Reducing our ecological footprint

Climate change

We are committed to limit the impact of climate change. Our near-term science-based targets, validated by the Science Based Target initiative (SBTi), guide our decarbonization strategy and support the transition to a low-carbon economy.

To operationalize this commitment, we focus on improving energy efficiency, transitioning to renewable electricity, and reducing greenhouse gas (GHG) emissions across our value chain. This includes both direct emissions (Scope 1), indirect emissions from purchased energy (Scope 2), and selected categories of value chain emissions (Scope 3).

We also engage with suppliers and customers on strategies to decarbonize our industry and achieve mutual progress towards our climate-related goals. In addition, we work on improving the accuracy and transparency of our data to enable informed decision-making.

Our measurable objectives include:
- **↘ 100% renewable electricity across our operations by 2030**
- **↘ A 42% reduction in Scope 1 and 2 GHG emissions by 2030, compared to a 2022 baseline**
- **↘ A 51.6% reduction in Scope 3 GHG emissions per million units sold by 2030, compared to 2022, covering the categories of Purchased Goods and Services, Employee Commuting, and Downstream Transportation and Distribution**

Impacts

We recognize the importance of addressing climate change and acknowledge that our operations contribute to greenhouse gas (GHG) emissions. Our business activities – such as electricity consumption, procurement of goods and services, and upstream and downstream transportation – represent key impact areas that we need to continuously evaluate and optimize.

Reducing emissions while maintaining sustained growth requires an integrated approach that considers our environmental impact, exposure to climate-related risks, and long-term business opportunities. This means understanding how our activities affect the climate, how climate change poses both physical and transitional risks to our operations and value chain, and how we can unlock long-term value – for example, by securing access to renewable energy, embedding climate considerations into product development, and engaging suppliers in the transition.

Key impact areas:
- ↘ Energy consumption
- ↘ Logistics
- ↘ Natural resources exploitation
- ↘ Climate adaptation

Policies

Business Code of Conduct
States the ambition to reduce greenhouse gas emissions

Supplier Code of Conduct
Expands expectations for suppliers to include the development of GHG emission reduction strategies across Scope 1, 2, and 3, alignment with science-based targets, the transition to 100% renewable electricity by 2030, and ongoing efforts to improve energy efficiency

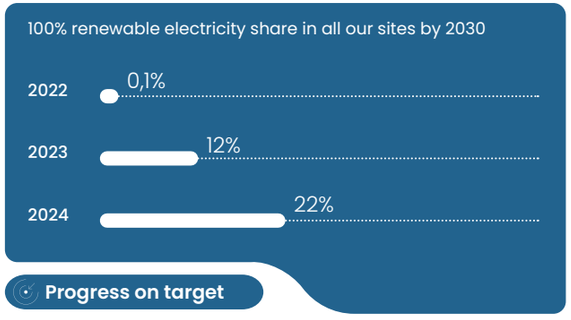
EHS policy
Outlines SHL Medical's commitment to reduce overall usage of energy

Third-party initiatives

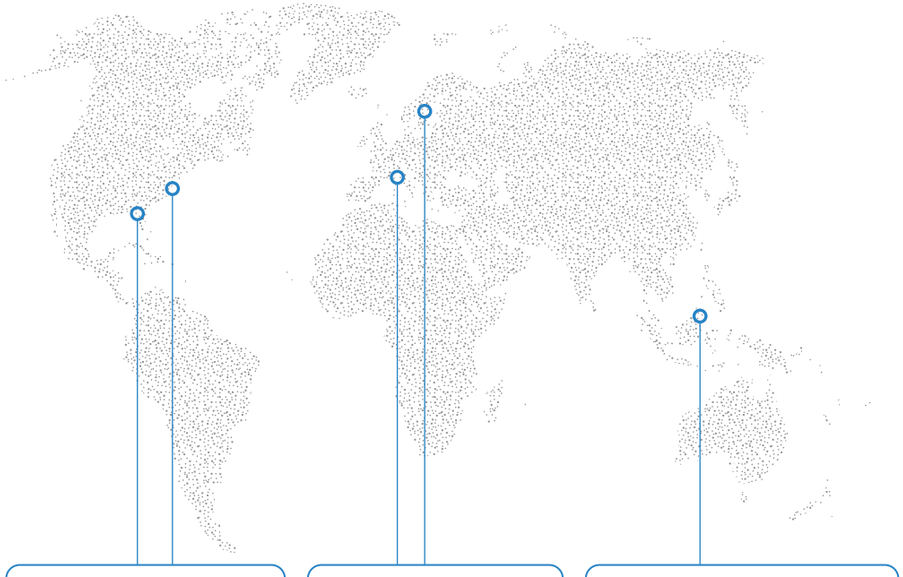
Science Based Targets initiative (SBTi)
We committed to setting a near-term science-based target in 2022, and in 2023 our targets were officially validated by the Science Based Targets initiative (SBTi).

Progress on renewable energy transition

Expanded renewable electricity sourcing to US and Taiwan sites



Our approach for achieving the 100% renewable electricity target by 2030 is tailored to the specific needs of each location:



United States
These assembly and manufacturing facilities will initially rely on Renewable Energy Certificates (RECs) before transitioning to PPAs in the mid-term.

100% Deerfield Beach, FL
100% North Charleston, SC

Switzerland and Sweden
As office facilities, these sites have lower energy intensity and rely on green tariffs to meet renewable energy goals.

100% Zug, CH
100% Stockholm, SE

Taiwan
Being a manufacturing hub, it has the highest energy demand. We are currently engaging with Power Purchase Agreements (PPAs) and are preparing for additional agreements to secure long-term renewable energy capacity.

14% Taoyuan, Taiwan

Our renewable electricity sourcing strategies focus on delivering on our climate goals and commitments while considering local energy markets, availability, and risks in the countries we operate in. Especially in Taiwan sourcing renewable electricity presents specific challenges due to current limitations in supply availability, grid access, pricing, and market structure. These constraints require a flexible approach, while we continue to monitor policy developments and explore feasible long-term solutions.

Mechanism	Description	Rationale
Green tariffs	Procuring renewable electricity via utility-provided programs, where available	Straightforward in established markets, but limited availability in all locations where SHL Medical operates (e.g. in Taiwan)
Energy Attribute Certificates (EACs)	Using certificates (e.g., GoOs or RECs) to credibly account for renewable electricity	Ensures transparency and credibility, especially where direct sourcing is not feasible
Power Purchase Agreements (PPAs)	Establishing long-term contracts for renewable energy from specific projects (physical or virtual)	Locks in prices, increases market capacity, contributes to additionality, and demonstrates long-term commitment
Onsite renewable electricity generation	Installing solar photovoltaic installations on-site whenever legally and/or feasible	Direct emission reductions, local capacity, increased energy resilience

Progress on GHG Scope 1 and 2

Reduce absolute Scope 1 and 2 GHG emissions by 42% by 2030 vs. 2022 baseline

Scope 1 + 2 (market-based) in tCO_2e

2022	43,606
2023	43,657
2024	41,687

Total combined Scope 1 and 2 emissions (market-based) decreased by 4.4 % compared to 2022, largely driven by additional renewable electricity contracts that lowered Scope 2 emissions.

Progress on target

Scope 1 in tCO_2e

2022	633
2023	440
2024	1,048

Direct scope 1 emissions grew due to the increase in natural gas consumption as the new US-based facility started operations. Additionally, a smaller rise in refrigerant losses at the Taiwan site contributed to the increase

Scope 2 (market-based) in tCO_2e

2022	42,973
2023	43,271
2024	40,639

Purchased electricity Scope 2 emissions fell by 5.4% in 2024 compared to baseline 2022, reflecting the expansion of renewable electricity procurement across operations.

Energy efficiency measures

Recognizing the impact of continued business growth on energy demand, we are implementing targeted measures to improve energy efficiency, electrify systems and fleet to reduce associated Scope 1 and 2 emissions. In addition, measures are based on site-level energy audits and include concrete actions such as upgrading equipment, optimizing systems, and applying energy management practices.

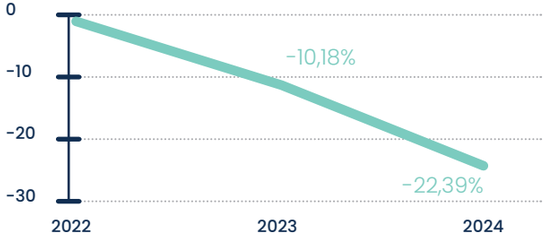
During the reporting period, we conducted a comprehensive energy audit at our main manufacturing sites in Taiwan. This led to a series of measures, including repair of compressed air leakages, as well as a broad optimization of heating, ventilation, and air conditioning (HVAC) systems. These improvements build on a series of energy efficiency measures initiated in 2023, including the implementation of an energy management information system, and enhancements to air-conditioning systems in both office and production areas as well as several other upgrades (air handling units, optimizing temperature settings, etc.).

To support our broader electrification strategy, we also installed electric vehicle charging stations to enable fleet electrification.
Since 2019, energy-saving projects have been promoted under the Continuous Improvement program. This program empowers and rewards employees that identify opportunities to reduce energy consumption. Examples include the optimization of HVAC systems and temperature setting in the warehouse in Taiwan, which resulted in important energy savings.

The increase in overall energy consumption is attributable to higher production volumes and the commissioning of a new production facility in North Charleston. At the same time, efforts to improve energy efficiency continued. Taiwan, SHL Medical's primary manufacturing site and home to over 85% of the global workforce, is the largest contributor to energy consumption. In this location, electricity intensity (measured in kWh per unit sold) decreased by a 22.39% in 2024 vs. 2022 baseline. Electricity was selected as the primary energy metric for detailed analysis due to its significant share of total energy use.

Total energy consumption (MWh)	**2022**	**2023**	**2024**
Total fuel consumption within the organization from non-renewable sources	79,801	76,113	96,145
Total consumption of EE purchased for consumption from renewables	228	10,418	22,124
Total energy consumption within the organization	80,029	86,511	116,269

Percentage decrease in electricity intensity (electricity kWh per unity sold) in the main manufacturing facility – Taiwan



Comprehensive data on energy consumption is available on page 59.

Intralogistics

SHL Medical has initiated a gradual transition toward lower-emission transport solutions, to support decarbonization efforts within Scope 1.
In Taiwan, the first electric van was deployed in August 2024, followed by an additional one later in the year. Further vehicles are planned as part of this phased electrification approach. This approach will also be applied during the scale-up phase of the North Charleston site.

Progress on GHG Scope 3

Methodological updates to Scope 3 emissions accounting

In 2024, SHL Medical updated its Scope 3 calculation methodology, primarily by adopting more up-to-date data sources for emission factors and increasing granularity of categories reported. These changes reflect ongoing efforts to align with evolving best practices and standards in emissions accounting. However, as a result of these methodological updates, comparability with data from 2023 and 2022 is currently limited.

This change primarily affects Scope 3 categories calculated using spend-based methods – specifically Categories 1 (Purchased goods and services), 2 (Capital goods), 4 (Upstream transportation and distribution), 6 (Business travel), and 15 (Investments). Other categories that rely on activity-based data or supplier-specific information remain unaffected.

We are currently evaluating potential recalculations of the 2022 baseline to enable better comparability. Nonetheless, we recognize that inherent uncertainties in Scope 3 accounting, together with ongoing methodological developments, may require restatements in future reporting cycles. In parallel, we aim to improve data maturity by transitioning from spend-based to activity-based or hybrid approaches wherever possible. We currently apply activity-based GHG calculations for Waste (Category 5) and Downstream transportation (Category 9).

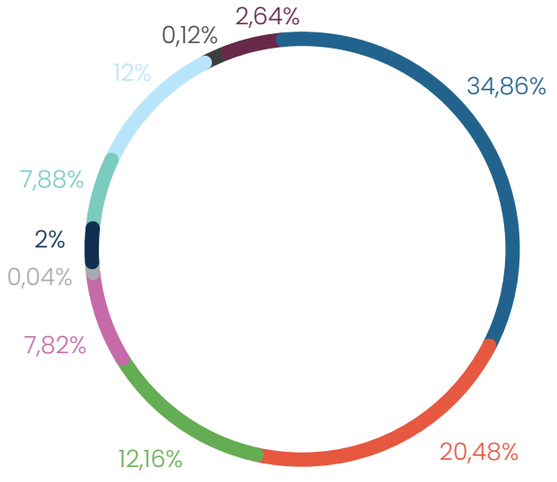
Scope 3 performance overview for 2024

Despite the methodological update introduced in 2024, the overall percentage distribution of Scope 3 emissions by category remained consistent with previous years. Purchased good and services (Category 1) continued to represent the largest share of Scope 3 emissions. Progress in this category is expected to be driven by strategic initiatives such as the transition to more sustainable materials and packaging efforts to reduce operational waste, and strengthened supplier engagement on climate-related performance.

The Capital goods category (Category 2) is the second largest contributor to the Scope 3 footprint. The increase in emissions in this category reflects heightened activity linked to the expansion of supply capacity aimed at reaching more patients. Downstream transportation and distribution (Category 9) also remains a relevant category for SHL Medical. Progress and performance in this area are addressed in the following section.

Overall, while mitigation efforts are ongoing across all relevant categories, continued business growth has added complexity to Scope 3 reduction efforts.

Scope 3 emissions breakdown by percentage in 2024



- Category 1: Purchased goods and services
- Category 2: Capital goods
- Category 3: Fuel- and energy-related activities
- Category 4: Upstream transportation and distribution
- Category 5: Waste generated in operations
- Category 6: Business travel
- Category 7: Employee commuting
- Category 9: Downstream transportation and distribution
- Category 12: End-of-life treatment of sold products
- Category 15: Investments

Reduce Scope 3 GHG emissions by 51.6% per million units sold by 2030 vs. 2022 baseline

As outlined above, methodological updates implemented in 2024 have affected data comparability with the 2022 baseline. As a result, progress against the Scope 3 reduction target is not reported this year. A recalculation of the base year is under evaluation.

Progress on target

Comprehensive Scope 3 data is available on page 60.

Downstream transportation and distribution
In 2024, approximately 95% of finished goods were transported by sea[1], yet the remaining 5% transported by air accounted for more than 70% of GHG emissions generated by downstream transportation and distribution.

SHL Medical is implementing a modal shift strategy to transition a portion of outbound shipments from air to sea freight. In 2024, two major customers agreed to move to sea transport, enabling a reduction in the carbon intensity of these shipments. To support this transition and foster additional opportunities, several operational changes were introduced, including the recalibration of batch sizes to improve container utilization, implementation of data loggers to ensure product quality during longer transit times, and packaging adjustments tailored for maritime transport.

The ongoing use of air freight is linked to factors such as limited shipment volumes, geographic and regulatory constraints, and customer-specific requirements.

On average, switching from air freight to sea freight reduces greenhouse gas emissions by approximately 99% per per tonne of goods transported over one kilometer[2].

We are actively engaging with customers to identify further opportunities for transitioning to lower-emission transport options and are reviewing internal processes to reduce reliance on air freight wherever possible.

Shipments optimization
Following pilot efforts in 2023, we scaled up the double-stacking of products in our sea shipments within Taiwan operations. In 2024, approximately 53% of our total shipments, by shipment volume in tkm[1], were double-stacked, enhancing transport efficiency and reducing GHG emissions associated with downstream transportation. This initiative also contributed to ongoing collaboration with customers on load and packaging optimization.

What's next: roadmap

Areas	→	Actions
Scope 3 reduction – supply chain		Engaging suppliers to align with SHL Medical's climate goals by setting expectations on renewable energy use and emissions reduction. This includes assessing sustainability maturity and developing tailored action plans to address improvement areas
Scope 3 reduction – downstream logistics		Engaging with customers to align on sustainability objectives and drive a shift from air to sea transport Developing internal processes to optimize shipments through improved load factors and packaging efficiency, in close collaboration with customers
Scope 2 reduction – renewables		USA: Advancing the transition to renewable electricity for US operations through Renewable Energy Certificates (RECs) Taiwan: Continuing evaluating Power Purchase Agreement (PPA) options to enlarge the current capacity supplied. Investigating feasibility of on-site solar projects
Scope 1 reduction – fossil fuels and refrigerants		Optimization of natural gas usage and electrification, replacement of refrigerants to lower GWP options
Data maturity		Advancing the selection and implementation of tools that strengthen data maturity Continuing to enhance data management for Scope 3 Purchased Goods and Services by refining systems that support accurate, volume-based GHG calculations for relevant key raw materials Establishing a standardized methodology for Scope 3 GHG accounting in downstream operations

In line with UNGC Principles, we drive innovation and environmental stewardship across our operations. Supporting Principle 9, we scale technologies to boost efficiency and cut emissions. Our efforts contribute to SDG 9 and supporting SDG 13 through science-based targets to reduce our GHG footprint.

[1] Tonne-kilometre (tkm) is a unit of measure representing the transport of one tonne of goods over a distance of one kilometer. Calculations are based on the DEFRA dataset, using a well-to-wheel approach. [2] Calculation based on DEFRA emission factors for downstream transportation.

Circular economy

We are committed to embedding circularity throughout the product lifecycle to enhance resource efficiency and reduce environmental impacts.

To achieve this, we systematically integrate eco-design guidelines into our innovation pipeline, prioritizing reduced material consumption and selecting bio-based or recycled materials wherever possible. We aim to minimize manufacturing waste and maximize recycling when waste cannot be avoided.

Additionally, we actively explore reusability options for selected device formats, collaborate with suppliers to expand circular material options, and support customers in meeting their sustainability targets, including exploring circular end-of-life opportunities for our products. We rely on lifecycle assessments (LCAs) to guide our actions – turning complex environmental data into clear, responsible decisions.

Our measurable objectives include ensuring:
- **↘ 100% of new products adhere to eco-design principles by 2025**
- **↘ Reducing environmental impact (CO_2e emissions from cradle to gate) per device by 30% by 2030 (baseline 2022)**
- **↘ Decreasing waste generation by 20% by 2030 (baseline 2022)**
- **↘ Directing 80% of our waste to recycling by 2025**

Impacts

Circularity is an important focus area for SHL Medical, given the plastic and metal composition of our products and packaging. These materials are currently sourced mostly from virgin raw materials, selected for their functionality and to ensure compliance with regulatory standards. At the same time, we recognize that the extraction and processing of these materials place a burden on the environment and contribute to the depletion of finite resources.

Transitioning toward a more circular model presents an opportunity to mitigate these impacts by decoupling business growth from the consumption of virgin inputs. Increasing circularity in our design and production processes can improve material efficiency, reduce reliance on non-renewable resources, and enhance value chain resilience. In parallel, circular innovation can support compliance with evolving regulatory expectations and respond to increasing stakeholder demands – while contributing to long-term operational and strategic robustness.

Key impact areas:
- ↘ Resource inflow: reduced reliance on virgin raw materials
- ↘ Operational optimization: reduced material use and waste through process improvements
- ↘ Design for end-of-life: product design enabling circular systems

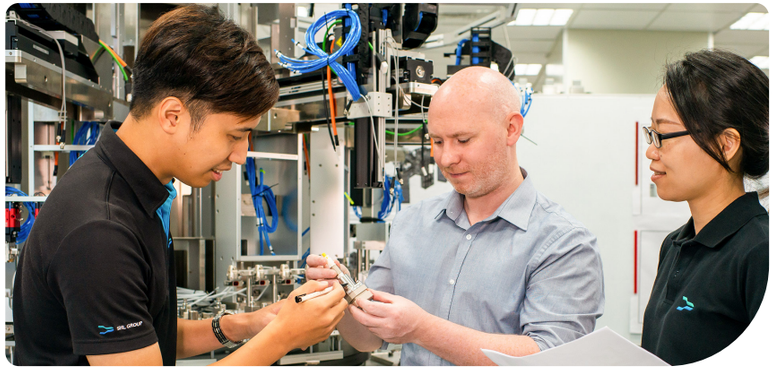
Policies

Business Code of Conduct
States the ambition to embrace circularity as part of the commitments towards integrating sustainability in the company's strategic approach.

EHS policy
Outlines SHL Medical's commitment to pollution prevention, resource reduction, compliance, and continuous environmental improvement.

Management approach

ISO 14001
Waste management is one of the environmental aspects addressed as part of SHL Medical's certified environmental management system.



Progress

Eco-design principles and circular product development

Eco-design framework

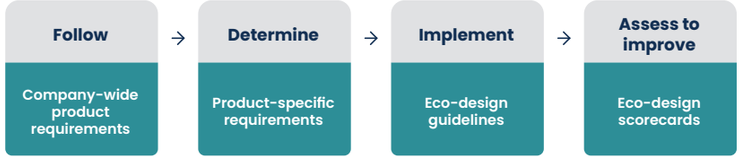
Our circularity vision

We aim to advance circularity through the way we design our products and develop our production processes. By prioritizing eco-design throughout the entire product lifecycle, we enhance resource efficiency and reduce environmental impacts.

Eco-design principles

Eco-design principles serve as a framework to guide the systematic implementation of SHL Medical's circularity ambitions. They are made real and actionable by a four stage process to implement in new product development.

From eco-design principles to more sustainable devices



The principles

In 2024, we advanced our eco-design framework to achieve circular economy objectives. At the core of the framework there are seven eco-design principles clustered in four areas and articulated in 19 design actions. These principles apply to all new product platforms, addressing both single-use and reusable devices and components.

They inform decision-making throughout the product development process, with emphasis on the early design phase – where most environmental impacts are determined. While our eco-design approach addresses a broad range of sustainability topics, current efforts are primarily focused on reducing the carbon footprint of our devices.

Device

- **Design for reduced material footprint**
  Prioritize lower-impact materials such as recycled or biobased alternatives in device.
- **Design for less material**
  Reduce overall mass /raw materials through lean design of device.
- **Design for optimal lifetime**
  Optimize material use ensuring durability and function for the intended use of device.

Packaging

- **Design for sustainable packaging**
  Minimize raw material use and enable reuse and recycling of packaging solutions.

Manufacturing

- **Design for sustainable manufacturing**
  Foster energy efficiency and rational use of materials (including waste reduction) in manufacturing processes.

End of life

- **Design for recycling**
  Design devices to enable circular end-of-life, including ease of mechanical disassembly and compatibility with industrial recycling processes.
- **Design for component reuse**
  Enable reuse of functional components to reduce material consumption and waste generation.

From eco-design principles to more sustainable devices

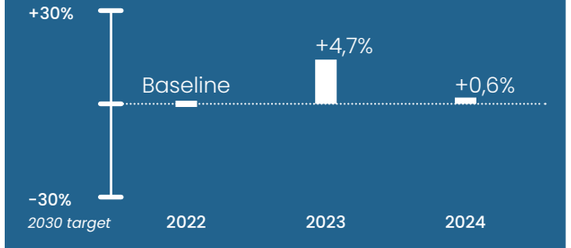
Eco-design will be embedded into the innovation and product development process through a structured framework. This approach ensures that sustainability considerations are systematically integrated into decision-making, from early-stage requirements to product-specific design choices.

Follow	→	Determine	→	Implement	→	Assess to improve
Company-wide product requirements serve as baseline eco-design targets and apply to all new products, aligning product development and innovation activities with SHL Medical's environmental objectives.		**Product-specific requirements** are additional eco-design targets that complement baseline targets. They are set based on the characteristics and impact potential of each device and may cover areas such as emissions reduction, material efficiency, or recyclability.		**Eco-design guidelines** suggest specific strategies to reduce the environmental impact of devices. They also provide guidance on managing trade-offs between potentially conflicting eco-design actions, enabling development teams to make consistent decisions aligned with both company-wide and product-specific requirements.		**Eco-design scorecards** are used to monitor performance through qualitative and quantitative indicators from early-stage concept. They support concept comparison, tracks circularity outcomes, and highlights areas for improvement. At later development stages, detailed life cycle assessments (LCAs) are conducted to validate earlier evaluations.

Circular design integration and impact reduction targets

In 2025, SHL Medical will focus on operationalizing its eco-design principles through targeted employee training, integration into product innovation and processes development. This rollout marks a key milestone in advancing toward two strategic targets:

Reduce 30% of environmental impact (CO_2e) per device by 2030 vs. 2022 baseline



Progress on target

[1] The current calculation is based on two cradle-to-gate life cycle assessment (LCA) models (i.e. Molly 1.0 mL and Molly 2.25 mL). As SHL Medical continues to expand its LCA coverage and refine its methodologies, the accuracy of product carbon footprint (PCF) results is expected to improve. In line with best practices, future updates may require an update of the baseline to reflect methodological enhancements and broader product representation.

As of 2024, SHL Medical recorded a 0.6% increase in the environmental impact per device compared to the 2022 baseline.

However, a reduction from 2023 to 2024 was observed, primarily attributable to a higher share of renewable energy in manufacturing operations. This highlights the effectiveness of this lever, which is expected to be the main contributor to achieving the targeted reduction in the greenhouse gas emissions associated with our devices.
Further progress toward the 2030 reduction target will be supported by the rollout of SHL Medical's eco-design principles starting in 2025.

Within this framework, the main lever is the choice of materials for both devices and packaging elements, such as trays.

Ensuring that all new products initiated from 2025 onward adhere to eco-design principles.

Progress against this target is expected to become measurable once the development of newly designed devices is completed.

Progress on target

Waste generation and management

In 2024, SHL generated approximately 5,510 metric tons of waste, of which around 90% was classified as non-hazardous. The largest share - nearly 60% – consisted of plastic waste from manufacturing processes, primarily linked to product-related materials. Other significant waste streams included paper and cardboard (8.4%), halogenated solvents used in production (7.6%), and general waste from employee areas (7.1%).

Approximately 76.6% of total waste was directed to recycling, indicating continued progress toward our 2030 target of achieving an 80% recycling rate. Despite this, overall waste volumes increased by 17% compared to the 2022 baseline. This rise was mainly driven by business expansion and the launch of our new production facility in North Charleston, which contributed to both production and construction waste, even before becoming fully operational.

SHL Medical continues to manage hazardous and non-hazardous waste in compliance with applicable regulations and internal protocols. To reduce waste generation at the source, we are exploring several measures across operations, including the elimination of single-use internal transport packaging and improvements in product and process design that intrinsically generate less waste. We are also evaluating in-line recycling of plastic scraps through regrinding, which helps reduce the volume of waste.

Recycle >80% of our waste by 2025

Progress on target

Reduce total generated waste by 20% by 2030 vs. 2022 baseline

Total waste generated in metric tons	2022	2023	2024
Hazardous	727	670	543
Non-hazardous	3,977	4,514	4,969
Total	**4,705**	**5,185**	**5,512**

Progress on target

Comprehensive data on waste is available on page 61.

What's next: roadmap

Areas	Actions
Policy and procedures	Rolling out the eco-design approach, including training of relevant functions and ongoing monitoring
Operations	Advancing initiatives to enhance resource efficiency and reduce operational environmental impacts – including efforts to standardize packaging material, optimize internal waste management processes, and implement closed-loop systems for production waste
Products	Assessing the use of more sustainable materials for devices
	Exploring alternative materials for secondary packaging
	Integrating sustainability considerations into product development

Aligned with UN Global Compact Principles 7–9, we are committed to advancing environmental responsibility through sustainable innovation, and less impactful technologies. Our efforts contribute primarily to SDG 12 (Responsible Consumption and Production) and support SDG 9 (Industry, Innovation and Infrastructure).