e. increase our handprint.

For us, the most important aspects of sustainability are to decrease our greenhouse gas emissions and support our personnel. Regarding the greenhouse gas emissions, our first goal is to understand our climate footprint, how it compares to the global sustainability targets and how we can decrease it starting with the biggest sources of emissions. Regarding to greenhouse gas emissions, we have identified air travel and purchases of office electronics our main sources of emissions. Our greenhouse gas emission were 1.63 tons of CO<sub>2</sub>e per employee in 2023. Our target is to reduce our emissions by 43% by 2030. We aim to reach our goal by reducing/stopping air travel and purchasing computer monitors with a lower carbon footprint.

As an employer, we want to ensure that our coworkers thrive and prosper. Our target is to live up to our own motto "Happier and Healthier". We aim to be a good working place where our coworkers feel valued and are treated fairly. We strive to influence the number of sick leaves, focusing on physical as well as mental well-being. We create a community spirit where people prosper and ensure that every employee has opportunities for growth and development. Our ambition is also to regularly confirm we follow our practice of equal treatment. We aim to set goals for our ambitions and follow them regularly.



Emissions per activity, kgCO<sub>2</sub>e





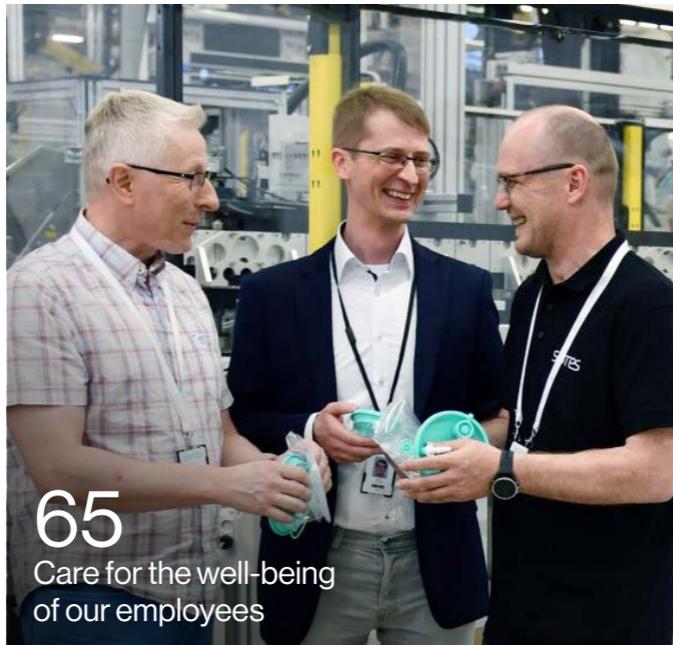
# serres

We focus on bringing responsible workflow to the operating room by making surgical suction and disposal safe and sustainable.



# Contents

- About Serres ..... 48
- Message from the CEO..... 50
- 2023 at glance..... 51
- Value creation..... 52
- Our approach..... 53
- Active work for a better environment ..... 59
- Care for the well-being of our employees..... 65
- Patient and healthcare professional safety ..... 69
- Responsible business conduct ..... 71
- Reporting principles..... 73



# About Serres

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

We began our journey by acquiring expertise in plastics technology and molding, which only a few had mastered at the time. Production started in Kauhajoki Finland 50 years ago and today all production still takes place in Finland.

Our core product is a fluid management system utilizing a single use suction bag for collection of patient fluids during the operation. It is used in more than

75,000 operations daily. Our customers operate in a complex and highly demanding environment where flawless patient fluid suction and the highest possible protection against contamination are required. The Serres Suction system enables an uninterrupted fluid collection, which is an essential part of any successful operation. It allows surgeons and nurses to focus on patient care.

Our approach to surgical suction workflow also extends to responsible fluid waste disposal. Serres Nemo, a Serres Suction bag disposal device, ensures the emptying of the suction bag in a safe manner while significantly reducing the amount of waste generated in the process.

Serres Suction system for patient fluid collection



Serres Nemo for fluid disposal



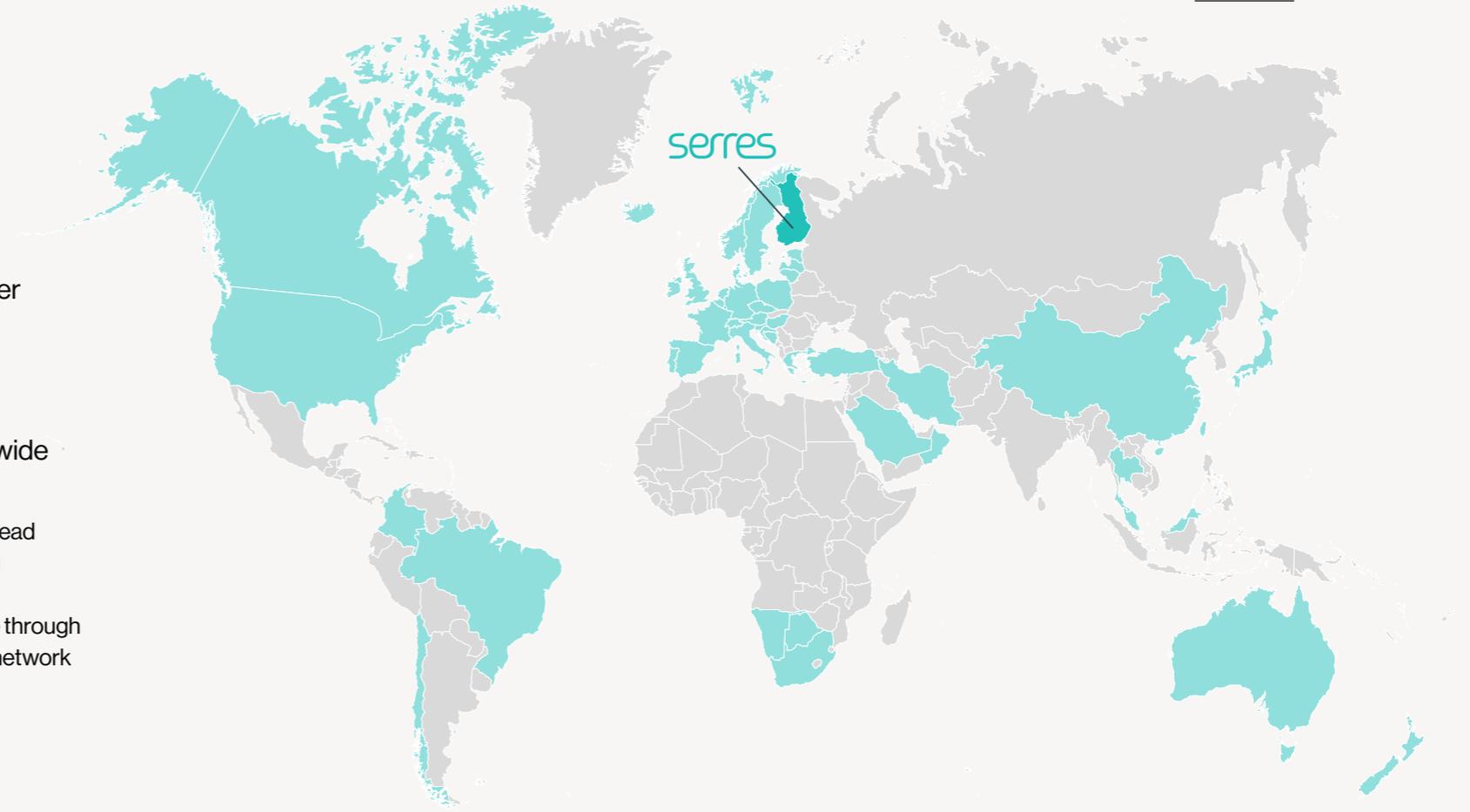
When hospitals use Serres Nemo to empty suction bags, they can often reduce suction waste by up to 97%, leading to a corresponding 97% reduction in CO<sub>2</sub>e emissions. Serres Suction system and Serres Nemo are designed to work together, creating an integrated closed-loop system that eliminates contact with collected patient fluids and other body treatment fluids.

Our mission is to generate value for both our stakeholders and society while striving to maintain the economic sustainability of our operations in the years ahead. We have set objectives for our profit development and financial position to ensure economic stability, create a solid foundation for long-term profitable growth and enable operations and profitability. In 2023, our net sales reached approximately EUR 35 million, with an EBITDA exceeding 15%. Serres stands as a profitable and financially stable company, dedicated to investing in a sustainable future. In 2023, our research and development expenditures were EUR 0.7 million, equivalent to 2.0% of our net sales. Our R&D efforts are primarily concentrated on designing innovation and product improvements related to the development of more sustainable and safe solutions and materials to help hospitals reaching net-zero in surgical fluid management. Serres is dedicated to delivering long-term, tangible value to its primary stakeholders.

Our customers are healthcare professionals and hospitals, for whom quality, reliability and precision are

Presence in over  
**50**  
markets worldwide

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



of paramount importance. Upholding our position as a responsible manufacturer, we proudly maintain our delivery assurance exceptionally high. In 2023, Serres' delivery assurance was 95.5%. The Serres workforce comprised an average of 175 professionals throughout 2023 (see the Personnel demographics table on page 67 for detailed information). Our paid salary costs were EUR 7.26 million.

Serres has its headquarter and two manufacturing sites in Finland. Our products are used in over 50 markets worldwide and are available through our distributors, strategic partners representing local healthcare and market knowledge. As our partners, they ensure our product availability and support our customers in getting the full benefit of our medical fluid management portfolio.

Serres is part of Paree Group, a Finnish family-owned company founded in 1973. Paree Group is committed to making an impact today for a healthier and more sustainable tomorrow through its operations in MedTech and the built environment. In 2023, Paree Group celebrated its 50 years with the entire personnel from all of its subsidiaries.

# Message from the CEO

Sustainability is a fundamental principle rooted in everything we do. Our company’s core values guide us in fulfilling our obligations to both people and the environment while also upholding our financial integrity, even during challenging circumstances.

Serres’ sustainability work is summarized in four sections, and taken together, both the targets and the results will ensure a long-term profitable and responsible business: active work for a better environment; care for the well-being of our employees; patient and healthcare professional safety; and responsible business conduct.

The aging population and the 5% annual growth rate of surgeries lead to increased demand for healthcare services, which combined with healthcare workforce shortages creates growing expectations to enhance the efficiency of the operating room workflow. The healthcare sector contributes to nearly 5% of global CO<sub>2</sub>e emissions, with some high-income nations seeing figures as high as 10%\*. Recognizing this, we are profoundly aware of our responsibility to assist hospitals in their transition to net-zero emissions in accordance with the Paris Agreement and locally agreed timelines. Environmental objectives are increasingly influencing tendering criteria and purchasing decisions, a trend we expect to see accelerate significantly over the next decade.

The geopolitical events in 2023 created challenges for many people, businesses and communities worldwide. In a turbulent environment, we at Serres have continued to work diligently on our sustainability agenda, as well as doing everything possible to supply our crucial products with expected quality and maintain our delivery assurance level at 95.5%. By maintaining an exceptionally high product quality year after year, for every million uses, we only get one reported failure.

In 2023, we defined our sustainability roadmap to guide us toward our set and measurable targets. Our roadmap is divided into five development themes: reducing carbon footprint towards net zero emissions; sustainable healthcare innovations; sustainable company culture; bringing responsible workflow to the operating room; and responsible business conduct. The results will be shared openly with all of our stakeholders.

We continued our efforts to reduce the carbon footprint of our products by investing in new innovative molding and film extrusion technology. We will leverage these investments in the coming years.

Besides launching a Center of Excellence to tackle the circular economy, footprint calculations and reduction topics, we introduced our Codes of Conduct for employees and suppliers in 2023. Now, in 2024, we are extending this initiative to include our distributors and partners. These Codes underline our firm goal that those associated with Serres products and solutions should embrace our shared values and aspirations for sustainability.

I am proud of what we have achieved in 2023 with respect to tangible sustainability actions, and I would like to extend my gratitude to our employees and partners for their unwavering dedication to advancing our sustainability agenda and upholding our commitment to being a responsible partner in all our undertakings.

Thank you for reading this report, and happy reading.

**Nicke Svanvik**  
Serres Group

\* <https://www.nature.com/articles/s41591-023-02438-w>



”

In 2023, we defined our sustainability roadmap to guide us toward our set and measurable targets.

# 2023 at glance



- Supporting 75,000 operations daily
- Ensuring 95.5% deliver assurance
- Using suppliers 93% from EU (first tier product related)
- Manufacturing in Finland
- Workforce 175 professionals

We invested in new innovative molding and film extrusion technology to continue reducing our CO<sub>2</sub>e footprint

We introduced a Code of Conduct to suppliers and personnel

Our 2-liter Serres Suction bag LCA calculation was verified by an external party

Circular Economy Centre of Excellence established

(with our group and subsidiary companies)

While growing the market, we maintained exceptionally high quality: for every million uses, only one reported failure (1.16 ppm - parts per million)



# Value creation

## Resources & Inputs



### People & Culture

- 175 professionals, part of the Paree group with 450 professionals
- Values: Customer centricity, Quality, Sustainable Healthcare
- *Serresly Innovative* systematic innovation process



### Global reach & local presence

- Two state-of-the-art manufacturing sites in Finland
- Serres present in over 50 markets through distributor network sharing Serres' mission & values



### Intangible assets

- Strong brand anchored in quality, reliability and hygienic workflows
- Patents/design/IPR
- Supplier, distributor, customer & hospital reliable relationships
- Manufacturing capability of advanced medical consumables products



### Economic resources

- Balance EUR 16.0 million
- Equity EUR 6.4 million

## Sustainability as a business driver



## Added value & Impacts 2023



### Active work for a better environment

- Serres emissions (Scope 1, 2 and 3) 7,418 tCO<sub>2</sub>e
- Roadmap and approach towards net-zero agreed for implementation in 2024 and 2025
- Less manufacturing waste: manufacturing waste recycling rate 72%, landfill waste 0%
- 331 installed Nemos, 22.3 tons less disposable liquid waste generated in the hospital operation room\*
- Invested in new film extrusion technology



### Care for the well-being of our employees

- Fair wages, salaries, benefits and taxes paid in the communities where we operate
- Employee satisfaction 70.5/A+ rate



### Patient and healthcare professional safety

- Safe surgeries: 75,000 operations daily with efficient and hygienic patient fluid handling
- Only one customer complaint out of 1 million delivered suction bags (1.16ppm)
- Actively engaging in usability development



### Responsible business conduct

- Net sales EUR 35 million
- Established strategy > 7% annual growth
- 100% of employees passed Code of Conduct training
- 93% suppliers from EU\*\*, supplier Code of Conduct introduced
- Our partners share and benefit from our value creation

\* 331 by end of 2023, waste amount calculation page 62  
 \*\* first tier product related suppliers

# Our approach

## Sustainability at Serres

Sustainability has been an essential part of our operations from the very beginning. We are dedicated to consistently enhancing our sustainability performance and believe in integrity in all we do, from our value-creation activities with our partners to raising the bar on sustainability across our operations.

For us, sustainability is not just a choice, it is critical for our long-term business success. Sustainability is deeply rooted within our culture and embodies our brand promise to bring responsible workflow to the operating room. Serres values — quality, customer centricity and sustainable healthcare — are built on the values of our parent company Paree Group: ‘Collaborate to win,’ ‘Consistent integrity,’ ‘Courage to renew’ and ‘Creativity through diversity.’

**Quality** is at the core of our operations. We take pride in being a forerunner in making patient fluid

collection and disposal workflows responsible. Patients’ and healthcare professionals’ safety is our top priority, and we are proud to be a forerunner in product quality. The Serres Suction bag assures for every million uses only one reported failure. The high quality of the bag is achieved by meticulously following our quality program. As a testament to our dedication to environmental responsibility, product quality and international regulatory compliance, we are honored to hold four prestigious certifications: ISO 14001, ISO 13485, Medical Devices Regulation (MDR), and MDSAP (Medical Device Single Audit Program). In addition, we are fully committed to the Chemical Industry’s Responsible Care (RC) sustainability program.

We develop our products in close collaboration with our customers, leveraging 50 years of expertise in product development. **Customer centricity** is one of our values. We are aware that the healthcare sector is in distress. The rising costs of healthcare and the shortage of nursing

” Sustainability is deeply rooted within our culture and embodies our brand promise to bring responsible workflow to the operating room.



staff are significant issues facing healthcare systems worldwide. Our brand promise of bringing responsible workflow to the operating room addresses this challenge. In close cooperation with our end customers, we have developed a system that needs little effort, is easy to learn with one single connection set-up and provides a solution to patient fluid collection without requiring major investments in equipment.

Both of our values, quality and customer centricity, are seamlessly interlinked in our sustainability commitment to ensuring patients' and healthcare professionals' safety.

Our value **sustainable healthcare** reflects our goal of supporting hospitals to reach their net-zero targets and to reduce the amount of waste generated in the operating rooms. We strongly believe that by making the right choices and enforcing our brand promise of bringing responsible workflows to the operating room, we can help hospitals achieve their sustainability targets while also fostering the growth of the Serres business. Upholding our promise of responsible workflow involves the entire life cycle of our products, from their production to the utilization in daily operating room workflows to their end-of-life management.

Sustainable healthcare is interlinked with our commitment to actively work toward a better environment. This value and commitment are

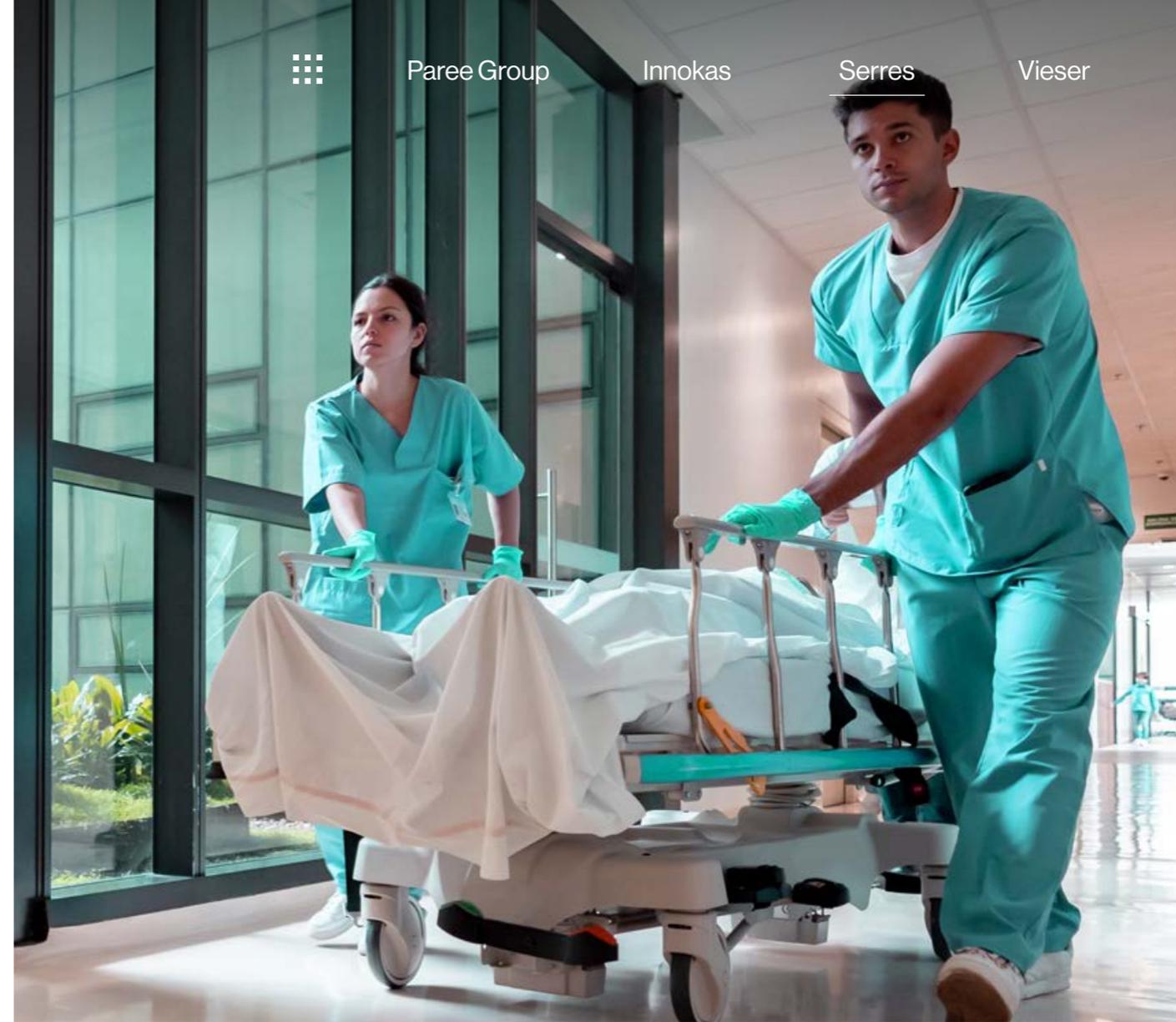
embodied in our sustainability roadmap, where we pledge to launch new solutions to further improve the responsible workflows in the hospital operating rooms.

Our research and development roadmap is ambitious with its environmental targets. We are committed to introducing progressively sustainable solutions with each launch to assist hospitals in assessing environmental impacts and reaching their long term net-zero objectives. We engage closely with hospitals, partners and ecosystems to address challenges concerning environmental impacts and the circular economy.

Serres is actively investing in new research and development focused on reducing the environmental footprint of raw materials and promoting the use of renewable and recyclable materials in our products and packaging.

Within Serres' systematic innovative program, Serresly Innovative, we actively pursue novel solutions to minimize the environmental impact of surgical fluids and waste management, collaborating closely with hospitals and ecosystem partners. In our program, we integrate responsible design principles at every stage of development to explore fresh opportunities and define innovative solutions aimed at facilitating more responsible workflows for our customers.

Care for the well-being of our employees is at the center of our sustainability agenda.



Our values-led culture guides our work as well as the decisions and choices we make. We want to be an excellent workplace and a responsible and attractive employer that continuously develops

the well-being and skills of its employees. We encourage a strong culture of collaboration, based on significant work that creates value for our customers.

## Double materiality assessment

Serres' double materiality assessment was conducted as part of the Paree Group materiality assessment and in line with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS), still drafts at the time of the assessment in April–June 2023. It has been used to identify, assess and prioritize the environmental and social sustainability impacts, risks and opportunities of the business, as well as to create insights to steer action for the future by aligning business strategies, targets and governance accordingly.

The assessment covered entire value chains, including own activities and activities in the upstream and downstream value chains.

## Impact assessment

The **impact materiality assessment** covered both negative and positive impacts. Negative impacts included actual impacts (severity in terms of the impact's scale, scope and irremediable character, any of which could make the impact severe) and potential impacts (likelihood and severity, the latter of which takes precedence in the case of human rights). Positive impacts covered actual impacts (in terms of scale and scope) and potential impacts (in terms of scale, scope and likelihood).

The **financial materiality assessment** covered business risks and opportunities, their likelihood of occurrence and the size of potential financial effects.

The project group assessed each environmental, social and business governance topic based on impacts on the medium-term horizon. The analysis also considered how the assessment would differ in the short- and long-term horizon. The scoring of impact and financial materiality for each sustainability topic, along with the evaluation of double materiality scoring, was conducted. This aimed to provide a justified analysis of materiality thresholds and identify material topics. The results and the entire process were documented, creating a rigorous double materiality assessment for CSRD reporting and other uses.

Serres' leadership team reviewed and validated the findings and the thresholds to be used for materiality.

## The double materiality assessment identified six material topics for Serres:

- Climate change
- Resource use & circular economy
- Own workforce
- Workers in the value chain
- Consumers & end-users
- Business conduct

These topics will be at the center of Serres' sustainability work and reporting in the coming years.



## Priorities and performance

### Sustainability priorities and their related metrics and targets

Focus Area	Objective	KPIs	Targets	Performance
<b>Active work for a better environment</b>				
	Reducing carbon footprint towards net-zero	→ SBTi delivery vs plan	Short-term, long-term and net-zero SBTi targets for Serres, and Paree Group in place 2025	From 2025 onwards
	To increase the use of renewable energy sources	→ Serres' share of renewable electricity, %	Above the European average of 44%*	30%
	To increase the recycling of waste	→ Share of recycled waste material compared to total amount of waste material	Above 70%	72%
<b>Care for the well-being of employees</b>				
	To ensure employee satisfaction and engage employees	→ PeoplePower index	Above the Finnish average of 69.3	70.5%
	To ensure a safe working environment	→ Number of lost time injuries	To be defined	0
	To ensure diversity	→ Employees by gender	Not set	Employees by gender • Female, 59% • Male, 41%
<b>Patient and healthcare professional safety</b>				
	To ensure a responsible and reliable supply of products	→ Delivery assurance (customer satisfaction)	Above 95%	95.5%
	To ensure the quality of processes, customer satisfaction, to follow the quality experienced by the customer and to detect the risks and the need for improvements	→ Customer complaints compared to delivered suction bag pcs, ppm	Below 30	1.16 ppm**
	To ensure the quality of processes and to detect the risks and the need for improvements	→ Number of internal non-conformities in production compared to the produced pcs, ppm	Below 10	2.3 ppm**
<b>Responsible business</b>				
	To ensure supplier delivery reliability	→ Supplier delivery assurance	Above 95%	98.6%
	To ensure compliance to CoC	→ CoC agreement for suppliers	To be defined	From 2024 onward
	To ensure compliance to CoC	→ CoC agreement for distributors	To be defined	From 2024 onward
	To ensure compliance to CoC	→ CoC training and commitment coverage, % (personnel)	100%	100%
	An anonymous reporting possibility for any concerns for internal and external use	→ Notifications in the whistleblowing channel	All reporting has been managed accordingly	0

\* Source: Ember-climate.org

\*\* parts per million



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



## Sustainability governance

The Group Head of Sustainability, reporting to Paree Group’s CEO, is responsible for leading the sustainability work at the group level and supporting subsidiaries in their sustainability target setting, roadmap building, implementation and reporting. The CEO of Serres Group bears the ultimate responsibility for the successful implementation of Serres’ strategy, including sustainability.

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

Serres’ Director of Quality, Regulatory and Sustainability is part of Paree Group’s Sustainability Team led by the group’s Head of Sustainability. The Sustainability Team manages day-to-day sustainability topics and ensures the smooth operation between all companies in sustainability.

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

Sustainability risks are evaluated as part of business risk evaluation in Serres, Paree Group and other

subsidiaries. Sustainability risks and opportunities were also studied in the double materiality assessment in 2023 for all group companies.

## Stakeholder engagement

A well-functioning stakeholder dialogue is a key to our success. We aim for an active and transparent dialogue with our stakeholders and regularly engage with them. We have a global presence, and we operate mainly through our distributors. We impact over 75,000 operations daily in over 50 markets.

Consistent performance assessments guarantee the safe and responsible use of our products. By fostering transparency and cultivating trusted, long-term relationships with our distributors, we ensure swift responses to customer complaints and address any potential misuse of our products. We enforce e-learning solutions and, when necessary, provide face-to-face training sessions to prioritize the safety of patients and healthcare professionals.

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

### Our key stakeholders are:

- Distributors
- Healthcare facilities and healthcare professionals
- Suppliers of raw materials and services
- Policymakers, authorities and legislators
- Industry associations
- Our employees and management
- Local community actors

## Memberships and commitments

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

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

## Stakeholder engagement

Stakeholder group	How we engage	Key interest topics	How we respond
Distributors 	<ul style="list-style-type: none"> <li>Distributor and quality agreement</li> <li>Complaint channels (digital, email and direct)</li> <li>Distributor performance evaluation</li> <li>eLearning portal</li> <li>Extranet for distributors</li> <li>Insight and satisfaction assessments and surveys</li> <li>Whistleblower channel</li> </ul>	<ul style="list-style-type: none"> <li>Roles and responsibilities</li> <li>Product use</li> <li>Product complaints</li> <li>Product delivery performance</li> <li>Product safety and sustainability</li> <li>Environmental sustainability and CO<sub>2</sub>e calculations.</li> <li>Hospital workflows and product improvement</li> </ul>	<ul style="list-style-type: none"> <li>Complaint handling process</li> <li>Complaints recorded in a system without delay</li> <li>The target processing time for complaints is 30 days</li> <li>Recall and vigilance reporting process</li> <li>Technical support following standard operating procedures (SOPs)</li> <li>Brand equity and responsible marketing</li> </ul>
Healthcare facilities 	<ul style="list-style-type: none"> <li>Product &amp; prototype simulations and testing</li> <li>On-site technical support and installations (Finland)</li> <li>Digital training</li> <li>Instructions for product usage (IFU)</li> <li>Whistleblower channel</li> </ul>	<ul style="list-style-type: none"> <li>Responsible and sustainable product co-design</li> <li>Safe and correct usage of our products</li> <li>Product performance and warranty assurance</li> </ul>	<ul style="list-style-type: none"> <li>Product design improvements</li> <li>New product development</li> <li>Technical support following standard operating procedures</li> <li>Installation acceptance and warranty</li> </ul>
Suppliers of raw materials and services 	<ul style="list-style-type: none"> <li>Supplier assessments and audits</li> <li>Data compliance</li> <li>Supplier meetings</li> <li>Supplier surveys</li> <li>Whistleblower channel</li> <li>Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable and responsible performance</li> <li>LCA and REACH data exchange</li> <li>Contractual issues</li> <li>Transparent information sharing</li> </ul>	<ul style="list-style-type: none"> <li>Guidance on data quality, training from 2024 onward</li> <li>Standardized supplier evaluation process</li> </ul>
Policymakers, authorities and legislators 	<ul style="list-style-type: none"> <li>Participation through memberships</li> </ul>	<ul style="list-style-type: none"> <li>Communication and co-operation with authorities</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> </ul>
Our own employees and management 	<ul style="list-style-type: none"> <li>Employee engagement survey</li> <li>Regular CEO message</li> <li>Leadership round table discussions with managers and supervisors</li> <li>All employee meetings</li> <li>Quarterly Paree Group message</li> <li>Target and performance discussions</li> <li>Whistleblower channel</li> <li>Occupational health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable leadership and operations</li> <li>Honesty and fairness</li> <li>Well-being of our employees</li> </ul>	<ul style="list-style-type: none"> <li>Company and team-level survey action plan</li> <li>Target review</li> <li>Transparent information sharing</li> </ul>
Owners 	<ul style="list-style-type: none"> <li>Board of directors meetings</li> </ul>	<ul style="list-style-type: none"> <li>Financial performance, long-term value creation</li> <li>Management of sustainability risks and opportunities</li> <li>Sustainable operations</li> <li>Compliance with laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>Reporting and participation to board meetings</li> </ul>



We aim for an active and transparent dialogue with our stakeholders and regularly engage with them.

# Active work for a better environment

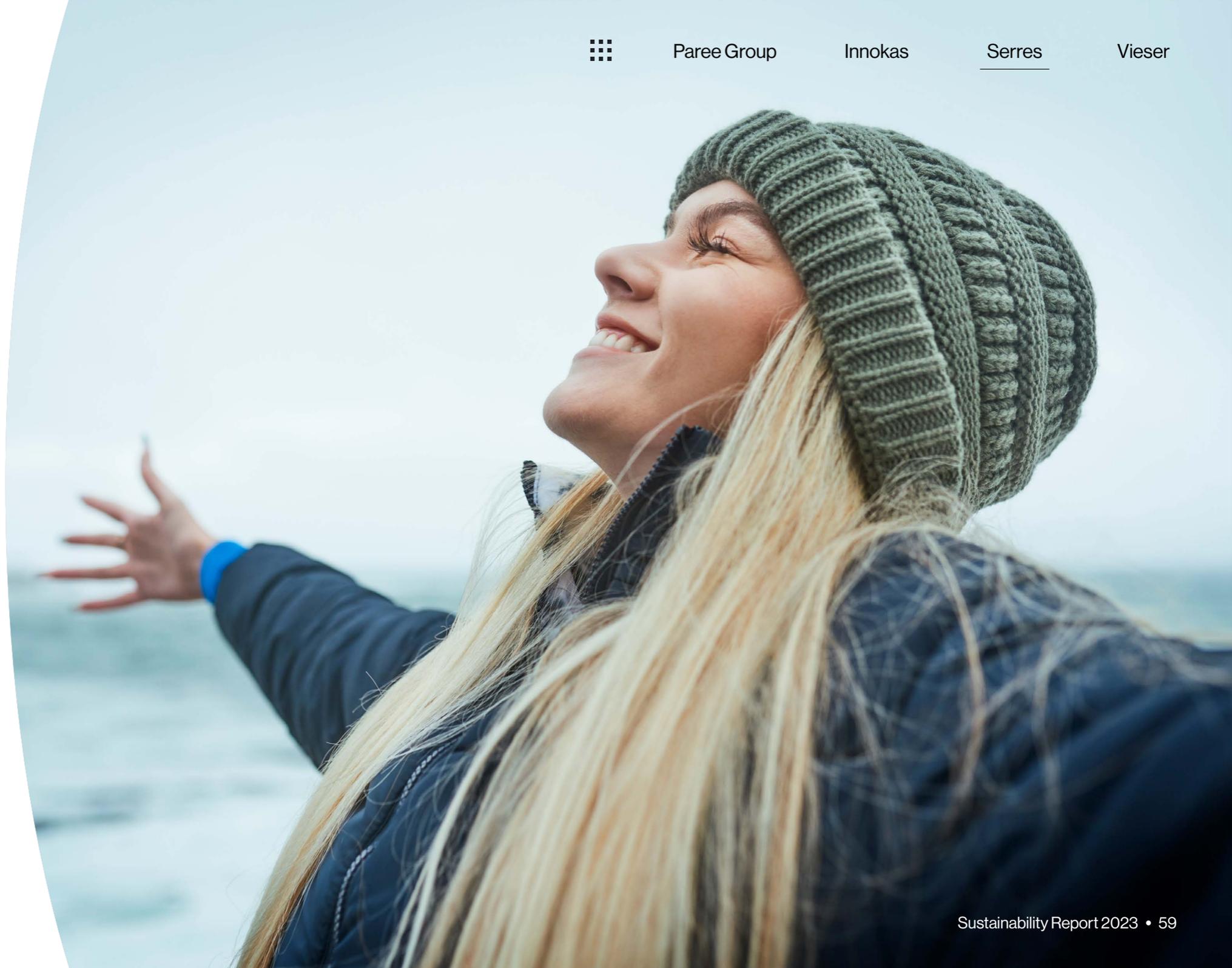
Setting a net-zero target is essential to fight climate change and move toward a more sustainable and resilient future.

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

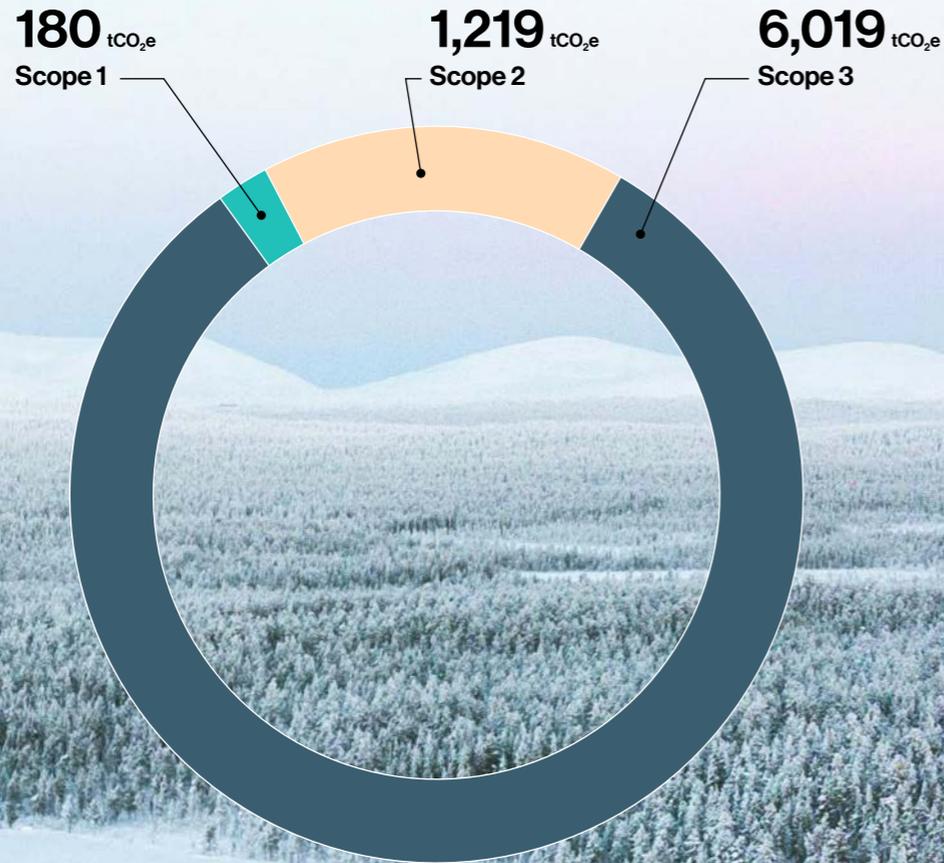
## KPIs

→ Short-term, long-term and net-zero SBTi targets for Serres in place 2025.

To create transparency in our operations and to be able to make informed decisions, we have for several years ago taken active steps to calculate the emissions of our operations. This initiative has provided us with invaluable insights into our value chain and the impact of each stage. In addition to that, we have also calculated the carbon footprint of our core product the two-liter Serres Suction bag.



GHG emissions by scope, tCO<sub>2</sub>e



GHG emissions, tCO<sub>2</sub>e

	2023	2022	2021
Scope 1	180	0	0
Scope 2	1,219	1,529	1,672
Scope 3	6,019*	5,844.5**	4,752**

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

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

Serres emissions calculations

Serres conducted its first emission calculation including Scope 1 and Scope 2 in 2021 using 2020 data. That calculation was conducted by an external partner, Mitopro. In 2023, Ecobio calculated the Scope 1 and 2 emissions for Serres, Paree Group and other subsidiaries. The 2023 assessment covered emissions for 2022, including Scopes 1 and 2 and selected categories (1, 4, 5, 6, 7, and 9) of Scope 3.

The data coverage and quality were improved for 2024 calculations (using 2023 data). Our goal is to improve the data quality further and cover all Scope 3 categories in our 2025 reporting year.

In total, Serres' carbon footprint in 2023 (including Scopes 1, 2 and 3) amounted to 7,418 tCO<sub>2</sub>e. Scope 1 emissions were 180 tCO<sub>2</sub>e, Scope 2 1,219 tCO<sub>2</sub>e and Scope 3 6,019 tCO<sub>2</sub>e. Most of the emissions in Scope 1 came from fuels used in leased or owned company cars and a smaller part from refrigerant leaks. In Scope 2, emissions came from electricity and heating.

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

Carbon footprint of a 2-liter Serres Suction bag

To track our sustainability performance within our design processes and operations, we reviewed and verified by an external party our **cradle-to-gate** carbon footprint calculations of the 2-liter Serres Suction bag. The updated figures are based on 2023 data and have been compared to our initial carbon footprint calculations which were based on 2022 data. The calculations, which were conducted by PwC following the Greenhouse Gas (GHG) Protocol and ISO 14044:2006 standards, only included CO<sub>2</sub>e emissions. To ensure reliable, transparent reporting, the carbon footprint calculations based on 2023 data were verified by OPENCO2, an independent third party.

Based on the analyses, the emissions changed from 166 gCO<sub>2</sub>e to 167 gCO<sub>2</sub>e per one 2-liter suction bag from 2022 to 2023. This change can be attributed to improved data quality from our vendors. We found an increase in emissions originating from some of our plastic raw materials. However, we also saw a decrease in emissions from our packaging materials. In addition, we identified a decrease in emissions from heating in production due to the improved data quality. Based on 2023 data, the largest emission source for 2-liter Suction bag is raw materials (76%) and the second largest is energy and heat used in production (16%). We will focus our efforts on these areas to reduce the environmental impact of our suction bag design.

A separate report is also available upon request.

## Case Rotterdam hospital

# LCA calculation of an entire 2-liter Serres Suction bag value chain

A comprehensive **cradle to-gate** methodology was employed to evaluate the suction bag's life cycle.

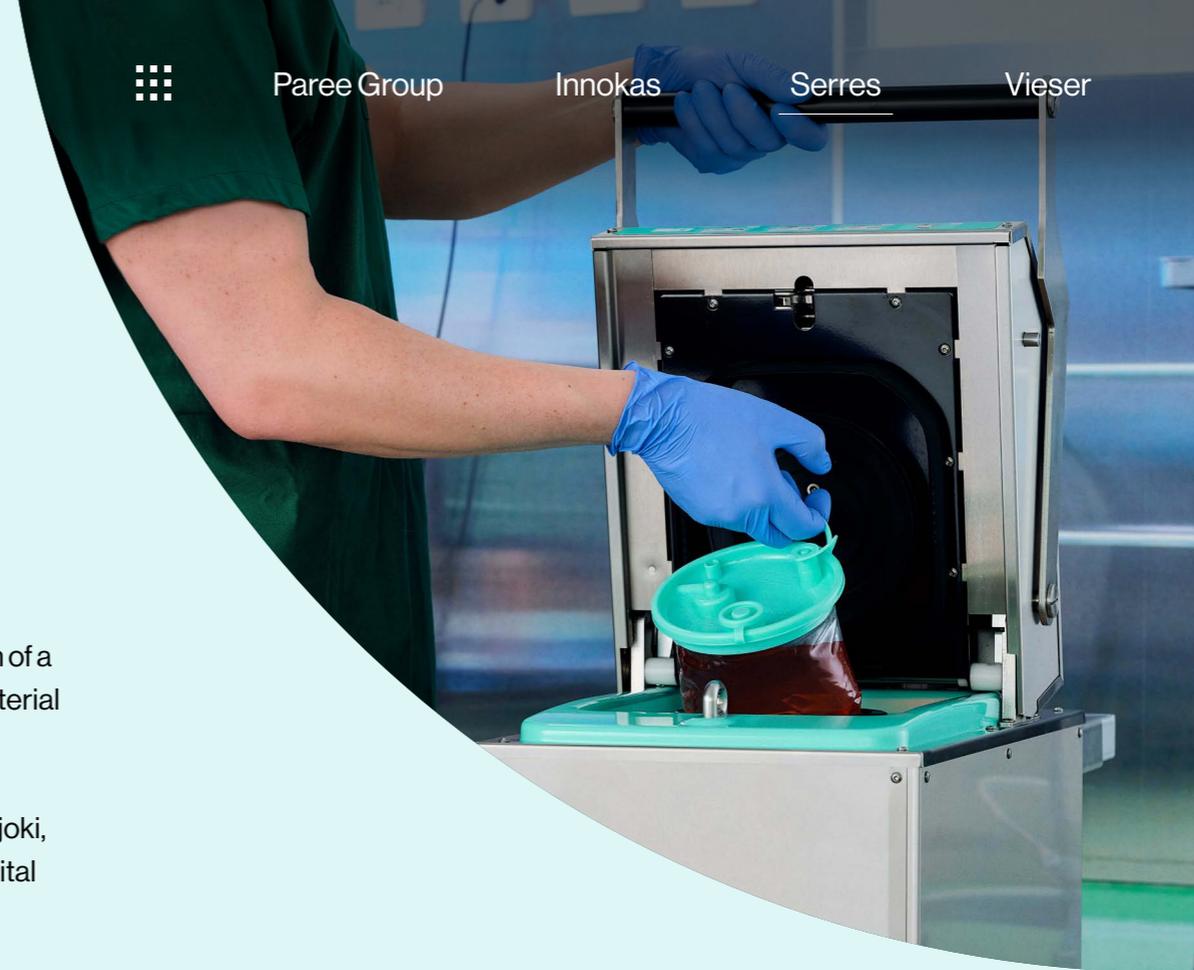
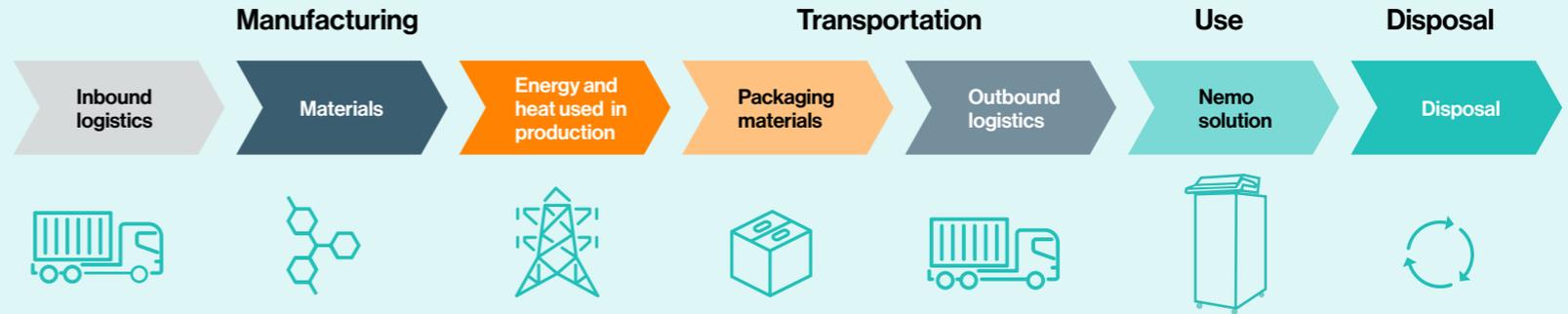
First CO<sub>2</sub>e footprint calculation for the Serres Suction bag was conducted in 2022. This was undertaken to ensure that we at Serres are making informed decisions to reduce our carbon footprint, thereby furthering our commitment to supporting hospitals in their journey towards achieving net-zero emissions.

### The scenario

The following two scenarios were analyzed: in the first scenario, the suction bag is full and in the second scenario, the suction bag is emptied with Serres Nemo, a suction bag emptying device.



**The cradle-to-grave approach:**  
This study covered the entire value chain of a Serres 2-liter Suction bag, from raw material extraction to disposal. The outbound transportation route originated from Serres' manufacturing facility in Kauhajoki, Finland, ending at the Rotterdam Hospital in the Netherlands.



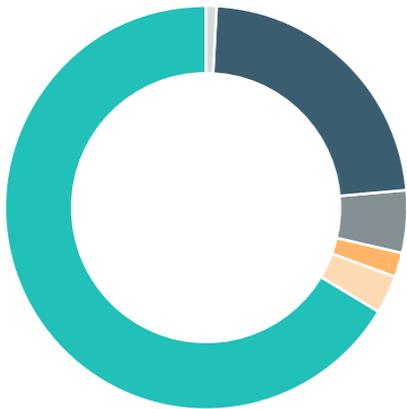
## Case Rotterdam hospital

### The results:

The carbon footprint of the full 2-liter Serres Suction bag is 0.54 kgCO<sub>2</sub>e. The largest quantity of emissions comes from the disposal phase (67%) and the second largest comes from the raw materials (23%).

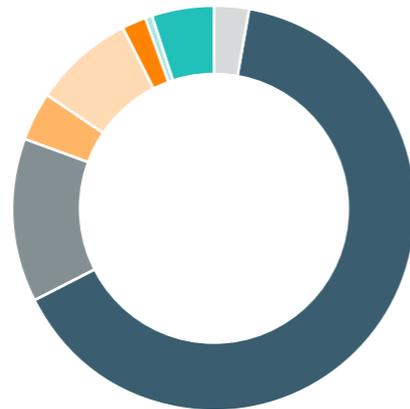
The carbon footprint of the emptied 2-liter Serres Suction bag is 0.20kg. The largest contributor to the total emissions for empty suction bags is raw materials (65%) and the second largest is the energy and heat used in production (13%).

### Full bag



- 1% Inbound logistics
- 23% Materials
- 5% Energy and heat used in production
- 2% Packaging materials
- 3% Outbound logistics
- 67% Disposal

### Empty bag



- 3% Inbound logistics
- 65% Materials
- 13% Energy and heat used in production
- 4% Packaging materials
- 8% Outbound logistics
- 2% Nemo materials
- 0.5% Emptying bag with Nemo
- 5% Disposal

### The findings:

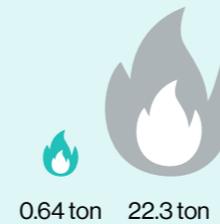
The calculation revealed that in the case of a full bag, the disposal phase has a significant impact on the footprint. This is due to the amount of waste generated during fluid suction.

If we apply the calculation to 10,000 bags, based on the standard annual bag usage per

operating room, the waste sent for disposal with full bags totals 22.3 tons, whereas with emptied bags, it's just 0.6 tons.

Using the Serres Nemo to flush and empty the suction bags reduced the amount of waste by 22 tons and decreased transportation CO<sub>2</sub>e emissions by 97%.

### Waste generation



**22**  
tons

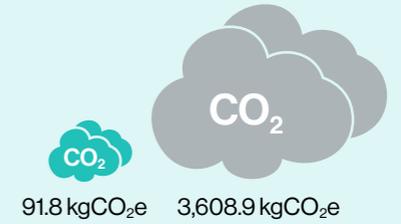
less waste to incineration with Serres Nemo

### CO<sub>2</sub>e in waste transportation



**97**  
%

emissions reduction with Serres Nemo



**3,500**  
kgCO<sub>2</sub>e

less emissions with Serres Nemo and re-use of waste box

Please read the assumptions of the LCA studies at the end of the report. A separate report is also available upon request.

## Resource use and circular economy

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

To enforce the targets, we established a Circular Economy Center of Excellence in 2023 with a clear aim to work towards reducing waste and increasing the amount of recycled material in our products and packaging. The Center of Excellence has participants from Paree Group, Serres and the other subsidiaries working in different roles within the organizations.

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

When developing products and solutions, we consider their societal impact, use of resources and economic implications. We also assess their environmental impact, including recyclability and potential for remanufacturing. Moreover, we prioritize functional design and efficient manufacturing. Collaboration is an essential approach to achieving results, both within our organization and beyond. We are committed to fostering closer partnerships

with suppliers, customers and stakeholders, as we collectively strive for a future where materials are consistently reused and recycled.

### Material

Materials used in Serres production include plastics raw materials, solidifying agents, components and packaging materials. Serres' product and packaging design roadmap follows four principles: reduce, renew, recycle and reuse. Our goal is to minimize material use and use more sustainable raw materials from renewable or recycled sources. For example, in 2023, we changed the level of recycled material from 30 to 75% in our transportation packaging material. In the future, we plan to expand these guiding principles also to cover product design decisions when they do not compromise hygiene, safety or workflow efficiency and have a validated positive LCA effect. Already in 2023, we applied the 'reduce' principle at the launch of our updated Nemo version, where the operational water consumption was significantly lowered without any negative effect on the functionality.

Material selections take into account the requirements of the REACH Regulation No 1907/2006 and RoHS Directive 2011/65/EU. Monitoring of compliance with REACH and RoHS is based on suppliers' declarations and material safety data sheets. An external service provider is in charge of keeping the safety data sheets up to date.

## Waste and recycling

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

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

### Material use

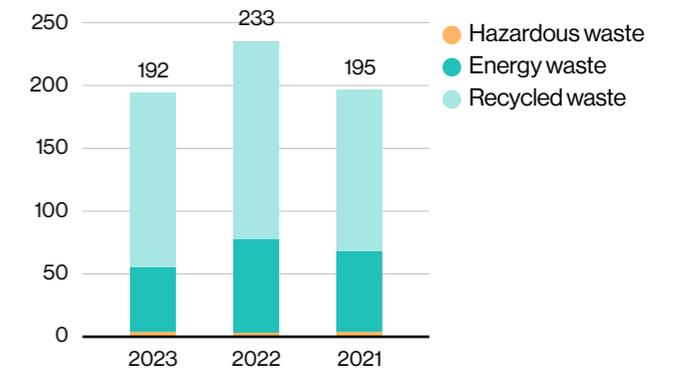
	Target	2023	2022	2021
Main raw materials in production, tonnes*		2,501	2,673	2,333
Suction bag scrap, average	Below 2.25%	1.55%	2.0%	2.03%

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

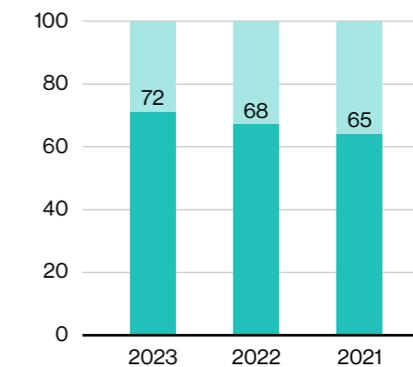
## Waste and recycling

	2023	2022	2021
Hazardous waste (both factories), tonnes	0.5	0.2	0.5
Energy waste, tonnes	54	75	69
Recycled waste, tonnes	138	158	126
Landfill waste, tonnes	0	0	0
<b>Total waste (both factories), tonnes</b>	<b>192</b>	<b>233</b>	<b>195</b>
Recycling rate, %	72%	68%	65%

### Amount of treated waste, t



### Recycling rate, %



## Energy

Energy consumption mainly consists of the electricity and heat consumed at the factories. In addition, small amounts of energy are used at the offices. Energy consumption is reported as consumption of electricity at the Kauhajoki and Saarijärvi plants and as district heating at Kauhajoki. The Saarijärvi factory heat consumption is included in the rental and is not reported separately. Energy and water consumption is regularly monitored, and energy audits are conducted to explore options for improving energy efficiency. The latest energy audit was conducted at the end of 2021. Serres has set a target for its share of renewable electricity. All water consumed is municipal water.

	2023	2022	2021
Use of electricity, MWh	4,334	4,648	4,254
Share of renewable electricity, MWh	1,300	1,673	1,238
Share of nuclear energy, MWh	1,690	1,813	1,761
Share of fossil energy sources, MWh	1,434	1,162	1,254
Serres share of renewable electricity, %	30%	36%	29%
European level share of renewable electricity*	44%	42.92%	41.7%
Use of district heating, MWh	1,198	1,831	1,957
Use of water, m <sup>3</sup>	1,014	1,006	960

\* 2023 Source: Ember-climate.org  
2020–2021 Source: European Residual Mixes, Association of Issuing Bodies

## Logistics

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

Share of outbound transportation by transport mode	2023	2022	2021
Air	0.3%	0.4%	0.4%
Road	75.9%	66.2%	66.6%
Sea	23.8%	33.5%	33.0%

## Circular economy actions and results at Serres in 2023

**Recycled fiber content in packaging:** In 2023, we increased the recycled fiber in our transport packaging from 30% to 75%. The share of recycled fiber in our suction bag dispenser package is 70%, the same level as in 2022.

**Recycling production plastic waste:** The plastic waste from our film and lid manufacturing lines has been collected since 2005 and sent to a third party for recycling. The waste is processed and

granulated into recycled plastic for the manufacture of new plastic products. Each kilogram of recycled plastic used leads to an emission reduction of 2 kgCO<sub>2</sub>e compared to virgin plastic.

**Circular LCA:** Serres joined a European Union NextGenerationEU and Business Finland-funded OPENCO 2 research pilot to investigate the method of calculating circular economy benefits. Our objective was to acquire further insights into how the advantages of the circular economy can be distributed among various stakeholders within our value chain, focusing on end-of-life phases and different recycling methods.

In the pilot study, we expanded our scope to evaluate the comprehensive environmental impact of liquid medical waste incineration. According to LCA methodology, these emissions are attributed to the incinerator actor in the value chain. Our case study demonstrated several-fold higher total emissions during the incineration phase when considered in this holistic way. This underscores the necessity of rethinking hospital waste management methods, and that unnecessary liquid waste incineration should be avoided as it significantly contributes to overall emissions.

## Circular Economy Stakeholder Collaboration:

To expedite the development of innovative solutions aimed at reducing carbon emissions in the healthcare sector, Serres established a network to facilitate future collaborations within the plastics circularity ecosystem. This network aims to foster knowledge exchange, collaborative problem-solving, innovation stimulation and the promotion of circularity within the healthcare sector. The network includes hospitals, research organizations, plastic manufacturers and stakeholders involved in plastic recycling.

# Care for the well-being of our employees

Serres is an organization of 175 professionals. Our goal is to offer meaningful work in a well-managed and safe environment where people are treated equally. Our employees are encouraged to further their personal development. We believe that well-being at work results from motivated employees, interesting work tasks, an open workplace environment and clear targets.

## Employee well-being and engagement

Serres encourages open engagement and dialogue and active participation in day-to-day workplace interactions. We have an annual employee survey in place. The primary goal of the survey is to enhance employee engagement by leveraging insights from the survey and implementing development actions based on identified needs. This process aims to establish a foundation for an improved employee experience and operational efficiency. When conducted professionally, the employee survey serves as a valuable tool for recognizing strengths and pinpointing areas for potential development within Serres.

The survey provides management with real-time and accurate information to address any existing

issues and fortify the organization's strengths for the future. This, in turn, supports employees in their day-to-day activities and fosters long-term development and engagement. The PeoplePower index (PPI) provides an overall rating of the results of the employee survey. In November 2023, Serres' PPI was at level four (70.5/A+) on a seven-point scale. Serres has succeeded better in the last three years (2021–2023) than the average Finnish employer\*.

Our employee benefits include financial compensation for sports, culture, well-being and commuting services. We also promote a healthy lifestyle with an opportunity for a bike benefit and by arranging a special sports day. Additionally, Serres supports employee well-being through HeiaHeia, a social well-being app promoting activity and community engagement.

\* Eezy Flow Oy.



## Competence development

Commitment to competence development aligns with our overarching goals. The aim is to identify and cultivate the skills essential for implementing our strategy and achieving annual targets. This systematic approach ensures that our personnel possesses the necessary competencies for current and future responsibilities, fostering job satisfaction and reducing stress.

Our dedication to equal opportunities for professional development is evident in various initiatives. The Paree Leading for Future program facilitated by Henley Business School and language studies exemplify our commitment to comprehensive and impactful learning experiences. These initiatives contribute to linguistic skills and leadership skills, ensuring a well-rounded and skilled workforce.

Moreover, our employees are provided with group-wide webinar trainings, spanning topics such as social media, supervisors' rights and responsibilities, AI principles, diversity and inclusion. These initiatives not only align with our competence development goals but also showcase our proactive approach to providing valuable skills to our employees.

## Performance discussions

Performance management is a strategic, annual, and business-driven process geared towards enhancing individual and collective performance. This involves continuous dialogue throughout the year, encompassing performance reviews, target setting, and discussions of the Individual Development Plan (IDP). The process focuses not only on what goals are achieved but also on how they are achieved, emphasizing value-based behaviors.

Target and development discussions take place systematically between supervisors and team members during the first quarter of the year, with detailed records stored in the HR system. Regular follow-ups, including a mid-year review, ensure alignment with objectives and offer additional support where needed.

## Occupational health and safety

Serres upholds a systematic approach to managing occupational health and safety management overseeing the establishment, arrangement and implementation of comprehensive guidelines. Our organizational culture places a high value on safety, quality and continuous development.



Managers and supervisors play a crucial role in the day-to-day implementation of occupational health and safety measures. They are responsible for overseeing working conditions, facilities, machinery, equipment and the control of working methods. Employees are expected to adhere to regulations and actively contribute to promoting safe working practices, including the proper use of personal protective equipment. Regular safety training sessions are provided to keep employees informed and prepared.

### The Occupational Health and Safety Committee

The Occupational Health and Safety Committee, a collaborative body between management and employees, monitors working conditions and initiates improvements. This committee oversees the implementation of the action plan and adheres to occupational health and safety guidelines. Accidents, near misses, grievances identified by the occupational health and safety commissioner, and risk assessments are all integrated into the action plan. Company management takes responsibility for assessing and implementing initiatives proposed by the Occupational Health and Safety Committee. This procedure ensures a consistent and comprehensive approach to occupational health and safety across our organization.

### Equality and diversity

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

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

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

work and family life. As of December 31, 2023, our workforce consists of 59% women and 41% men. Our employees' average age is slightly under 47 years and we welcomed 18 new employees to Serres.

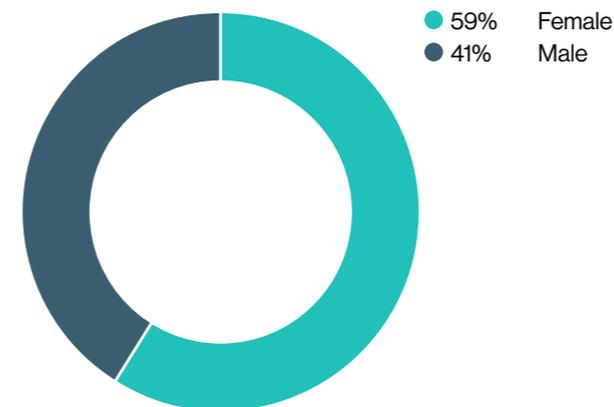
### Employee survey index

	2023	2022	2021
Employee survey response rate	88.3%	86.8%	84.8%
PeoplePower index	70.5	70.3	71.0
PeoplePower rating	A+	A+	A A

### Gender distribution

	2023	2022	2021
Female	89 (59%)	59%	59%
Male	62 (41%)	41%	41%

### Employees by gender



### Personnel demographics

	2023	2022	2021
<b>Total number of employees 31 December 2023</b>	151	151	151
<b>Employees by personnel group</b>			
White-collar*	61 (40%)	59	64
Blue-collar	90 (60%)	92	87
Blue-collar external workforce	16	24	21
<b>Employees by employment contract type*</b>			
Permanent employees	145 (96%)	95%	96%
Temporary employees	6 (4%)	5%	4%
<b>Employees by age group</b>			
Below 20 years	0	0%	0%
20–29 years	14 (9%)	8.6%	9.3%
30–39 years	29 (19%)	19.9%	21.1%
40–49 years	42 (28%)	27.8%	28.5%
50–59 years	54 (36%)	33.8%	30.5%
Over 60 years	12 (8%)	9.9%	10.6%
Average age of employees, years	46.6	46	45
<b>Newcomers</b>			
White-collar	8 (44%)	6	9
Blue-collar	10 (56%)	9	10
<b>Leavers</b>			
White-collar	8 (44%)	13	9
Blue-collar	10 (56%)	4	13
<b>Attrition rate (white-collars, 12 months rolling)</b>			
	8.5	7.9	3.3
<b>Retirements</b>			
Retirement (old age pension)	1	4	3
Retirement (other)	1	0	0
Average retirement age	64.8	64.0	64.0

\* The white-collar figure includes external consultants. Total Average Workforce during the year 2023 was 175 professionals.

PeoplePower index

70.5

Annual employee survey

Average age of employees

46.6

years

## Risk identification and incident management

Serres conducts thorough hazard and risk assessments to ensure a safe work environment, covering various aspects such as accidental, chemical and physical hazards. Best practices, including monitoring visits and forms from occupational health and safety authorities, are employed, with risk assessments updated when conditions change or at least once annually.

Accidents at work, near misses, grievances from the occupational health and safety commissioner and risk assessments are systematically updated in our action plan. Employees are encouraged to contribute their ideas and concerns on workplace safety, health and related matters to their employer. All initiatives and feedback are integral components of building a systematic safety culture.

We record accidents and sick leaves and use statistics to refine occupational health and safety practices. The work environment undergoes continuous monitoring through internal audits embedded in our operating system. The management, informed by audit results, creates actions for improvement, with the impact of these actions assessed. In every accident, a detailed report is generated and stored. In the event of a

## Occupational health and safety

	2023	2022	2021
Number of high consequence injuries	0	0	0
Number of lost time injuries	0	2	2
Number of total recordable injuries	0	4	3
Lost time injuries frequency, LTIF	0	8.6	8.6
Total recordable injuries frequency, TRIF	0	17.3	13.0
Working hours, h	230,600	231,571	231,450
Absence hours due to illness, h	12,490	11,984	12,152
Absence hours due to injuries, h	0	1,034	58
Absence rate, %	5.4	5.6	5.3
Near-miss cases, number of	14	17	8
Walkabout safety inspections	27	16	39

major incident, authorities are promptly notified and thorough investigations follow.

Preventive safety measures, such as regular walkabout safety inspections and safety observations, are implemented. Safety observations identify potential issues in physical working conditions or work actions, assessing risks to occupational safety or process safety events. Additionally, safety observations recognize positive practices in physical working conditions or work actions.

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

# Patient and healthcare professional safety

We work with the highest quality criteria to guarantee that all our products have the necessary certifications and are safe for our customers and patients.

The safety of patients and healthcare professionals takes precedence above all. Because the liquid waste from medical suction can be infectious or hazardous, safe fluid collection is critical. To ensure patients' and healthcare professionals' safety, we designed our core product, the Serres Suction bag, for the most demanding conditions. Our products undergo rigorous testing that surpasses the required standards.

Product quality and safety are considered in the early phases of product design, ensuring a well-thought-out development process and implementation in production. To meet hospitals' needs for responsible and efficient workflow and ease the disruption caused by staff turnover, our suction bag needs only one connection. The easy set-up also reduces the risk of human error.



Safety is a guiding principle that is rooted within all aspects of our operations.

## Quality management

Serres' business is regulated by several different standards and regulations. These rules and regulations define how we in the medical device sector operate, every single day. Examples of these include ISO 13485, MDSAP (Medical Device Single Audit Program), and the European Union Medical Device Regulation (EU MDR). To ensure that we comply with applicable requirements, audits (both external and internal) are carried out regularly at Serres. External audits are performed by accredited third-party organizations.

## Complaints, vigilance events and CAPA

All complaints related to our products are transferred to the complaint handling system. This also includes serious incidents and near incidents. The complaint handling system includes an investigation of the complaint, determination of immediate corrections, preliminary root cause



analyses, and analysis of the need for a corrective and preventive action (CAPA) process. If a CAPA process is needed, it will be linked to the complaint. The complaint handling process includes an evaluation of the need to update the risk management file if new risks, more serious risks than expected or more often frequently recurring problems, are detected. The Quality Department monitors and participates in the complaint-handling process and evaluates the need for vigilance reporting. Any serious incident needs to be reported to the competent authority as

stipulated by the European Union Medical Device Regulation (EU MDR). Also, any possible field safety corrective actions need to be communicated. Complaints, non-conformities, CAPAs, incidents, and near incidents are reviewed quarterly during the CAPA reviews, and the summary of such data constitutes a component of the annual product review.

### Reliable supply

We meet the market's demand for our products and consistently exceed expectations in delivering to our customers. We are proud to be able to maintain our delivery assurance which is 95.5% and above our target.

### Product compliance and safety

	Target	2023	2022	2021
Delivery assurance, % average	Above 95%	95.5%	94.0%*	99.9%
Customer complaint compared delivered suction bag pcs, ppm**	Below 30	1.16	1.1	1.3
Number of internal nonconformities in production compared to the produced pcs, ppm**	Below 10	2.3	2.3	2.8

\* Change in calculation method, not comparable with previous years  
 \*\* parts per million

### Supplier delivery assurance

	Target	2023	2022	2021
Supplier delivery assurance, %	>95%	98.6%	97.0%	97.8%

### PAREE GROUP



# Responsible business conduct

At Serres, we consider responsibility a collective endeavor. Knowing and following applicable laws and regulations is a basic requirement for all of us.

## Code of Conduct

Our Code of Conduct applies to everyone in our company, at every level, including employees, management and board members. Our Code of Conduct, launched in 2023, is a set of rules that outlines what we expect from our staff within an organization. It includes general-level guidance on, for example, anti-corruption, environmental topics, human rights and harassment prevention. The Code of Conduct is supplemented with various policies, principles and guidelines, including our environmental policy.

Everybody at Serres must participate in the Code of Conduct training and testing. New employees

are trained as part of their onboarding. Our eLearning platform is available in both Finnish and English for our white-collar workers. At the factories, the training was given as a face-to-face. At the end of 2023, 100% of Serres employees had completed the training, passed the test and committed to our Code of Conduct.

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



At the end of 2023, 100% of Serres employees had completed the training, passed the test and committed to our Code of Conduct.



Serres has made its whistleblowing channel available for its internal and external stakeholders. This is the First Whistle grievance channel reporting of concerns can be done in good faith, anonymously if desired and without any fear of reprisal. All reported cases undergo thorough investigation and follow-up.

In 2023, no notifications were sent through the channel. We are not aware of any breaches of our Code of Conduct taking place in 2023 either.

Serres has not made any political contributions in 2023. Lobbying is done through industry associations we are members of.

## Business partners

Serres has a global distribution network that represents the Serres brand to healthcare providers in over 50 countries. The Serres supply

93%

of our first tier product related suppliers are based in EU.

chain consists of materials and services suppliers, subcontractors and contract manufacturers.

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

93% of our first-tier product-related suppliers are based in the EU. In 2023, we initiated our supplier sustainability risk assessment, launched evaluations and created a self-assessment questionnaire and Supplier Code of Conduct (SCoC). At the same time, we started to discuss and share our SCoC with our suppliers. We extended our whistleblowing channel for our external stakeholders, enabling them to report their concerns and suspected violations of our Codes.

In 2024, our goal is to complete risk evaluations and issue self-assessment forms to our suppliers to ensure their commitment to our Supplier Code of Conduct (SCoC), beginning with the riskiest suppliers. Moreover, we intend to extend these actions to our distributors. Once we have a comprehensive understanding of our partners' sustainability practices, we will initiate sustainability audits, prioritizing partnerships deemed most high-risk. At the end of the day, our goal is to promote responsibility and sustainability in collaboration with our partners.



# Reporting principles

Serres has reported on its sustainability performance since 2022.

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

The data covers 2023 and focuses solely on our own operations unless explicitly stated otherwise.

Serres' sustainability report is also part of Paree Group Oy's report, which also covers the other subsidiaries: Innokas Medical Oy, Cubist IT as part of Innokas Medical Oy reporting and Vieser Oy.

## KPIs

→ Compliant CSRD report in place 2026.

## Carbon footprint calculations

Paree Group, along with its subsidiaries Innokas Medical, Serres, Vieser and Cubist, has conducted its carbon footprint calculation according to the standards and guidance described in the GHG Protocol (GHG Protocol version 2004, amendment 2013).

Scope 1 and 2 emissions were calculated in the spring of 2023 and again in the spring of 2024. For Scope 3 emissions, a separate Scope 3 emission calculation standard (20112) and a technical guide (20133) that supplement the GHG Protocol were applied in a separate calculation. The results of both calculations are included in this report.

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

Scope 2 accounts for GHG emissions from the generation of purchased electricity and heat consumed by Serres. Two different emission values were calculated according to the GHG Protocol: market and location-based emissions. In Serres' case, only market-based emissions are included in the carbon footprint. Location-based emissions are reported separately as additional information. Scope 3 emissions are other indirect emissions originating from the corporation's supply chain. Scope 3 consists of 15 different emission categories, of which categories 1, 4, 5, 6, 7 and 9 were primarily identified as relevant in Serres' carbon footprint calculation.

## Uncertainties

When interpreting the results, it is important to consider the potential uncertainties. Data in Scopes 1 and 2 was site and supplier-specific, and therefore

the emissions represent the most accurate quality. Contrary to Scope 1 and 2, it is common that many estimations and assumptions are made in Scope 3. This is because there is often less specific data and emission information for Scope 3.

## Assurance of the climate data

OpenCO2net Oy has performed a limited assurance on greenhouse gas (GHG) emissions inventory (Scope 1, 2 and 3) for the year 2023, for Paree Group including its subsidiaries Cubist, Innokas Medical, Serres and Vieser.

Emission sources included in the calculation were as follows:

- Scope 1:
  - Fuel combustion
  - Own vehicles
  - Direct fugitive emissions
  
- Scope 2:
  - Energy purchased for own use (electricity and district heating)
  - market-based
  - location-based
  
- Scope 3:
  - Purchased goods and services (including raw materials used by Serres and Vieser but not raw materials from other subsidiaries, and not including purchased services)
  - Upstream transportation and distribution
  - Waste

- Business travel
- Employee Commuting
- Downstream transportation and distribution

Paree Group Oy's greenhouse gas emission calculation (Scope 1, 2 and 3) for 2023 has been verified against the guidelines of the following standards (verification criteria):

- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition), World Resources Institute/World Business Council for Sustainable Development (March 2004)
- Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard (September 2011)

### Assurance conclusion

OpenCO2net Oy has checked the scope of the calculation, the input data used and the calculation results, and in their opinion, the GHG emission calculation (Scope 1, 2 and 3) of Paree Group have been carried out in accordance with the set verification criteria. Based on the performed procedures and evidence obtained, nothing has come to their attention that causes them to believe that Paree Group Oy's greenhouse gas emission calculation (Scope 1, 2 and 3) is not properly prepared, in all material aspects, in accordance with the verification criteria.

## Case study: The carbon footprint of using Serres 2-liter Suction bags at Rotterdam hospital

The calculation has been done for an emptied suction bag (using Serres Nemo solution) and a full suction bag and major part of the data is based on primary data such as supplier-based raw materials data and energy and heat consumption in production. Raw material logistics required using estimations on the delivery, thus results could be more accurate. For outbound logistics Serres was able to deliver detailed information, hence the results were more precise.

System boundaries include the following life cycle phases: production of raw materials, transportation of raw materials, production of Serres Suction bags, transportation of Serres Suction bags to distributors, the use of Nemo solution to empty the Suction bags, and the End of Life (EoL) treatment of the suction bag (incineration).

### Scope boundaries

- Inbound logistics: Transportation of raw materials and packaging materials from suppliers.



- Materials: Emissions from extraction and production of raw materials. It consists of a cradle-to-gate phase.
- Excluded: Packaging materials where raw materials were distributed to Kauhajoki factory are excluded since their influence is not significant. (The weight of the packaging material is approximately 0.5% of the weight of the transported material.) The minerals were excluded from the calculations of materials.
- Energy and heat used in production: This phase includes the electricity and heat needed for the manufacturing of the suction bag.
- Packaging materials: Includes all the packaging materials used for outbound logistics.
- Nemo solution and packaging: Stainless steel and ABS plastic are used for Nemo devices.

Included the cardboard, foam and pallet for the transportation

- Excluded: Electronical components in the Nemo solution are excluded. Detergent use has been excluded. Emissions from transportation of the Nemo device to the case study hospital are excluded. When Nemo is in standby mode, the electricity use is excluded.
- Outbound logistics: Transportation of finished suction bags to the distributor in the Netherlands. Transportation from distributor to Rotterdam Hospital.
- Disposal: Including the excess materials thrown into disposal which are produced in Kauhajoki factory and the disposal of the suction bag from the Rotterdam hospital. Both options for disposal of full and emptied suction bags are calculated separately. We have included emissions generated from the waste transportation to the incineration site from the disposal phase because these emissions are calculated to hospitals. The disposal phase of packaging materials is excluded (excluding cardboard boxes, since the emission factor used contains the cradle-to-grave carbon footprint of a cardboard box (without transportation)).
- Others: The manufacturing of buildings, machinery, other equipment (used in the hospital) and transportation vehicles that are

used to process the suction bag is excluded.

These attributable processes may be excluded from the inventory because of the assumption that these components can be used for several years and they are not directly related to the use phase of the suction bag. The storage of the products has been excluded as the share of one bag in the energy required for storing is not significant.

### The assumptions

- Inbound logistics: Route estimations are made with EcoTransIT emission calculator by using the nearest harbor of the destination city. Since the routes have been assessed, an estimate of the respective share of the route by ship and truck may differ from the actual ones.
- Materials: Accurate emission data from suppliers cover 94% of the suction bag weight. For the remaining 6% materials used in calculation are similar to average European materials. The assumption is that 2% is added to the materials, which is then deducted when it is recycled.
- Energy and heat used in production: n/a
- Packaging materials: n/a
- Outbound logistics: The distance from the distribution center to the Rotterdam Hospital was calculated as a route Distributor Rotterdam

Hospital based on an assumption that most of the time the products are transported via distributors instead of a local logistic centre which is only used in case of an urgent matter.

- Nemo: The device is in use for 5 years, and assuming it can be used for emptying 40,000 times, assuming that it can empty 22 bags per day. (A sensitivity analysis where Nemo is started fewer times was performed as well.) The energy used in the manufacturing of Nemo is not included in the calculations.
- Disposal: An assumption was made that the disposed bag from the Rotterdam hospital was considered to be emptied first with Serres Nemo and only the emptied bag was transported to incineration. In the other scenario, a full bag would be sent to incineration.
- Others: We have included the most significant environmental impacts for the carbon footprint calculation. The manufacturing of buildings, machinery, other equipment (used in the hospital) and transportation vehicles that are used to process the suction bag can be used for several years and a great number of products. Therefore, the share of one suction bag in the total emissions of the aforementioned categories is small and those categories are excluded from the inventory based on this assumption.



[Paree Group](#)

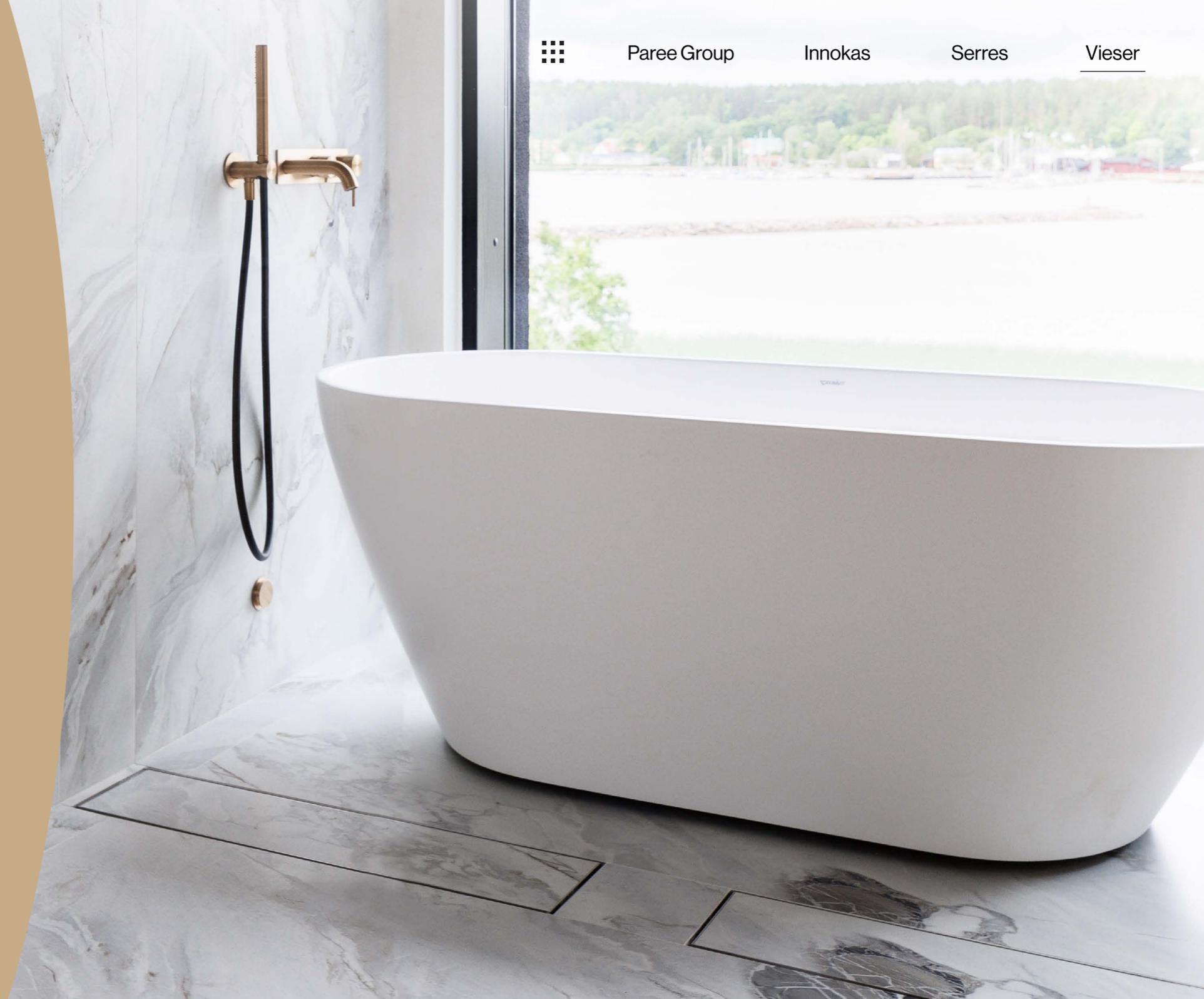
[Innokas](#)

[Serres](#)

[Vieser](#)

# vieser

Vieser has a crucial role to play in prolonging the life-cycle of buildings with first-in-class floor drain solutions. Vieser's products have been manufactured in Finland since the beginning, 1973.



# Contents

- About Vieser .....78
- Message from the CEO.....79
- 2023 at a glance – Vieser highlights .....80
- Our strategy – a look forward.....81
- Sustainability at Vieser..... 82
- Materiality assessment – material topics..... 84
- Climate .....86
- Resource use and circular economy .....87
- Own workforce ..... 88
- Responsible sourcing.....91
- Consumers and end-users .....92
- Business conduct ..... 93



# About Vieser

Vieser is a Finnish family-owned company that designs and sells high-quality floor drain solutions and unique design covers and bathroom products.

Founded in Kauhajoki in 1973, the company started with the manufacture of first-rate floor drain systems. Vieser founder Erkki Jyllilä decided to solve the challenge caused by easily rusting cast iron drains, leading to the creation of a unique floor drain product that gained a solid position in both Finland and the Nordic countries.

Vieser began its journey by acquiring expertise in plastics technology and molding, which only few had mastered at the time. Production started in Kauhajoki and today all production still takes place in Finland.

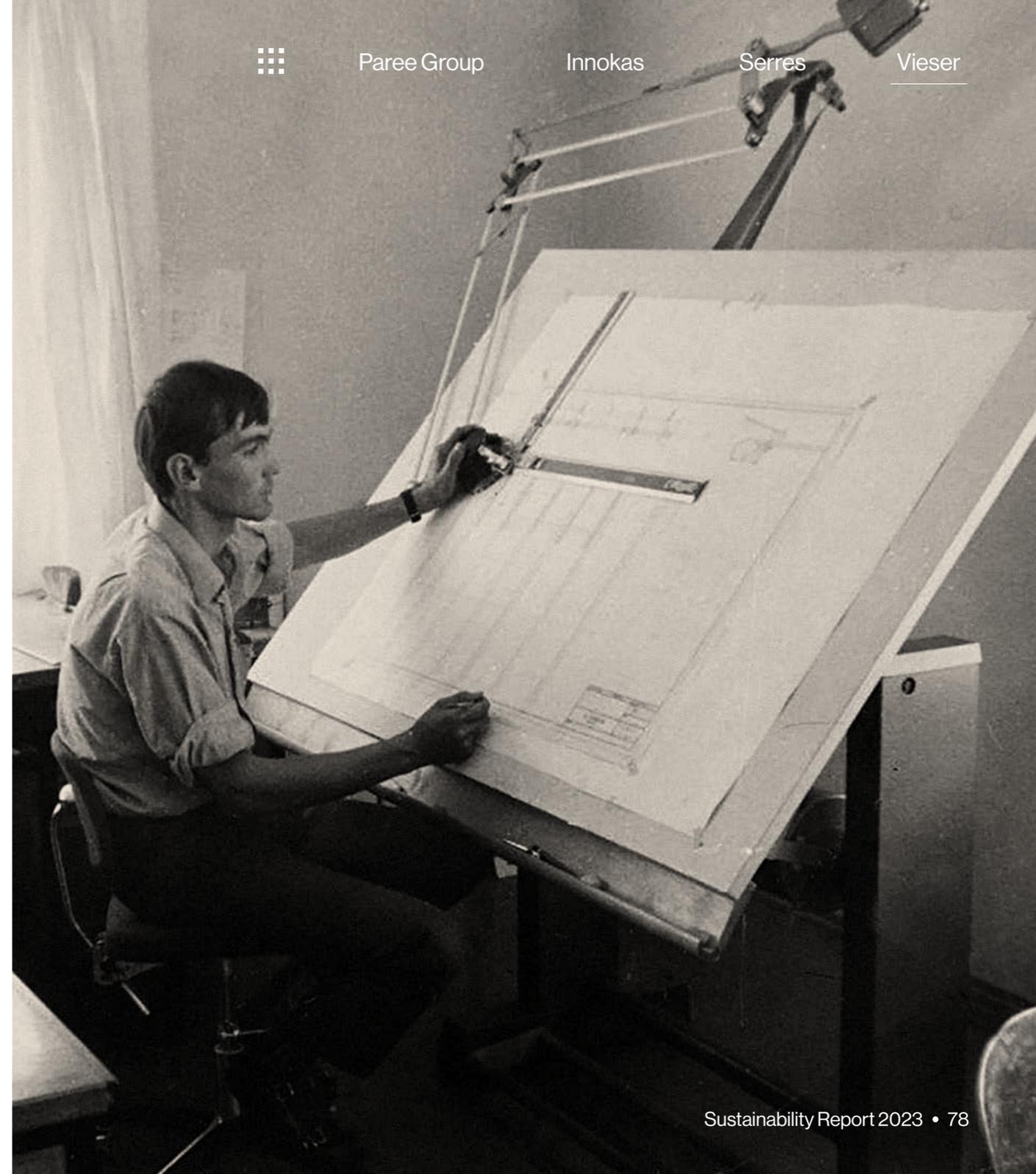
Vieser floor drains play a small but crucial part in prolonging the life cycle of buildings. Since

1973, Vieser drains have been installed in over 7 million bathrooms in Nordic homes.

Vieser continuously develops its offering to provide the best solutions for customers' needs. We are fiercely value-driven, and sustainability is ingrained in our company culture. Our number one value is 'Caring' with a specific articulation of the natural world being one of our most important stakeholders to care for. Sustainable development is considered in the design of products and innovations, in materials and in recyclability — throughout the value chain. Our goal is to serve the markets with stylish solutions that belong in the modern home and improve customers' daily lives.

”

Vieser floor drains play a small but crucial part in prolonging the life cycle of buildings.



# Message from the CEO

The journey of sustainable development is a marathon, not a sprint. Building a responsible business has been at the heart of our strategy for several years, and today, I am elated to share our first sustainability report detailing our progress on the topic and moreover, communicating our unwavering commitment to sustainable development in the future.

The construction landscape today is rapidly evolving to meet the needs of its various stakeholders, ranging from regulatory bodies and financiers to industry partners, consumers — and, crucially, our planet. The building industry, whilst fulfilling its critical role in our societies, is responsible for a third of all gashouse emissions on a global scale, mainly through material spend and energy used during construction. In this context, Vieser has a crucial role to play in safeguarding these buildings with first-in-class floor drain solutions, whose technical lifespan extends to some 60 years. The longevity and quality of our solutions is our most important contribution toward responsible business, outsized in its overall impact.

”

As a family company, we take our responsibility towards our stakeholders seriously and have a true will to create a lasting, positive legacy.

Whilst this is positive, it does not suffice: We raised sustainability as one of our most important strategic initiatives to tackle in 2020 and with that, we have now taken strides to formalize a roadmap forward with minimizing our footprint as the initial goal of net-zero operation by 2035.

A large part of our social responsibility contribution stems from our local manufacturing practices: We know our suppliers well and can work closely with them if any adjustments are needed. During 2023, nonetheless, responsible business practices were formalized by introducing both an internal Code of Conduct and associated training for our staff, as well as agreeing with our partners on a Supplier Code of Conduct, which everyone must adhere to. Both frameworks, alongside the newly established whistle-blowing channel, safeguard our growing business from becoming complacent in the context of our operating environment.

At Vieser, we are fiercely value-driven, and sustainability is ingrained in our company culture. Our number one value is ‘Caring’ with a specific

articulation of the natural world being one of our most important stakeholders to care for. ‘Collaboration’ underpins our active role in learning and sharing these lessons within our group as well as in a wider ecosystem; one outcome manifesting itself as the Circular Economy Center of Excellence within Paree, spearheaded by Vieser. Our ‘Pioneering’ spirit guides us to solve problems with positive handprint as our ultimate goal, and ‘design for sustainability’ as the framework for our new product development work. Finally, our contribution to social impact is also prevalent in our strive for equality and diversity, as is clearly demonstrated in the composition of our leadership team where women leaders make up the majority, as well as our organization more widely.

As a family company, we take our responsibility towards our stakeholders seriously and have a true will to create a lasting, positive legacy.

**Annika Jyllilä-Vertigans**  
Vieser Oy



# 2023 at a glance – Vieser highlights



We conducted our first double materiality analysis.



Design for Sustainability in use in new product development.

- We completed the first sustainability roadmap.
- We collected Scopes 1, 2 and 3 (partly) emissions data.
- We started using recycled plastic in our packaging.



Circular Economy Centre of Excellence established with other Paree subsidiaries.

100% of the Vieser staff completed the Code of Conduct training.

Suppliers committed themselves to our Supplier Code of Conduct.

We made the whistleblower channel available to both personnel and stakeholders.

# Our strategy – a look forward

Our company mission is to offer ‘Simply smart living for a better tomorrow’ through smart bathroom solutions to our partners across our current market areas. Our focus remains on Scandinavia, in addition to serving our domestic markets and meeting the needs of various stakeholder groups, including construction industry professionals, channel partners and homeowners.

## Value creation



\*corporate tax, value added tax (VAT), withholding tax, source tax and pension costs

# Sustainability at Vieser

For Vieser, sustainable development entails a commitment to long-term goals and clear operating models throughout the entire business. We have complementary goals of equal priority: maximizing both sustainability and profit.

Sustainability values are rooted in our origin story and prevalent in our everyday activities. Our values — Caring, Collaborative, Pioneering and Dedicated — align us directly with sustainable development. Sustainability has been one of our key strategic focus areas since 2020 when our first materiality assessment was carried out with our main stakeholders.

For us, sustainability is not just a choice, it is also critical to our market access and long-term business success. It is important to continuously reduce our footprint while increasing our handprint through our operations, products and services. Innovating sustainable products and services to

disrupt norms and meet evolving market demands is crucial for our success and being responsible strengthens the brand, builds credibility, and cultivates trust, engaging stakeholders.

## Sustainability governance structure

At Vieser, sustainability is owned by the board of directors, CEO and leadership team. The CEO bears the ultimate responsibility for the successful implementation of Vieser's strategy, including sustainability. Vieser's Board approves of the sustainability targets, roadmap and KPIs.

”

Sustainability has been one of our key strategic focus areas since 2020 when our first materiality assessment was carried out with our main stakeholders.



Sustainability issues are regularly discussed at the board meetings along with other business priorities. Sustainability is one of the performance metrics used by top management to set targets.

The Head of Sustainability is part of the group-level Sustainability Team, which consists of Sustainability Heads from all subsidiaries led by the Group Head of Sustainability. The Sustainability Team manages daily sustainability topics and ensures smooth operations between all companies in terms of sustainability. There are also Centers of Excellence based on specific sustainability topics, including representatives from subsidiaries including Vieser. The Centers advance key sustainability activities in the whole group.

Vieser's leadership team evaluates sustainability risks as part of its business risk evaluation. Sustainability risks and opportunities were studied also in the 2023 double materiality assessment.

” We integrate sustainability seamlessly into our management system making it a core component of decision making.

## Sustainability targets and focus areas

<p><b>Right thing to do</b> We integrate sustainability seamlessly into our management system, making it a core component of decision-making and reflected in compensation structures. We foster a workplace culture where employees feel proud of the organization's sustainable practices and where diversity is not just embraced but celebrated. We empower every individual within the organization to contribute to sustainability through everyday grassroots actions, reinforcing our collective commitment to a better future.</p>	<p><b>Compliance related requirements</b> We ensure that all relevant sustainability laws and regulations as well as our internal guidelines and group-level sustainability guidance are followed accordingly. Our dedication to meeting these requirements demonstrates our commitment to responsible business practices. By strategically addressing sustainability key areas, we can position ourselves as a leader in sustainability.</p>	<p><b>Customer expectations and requirements</b> We position ourselves as the undisputed industry leader in sustainability within our business segment and become the supplier of choice when sustainability is the primary criterion. We implement a comprehensive collaboration scheme with suppliers, imposing stringent sustainability requirements.</p>	<p><b>New business opportunities</b> We explore and capitalize on new business opportunities by piloting a pioneering sustainability business area. We embrace an ecosystem and collaboration viewpoint, identifying strategic partners to foster innovative solutions within the circular economy framework. This initiative aims to not only expand our business horizons but also contribute significantly to sustainable practices, ensuring a positive impact on both our organization and the broader ecosystem.</p>	<p><b>Brand and communications</b> We effectively communicate our sustainability vision to stakeholders and the public, ensuring that it becomes an integral part of our brand identity. We align the core of our brand with sustainability principles, creating a brand that not only speaks about sustainability but embodies it in every aspect.</p>
<p><b>KPIs</b></p>				
<p>→ Sustainability awareness and engagement of our employees, scale 1–5 (employee engagement survey)</p> <p>→ Sustainability included in Vieser's incentive scheme from 2024</p>	<p>→ SBTi-aligned targets in place by 2026</p> <p>→ Code of Conduct training and commitment coverage: 100% at Vieser 2023</p> <p>→ Supplier collaboration and Code of Conduct signed</p>	<p>→ Environmental product declarations (EPDs) in use and communicated</p> <p>→ Increased use of recycled material in products and packaging</p>	<p>→ Vieser participates in Paree Circular Economy Centre of Excellence and other collaborations</p> <p>→ 1–2 new business areas identified</p>	<p>→ First sustainability report in 2024</p> <p>→ Sustainability part of brand communications</p>

# Materiality assessment – material topics

The materiality assessment has given us a clearer understanding of the systemic challenges in sustainability enabling us to improve both our business development and sustainability efforts.

Vieser's double materiality assessment was conducted as part of Paree Group's materiality assessment and in line with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS), still drafts at the time of the assessment in April–June 2023. It has been used to identify, assess and prioritize the business's environmental and social sustainability impacts, risks and opportunities, as well as to generate insights to guide action for the future by aligning business strategies, targets and governance accordingly. The assessment covered entire value chains, including own activities and activities in the upstream and downstream value chains.

## Impact assessment

The **impact materiality assessment** covered both negative and positive impacts. Actual impacts

(severity in terms of the impact's scale, scope and irremediable character, any of which could make the impact severe) and potential impacts (likelihood and severity, the latter of which takes precedence in the case of human rights) were both considered negative. Positive impacts covered actual impacts (in terms of scale and scope) as well as potential impacts (in terms of scale, scope and likelihood).

The **financial materiality assessment** covered business risks and opportunities, their likelihood of occurrence and the magnitude of potential financial effects.

The project group assessed each environmental, social and business governance topic based on impacts on the medium-term horizon. The analysis also considered how the assessment would differ in the short- and long-term. The scoring of impact and financial materiality for each sustainability topic, along with the evaluation of double materiality scoring, was conducted. This aimed to provide



a justified analysis of materiality thresholds and identify material topics. The results and the entire process were documented, creating a rigorous double materiality assessment for CSRD reporting and other uses.

Vieser's leadership team reviewed and validated the findings and the thresholds to be used for materiality. We also collected feedback from employees through a sustainability survey for the double materiality assessment.

**The double materiality assessment identified six material topics for Vieser:**



Climate change



Resource use and circular economy



Own workforce



Workers in the value chain



Consumers and end-users



Business conduct

These topics will be at the center of Vieser's sustainability work and reporting in the coming years.

**Stakeholder engagement**

Stakeholder group	Key expectations	Interaction with stakeholders
Authorities and regulators	Compliance with laws and regulations	External audits, communications with authorities
Contract manufacturers, subcontractors, suppliers, service providers	Sustainable partners Contractual action Honesty and fairness	Sustainable operations Supplier assessments and audits, supplier meetings, supplier surveys
Customers, distributors and end-users	Support to fulfill sustainability requirements from their stakeholders Operations in accordance with relevant laws and regulations Safe products for construction industry professionals and end-users	Regular customer feedback, distributor meetings, trainings, customer service (phone calls)
Local communities	Sustainable operations Compliance with laws and regulations	Discussions and communications, answers to inquiries
Owners	Management of sustainability risks and opportunities Sustainable operations Compliance with laws and regulations	Board of directors meetings, quarterly Paree Group information sessions
Personnel	The company operates in a sustainable manner Occupational health and safety Fairness, respect for others	Employee engagement survey, regular employee meetings and updates, whistleblower channel

**Stakeholder engagement**

Engaging in both informal and formal dialogues with our stakeholders is essential to comprehend their concerns and expectations and to gain an understanding of the business environment. Our key stakeholders are our owners, customers and personnel. On top of those, we want to engage with many other parties listed in the table above.

Vieser is a member of Green Building Council Finland, and together with Paree Group, of

several other organizations, including FIBS ry, UN Global Compact, The Association of Finnish Work, Chamber of Commerce and Family Business Association (Perheyriysten liitto). Our goal in participating is to engage in discussion, understand the systemic problems of sustainability, identify business opportunities, learn from our stakeholders and provide our employees with opportunities for sustainability education, aiming to support our business and sustainability efforts.

# Climate

At Vieser we are committed to reducing our environmental footprint and increasing our handprint in our sustainability and environmental policies.

In 2025, we aim to calculate and report our carbon footprint for all three Scopes. We also aim to set science-based targets when we have all the base data in place.

The first carbon footprint calculations were made in 2023 for the year 2022 covering the group and its subsidiaries. The calculations covered Scopes 1 and 2 and categories 1, 4, 5, 6, 7 and 9 of Scope 3. The data coverage and quality are still on a basic level for Scope 3. We discovered however that Scope 3 emissions generated the majority of the company's emissions. Within Scope 3, category 1 emissions (purchased goods and services) accounted for the most significant amount of emissions.



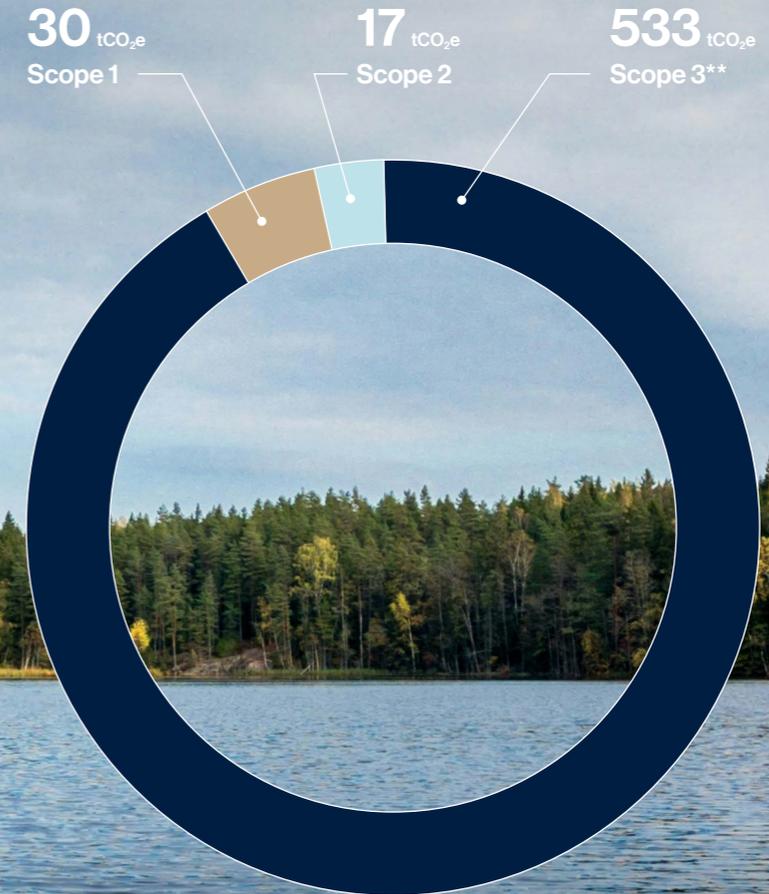
We also aim to set science based targets when we have all the base data in place.

The data coverage and quality were improved for 2024 (using 2023 data) calculations. Our aim is to improve the data quality and cover all Scope 3 categories for the reporting year 2025 and set it as the base year set. Once we have achieved that, we aim to set Science Based Targets. Meanwhile, we will continue to work with our suppliers to reduce energy consumption and increase energy efficiency.

Vieser's total carbon footprint in 2023 amounted to 580 tCO<sub>2</sub>e. This number includes Scope 1, 2 and 3, partially (categories 1, 4, 6, 7 & 9). Scope 1 & 2 generated 47 tCO<sub>2</sub>e (8%) while Scope 3 generated the majority of the emissions 533 tCO<sub>2</sub>e (92%). In Scope 3 category 1, purchased goods and services, was the biggest source of emissions 507 tCO<sub>2</sub>e. Vieser does not own any manufacturing facilities which is why Purchased goods and services stand for most of the emissions.

Find information on Reporting Principles and Assurance of the climate data [here](#).

Total GHG emissions\*



\* Market-based Scope2 figures have been used in calculations.

\*\* Partially.

# Resource use and circular economy

Vieser is committed to reducing the use of virgin resources and working toward a circular economy. Circular economy is a material focus area for us with the aim to reduce our footprint and increase our handprint.

In 2023, Vieser took part in the Circular Design training program arranged by Design Forum Finland in order to gain common understanding of best practices in the field. Also in 2023, Paree Group set up a Circular Economy Center of Excellence with participants from the subsidiaries working with supply chains, with the goal of reducing waste and increasing the amount of recycled material used in production and packaging. Vieser is actively involved in this work, and one of the outcomes will be the changing of plastic bags from virgin plastic to recycled plastic, that can also be recycled. We will also start changing the plastic used in products toward recycled material.

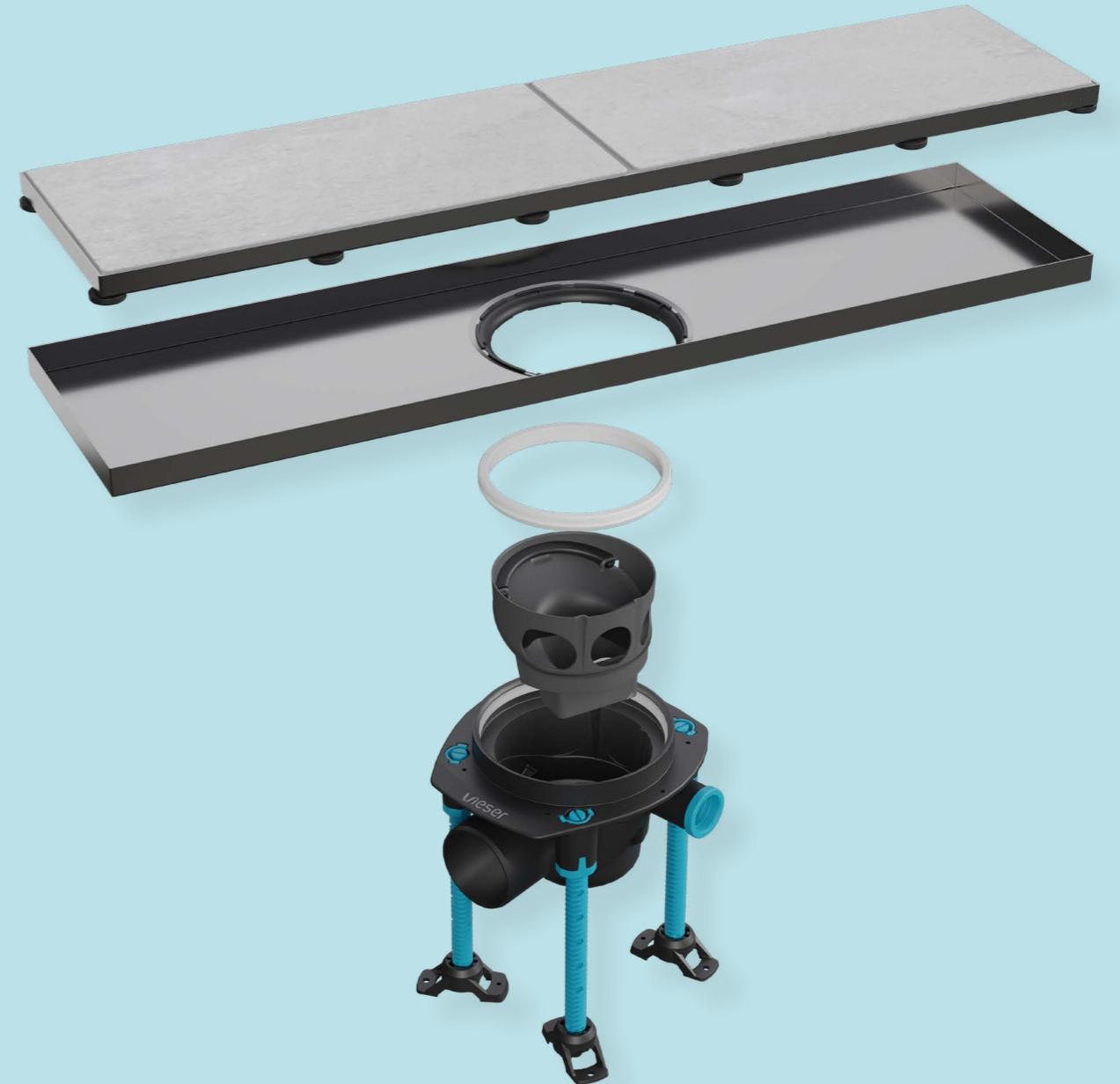
Another focus area is R&D and new product development, where Vieser has incorporated

design for sustainability in our processes and ensured that new products are aligned with sustainability expectations such as societal impact, resource and economy, environmental impact, recycling and remanufacturing in addition to functionality and manufacturability. Vieser is focusing on design for sustainability to influence the development of new products at an early stage in planning when it is possible to have a major impact on the final product.

As Vieser does not have its own production facilities, collaboration is the best way for reaching results both internally and externally. Vieser will focus on closer collaboration with suppliers, customers and other key stakeholders working towards a future where materials are continually reused and recycled.

”

Vieser will focus on closer collaboration with suppliers, customers and other key stakeholders working towards a future where materials are continually reused and recycled.



# Own workforce

As a value-driven organization, Vieser considers its personnel its greatest asset, whose well-being is at the heart of value creation.

Vieser's Human Resources (HR) services are provided by Paree Group. At Paree Group, the HR function is dedicated to fostering a work environment that prioritizes employee engagement, well-being and continuous development. Our social targets for 2023 and beyond align with our commitment to social sustainability, encompassing various aspects of talent acquisition, performance management and reward, leadership and culture, and competence development.



Vieser People Power index

**81.4 / AAA**

(Paree Group Average: 72.4; Finland norm: 69.7)

## Employee well-being and engagement

Vieser has been actively gathering feedback from its employees for several years, using an external partner to conduct an annual employee survey. The primary goal is to enhance employee engagement by leveraging insights from the survey and implementing development actions based on identified needs. This process aims to establish a foundation for an improved employee experience and operational efficiency. When conducted properly, the employee survey serves as a valuable tool for recognizing strengths and pinpointing areas for potential development within Vieser.

The survey provides management with accurate information to address any existing issues and fortify the organization's strengths for the future. This, in turn, supports employees in their day-to-day activities and fosters long-term development and engagement. The People Power Index, which offers an overall rating of the survey



results, indicated an excellent performance for Vieser in November 2023, reaching level seven (81.4/AAA) on a seven-point scale. Notably, Vieser has outperformed the employers' general norm in Finland for the past four years (2020–2023)\*. The Leadership Index stands out as a particular strength, highlighting positive sentiments toward feedback mechanisms,

rewarding practices, and trust in senior leaders' decision-making abilities.

Additionally, Vieser supports employee well-being through HeiaHeia, a social well-being app promoting activity and community engagement. We also offer benefits like ePassi for sports, culture, well-being and commuting services, along with a bike benefit, encouraging a healthy and balanced lifestyle.

\* Eezy Flow Oy.

## Equality and diversity

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

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

Guided by our values, Vieser strives to treat the employees with equity and fairness, promoting equality in various aspects, including recruitment, employee development, support, career opportunities and the reconciliation of work and family life.

We are committed to fostering diversity and inclusion. As of December 31, 2023, 56% of our workforce were women, and they held 60% of the managerial positions. These are notable figures in the traditionally male-dominated construction industry.

## Competence development

Vieser’s commitment to competence development aligns with our overarching goals. The aim is to identify and cultivate the skills essential for implementing our strategy and achieving our annual targets. This systematic approach ensures that our personnel possess the necessary competencies for current and future responsibilities.

Our dedication to equal opportunities for professional development is evident in various initiatives across our organizations. The Paree Leading for Future program facilitated by Henley Business School and language studies exemplify our commitment to comprehensive and impactful learning experiences. These initiatives contribute to linguistic and leadership skills, ensuring a well-rounded and skilled workforce.

Moreover, our employees are provided with group-wide webinar trainings, spanning topics such as social media, supervisors’ rights and responsibilities, AI principles, diversity and inclusion. These initiatives not only align with our competence development

## Personnel demographics

	2023
<b>Total number of employees 31 December 2023</b>	<b>18</b>
<b>Employees by personnel group</b>	
White-collar	18 (100%)
Blue-collar	0
Blue-collar external workforce	0
<b>Employees by employment contract type</b>	
Permanent employees	18 (100%)
Temporary employees	0
<b>Employees by age group</b>	
Below 20 years	0
20–29 years	0
30–39 years	8 (45%)
40–49 years	4 (22%)
50–59 years	6 (33%)
Over 60 years	0
Average age of employees, years	43.7
<b>Newcomers</b>	
White-collar	5 (100%)
Blue-collar	0
<b>Leavers</b>	
White-collar	5 (100%)
Blue-collar	0
<b>Attrition rate (white-collars, 12 months rolling)</b>	<b>17</b>
<b>Retirements</b>	
Retirement (old age pension)	0
Retirement (other)	0
Average retirement age	n/a

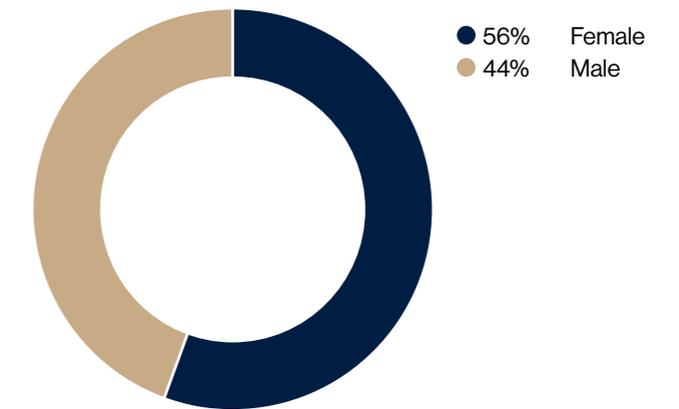
## Employee survey index

	2023
Employee survey response rate	78.9%
PeoplePower index	81.4
PeoplePower rating	AAA

## Gender distribution

	2023
Female	10 (56%)
Male	8 (44%)
Women in managerial positions	60%

## Employees by gender



goals but also showcase our proactive approach in providing valuable skills to our employees.

## Performance discussions

Performance management at Vieser is a strategic, annual, and business-driven process geared toward enhancing individual and collective performance. This involves continuous dialogue throughout the year, encompassing performance reviews, target setting and discussions on the Individual Development Plan (IDP). The process focuses not only on what goals are achieved but also on how they are achieved, emphasizing value-based behaviors.

Target and development discussions take place systematically between supervisors and team members during the first quarter of the year, with records stored in the HR system. Regular follow-ups, including a mid-year review, ensure alignment with objectives and offers additional support where needed.

## Occupational health and safety

Vieser maintains a systematic approach to occupational health and safety management, which ensures that these activities are well-organized and effective. Our organizational culture places

a high value on safety, quality and continuous development. The well-being of our personnel is key, and we invest in it in several ways, for example, by organizing trainings or talks on topics such as resilience and stress management tools and by taking care of the ergonomics at the office. We cherish an organizational culture that promotes both mental and physical well-being.

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

## Recruitment

Our aim is to enhance our employer brand, ranking Vieser as an employer of choice within the industry. By using modern recruitment practices, we seek to attract professionals with strong skills, positive attitudes and a passion for continuous learning and development. The key is to find professionals who share our values and appreciate the sense of purpose that working with us gives to them.



”

Performance management at Vieser is a strategic, annual, and business-driven process geared toward enhancing individual and collective performance.

# Responsible sourcing

Vieser is committed to ethical behavior and expects the same from its partners.

We aim to select only suppliers whose social and environmental standards are consistent with our own and who act in a way that is consistent with the principles and values of our Supplier and Distributor Codes of Conduct.

Our main first-tier suppliers are based in Finland, covering over 90% of our procurement. The rest comes from Western Europe.

In 2023, we initiated our supplier sustainability risk assessment, began evaluations, created a self-assessment questionnaire and launched a Supplier Code of Conduct (SCoC). At the same time, we started to discuss and share our SCoC with our suppliers. We extended access

to our whistleblowing channel for our external stakeholders, enabling them to report their concerns and suspected violations of our Code.

In 2024, we aim to complete the risk assessments and distribute self-assessment forms to our suppliers starting with the highest-risk suppliers. Additionally, we plan to complete the same actions for our distributors. Once we have a clear understanding of our partners' sustainability practices, we will start sustainability audits, prioritizing the most risky partnerships.

At the end of the day, our goal is to promote sustainability in collaboration with our partners.

”

Our goal is to promote sustainability in collaboration with our partners.

PAREE GROUP



Paree Group

Innokas

Serres

Vieser



# Consumers and end-users

Knowing what consumers and end-users expect of us and fulfilling these expectations calls for frequent and open interaction. The feedback we receive helps us meet the expectations and develop our offering.

In 2023, we started collecting more detailed data from customer calls to help us better understand who the key stakeholders contacting us are and what the key topics are. In 2024, we will collect even more information by registering the answers to three key questions from the customer encounters we will have during the year. Other channels for interaction are our customer service channels (via our web site) and social media.

On our website, consumers and end-users can find installation instructions, maintenance instructions, tiling examples, type approvals and certifications to help them choose and use our

”

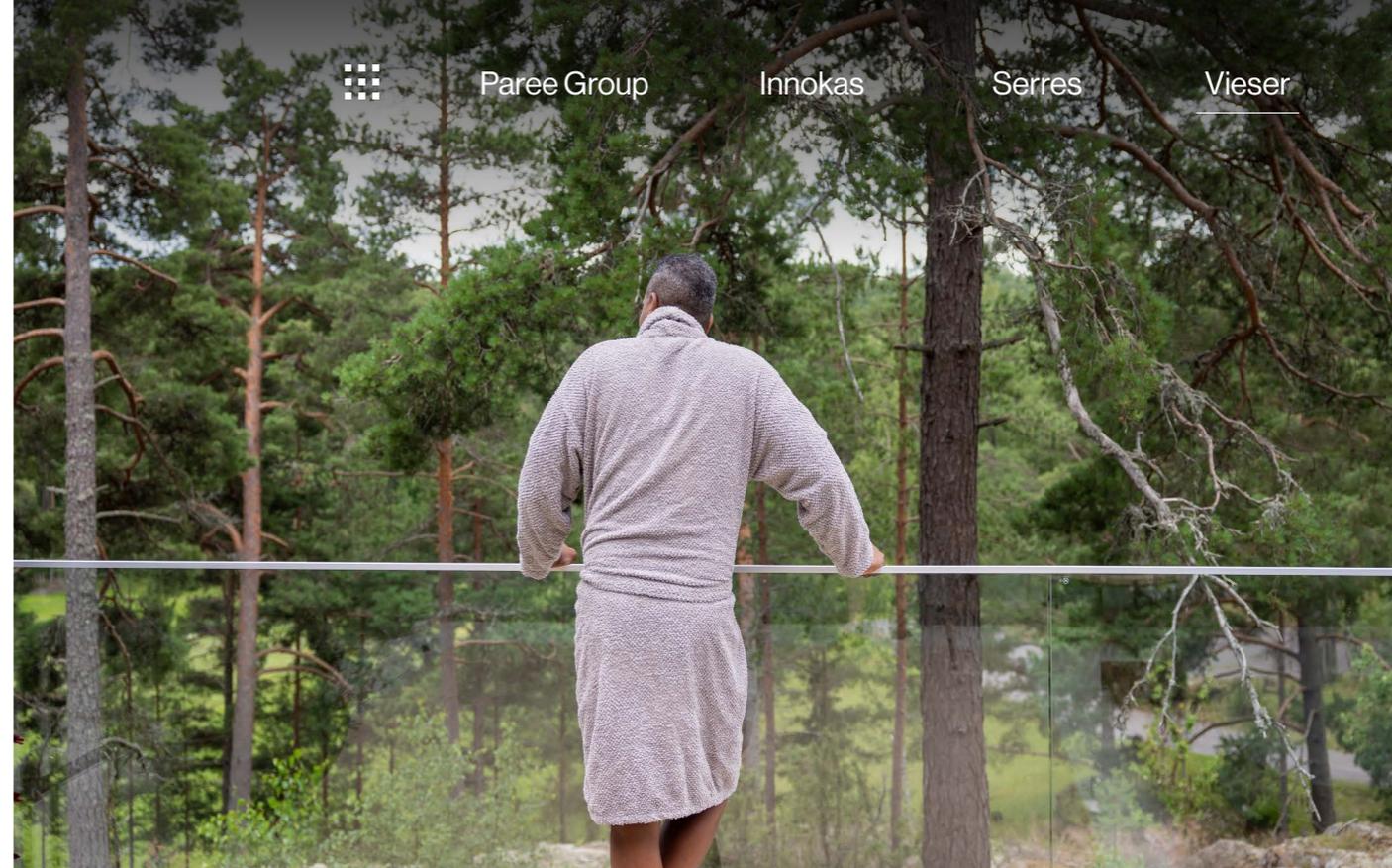
We maintain a quality management system in accordance with the standards of ISO 9001:2015 and ISO 14001:2015.

products safely. There are also FAQ documents and customer service contact information to help them find answers to their questions. Reference cases and photos inspire by showing different real-life examples on user cases of Vieser products.

Consumers and end-users can contact us on our website with any questions or concerns. There is a “Contact us” button, a phone number and an email address. Several people in our organization answer consumer or end-user questions. Depending on the topic, it could be technical support, portfolio, sales or new product development.

We also engage with our consumers and end-users on social media. Vieser has global Instagram, LinkedIn, Pinterest and YouTube accounts as well as local Facebook accounts (FI, SE and NO). On social media, we share information and inspiration as well as interact with our consumers and end-users.

We provide product training when needed. Our technical support visits technical schools and other institutions to share information on the safe installation, usage and maintenance of our products.



## Quality system

Our goal is profitable growth resulting from customer satisfaction. We ensure the realization of our goal by applying high-quality operational methods and by offering customer-oriented products and solutions. Our share of claims is below 1%.

We comply with local regulation that affect our industry and take our social and environmental responsibility. We undertake to meet the requirements of the quality and environmental standards that we have chosen and to maintain a

quality management system in accordance with the standards of ISO 9001:2015 and ISO 14001:2015.

The purpose of the quality system is to:

- implement the company's quality and environmental policy.
- verify and demonstrate the company's ability to produce products that meet customer and legal requirements.
- ensure customer satisfaction.
- enable continuous improvement.
- respond to the requirements of ISO 9001:2015 and ISO 14001:2015 standards.

# Business conduct

At Vieser, we consider responsibility a collective endeavor. Knowing and following applicable laws and regulations is a basic requirement for all of us.

Our Code of Conduct applies to everyone in our company, at every level, including employees, management and board members. Our Code of Conduct, launched in 2023, is a set of rules that outlines what we expect from our staff. It includes, for example, general guidance on anti-corruption, environmental topics, human rights, and harassment prevention. The Code of Conduct is supplemented with various policies, principles and guidelines, including our environmental policy.

Everybody at Vieser must participate in the Code of Conduct training and testing. New employees are trained as part of their onboarding. Our eLearning platform is available in both Finnish and English. At the end of 2023, 100% of Vieser employees had completed the training, passed the test and committed to our Code.

We use our Codes of Conduct as criteria for evaluating and sustaining relationships

with suppliers and business partners. Our commitment is to do business with partners whose social and environmental standards align with our own, adhering to the principles and values outlined in our Supplier or Distributor Codes of Conduct. We are rolling out the SCoC during 2023 and 2024.

Vieser has a whistleblowing channel available for its internal and external stakeholders. Through the First Whistle grievance channel, reporting of concerns can be done in good faith, anonymously if desired and without any fear of reprisal. All reported cases undergo a thorough investigation and follow-up.

In 2023, no notifications were sent through the channel. We are not aware of any breaches of our Code of Conduct taking place in 2023 either.

Vieser has not made any political contributions in 2023. Lobbying is done through industry associations we are members of.



# PAREE GROUP

[paree.com](https://paree.com)

Paree Group Oy  
Keskustie 23  
61850 Kauhajoki, Finland

© Paree Group Oy  
All rights reserved