

Our Journey to Net Zero: Pursuing Sustainability Goals in Healthcare Waste Management



**NET
ZERO**
TOGETHER

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A Message from Our CEO and Founder

Welcome to the Daniels Health 2025 Carbon Emissions Report, highlighting our ongoing dedication to transparent, sustainable business practices and responsible environmental governance.



Since our business inception in 1986, sustainability has been a founding principle of our company mission. In the decades that have followed it has been pivotal in shaping our corporate culture, driving continued innovation in breakthrough technologies and guiding our partnerships and business decisions.

In October 2022, we reinforced our environmental commitment to US healthcare with the signing of the HHS Health Sector Climate Pledge, forthwith formalizing our strategic plan to achieve net zero emissions by 2050.

Since this time, we have achieved several key milestones associated with our net zero journey:

Completed inventory of Scope 1 and Scope 2 emissions for CY 2023 (baseline year), and CY 2024

Completed inventory of Scope 3 emissions for CY 2023 (baseline year)

Developed and released our Climate Resilience Plan for continuous operations

Fully migrated 10 of our 15 operational facilities from paper manifests to digital manifests

As we navigate an ever-evolving healthcare landscape, we are committed to raising sustainability benchmarks across the healthcare waste sector. Leading from a fundamental belief that poor environmental health negatively impacts human health, we have an inherent social responsibility to protect not only the healthcare workers we serve every day, but the world that the next generation will grow up in.



Dan Daniels | CEO & Founder

Our Story So Far

Daniels Health was born out of a passion to improve safety and sustainability in healthcare, a mission solidified with the launch of the world's first reusable sharps containment system in 1986. This achievement challenged existing regulations and governing standards, driving greater consciousness in sustainable purchasing in healthcare and establishing an industry-defining approach to sustainable waste management.





Along with a dedication to safety, sustainable approaches to medical waste management have been a core driver of Daniels Health’s product and service offering. Since entering the US market over 20 years ago, we’ve partnered with hospitals across the country to achieve the highest standards of compliant, sustainable waste management.

Daniels Health is constantly working to improve waste segregation with our customers, supporting waste stream optimization to divert a higher volume of waste away from energy intensive treatment such as high-temperature incineration. Our extensive experience providing services in every area of a hospital enables us to manage all types of healthcare waste, utilizing the best practices of management, disposal, treatment, and recovery.

Our partnership approach has us working within the four walls of healthcare facilities to develop quantifiable and reportable waste management plans

that deliver improvements to safety, efficiency and carbon footprint reduction. With this results-driven approach, we deliver much more than a traditional waste management vendor, providing consultative support with on-site waste audits, waste reduction strategies, staff training and KPI accountability.

We further support our customers by working to eliminate all single-use plastic and packaging associated with the containment and movement of sharps, trace chemo and regulated medical waste. This has a measurable impact on not only emissions reduction in manufacturing and

transport, but in reducing the total amounts of waste sent to landfill and incineration on an annual basis.

Progressing our commitment to a lower environmental impact, Daniels Health is actively measuring our own GHG emissions, creating baselines for results tracking. From these baselines, emissions reduction targets will be set. Additionally, unique emissions data will be able to be reported back to our customers. We are committed to transparency in sharing our emissions results, as well as the analysis and meaningful action that is being taken to reduce our environmental impact.

964

Number of
Employees

345

Vehicles within
our US wide fleet

47

Number of states in
which we operate

16,880

Number of **unique**
locations serviced
in 2024

48,043

Tons of
Waste Processed

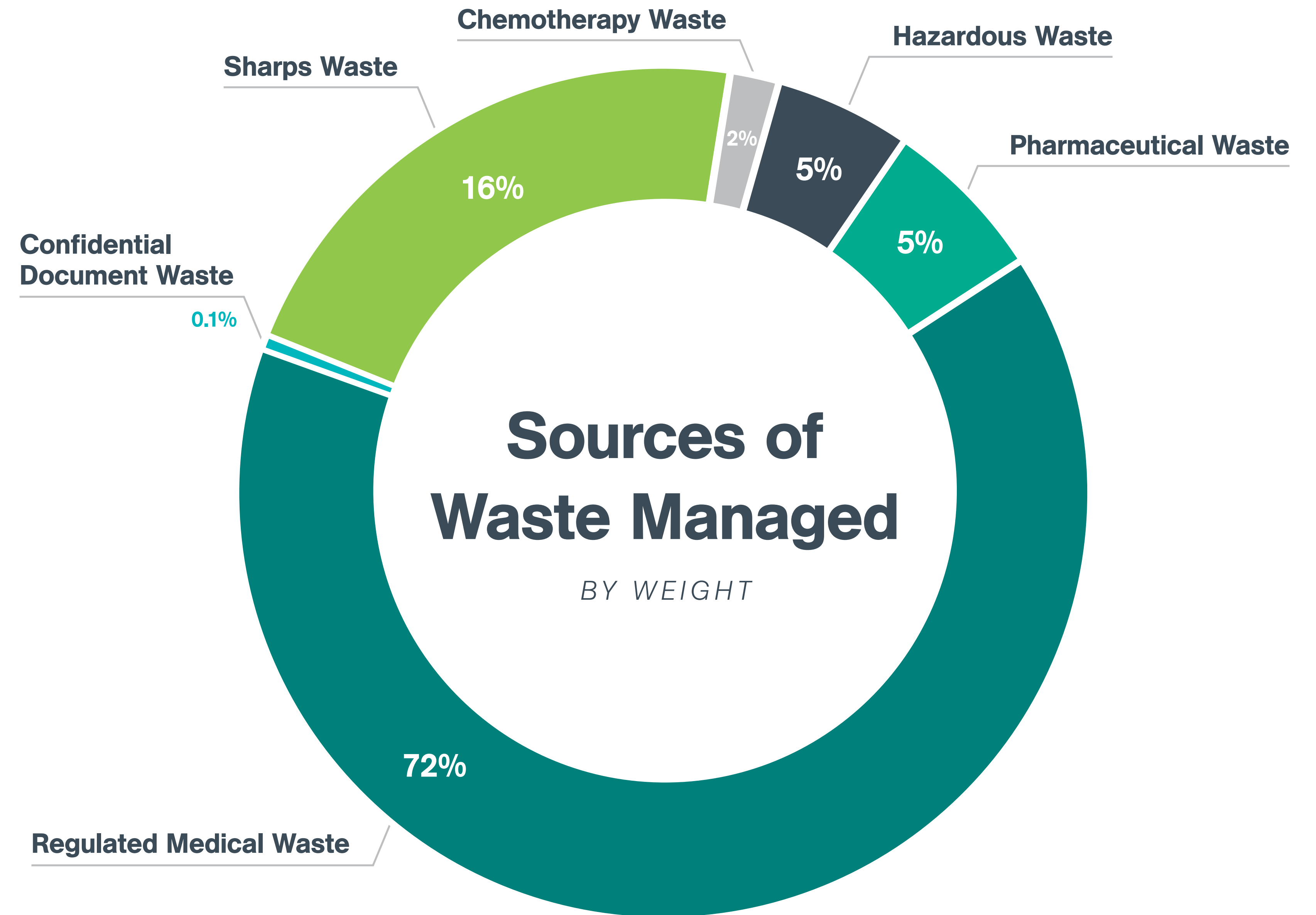
6,504

Tons of **single-use**
container plastic diverted
from landfills

\$38,109,406

Avoided cost of purchasing
single-use containers through
using our reusable systems





Our Commitment to Sustainability

As an organization, we are committed to bold collective action in reducing our carbon emissions with the goal of achieving net zero emission by 2050.



Daniels Health is committed to leading the healthcare waste industry in products, processes and technology that minimize ecological impact. Our integrated waste management approach is focused on reducing environmental footprint across the full lifecycle of the waste journey.

Cementing our sustainability commitment, Daniels Health is a signatory to the US Department of Health & Human Services (HHS) Pledge to decarbonize the healthcare sector in pursuit of achieving net zero emissions.*

As a signer of this pledge, we are formally committed to a 50% reduction in emissions by 2030, with the overarching goal of reaching net zero emissions by 2050.

Our first step in meeting these commitments is establishing an emissions baseline through the compilation of scope 1, 2 and 3 emissions data.

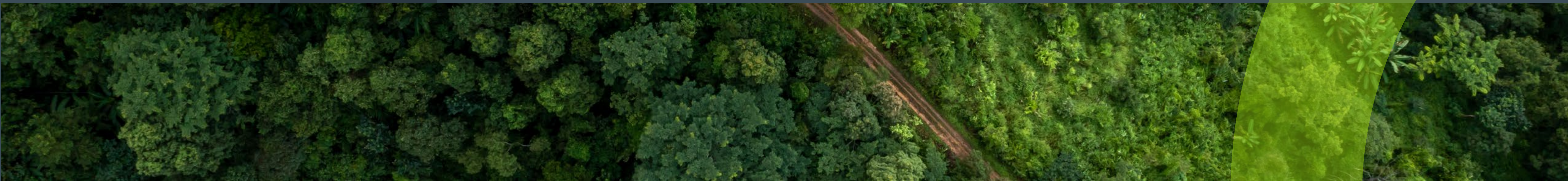
In this publication, we are proud to deliver a complete account of our scope 1, 2 and 3 emissions data for our 2023 baseline year as well as our scope 1 and 2 emissions for 2024. In addition, we are introducing intensity metrics to this year's report to objectively measure emissions reduction against organizational growth.

**The HHS Health Sector Climate Pledge started in 2022 under the Biden Administration. While this initiative has become inactive, we are committed to moving forward with the pledge and what it represents for US healthcare.*



2024: Key Milestones and Initiatives

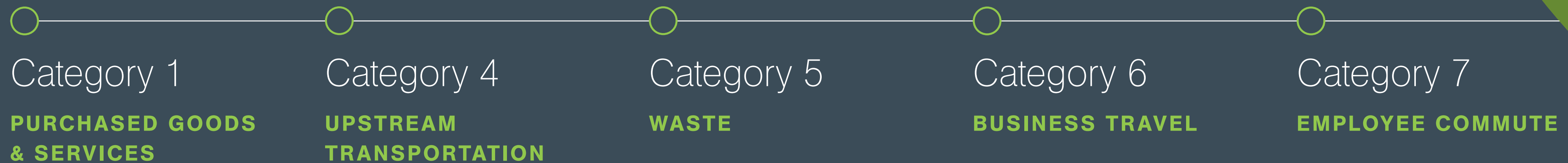
Daniels Health achieved a number of key milestones and initiatives this past calendar year related to our net zero journey.



SCOPE 3 EMISSIONS FOR 2023 BASELINE YEAR

Daniels Health successfully conducted an inventory of a select number of impactful scope 3 emissions for the 2023 calendar year, representing our baseline year prior to the introduction of any emissions reduction initiatives.

The Scope 3 categories included in this initial inventory are:



Climate Resilience Plan for Continuous Operations

As part of the health sector pledge, Daniels Health committed to developing and releasing a climate resilience plan for continuous operations. Our report brings together and builds upon existing local contingency plans to form a cohesive, national strategy that addresses both current and emerging climate risks. It also recognizes the importance of regularly reviewing and enhancing these plans in response to the growing frequency and severity of climate-related events. **View and download the published report:**

www.danielshealth.com/product/climate-resilience-plan-for-continuous-operations >

ESTABLISHED CLIMATE EXCELLENT STANDARD (CES) COMMITMENTS

Daniels Health committed to the Practice Greenhealth Climate Excellence Standard for Health Sector Suppliers, a framework designed to accelerate the healthcare supply chain's transition away from fossil fuels and toward a net zero emissions future by 2050. Through this commitment, Daniels Health is taking a proactive role in reducing both our own carbon footprint and that of our supply chain, reinforcing our dedication to climate leadership and sustainable healthcare.

COMPLETED ENERGY AUDIT

To better understand opportunities for reducing GHG emissions, Daniels Health engaged a 3rd party Mechanical, Electrical, and Plumbing engineering firm who specializes in the healthcare industry. An extensive energy audit was conducted at one of our high-volume processing facilities to identify feasible energy conservation measures (ECMs).

The high-level approach to decarbonizing our processing facilities is a three-step process:

- Reduce energy consumption through energy efficiency projects to ensure building loads are optimized for what is required
- Electrify all remaining fossil fuel combustion loads
- Procure all electricity from renewable sources, either through on-site solar or wind, and/or through renewable energy purchasing

The energy audit identified several energy conservation measures (ECMs) for the Daniels Health engineering and operations teams to consider. The insights gained will support targeted actions to lower energy consumption and reduce overall environmental impact.





EPA'S ENERGY STAR PORTFOLIO MANAGER®

In 2024, Daniels Health began utilizing the EPA's ENERGY STAR Portfolio Manager to measure and track energy as well as greenhouse gas emissions. The online tool provides helpful insights on the performance of buildings within our portfolio, benchmarking performance with other buildings in the industry. Daniels Health will use this data to set investment priorities, identify under-performing buildings, verify efficiency improvements, and apply for ENERGY STAR certification for superior energy performance.

TRANSITIONING FROM PAPER TO DIGITAL MANIFESTS

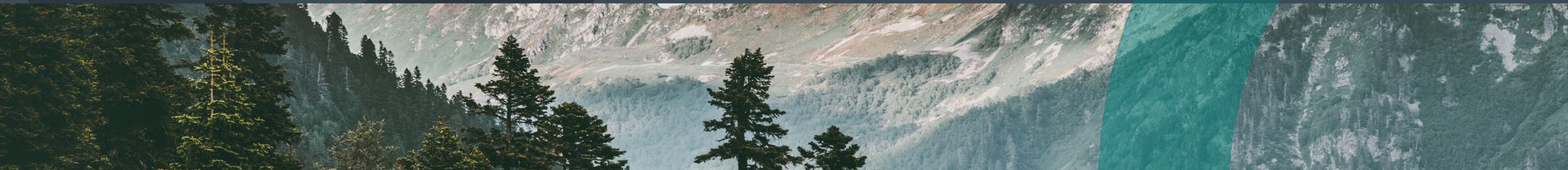
As part of an ongoing digital transformation process, we successfully transitioned 10 of our 15 operation facilities to digital manifest systems. This process will deliver immense emissions savings over time by eliminating the need for paper manifests documenting all individual service interactions at our customer sites.

REFRIGERANTS

In 2024, Daniels Health began tracking fleet refrigerants and reported these GHG emissions in our Scope 1 inventory.

Emissions Data and Intensity Metrics

This report covers 2023 baseline emissions, 2024 emissions data and intensity metric calculations.



2023 EMISSIONS DATA

Daniels Health’s baseline emissions are a record of the greenhouse gases generated during the 2023 calendar year and will serve as the benchmark for measuring progress in future emissions reduction efforts.

The Greenhouse Gas (GHG) inventory was prepared by Daniels Health in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. Note that data for 2023 scope 1 and 2 emissions was revised in August 2024 after an internal audit revealed a calculation error in the original data published in May 2024. The data included in this report represents the accurate baseline emissions for Daniels Health.

Table 1. US GHG emissions data for calendar year 2023

Emissions source	MTCO ₂ e (metric tons CO ₂ e)
SCOPE 1 EMISSIONS	
Stationary Combustion	3,659
Mobile Sources	9,530
LOCATION-BASED SCOPE 2 EMISSIONS	
Purchased and Consumed Electricity	1,827
TOTAL SCOPE 1 AND 2 EMISSIONS	
Total Scope 1 & Location-Based Scope 2	15,016
SCOPE 3 EMISSIONS	
Category 1: Purchased Goods and Services	20,537
Category 4: Upstream Transportation and Distribution	198
Category 5: Waste	17,360
Category 6: Business Travel	488
Category 7: Employee Commuting	283
SCOPE 3 SUMMARY	
Total Location-Based Scope 3	38,867
Total Market-Based Scope 3	38,867
TOTAL GHG EMISSIONS	
Absolute Emissions (Scope 1, 2 and 3 Emissions)	53,883

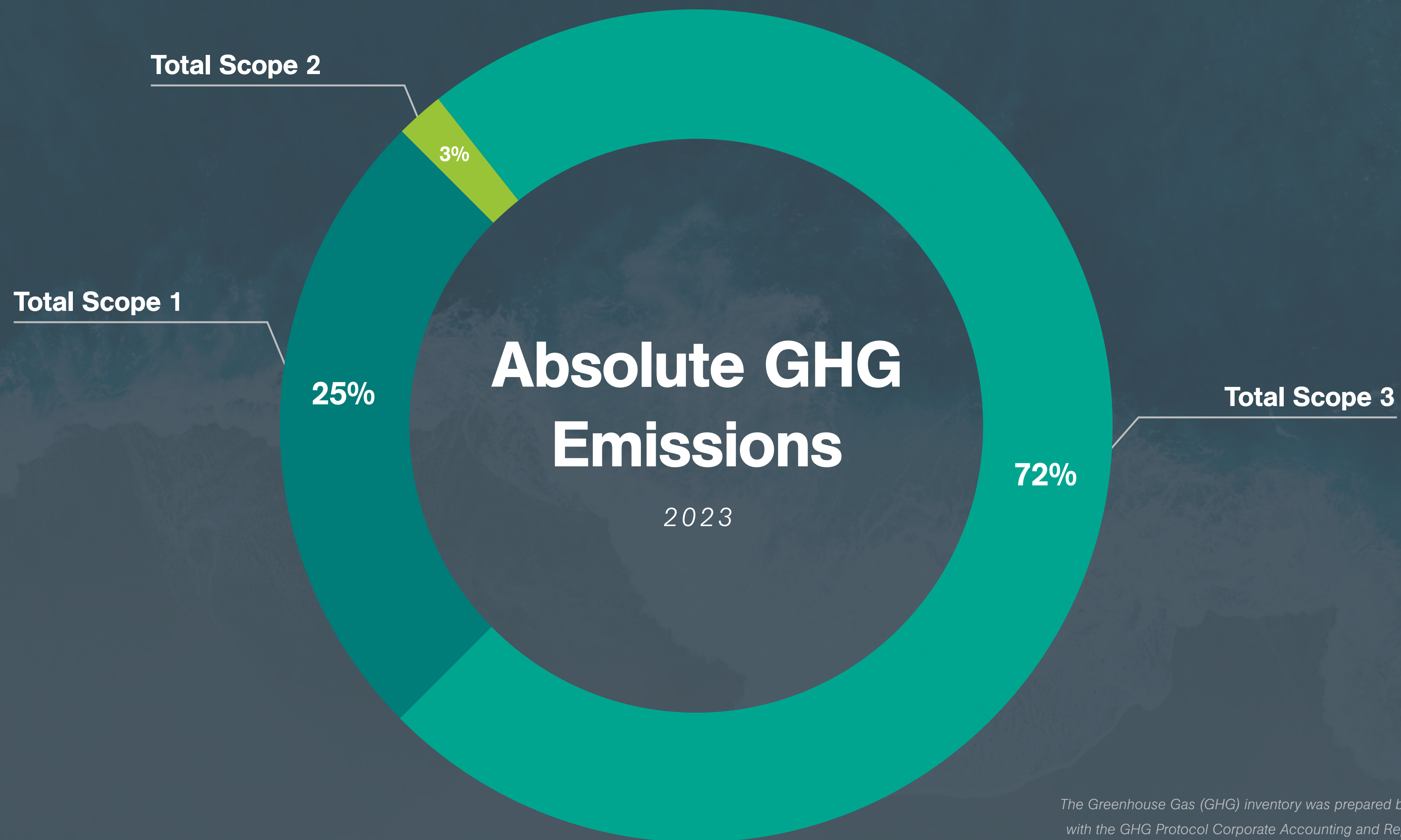


Figure 1. US GHG emissions data for calendar year 2023

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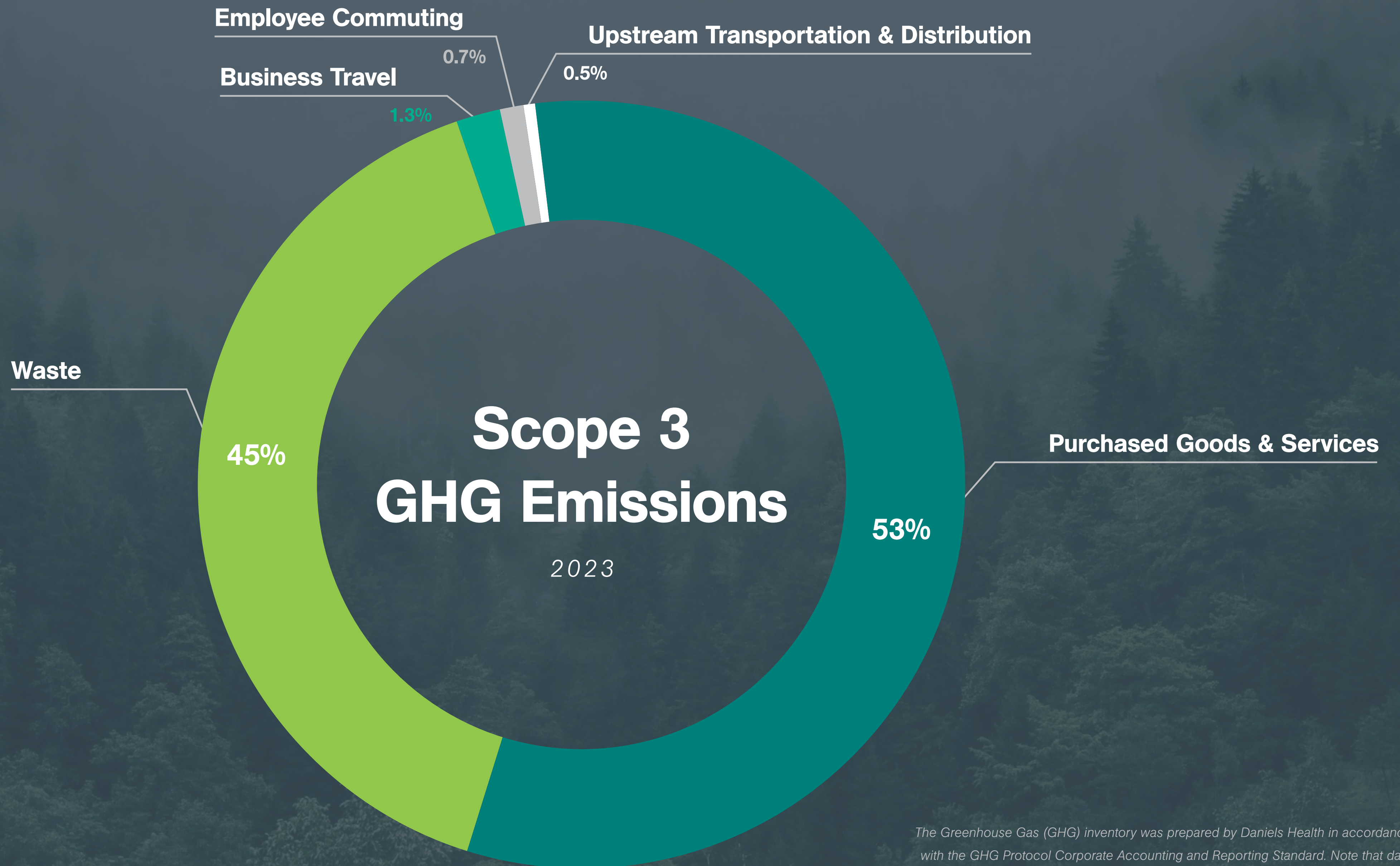


Figure 2. Daniels Health Scope 3 greenhouse gas emissions by category

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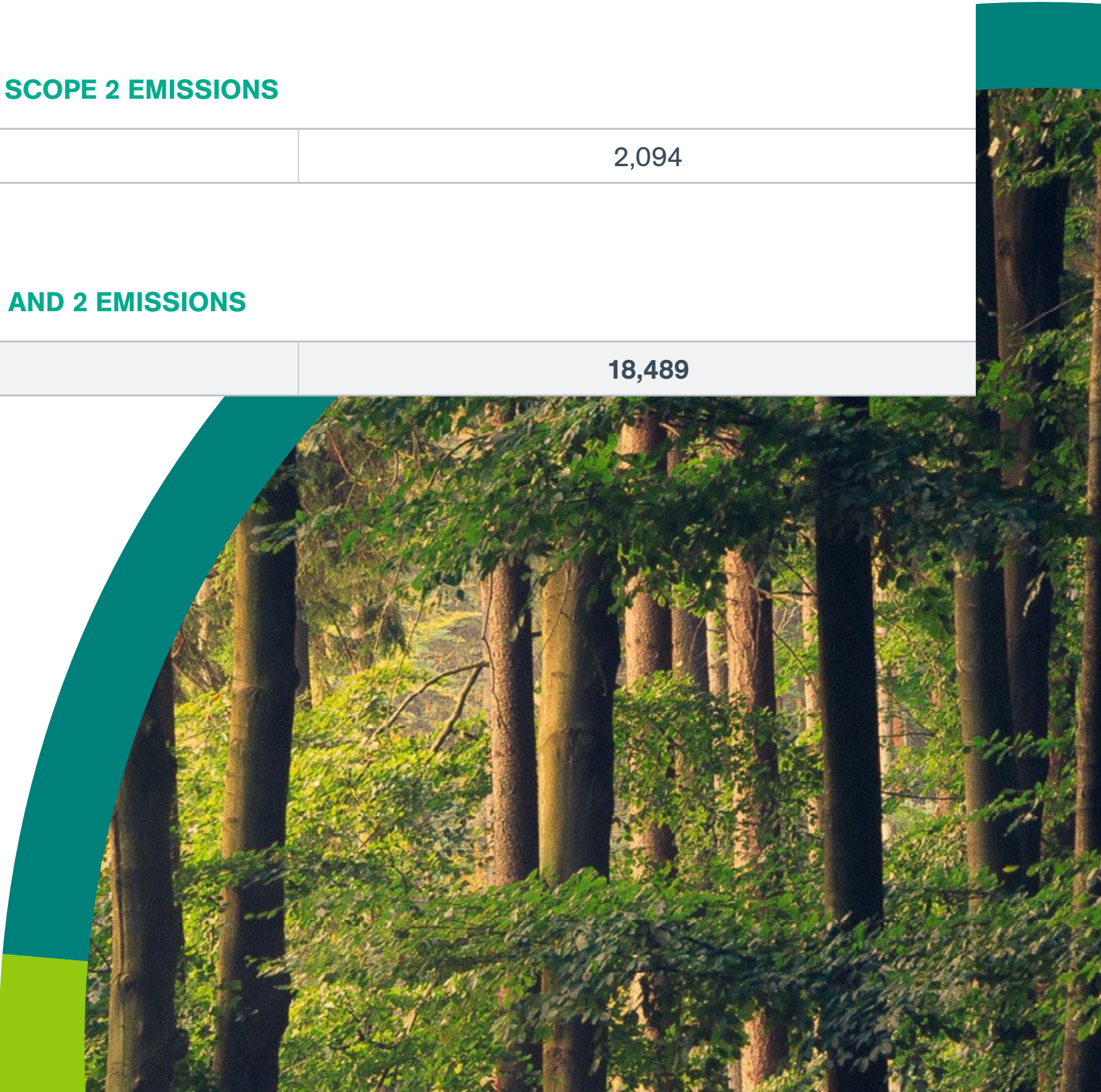
2024 EMISSIONS DATA

Calculations for 2024 emissions data include scope 1 and 2 emissions for the 2024 calendar year as well as intensity metrics comparisons against the 2023 baseline year.

The Greenhouse Gas (GHG) inventory was prepared by Daniels Health in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. It includes Scope 1 (direct emissions from owned or controlled sources) and Scope 2 (indirect emissions from the generation of purchased energy) emissions. Note: refrigerant data is for vehicles only. Building refrigerants are not included.

Table 2. US GHG Emissions data for Calendar Year 2024

Emissions source	MTCO ₂ e (metric tons CO ₂ e)
SCOPE 1 EMISSIONS	
Stationary Combustion	3,773
Mobile Sources	12,616
Refrigeration / AC equipment usage	7
LOCATION-BASED SCOPE 2 EMISSIONS	
Purchased and Consumed Electricity	2,094
TOTAL SCOPE 1 AND 2 EMISSIONS	
Total Scope 1 & Location-Based Scope 2	18,489



INTENSITY METRICS FOR CARBON EMISSIONS

Daniels Health has incorporated intensity metrics into this report to provide insight into efficiency improvements while accounting for organizational growth. Because Daniels Health is a growing organization, year-over-year emissions naturally rise; however, by measuring annual emissions against a common denominator, such as total waste processed, Daniels can gauge the impact of emissions reduction strategies against a normalized standard. This provides an accurate depiction of results while accounting for organizational growth.

The following intensity metrics have been calculated:

- *Absolute emissions (scope 1 and 2): The total amount of scope 1 and 2 emissions.*
- *Operational intensity: The amount of scope 1 and 2 emissions created (MTCO2e) for every metric ton of medical waste processed by Daniels Health.*
- *Fleet intensity: The amount of mobile scope 1 emissions created (MTCO2e) for every 1,000 vehicle miles traveled in the process of doing business.*

While waste processing volumes increased in 2024 due to customer growth, MTCO2e emissions generated per pound of waste processed, and per vehicle mile travelled, both decreased. Daniels Health is committed to leveraging data analysis to sustain this positive trend in 2025 and beyond, as we implement ongoing strategies for sustainable emissions reduction.

Table 3. US Intensity Metrics

METRIC	2023	2024
Absolute Emissions (Scope 1 and 2)	15,016	18,489
Operational Intensity (per metric ton processed)	0.388	0.360
Fleet Intensity (per 1,000 miles)	1.297	1.262

All figures in MTCO₂e

Emissions Reduction Journey: Next Steps

These actions undertaken by the business will be the foundation of our emissions reduction strategy moving forward.



As a company, we recognize that we are still at the beginning of our emissions reporting and reduction journey. Now that we have taken concrete steps to establish a baseline of emissions, calculated scope 1 and 2 emissions for 2024, and established intensity metrics to compare emissions reductions across years, we have established a solid foundation on which to continue to develop additional emissions reduction strategies.

Scope 3 Emissions

Building on the progress made in our initial Scope 3 emissions assessment, Daniels is committed to deepening our understanding of our indirect environmental impacts and expanding our waste reduction efforts. These next steps are designed to drive continuous improvement, enhance supplier engagement, and support our clients in achieving shared sustainability goals.

- Complete the 2024 Scope 3 Greenhouse Gas Emissions (GHGe) inventory, building on the initial baseline and assess additional Scope 3 categories that can inform strategic decision-making for long-term emissions reductions.
- Collaborate with key suppliers to promote sustainable practices, prioritize vendors with lower emissions footprints and request environmental data to support transparency and accountability.
- Expand internal recycling programs to further reduce landfill contributions, with a focus on high-impact materials.
- Conduct routine waste audits to uncover new reduction and diversion opportunities across Daniels’ operations.
- Continue partnering with healthcare clients to enhance medical waste stream compliance and increase diversion from incineration toward more sustainable treatment methods.

ENERGY AUDIT

Following the recent energy audit, six Energy Conservation Measures (ECMs) were identified as opportunities to improve operational efficiency and reduce greenhouse gas emissions. The next step is for the Operations and Engineering teams to evaluate the feasibility of each ECM, distinguishing between near-term and long-term implementation potential. This evaluation and planning process will align with Daniels' broader GHGe reduction roadmap to ensure that energy initiatives are strategically prioritized to support progress toward our emission reduction targets.

DATA COLLECTION IMPROVEMENT STRATEGIES

We are working to improve and expand data collection methodologies to better understand how to reduce our scope 3 emissions. For example, Daniels will begin the process of tracking and reporting on building water usage. Additionally, we will be looking to automate utility data collection wherever possible as well as implementing monthly internal tracking and reporting of utility usage for enhanced trend and efficiency analysis.



CLIMATE EXCELLENCE STANDARD FOR HEALTH SECTOR SUPPLIERS

To achieve the Climate Excellence Standard (CES), Daniels Health is actively working to disclose our Greenhouse Gas emissions through a publicly recognized and accessible platform. We are also pursuing third-party verification of our Scope 1 and Scope 2 emissions data to ensure accuracy and transparency. In parallel, we are engaging and incentivizing our Tier 1 suppliers to align with the CES, extending our commitment to climate action across the value chain.

FLEET EMISSIONS

Fleet operations represent a significant source of Daniels' Scope 1 emissions. To address this, we are actively pursuing strategies to reduce the environmental impact of our transportation network. Recent efforts include the implementation of advanced vehicle tracking software to support route optimization and fuel efficiency. Next steps include evaluating opportunities to reduce engine horsepower where operationally feasible and collaborating with freight partners to explore lower-emission transportation solutions. These initiatives will be integrated into our broader GHGe reduction strategy to drive measurable impact across our logistics footprint.



Further Information

To learn more about our emissions reduction commitments, please reach out to hello@danielshealth.com



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