

Sustainability

Sustainable growth leadership

Coloplast Capital Markets Day 2020

Virtual break-out session

October 9th 2020

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Coloplast Group - Ostomy Care / Continence Care / Wound & Skin Care / Interventional Urology

Making life easier

Supporting sustainable development with a strong emphasis on improving our environmental performance

Our mission

Making life easier for people with intimate healthcare needs



Our 2025 priority

Reducing emissions



0 emissions from scope 1&2
100% renewable energy

Our 2025 priority

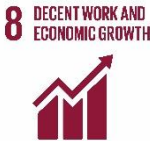
Improving products and packaging



80% packaging made from renewable materials
50% production waste recycled

Our on-going commitment

Responsible operations



Our starting point is solid with room to improve

We have been through a rigorous process to access our Sustainability performance ...

... Supported by our materiality assessment, we have based our priorities on our impacts

- Bottom-up assessment based on 23 parameters
- Involvement of stakeholders: Employees, customers/end-users, society and investors
- Working closely with external consultancy throughout the process
- Engaging and empowering our employees through an idea campaign



Governance	✓
People	✓
Suppliers	○
Products	✗
Emissions	✗



Coloplast's position on plastic

Plastic is used every day for many things.

What happens after plastic is thrown away is causing a problem for our planet.

As a manufacturer of medical products made of plastic, Coloplast has a responsibility.

We embrace that responsibility and have clear priorities:

1. Product safety and clinical performance cannot be compromised
2. Single use products are the easiest and safest option for our users
3. Sustainability should be easy for our users
4. We need to identify new materials and support the development of new technologies
5. Partnerships across the industry are essential

We are investing up to 250m DKK over the next 5 years to support sustainable environmental development¹

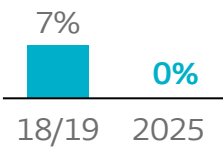
Key Sustainability Targets 2025



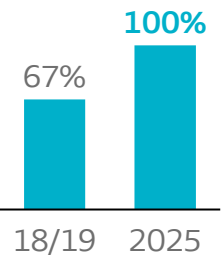
Reducing emissions

while being a *growth* company

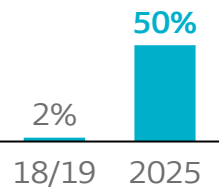
Scope 1+2 emissions²



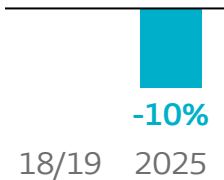
Renewable energy



Company cars are electrical



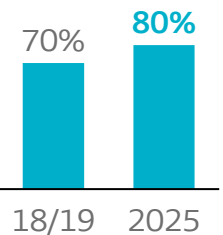
Reduce business travel



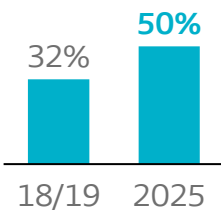
Improving products and packaging

by addressing *material use*

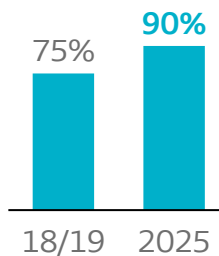
Packaging consisting of renewable materials³



Production waste recycled



Making packaging recyclable

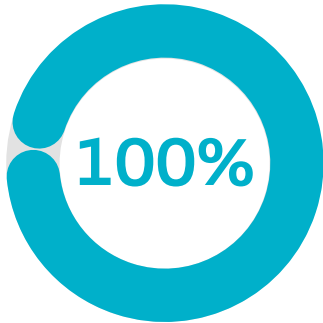


1) Approximate split: DKK 150m in OPEX and DKK 100m in CAPEX
2) % of Coloplast's total greenhouse gas emissions
3) Renewable materials are defined as either recycled or bio-based

We continue our strong commitment to responsible operations

Key Sustainability Targets 2025

Responsible operations is our *core values*



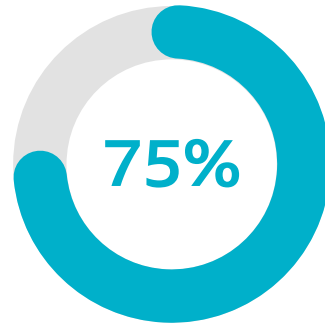
White-collars trained in Code of Conduct



Loss-time injury rate*



Female representation at VP+ levels

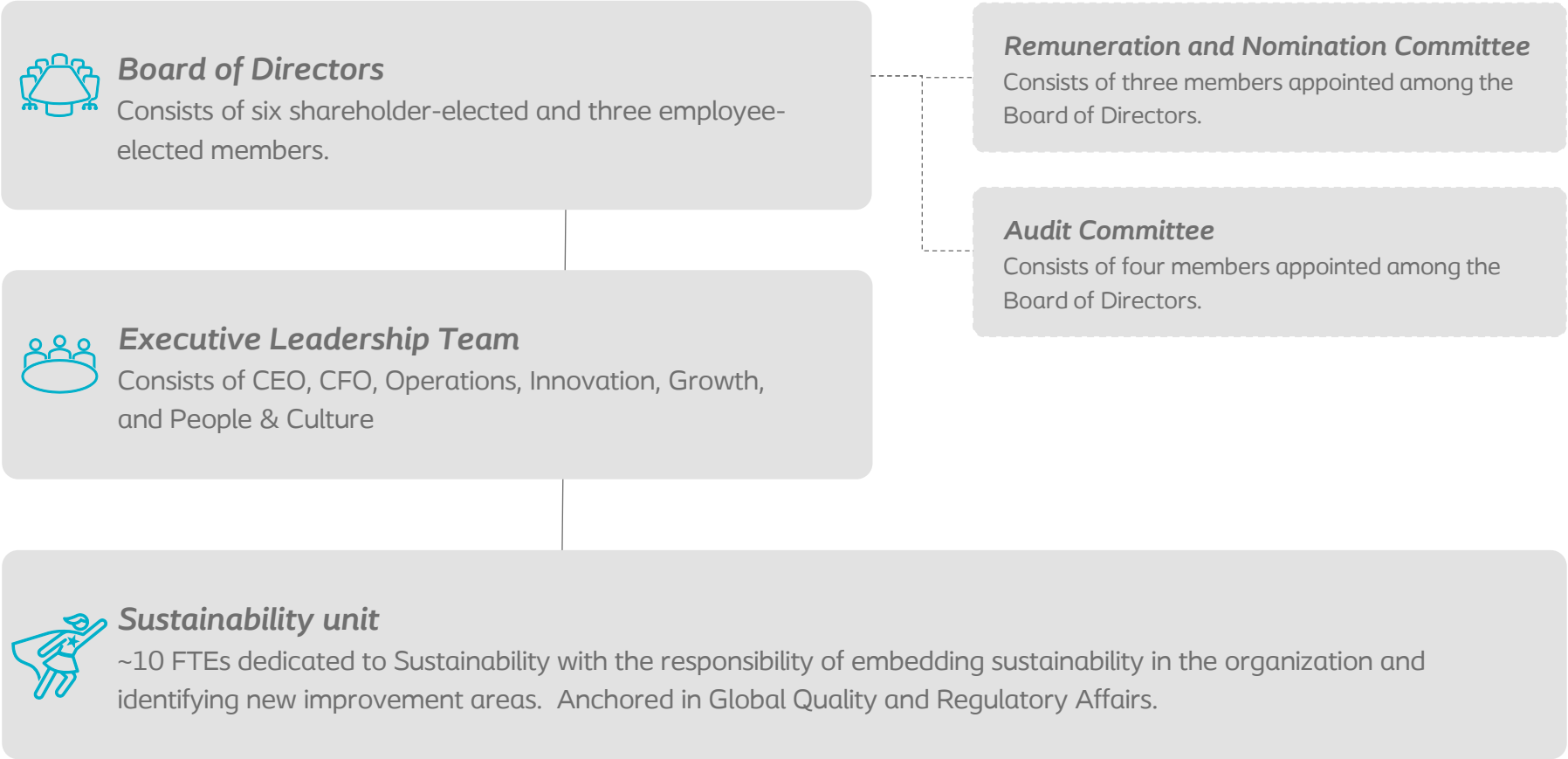


of teams (Director and above) meet diverse team targets criteria**

* Number of injuries resulting in absence from work of more than eight hours per one million working hours

** A diverse team consists of a max. 75% of one gender + either max. 75% of one generation or one nationality

We have strengthened our governance of Sustainability





ESG

Appendix

Environment: Improving products and packaging

Integrating sustainability throughout our raw material flow

	Raw materials	Production	Disposal	Landfill, incineration or nature
				
2020 Status	<p>Total: 40,000t (25,000t plastic)</p> <ul style="list-style-type: none"> • of which 25% is renewable materials* • 70% of packaging consists of renewable materials* 	Waste recycled: 36%	75% of packaging is recyclable	+1,200,000,000 units
2025 Targets	<p>80%</p> <p>of packaging consists of renewable materials</p> <p>We will look into bio-based and recycled alternatives to fossil-based plastics</p>	<p>50%</p> <p>of production waste is recycled</p>	<p>90%</p> <p>of packaging is recyclable</p>	<p>We do not have direct impact on waste systems, but we can influence what and how much ends up in these systems</p>

* Renewable materials are defined as either recycled or bio-based

Environment: Reducing emissions

We are committed to reducing emissions while growing 7-9% organically

2025 target

0

Emissions from scope 1 +2

2025 target

100%

Renewable energy

2025 target

5%

Limit on goods transported by air

2025 target

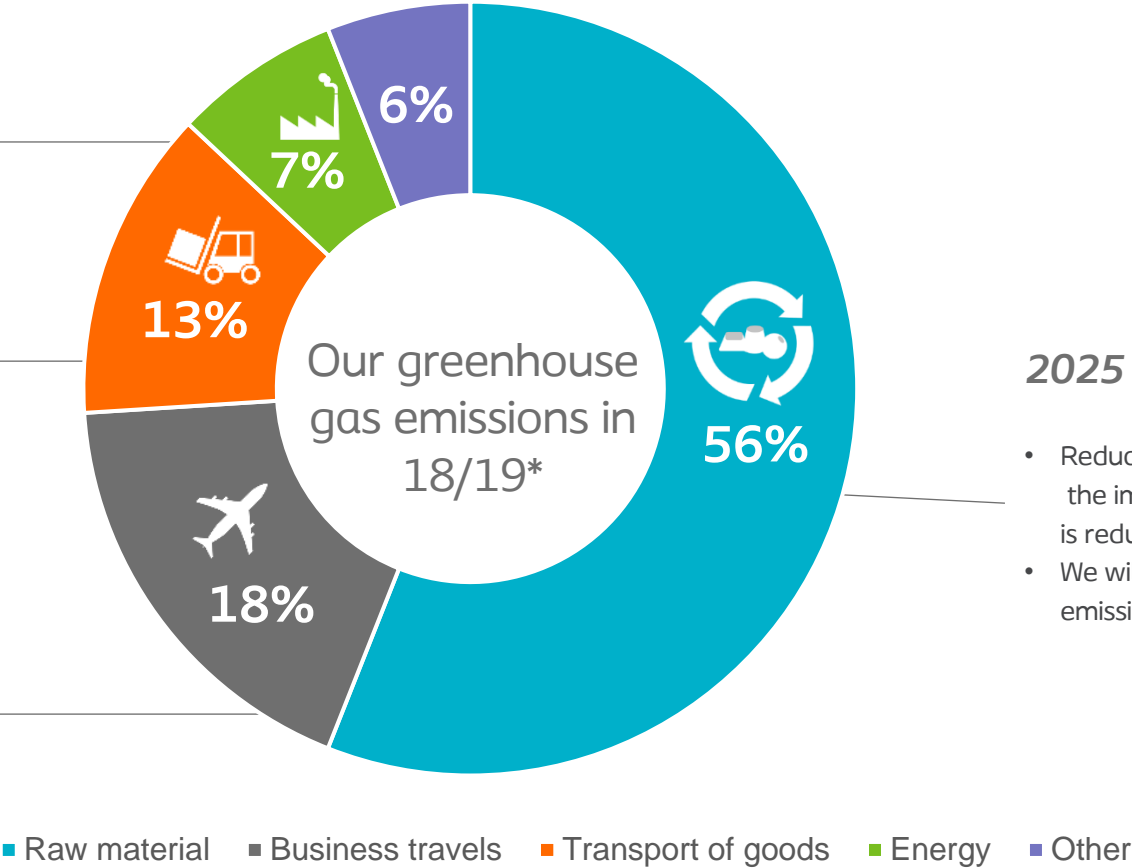
50%

of company cars are electric

2025 target

10%

Reduction in air travels compared to 18/19 levels



- 2025 target
- Reductions dependent on how much the impact of product and packaging is reduced
 - We will develop targets to reduce emissions among suppliers during 2021

* 18/19 Scope 1 + 2 emissions: 11,300 tonnes, Scope 3 emissions: 155,000 tonnes

Social: Responsible Operations

Our mission inherently strives for better outcomes as well as better access to healthcare

Raising standards of care

Our partnership programme, Access to Healthcare, seeks to improve conditions within ostomy, continence and wound care. Established in 2007, the programme has so far supported +60 projects.

Education



Coloplast has partnered with the University of Rochester to develop a synthetic male pelvis model as well as a parallel online curriculum to enable global education opportunities.

Awareness



Build patient and practitioner awareness of coated intermittent catheters in Brazil and create a documented 'gold standard' patient pathway.



+60 projects globally

Access/Funding



Coloplast has partnered with Key Opinion Leaders and Patient organisations to advocate for better access and treatment opportunities. Over the past 5 years, Coloplast has successfully seen increased access and funding for IC in Japan, South Korea and Australia. Most recently Japan has also introduced increased funding for bowel management products.

Enabling better outcomes



Product and service outcomes

Products and services reduce ostomy re-admissions in the US by 55%¹



Coloplast Care

- ~1.8m consumers in our database in 30+ countries
- 83% expressed feeling an improved quality of life through their participation²



Educating and training for clinicians

- +850 ostomy and continence care nurses from +20 countries are involved in our advisory boards
- +700 participants at Continence Days and Ostomy Days

(1) SirikanRojanasarot, The Impact of Early Involvement in a Postdischarge Support Program for Ostomy Surgery Patients on Preventable Healthcare Utilization, JWOCN, 2017;00(0):1-7.

(2) Coloplast Market Study, 2013, data-on-file (PM-00728)

Social: Responsible Operations

We have initiated a very ambitious Clinical Performance Program to tackle the biggest issues users face

Users are challenged by skin irritation and urinary tract infections

91%

of people with a stoma worry about

leakage

and more than

76%

have experienced leakage over the last 6 months¹

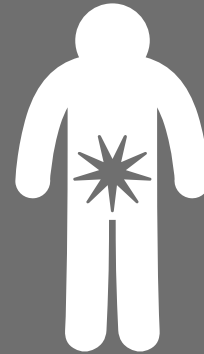


Intermittent catheter users have

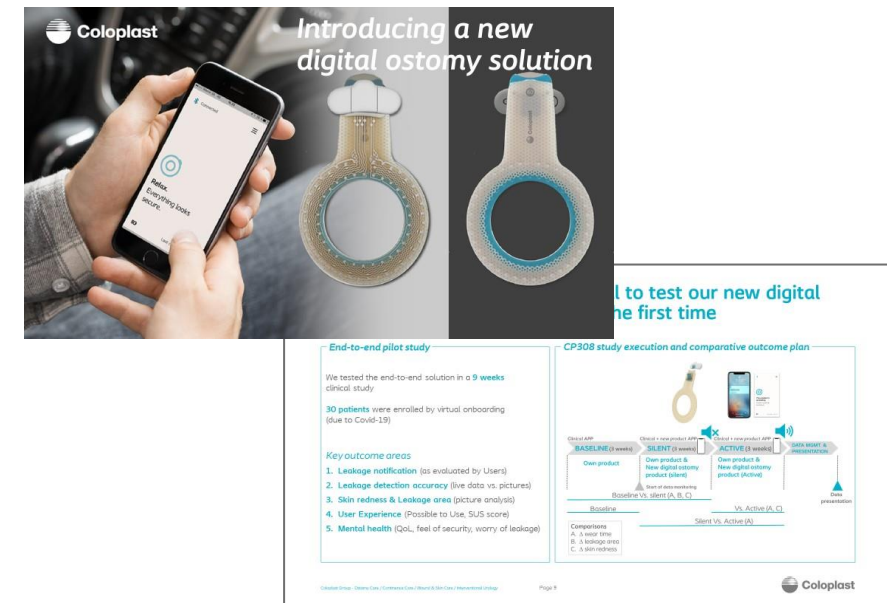
2.7

urinary tract infections

on average per year²



We have made progress on key technologies and run clinical trials



(1) Claessens et al., 2015. The Ostomy Life Study: The everyday challenges faced by people living with a stoma in a snapshot, Gastrointestinal Nursing, 13, 18-25.

(2) Coloplast Intermittent Catheter User Study 2016, (data on file).

Social: Responsible Operations

We have a strong outset on organisational health that we strive to maintain

Status

7.9 out of 10
employee *engagement score*

Ambition

Continued Employee
Engagement above industry
benchmark*

8.7%
voluntary employee *turnover***

Maintain healthy level with
specific geographical focus

67%
*of critical managers positions
filled by internal candidates*

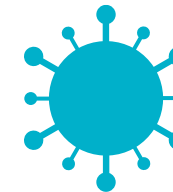
67% of our critical managerial
positions filled internally

Ensuring safety at work



Reducing injuries

- 33% reduction in injury rates since 15/16
- New target to reduce LTI to 2.0 by 2025



Covid-19

1. Keeping our people safe,
2. Continuing to serve our customers
3. Maintaining business operations

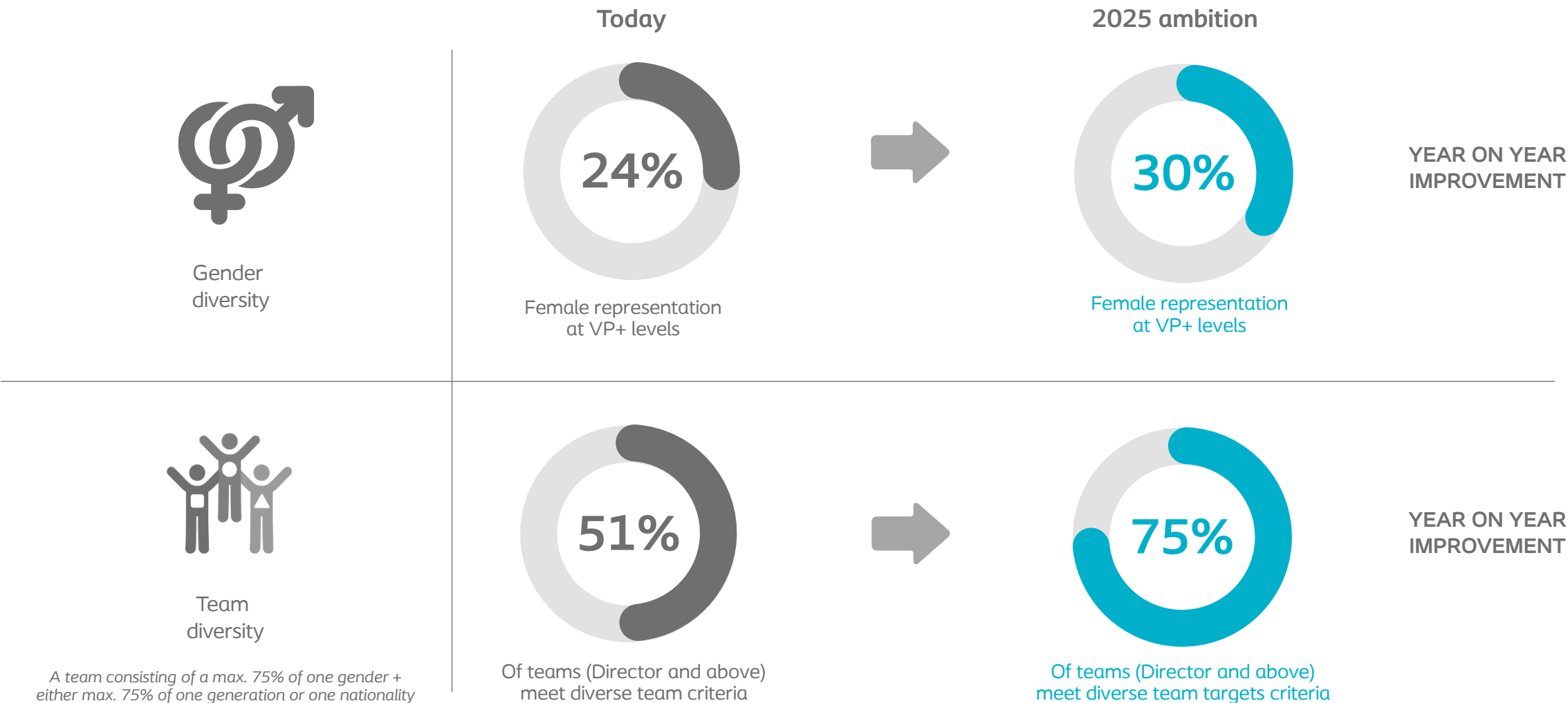
Source: 12-months data as of August 2020 for employee turnover and critical managerial positions

* Engagement survey data March 2020. Healthcare benchmark through Peakon

** Total turnover 13.6%

Social: Responsible Operations

Building a culture of inclusion and diversity



Social: Responsible Operations

Business with uncompromising integrity is sustainable business

Our way

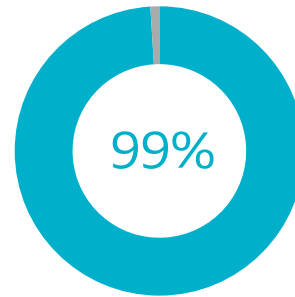
Coloplast business is founded on integrity, and we focus on building and maintaining a culture of integrity to ensure sustainable and profitable business and to reduce risk.

Being a corporate citizen of an increasingly sustainability focused world and operating globally in a heavily regulated industry, we have implemented strong structures to support our culture of integrity and mitigate risk.

We say what we do, and we do what we say – we sanction misconduct.

Building a culture of integrity

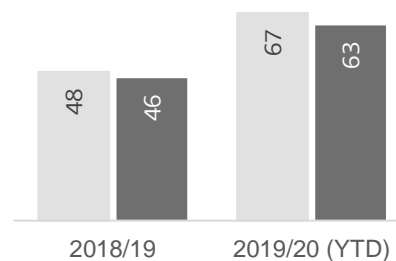
BUSINESS ETHICS TRAINING



of white collars:

- trained in our Code of Conduct
- recertified in 2020
- trained on data protection

ETHICS HOTLINE CASES



■ Cases submitted to the ethics hotline
■ ...of which within scope

We have made it easy to raise a concern and we inform about enforcement – this is reflected in the numbers.

Internal structures supporting integrity

- Business Ethics Management and Audit Framework
- Regular top level communication about business ethics
- Quarterly global training and awareness campaigns
- We measure our business ethics and data privacy initiatives to continuously identify and respond to risk



Extra attention on third parties

Distributor and Supplier codes of conducts and dedicated resources to conduct third party risk assessments and due diligence.



Governance

Executive compensation is directly correlated with shareholder value creation

Short-Term Incentive: Annual Incentive Program

- Annual cash bonus of up to 25% of fixed pay
- Tied to financial guidance
- For current fiscal year, the below KPIs determine the actual payout:

Delivering on Business Strategy



Long-Term Incentive: 3-year Rolling Plan

- Eligibility once a year to receive stock options with a value at the time of grant of up to 12 months' base salary
- Size of the grant calculated based on the base salary as at the end of the previous fiscal year
- Value of the stock options granted calculated based on the Black-Scholes formula
- Strike price is between 0% and 10% higher than the market price at the date of grant
- The duration of the program is presented below:



Governance

Board of Directors

Shareholder representatives only

Name	YoB	Nationality	Independent?	BoD since	Audit Committee	Rem. and Nom. Committee*	Board competencies	Other Board positions (selected)
Lars Rasmussen Chairman	'59	DK	No	'18	X	X	Extensive executive management and board experience from international listed companies in the medtech and pharma industry. In-depth knowledge within commercialization of innovation, B2B and B2C sales models and efficiency improvements.	H. Lundbeck, Ambu, Demant, Igonomix S.L.
Niels Peter Louis-Hansen Deputy Chairman	'47	DK	No	'68		X	In-depth knowledge of the industries in which Coloplast operates, its dynamics and key players as well as deep insight into strategy development from decades of board work. Key contributor to preserving the Coloplast culture.	Aage og Johanne Louis-Hansen Fond, N.P. Louis-Hansen ApS, NPLH Anpartsinvest ApS
Carsten Hellmann Member	'64	DK	Yes	'17	X		Considerable executive management experience and extensive experience in product development and international commercialization within highly regulated industries as well as M&A activities, including post integration.	The Danish Chamber of Commerce
Birgitte Nielsen Member	'63	DK	Yes	'15	X		Extensive management experience and considerable board experience from both listed companies and large privately held companies within the medtech industry and the financial sector. Financial and accounting experience as well as in-depth knowledge of the financial markets.	Matas. De Forenede Ejendomsselskaber, Kirk Kapital
Jette Nygaard-Andersen Member	'68	DK	Yes	'15		X	Considerable executive management and board experience within global medtech, media & entertainment, and digital growth businesses. Experience within business and marketing strategies, digital transformation, optimization of customer experience and engagement, digital growth start-ups and M&A activities, including post integration.	GVC Holdings Plc
Jørgen Tang-Jensen Member	'56	DK	No	'07	X		Considerable global executive management experience and extensive board experience from international listed companies within the medtech industry and the building materials industry. Experience within corporate governance, accounting and finance as well as strategy development and execution.	Rockwool International, VKR Holding, VILLUM FONDEN, Maj Invest Holding, Strøjer Tegl

*Remuneration and Nomination Committee

Our mission

Making life easier for people
with intimate healthcare needs

Our values

Closeness... to better understand
Passion... to make a difference
Respect and responsibility... to guide us

Our vision

Setting the global standard
for listening and responding