

2024

Simonsen & Weel

part of

DIPLOMA
LIFE SCIENCES

ESG Reporting

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Foreword

This report covers the fiscal year from 01-10-2023 to 31-09-2024.

The report is structured according to the new EU guidelines for ESG reporting. ESRS (European Sustainability Reporting Standards), which was adopted on July 31, 2023.

Data calculations and data selection were carried out in collaboration with ECOHouse ApS.



Our values



Propriety



Accountability



Solution-oriented

The company

Simonsen & Weel A/S is Denmark's oldest medical device supplier and is proudly owned by Diploma PLC, UK. With a strong commitment to responsible and sustainable business practices, we focus on creating value for our employees, customers, suppliers and local communities.

Our Environmental, Social and Governance (ESG) program, 'Delivering Value Responsibly' (DVR), is integrated into our operations, ensuring both commercial growth and positive societal impact. We prioritize reducing our environment footprint, working towards net-zero emissions and implementing greener alternatives, while encouraging others to do the same.

As an innovative partner in the healthcare Industry, we provide quality products and services that improve patient care and operational efficiency. Our move to a climate-friendly headquarters in Ishøj, equipped with energy-efficient solutions and biodiversity initiatives, emphasizes our commitment to sustainability.

With a proud heritage and a forward-thinking approach, we strive to improve the quality of life for both patients and healthcare professionals, while leading the way in both healthcare innovation and environmental responsibility.



Our

Focus areas



Professional healthcare equipment

Looking to the future, we remain focused on delivering high-quality healthcare solutions while creating sustainable, long-term value. Through investment in technology, we continue to shape the future of healthcare - ensuring we meet the needs of both patients and healthcare professionals for generations to come.



Training and education

Simonsen & Weel offers training and theme days for healthcare professionals in areas such as clinical nutrition, compression therapy, patient monitoring, ultrasound, endoscopy and more.



Environmental sustainability

Simonsen & Weel is also committed to environmental sustainability and has implemented a quality and environmental management system certified according to ISO 9001:2015 and ISO 14001:2015.

An integrated approach

Our sustainability work is based on concrete goals that are directly linked to selected UN Sustainable Development Goals. We have prioritised our efforts based on what makes the most sense for both ourselves and the world around us. The goals reflect our desire to do better year after year - socially, environmentally and in the way we run our business.

We prioritise employee well-being. This means that we strive to reduce serious workplace accidents and create a workplace where people are happy and engaged (SDGs 3 and 8). Gender equality is also a core area for us, with a particular focus on improving gender balance in management (SDGs 5 and 10).

We set high standards for our suppliers. We work systematically to ensure ethical trade and are increasing compliance with our Code of Conduct (SDG 12). On the climate side, we have set tangible targets to reduce both CO2 emissions and waste to landfill (SDG 13).

Sustainability is not just something we talk about - it is a core part of our business model. On the following page, you will find an overview of the goals and their relation to the targets of the UN Sustainable Development Goals 3, 5, 8, 12 and 13.



Our ESG is DVR



1. Health & Safety: (SDG 3: Health and well-being - targets 3.9, 8.8)

A strong safety culture is our top priority.

Target: 5% reduction in long-term injuries (LTI) per year.

2025 target: 0 LTIs (Compared to 2 in 2024).



2. Employee engagement: (SDG 8: Decent work and economic growth - targets 8.5, 8.8)

Engaged employees deliver the best service and drive long-term success.

Goal: Maintain an employee engagement index above 70% annually.

2025 Target: Employee satisfaction index above 80%



3. Diversity, Equity & Inclusion (DEI): (SDG 5: Gender Equality - targets 5.5, 10.2)

Building diverse and inclusive teams accelerates growth and innovation.

Target: 40-60% female representation in senior leadership.

2025 Target: 50% female representation in senior management (already achieved in 2024).



4. Ethical & Resilient Supply Chain: (SDG 12: Responsible consumption and production - targets 12.6, 8.7)

Ensure a responsible and sustainable supply chain.

Goal: Annual improvement in supplier compliance with our Code of Conduct (CoC).



5. Environmental Impact & Waste Management: (SDG 13: Climate Action - targets 12.5, 13.2)

A core component of our value-based model.

Goal: Continuous year-on-year reduction of Scope 1 & 2 emissions.

2025 Goals:

Zero waste to landfill (promoted by waste-to-energy practices in the Nordics)

10% reduction in greenhouse gas emissions (GGE)

E nvironment

Vehicle policies

In early January 2024, Simonsen & Weel approved a new policy where all newly ordered company vehicles must be 100% electric. Where all employees who are eligible for a company vehicle, but choose to drive their own private vehicle, must drive an electric vehicle by March 2026.

Number of electric vehicles

41%



Reduction of emissions

Despite the acquisition of GM Medical, we have reduced our:

- GGs1 Scope 1 emissions by 27.7%.
- GGs2 Scope 2 emissions have only increased by 23%, mainly due to extra overtime related to the integration. This includes relocation to our offices and warehouse, and increased electricity consumption from overtime in all departments (Customer Service, Purchasing, Warehouse, Quality & ISO, Finance and Sales).
- Total greenhouse gas emissions (tonnes CO₂) reduced by 23.13%.

Total greenhouse gas emissions (tonnes CO₂)

23,13%



Waste policy

Waste sorting in the warehouse is carried out across 11 different categories, ensuring an efficient and environmentally responsible process. In addition, all intact cartons received are recycled for shipping our products. When we supply equipment to Danish hospitals, we take full responsibility for collecting all waste and ensuring proper sorting and disposal.

Simonsen & Weel has started using paper tape with rubber adhesive for packaging.

Waste categories

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Eco-friendly landscaping and weed management:

We support non-toxic weed removal practices by using boiling water. Green spaces are maintained by sowing wild flowers. Landscaping is limited to three times a year and dead plant material is left to be reabsorbed as natural fertiliser, and support soil improvement and biodiversity.

Sustainable transport and logistics partnerships:

We are transitioning to transport and logistics partners who are actively working to reduce their environmental impact. For example, our main logistics partner, Bring, aims to achieve 100% fossil-free last mile delivery by 2025 and continues to expand the number of areas covered by this initiative.

Reduced business travel:

We have reduced participation in international trade shows and increased the use of online meetings to further minimise our environmental impact.

Social

Employee satisfaction survey

Our employee engagement index increased from an already high 83% to 85%. Despite this positive development, we have launched an action plan for further optimisations, including an improved onboarding programme and an ergonomics day for both workplace and home office setups.



Active participation in Diversity, Equality and Inclusion (DE&I) initiatives

We actively contribute to focus groups within our parent company, Diploma, on DE&I policy development and "Women Empowerment." As part of this initiative, a network of female leaders has been established to discuss and promote further efforts to support women's career development.

Ongoing employee well-being programmes

Although not mentioned in our previous ESG report, we continue to offer a company-wide massage programme where all employees receive a session every 14 days. Sales representatives also have access to a voucher-based system to book massage services as needed.

Implementation of health and safety policy

We have designed and implemented a comprehensive health and safety policy to ensure the well-being of our employees. This includes workplace safety measures for our offices and warehouses, guidelines for the safe installation of our equipment at customer locations and best practices for safe driving in company vehicles.

Diversity

Under Diploma PLC, Simonsen & Weel A/S follows gender diversity reporting requirements and actively promotes an equitable workforce at all levels. We believe that diversity strengthens our organisation by bringing different perspectives, experiences and ideas. Our commitment extends to inclusive hiring, ensuring our workforce reflects society. We offer equal opportunities for growth, respect differences and foster an inclusive environment through training and open dialogue. By embracing diversity, we create a workplace where everyone feels valued and empowered to contribute to our success.

Governance

Supplier Code of Conduct Compliance:

Each supplier has either signed our Supplier Code of Conduct (CoC) or demonstrated compliance with an equivalent framework, reinforcing our commitment to responsible sourcing and sustainable business practices.



Our Supplier Code of Conduct includes, but is not limited to:



Carbon footprint reduction: Commitment to reduce greenhouse gas emissions (GHG) and improve energy efficiency.



Waste management: Proper handling, recycling and disposal of waste, including hazardous materials.



Sustainable sourcing: Using renewable, recycled or certified sustainable materials.

We are proud of our responsibility as a company that prioritises customer health, and supports environmental sustainability. Our goal is continuous improvement, integrating sustainable technologies and practices into our operations. Through these strategic choices and actions, we intend to create a positive impact on the planet and position ourselves as a leader in sustainable development. By maintaining our commitment to circularity and holistic thinking, we are confident that we can contribute to a more sustainable future for both our customers and the world.

Together we make a difference

We recognise our responsibility to reduce our carbon footprint and actively contribute to sustainable development. Systematic CO₂ reporting is essential for us to get a clear overview of our emissions and identify where we can achieve the biggest reductions.

We have established internal measurement methods and systems that ensure an accurate and reliable inventory of our emissions. These form the basis for us to track our progress over time and make informed decisions on specific reduction measures.

As part of our alignment with the Paris Agreement, we have set ambitious targets to reduce our CO₂ emissions - both in relation to our products and in our daily operations. To achieve these goals, we have launched a number of initiatives in the following areas



Increased energy efficiency



Transition to renewable energy sources



Reducing waste and increasing recycling



Promote the use of sustainable transport solutions

Our commitment to the Paris Agreement is not just about meeting requirements. We want to be an active part of the global transition towards a climate neutral economy. We also want to encourage our stakeholders, including suppliers and customers, to take responsibility and work to reduce their carbon footprint. We continuously follow up on our results, report transparently and adjust our efforts where necessary.



Our Goal 2025

Promoting Diversity, Equality and Inclusion (DEI)

We are committed to fostering a diverse and inclusive leadership team. Our goal is to achieve 50% female representation in senior management - a milestone already reached in 2024.

Strengthening employee engagement

A highly engaged workforce drives innovation and customer service excellence. Our goal is to maintain an employee satisfaction score above 80% to ensure a motivated and engaged team.

Our goal is to maintain zero waste to landfill.

We are dedicated to responsible waste management. Our goal is to achieve zero waste to landfill - an achievable goal as waste in the Nordics is primarily converted to energy through incineration.

Prioritising health and safety (H&S)

A strong health and safety culture is central to our operations. Our goal is to reduce long-term injuries (LTI) to zero by 2025, an improvement from the two recorded cases in 2024.

Reduced greenhouse gas emissions (GGE)

We actively work to minimise our environmental impact. Our goal is a 10% reduction in greenhouse gas emissions, reinforcing our commitment to sustainable operations.

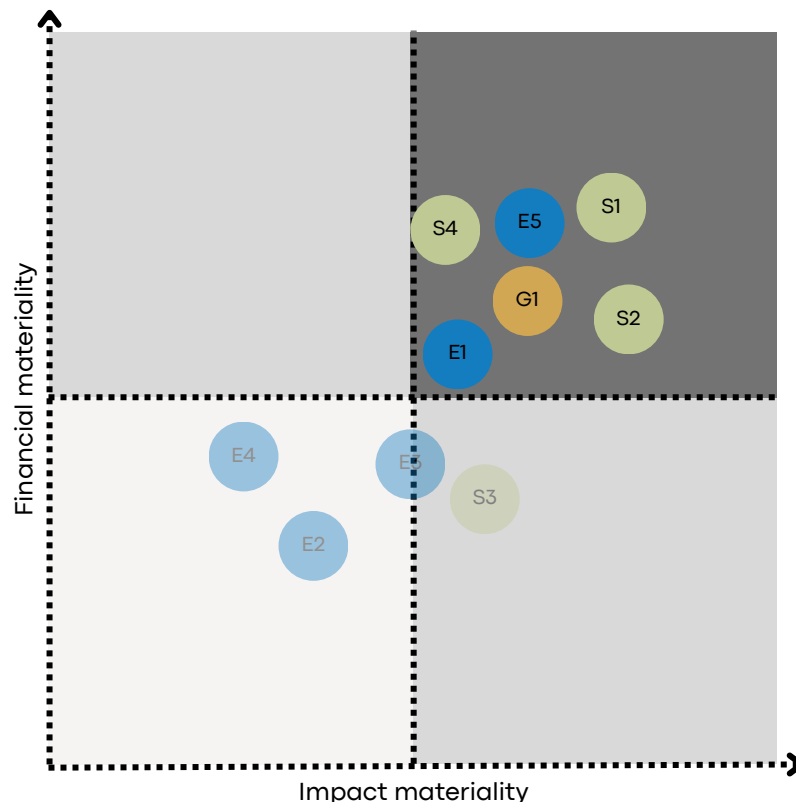
Ensuring Supplier Code of Conduct Compliance

We expect the highest ethical and sustainability standards from our supply chain.

Double materiality analysis

In accordance with the requirements of the reporting standard, a double materiality analysis has been performed where both impact and financial materiality have been assessed for relevant sustainability topics. The following standards have been identified as material for Simonsen & Weel A/S:

- ESRS E1 - Climate change: Significant due to carbon emissions from logistics and distribution and financial risk from regulations and customer demands.
- ESRS E5 - Resource use and circular economy: Relevant due to reduction of packaging waste and development of take-back schemes.
- ESRS S1 - Own workforce: Essential for skills retention, work environment and well-being.
- ESRS S2 - Workers in the value chain: Ethical supply chain is assessed as both financially and impact significant.
- ESRS S4: Consumers and end users: Relevant to ensure Simonsen & Weel fulfils consumer and healthcare requirements.
- ESRS G1 - Corporate governance and business ethics: Relevant to ensure compliance, transparency and stakeholder trust.



Double materiality analysis

ESRS E1: Climate change

Financial Materiality

Climate regulations, carbon pricing and supply chain disruptions affect costs and operations. Investors and customers are increasingly demanding climate-friendly practices.

Impact Materiality

Simonsen & Weel's logistics and product distribution contribute to CO₂ emissions. Switching to energy-efficient warehouses, optimising transport routes, and working with suppliers to reduce emissions in production can reduce the environmental impact.

ESRS S1: Own labour force

Financial Materiality

Retaining talented employees through competitive salaries, training and a strong workplace culture reduces turnover and recruitment costs. Focusing on health and safety prevents accidents that could lead to downtime or legal issues.

Impact Materiality:

Ensuring ergonomic workplaces, mental health support and professional development opportunities promote a motivated and resilient workforce. Initiatives such as leadership training and wellbeing programmes increase employee satisfaction.

ESRS S2: Workers in the Value Chain

Financial Materiality

Ethical supply chains reduce reputational and regulatory risks while ensuring business continuity. Investors and customers demand responsible sourcing.

Impact Materiality

Ensuring fair wages, safe working conditions and human rights compliance in supplier operations prevents unethical labour practices and supply chain disruptions.

ESRS S4: Consumers and end users

Financial Materiality

Stringent requirements for medical devices from the Medical Device Regulation (MDR), among others, can affect Simonsen & Weel's product offering and compliance costs. Healthcare providers expect us to live up to high ethical and quality standards.

Impact Materiality

Our medical devices are used in critical healthcare environments. We comply with all applicable safety and quality standards and carry out ongoing risk assessments and quality control.

ESRS E5: Resource Use and Circular Economy

Financial Materiality

Efficient material utilisation reduces costs and dependence on scarce resources. Circular economy models (reuse, refurbishment) improve supply chain resilience and regulatory compliance.

Impact Materiality

Reducing packaging waste and promoting return programmes for used medical devices can extend the material lifespan. Working with hospitals to refurbish or reuse devices helps minimise environmental impact.

ESRS G1: Business behaviour

Financial Materiality

Strong governance, anti-corruption policies and compliance measures prevent legal risks and strengthen investor confidence.

Impact Materiality

Fair business practices, transparency and ethical behaviour promote trust and sustainability across operations.