

Convatec Cares

Bringing our commitment to
responsible business to life

Our Environmental, Social &
Governance (ESG) journey

March 2024



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Realising our vision, responsibly

We are here for good

A message from Convatec CEO Karim Bitar, Chair, ESG Steering Committee

As we serve patients and customers, and deliver our forever caring promise, we recognise that doing business responsibly and generating value sustainably has never been more important. As the world around us continues to evolve, we take our responsibilities seriously and are committed to operating in line with our core values.

In recent years, we've transformed our company, refreshed our strategy and introduced our forever caring promise. At the same time, we have advanced operational, people-led and environmental topics that are most important to us and our stakeholders, including customers, colleagues, communities and shareholders.

Our forever caring promise is the commitment we make to customers and those we serve every day and underpins our commitment to being a responsible business. We're proud of the progress achieved so far on our journey – thanks to the care and determination of our people. Yet we also recognise there's more to do. We are committed to building stakeholder trust and confidence by acting on issues that are important to them, and meeting standards that demonstrate these commitments in action.

We are making an increasingly positive difference to our stakeholders and the world around us – not only through our products and services, but by the way in which we operate.

Convatec Cares – our approach to Environmental, Social and Governance (ESG) – identifies the commitments and programmes across the company that will enable us to achieve this and fulfil our promise to be forever caring.

Our approach is to integrate ESG practices throughout our organisation. Our commitment is to ensure that words are backed up with actions – recognising the benefits to all stakeholders in doing so: whether that's more engaged employees, better access to capital, strengthened trust with investors, a stronger, healthier brand, or an overall reinforcement of our licence to operate. Because it's all this that drives Convatec's value for the long term – and that's what makes ESG central to our vision: *Pioneering trusted medical solutions to improve the lives we touch.*



[Click here to watch our ESG video](#)
or scan the QR code:



Shaping our ambitions

Convatec Cares:
Our ESG framework



Convatec Cares

Our approach to Environmental, Social & Governance

At a glance

Convatec vision: Pioneering trusted medical solutions to improve the lives we touch

Promise: Forever caring

Strategy: Focus, Innovate, Simplify, Build, Execute

Values: Improve care, Deliver results, Grow together, Own it and Do what's right

ESG mission: Driving progress towards our vision by aligning and enabling environmental, social, and governance-related initiatives across the business, for the benefit of our customers, colleagues, community and shareholders.

Our four **ESG strategic pillars** outline what we most care about and where we can have the greatest impact.

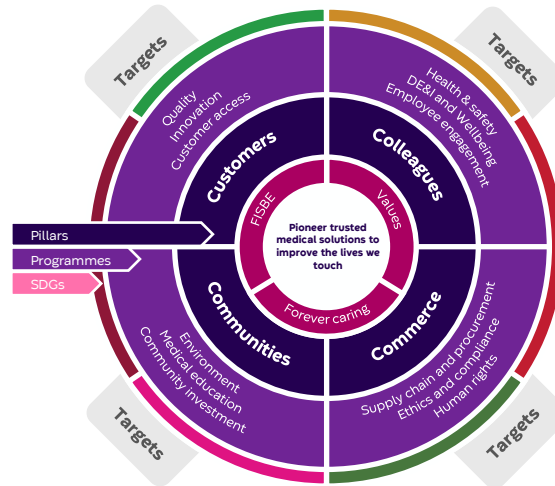
- **Customers**
Delivering for our customers with innovative products, services and solutions that improve lives, are patient-centric and informed by HCP needs.
- **Colleagues**
Enabling our people to thrive by protecting their health and safety and using their talent for good.
- **Communities**
Protecting the planet and supporting communities through the way we operate and the contribution we make to the world around us.
- **Commerce**
Behaving ethically and transparently to protect and enhance our reputation across all our stakeholders and with our supply chain.

What issues matter to us?

ESG is vast. With so many issues we could look at, we start by listening to our stakeholders. One of the ways we do this is through a materiality assessment conducted every 18 months. See our Annual Report for the latest materiality matrix and priority topics.

Convatec Cares is a framework of frameworks, combining the *what* and *how* of our business.

- Our **pillars** organise our voices
- Our **programmes** coordinate our efforts
- Our **targets** focus our ambitions



ESG governance

Our executive-level ESG Steering Committee is chaired by the CEO and drives our strategy, progress and required actions. It oversees working groups on the Task Force on Climate-related Financial Disclosures (TCFD), Product sustainability and Scope 3 emissions, Human Rights, and Diversity, Equity & Inclusion and Wellbeing.

The SteerCo updates the Board twice a year on ESG risks and opportunities, ensuring that ESG is embedded into the company-wide strategic planning process.

Supporting the UN Sustainable Development Goals

We know we are part of a bigger picture. Across the world, thousands of companies, governments and third sector organisations are supporting the UN Sustainable Development Goals (SDGs), aligning their efforts to end poverty, fight inequality and address climate change.

We have carefully considered the SDGs and their relevance to our business. As a result, we have identified six of the 17 goals where we can best contribute to a sustainable future and use these to shape our strategy.

As a long-standing member of the United Nations Global Compact (UNGC), we commit annually to learn from each other and play our part in advancing shared goals. Read more in our latest UNGC Communication on Progress.



Delivering for our customers

with innovative products, services and solutions that improve lives, are patient-centric and informed by HCP needs.



Our ambitions

- Continued reduction in complaints per million (CPM)
- Vitality index of 30% by 2025*

For more detail on our near-term targets, see our Annual report

*Vitality measures the percentage of revenues generated from new or significantly upgraded products and services launched in the preceding five-year period



Delivering for our customers

"Our promise is to be forever caring. This means that we will never stop listening, learning and improving our solutions for customers and patients. We are working more closely than ever with our customers – from the people living with chronic conditions, to the healthcare professionals (HCPs), care givers and businesses that support them. We're deploying new capabilities such as human centred design and human factors engineering, as we embed our innovation mindset with forever caring at its heart."

Dr Divakar Ramakrishnan, EVP, Chief Technology Officer and Head of Research & Development



Our approach

Our top priority as a business is delivering for our customers, and as we consider how our products and services help improve lives, we focus on:

- Innovation and efficacy
- Product safety
- Ethical and sustainable production
- Product access (availability, adaptability, usability, affordability)
- Ensuring data privacy

In numbers (2023)



Looking ahead, we aim to build on this performance by:

- Reaching a vitality index score of 30% by 2025
- Capture actionable carbon intensity data in our digital product sustainability tool and incorporate in our new product design process for carbon footprinting

For more information:

- [Ethics in new product development policy](#)
- [Amcare™](#)
- [Me+](#)



Forever caring in action

Sustainable product design

We use digital sustainability tools within our new product development and material change processes that help us improve the environmental sustainability of our products. The tools educate and empower product developers to make environmentally sustainable design choices, comparing and improving on the sustainability of previous products. Sustainability-driven innovation, such as our Mio™ Advance extended wear infusion set, also benefits customers. Developed in partnership with Medtronic, the device provides significant benefits for people with diabetes, with an estimated 50% reduction in set changes required. The infusion set is estimated to result in annual cost savings of up to 25% on insulin and result in around 2kg less plastic waste per year per patient.



Providing virtual support and community

Our me+™ programme supports people managing chronic conditions to enjoy their lives, providing access to phone support and a range of online resources. The programme covers lifestyle tips and advice, education and guided recovery tools, and peer-to-peer support related to ostomy and continence care. In the US, me+™ includes ostomy care telehealth and supplier connections. We use mobile apps to increase the accessibility of me+™ services. The Ostomy Nurse Solutions (ONS) app helps carers choose which product a patient needs and order samples directly. The app is designed to support the daily needs of those using the product, including tracking pouch changes, fluid intake and food diary, as well as easy access to me+™ support.



Sustainable sourcing

Hydrofiber in our advanced wound care dressings is developed from cellulose fibres, a natural material which is compostable, biodegradable, and sourced from sustainable semi-natural and plantation forests across Europe and South America – certified to world class sustainability standards (FSC and PEFC). Our dressings use 200+ tonnes of wood pulp each year, which is why we have always been committed to replanting and sustainable forestry. For every tree cut down in a plantation forest, which is usually a eucalyptus, one tree is replanted and, in a semi natural forest, beech or oak, approximately 5-10 trees are replanted to protect the forest and its biodiversity.



Enabling our people to thrive

by protecting their health and safety and using their talent for good



Our ambitions

- Gender balance and ethnic diversity in senior management
- Limit voluntary turnover
- Sustain low lost-time injury rates

For more detail on our near-term targets, see our Annual report



Enabling our people to thrive

"We have a unique opportunity to improve people's lives, but we know that Convatec will only reach its true potential when every colleague reaches theirs. This is why we are working hard to make diversity, equity and inclusion the hallmarks of our workplace, and prioritising a culture of health, safety and wellbeing that empowers every person to be and do their best and to continue growing throughout their careers."

Moyra Withycombe, Interim Chief People Officer



Our approach

Rooted in our vision, our people mission is to create a stimulating, inclusive and rewarding environment for our people to thrive and grow together, for the benefit of our customers, colleagues, communities and shareholders. To do this we focus on:

- Cultivating an inclusive culture for our colleagues by developing leaders, improving performance and equal opportunities, and making our employees' voices heard
- Building a diverse workforce with greater gender and ethnic diversity across our leadership by strengthening our approach to talent acquisition, progression and employee networks
- Supporting wellbeing as a priority for colleagues and the wellbeing of others by sustaining our focus on ways of working, workplace culture, environment, health and safety, and employee recognition
- Enhancing our reputation through leveraging our scale, partnerships and programmes that build pride within Convatec,

In numbers (2023)



Looking ahead, we aim to build on our performance to:

- Sustain our operations lost time injury rate
- Increase % of women in senior management roles
- Increase % of ethnic minority/under-represented groups in senior management roles
- Limit voluntary turnover

For more information:

- [Diversity, equity & inclusion and wellbeing](#)
- [Gender Pay Gap report](#)
- [Health & Safety Policy](#)



Forever caring in action

Our Work Life

Recognising the ongoing impacts of geopolitical events, cost of living crises and other pressures on both physical and mental health, we maintain a range of information, support and initiatives to help ensure our people have the opportunity to thrive.

United under Our Work Life philosophy, these include giving colleagues greater choice around hybrid and remote working, plus a range of initiatives to support health and wellbeing, such as:

- Focus Fridays, where we avoid scheduling regular or recurring meetings to create more space to concentrate on priorities and collaboration
- Convatec Day, an extra day off each October (coinciding with World Mental Health Day)
- Convatec Champions, our global recognition platform designed to drive engagement, belonging and performance
- Mentoring programme, sponsored by our Employee Resource Groups, connecting Convatec employees to ensure we're actively supporting our teams' professional development



Safety Standard Work Instructions (SWI) programme

The Safety Standard Work Instructions (SWI) programme provides critical safety and quality information, using a combination of photographs and descriptions of potential hazards, highlighting methods to control the risks associated with a task.

The programme offers a team-based approach to safety improvement and by clearly highlighting the risks and control measures, improves safe working practices for new and existing employees.

The SWIs were developed in partnership with operators and supervisors, providing a valuable opportunity for experienced employees to share knowledge with colleagues and develop improved safety controls.



Protecting the planet and supporting communities

through the way we operate and the contribution we make to the world around us

Our ambitions

- Net zero by 2045
- 100% renewable electricity procured globally by 2030
- 1 million lives reached through medical education and community partnerships by 2025

For more detail on our near-term targets, see our Annual report



Protecting the planet and supporting communities



"When it comes to our impact on people and planet, expectations of companies are higher than ever. Global movements and moments have brought into focus just how much social and environmental action is needed, and how much work there still is to do. At Convatec, we are determined to be part of the solution. We are reinventing the way we do things, not only across our own operations, but in collaboration with supply chain, distributors, and customers."

John Haller, EVP, Chief Global Quality & Operations Officer

Our approach

We recognise that healthcare solutions are only one part of improving lives. And we know that when it comes to protecting the environment and improving community wellbeing, we are all in this together.

We have strengthened our environmental strategy in several areas to ensure more targeted progress towards protecting the environment:

- **Carbon and energy:** updating our targets to ensure carbon emissions reductions in our own operations are in line with the Paris Accord and net zero commitment
- **Sustainable product design and supply chain:** ensuring innovation in product design to reduce the cradle-to-grave carbon footprint, including reducing our value chain Scope 3 emissions
- **Waste:** increasing attention to the environmental impacts of waste at the end of the production and use lifecycle
- **Water:** addressing the impact of production and manufacturing on freshwater ecotoxicity and the consumption of water in water-stressed environments
- **Governance:** facilitating and ensuring coherent action across the company to reduce our impact on the environment



Building trust within and between communities is also important to us. We support our communities through:

- Our socio-economic contribution
- Our community investment, including monetary donations, products and in-kind support, and volunteering
- Medical education and grants for education and research
- Workforce development programmes, such as apprenticeships

In numbers (2023)

100%
renewable
electricity at
manufacturing
sites

35%
reduction in
Scope 1 & 2
emissions

\$2 million+
donated to
charity
partners

240,000+
patients &
HCPs
participated in
educational
programmes

We seek to build on our momentum by setting targets to:

Meet our near-term Scope 1, 2 and 3 science-based targets by 2030:

- Drive a reduction in waste generated by our products, packaging and non-manufacturing activities, whilst increasing recycling
- Improve 250k lives through our charity partnership with Partners In Health
- Expand the reach of our medical education platform, including through online platforms



Forever caring in action

Science-based targets: moving towards net zero

The Science-Based Targets initiative (SBTi) helps companies develop a clearly defined pathway to reduce greenhouse gas emissions. Targets are considered 'science based' if they are in line with what climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.

After joining thousands of other companies committed to the SBTi, our SBTs* for Scope 1 (fuels burned in operations), Scope 2 (purchased electricity) and Scope 3 (supply chain) now guide our climate strategy across the business. This involves teams from R&D, Procurement, Supply Chain, EHS, Finance and more.

In line with our ambition, we are taking action including expanding our renewable energy programme, targeting Scope 3 emissions reduction through product and packaging sustainability programmes, supplier engagement, and improving logistics such as reducing air freight.

*Validated in December 2023

Progress on renewable energy transition

- As of 2023, all our manufacturing sites procure renewable electricity via renewable energy certificates (RECs)*.
- Current on-site renewable projects include solar panel installation in Haina, Osted and Deeside, with other renewable energy projects in the pipeline.

*Renewable Energy Certificates (RECs) certify that the bearer owns one megawatt-hour (MWh) of electricity generated from a renewable energy resource. Once the power provider has fed the energy into the grid, the REC received can then be sold on the open market as an energy commodity.

[Click here](#) to watch our **Forever Caring Month video** or scan the QR code:



Ostomy / Amcare™ samples

Amcare now uses 100% recyclable product sample packaging made from recycled papers for all ostomy samples sent to customers (about 20k/year). The producer holds Plasticfree, FSC, and ISO14001 accreditation. This outer packaging has a zero-carbon footprint across its entire supply chain and is printed with water-based inks on 100% recyclable and biodegradable paperboard certified by FSC® (Forest Stewardship Council) and guaranteed to biodegrade within 3-months.

Improving care in our communities with Partners In Health

In 2023, Convatec began a 3-year collaboration with our first global charity partner, Partners In Health (PIH) to explore innovative methods for recruiting, training and deploying over 1,000 Community Health Workers (CHWs) and enhance treatment of chronic conditions.

Objectives:

- Enhance care for underserved communities in Mexico, Peru and the United States, with potential to scale elsewhere
- Improve over 250,000 lives by activating CHWs to provide high-quality services and home visits
- Share our expertise in managing chronic conditions to support vulnerable populations

How we help:

- **Financial support:** \$2 million will support training and recruitment of CHWs, with a 10:1 social return on investment
- **Product:** Convatec will donate products to support other PIH sites, including programmes in Sierra Leone, Liberia and Haiti
- **Education:** Our Medical & Clinical Affairs teams lead adaptation and sharing of materials to upskill a range of PIH health workers globally

Forever caring month

In November and December each year, colleagues are encouraged to spend time in their communities, using days guaranteed by Convatec's volunteering policy. Stories are shared and celebrated as a way to witness our forever caring promise for communities.



For more information:

- [Environment Policy](#)
- [UK Carbon Reduction Plan](#)
- [Forever caring month highlights](#)
- [Partners In Health](#)

Behaving ethically and transparently

to protect and enhance our reputation across all our stakeholders and with our supply chain



Our ambitions

- Our largest suppliers commit to set Science Based Targets by 2026
- Expand focus on human rights through colleague training and improved risk assessment tools

For more detail on our near-term targets, see our Annual report



Behaving ethically and transparently

"Doing what's right' and 'owning it' are two values that we must live by every day - for the success of our business and wellbeing of stakeholders. This means we take seriously our responsibilities and commitments to all our stakeholders. We are investing in our business practices to make sure that our decisions at all levels continue to embody these values and to embed ethical behaviour in everything we do."

Evelyn Douglas, EVP, Chief of Corporate Strategy & Business Development and General Counsel



Our approach

How we conduct ourselves in commerce – earning trust by behaving responsibly with integrity and doing what we say we will do – is essential if we are to achieve our vision and create value for our stakeholders. It is also the right thing to do and protects our reputation.

Our extensive ethics and compliance programme incorporates several policies and procedures including:

- Maintaining a Code of Ethics and Business Conduct
- Making available an independently provided Compliance Helpline and web link for employees and third parties
- Assuring the existence of mechanisms to ensure issues can be reported and reviewed

Our values are incorporated through the way we engage our supply chain in our commerce. Suppliers are required to comply with our Global Third-Party Manual and our Code of Conduct, and are requested to engage with third party risk platforms for transparency.

In numbers



Looking ahead, we aim to build on this performance by:

- Improving EcoVadis scores of our suppliers
- Increasing suppliers with net zero targets and strategies
- Expanding colleague training on human and labour rights

Being transparent in our commerce

ESG disclosures can be an alphabet soup, with over 1,000 possible data points to report on. At Convatec, we prioritise reporting and membership obligations that align with our vision and values, and offer the most value to a range of stakeholder needs. These include:

Ratings

Disclosures

Affiliations

Forever caring in action

Supplier engagement strategy

We are committed to responsible business practices around human rights, environmental stewardship, and ethical behaviours, and expect the same commitment from partners we work with.

Emissions from our purchased goods and services equate to almost 60% of our overall environmental impact and so we are focused on working with suppliers to help us achieve the reductions we need to meet our goals, such as achieving net zero emissions across our value chain by 2045 and embedding world class systems like EcoVadis and Sedex.

We have developed a strategy to work together over the coming years to minimise adverse impacts on the planet and people. As part of this programme of work, we are asking our partners to ensure:

- Annual disclosure of Scope 1, 2 and 3 emissions data
- Development of carbon reduction plans
- Commit to Science Based Targets by 2026, with targets validated by 2029 at the latest.
- Submit self-assessments on human and labour rights



For more information:

- [GRI/SASB table](#)
- [Supplier engagement](#)
- [Global Third Party Manual](#)

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Join the journey

For Convatec colleagues

Visit our [ESG intranet](#) pages for more information about targets, links to policies and reports, and details of key contacts.

For everybody

Discover more about ESG on our [website](#).
Read more in the [Responsible business review](#) section of our latest Annual Report.

Get in touch with our team at esg@convatec.com





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— forever caring —

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