



MERIVAARA
FYSIOPARTNER
MEDEMA



Corporate Sustainability Report 2023

Content

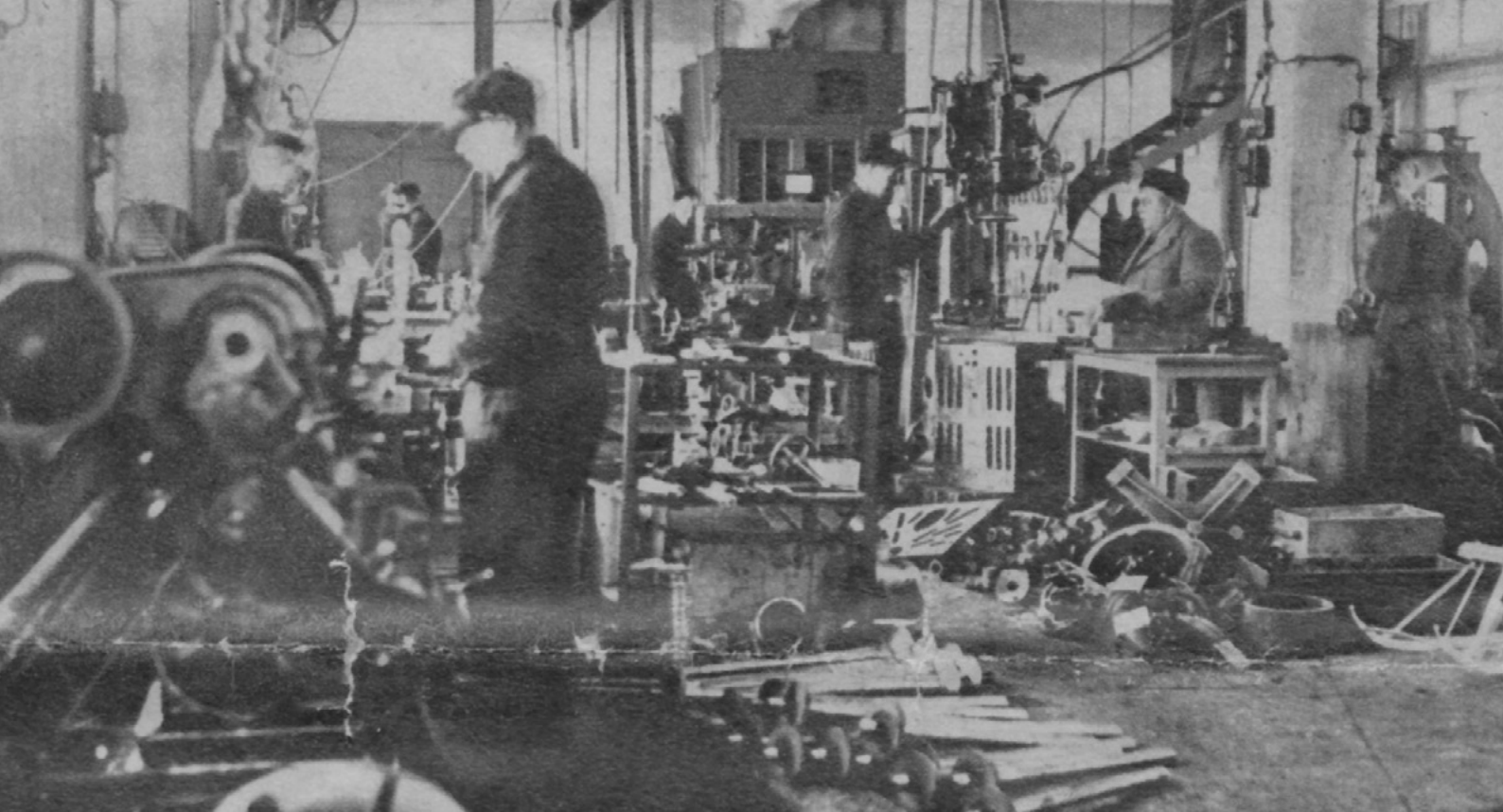
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<https://www.lojer.com/fi/>

<https://www.merivaara.com/fi/>

<https://www.medema.se/>

<https://www.fysiopartner.no/>



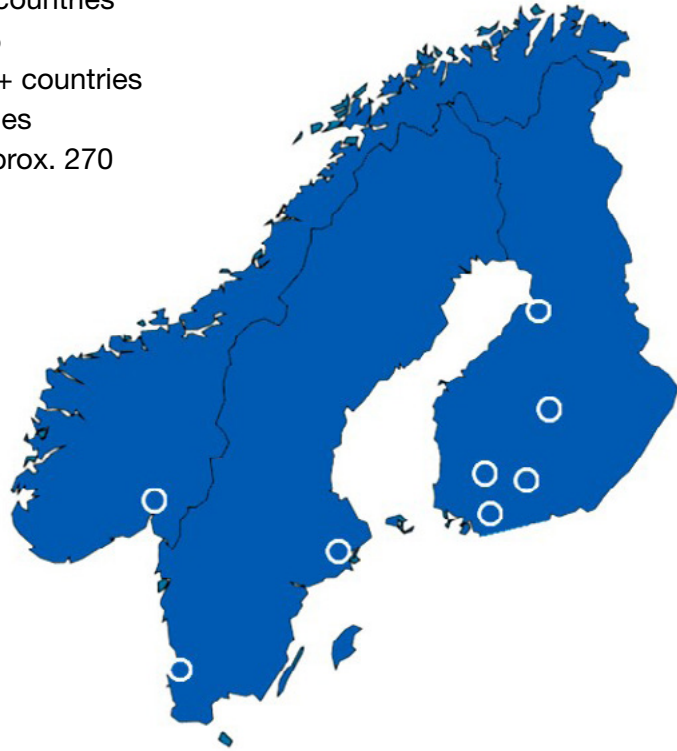
About Lojer Group

Lojer Group is the largest manufacturer of hospital and healthcare furniture and a provider of lifecycle services in the Nordic countries. Together with its subsidiaries, Lojer is the leading distributor of physiotherapy equipment and products in the Nordic countries. Subsidiary Merivaara's software, equipment and services improve patient safety and increase the quality and efficiency of surgical care in the world's leading hospitals. Lojer's factories in Sastamala, Hollola and Kempele produce hospital beds, examination and treatment tables, operating tables and lights, among other products. The company was founded in 1919 and is still privately owned. Lojer employs around 270 people in four countries and is Finland's biggest employer in the field. Annual turnover is over 60 million euros, of which exports account for 70% and surgery room products for around 95%. The group includes Lojer Oy, Merivaara Oy and sales companies in Sweden and Norway.

We offer innovative and unique products, manufactured in Finland to the highest quality standards and marketed around the world by our skilled and committed staff. We are committed to developing and manufacturing sustainable healthcare equipment and tools for healthcare professionals to provide the best possible care for patients today and in the future.

Lojer in Finland and internationally

- Head office and three factories in Finland (Lojer Oy, Merivaara Oy)
- Subsidiaries in Sweden (Medema Physio AB, Merivaara AB) and in Norway (Fysiopartner AS)
- Active distributors in 60+ countries
- Export share around 70 %
- Products delivered to 115+ countries
- Webshops in three countries
- Number of employees approx. 270
- Annual turnover 60 milj. €





Unique portfolio & innovative design

Our business areas

Hospital & Nursing

- Hospitals, clinics
- Nursing homes, home care
- Healthcare service companies

Surgery

- Hospitals, clinics
- Medical districts
- Health regions

Physical Therapy Equipment

- Physiotherapists
- Massage therapists
- Consumers

Medical Service

- Hospitals
- Senior homes
- Healthcare service companies

Product groups

- Operating and surgery tables
- Operating table accessories
- Medical lights
- Pendants
- Hospital beds
- Examination tables
- Treatment tables
- Examination and treatment chairs
- OR integration and AV systems

and a large range of other healthcare equipment and tools.



Certified quality

Lojer was the first Nordic manufacturer of healthcare furniture to receive ISO 9001 certification back in 1994. Lojer has ISO 9001 and ISO 13485 quality systems and ISO 14001 environmental management system certification at all its sites, and its entire operations are based on these systems. Our products are designed according to EU medical device standards and tested by an independent testing laboratory.

We are continuously developing our management system and processes to ensure consistency throughout the value chain. The main goal for this financial year was to harmonise and identify common good practices in quality and environmental management within the group. Previously, Lojer and its subsidiaries had their own quality and environmental management systems, which formed the basis for a group-wide management system. The new system will clarify practices across all our sites and make it easier to monitor the effectiveness of the system. With a group-wide system, internal communication will be enhanced, and continuous improvement will become more efficient. Common practices also play an important role in risk management.

Stakeholder cooperation

Lojer Group's key external stakeholders are customers, suppliers, and distributors. The main ways and channels of stakeholder engagement and cooperation include trade fairs and other events, various surveys such as customer satisfaction and sustainability surveys, cooperation and partnership networks, newsletters, stakeholder magazine, social media channels, websites, and company visits.

Lojer informs its stakeholders about the company's values and ethical principles. We do not cooperate with anyone who breaks the laws or disregards the environment. We do not accept products or components from suppliers or manufacturers who use, or are suspected of using, forced labour in their supply chain. We take human rights into account in our supplier relationships.



Sustainability at Lojer Group

At Lojer, sustainability has been an obvious part of business for a long time, and it's taken into account in all our operations.

Working within the principles of sustainable development

Sustainability is a key part of our business and company values. Our vision is to be a pioneer of sustainability within our industry. We want to change the world and believe in the power of example. We are constantly improving our operations and looking for new solutions to act even more sustainably.

Our sustainability work is guided by the UN 17 Sustainable Development Goals. As part of our materiality assessment, we have identified four key SDGs, for us and our stakeholders, that we focus on promoting.

Goal 3: Ensure healthy lives and promote well-being for all at all ages

As the largest manufacturer of hospital and healthcare furniture in the Nordic countries, we play a key role in promoting human health and well-being worldwide. We are committed to developing and manufacturing sustainable healthcare equipment and tools for healthcare professionals to provide the best possible care for patients today and in the future.

We aim to create solutions for maintaining a high and an extremely high level of hygiene. Antimicrobial solutions and new materials reduce the risk of infection and contamination and improve the safety of both healthcare professionals and patients. The Lojer Antimicrobial product range is designed to prevent microbes from spreading. Microbes travel from person to person via touch surfaces: from a person's system to their hands; from their hands to a surface; from the surface to another person's hands; and from their hands to their system. This is why we have paid special attention to critical touch surfaces in designing our products. Touch-free solutions, such as the 360° foot bar and hands-free foot adjustment bar, are designed to minimise manual adjustments, thereby ensuring uninterrupted care and maximum efficiency. For example, no time is wasted on extra glove changes and hand disinfection. In addition, from a safety perspective, there are no extra wires on the floor and the table can be easily controlled from both sides of the table.

Together with five other Finnish companies - Oras, Isku, Abloy, Teknos and Korpinen - Lojer is part of the HygTech Alliance, a group that develops solutions and products to reduce contact infections and infections, for example in hospitals. HygTech is the only hygiene technology alliance that provides a holistic line of antimicrobial solutions. <https://hygtechalliance.com/>



Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

We want to be a good employer and an appealing place to work by creating an environment based on cooperation, responsibility and openness. Employee well-being is important, and the company is committed to providing safe and healthy working conditions for all its employees.



Lojer employs and treats its staff in a way that does not discriminate on the basis of gender, age, ethnicity, religion, nationality, political opinion, marital status, disability or union membership. Accessibility is promoted not only in the products and services we provide, but also in our recruitment and working environment (targets 8.5 and 8.8).

Finnish manufacturing is an important factor in promoting productive employment and sustainable economic growth. All Lojer products are designed and manufactured in Finland, using high quality materials and components (targets 8.2, 8.3 and 8.4). This is demonstrated by the fact that Lojer products have been awarded the Key Flag of the Association for Finnish Work as the only manufacturer of hospital equipment in Finland. In addition, Merivaara has been awarded the Design from Finland mark in 2021 as a sign of excellence in Finnish design, i.e. professionally, responsibly and user-oriented designed products.

Lojer Oy has received several public acknowledgements for its work. For example, in 2020, Lojer received the Internationalisation Award of the President of the Republic of Finland.

Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

We want to lead the way for the carbon-intensive machinery industry with our ambitious carbon neutrality goal. We are working every day to ensure that our operations are carbon neutral by 2035. New solutions to reduce our carbon footprint and other environmental impacts are constantly being sought. Through investment and continuous improvement of processes and practices, we can directly influence the carbon footprint of our own operations and the use of natural resources, as well as the carbon footprint of our products.



Goal 12: Ensure sustainable consumption and production patterns

We take environment into account in all our operations for example by improving waste sorting (target 12.4) and using renewable energy. Material efficiency is related not only to our own production, but also to the use and recyclability of packaging materials. Life cycle services and solutions we offer play an important role in promoting the circular economy (target 12.5). We want to act as a forerunner of sustainability within our industry and make our voices heard to promote sustainable public procurement practices (target 12.7).



Through transparent communication on sustainability, we will also encourage others to promote sustainable choices in their own operations. With our first corporate sustainability report, we will raise awareness of our sustainability work and the goals that guide it (target 12.6).

Read more about the 17 SDGs:
<https://sdgs.un.org/goals>





Sustainability strategy

In addition to the UN Sustainable Development Goals, our sustainability work is guided by our sustainability strategy, which consists of three focus areas and their main targets for 2023-2025. The focus areas are:

- High quality & safe products
- Good employer
- Sustainable value chain

There is no separate action plan for implementing the sustainability strategy, as sustainability is not a separate entity, but a value that guides all our activities. The sustainability strategy provides a framework for sustainable choices across the group and operations - a lens through which to look. The sustainability strategy serves as a tool for implementing the group-level strategy as well as for daily management. The sustainability targets go hand in hand with the group strategy and everyone's contribution is needed to achieve these targets.

Progress towards our sustainability objectives is measured by a set of KPI's that are systematically monitored. The results will be reported annually in the Group Sustainability Report.

Areas of focus

High quality & safe products

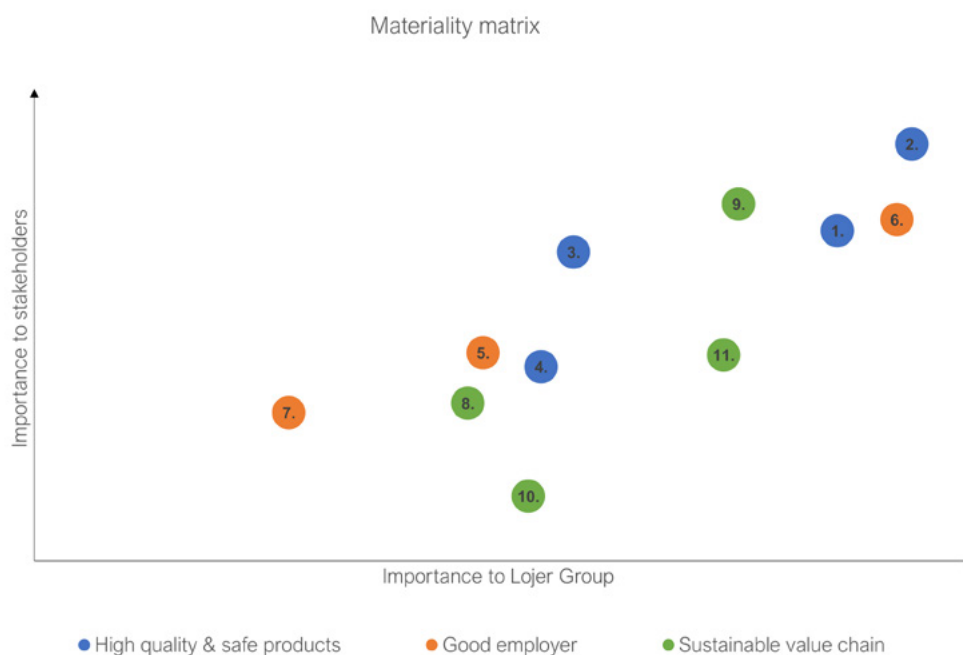
1. Long life cycle and good serviceability
2. Patient safety and good ergonomics
3. Quality management and common policies
4. Sustainable materials

Good employer

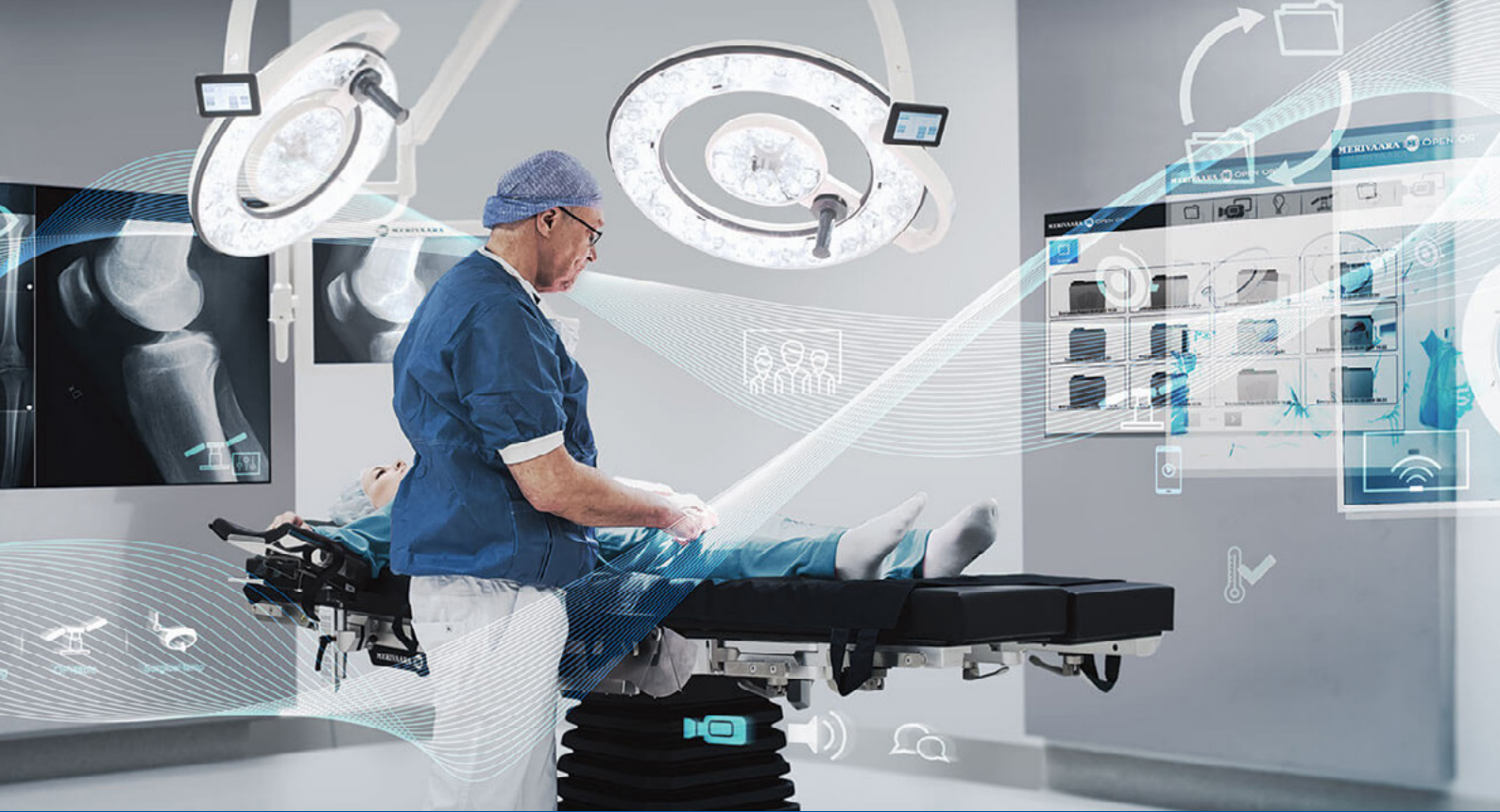
5. Developing personnel's competence
6. Promoting occupational safety and well-being
7. Promoting accessibility

Sustainable value chain

8. Carbon neutrality by 2035
9. Acting in accordance with Code of Conduct and sustainability targets throughout the value chain
10. Promoting circular economy
11. Promoting sustainable economic growth and productive employment



The materiality analysis is based on information collected during the financial year from external and internal stakeholders. All the targets described in the matrix are important to us and to our stakeholders. The purpose of the matrix is to illustrate the double materiality and emphasis of the different targets in our own activities in relation to the activities and expectations of our stakeholders. The X-axis shows the importance of the different targets for the Lojer Group and the Y-axis the importance for our stakeholders.



High quality & safe products

Product safety and high quality are the foundation of our products. Environmental issues are also key to promoting health, and we address these through effective circular economy solutions and material choices. Through lifecycle services, we enable the long life of our products and patient safety throughout their life cycle.

Our products are designed with particular attention to promoting patient safety, fluent usability, ergonomics and cleanability. Good ergonomics and smooth and intuitive use of equipment allow healthcare professionals to focus on patient care, not on managing complex technologies. Simple and uncluttered designs make the surfaces of the equipment easier to access for cleaning.

Wide range of spare parts and maintenance services - even for products over 20 years old

In addition to a unique product portfolio, we offer a wide range of life cycle solutions:

- Maintenance and spare parts services
- Care contracts
- Leasing
- Easy Care equipment register

It is critical to the safety of both patients and healthcare workers that healthcare equipment remains in good order and fulfils the relevant standards for the whole of its life cycle. Throughout the usable life of a piece of medical equipment (over 15 years), servicing and spare parts costs are significant in comparison to original purchase costs. Lojer complements its comprehensive range of hospital equipment by offering its customers a wide range of maintenance and service solutions to keep their products in good order.

Maintenance and servicing is often sensible to outsource to the seller of the equipment, who can service and maintain all of the customer's equipment, regardless of make, as well as provide spare parts service. Patient safety is increased through preventative maintenance and documented annual inspection and assessment of equipment condition.

With regular maintenance, the equipment will last for a long time in use and the life cycle costs and environmental impact of the product will be reduced. Maintained equipment is also ergonomic and safe to use. The oldest Lojer equipment in use by our service contract customers dates back to the 90s, which speaks for the durability of the equipment and the success of the maintenance operations.

Learn more about Lojer's life cycle services:
<https://www.lojer.com/en/medical-service-en>



Good employer

Our personnel

	Finland	Sweden	Norway
Personnel (women/men) at the end of the FY2023, of which	52/171	21/14	4/6
permanent	48/164	21/13	4/6
fixed-term	4/7	0/1	0
full time	50/161	21/13	4/6
part-time	2/10	0/1	0
In total	223	35	10
Staff covered by Finnish collective agreements (TES)	83 %	-	-
Temporary agency work	8	-	-

31.8.2023.

Personnel development and competence is monitored and promoted through annual career development discussions and a training register. In 2023 personnel were trained on topics such as good leadership and sustainability.

Employee well-being is measured annually through an employee satisfaction survey, the latest of which was carried out in May 2023. Employee well-being is supported through, for example, massage, exercise and cultural benefits.

We aim for 0 accidents

	Sastamala	Hollola	Kempele	In total
Occupational accidents	6	1	1	8
A near miss	11	1	1	13
Occupational safety observations, of which	5	0	4	9
areas for improvement	5	0	3	8
positive findings	0	0	1	1
Environmental observations, of which	0	0	0	0
areas for improvement	0	0	0	0
positive findings	0	0	0	0

31.8.2023.

Near misses, occupational accidents and safety and environmental observations are monitored using the safety reporting tool. We also monitor positive safety and environmental observations so that good practices can be implemented within the whole group. Active observation increases safety at work and prevents occupational accidents. The aim for the next financial year is to increase the number of observations and to extend the use of the reporting tool to the subsidiaries' locations.

Occupational health and safety are part of every employee's job. Each of us contributes to a safer, more pleasant, and more productive workplace. The focus on safety and well-being at work was a recurring theme in internal audits this financial year, particularly chemical safety.

Anonymous reporting channel

National implementation of the so-called Whistleblowing Act (Act on the Protection of Persons Reporting Breaches of EU and National Law) came into force at the beginning of 2023. The law requires organisations employing 50 or more people to establish a channel for reporting any wrongdoing or malpractice they have observed within the organisation. Through this channel, the organisation will also inform the whistleblower of the actions taken. The whistleblower must be given a final response (i.e., what action will be taken in response to the report) within three months of the submission of the report. The reporting channel has identified the responsible persons within the group and a person whose business area(s)/team(s) are affected by the report cannot deal with the report.

A training session on the use of the anonymous reporting channel was held for Lohja Group employees at the end of March. The training covered the new law and the purpose of the channel, how and what kind of issues to report and aspects on data privacy. The anonymous reporting channel was launched at the beginning of April.



Sustainable value chain

Lojer's aim is to strive for long-term and profitable business by acting responsibly in all areas of its operations. Lojer is committed to fulfilling all its social responsibilities in a punctual manner and is a Reliable Partner in accordance with its customer responsibility (Finland). The company's information can be verified on the web site www.tilaajavastuu.fi.

The code of conduct sets out the general guidelines that Lojer's staff, as well as other stakeholders such as subcontractors and suppliers, are expected to follow. The Code of Conduct addresses issues such as compliance with laws, regulations and rules, conflicts of interest, bribery, human rights, equality, confidentiality, and good business practice. <https://www.lojer.com/en/company/sustainability/code-of-conduct>

Reducing carbon footprint

We actively seek to reduce the environmental impact and carbon footprint of our operations. We have set ambitious carbon neutrality targets for our operations:

- Scope 1 carbon neutrality by 2025
- Scope 1 & 2 by 2030
- Scope 1, 2 & 3 by 2035, i.e., a fully carbon neutral company

Concrete steps to achieve the targets have been taken for a long time, including:

- Promoting low emission cars, with charging points for electric cars at the Sastamala factory and several charging cars already in use at the company
- Centralising parts manufacturing at the Sastamala factory and limiting the number of suppliers, thus reducing transport for purchasing and material procurement
- Investments on energy efficiency, more on this on page 21

The monitoring of our environmental goals and actions is based on our certified environmental management system (ISO 14001). Several of our stakeholders also have a certified environmental management system and many of them have also set concrete targets for carbon neutrality. These include the use of fossil-free energy, the use of carbon-free steel and carbon neutrality in the value chain by 2030. In addition, several stakeholders in our supply chains have already carried out carbon footprint calculations under the GHG Protocol, with most already having Scope 1 emissions determined.

Lojer as part of the Climate Partnership Network

The Pirkanmaa Climate Network is part of a joint climate ecosystem project of six municipalities, funded by the Ministry of the Environment. The network aims to provide its members with information, assistance and peer support for their climate work. The Climate Network organises webinars, workshops, climate clinics and business visits, among other things, for its members. All members of the network, whether companies or communities, have set climate targets for their own operations to reduce their carbon footprint. Climate targets and measures may relate to energy efficiency, renewable energy use, more efficient use of materials, circular economy, waste reduction and sorting, new innovations and approaches, procurement, travel reduction, mobility and transport, or product manufacturing processes. An organisation can set new climate targets on an annual basis or alternatively set longer-term targets, whereby the measures to achieve the target are broken down into annual targets (Source: <https://ilmastoverkosto.fi/>).

In May, Lojer participated in a panel discussion at the opening of the Climate Network to share experiences of climate work from a business perspective. Since June, we have been a Pirkanmaa climate partner.



Extended Producer Responsibility

As a manufacturer of medical devices, we have a legal obligation as a producer to take care of products placed on the market at the end of their life cycle. Producers are responsible for the re-use, recycling, and waste management of their products. In line with our producer responsibility, we report annually to Rinki on the use of packaging materials. Reporting of electrical equipment placed on the market is done quarterly on the producer community portal.

We reduce the environmental impact of the transport and packaging of our products by optimising the use of packaging materials according to transport distances. For local transport, products can be packed lighter, and for long-distance transport, products are packed in such a way that they remain intact until they reach their destination. Many transport packaging materials are also reused.

New battery regulation came into force in August

The EU Battery Regulation entered into force on 17 August 2023, replacing the Batteries Directive, which is the basis for the current producer responsibility for batteries and accumulators. The regulation aims to harmonise requirements for batteries and accumulators across the EU. Changes include changes to classifications, conditions for placing on the market, collection, and recycling targets. Recycling targets will be tightened in stages over the coming years and material-specific recycling targets will be set for important battery raw materials such as lithium, lead, and copper. In addition, the new regulation has clarified the definition of producer.

Finnish manufacturing is vital for national emergency supply

Healthcare equipment and furniture are important products for the security and safety of society. Finnish expertise and manufacturing must be maintained at all times so that we are not totally dependent on foreign manufacturers in exceptional situations.



As members of the Association for Finnish Work, we are committed to the principles of responsible work, which include:

- Strengthening economic and social well-being by creating jobs directly and indirectly
- Contributing to the creation of wealth and jobs through direct and indirect economic benefits, and by supporting the skills, well-being, and equality of employees
- Identifying environmental impacts and minimising adverse effects
- Integrating sustainability into procurement and the supply chain

Public procurement in Finland is worth around €47 billion a year. 1 million more domestic production in public procurement brings €326 000 more tax revenue and 19 more jobs (Source: Association for Finnish Work).

Lojer and Merivaara products are manufactured in Finland

The Key Flag and the Design from Finland label are a testament to Finnish work and design. The Key Flag indicates that the product has been manufactured and employs in Finland, and that the product must have a domestic content of at least 50 %.



The new ScanAfia X ICU L hospital bed manufactured at our Kempele factory is a good example of the very high degree of domesticity of Lojer products. Up to 70 % of the added value of the new bed is created in Lojer's own production or by local suppliers in Finland.

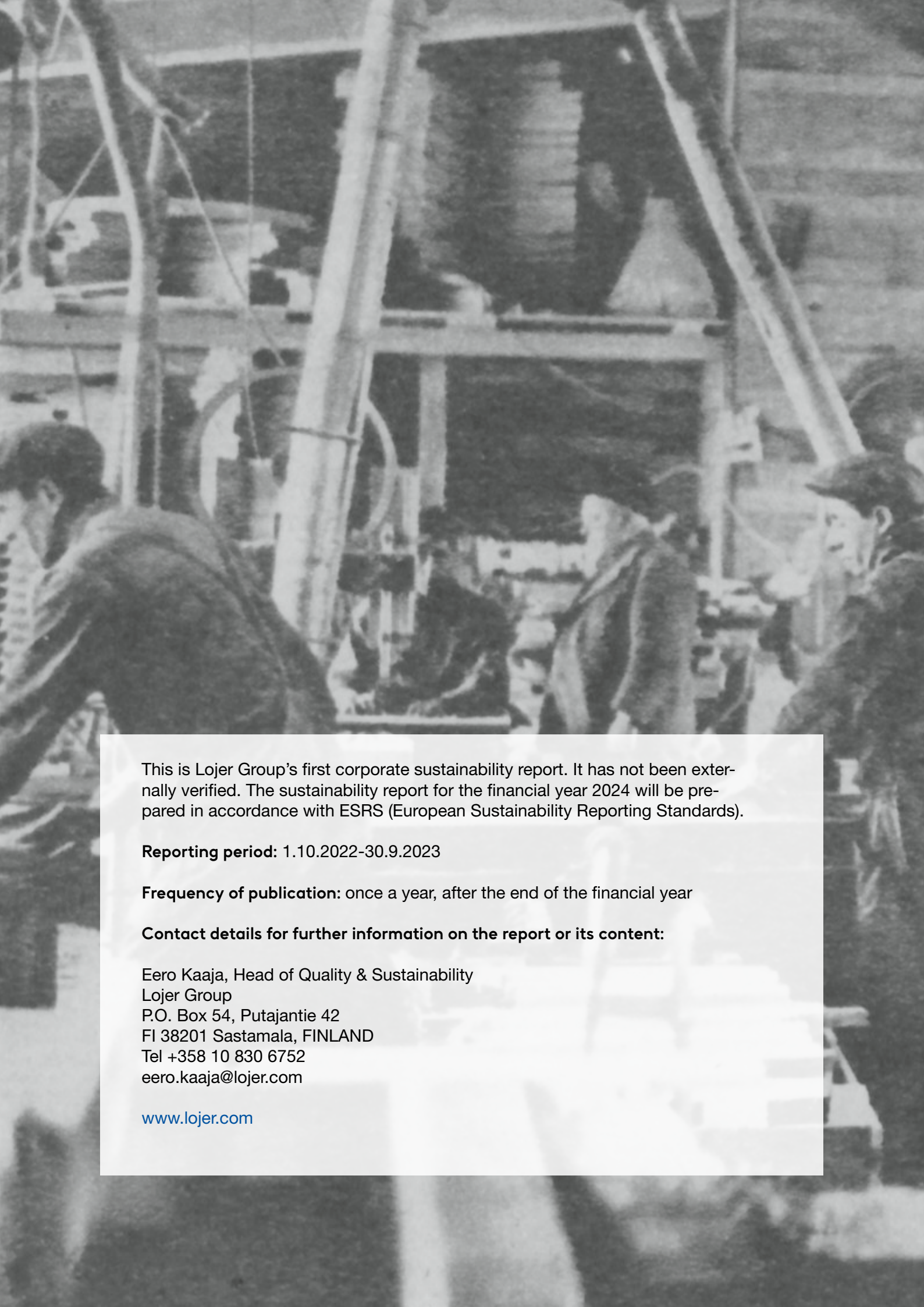


20 % less electricity

Lojer has a long history of reducing the environmental impact of the electricity used in its operations, and all electricity purchased has been renewable since 2011. In addition to carbon-neutral electricity production, the operation has made impressive investments to reduce electricity consumption, such as geothermal heating for the Sastamala factory (2019), air-source heat pumps for the Kempele factory, Sastamala factory and headquarters (2022) and a major 300 kWp solar power plant investment for the Sastamala factory (2023). The temperature in the factories and offices has been lowered by at least 1 degree during the heating season, depending on the room, and the ventilation and heating of the rooms has been adjusted to significantly reduce the heating demand in the evenings and at weekends.

Thanks to investments and savings measures, the combined electricity consumption of Lojer's Sastamala and Kempele factories decreased by 20 % (400 000 kWh) in 2023 compared to 2022. In addition, the new solar power plant at the Sastamala factory will generate almost 300 000 kWh per year, part of which will be sold to the electricity grid during the summer holiday season and on weekends, when own consumption is low. Most of the electricity generated by the solar power plant will be used in the Sastamala factory itself for manufacturing purposes, such as laser cutting and welding of plates. Electricity purchases are now more than 700 000 kWh lower than in previous years, despite increased activity in the factories.

In autumn 2022, Lojer Oy and Merivaara Oy took part in the 'Down a Degree' energy saving campaign as part of the Europe-wide energy crisis. The campaign further encouraged effective energy saving measures and the quick results were positively surprising.



This is Lojer Group's first corporate sustainability report. It has not been externally verified. The sustainability report for the financial year 2024 will be prepared in accordance with ESRS (European Sustainability Reporting Standards).

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