Wellspect®
A REAL DIFFERENCE

Climate disclosure 2024

Wellspect HealthCare

Pre-amble

At Wellspect Healthcare, we aspire to be a force of positive change in our industry by developing more sustainable solutions and products, without compromising the reliability and the clinical performance that our users depend on. Our continence care portfolio is central to this mission, improving the quality of life for individuals with continence care needs and building trust with their care supporters through innovative, high-quality, and eco-conscious growth.

As a responsible business, we strive to promote business practices that respect human rights, address social needs, and consider environmental impact. Our sustainability strategy, first established in 2020, has evolved significantly. In 2021, we set a net-zero target, reinforcing our commitment to climate action. This strategy is deeply tied to our mission of empowering our users to lead independent and dignified lives through reliable and user-friendly products, with reduced environmental impact.

Climate action and the SBTi commitment

The latest climate science confirms that limiting global temperature rise to 1.5°C is still achievable, but only through collective and urgent action across all sectors. At Wellspect, we are committed to the 1.5°C business ambition campaign, and to achieving net-zero by 2045. In 2024, we advanced our journey by joining the Science Based Target initiative (SBTi)1, with the validation of targets by SBTi following in March 2024. This commitment included the implementation of near- and long-term company-wide emission reductions in line with science-based net-zero with the SBTi. Beyond aligning our own business operations with climate science, we also launched a supplier engagement program to encourage them to commit to science-based 1.5°C and net-zero targets.

"To reduce our climate impact, we need to set science-based targets for emission reductions, both short and long-term. Embedding globally recognized science-based targets, that are validated by an independent third party, makes sense. At present, close to 11,000 companies worldwide have set science-based targets through the SBTi. We are one of them."

Maria Berntsson
Head of Environment, Health and Safety, Wellspect HealthCare

1. The Science Based Targets initiative (SBTi) is a global body enabling businesses to set ambitious emissions reductions targets in line with the latest climate science. It is focused on accelerating companies across the world to halve emissions before 2030 and achieve net-zero emissions before 2050. Wellspect validated targets are available at SBTi:s dashboard companies-excel.xlsx.

Disclaimer:
Wellspect HealthCare is a business division of Dentsply Sirona. Wellspect Healthcare consists of the parent company Wellspect AB and its subsidiaries. The information in this report covers only the business division of Wellspect HealthCare, not Dentsply Sirona as a whole. Wellspect HealthCare has taken every measure reasonably possible to ensure the accuracy and reliability of the information provided.

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Cover photo by Cole Keister on Unsplash

Introduction

Vision and strategy

We aim to be a force of positive change in our industry, going beyond creating long-term value for all our stakeholders and contributing to a healthy future for people and the planet. Our vision of making a real difference underpins our sustainability strategy which is guided by three pillars of action — Good Health and Well-being; Safe, Committed and Inspiring Workplace; and Reduced Environmental Footprint. The success of our strategy builds on close collaboration with all our stakeholders, including employees, healthcare professionals, suppliers and end product-users.

As a responsible business, we strive to promote business practices that respect human rights, address social needs, and consider environmental impact. Our sustainability strategy, which was initially established in 2020, has evolved significantly. In 2021, we further enhanced it by setting a net-zero target. This strategy is deeply tied to our mission of empowering our users to lead independent and dignified lives through reliable and user-friendly products, with reduced environmental impact.

In 2024, we advanced our journey by joining the Science Based Target initiative (SBTi)1, with the validation of targets by SBTi following in March 2024. This commitment included the implementation of near- and long-term company-wide emission reductions in line with science-based net-zero with the SBTi.

Why greenhouse gas emissions matter

Greenhouse gas emissions drive temperature increases, leading to adverse effects like glacial melting, rising sea levels, extreme weather events, and biodiversity loss. A significant 54% of Wellspect's greenhouse gas emissions (2024) originate from purchased goods and services. Therefore, it is essential to reduce emissions not only from our own operations but also throughout the entire value chain.

Impacts, risks, and opportunities

Wellspect's activities, both directly and indirectly, negatively impact the climate through greenhouse gas emissions across its value chain. This impact spans all stages, including raw material procurement (which accounts for the largest share), indirect materials and services, production, capital expenditure (such as machines and facilities), and transportation.

We have the ambition to achieve net zero emissions of greenhouse gases by 2045. Our commitment is declared by Science Based targets for Scope 1, 2 and 3, including our own operations and our full value chain. Failing to meet these targets poses a significant risk for us, potentially leading to reputational damage and, consequently, revenue losses. It may also create challenges in raising and accessing capital and financing. The possibility of stricter emission regulations and associated costs further motivates our efforts to reduce emissions. If we are unable to lower greenhouse gas emissions, we may face increased restrictions or taxes, impacting overall costs. Additionally, changes in customer requirements could negatively affect future income.

Wellspect has opportunities to utilize fossil-free electricity at all locations and foresee that also biogas eventually will be available as energy source instead of fossil natural gas. We can also cut direct emissions by changing the chemicals we use and transitioning to an electrified vehicle fleet. Additionally, we can reduce greenhouse gas emissions throughout the value chain by focusing on product design and material selection, as well as opting for transportation methods with a lower environmental footprint.

Main activities to reduce our carbon footprint

- Drive innovation throughout the company.
- Engage suppliers in the carbon reduction roadmap
- Select materials and services with the lowest environmental footprints.
- Maximize use of renewable energy for our operations.
- Reduction of emissions from transportation.
- Encourage environmental considerations in customer requirements on products

Objective with this report

This report outlines the methodology used for GHG emissions reporting for Wellspect in 2024, presents the results, and present plans for future reductions. Organizational structures and descriptions in this report refer to the reporting period.

Governance and materiality analysis

Our sustainability management evolves in tandem with our learning as a company and sustainability has been a vital driver in Wellspect's business strategy. It has been integrated into operational processes and business functions.

Organization and responsibilities

Wellspect HealthCare (Wellspect) is a division of the Dentsply Sirona group. Dentsply Sirona has a board of directors and an executive team. The board has an oversight of the group's sustainability strategy while the ESG Steering Committee develops and implements the strategy. The ESG Committee is composed of executive and senior team members from multiple departments, who embed various sustainability measures and actions across the organization including Wellspect. The group's sustainability strategy is integrated and implemented within Wellspect's sustainability strategy. Top Wellspect representatives, together with representatives of shared service functions within Dentsply Sirona, constitute the Wellspect management team. Wellspect's Group Vice President reports to Dentsply Sirona's Executive Vice President and Chief Business Officer. The management team is responsible for executing the sustainability strategy and verifying the sustainability performance. Each local business unit within Wellspect is responsible for implementing the sustainability strategy and for complying with local regulations. Wellspect's two manufacturing sites (Kazan and Mölndal), have engaged EHS committees that include representatives from all business areas. To represent all employees that are involved in the EHS work, safety representatives from the internal union working groups are integral to the committees.

Integrated sustainability

The “Sustainability integrated in everything we do” program has been active for several years. For 2024, the program’s focus was on the scrutinization of material, machinery, and energy sources to enable a transition to lower climate impact options where such options are feasible. Sustainability aspects in the supply chain have also been part of the focus, specifically the suppliers’ efforts for reducing climate emissions related to our value chain. Preparations for CSRD have been made in collaboration with Dentsply Sirona.

Framework

The company has established an evolving quality management system, and our operations are certified to comply with ISO 13485, and EU MDR. They also comply with FDA 21CFR, Part 820 and other international regulations. The two manufacturing sites are certified according to ISO 14001. As part of the quality management system, external audits by independent bodies were performed to ensure adherence to policies and requirements. EHS compliance and performance was meanwhile verified through local audits and inspection programs. The carbon reduction plan is validated by SBTi.

Materiality analysis

Materiality analysis is conducted both at the group level for Dentsply Sirona and at the division level for Wellspect. This means that relevant aspects from Dentsply Sirona are reflected in what we do in our operations at Wellspect. Since our stakeholders vary from those of Dentsply Sirona as a whole, a materiality analysis is also conducted at Wellspect to ensure awareness and engagement of aspects related to our specific stakeholders. To ensure that we prioritize the relevant sustainability areas in our work, we perform continuous updates of our materiality analysis. At the end of 2024, the results of Dentsply Sirona’s double materiality analysis, DMA, had been gathered and we are currently progressing with our CSRD readiness. Wellspect are adapting this to our operations and work is ongoing to identify impacts, risks and opportunities and determine mitigation and action plans relevant to us. The material topics that have been identified in the DMA are Climate change, Resource use and circular economy, Own workforce, Business conduct, Consumers and end-users, Pollution and Workers in the value chain.

Methodology

This Greenhouse gas (GHG) report for Wellspect HealthCare (Wellspect) is based on the GHG Protocol guidelines, which is the most widely accepted global standard for the calculation and reporting of greenhouse gas emissions. The five reporting principles of the GHG Protocol contribute to making the result as useful, traceable and credible as possible:

- **Relevance** - ensure the GHG inventory appropriately reflects the GHG emissions of the company
- **Completeness** - account for and report on all GHG emission sources and activities within the chosen inventory boundary. Disclose and justify any specific exclusions.

- **Consistency** - use consistent methodologies to allow for meaningful comparisons of emissions over time. Transparently document any changes to the data, inventory boundary, methods, or any other relevant factors in the time series.
- **Transparancy** - Address all relevant issues. Disclose any relevant assumptions and make appropriate references to the accounting and calculation methodologies and data sources used.
- **Accuracy** - Ensure that the quantification of GHG emissions is as close to the actual emissions as possible.

The methodology is divided into three “scopes”:

Scope 1: represents the direct GHG emissions linked to processes and combustion at our own sites and use of our own vehicles.

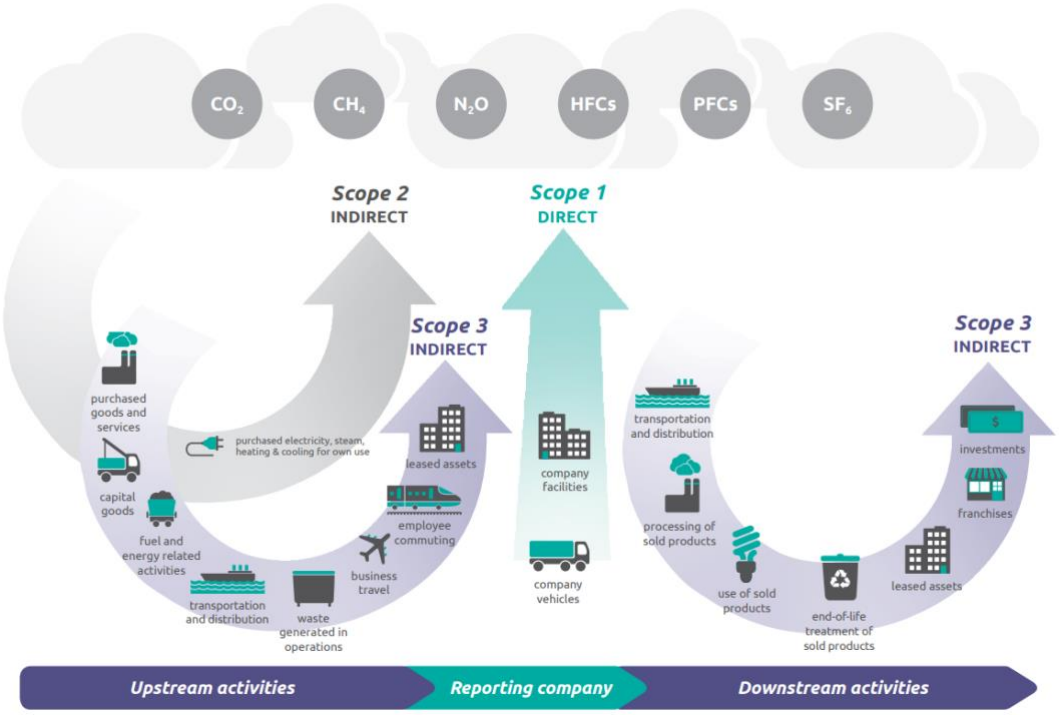
Scope 2: accounts for GHG emissions from the generation of purchased energy that is used in our facilities. These emissions are directly linked to our production sites and offices.

Scope 3: are indirect emissions linked to our value chain, which include raw materials, distribution of products and business flights. Scope 3 is divided into 15 subcategories for upstream and downstream activities.

The calculations have been performed in accordance with these standards and guidelines:

- GHG Protocol Corporate Accounting and Reporting Standard
- Scope 2 Guidance
- The Corporate Value Chain (Scope 3) Standard
- Scope 3 Calculation Guidance

Overview of GHG Protocol scopes and emissions across the value chain, as pictured by GHG Protocol:



Reporting period

This report covers full year 2024.

Organizational boundaries

Wellspect is a stand-alone part of Dentsply Sirona. Wellspect provides medical supplies on an international market, including development, manufacturing, sales and distribution. Wellspect is a global company with approximately 1100 employees, operations in 16 countries, and distributors around the world.

The legal Wellspect entities are separated from Dentsply Sirona. We draw our organizational boundaries within these entities. The report includes all parts of our operations, including production units, warehouses, and sales offices.

Chosen consolidation approach

Operational control: Wellspect has the full authority to introduce and implement its operating policies at the operation.

Greenhouse gases covered

CO_2, CH_4, N_2O, HFCs, PFCs, and SF_6 are covered and presented as CO_2 equivalents.

Biogenic CO_2 emissions are calculated separately.

Units used

In the GHG emission disclosure, emissions are reported in metric tons of carbon dioxide equivalents (CO_2e). This metric allows for the comparison of emissions from various greenhouse gases based on their global warming potential (GWP), by converting the amounts of other gases to the equivalent amount of carbon dioxide with the same GWP.

Emissions/removals associated with sequestered atmospheric carbon

During photosynthesis, plants remove carbon (as CO_2) from the atmosphere and store it in plant tissue. Until this carbon is cycled back into the atmosphere, it resides in one of a few “carbon pools.” These pools include (a) above ground biomass (e.g., vegetation) in forests, farmland, and other terrestrial environments,

(b) below ground biomass (e.g., roots), and (c) biomass-based products (e.g., wood products) both while in use and when stored in a landfill.

It is generally recognized that changes in stocks of sequestered carbon and the associated exchanges of carbon with the atmosphere are important to national level. However, consensus methods have yet to be developed under the GHG Protocol Corporate Standard for accounting of sequestered atmospheric carbon.

Wellspect purchases ethanol derived from “above ground biomass” and this is reported as “outsides scopes” in Scope 1.

Scope 3 category inclusion

Category	**Boundary**
Upstream Scope 3 emissions	
Category 1: Purchased goods and services	Included
Category 2: Capital goods	Included
Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)	Included
Category 4: Upstream transportation and distribution	Included
Category 5: Waste generated in operations	Included
Category 6: Business travel	Included
Category 7: Employee commuting	Included
Category 8: Upstream leased assets	Included
Downstream Scope 3 emissions	
Category 9: Downstream transportation and distribution	Excluded in 2024 GHG emissions reporting since Wellspect does not have the control of this part of the supply chain, nor possibility to influence it.
Category 10: Processing of sold products	Excluded as there is no downstream processing of Wellspect products.
Category 11: Use of sold products	Excluded in 2024 GHG emissions reporting since it is not material. Very few of Wellspect’s products need a source of energy, and the required electricity is very low. The total sum of GHG emissions from use phase of the products is < 1 ton GHG.
Category 12: End-of-life treatment of sold products;	Included
Category 13: Downstream leased assets	Excluded as Wellspect is not a lessor.
Category 14: Franchises	Included
Category 15: Investments	Excluded as Wellspect is not an investor nor a company offering financial services.

Emissions reporting 2024

Summary

Scopes and categories	Metric tons CO_2e
Scope 1: Direct emissions from owned/controlled operations	2 098
Scope 2: Indirect emissions from the use of purchased electricity, steam, heating, and cooling (using Market-based method)*	140
Scope 3, Category 1: Purchased goods and services	13 305
Scope 3, Category 2: Capital goods	3 312
Scope 3, Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)	859
Scope 3, Category 4: Upstream transportation and distribution	1 977
Scope 3, Category 5: Waste generated in operations	955
Scope 3, Category 6: Business travel	564
Scope 3, Category 7: Employee commuting	614
Scope 3, Category 8: Upstream leased assets	61
Scope 3, Category 9: Downstream transportation and distribution	n/a
Scope 3, Category 10: Processing of sold products	n/a
Scope 3, Category 11: Use of sold products	n/a
Scope 3, Category 12: End-of-life treatment of sold products	439
Scope 3, Category 13: Downstream leased assets	n/a
Scope 3, Category 14: Franchises	447
Scope 3, Category 15: Investments	n/a
Scope 3, total	**22 916**
Scope 1,2,3 total	**25 154**

*Scope 2 with location-based method is 1 209 tons CO_2e.

Offsets

No offsets have been purchased or developed outside the inventory boundary.

No reductions have been sold/transferred as offsets to a third party.

Emissions/removals associated with sequestered atmospheric carbon

Wellspect purchases ethanol derived from “above ground biomass”. For 2024; 171 ton CO_2e is reported as “outsides scopes” in Scope 1.

Accounting policies

Methodology in general as outlined in the GHG Protocol.

Scope 1 Direct emissions

Generally: Activity data is generated at each relevant organizational entity, and the emissions calculation is made on centralized level.

Emissions from sterilization gas and process chemicals are calculated with a mass-balance approach, multiplied with emission factors from DEFRA 2024.

Emissions from refrigerants are calculated based on emitted amounts from reports from authorized service companies, multiplied with emission factors from DEFRA 2024 and “Köldmedieförteckning Naturvårdsverket” 2022.

Emissions from natural gas for heating/cooling purposes, fuels for spare capacity and LPG for manufacturing processes are calculated based on the purchased quantity, multiplied with emission factors from DEFRA 2024, IEA 2021 and supplier-specific depending on the country. Natural gas is converted using Gross CV and Density factors from DEFRA 2024. Where possible, the maximum proportion of biogas is purchased for district heating. In UK 5% is now biogas sourced heating.

Emissions from mobile combustion from owned or leased vehicles are calculated through either purchased fuels or driven distance and multiplied with emission factors from DEFRA 2024, AIB 2023 and IEA 2021-2022. Where there is no activity data, assumptions on driven distance have been made, based on contractual setup with the leasing company.

Bioenergy: Wellspect procures bioenergy used as solvent in the production process. Biogenic CO_2 from this is reported separately. The impact of carbon captured and released when using the biofuel is nullified. Bioenergy is reported as “outsides scopes”.

Scope 2 Purchased electricity, steam, heating, and cooling

Generally: Activity data is generated at each relevant organizational entity, and the emissions calculation is made on centralized level.

Market-based method is chosen as the primary calculation method.

Purchased electricity for our facilities is quantified either with meters (via suppliers’ portal), or amounts stated on invoices. As all electricity is from certified renewable sources, the emission factor is zero. When calculating the emissions using location-based method, IEA country-specific emissions factors are used including CH4 and N2O factors.

Own produced electricity (through solar panels) is calculated as 0 emissions.

Electricity for cars is calculated based on actual or estimated data for distance, with a conversion factor to kWh from “EV database”. Country-specific emission factors from AIB 2023 Residual mix are used, as electrical vehicles in general are not charged at our own sites. For Turkiye, location-based emission factors are used since there was no residual mix factor provided.

District heating to facilities is quantified with meters (via suppliers’ portal). Emission factor (Combustion) from Energiföretagen: “Fjärrvärmens lokala miljövärden 2024”.

Emissions from heating/cooling purposes using natural gas as source, are calculated based on the purchased quantity, multiplied with emission factor from the supplier.

Scope 3 Indirect emissions (other than Scope 2)

Generally: Where available, suppliers' emissions reports are used. Where not available, activity data is generated at each relevant organizational entity, and the emissions calculation is made on centralized level.

Purchased goods and services

CO_2 emissions calculations for own manufactured products are based on cradle to gate in Life Cycle Assessments (LCA) multiplied by the amount of sold products. For all other purchased goods and services, spend data split per relevant General Ledger account is used together with spend emission factors from US EPA (USEEIO). The emission factors are applied based on suppliers NAICS codes according to 2023 data reporting and calculated as an average of supplier factors used for that specific GL account. The spend data is compensated for inflation.

Capital goods

Spend-based method: Spend data split per supplier is used together with spend emission factors from US EPA (USEEIO). The emission factors are applied based on suppliers NAICS codes.

Fuel and energy related activities

Emissions from natural gas for heating/cooling purposes and fuels for spare capacity are calculated based on the purchased quantity, multiplied with emission factor from DEFRA 2024; WTT excluding only the fuel type Ecopar used with supplier specific emission factor. Natural gas is converted using Gross CV and Density factors from DEFRA 2024.

Emissions from mobile combustion from owned or leased vehicles is calculated through either purchased fuels or driven distance and multiplied with emission factor from DEFRA 2024; WTT for average car size. Where there is no activity data, assumptions on driven distance have been made, based on contractual setup with the leasing company.

Purchased electricity to our facilities is quantified either with meters (via suppliers' portal), or amounts stated on invoices. IEA country-specific emissions factors are used; Total upstream + Life cycle Transmission % Loss).

Own produced electricity (through solar panels) is calculated as 0 emissions. Emissions from capital expenditure have been included in previous years' emissions reporting.

Electricity for cars is calculated based on actual or estimated data for distance, with a conversion factor to kWh from "EV database". IEA country-specific emissions factors are used; Total upstream + Life cycle Transmission % Loss).

District heating to facilities is quantified with meters (via suppliers' portal). Emission factor (Transport and Production) from Energiföretagen: "Fjärrvärmens lokala miljövärden 2024".

Upstream transportation and distribution

Reporting transportation of raw materials to our manufacturing sites, LCA data has been used, based on the number of products manufactured in 2024.

Transportation between our manufacturing sites, and to our central warehouses and customers, when invoiced to Wellspect: When available, suppliers GHG reports are used, including WTW. When no reports are available, mainly distance-based method is used, with DEFRA 2024 emission factors (WTW). Where weight and/or distance is not available, extrapolation is made based on volumes.

Packaging material: Spend data split per supplier is used together with spend emission factors from US EPA (USEEIO). The emission factors are applied based on General ledger accounts based on an average of suppliers NAICS codes. The spend data is compensated for inflation.

Waste generated in operations

GHG emissions from waste generated at our two manufacturing sites are calculated by categorizing waste volumes into types and treatment methods and applying emissions factors either from the supplier or from DEFRA 2024. This is a change in methodology compared to 2023 when the supplier specific data was not set up, but spend data was used. The spend data is compensated for inflation.

For all other sites (where we are invoiced the waste separately): Spend data split per General ledger account is used together with spend emission factors from US EPA (USEEIO). The emission factors are applied based on General ledger accounts based on an average of suppliers' NAICS codes.

Business travel

Covering emissions from company air travel. Emissions are calculated by the travel agency. Coefficients with radiative forcing are used. Emission factor from DEFRA.

Employee commuting

GHG emissions from employee commuting are based on commuting surveys, where the result has been extrapolated to cover all our employees. Emission factor from DEFRA 2024.

Leased assets upstream

The emissions are reported as part of Category 1, Purchased goods and services, due to difficulties to separate these suppliers from the others.

Emissions from homeworking is calculated as the number of employees working fully outside our sites, multiplied with an average working hour/year and emission factor from DEFRA 2024.

End-of-life treatment of sold products

For the portion of products that are neither incinerated with energy recovery nor fully recycled, emissions are calculated as zero according to the GHG Protocol.

Where incineration without energy recovery or landfill: The recycling rate and waste handling in each country is taken into consideration, based on statistics from Eurostat. Global Warming potential factors in the LCAs from incineration without energy recovery and landfill, multiplied by the amount of sold products.

Changes in accounting policies compared with previous years

2024 years calculations for Scope 3 spend-based method, are based on General ledger accounts rather than suppliers to get a more accurate categorization of data. Moreover, is the spend-based data compensated for country specific inflation.

Key Performance Indicator

Wellspect measures Scope 1 and 2 emissions split per sold products, and compares with Baseline 2021:

Year	2021	2022	2023	2024
Scope 1 and 2 (Market-based) /sold product (kg CO_2e/sold unit)	0,02428	0,01797	0,01733	0,01325
Comparison with previous year		-26%	-3,5%	-23,5%
Comparison with Baseline 2021			-29%	-45%

Target for 2025 is -75% compared with baseline year 2021. The target is based on the plan to replace the coating process in Turkiye by 2025. The project has started but is delayed, why it is unlikely that the target will be reached by 2025. Wellspect's Science Based Target on Scope 1 and 2 is to reach 80% **absolute** reduction by 2030, there is no intensity target set.

Comparison with previous years

Scope 1 and 2

Year	2021	2022	2023	2024
Scope 1 (ton CO_2e)	2 853	2 908	2 702	2 098
Scope 2* (ton CO_2e)	1 295	159	165	140
Scope 1+2* (ton CO_2e)	4 148	3 067	2 867	2 238

*Market-based

See Actions taken for reduced climate footprint 2024 for a description of the reasons for the reduction 2024.

Scope 3

Major changes identified:

- Purchased goods & services decreased due to plastic film and packaging materials improvements and a new emission factor categorization of indirect material spend moving from supplier based to General Ledger account based which gives a more accurate reporting
- Capital goods increase is a consequence of more investments in 2024.
- Business travel is down by 4,4% between 2023 and 2024.
- Upstream transportation and distribution are decreasing, due to less share of air freights.
- Due to increased production volumes and the change in methodology from spend based in 2023 to supplier specific data from the waste supplier's portals in 2024, the emissions from waste have increased.

Actions taken

Actions taken for reduced climate footprint 2024

Scope 1 reductions are primarily explained by improvements in production regarding the use of isolation gas in sterilization (-54% vs 2023) and process chemicals (-42% vs 2023). This is built on the positive reduction seen in previous years (Scope 1&2, 45% reduction from baseline).

In the UK, the procurement of biofuels in the heating system at our distribution center reduced the use of fossil natural gas by 5%. In Germany, the transition to renewable energy sources continued to lead the reduction of CO_2e. These two actions are the primary reason to reduced Scope 2 emissions.

In Mölndal, we continued our transition into more energy efficient cooling systems. The new units, which rely on the ammonia refrigerant, enable an annual decrease of 200 tons of CO_2e when compared to previous systems. They are also more energy-efficient, allowing us to achieve double climate benefits. Several units are already operating, two installed in 2024, and the project continues over the years to come, replacing the units, when possible, without impacting the production severely.

During 2024, Wellspect's R&D efforts have focused on the possibility of using less material, fewer types of materials, more recyclable materials, and in the future, entirely different materials, to reduce our climate footprint—particularly regarding urology products.

We strive to minimize material waste and to enable the recycling of materials from both products and manufacturing. Wellspect has long been working to reduce the amounts of solvents used in our production.

To optimize our packaging further, we reduced the material thickness of our LoFric Origo customer boxes, lowering the average raw material weight by 15% per box, which in turn translated into a reduction in CO_2e emissions.

We are committed to reducing the share of transport carried out by air. In 2023, we achieved a result of 2.4%, and in 2024 we successfully reduced this figure to 1.8% (measured by weight), demonstrating our dedicated efforts toward this goal. Although we did not reach the 2024 target of 1.6%, this progress reflects our continuous improvement. Moving forward, we will continue to focus on further reducing air transport in favor of more sustainable alternatives. In 2025, we will maintain our efforts to decrease the share of air transport in favor of other modes of transportation.

Actions for 2025, aiming to reduce GHG emissions

- The project in Türkiye, aimed at replacing the coating process and thereby reduce emissions from chemicals, continues.
- Reducing the amount of process chemicals in the Turkish manufacturing site, that will reduce emissions with 10% from that part of the production.

- Additional measures are being implemented at our Swedish manufacturing site to reduce emissions from sterilization gas, where of replacing sealings with tailor-made in another material with better sealing performance is one, following a long-term plan.
- A pilot project for transportation utilizing HVO was initiated in Q4 2024, which continues in 2025.

Actions for improved calculations in the reporting period

- Scope 1 and 2: Leased vehicles: Activity data quality was improved in 2024.
- LPG and Ethanol is used in Wellspect's manufacturing and is reported as direct emissions in Scope 1. Upstream and T&D loss emissions are presently part of Scope 3 Category 1, but being classified (by GHG Protocol) as principally being fuels, upstream and T&D loss emissions shall be reported in Category 3. This is however relatively small amounts of emissions and as the emissions still are part of Scope 3 reporting, this error is not considered to be significant.
- Scope 3: The use of spend-based method includes uncertainties in relation to the application of supplier codes, and the application of US based emission factors. Improvements by categorizing the spend based emission factors related to General ledger accounts has been implemented to ensure a more proper split between Scope 3 categories and to improve the calculation in general.
- Scope 3 Category 4: Increase number of transportation suppliers that are providing reports on emissions and ensure that the calculations are properly made. It is acknowledged that the distance-based method applied to some routes gives too low emissions compared with the reporting from the suppliers. This is however a smaller part of the emissions, and the error is deemed to be insignificant.
- Scope 3 Category 5 Waste: Supplier-specific emission data were used from waste supplier's portal (Stena and Remondis) in which leads to more accurate reporting.
- Scope 3 Category 7 Employee commuting is based on surveys made within the organization, but the number of replies has been low which means the underlaying data quality is not secured. This portion of the total emission is however small, and the potential error deemed insignificant.

Actions for improved calculations for next reporting period

- Scope 3 Category 5 Waste: Supplier-specific emissions data usage can be expanded to the other waste suppliers, specifically those who collect waste from production in Molndal.
- Scope 3 Category 7: Employee commuting survey can be done for consultants/non-employees, so they are not considered in the Cat 1 spend based data.
- Pre-study of online reporting system will be evaluated in the next year.
- Implement a review action to always compare the data and calculations with the previous reporting period(s).
- Implement sample testing of invoices for indirect spend reporting
- Include the climate disclosure reporting in the internal audit program

Risk assessment

The below describes the mitigation of risks of not meeting the principles of GHG Protocol.

Relevance

No changes in operational control since inventory 2021. Wellspect AB together with its subsidiaries still has the full authority to introduce and implement its operating policies at the operation.

The calculations appropriately reflect the GHG emissions of the company and serves the decision-making needs of stakeholders – both internal and external to the company.

Completeness

No changes in operational control since inventory 2021, the organizational boundaries remain. The reporting instruction I-9008 ensures that the calculations correspond to the current organizational boundaries.

Consistency

Methodologies are explained in the underlaying documents of the calculations and briefly explained in this report. The reporting instruction I-9008 has been followed for data collection, data processing and reporting. Changes have been documented.

Transparency

The underlaying documents of the calculations include review and recommendation for improvements. This report addresses relevant issues.

Accuracy of calculations

The quantification of GHG emissions is systematically performed. Scope 1 and 2 is mainly using activity data with good accuracy with some improvement areas identified in this report, whereas Scope 3 is a mix of different types of data with varying accuracy. Improvement areas for next reporting period have been identified in this report.

Conclusion

The calculations have been conducted with an acceptable level of risk, ensuring the integrity of the reported information. Wellspect has prioritized the need to have a systematic, and practicable system to calculate and continuously visualize the emissions, over having a time-consuming and error prone method that potentially can give lower summary of emissions.

Auditor's Limited Assurance Report on Wellspect AB's CO_2 emission data for 2024

To Wellspect AB, Corp. id. 559332-0673

Introduction

We have been engaged by the Management of Wellspect AB ("Wellspect") to undertake a limited assurance engagement of the 2024 outcome of consolidated CO_2 emissions data in Scope 1, Scope 2 and Scope 3, which is reported on pages 10-14 in Climate disclosure 2024 ("information subject to assurance").

Responsibilities of management

Wellspect's management are responsible for the Emissions Data reported in accordance with applicable criteria in The World Resources Institute/World Business Council for Sustainable Development (WRI/WBCSD) Greenhouse Gas (GHG) Protocol standards and guidance: Scope 1: The GHG Protocol: A Corporate Accounting and Reporting Standard (revised edition); Scope 2: GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard and Scope 3: GHG protocol Scope 3 Guidance: A corporate Accounting and Reporting Standard (revised edition). (the "Criteria"). This responsibility includes the internal control relevant to the preparation of Emissions Data that is free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the CO_2 emissions data included in the Climate disclosure 2024 based on the limited assurance procedures we have performed. Our assignment is limited to the historical information that is presented and does not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the information subject to assurance and applying analytical and other limited assurance procedures. A limited assurance engagement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Wellspect AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Management as described above. We consider these criteria suitable for the preparation of the information subject to assurance. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusions below.

Conclusion

Based on the limited assurance procedures performed, nothing has come to our attention that causes us to believe that the CO_2 emissions data for 2024 within the Climate disclosure 2024 is not prepared, in all material respects, in accordance with the criteria defined by the Management.

Stockholm, the date indicated by my electronic signature

KPMG AB

Jeanette Disebäck
Authorized Public Accountant

Torbjörn Westman
Specialistmedlem i FAR

Definitions and abbreviations

AIB	The purpose of the AIB is to develop, use and promote a standardised system; the European Energy Certificate System
CH4	Methane. A greenhouse gas
CO_2	Carbon Dioxide. A greenhouse gas
CO_2e	CO_2 equivalent. See GWP
DEFRA	Department for Environment, Food and Rural affairs (UK). Also known as Department for Business, Energy, and Industrial Strategy (BEIS)
Distance-based method	Determining the mass, distance, and mode of each shipment, then applying the appropriate mass-distance emission factor for the vehicle used
EHS	Environment, Health and Safety
ESG	Environmental, social, and governance
EU MDR	EU Medical Device Regulation
FDA 21CFR	The portion of the Code of Federal Regulations that governs food and drugs within the United States
GHG	Greenhouse gas
GWP	Global warming potential. An index to measure how much infrared thermal radiation a greenhouse gas would absorb over a given time frame after it has been emitted to the atmosphere, expressed as a multiple of the radiation that would be absorbed by the same mass of added carbon dioxide (CO_2), the reference gas.
HFCs	Synthetic organic compounds that contain fluorine and hydrogen atoms. A group of greenhouse gases
HVO	Hydrotreated vegetable oil is a biofuel made from vegetable oil
I-9008	Wellspect's reporting instruction, part of the quality management system
IEA	International Energy Agency
ISO 13485	Standard for Medical devices - Quality management systems
ISO 14001	Environmental management system
LCA	Life Cycle Assessment
Location- based	Reflects emissions using emission factors that provide an average of emissions from all power sources within a specific geographic region over a given period of time
LPG	Liquid petroleum gas
Market-based method	Reflects the emissions from the electricity that a company is purchasing
N2O	Nitrous oxide. A greenhouse gas
NAICS	North American Industry Classification System. A standard for classifying US business establishments and industries for statistical purposes
PFCs	Perfluorinated compound. A group of greenhouse gases
SBT	Science Based Targets. Aims to provide companies with a path to reduce emissions in line with the Paris Agreement goals
SBTi	Science Based Targets Initiative. An organization with objective to help companies to set emission reduction targets in line with climate sciences and Paris Agreement goals
SF6	Sulfur hexafluoride. A greenhouse gas
Spend-based method	Estimate emissions by collecting data on the economic value for purchases and multiplying by the relevant industry average emission factor
T&D	Transmission and Distribution
US EPA	US Environmental Protection Agency
USEEIO	A model estimating the environmental and economic impacts of goods and services

Photo by Hannah Reding on Unsplash