

serres

# Sustainability Report

2023





# Contents

- About Serres .....3
- Message from the CEO.....5
- 2023 at glance..... 6
- Value creation.....7
- Our approach..... 8
- Active work for a better environment .....14
- Care for the well-being of our employees.....20
- Patient and healthcare professional safety .....24
- Responsible business conduct .....26
- Reporting principles .....28





# 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.

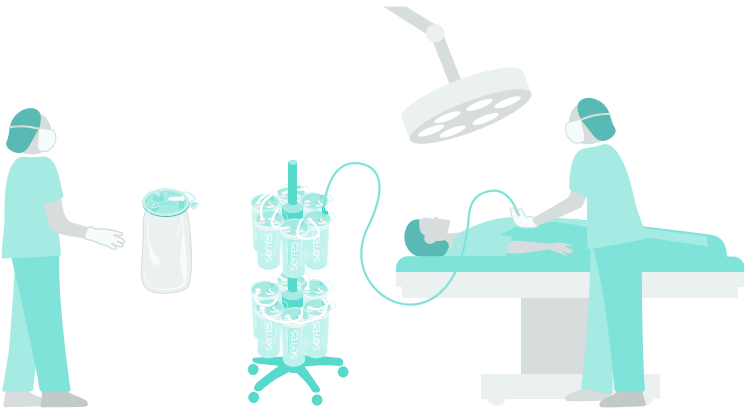
We began our journey by acquiring expertise in plastics technology and molding, which only a few had mastered at the time. Production started in Kauhajoki Finland 50 years ago and today all production still takes place in Finland.

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

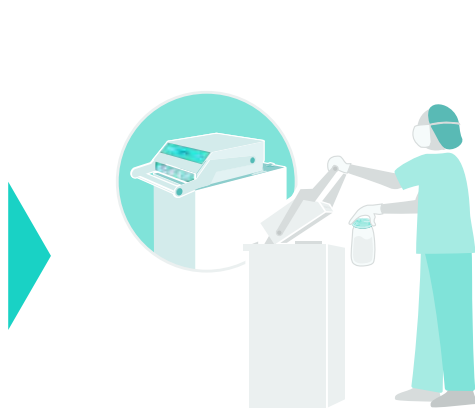
75,000 operations daily. Our customers operate in a complex and highly demanding environment where flawless patient fluid suction and the highest possible protection against contamination are required. The Serres Suction system enables an uninterrupted fluid collection, which is an essential part of 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

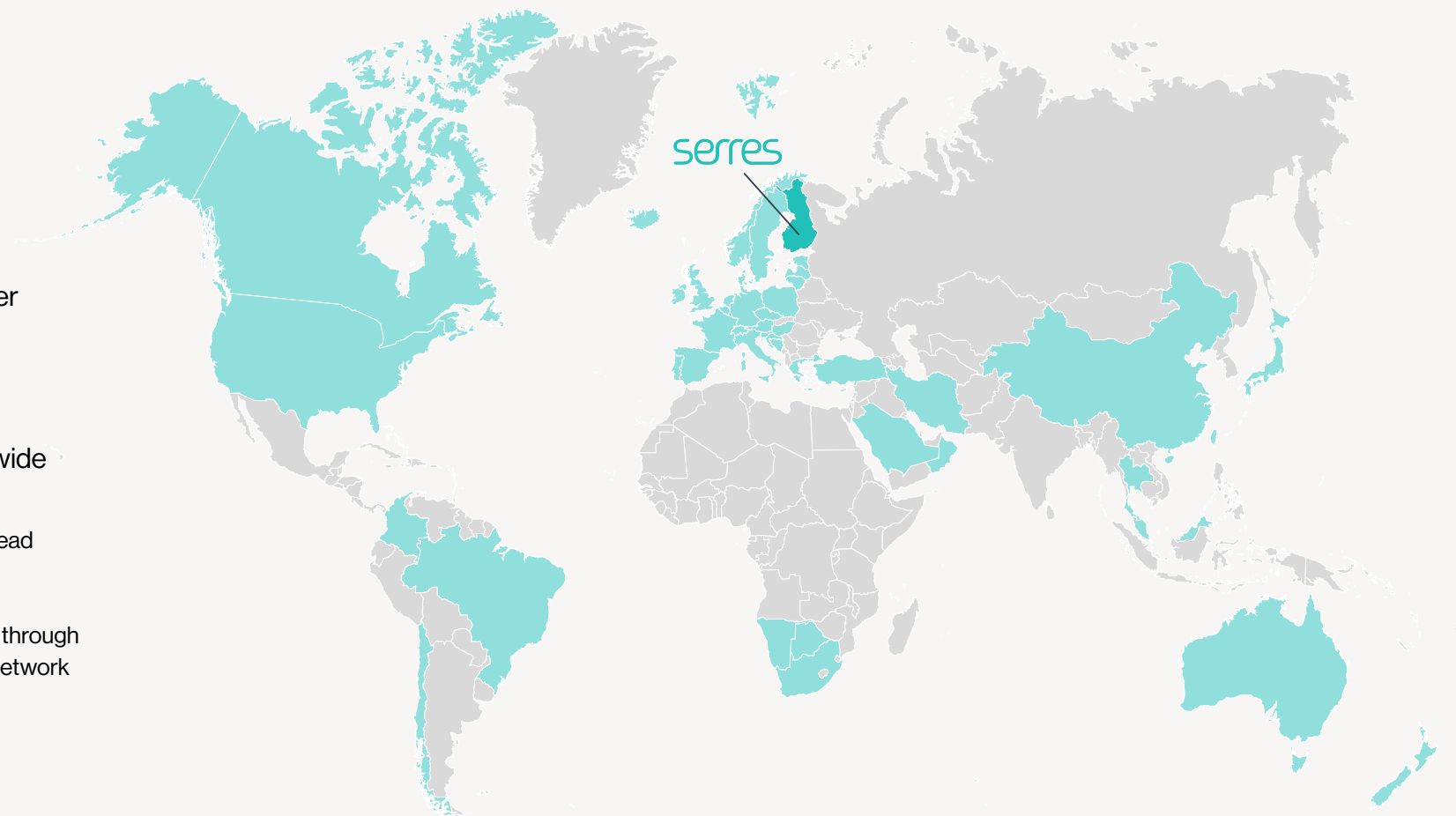
of paramount importance. Upholding our position as a responsible manufacturer, we proudly maintain our delivery assurance exceptionally high. In 2023, Serres' delivery assurance was 95.5%. The Serres workforce comprised an average of 175 professionals throughout 2023 (see the Personnel demographics table on page 22 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.

Presence in over  
**50**  
markets worldwide

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



# 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>



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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



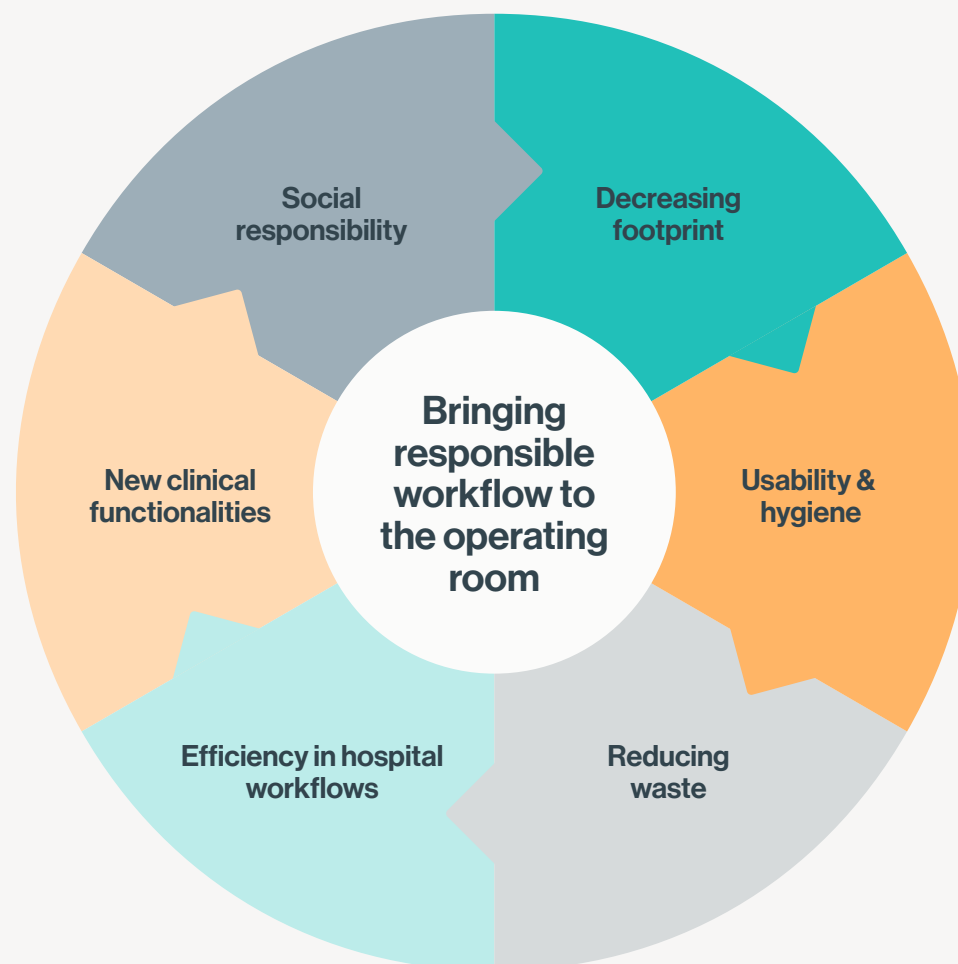
- Strong brand anchored in quality, reliability and hygienic workflows
- Patents/design/IPR
- Supplier, distributor, customer & hospital reliable relationships
- Manufacturing capability of advanced medical consumables products

### 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 17

\*\* 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.’

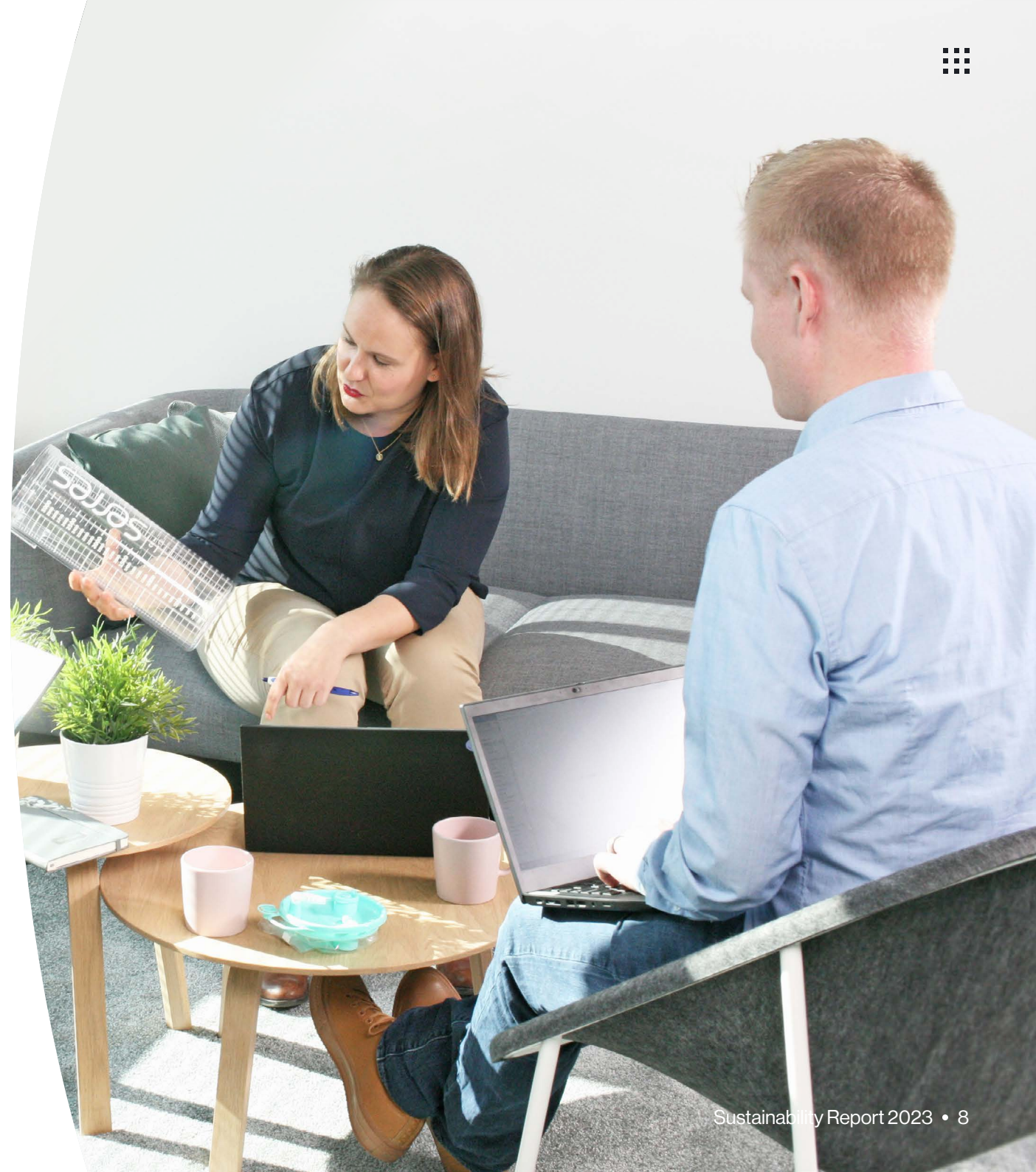
**Quality** is at the core of our operations. We take pride in being a forerunner in making patient fluid

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

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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
Active work for a better environment				
	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%
Care for the well-being of employees				
	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 <ul style="list-style-type: none"><li>• Female, 59%</li><li>• Male, 41%</li></ul>
Patient and healthcare professional safety				
	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**
Responsible business				
	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

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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>

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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

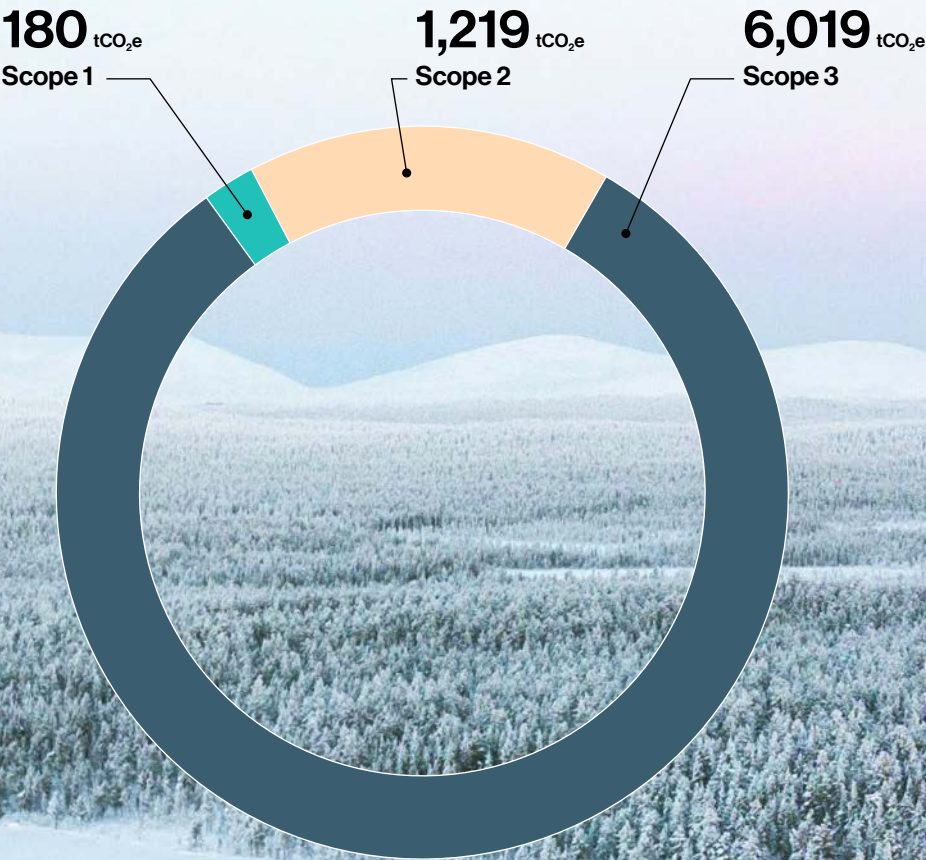
→ Short-term, long-term and net-zero SBTi targets for Serres in place 2025.

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.

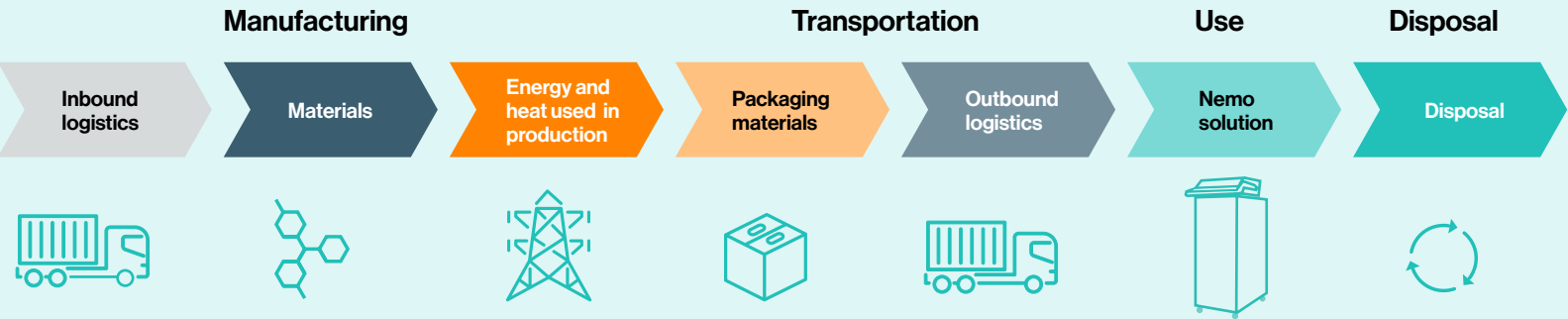
First CO<sub>2</sub>e footprint calculation for the Serres Suction bag was conducted in 2022. This was undertaken to ensure that we at Serres are making informed decisions to reduce our carbon footprint, thereby furthering our commitment to supporting hospitals in their journey towards achieving net-zero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





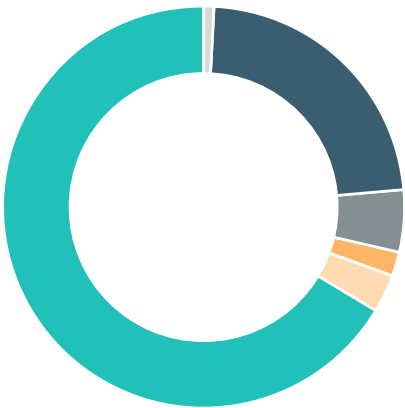
# Case Rotterdam hospital

### 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%).

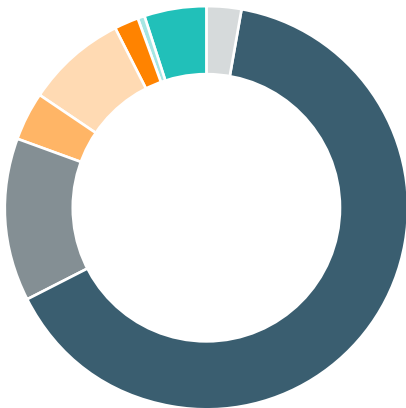
The carbon footprint of the emptied 2-liter Serres Suction bag is 0.20kg. The largest contributor to the total emissions for empty suction bags is raw materials (65%) and the second largest is the energy and heat used in production (13%).

Full bag



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

Empty bag



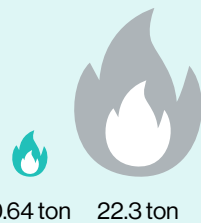
- 3% Inbound logistics
- 65% Materials
- 13% Energy and heat used in production
- 4% Packaging materials
- 8% Outbound logistics
- 2% Nemo materials
- 0.5% Emptying bag with Nemo
- 5% Disposal

### 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

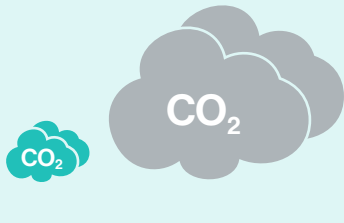
operating room, the waste sent for disposal with full bags totals 22.3 tons, whereas with emptied bags, it's just 0.6 tons. Using the Serres Nemo to flush and empty the suction bags reduced the amount of waste by 22 tons and decreased transportation CO<sub>2</sub>e emissions by 97%.

Waste generation

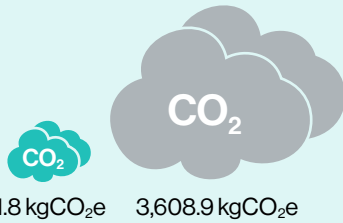


**22**  
tons  
less waste to incineration with Serres Nemo

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

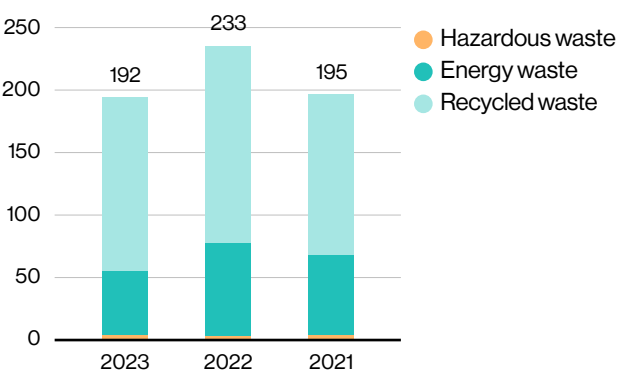
	Target	2023	2022	2021
Main raw materials in production, tonnes*		2,501	2,673	2,333
Suction bag scrap, average	Below 2.25%	1.55%	2.0%	2.03%

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

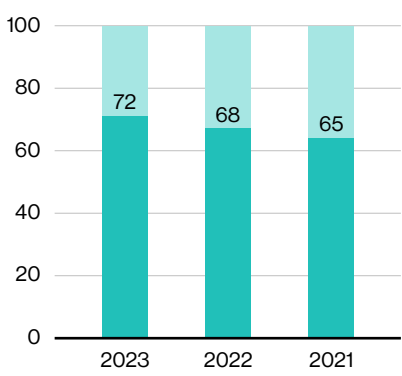
## Waste and recycling

	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, m³	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.

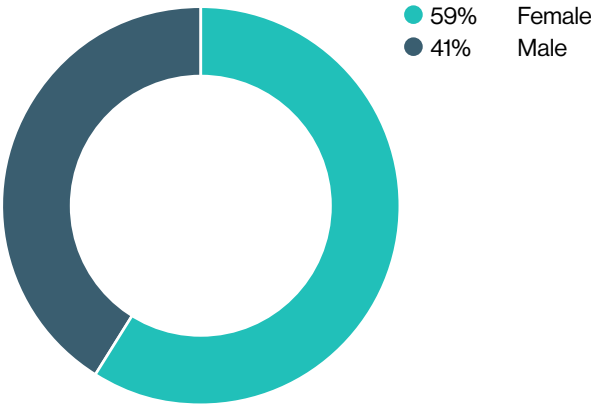
### Employee survey index

	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

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%

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.





# 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%

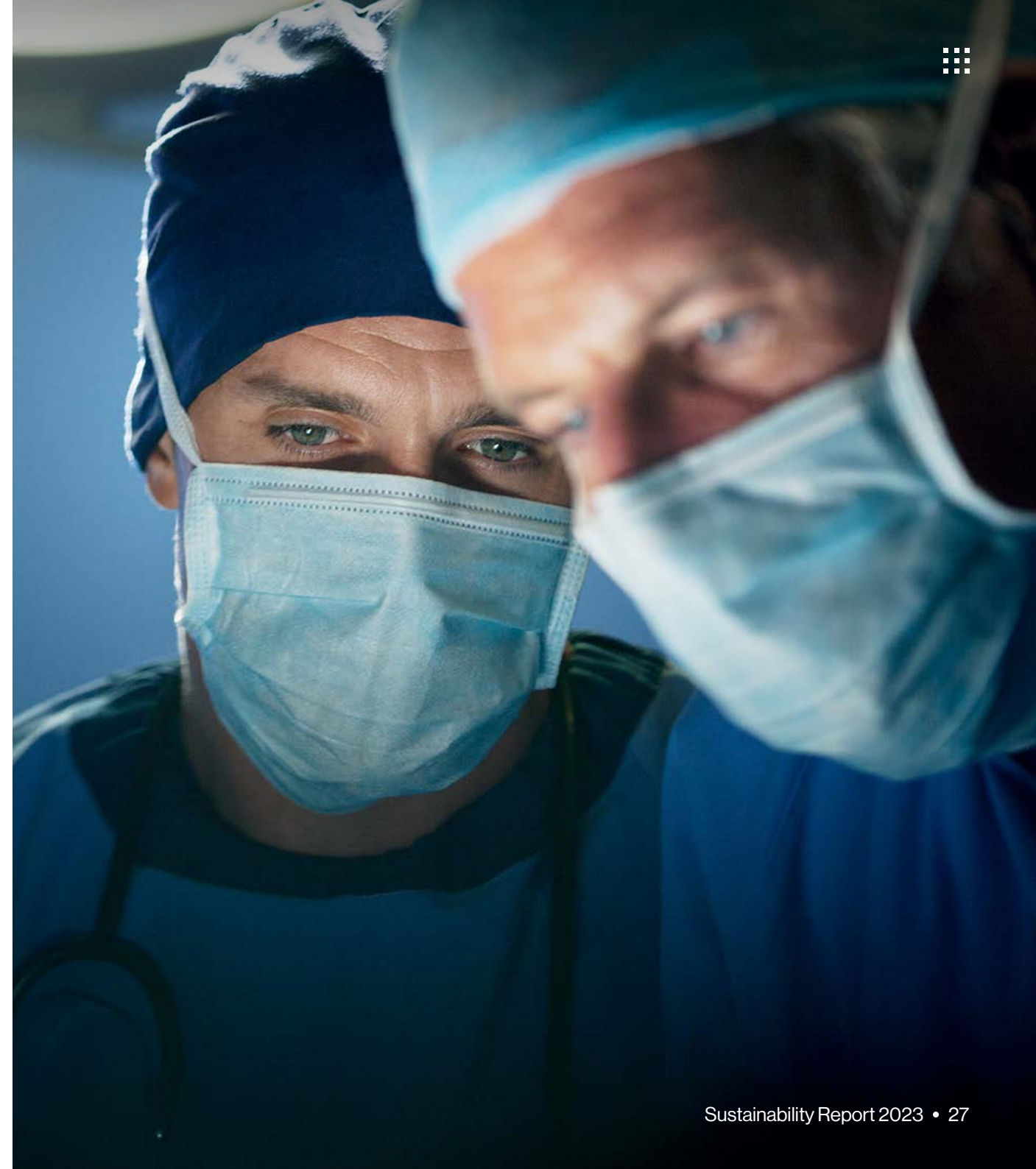
of our first tier product related suppliers are based in EU.

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.





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