

SUSTAINABILITY REPORT 2022



*Transforming medical technology
and advancing quality of life
worldwide*



Elos Medtech cares

Elos Medtech is a global CDMO and medical device company, with a responsibility that goes beyond just delivering high-quality medical devices. Our goal is to improve the lives of millions of patients, and to promote a more sustainable development of medical technology.

We take long-term financial, social, and environmental responsibility for our business and how it affects our stakeholders. Like all companies seeking growth and earnings, our challenge is to optimize our social and environmental commitment in parallel.

Our sustainability strategy is part of the Elos Medtech's overall strategy and mission. We believe that customer-focused business development and an ethical approach to our business relationships help us build a sustainable organization. Higher levels of job satisfaction, commitment, and motivation are the results when our employees feel that they can contribute to improvements, sustainable solutions, and patients' improved quality of life.

Elos Medtech AB's sustainability report has been prepared on the basis of the Global Reporting Initiative (GRI) Standards, and refers to the 2022 financial year. The report covers our production sites and the head office.

Risks related to sustainability are described in connection with the information in Elos Medtech AB's general description of risk management in the Annual Report 2022 on pages 6–11.

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As a result of our contribution with the 2021 data, we were certified as a 'Nasdaq ESG Transparency Partner'.

Sustainability at Elos Medtech

Corporate Social Responsibility (CSR) looks at sustainability from an internal perspective and is typically manifested through a Code of Conduct, ways of working, and internal company culture. At Elos Medtech this has been part of our culture as well as ways of working for many years, and has been described and communicated through our three Care areas.

Since 2018, we have added the external and more quantifiable measures referred to as ESG, Environmental, Social and Governance. Through ESG we have improved our data collection, analysis and reporting. We can also see an improvement in the way we set objectives and make progress. In 2022, CSR and ESG are the two main pillars of our Sustainability Platform.

ESG	CSR	Sustainability
Quantitative	Qualitative	Qualitative and quantitative
Externally regulated	Self-regulated	Both self- and externally regulated
Directly related to business valuation	Not directly related to business valuation	Often related to business valuation
Implemented through measurable goals and audits	Implemented through corporate culture, values and brand management	Implemented through a combination of CSR and ESG



Care areas

At Elos Medtech, we have identified three critical success factors for our sustainability agenda. In these, we have set goals to ensure that we make continuous improvements. The guiding principles for our sustainability management activities are described in our care areas. Our business has the biggest impact here, and this is also where we have the best chance to enhance the health and quality of life for millions of patients.

Care for our business

Our focus is on delivering medical device and services of the right quality, at the right time and at the right price. We aim to be a first-class partner and offer our customers innovative, sustainable, and efficient solutions.

Read more on page 6

Care for our people

Our employees are our greatest asset, and committed employees go that extra mile, are more creative, and learn faster. Therefore, it is important for us to provide all employees with a safe work environment that encourages personal and professional development.

Read more on page 8

Care for our responsibilities

We operate in many places around the world and our employees represent a diversity of cultures and backgrounds. We strive to make a positive contribution to the communities in which we operate, and aim to minimize our environmental impact.

Read more on page 10

Care for our business

Elos Medtech has the right knowledge and expertise, which means that we can develop and manufacture the best production solutions and products in partnership with our customers.

Close and long-term relationships with our business partners are central to our business model, both as a strategic focus area and as a goal. Development and technical expertise in our specialized areas, coupled with high product quality and customer support, are crucial to our customers' overall view of their partnership with us.

Customer satisfaction

The results of our customer surveys show that our customers have a very positive image of our delivery and their collaboration with us. We are described as a valued partner that works actively to improve the customer experience and improve overall customer satisfaction. The survey is analyzed, and key account managers are responsible for initiating improvements that lead to more satisfied customers and an improved customer experience. We are continuously developing our organization and strengthening our business areas to improve our ability to meet our customers' expectations.

Product quality

The core of our business is the desire to ensure product performance while investing in sustainable solutions. We and our partners are guided by the same mission: to help people live rich, active, and meaningful lives. Another much appreciated quality is our responsiveness and ability to react quickly to changes and find solutions, as this allows our customers to optimize their supply chains. A further key aspect of a successful partnership is the value we add in the form of expertise in design for series production and high quality in the processes. Our expert skills in design and

development, which are driven by our collaborative approach, shorten product development times and time-to-market.

Sustainable investments

Our goal in 2022 was to allocate at least five percent of our investment to initiatives that reduce our environmental impact. By having a clear goal, we want to create awareness of our environmental impact in connection with decisions. This type of investment must have a clear purpose, such as to reduce use of energy and water, or to reduce carbon dioxide emissions. In 2022, we continued to invest in our production sites, for example by performing an Energy Mapping in accordance with the requirements for our Swedish sites. The results were shared and actions taken across the company.

Performed activities as a result of energy mapping:

- Searching for leaks in the compressed air system
- Replacing fluorescent lights with LED lights
- Updating systems for heat, ventilation, and air conditioning
- Reducing water consumption and waste
- Performed pre-study regarding installing solar panels

New ventilation and installation of more mist busters are some other examples. We have continuously replaced old equipment with new and more sustainable technology for lighting and air compression. Most of our investments can be considered sustainable as they contribute to improved resource efficiency.

We never compromise on quality

At Elos Medtech, our promise is never to compromise on quality. We have worked hard from the very beginning to become best-in-class in regulatory and quality compliance. Over the years, we have established quality management processes and documentation procedures to ensure compliance with adequate regulatory requirements.

We work with a quality mindset every day and are fully committed to:

- Focusing on patient safety in decisions and work processes.
- Ensuring high product quality through dedication to critical details.
- Knowing and following all relevant laws, rules, regulations, and procedures.

Niils Kristensen, QA/RA Manager at Elos Medtech Timmersdala

Ready for MDR!

In the report from 2021, we highlighted the important transition from MDD to MDR for our own products under the Elos Accurate brand. This year we are proud to say that the work has been finished and our products are now sold under the MDR regulation. To comply with MDR, all medical devices need to be classified appropriately, and all technical documentation and evidence of compliance needs to be available. Also, the necessary systems to handle clinical evaluation, quality management, post-market surveillance, and liability for defective devices must be up and running.

Large responsibility

CDMO is short for Contract Development and Manufacturing Organization. As the name suggests, it is an organization that provides development and manufacturing services. Full-service CDMOs take responsibility for all steps throughout the development and manufacturing process: from concept, design for manufacturing, and development, to regulatory, prototyping, and testing, and through validation, manufacturing, and delivery. A CDMO does not only handle the outsourced manufacturing of medical devices, it also handles all the innovation and development work that occurs prior to manufacturing.



“ This year we are proud to say that the work has been finished and our Elos Accurate® products are now sold under the MDR regulation. ”

Care for our people

The commitment and determination of our employees are crucial to giving us a competitive advantage. We aim to offer an attractive and safe workplace. Our corporate culture is based on four strong core values: Passionate, Trustworthy, Result-Oriented, and Together. These values guide us in our day-to-day business and create unity across our global sites.

A healthy and safe workplace

Our employees are entitled to a healthy and safe workplace. Our goal is to be accident-free, meaning no accidents leading to absence from work. Nevertheless, injuries do occur, and the most common causes are related to heavy lifting, repetitive work, handling of machines, and slip-and-fall accidents. To promote and maintain the highest degree of physical, mental, and social well-being, our employees have access to occupational healthcare or health and wellness insurance.

Employee influence

All our employees shall have good opportunities to grow and develop, regardless of gender and cultural background. Personal development plans are reviewed annually, and results are linked to individual goals to ensure career development. On average, each employee undergoes approximately 12 hours of task-specific training per year and takes part in internal and external courses.

New ventilation in Gorlose

To create a cleaner and safer environment for our employees at our Gorlose production site, a process ventilation system including air exchangers, oil mist extractors, and heat exchangers was installed in 2022. This has significantly improved air exchange in the production

Passionate
Trustworthy
Results-Oriented
Together

halls, reduced oil mist in the air, and increased energy efficiency. With the new system, our Gorlose production site has achieved a much better indoor climate with more stable and comfortable temperature levels, cleaner air, and higher air quality.

Energy optimization project

Our Gorlose production site has also initiated an energy optimization project. By connecting the heat pump to the central cooling water system, it now delivers heating far more efficiently than before. This optimization, together with the new process ventilation system, allows the Gorlose production site to recycle as much energy as possible. In addition, the site is powered by green electricity that comes from renewable sources.

New mist collectors in Memphis

Our Memphis production site has 34 grinders, 33 CNC lathes, and 12 point grinders, all with mist collectors. In 2021, we began replacing the original mist collectors with newer and more efficient ones. 34 machines have had their mist collectors replaced in 2022, and we plan to replace another 20 in 2023. We have already seen a better indoor climate with cleaner air and higher air quality in our production facility in Memphis, and we are looking forward to an even better situation after the replacement of the remaining mist collectors in 2023.

Management changes

During 2022 the former director of the board, Stefano Alfonsi, was appointed the CEO of Elos Medtech. Stefano has extensive experience from the medical technology industry where he has held positions as Chairman of the Board of Directors and CEO of Corin Group PLC, CEO of Lima Corporate SpA and Vice President positions in Johnson & Johnson DePuy.



“
Making a difference in people’s
lives worldwide

Sofie has worked in the healthcare industry for years, mostly with people or patients. Working on the manufacturing side is a new positive experience for her.

– Now, I can help people in a different way. Not by directly helping the person but by ensuring that safe components are delivered to those who need them. We inspect, assemble, and pack the components on-site, so we have a good overview of the process.”

Sofie Johansson, Operator at Elos Medtech

Care for our responsibilities

The third Care area is about sustainability, ethics, and trustworthiness. Our employees' commitment and willingness to take responsibility are essential to the success of our business.

Our production technology includes polymer injection molding and various types of metal processing, such as grinding, turning, and milling. From a lifecycle perspective, most of our production has a very limited environmental impact. Our ambition is to constantly identify areas for improvement, define goals, and act on them.

During 2022, we have continued to refine our data collection and method of analysis. More information and a better understanding of where in the process the energy is consumed has given us more data with increased reliability. To some extent this makes it more difficult to compare between the years. As an example the energy and GHG emissions from transportation has increased between 2021 and 2022. The main reason behind this increase is not due to an increase in transportation but a better way of understanding and collecting data. In the data report on pages 23-26, this will be highlighted when necessary.

Energy and water

Reducing the climate impact of the business is a long-term commitment. We systematically collect data on energy use to identify areas for improvement. Looking at purchased electricity, which is our main source of energy consumption, 55% of the electricity comes from renewable energy sources. 100% of the electricity purchased at our sites in Sweden and Denmark is renewable. The CO₂ emissions decreased, from 7,100 tons CO₂e to 6,800 tons CO₂e.

All sites are connected to municipal treatment plants via the sewage system. A small part of the process water is contaminated by metal residues and oil. This is treated as contaminated waste and disposed of by certified waste service providers.

In China, the wastewater equipment has reduced the consumption of water used to rinse the tanks of the ST line as the water can be reused several times.

All core raw materials, metals and plastics are sorted for recycling. Examples of other recycled, non-hazardous waste include cardboard, paper, wood, and plastic. We work continuously to improve our internal solutions for recycling supporting production materials such as oil and water. We have engaged certified service providers for suitable disposal, incineration, landfill, and recycling services.

GHG reporting

The majority of Elos Medtech's greenhouse gas emissions originate from the energy used to run our production sites and the transportation of material. We collect data on electricity used, district heating, transportation of raw material and finished goods, employee travel etc. to identify more efficient and sustainable solutions. Greenhouse gas intensity is measured yearly, and in 2022 the ratio decreased. In 2022, we also worked to offset our carbon footprint from 2021 by means of CO₂ removal certificates.

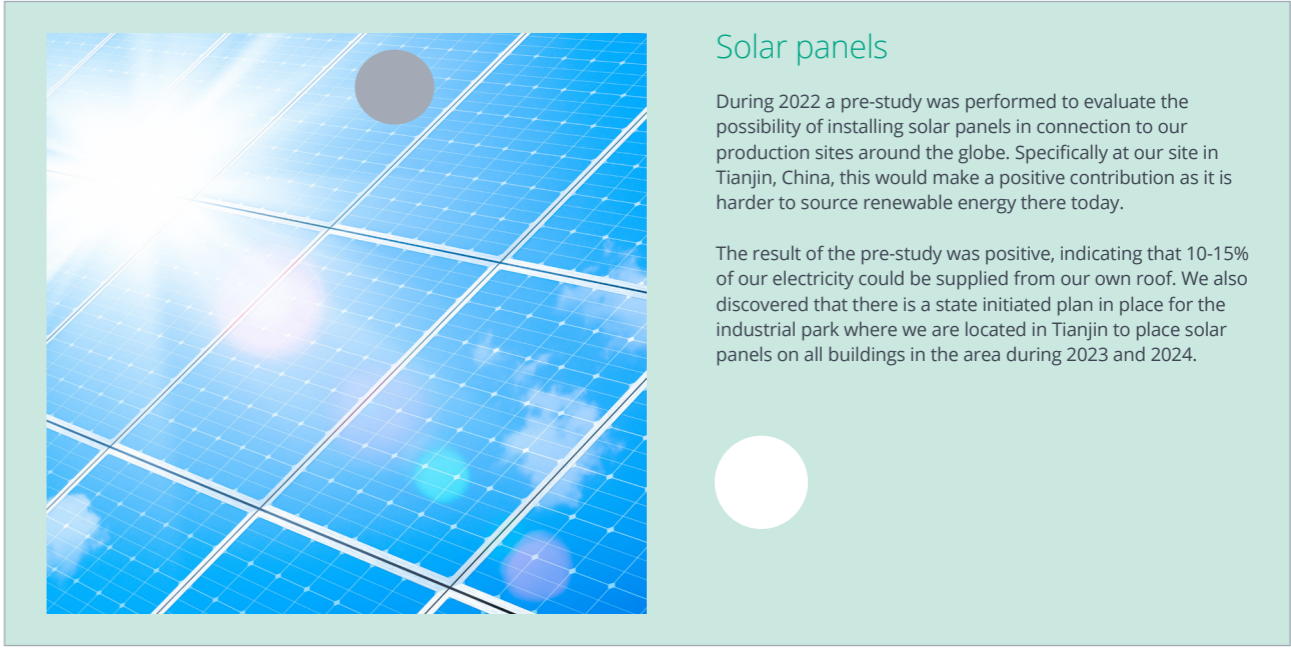
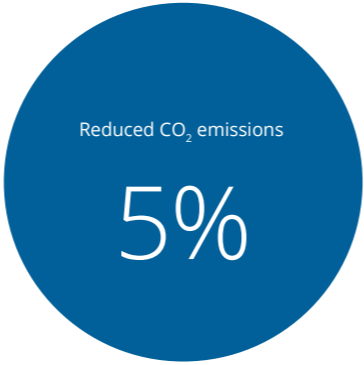
During 2022, the purchased certificates offset around 75 percent of our CO₂ footprint from our activities in 2021. Similar certificates for 2022 will be purchased retroactively in 2023.

Compliance

Our employees undergo regular compliance training regarding medical devices and environmental management. Employees are encouraged to report all suspected compliance failures regarding values, policies, and business ethics to their line manager, local management team, or our secure and independent whistleblower function. Our quality management systems comply with standards and regulations for medical devices. All our sites are inspected yearly by an external inspection body, or notified body, for compliance with applicable standards.

Community involvement

We are increasing our community involvement by offering apprenticeships and participating in student fairs. The goal is to generate interest in our industry and to inspire students to apply for jobs with us after graduating. In Denmark, we have been running apprenticeship programs for many years. This type of collaboration makes it easier for Elos Medtech to attract apprentices, while also making training in automation technology and precision technology much more interesting.



Sustainability goals

We take a long-term approach to economic, social, and environmental responsibility for how our operations impact our stakeholders, and we define annual sustainability targets to ensure that there is continual improvement in these areas.



Silver medal after EcoVadis's assessment

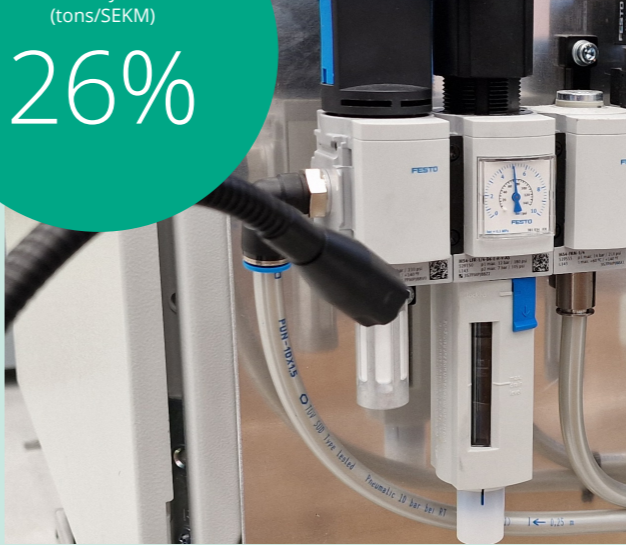
For two consecutive years Elos Medtech have been awarded a Silver rating from EcoVadis. We can celebrate an improvement in all rated areas and are now very close to the next step, the gold rating which is a clear objective for the 2023 assessment.

During several years, we have focused on how Elos Medtech can improve in caring for our people, business, and responsibilities, along with minimizing our environmental impact by developing action plans to improve our sustainability performance. Among other tools, we have used EcoVadis to measure our sustainability efforts. We have set a goal to improve our EcoVadis rating every year.

Comparing our rating to other companies in our segment, our score is higher or equal to 87 percent of other companies.

GHG intensity reduction
(tons/SEKM)

26%



Energy mapping

During the beginning of 2022, we performed an Energy Mapping in our Swedish sites according to the Swedish law (2014:266 energy mapping in large companies). The work was performed together with a certified professional, Erik Fiedler from Semcon.

The report gave a good description of the status of our Swedish facilities and possible improvement areas to reduce the energy use. The result has been shared amongst our other sites and actions have been taken to continue the journey towards a more energy effective production.

For example:

- Searching for leaks in the compressed air system
- Replacing fluorescent lights with LED lights
- Updating systems for heat, ventilation, and air conditioning
- Reducing water consumption and waste
- Performed pre-study regarding installing solar panels

Sustainability goals 2022

	ESG	2022
Invest in Projects that will lower over all CO2 emissions in area of Site	E	✓
Buy certificates to offset CO2 in China	E	✓
More efficient energy usage – Benefit from Energy Mapping in Sweden	E	✓
Reduce scrap to 2,5% in group	E	3,4%
Communicate ESG Policy internally and externally – Set a footprint in SoMe	E	✓
Report actions performed to prevent work related injuries to Management Review	S	✓
Increase ESS compared to 2021	S	N/A*
More than 85% of our employees shall agree to that we all do our outmost to support and collaborate with each other	S	N/A*
All employees shall be treated with respect, zero tolerance against discrimination	S	✓
At least 5% of investments aimed to decrease environmental footprint	G	✓
Make ESG assessment/ compliance check for largest/most critical suppliers	S	Partly
All employees trained in CoC	S	✓
Zero tolerance against bribes and corruption	S	✓

*A new employee satisfaction survey was used during 2022. A 1-1 comparison between 2021 and 2022 was therefore not possible to do.



Goals for sustainable development

Several years ago, Elos Medtech identified overall goals that include environmental responsibility, social responsibility and business benefit. During 2021 and 2022, these goals have been linked to the UN's global goals for sustainable development and the outcome during the business year.

Within the framework of Agenda 2030, in 2017 the UN presented global goals for sustainable development. From the 17 goals, which set a clear and useful framework for meeting global challenges and has had a major impact in society, Elos Medtech has identified eight goals below. This is where we see a connection to our business and within which we will continue to work to achieve the goals specified.



Connection between Elos Medtech's prioritized ESG and UN's global goals

3	Good Health and Wellbeing	Development and manufacturing of medical devices and IVD equipment
5	Gender Equality	50/50% on all positions
6	Clean Water and Sanitation	Investments in waste water equipment
7	Affordable and Clean Energy	Source renewable and invest in solar panels
8	Decent Work and Economic Growth	Continuous improvement in our production facilities
10	Reduced Inequalities	Provide equal opportunities
12	Responsible Consumption and Production	Continuous reduction of waste, scrap etc.
13	Climate Action	More effective usage of energy

Our commitment

As part of our ESG Policy, we have made a commitment within a number of areas which are clearly connected to our Code of Conduct and our Ways of working which supports and summarizes our beliefs, both as a company and as individuals employed by Elos Medtech.

Human rights

Elos Medtech shall respect the human rights of workers and treat employees with dignity and respect.

Child labor

Elos Medtech shall not recruit or employ child labor. The minimum age of workers shall be 15 years, or the minimum age set by the national laws in the country of operation, whichever is higher. Young workers, i.e., those above the minimum age and below the age of 18, may not be employed for hazardous work or work alone no matter what labor laws says.

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Elos Medtech shall respect the human rights of workers and treat employees with dignity and respect.

*Anders Björklund,
VP QA & ESG at Elos Medtech*



Freedom of association and collective bargaining

Elos Medtech shall respect the rights of employees established in local law to join or not join labour unions, seek representation, and join worker organizations.

Workers shall be able to bargain collectively, and worker representatives shall not be discriminated against.

Freedom of communication

Workers shall be able to communicate openly with management regarding working conditions without fear of reprisal, intimidation, or harassment.

Where the right to freedom of association and collective bargaining is restricted by law, we encourage our partners to facilitate the development of parallel means of free association and bargaining such as worker representatives or works councils.

Non-discrimination

Elos Medtech and all its employees shall not discriminate on the grounds of race, caste, national origin, religion, age, disability, gender, marital status, pregnancy, sexual orientation, union membership or political affiliation, or engage in any other form of discrimination.

Treatment of employees

Elos Medtech shall treat its employees with respect and dignity and shall not subject them to any kind of cruel, inhuman, or degrading punishment, physical, verbal or sexual abuse, or threat of abuse or harassment.

A motivation and employee satisfaction survey will be performed on a regular basis.

Wages and benefits

Elos Medtech will pay its employees a fair and market-based wage required by law or the prevailing industry standard in the country concerned, and shall provide all legally mandated benefits, such as medical insurance, social insurance, and pensions, in full and on time.

Working hours and holiday

Elos Medtech shall not breach local regulations on working hours and shall remunerate overtime in accordance with local laws and regulations as a minimum. Employees, including those on temporary contracts, shall not be required to work more than 60 hours a week, including overtime, on a regular basis (or the maximum legal working hours if this is less than 60). If required, overtime shall generally be voluntary but in special cases it may be mandatory, in which case it must be communicated to the employee. Overtime shall be remunerated at a higher rate than the hourly rate or according to local countries regulations.

Employees shall be entitled to at least one day off in every seven-day period and shall receive paid annual leave and holidays in accordance with local laws.

Wage deductions as a disciplinary measure shall not be permitted, nor shall any wage deductions that are not stipulated by national law be permitted without the express permission of the worker concerned. All disciplinary measures shall be recorded.

Health and safety

Elos Medtech shall provide its employees with a safe, healthy, and hygienic workplace. We will:

- Implement effective programs and systems for ensuring the safety of workers by minimizing work-related accidents and illnesses, and provide efficiently protection against exposure to chemical, biological or physical hazards in the working environment.
- Identify and assess emergency situations, implement emergency plans and response procedures in the workplace and provide sufficient fire exits, escape routes and firefighting equipment
- Provide regular health & safety training for employees.
- Provide hygienic toilet facilities and unlimited access to drinking water in the workplace.
- Continuously improve safety performance by setting targets, initiating action plans, and undertaking necessary improvements identified by internal or external assessments.

Freely chosen employment

Elos Medtech shall not use forced or involuntary labor (e.g., forced, bonded, indentured or involuntary prison labor). Employers shall not retain workers' identity papers or hold deposits from workers.

Workers shall have a copy of the written employment contract setting out the terms and conditions of their employment.



Our commitment

The environment

Elos Medtech shall ensure that its operations minimize adverse impacts on the environment.

Specifically, we shall:

- Comply with all applicable environmental laws in the country of operation, and by doing so obtain and maintain the necessary registrations, permits and licenses.
- Establish systems for ensuring the safe handling, movement, storage, disposal, recycling, reuse or management of raw materials, waste, air emissions and wastewater discharges. In this regard, any waste, wastewater, or emissions with the potential to adversely impact human or environmental health shall be controlled and treated prior to release into the environment.
- Avoid contamination of the local environment by preventing spills and accidental releases, and ensure that air, noise and odor pollution is within nationally defined limits; and Continuously improve environmental performance by setting environmental targets, initiating action plans and undertaking necessary improvements identified by internal or external assessments.

Business integrity

Elos Medtech shall act with integrity while conducting business. Elos Medtech shall comply with all laws and regulations on bribery, corruption and prohibited business practices applicable in the specific country.

- Elos Medtech shall not engage in any form of bribery, corruption, extortion or embezzlement.
- Elos Medtech shall not give or receive bribes to obtain undue or improper advantage.
- Elos Medtech shall not offer or receive gifts and extravagant entertainment to/from Elos Medtech purchasers or other counterparts in Elos Medtech to influence business decisions.

Safety and rights of clinical trial patients/healthy volunteers

Elos Medtech shall observe external guidelines and regulations originating in the Nuremberg Code, the Declaration of Helsinki, other ethical guidelines, local laws, and the principles of current GLP, GCP and GMP.

Elos Medtech shall:

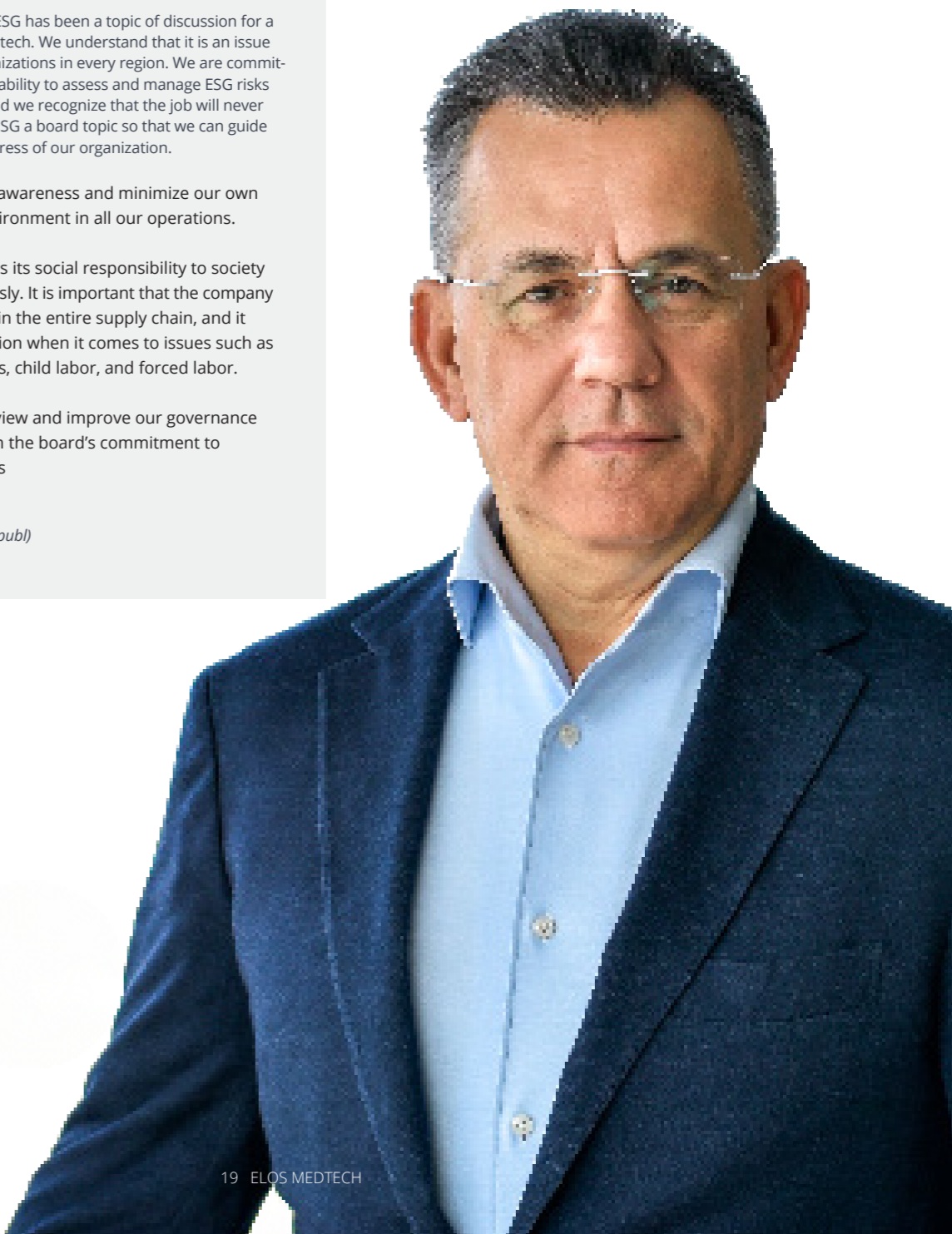
- Ensure the safety, rights, integrity, confidentiality and well-being of clinical trial patients/healthy volunteers by applying proper scientific and ethical values;
- Ensure that the interests and well-being of trial patients/healthy volunteers shall always prevail over interests of science, society and commerce;
- Ensure that all trial participants enroll voluntarily in clinical trials through appropriately provided information and freely given informed consent. Patients/ healthy volunteers must always be able to withdraw from trials without providing a reason;
- Ensure that special consideration is shown to vulnerable trial patients/healthy volunteers (including children, elderly, unconscious or mentally incapacitated persons);
- Ensure that staff involved in executing clinical trials are appropriately qualified;
- Maintain a quality system that ensures compliance with the above-mentioned guidelines and principles.
- Ensure that all activities involving animals are conducted in strict accordance with current legislation.

ESG at Elos Medtech

Our commitment to ESG has been a topic of discussion for a long time at Elos Medtech. We understand that it is an issue that affects our organizations in every region. We are committed to improving our ability to assess and manage ESG risks and opportunities, and we recognize that the job will never end. We have made ESG a board topic so that we can guide and support the progress of our organization.

- We strive to raise awareness and minimize our own impact on the environment in all our operations.
- Elos Medtech takes its social responsibility to society and its staff seriously. It is important that the company has transparency in the entire supply chain, and it takes a clear position when it comes to issues such as working conditions, child labor, and forced labor.
- We continually review and improve our governance practices based on the board's commitment to sustainability goals

Stefano Alfonsi,
CEO Elos Medtech AB (publ)



Taxonomy of sustainable activities

The taxonomy for sustainable activities is one of the measures in the EU action plan for financing sustainable growth. It provides the opportunity to identify and compare investments that are necessary to reach a sustainable economy. It will form the basis for future standards and labeling of sustainable financial products. Companies with more than 500 employees must report turnover, capital investments, and operational costs in accordance with the taxonomy.

The following applies according to the taxonomy:

- **Contribute to environmental goals.** To be sustainable according to the regulation, the business must significantly contribute to at least one of the six environmental objectives listed in the taxonomy. Companies can contribute through internal measures or by offering products that make it easier for an interested party to contribute to one of the environmental objectives.
- **Do not oppose environmental objectives.** The fulfillment of one or more of the environmental objectives in the taxonomy may not counteract the other environmental objectives.
- **Comply with basic principles and norms.** This refers to conventions and guidelines regarding, for example, the working environment and human rights.
- **Connect to technical screening criteria.** Currently, the criteria are set for economic activities in sectors with the highest contribution to CO₂ emissions and thus are most significant for delivering climate change adaptation and mitigation. These sectors include, for example, energy, forestry, and transportation.

As a medical device company, there are currently no criteria for our sector that can be applied to Elos Medtech Group's activities or products. However, it is important to highlight that the taxonomy is still under development and will continue to evolve over time.

The 6 taxonomy objectives

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

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Elos Medtech shall ensure that its operations minimize adverse impacts on the environment



Stakeholder dialogue

By participating in stakeholder dialogues, Elos Medtech aims to create value for its stakeholders.

Elos Medtech engages in dialogue with its stakeholders to develop the business and create value for our stakeholders. The purpose is to build long-term relationships, obtain a better understanding of what is important to our stakeholders, and continuously improve our sustainability efforts.

Elos Medtech engages in continuous dialogue with key stakeholders to balance and optimize different interests, expectations, and wishes. Our most important stakeholders are employees, customers, the Board of Directors and owners, suppliers, authorities, society at large, and schools and universities (future employees).

Stakeholder group	Dialogue	Stakeholder expectations
Employees	Workplace meetings General meeting Employee surveys Performance evaluations Safe workplace coordinating councils (SAM) Management meetings business risk analysis, SWOT	Skills development (training) Customer satisfaction Environmental commitment Leadership – strategy (strategic platform) Ethics and compliance
Board of Directors and owners	Board meetings Employee surveys – interviews Annual General Meeting Assessment of business risk	Sustainability reporting – environmental commitment Strategic platform Policies – Code of Conduct Ethics and compliance Human rights Long-term profitability Customer satisfaction (sustainable customer solutions)
Customers	Business Review Conferences – trade fairs Customer surveys Audits	Product quality and safety Compliance – quality management Business continuity plan Supplier management Product performance and quality Market presence
Suppliers	Audits Questionnaire on qualifications	Business continuity plan Environmental commitment
Society at large	Local initiatives – study visits Authorities	Human rights Investments for sustainable solutions Environmental commitment Regulatory commitment
Schools, universities – future employees	Meetings Networking Study visits – talks University lecturers on local apprenticeships	Sponsorship of local training programs Career opportunities Diversity Sustainability reporting

Materiality analysis

By conducting a materiality analysis, Elos Medtech has defined its most important sustainability issues.

Elos Medtech has a comprehensive materiality analysis to define our most important sustainability aspects, and this analysis is revised annually. The materiality analysis is based on conclusions from external and internal dialogues, external trends, Elos Medtech's strategy, SWOT analyses, evaluations of risks and opportunities, and sustainability frameworks such as the Global Reporting Initiative and the UN Global Compact.

The materiality analysis comprises eleven significant aspects that are presented below, together with an illustration that shows where in our value chain the impact is made. For each aspect, key performance indicators have been defined that are followed up regularly and used as a basis for information about the company's sustainability management activities.

	Suppliers	Elos Medtech	Customers and consumers
Care for our business			
Customer satisfaction		●	●
Product performance and quality	●	●	●
Investments in sustainable solutions	Can be influenced – for example, waste management service providers	●	
Care for our people			
Empower people to make a difference		●	
Safe and healthy workplace		●	
Promote best practices and diversity, including human rights	●	●	
Care for our responsibilities			
Ethics and compliance	●	●	●
Energy management		●	
Emissions of greenhouse gases	●	●	
Water management	●	●	
Waste management	●	●	

Care for our business

MA 1 Customer satisfaction

- Surveys and our overall partnership score show that our customers are very pleased with us and see us as a trusted business partner.
- Customers continue to acknowledge the technical expertise and strong product quality Elos Medtech demonstrates.
- Customers purchasing our proprietary products especially appreciate the partnership, service, and the design and development competence, as well as the high product quality.

MA 3 Investments in sustainable solutions

Investment objective	2022	2021
% of investment budget allocated to sustainability projects	5	5

MA 2 Product performance & quality

Proprietary products	2022	2021
% of sales of proprietary products	20	15.2
Number of serious incidents	2022	2021
	0	0

Outcome investments	2022	2021
% of investment budget allocated to sustainability projects	10	5

MA = Material aspect

Care for our people

MA 4 Employment

Average number of employees	2022	2021
Sweden	129	126
Denmark	174	154
USA	200	144
China	123	111
Group total	626	535

Gender distribution	Women		Men	
	2022	2021	2022	2021
Board of Directors	20%	25%	80%	75%
Senior management	60%	40%	40%	60%
Local management	37%	39%	63%	61%
New employees	39%	42%	61%	58%
Group total	42%	41%	58%	59%

Staff turnover	2022	2021
Number of new hires during the year	190	145
Number of terminations during the year	77	115
Staff turnover	12	21

MA 5 Employee influence

	2022	2021
% of employees who have participated in company-wide training initiatives	47	40
% of employees who have had regular performance reviews	86	53
Average number of training hours per employee	13	12

MA 6 Health and safety at work

The most common causes of injury	
2022	2021
Repetitive work	Repetitive work
Handling of tools and machines	Handling of tools and machines
Lifting of heavy machinery	Lifting of heavy machinery

Absence and illness	2022	2021
Number of days of absence due to injury	20	237
% of sick leave	1.79	3.4

MA 7 Diversity and equal treatment

	2022	2021
% of Chinese management team with domestic background	80	80

Employees' length of employment	2022	2021
<5 years	230	272
6-10 years	172	140
11-15 years	69	44
>15 years	94	95

Care for our responsibilities

MA 8 Ethics & compliance

	2022	2021
% of employees who have taken part in compliance training activities	100	100
Number of internal audits at subsidiaries	17	17
Number of days with customer audits	34	25

To ensure that we continue to act as a trustworthy and honest company, we emphasize our Ethics & Compliance Helpline, where misconduct and violations of our Code of Conduct and business ethics can be reported. We encourage our employees to report any suspected violations of or non-compliance with Our Way and our business ethics.

MA 9 Environmental standards

Certificate

Subsidiary	Certificate
Elos Medtech Pinol	ISO 13485, ISO 13485 CMDCAS, ISO 9001, ISO 14001, MDSAP
Elos Medtech Timmersdala	ISO 13485, ISO 14001
Elos Medtech Skara	ISO 13485, ISO 14001
Elos Medtech Tianjin	ISO 13485, ISO 14001
Elos Medtech Onyx	ISO 13485

MA 10 Energy and water

Main activities for energy use

2022	2021
Energy mapping	Production equipment
Leak search	Lighting
Production equipment	Ventilation
Lighting	Cooling
Ventilation	Heating
	Transport
	Computers & servers

Energy*	2022	2021
% of energy use from renewable sources	52	54.2
Total energy use (GJ)	96,613	82,000
Energy intensity (GJ/SEK million in sales)	106	116

Water	2022	2021
Total water use (m³)	24,329	21,557

* The Nordic units stood still during parts of the year, due to covid-19, which meant that our Chinese and US sites accounted for a larger share of energy use, thus also reducing the share of energy use from renewable sources.

MA 11 Greenhouse gases*

	2022	2021
CO ₂ equivalent greenhouse gas emissions (tons)	6,795	7,088
Including CO ₂ removal certificates in China	4,095	4,500
Greenhouse gas intensity (tons/SEKm in sales)	7,48	10,07

* Only in China for 2022.

MA 12 Waste management

	2022	2021
Waste (tons)	358	334
Recycled waste (tons)	298	169
% of recycled waste **	83	51

** Adjusted for comparability.

About the sustainability report

This is Elos Medtech's sustainability report. It has been prepared in accordance with the stipulations in the Swedish Annual Accounts Act referring to sustainability reporting. This sustainability report also references GRI 103: Management Approach 2016. In conjunction with the GRI Standard, we have applied the ISO 26000 guid-

ance standard which provides a practical set of tools to measure and report on our social responsibility issues and practices. ISO 26000 offers guidance and recommendations on how to structure, evaluate, and improve social responsibility, including stakeholder relationships, and community impacts.

Gothenburg, April 12 2023

Magnus René
Chairman of the Board

Lovisa Lander
Board Director

Birker B Bahnsen
Board Director

Alexander Cicetti
Board Director

Stefano Alfonsi
Board Director and CEO

Auditor's opinion regarding the statutory sustainability report

To the general meeting of the shareholders in Elos Medtech AB (publ.), corporate identity number 556021-9650

Engagement and responsibility

It is the Board of Directors that is responsible for the sustainability report for the year 2022 and for ensuring that it is prepared in accordance with the Annual Accounts Act.

sustainability report is different and substantially reduced in scope, than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

The scope of the examination

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory

Opinion
A statutory sustainability report has been prepared.

Gothenburg 12 April 2023

KPMG AB

Johan Kratz
Authorized Public Accountant

