



Sustainability report

Etac - 2020



Sustainability at Etac 2020

Throughout 2020 we have been working towards goals established in our sustainability strategy. We have continued to analyze sustainability aspects of our product design and development and have measured our contribution to a circular economy throughout the value chain. We have assessed our impact on environment and climate and how we can contribute to society through promoting social responsibility. In this report we summarize our progress and steps that have been taken and will take to further contribute to a better and more sustainable future.

Three major challenges of 2020

Financial. Limited or no access to users during the pandemic. This means that fewer products were ordered during 2020.

New production site. A top-modern facility was opened in Poland. Production has been transferred from Norway to Poland during the year.

Supply chain. Lock downs across the globe have impacted lead times and material sourcing throughout our supply chain.

This is the Sustainability Report of Etac AB, org number 556324-9746, and covers the entire Group with the exception of our co-owned subsidiary HoverTech International



CEO Statement

"Given the many challenges of 2020, I am proud of what we were able to achieve and the level of resilience we have demonstrated."

We have never experienced a year like 2020. The pandemic had an impact on every part of our operations and our value chain. When the first wave of Covid hit, our normal operations were interrupted for customers and suppliers. Access to user groups was stopped or greatly limited for our staff. This meant that our configured products and aids could not be ordered and we witnessed an unprecedented drop in order intake. We quickly developed digital tools to support our customers and users to enable product assessments and ongoing communication.

The situation gradually improved during the summer and fall. Yet the disruptive effects of Covid on our supply chain were significant. This experience has reinforced our ambition to develop our supply chain further towards a higher resilience and robustness.

Throughout 2020 we completed the green field project to build a new manufacturing site in Tczew, Poland. We have high ambitions

for the new site both operationally and from a sustainability perspective. The building was awarded DGNB Platinum which is the highest level of certification and the first manufacturing site in Poland to reach this level. During the year we have been transferring production from Gjøvik Norway to Poland. This means we have been operating two facilities simultaneously. In the short run, our carbon emissions will therefore appear higher as a result. However, the long term impact of this investment will aid us in reaching our environmental as well as operational targets.

I am proud to present the results of our efforts in this report. The challenges of 2020 have shown us how interconnected we are. Most importantly we have come a step further in integrating sustainability into our entire value chain and are creating possibilities that extend beyond our operations.

Michael Wirzberger, CEO Etac Group



Etac - Creating Possibilities

Founded in 1973, Etac is a world-leading developer and provider of ergonomic assistive devices and patient handling equipment. Our ambition is to provide solutions that optimise quality of life for the individual, family members and caregivers.

Through our specialised product brands, we offer state-of-the-art products for a wide range of daily needs and care settings, for people at all stages of life. Whether the solution is for a child or an elderly person, our aim is to promote the individual's abilities and improve the caregiver's working conditions – through quality, functionality and design.

Our dedication has resulted in numerous awards and great customer satisfaction around the world. With a pioneering spirit and innovative mindset, we continue to create possibilities for users, patients and caregivers.

Our product brands

etac®

RBZ®

Convaid

molift®

immedia

STAR

HOVERTECH

HoverTech products are developed by HoverTech International, which is a joint venture between Etac and HoverTech International.

Employees & facilities 2020

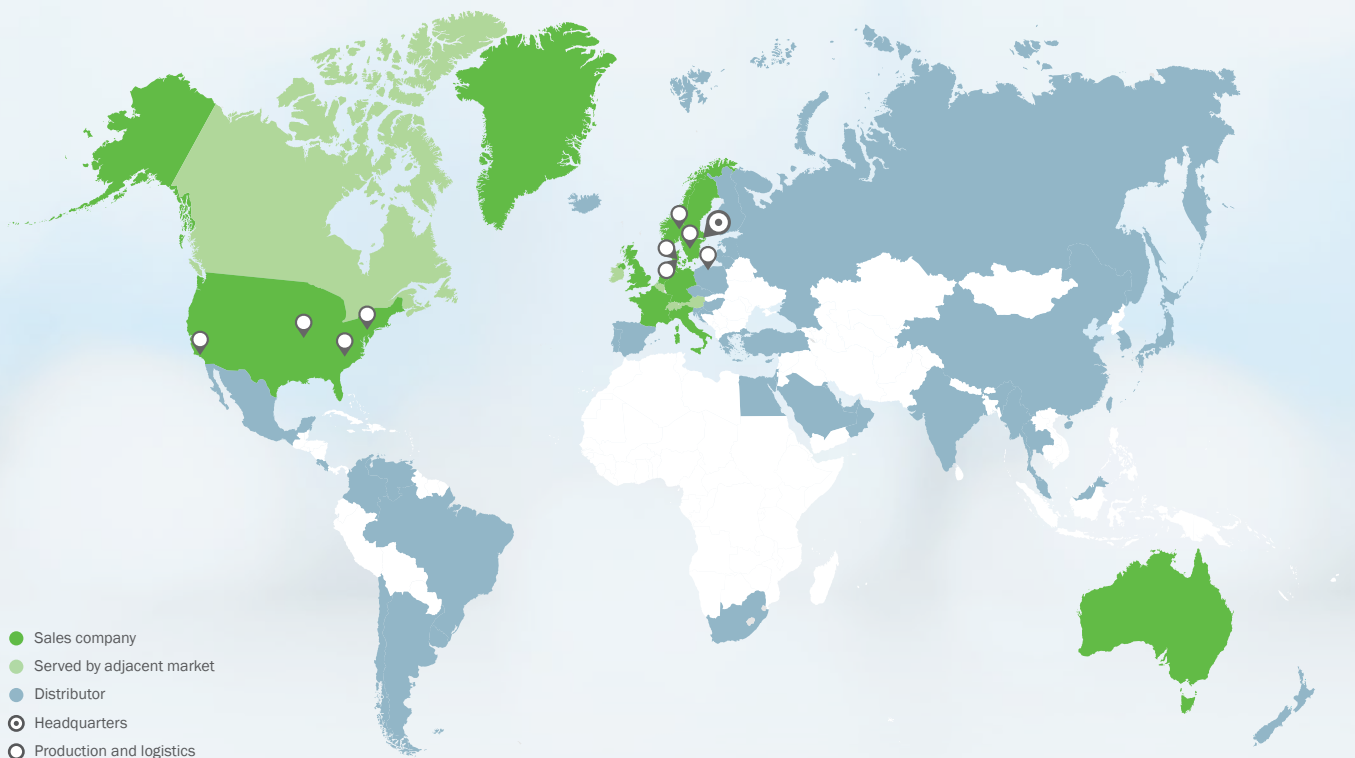
Country	Average number
Sweden	186
Norway	140
Denmark	217
UK	56
Germany	52
Netherland	13
US	215
Poland	39
France	1
Italy	8
Australia	13
Employees of the Group	940

Production and logistic facilities
Anderstorp, Sweden
Gjøvik (closed by end of 2020), Norway
Gedved, Denmark
Horsens, Denmark
Freeburg, IL, USA
Torrance, CA, USA
Charlotte, NC, USA
Allentown, PA, USA
Tczew, Poland

Etac invested in HoverTech International, PA USA, in June 2019, forming a joint venture with a 70% share of ownership. Sustainability work at HoverTech International is managed separately.

Our presence

Etac is headquartered in Sweden, with more than 900 employees worldwide and sales in over 50 countries through its own entities and distributors. Etac's revenue amounts to approximately EUR 300 million.





COO Statement

“2020 has demonstrated our commitment to sustainability”

Our sustainability strategy established in 2019 is our roadmap for continuous improvement towards defined target values. It links our core business with our ambitions to contribute to the UN´s Global Sustainable Development Goals.

CO2. The impact of Covid-19 on our ability to reach set targets has been challenging. The most apparent outcome was in carbon emissions. The reduction in air travel, which was a direct effect of the pandemic, is reflected in our results. However, this is outweighed by the fact that we opened a new factory in Poland. This means our total energy requirement and carbon emissions output has increased short term during the transfer period in 2020.

Digitalization. We have quickly adapted to digital meetings and have been developing an e-learning platform that promotes product understanding and has strengthened our communication with clinical staff across the globe.

Supply chain. Increasing material and logistics prices as well as disruptions to on-site inspections have presented challenges for supply chain management. We were unable to perform physical audits to the extent planned. That is why we are currently developing a digital auditing tool that can work as a complement to physical meetings

Eco-Design. Progress has also been made within product design and development and we are continuing to test circular models and are implementing an Eco-Design tool to support product design in early project phases. Through close collaboration with suppliers and a few pilot customers, we are learning more about the specific product design requirements that can simplify remanufacturing, reduce environmental impact and save costs.

Moving forward. During 2021, we will encourage and enable our team, suppliers and customers to make sustainable choices.

Magnus Björkqvist, COO Etac Group



Sustainability at Etac

The global challenges facing the world require responsible leadership and systematic work. We want to be a positive force in society and improve the life quality for all individuals regardless of physical circumstances. Our focus moving forward is to contribute, to reducing the climate impact of our value chain, contribute to the circular flow of material and inspire sustainable solutions.

Our value chain

We work to contribute to a sustainable value chain with more circular material flows and lower climate impact. Illustrated below are the primary links in our value chain and how we work to contribute to more sustainable development at every stage.

Product development

Our product development focuses on extending the lifespan of our products, reuse, remanufacturing and design for sustainable and effective manufacturing.



Manufacturing

We follow a target-driven LEAN approach along with systematic health and safety activities to prevent accidents in the workplace.



Sales

We have high business ethics standards and comply with general business practises. There is a channel for reporting statutory and regulatory violations.



Recycle & remanufacture

We work to increase our circular flow of materials and are developing models for integrating recycled materials into components and accessories.



Sourcing

We continuously evaluate our supplier selection and conduct regular audits to ensure social and business ethical risks as part of our sourcing process and influence suppliers to improve their sustainability efforts.



Transportation

We optimize transportation flows with the aim of reducing the amount of incurred emission and collaborate with established logistic forwarders.



Use

We work closely with customers to develop models for long lifespan and conduct clinical evaluations and tests to meet required standards and certifications.





UN global sustainable development goals

The Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including those related to poverty, inequality, climate change, environmental degradation, peace and justice. The 17 Goals are all interconnected, and in order to leave no one behind, it is important that we as a society achieve them all by 2030. Read more at <https://www.un.org/sustainabledevelopment/sustainable-development-goals>.



Our Sustainability strategy

Sustainability is a central part of our business strategy. We launched our new sustainability strategy with the aim of creating positive change that extends well beyond our own operations. Through sustainable choices in our value chain, we will ensure our ability to create possibilities for the next generation. We hope to make a measurable impact in four key areas to be in line with the UN 2030 targets. This is how we do sustainability.



Reduce impact on environment & climate

We strive to have minimal negative impact on the environment from our business operations. We will do so by being energy efficient, use renewable or recycled resources, reduce waste and emissions and proactively eliminate hazardous substances.

Overall goals:

- Reduce emissions by 30% of base year level.
- All factories ISO 14001.
- Reduce air travel per employee.



Promote social responsibility

Our products contribute to a more inclusive society where all people of all ages, regardless of physical circumstances, will have equal opportunities and live a more free and independent life. We believe in diversity, inclusion, gender balance and responsible sourcing.

Overall goals:

- 100% of all suppliers are audited and score at a good level or better.
- 40% of management positions will be filled by women.
- Promote diversity in management and teams.





Collaborate & develop circular economy

Wherever possible we will strive to do business with stakeholders who also put sustainability high up on their agenda. We will strive for sustainable circular economy in our business models in close collaboration with our partners and customers.

Overall goal:

- 30% of sales should be spare parts or accessories, which is driven by high degree of reuse and long life time.



Focus on sustainable product design & development

Our products are free from hazardous substances, are designed to last and have the end user's ability and function in While maintaining these objectives we also strive to increase the share of reused material in our products.

Overall goals:	Base year value 2018	Target value 2025
Metal	17%	50%
Plastic	1%	20%
Textiles	4%	20%
Packaging	65%	100%





Reduce impact on climate & environment

Climate change and environmental impact are a reality and dramatic measures are needed to minimize the negative consequences. We are taking responsibility for our part in limiting this development and have chosen a scientific climate target and work towards environmental goals.

Climate target. At the start of 2019 we adopted a target of reducing our CO2 emissions, within our operations by 30% by 2025, with 2018 as our base year. This target is in alignment with the Science Base Targets initiative (SBTi). The target is a summary of our emissions from Scope 1 and Scope 2 which include electricity, as well as own and purchased heat.

To achieve this goal we need to be even more efficient in our use of energy, increase our share of renewable energy, promote eco-friendly transportation alternatives and reduce business travel. We believe by increasing our energy efficiency we can lower our carbon emission intensity in relation to our revenues. Monitoring and follow-up are the basis for improvements. Energy efficiency and CO2 intensity are measured and monitored in management teams and our production entities have improvement targets in line with our sustainability strategy.

From fossil to renewable. In 2017 we started signing renewable energy contracts in Sweden. This early engagement has contributed to 100% renewable electricity in our production sites in Sweden. This is an approach we continue to follow globally when possible. In other instances alternatives such as investing in solar panels and power purchase agreements, are being reviewed at a local and regional level.

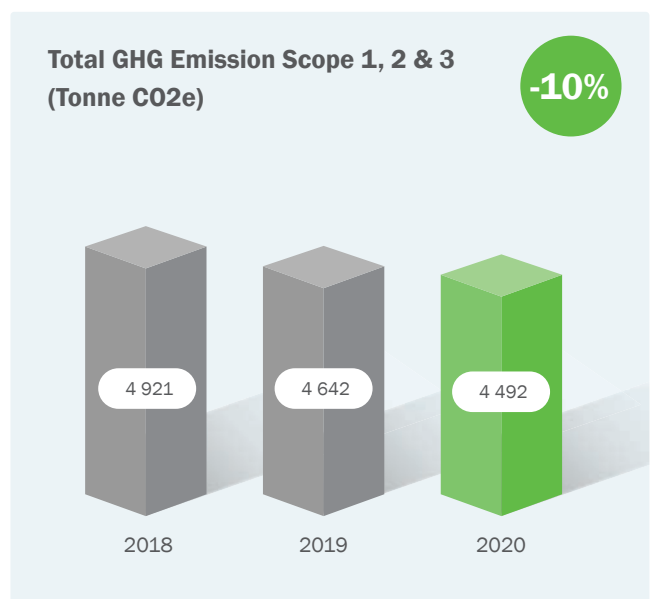
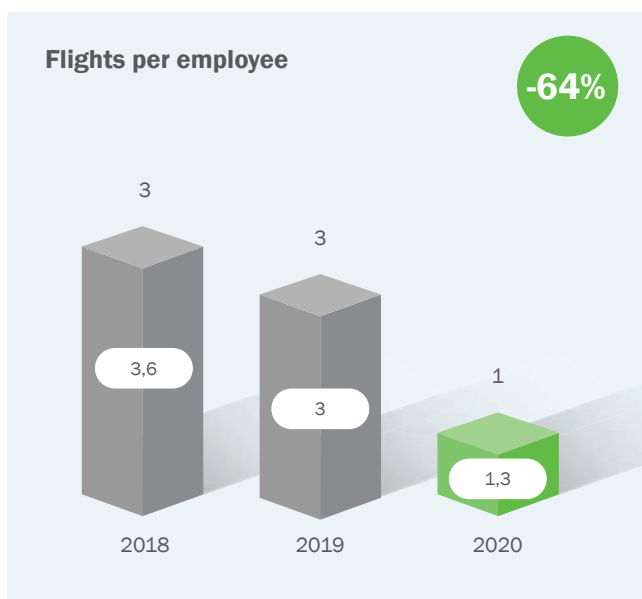
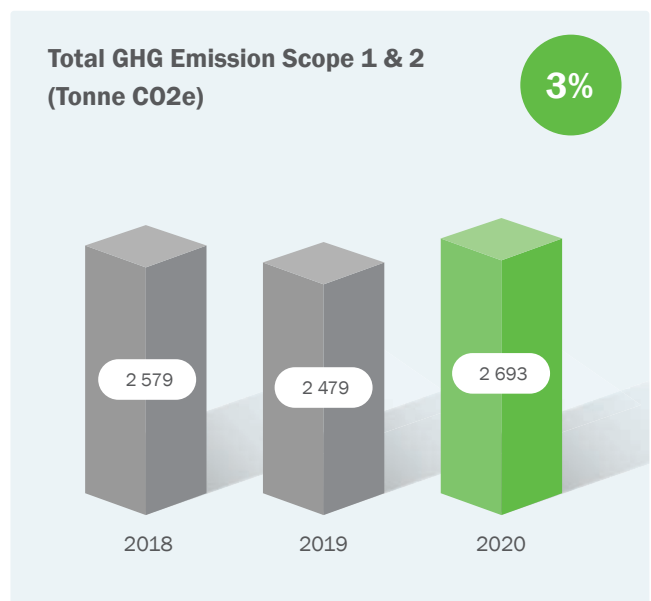
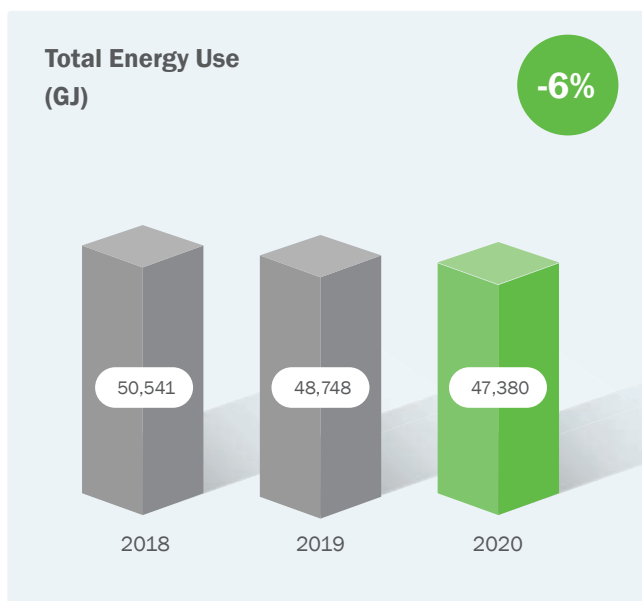
Even though energy consumption has decreased by 6% our Scope 1 and Scope 2 emissions have increased by 3%. This is due to the increase of our Scope 2 as we have been running two factories parallel during the transfer of production to our new facility and the high carbon intensity of electricity production in Poland. Improvements are attributed partially to the transition to LED and regulating ventilations systems.

Transportation. The reduction in our own transportation and business travel mostly explain the reduction in emissions. Goods transportations are mainly conducted using external haulage companies and comprise a significant share of our direct and indirect CO2 emissions. Emissions from our own vehicles are included in our scientific climate target and have also decreased. During the year, we continued our work to reduce the impact of our goods transportation, mainly through route optimisation. We are also working with our logistics suppliers to disclose emissions produced from the transportation of our goods. The possibility of measuring, monitoring and reducing transportation-related CO2 emissions is a key part of this work.

Harmful and toxic substances. Our environmental impact is mainly derived from manufacturing, treatment and assembly. In addition resource use of metal, plastic and textile products, chemicals and packaging materials as well as waste contribute to our environmental impact.

We work diligently to eliminate harmful and toxic substances in products and in work processes. We expect all suppliers to follow relevant laws and requirements. To ensure that our products meet the requirements, suppliers sign self-declarations and material data sheets are controlled. We conduct regular follow-up work on traces of chemicals in our products. We also have set the goal that all factories will be ISO 14001 certified in 2025.

Results



GHG Protocol Scopes 1, 2 & 3

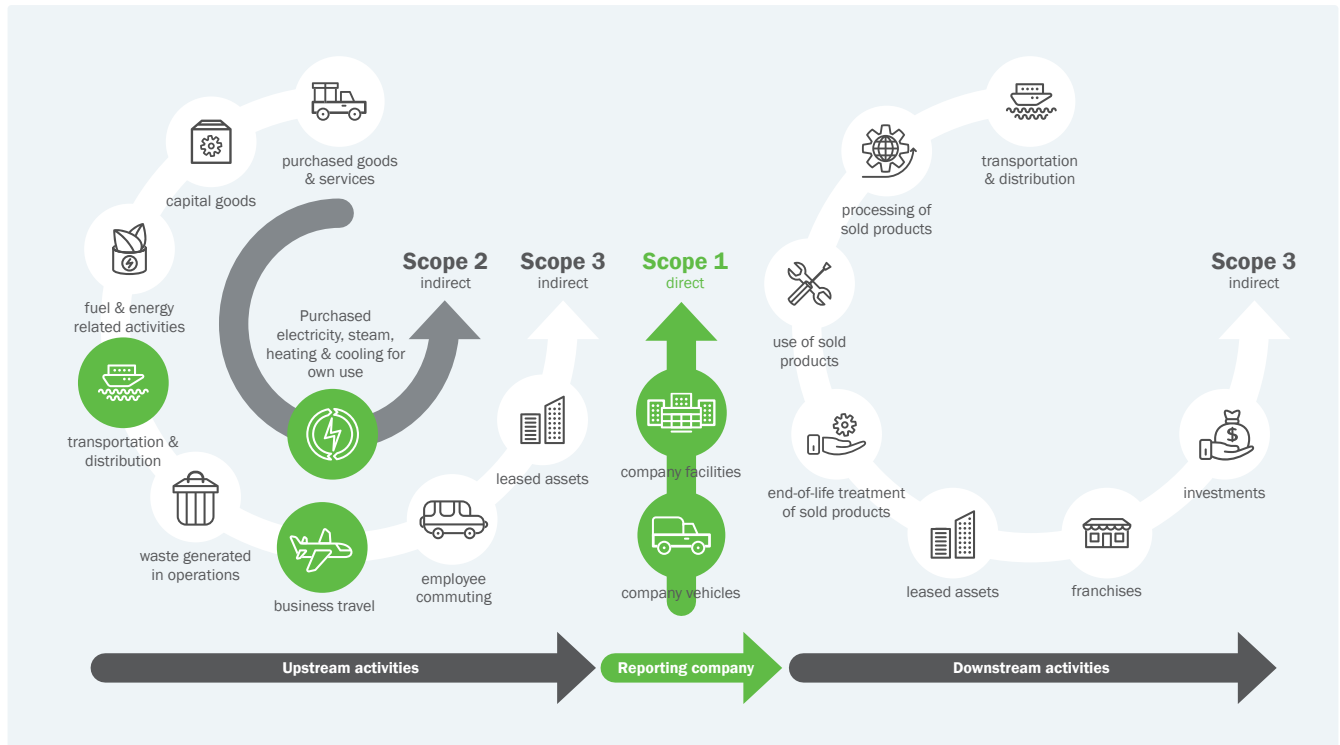
Scope 1: All direct GHG emission by Etac Group, including fuel for our stationary boiler and fuel consumed by our vehicles.

Scope 2: Indirect GHG emission by Etac Group (purchased electricity, heating and cooling) using both location based and market based approach.

Scope 3: Other indirect emission not covered in Scope 1 or 2.

However, we are only accounting for the relevant emission which we can affect i.e. business travels and transport and distribution of our goods.

We use 2018 as our baseline year. We include data from all companies or subsidiaries within Etac group in which Etac currently has operational control over. This includes 18 operating subsidiaries in 10 different countries for 3 different facility types; sales office, warehouse and factory/workshop.



Comment:

Our energy consumption has decreased by 6%. Our Scope 1 and Scope 2 emissions has increased by 3%. This is due to running two factories parallel during 2020 and the higher carbon emission intensity of electricity production in Poland.

Contributing factors:

- Minimize travel and choose the most eco-friendly alternatives when possible
- Change timers on ventilation, cooling and warming systems
- Change lighting and implement timer systems
- Change to renewables when possible

Actions 2021

- We will continue to analyze investing in solar panels and power purchase agreement options.
- We will continue to choose eco-friendly travel alternatives when available.
- We will switch to eco-friendly cars in market locations that support this transition.



Promote social responsibility

Our history is about pioneering and developing products that contribute to a more inclusive society where all people of all ages, regardless of physical circumstances, have equal opportunities and live a more free and independent life. We believe in diversity, gender equality, inclusion and responsible sourcing and evaluate and approve all risk suppliers.

Business ethics and transparency. We strive to conduct all activities in accordance with high standards of corporate best practice. We are in compliance with all applicable statutory and regulatory requirements, including standards on ethical business and anti-corruption. Showing openness and transparency is essential to prevent or manage conflict of interest between Etac and our stakeholders. But we want to go a step further. We want to spread this spirit of business ethics throughout our organization and to our suppliers.

Being accountable and delivering on our promises is essential to our success. We are convinced that the different perspectives that arise through diversity, gender equality and inclusion improve our ability to better understand and act upon customer's needs.

Diversity, inclusion and gender equality. One of our goals is to continuously provide equal opportunities, irrespective of gender, transgender identity and expression, sexual orientation, ethnic background, religious beliefs, disability or age. Our goal is to increase the share of women represented at all levels of our organization. Both the number of women at management team level and at top 40 management level has improved slightly. Still there is room for improvement.

Responsible procurement program. Responsible supply chains protect vulnerable employees and reduce environmental and financial risk. We work to contribute to sustainable development in our supply chain. To manage risks in our supplier chain we subject our suppliers to undergo a risk assessment that is in alignment with our Code of Conduct. --->

Centralized purchasing gives us the opportunity to create a structure and set requirements for partners in our supply chain. To ensure that our products are produced in an acceptable way and to mitigate the risk of violations to human rights, audits are performed on site for suppliers in risk countries, as we see our suppliers as the major source for potential breach of human rights. An audit is a tool for identifying potential for improvement. Physical supplier audits are intended to verify, manage and to identify areas for improvement.

During 2020 we have focused on completing our evaluation of all remaining suppliers in risk countries through digital communications. No critical areas were identified in our supplier evaluations which is a good indication. However we aim to go a step further in transparency and promotion of social responsibility. We have been developing a more comprehensive digitalized score card system to simplify and extend the monitoring of progress and provide us with continuous insight into the ethics of our supply chain. No violations to human rights have been reported during the year and the scorecard system will enable more detailed monitoring and follow up on human rights at our suppliers going forward. This tool will be a complement to physical audits and can be applied to all suppliers, not only those in risk countries.

Anticorruption and whistleblowing. We are a global company with strong ethical values, that emphasizes the importance of doing business that generates long-term value and trust. We have therefore developed our ethical standpoint through an Internal Code of Conduct addressing anticorruption and bribery with an addition of diversity, inclusion and discrimination. This protocol applies to all individuals performing work for Etac.

For several years, Etac has had a whistleblower reporting process. Since 2019 the whistleblower process is managed

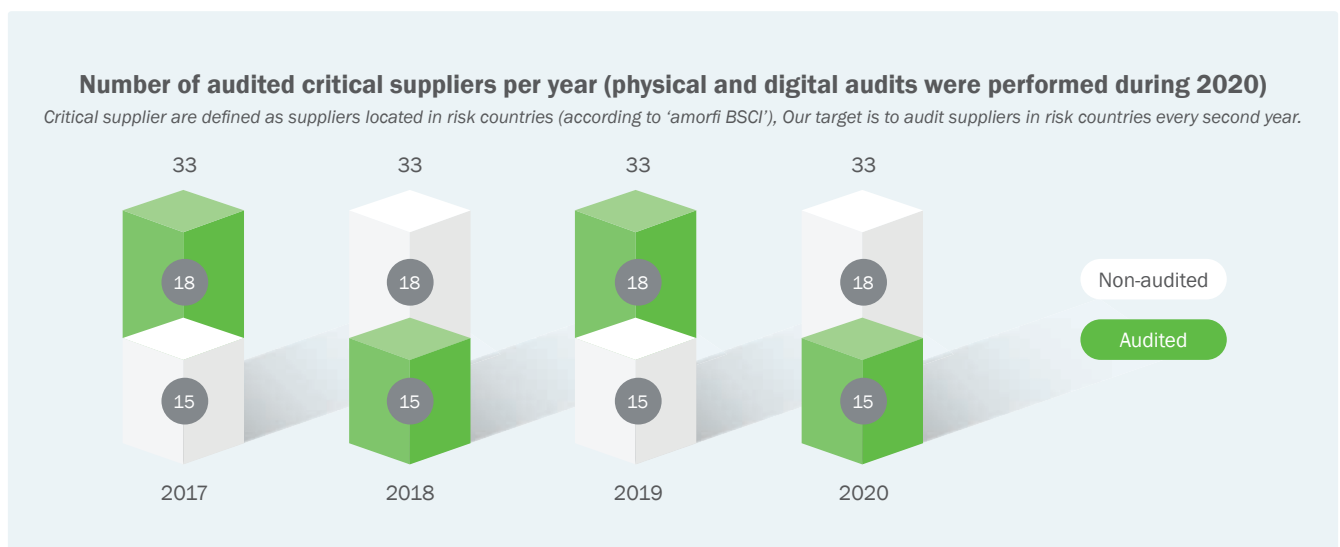
externally. This is important for us, allowing our employees and stakeholders to easily and anonymously report misconduct. No incidents have been reported during 2020.

Digital transition. In 2020 we launched an e-learning platform for our own sales entities and our distributors. In 2021 we will expand the tool and the content for. It is an example of how communication actually improved during the pandemic. Development of the e-learning platform will continue to include all products and updates.

The challenges of 2020 have showed us how adaptable we really are. Many of our employees across the globe demonstrated commitment and willingness to learn new working methods. Through effective digital work and management, we were able to continue to be productive and engaged throughout the year. Teams meetings, webinars and workshops have become part of a normal day at work.

Health and safety. A safe and secure work environment is a fundamental priority. The reported accidents on Group level 2020 are on a low level (accidents resulting in at least eight hours of absence) with few work site accidents reported.

During 2020 a total of 7 minor accidents were recorded vs 5 minor accidents for 2019. The accidents that occurred were analyzed, and measures have been taken to prevent similar accidents from happening again. Etac has a zero vision for work place related accidents and we will continue to strive to minimise the risk of accidents and take actions to prevent accidents and injuries in our workplaces. All Etac sites use both internal and external audits related to safety as work place safety is a central part of our quality management systems.



Supply chain management

Code of Conduct. This document defines our expectations of good business ethics, decent labor conditions and fair inclusive practices at our supplier bases.

Supplier Evaluation. We perform physical audits of each of our critical suppliers every second year and according to risk assessments for the remaining. We are currently piloting a digital auditing system with the aim of promoting social responsibility and human rights.

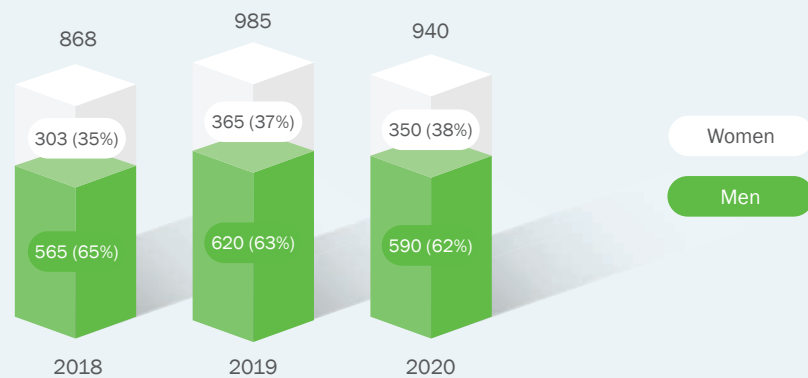
Sustainability Considerations. Procurement of goods and services from suppliers who fulfill our sustainability criteria as well as product specifications is always our starting point.

We also consider our ability to:

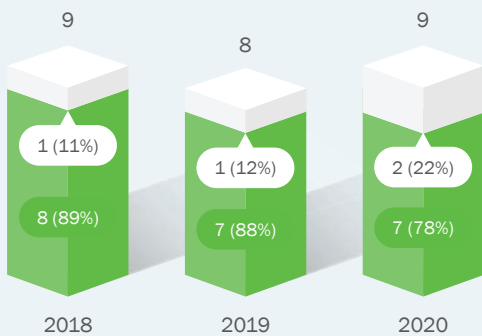
- Create long-term relationships with suppliers
- Plan ahead via the use of forecast and create durable timelines.
- Reduce GHG emissions through selecting suppliers geographically closer to manufacturing and assembly when possible.
- Choose sustainable packaging when possible.
- Recycle packaging when possible.

Results

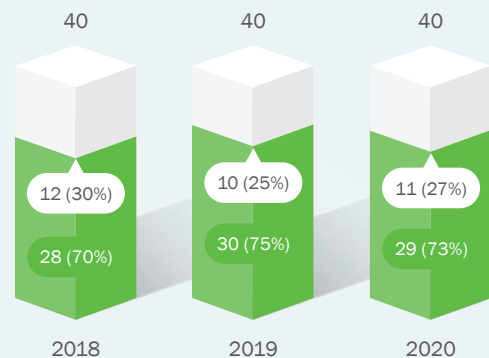
Etac group, average number of employees.



Etac management team.



Etac top 40 management level.



Quality matters.

Nada Larssen Curcija - Group Supplier Quality Assurance

What do you do in your role as supplier quality assurance?

My job is to examine our suppliers ability to delivery the specifications Etac requires. During factory audits I study the work environment, if employees have proper gear and equipment and if there is overall order, structure and routines.

How has the pandemic impacted your work?

During 2020 we have not been able to perform as many physical audits as planned. We have relied on digital meetings. This is not the most effective method for promoting social responsibility and developing relationships. However this can be a complement to physical audits in the future.

How does quality assurance contribute to sustainability?

Through routines we can guarantee quality. When we get that right we know our supplier is working diligently on minimizing waste. We know that employees have decent work and opportunities to develop skills. We know that the environmental impact is monitored and improvements are being made.

How does this effect Etac?

When our suppliers have control over their production in accordance with our specifications, we can focus on our own routines and product development. Good material flow with few disruptions means we can be effective.



What are you working on now? Currently I am coordinating routines for supplier evaluation throughout Etac. We are also planning physical audits during 2021.

What can Etac learn from physical audits? There is always an opportunity to learn from visiting another factory. With some suppliers we can exchange ideas and move forward to a sustainable future.

Comment:

We performed the expected number of audits digitally during 2020 and are developing our score card system and overall supply chain strategy. The procent of women at management level has improved slightly, but there is still much room for improvement. The number of work-related incidents increased slightly and preventative measures are in place.

Contributing factors:

- Code of Conduct for suppliers and employees
- Culture of good ethics
- Third party whistleblower function
- Digital audit systems with scorecard evaluation
- Recruiting based on meritocracy
- Incident reporting system with focus on prevention

Actions 2021

- We will continue to create relationships and transparency in our supply chain
- We will continue to develop digital auditing system with score card evaluations
- We will continue to promote gender equality, diversity and inclusion
- We will continue to implement preventative measures to ensure safety and minimize risk



Collaborate & develop circular economy

We continually review how we can optimize the use of materials and other resources and collaborate with customers to develop circular flow.

Extending product life. Resource scarcity is a global challenge. We clearly see that today's customers are demanding greater efficiency and minimization of environmental impact. We will likely see a growing interest for reusing of mobility aids. We currently produce long lasting products. The challenge is to develop effective circular models together with our customers that extend the life of our products. It can be the nature of a product's design – durable and long lasting. It may also mean keeping the same interface so that an old product can be refurbished, reconfigured or remanufactured, which extends its lifetime. This will not only conserve the planets resources, but it will also improve efficiency for the future.

We are searching for ways to minimize the risk that old products with an out-of-date lifetime are being used, and instead returned into a circular system of renewal. Our aim is to shift from a traditional manufacturing model to a model that includes sustainability factors. Our objective is to increase amount of extracted raw materials used, prolonged product life and increased share of sales of spare parts and accessories. Goals

have been set for each material area. The next step involves research and development to find new ways to meet these targets.

On-going research. During 2020 we have initiated a pilot project intended to deliver a sustainable business case by extending product life time. In this project sustainability specifically means reducing carbon footprint and water consumption. Our ambition is to create a business model that is accepted by both parties. Used products have been returned to the main factory for disassembly and analysis. Various components have been analysed and tested and different production methods are being evaluated. This project will continue during 2021.

Recycled products

23% of sales comes from spare parts and accessories for all product areas.

Thinking in circles.



Marika Törnqvist - Head of Product Office Manual Wheelchairs & Seating, Sweden.

What progress has been made in circular economy in 2020? During 2020 we have been cocreating an exploratory model with a customer in the Netherlands that applies theories of circular economy and has targets in alignment with Agenda 2030.

How does this project work? We are taking in products that are considered "scrap" and testing what can be done to extend the products lifespan. We are also gathering data insight into what we can do to design new products with longer lifespans.

How are specific project targets defined? Our aim is to develop a sustainable business case by extending product lifespan while reducing the product's carbon footprint and water consumption.

What next steps will be taken during 2021? We will continue testing and evaluation throughout the year. Our goal is to implement a circular model by the end of the year.

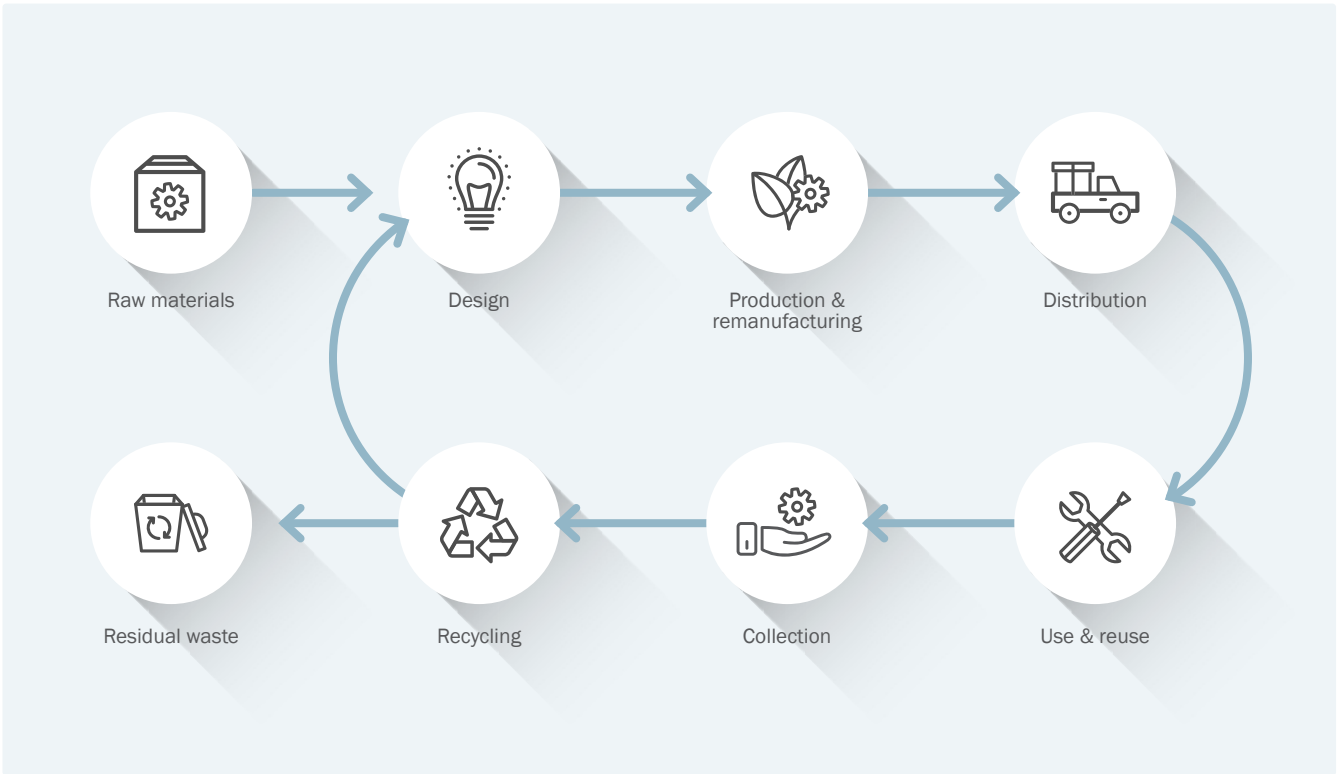


Ferres Leujes - Managing Director, Netherlands.

What is your role in this pilotproject? I have been responsible for the dialogue between the customer in the Netherlands and the factory in Sweden. There is clearly a growing demand for circular procurement and circular economy amongst our customers. Etac strives to be at the forefront and hopes to set an example for the industry. Together with our customer we can test and develop a circular model.

Why does circular economy make sense? This approach makes sense from several perspectives. We are learning to make better use of the raw materials we already have. This means we can be less dependent on virgin materials and conserve energy and water in the manufacturing process. In the long-run we can minimize risk in our supply chain.

Why is this important for Etac? I strongly believe it is our responsibility to contribute the sustainability of our planet. Etac is in good position to play a leading role.



What is Life Cycle Analysis (LCA)?

Life cycle analysis is a method used to evaluate the environmental impact of a product through its life cycle encompassing extraction and processing of raw materials, manufacturing, distribution, use, recycling and final disposal. The standards are provided by the International Organisation for Standardisation (ISO) which is used in ISO 14040 and 14044.

Etac has completed a product Life Cycle Analysis in close collaboration with a customer, to better understand the environmental impact of a product. Further analysis is ongoing to identify what changes to a product have the most significant effect.

Comment:

Research and testing is on-going in this area. Results from our pilot project will be integrated with product design and development.

Contributing factors:

- Extensive testing is valuable in setting new standards for sustainable design.
- Dialogue with customers about product development and environmental indicators
- Collaboration with customers.

Actions 2021

- We will continue on-going research to integrate sustainability factors in to product design and development.
- We will work to increase product life and therefore sales of spare parts and accessories.



Focus on sustainable product design & development

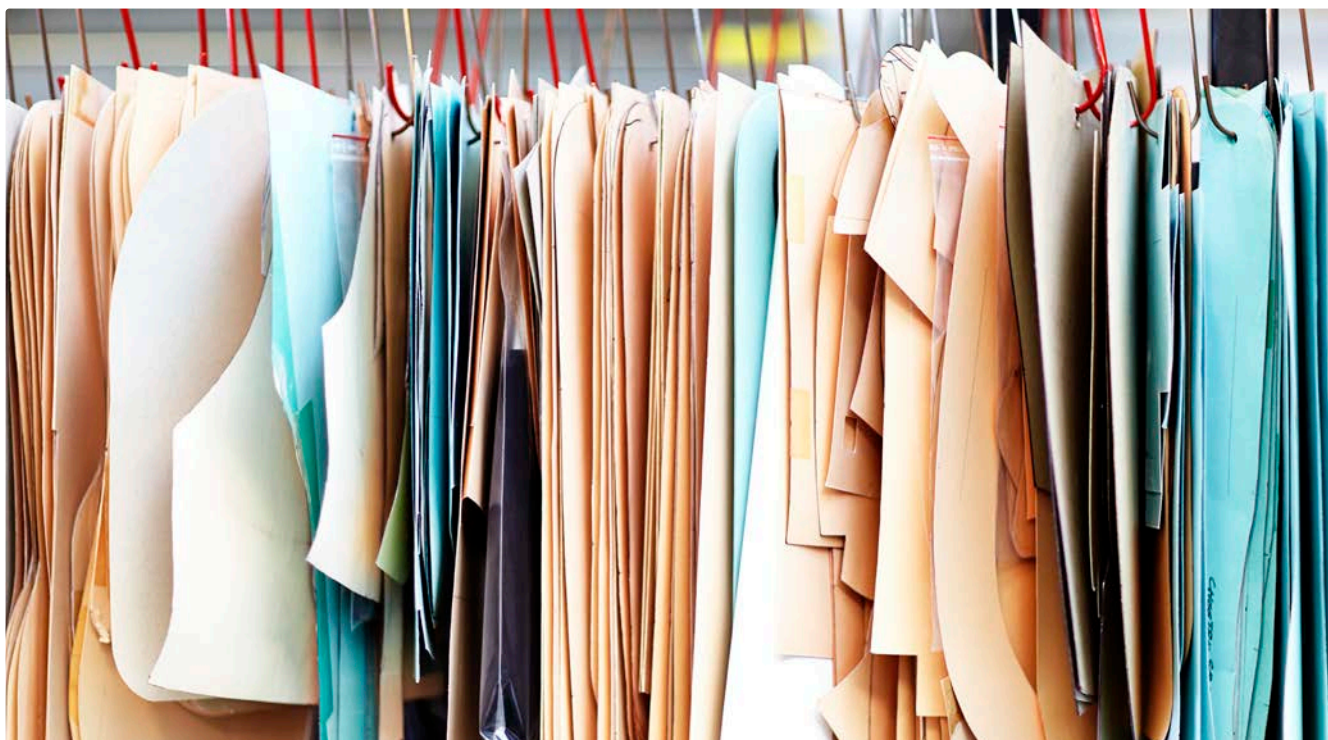
Our products are long lasting. This sets high demands on us to develop products that meet the needs of caregivers and users of today and tomorrow. Sustainability and user experience has always been our main focus in design and development.

Adapting circular models. Through adapting circular models when designing new and redesigning existing products, enables us to improve efficiency throughout our value chain. At the same time we will minimize our impact on climate change and the environment. We are currently testing product designs that integrate various amounts of recycled, non-virgin materials in a few selected test categories. This research will give us insight into production possibilities from both an environmental, as well as an economic perspective.

Our design priorities. In product design and development our highest priorities are biocompatibility, user experience and long lifespan. Biocompatibility means that a material does not produce a toxic response when exposed to the human body. We strive to both guarantee biocompatibility as well as integrate non-virgin materials into our products.

Eco-design. As defined in ISO Eco-design is an approach aiming to reduce the environmental impact of products and services throughout the value chain encompassing its life cycle. During 2020 we have been involved in a pilot project developing an Eco-Design tool. Our ambition is to implement an Eco-Design tool that assists in measuring and determining a products total impact. This will help us integrate sustainability even further in product design.

Plastics. Recycled post-consumer plastic (non-virgin) is material that has been reclaimed after it has left the hands of the consumer. These products are taken to a facility where it is washed, reground and pelletized into a new post-consumer material. We are also closely following material research and are prepared to take further steps as progress in biocompatibility is made.



Metals. Aluminum and steel are also materials used in our products. Typically these metals are a blend of non-virgin and virgin materials. Metal alloys can be melted down and reformed without losing any quality and the process can be repeated over and over again. Recycling 1 tons of aluminum saves 9 tons of CO₂ emissions. We are continuously testing new design methods for sustainable manufacturing that prolongs product life but also simplifies end life's stages such as disassembly and recyclability.

Textiles. The production of textiles is responsible for a large share of environmental impact. We set high standards for biocompatibility, continuous hygiene and durability and strength for textiles used in our products. To meet these requirements, we rely primarily on synthetics. We have learned that we can have the greatest impact on sustainability within textiles through creating relationships with suppliers and evaluating the impact of the production process. However, we are closely following ongoing research within the area of bio-degradable textiles and are prepared to test designs in applicable product accessories and spare parts.

Packaging. The choice of packaging affects every single logistics operation throughout our supply chain from point of filling to point of emptying and recycling. Our procurement and logistics teams are in continuous dialogue with suppliers to find areas of improvement in packaging to reduce climate and environmental impact, while safeguarding materials and products.

Recycled material use

Overall goals:	2020
Metal - Aluminium	65%
Metal - Steel	69%
Plastic	1%
Textiles*	2%
Packaging	65%

What is circular economy?

**Gabriel Molina - Manager project management,
Bathroom Aids & Manual Wheelchairs**

What is an EcoDesign tool? An EcoDesign tool enables you to evaluate the environmental impact of a product across its entire life cycle, from raw materials to remanufacturing to disposal and recycling.

Why is sustainability in product design and development important? Everything always starts with product design and development. Etac's products have very long lifespans. This durability and modularity demands innovative product design and development. Our aim is to lengthen products lifespans even further while gaining insight into circular potential.

What work is currently being done to promote sustainable design and development? During much of 2020 we had an ongoing project in which we have been evaluating the condition of our products after use. We are searching for new ways to reuse materials. Also to design products from the start that are convenient to reuse, remanufacture or recycle. This makes it all the more important to use materials with minimal environmental impact and greatest durability from the beginning

When will the EcoDesign tool be implemented into product design and development? We have been managing a pilot project called Modulette. In this project we have the opportunity to evaluate an EcoDesign tool. Our target is to implement EcoDesign during Q3 of 2021.



How will this affect Etac? There is growing necessity to move toward a more circular approach due to several factors. One is resource scarcity and fluctuating material prices and lead times. Another factor is growing awareness of climate change. There is greater pressure on businesses to produce more with less. With an EcoDesign tool we will gain insight into circular potential of product design and development.

Comment:

Further research is necessary to certify biocompatibility of recycled materials.

Contributing factors:

- Commitment to research and development
- Focus on long life span
- Collaboration with material suppliers
- Eco-design tool for measuring sustainability

Actions 2021

- Continue evaluation of material standards
- Continue focus on long lifespan
- Collaboration with material suppliers
- Implementation of Eco-design tool in the design and project process

KPI's for Etac's sustainability work

Sustainability area	KPI	Result 2018	Result 2019	Result 2020	Target 2025
Environment & climate					
Reduce energy consumption (scope 1 and 2)	Energy consumption per year	50 541 GJ	48 748 GJ	42 350 GJ	39 169 GJ (-22,5%)
Reduce greenhouse gas emissions (scope 1 and 2)	CO2 emission per year	2 579 Tons	2 478 Tons	2 693 Tons	1 821 Tons (-30%)
Minimize air travel	Air flights per employee and year	3.6	3.0	1.3	2.0
Sustainable manufacturing facilities	Share of ISO 14001 certified factories	20%	20%	20%	100%
Social responsibility					
Secure code of conduct audited suppliers in risk countries	Share of audited suppliers over 2 years	100%	100%	100%	100%
Promote gender equality	Share of women in top 40 management	30%	25%	27%	40%
Safe work environment	Work related accidents	4	5	7	0
Circular economy					
Promote reuse and remanufacturing of our products	Share of sales of spare parts & accessories	22%	23%	23%	30%
Product design & development					
Increase use of recycled or biobased/certified material in our products	Share of non-virgin aluminium	-	-	65%	-
	Share of Steel	-	-	69%	-
	Share of recycled plastic	1%	1%	1%	20%
	Share of recycled textile	3%	4%	2%	20%
	Share of recycled packaging	63%	65%	65%	100%



The future starts now

There is an increasing interest and demand in our society for sustainable business models, taking full responsibility for the social, ethical and environmental aspects of our activities.

Contributing to society by improving quality of life for individuals regardless of physical circumstances has always been our mission, as well as contributing to a circular economy through reusable products with long lifespan. Now we are increasing our ambition in the areas of energy efficiency and raw material usage

as well as business ethics and gender equality and diversity. Our work does not end here with this report. Implementing a sustainability strategy is just the beginning. Here is a summary of a few of the steps Etac will be taking in 2021 towards a more sustainable future.

Steps forward 2021:

- Continue to follow energy consumption and carbon emissions
- Continue to pursue renewable energy sources
- Further develop our Code of Conduct and a score card system for our supplier base
- Monitor, evaluate and develop gender equality and diversity
- Further develop circular business models in close cooperation with our customers
- Continue efforts towards target values for circularity to monitor progress
- Continue efforts towards products using recycled and biobased materials



May, 2020

Founded in 1973, Etac is a world-leading developer and provider of ergonomic assistive devices and patient handling equipment. Our ambition is to provide solutions that optimise quality of life for the individual, family members and caregivers.

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Creating Possibilities



This is a literal translation of the Swedish original report

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Etac AB, corporate identity number 556324-9746

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2020 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

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 sustainability report is substantially different and less 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.

Opinion

A statutory sustainability report has been prepared.

Stockholm June 10, 2021
PricewaterhouseCoopers AB



Patrik Adelfson
Authorised Public Accountant