



Sustainability report

Etac - 2021



Welcome to our Sustainability Report

Actively contributing to a sustainable world is a critical part of what we do.

As we write this year's sustainability report, we are horrified by the ongoing atrocities in Ukraine. Our thoughts go to the millions of people who are suffering. In these very difficult times, it is encouraging to see all the good efforts to provide support, including the recent donation from our owner Nordstjernan to the Red Cross in Ukraine. Etac is also contributing and has initiated a collaboration with Save the Children in Sweden, donated wheelchairs, and organized accommodation for three women with children in Poland.

We are also concerned about the latest climate reports, including the IPCC report. We have been monitoring our own footprint for three years now and can conclude that we, among many other companies, need to do more to safeguard our planet and resources.

Our ambition is thus to increase our efforts in minimizing the environmental impact throughout our value chain. That means our own operations, but also includes our sourcing activities and ultimately our products' lifetime with regards to durability and

ways of repairing, refurbishing, and reusing the products. We look forward to collaborating with our suppliers and customers on identifying and realizing innovative solutions for the benefit of the environment.

In addition to the environment, we will also continue to prevent corruption, protect human rights, and promote diversity and inclusion. We believe in the power of people and will always strive to provide a safe and rewarding workplace where we work as a team and utilize everyone's unique competencies and knowhow. Together we create possibilities.

The high rate of acquisitions over the past three years has meant that the focus on sustainability work in the newly acquired HoverTech and Ki Mobility units has been limited. In the coming year, it is a clear priority to take steps to establish common goals and priorities as well as key figures for all units within Etac.

Michael Wirzberger, CEO Etac

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About Etac

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

Ki Mobility

AXIOM

STAR

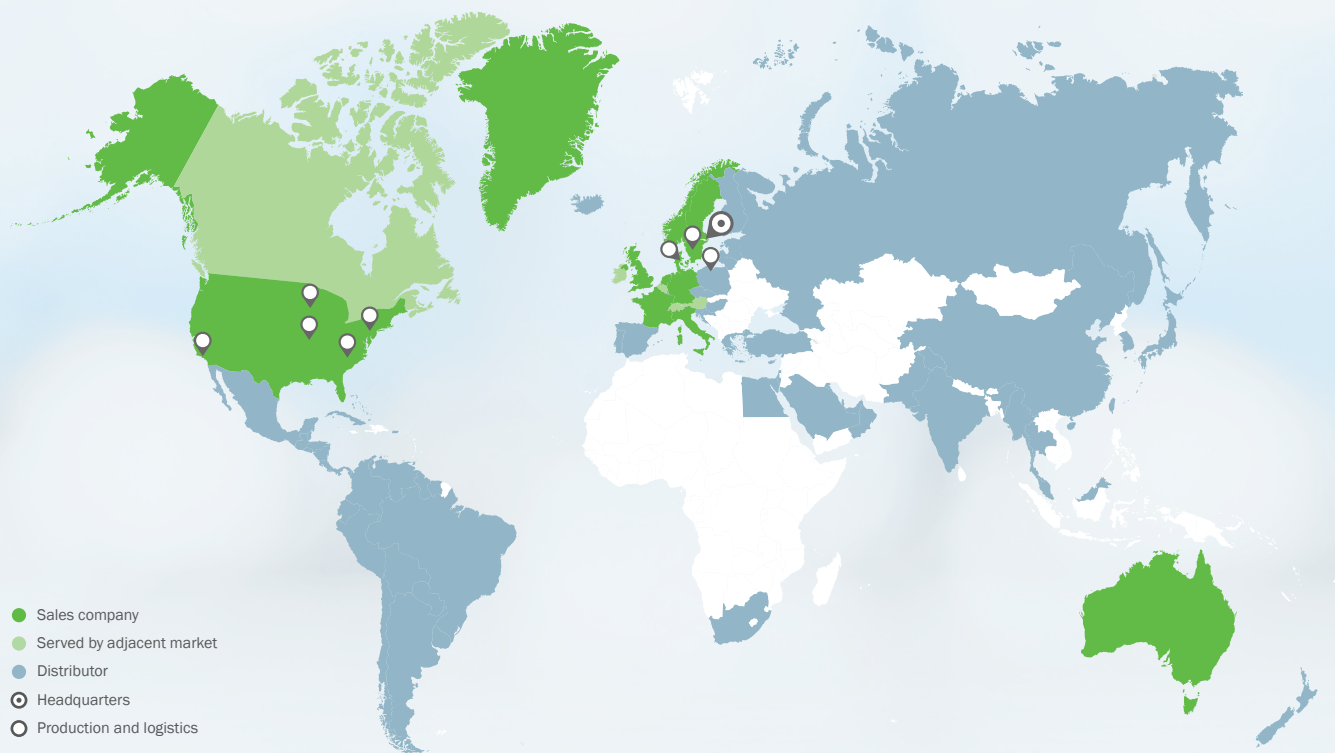
molift®

imedia

HOVERTECH

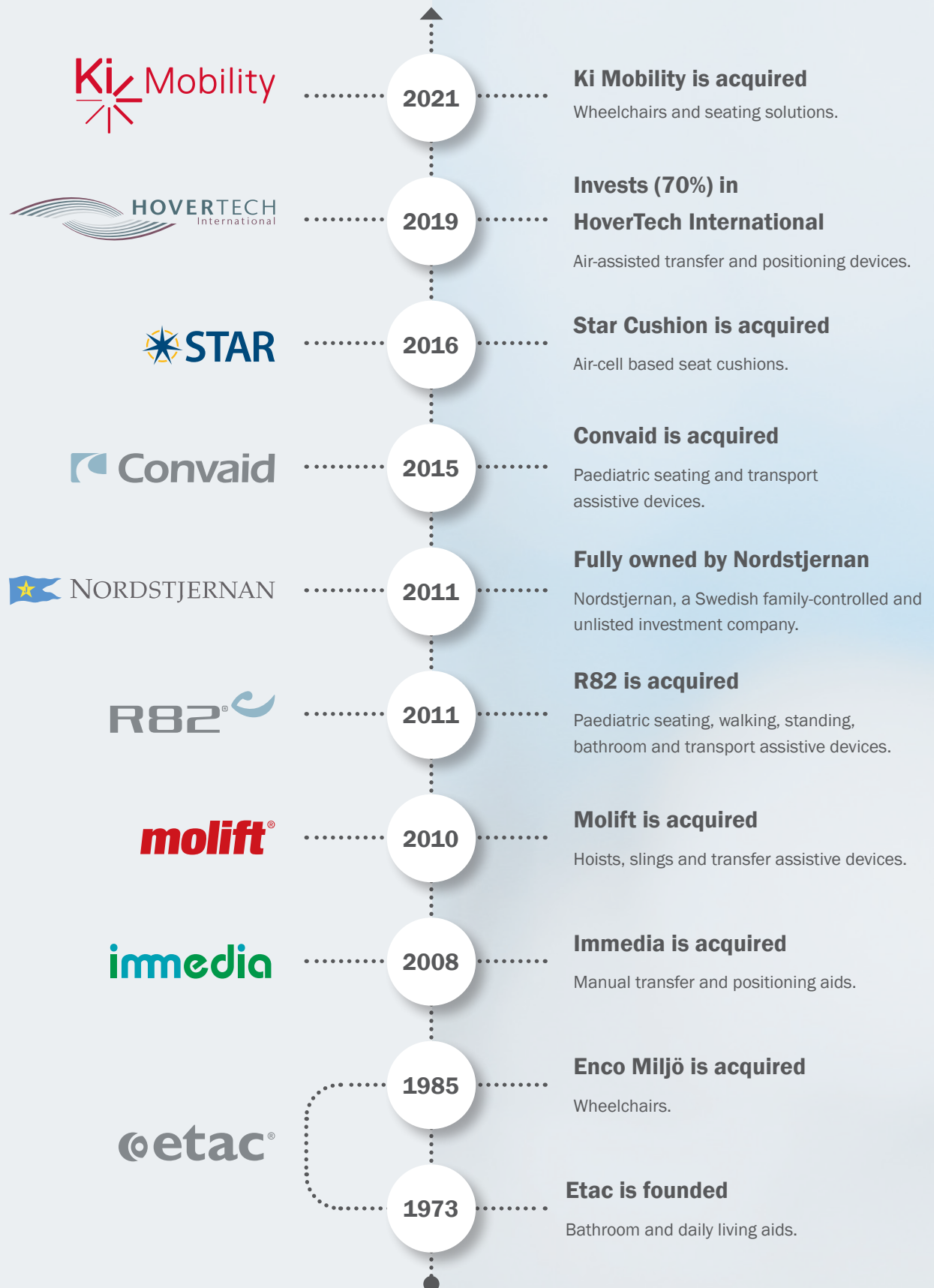
Our presence

Etac is headquartered in Sweden, with approximately 1 300 employees worldwide and sales in over 50 countries through own entities and distributors. Etac's revenue amounts to approximately EUR 350 million.



Our history

Etac is characterized by pioneers, who often through own experience, have a passion for creating possibilities for users, patients and caregivers.





Our sustainability report 2021

This is Etac ABs (556203-2879) sustainability report, written in accordance with Swedish Accounting Law ÅRL. This reporting refers to the period 2021-01-01 to 2021-12-31. We summarize this year's events, results and lessons learned in sustainability. Reporting is the responsibility of the Board of Directors and has been approved 21 June 2022. The sustainability report is available at www.etac.com.



Message from the COO

We see the positive impact product design can have on our footprint over a long lifetime and through the whole value chain.

This report is different from last year's report and summarizes our progress over a three-year period. It also represents a first step in the assessment of our sustainability strategy. Within each of our four strategic areas we describe how we do things sustainably, and what key lessons we have learned. We also share product examples that demonstrate how we balance concerns for the environment with our commitment to providing high-quality products for a wide range of daily needs.

Here are a few lessons from our sustainability work at group level:

Our products have a long lifetime. Initial product design, set-up of logistics, sourcing and manufacturing, is where a large part of our sustainability footprint is defined for a long time. So doing things right from the start is very important.

Cooperation with suppliers has an impact. Where we many times need to influence the existing sustainability footprint, is upstream in the value chain.

Collaboration with customers is essential for new business models. Close dialogue is needed to alter the current value chain and move towards circularity.

Sustainability as part of daily operations is critical. Knowledge and responsibility for sustainability must be further integrated into the organization.

Investments in energy efficiency, renewable energy contracts and logistics have moved us in the right direction. Our overall energy and emission intensities have improved. However, as we expand our operations there is much work ahead of us. Our new acquisition of Ki Mobility is also an opportunity to expand our approach to sustainability in North America.

As we gradually reduce our footprint in scope 1 and 2, our focus will gradually shift to product design, sourcing, and greater responsibility in our daily operations. Given our many strengths we will continue to demonstrate our commitment to sustainability, and to our overall mission of improving quality of life for all ages, regardless of circumstances.

Magnus Björkqvist, COO Etac

What sustainability means at Etac

It means we create high-quality products and services that are designed with consideration to their environmental and social impact, from cradle to end of life.

Managing sustainability

The internal management framework for sustainability reflects our continued commitment to promoting the individual's abilities and improving the caregiver's working conditions. Our demands and expectations for human rights and business ethics are defined in our Code of Conduct and Sustainability Policy. Systematic reporting routines exist for all areas of operations, such as product design, manufacturing, and sourcing. This includes policies such as environmental policy, anticorruption policy, transportation policy and routines for the workplace. The responsibility for implementing sustainability measures is, like much at Etac, a team effort. Timely management reviews of sustainable business operating procedures and practices ensure performance evaluation and continuous improvements.

How we can make a difference

The first step in understanding where we can make the biggest difference, is regular risk assessment of our business model. The second step is analysing the materiality of what areas we can impact. This means we have analysed areas of sustainability in relation to our value chain and in close dialogue with our customers, suppliers, employees, and owners. We are also following medical device regulatory requirements closely. In accordance with the Swedish Accounting Act, we must report on our sustainability efforts regarding the environment, social conditions for personnel and community, human rights and anti-corruption. These factors combined are the base for our sustainability strategy.

Our contribution to global change

The Global Sustainable Development Goals, or Agenda 2030, is the most ambitious agreement for sustainable development that world leaders have ever adopted. The concept integrates various dimensions such as environment, climate, social conditions and human rights. We have also

evaluated which of the global goals we can contribute to. Read more at www.globalgoals.com

These are the goals where Etac can have the greatest impact: SDG 3, SDG 5, SDG 8, SDG 9, SDG 10, SDG 12, SDG 13, SDG 17



Sustainability in our value chain

In the risk assessment of our value chain, we have identified environmental, health and societal impact connected to manufacturing, assembly, and transportation. Risks for human rights violations and corruption have also been identified in our supply chain and workplace. Our sustainability strategy focuses on possibilities, where we can minimize risk, demonstrate commitment to the Global Goals and make a difference.



Our sustainability strategy

Sustainability is a central part of our business strategy. Three years ago, we launched our sustainability strategy with the aim to create positive change that extends beyond our own operations. As part of our systematic routine for continuous improvements, some aspects of our sustainability strategy have been updated.

The broader process of transitioning sustainability to entities throughout our organization at operational level will continue during 2022.

Our key areas

1

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.



2

Product design & development

We define a large part of our sustainable footprint through innovative product design and development. Our products are free from hazardous substances, are built to last and have the end user's safety, ability and function in mind.



3

Environment & climate

We strive to have minimal negative impact on the environment from our business operations. We focus on continuous improvements of our energy and emission intensity.



4

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 and evaluate and approve all risk suppliers.



2021 at a glance

Responsible sourcing

Rollout of sustainability self-assessment and scorecard system for our suppliers.

Recycling

100% of cardboard packaging is recycled.

30% of aluminium for extrusion is recycled.

60% of stainless steel is recycled.

100% of aluminium for die casting is recycled.

Improved emission intensity

Improvement of carbon emission intensity from 5,3 tonnes CO₂ per MSEK cost of goods in 2018 to 3,7 tonnes in 2021.

This includes Scope 1 and 2 and business travel.

Renewable energy

50% of electricity from scope 2 is currently from renewables.

Equality

41% of Etac's employees worldwide are women.

11 of 40 in top management positions are women.

Less traveling

Reduced carbon emissions from business travel by 70% between 2018 and 2021.

Circular production

Development of the first circular wheelchair, Cross Revive.

Launched February 2022,

Circular economy

It is apparent that understanding the limitations of our planet demands a new perspective. Pioneering circular economy in collaboration with customers and stakeholders is a strategy for moving forward in a world where resources are growing scarce and our environmental impact is measured.

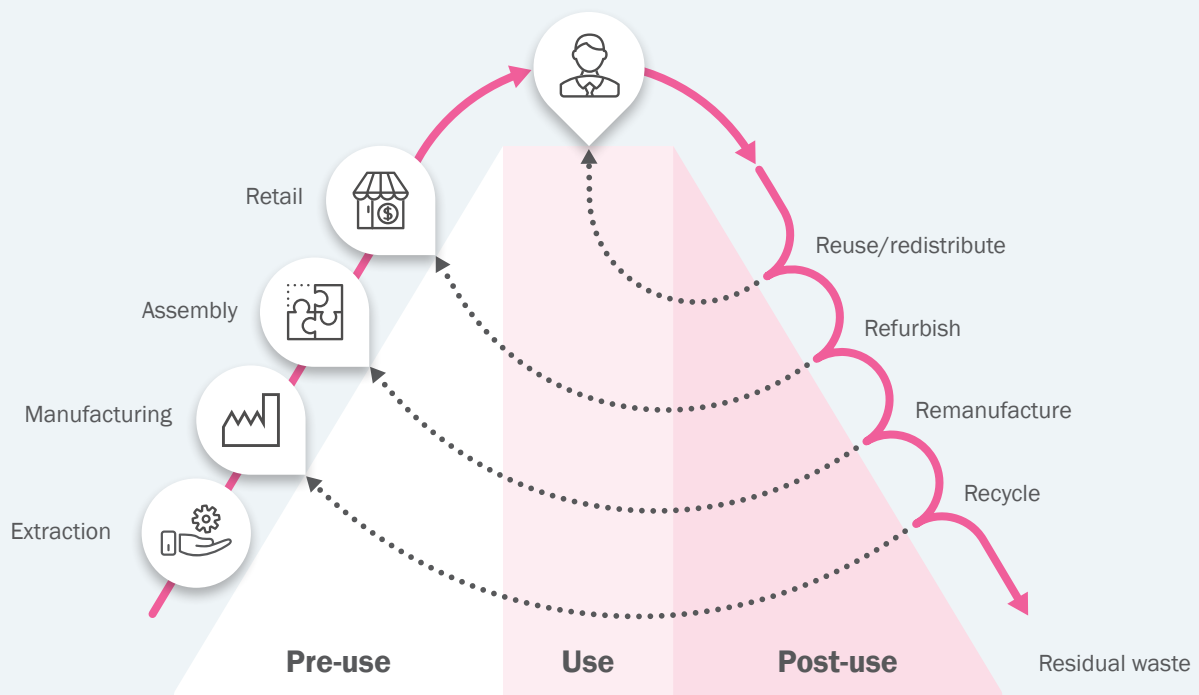
A business model

The circular economy is a business model for production and consumption which involves sharing, leasing, reusing, repairing, remanufacturing and recycling existing materials and products for as long as possible. When we look at the hill model, we see that there is always some value to be maintained. With the right conditions we can continue to stay uphill and maintain value in materials and components. In this way, the lifecycle of products can be extended, and the use of limited resources can be optimized.

Extending product lifetime

Etac's products are developed in accordance with product specific standards and related recommendations on product lifetime. At Etac, we proactively work with the product lifetime, and where possible, aim to extend the lifecycle. We do so through choice of materials and processes, but also via reuse, refurbishment and/or remanufacturing of products to the benefit of the environment, users, and our customers. Also, at product end of life, components can be disassembled for recycling or reuse.

Durability, compatibility and modularity are key components in circularity, all highly prioritized in Etac's product development process.





The first circular wheelchair – Cross Revive

Cross revive is the first circular wheelchair in Europe. This unique business model is made possible through an innovative collaboration with a customer. Wheelchairs ready for disposal and recycling are returned to our original manufacturing site in Sweden. On site, each product undergoes a thorough quality inspection. Decades of compatible design make it simple to replace parts. Functionality is secured to ensure the same technical lifetime and warranty as with a new product. The product is then provided with a new production serial number, and is hereby revived and ready for a new user and a new lifetime.

Results:

- Products are extensively reused, refurbished and recycled
- Products with capacity for adjustment to accommodate changing needs
- Wheelchair Cross revive is remanufactured
- 23% of sales are spare parts and accessories

What we have learned:

- Importance of innovative customer collaboration
- Experience with logistics solutions and development of a remanufacturing process that promote sustainability
- Importance of detailed product information so customer better understands how to use, maintain, and refurbish a product over time
- Sustainable product design and development principles is a prerequisite for circular economy and circular business models
- New KPI:s are being established in this area

Product design & development

Through innovative product design and development, we have laid the groundwork for circular business models in the future. Here is a description of design principles explained in our sustainability policy. We follow these principles to maintain high quality and functionality, while considering the environmental and social impact of our products and production methods.



Modularity

This is an approach used to design products from a principle of building blocks that can be used interchangeably. This makes it possible to replace, repair or upgrade individual parts, which effectively reduces waste and extends the product's lifespan.

Example: Etac shower stools

Modularity is a central part of Etac's product development. For example, most of our shower stools and toilet chairs have the same legs, and many of them also share arm or backrest modules, allowing users to adapt their product and add elements over time if their circumstances change.

Compatibility

Designing for compatibility means to create components that are applicable to any other versions of the same product.

Example: Etac Cross wheelchair

The Cross Wheelchair is the market's most adjustable all-round wheelchair and has been on the market for decades. Compatible design and interfaces between different product generations is a vital factor when replacing parts. This makes it possible to recondition a wheelchair for reuse.



Durability

This means our products are designed to last for a long time without significant deterioration in quality or value.

Example: Etac Swift shower chair

A home care equipment provider in the Netherlands manages to use, recondition, and reuse each Swift around 5-10 times per year, over a period of 7-8 years. This level of usage would not be possible with lower quality products and provides a great example of how durability and sustainability go hand in hand. This also enables a circular business model at our customer.



Quality and safety

Our priority is always to provide the most suitable products with the lowest risk for the users. We work systematically to control all processes in manufacturing and design, and continuously ensure that our products comply with the strict regulations that apply to medical devices in any of our markets.

Example: Immedia 4wayGlide

Our 4wayGlide lateral transfer and positioning devices ensure a safe, comfortable, and dignified experience for patients. The design helps individuals feel secure, and the quality of materials reduces risk of friction and skin shear, as the person is transferred from surface to surface.

Fit, form and function

The starting point in any good design is always the needs of users and caregivers. Our products should feel, look, and work great, and be adjustable over time to meet changing needs or circumstances. We provide clear information on how to best care for the products to extend their lifetime.

Example: R82 Kudu wheelchair

The Kudu offers exceptional adjustability, as height and seat depth can be extended without having to change cushions. In our development process we consult sustainable design standards to continuously lower our environmental impact. A clear goal for our design philosophy is to provide great flexibility to a wide range of children, ensuring growth with the user's needs.



Biocompatibility

With focus on providing products with minimal impact on environment and health, we select materials that are free from harmful levels of toxic substances. All our products undergo biocompatibility evaluation, and tools such as Eco-design enable us to evaluate environmental aspects. This way we can design smart products, without using more materials than necessary, and recycle as much as possible.

Example: Star Standard Air

Pressure redistribution is an important quality in designing cushions. Close skin contact means biocompatibility is also crucial. Our Star Standard Air products are free from harmful levels of toxic substances, as are all our products.



Materials in our products

Our materials must fulfil high-quality expectations and regulatory requirements. In textiles and plastics, virgin materials are currently the best option, and we select suppliers with track records of high environmental and social standards. Non-virgin metals meet expected standards however, which enables a high degree of recycled materials. Our R&D and purchasing teams follow the technical advancements closely in these areas.

Example: Immedia LeanOnMe cushions

LeanOnMe cushions are produced with consideration to our footprint and waste reduction. Made of sustainable and natural organic materials, they are pleasant to lean on, even for users with sensitive skin. The filling is a mix of residual and recyclable materials, ensuring a stable resting position and improved modelling ability.

Results:

- 60 % of stainless steel is recycled
- 100 % of aluminium for die casting is recycled
- 30 % of aluminium for extrusion is recycled
- 100 % of cardboard packaging is recycled

What we have learned:

- Importance of sustainability aspects from the first step in design and development
- Knowledge of materials between product areas
- Continuous testing is vital for understanding of product design potential
- Selecting suppliers with track records of high environmental and social standards and focusing on recyclability minimizes our overall impact

Climate & Environment

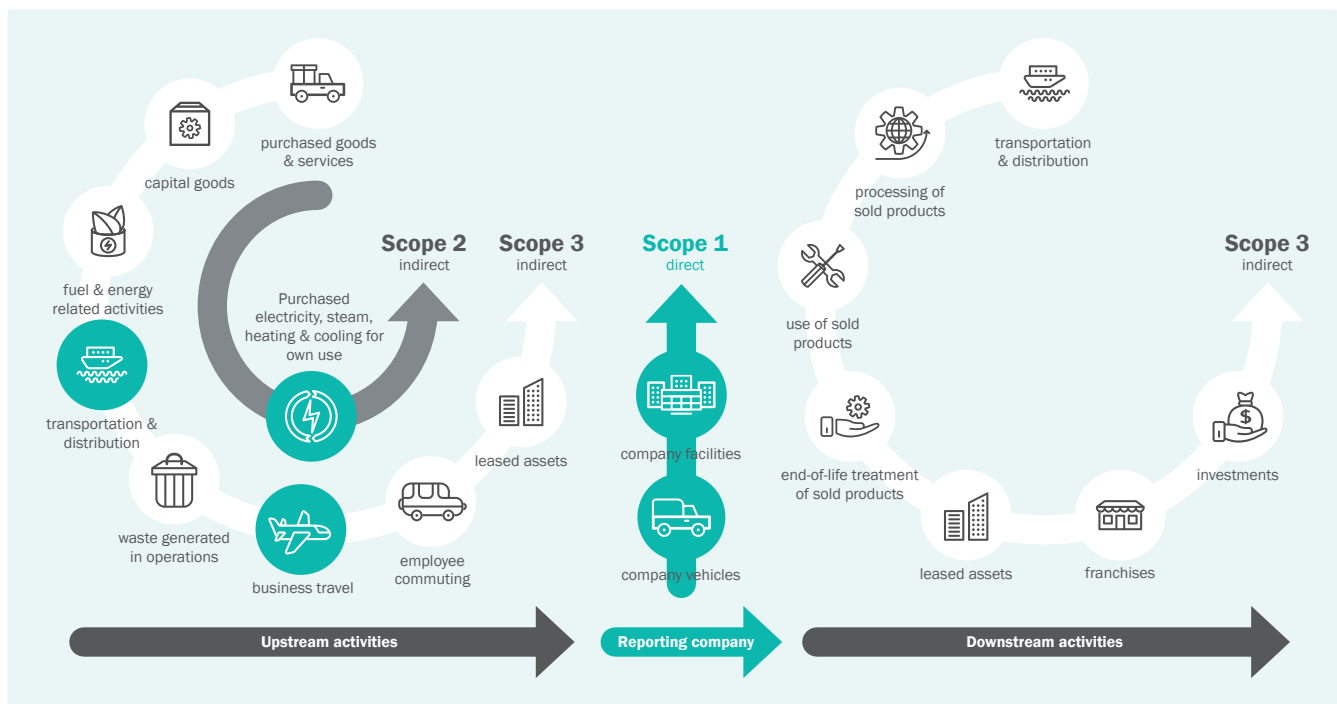
Through understanding the impact our operations have on the environment and climate, we have been making operational decisions that minimize our footprint. Here is an explanation of our priorities as defined in our sustainability policy and routines for environmental management systems.

Climate action

In the beginning of 2018, we adopted a target of reducing our CO₂ emissions, within our operations by 30% by 2025. Although not registered with SBTi, our model is in alignment with the Science Base Targets initiative (SBTi). The target is based on a summary of our emissions from Scope 1 and Scope 2 which includes electricity, own, and purchased heat, our own transportation as well as transportation from Scope 3.

To achieve this goal, we set out on a three-year mission to:

- Increase our share of renewable energy
- Choose effective transportation of goods
- Reduce business travel
- Improve energy efficiency and create investment plans at operational level



Science Base Targets Initiative (SBTi) – What is it?

This defines and promotes best practices in emissions reductions and net-zero targets in line with climate science and the Paris Agreement Agenda 2030. SBTi provides target setting methods and guidance to companies to set science-based targets in line with the latest climate science. Climate calculations and targets follow this methodology.

GHG Protocol - What is it?

This stands for Green House Gas Protocol and is an international standard for measuring total emissions.

GHG Protocol Scopes 1, 2 & 3 – What is it?

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

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

Scope 3: Other indirect emissions not covered in Scope 1 or 2. However, we are only accounting for the relevant emissions which we can directly affect, business travels and transport and distribution of our goods.

Renewable energy

As energy contracts have the largest impact on reducing our direct climate impact, we have actively been choosing renewables. This early engagement has contributed to more renewable electricity in many of our warehouses and factories including facilities in Sweden, Poland, Denmark, and California USA. This is an approach we continue to follow globally. When we renew contracts with energy providers, we request renewables. Investing in alternative energy sources, such as solar panels, is being reviewed at operational level.

Transportation of goods

Logistics and transportation of goods is a key area of climate impact. Our freights are mainly conducted using external haulage companies, and our policy is to select sea and land shipping alternatives using as little air freight as possible. This principle has been followed during the three-year period. There have however, been limited transportation options during 2021 due to disruptions to global logistics. When possible, we aim for near-sourcing alternatives and have over the past years re-located some of our bathroom aids closer to home.

Business travel

Business travel is also monitored. In 2021 we noted a continued low level of business travel due to the pandemic. The gradual lightening of Covid-19 restrictions in many parts of the world made it possible to once again, organize essential meetings and travel. Yet as we return to a normal level of business travel, monitoring and minimizing our climate impact remains a priority.

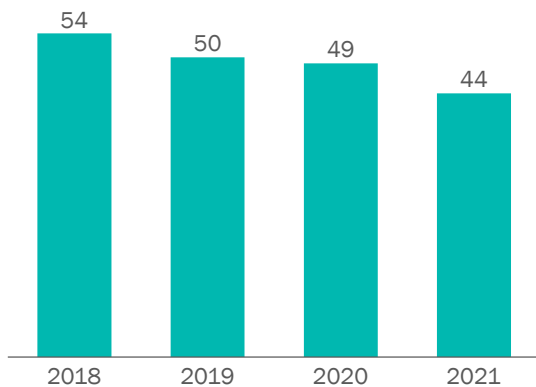
Energy efficiency

Improved energy efficiency is increasingly vital to sustainable operations, and mapping of energy consumption was performed during the three-year period. Several investment measures have been implemented throughout the organization. As a result, we have improved our energy intensity which means we produce more with less energy. Improved emission intensity means that the energy we use is cleaner. However, to reach the goals of our climate action, continued investment in energy efficiency is necessary.

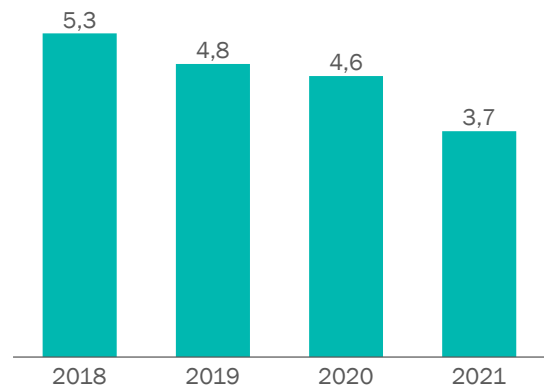
Results:

In absolute numbers our total carbon emissions have increased from 2018 2 629 to 2 640 in 2021.

Improved energy intensity (GJ per MSEK)



Improved emission intensity (Tons CO₂ per MSEK)



Reduction in number of flights per employee

1 flight on average per employee.

*This correlates to the pandemic as it is apparent that the reported number of flights for 2021 increased greatly during Q3-Q4.

What we have learned:

- We can minimize our carbon emissions through energy efficiency, selecting renewable contracts and reducing travel.
- Investment in energy efficiency is vital for continuous improvement.

Harmful and toxic substances

We work diligently to eliminate harmful and toxic substances in our products and work processes. We expect all suppliers to follow relevant laws and requirements regarding harmful and toxic substances. 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.

Waste management

Our environmental impact is derived from manufacturing, treatment and assembly. In addition, resource use of metal, plastic and textile products, chemicals, packaging materials as well as waste, contribute to our environmental impact. Waste is managed with clear objectives to minimize material consumption and maximize usage and recycling.

EU Medical Device Regulation (MDR) compliance – What is it?

Etac follows the new European Medical Device Regulation that came into effect during 2021. The new MDR replaced the former Medical Device Directive (MDD), and the transition has been smooth as Etac works proactively with compliance. This is a confirmation that Etac products are safe to use and of high quality to the benefit of patients, users, caregivers and customers.

FDA compliance – What is it?

Etac follows the Food and Drug Administration (FDA) regulation in the United States of America. This means that the possible risks of our products have been reviewed and the benefits for the intended user have been documented.

ISO certification - What is it?

ISO 13485 - Specifies requirements for a quality management system where an organization needs to demonstrate its ability to provide medical devices and related services that consistently meet customer and applicable regulatory requirements.

ISO 14001 - Is the international standard that specifies requirements for an effective environmental management system (EMS). It provides a framework that an organization can follow, rather than establishing environmental performance requirements.

ISO 9001 - Is defined as the international standard that specifies requirements for a quality management system (QMS). Organizations use the standard to demonstrate the ability to consistently provide products and services that meet customer and regulatory requirements.

Quality and regulatory compliance

Our focus is on providing safe products with high and consistent quality. Our products are designed and manufactured according to state-of-the-art standards and principles for best practice. All our medical devices are CE marked and registered at relevant authorities in compliance with applicable legislations and directives.

ISO certification is not a legal requirement, but a strategic directive has been established at Etac for a defined and harmonized management system.

- Any entity with design responsibility or manufacturing shall be certified towards ISO 13485 and/or ISO 14001.
- Any entity involved in sales or service may volunteer for optional certification towards ISO 9001 and/or ISO 14001.

During 2021 the factory in Anderstorp, Sweden achieved ISO 14001 certification.

Case:



Factory in Poland monitoring quality and environment

Our facility in Tczew was the first manufacturing site in Poland to be awarded with DGNB's highest level of sustainability certificate – Platinum. The DGNB system is based on the three central sustainability areas of ecology, economy and sociocultural issues, which are weighted equally in the evaluation, and the system is internationally recognized as the global benchmark for sustainability. Learn more about DGNB here: <https://lnkd.in/ewr8mzv>.

Our facility in Poland is ISO 13485 and ISO 14001 certified. Environmental impact, quality and safety from all operational areas are monitored for continuous improvements.

Social responsibility

Through responsible sourcing and providing a positive work environment, we can have an impact on individuals and communities. We work to protect human rights, prevent corruption, and promote diversity and inclusion. Here is a description of some of the aspects outlined in our Code of conduct, Procurement strategy and Sustainability Policy.

Health and safety in the workplace

A safe and secure work environment is a fundamental priority. The reported accidents at Group level for 2021 are on a low level (accidents resulting in at least eight hours of absence from work) with few work site accidents reported. We have clear routines and processes for systematic workplace improvements with the aim of minimizing the risk of accidents and to take actions to prevent accidents and injuries in our workplaces.

Diversity, equality, and inclusion

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. Etac is characterized by pioneers who are passionate about creating opportunities for users, patients, and caregivers, often with their own experience as a basis. Our long-term ambition is to increase the share of women represented at all levels of our organization. Currently 41 % of employees worldwide are women, and gender equality varies from country to country. Improving the number of women at top 40 management level, continues to be a goal.

If any employee should experience discrimination or unfair treatment, this should be reported immediately to the closest supervisor. If this is not possible the employee can contact management. There is also an anonymous whistleblower function available for employees as well as external parties.

Learning about our products

We have a broad range of products, many of which require instructions for safe and efficient use and care. An e-learning platform that provides our customers with faster and better access to product-specific information and training has been launched. Where international travel was once necessary, we can now conduct product training digitally. The e-learning platform is also available to our employees.

Example: Convoid, US

At our Convoid entity in California, product information is presented through e-learning. This is an effective tool for onboarding and development of our sales representatives, as well as training for external health care workers. The e-learning platform helps to improve product understanding which contributes to health and safety for users and caregivers and can be used to maintain occupational certification. This saves time, reduces business travel, and ensures products are handled correctly.

Engagement and well-being

We work proactively with all health aspects linked to workload. Through clear procedures we hope to promote a positive work-life balance. We conduct regular employee surveys to capture personal engagement for our products, individual well-being, and to better understand what improvements should be made.

Example: Sweden

There are many initiatives for improving employee well-being and engagement. Here are a few examples:

- **Performance reviews** - Once a year each employee discusses individual development and progress with their manager.

- **Individual development plans** - Personalized plans are created for each employee.
- **Employee surveys** - During 2021 we transferred our survey to a system with higher frequency. The results are discussed within each team and improvements are made.
- **Health check-ups** - We have a system for regular health check-ups. The purpose is to create awareness of any lifestyle or work-related aspects that might impact the individual's health.
- **Exercise initiatives** - An initiative promoting exercise was started during 2021. Employees encourage each other, on a voluntary basis, to choose walking or bicycling.

Results for work environment:

- 8 work-related accidents worldwide vs. 7 last year
- 11 in 40 top management positions are women
- 41 % of employees worldwide are women

What we have learned:

- Knowledge of our products promotes sustainability
- Frequent employee surveys are a valuable tool for identifying continuous improvements in the workplace
- Health and safety as well as workload are critical factors for continued high quality in our products

Gender equality by country:

Sweden	50%
Denmark	45%
France	17%
Norway	16%
Poland	72%
Great Britain	31%
Germany	23%
USA	37 %
Canada	60 %
Australia	47 %
Netherlands	27 %
Italy	50%

Responsible purchasing

Responsible supply chains protect vulnerable employees and reduce environmental and financial risks. In our program we work to contribute to a sustainable development in our supply chain. To manage risks in our supply chain we follow a Code of Conduct and risk assessment, perform regular internal and external audits at suppliers, and have an external whistleblower function where violations can be reported. Compliance with the Code of Conduct is mandatory in our risk assessment of suppliers.

Code of conduct – What is it?

This document defines our expectations of human rights, good business ethics, decent labor conditions and fair inclusive practices at our supplier bases. All suppliers must sign this before we can start doing business with them.

Supplier evaluation

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 process and a tool for development at the supplier. Physical supplier audits are intended to verify, manage and to identify areas for improvement. During the pandemic a sustainability self-assessment questionnaire and scorecard system has been developed. This system is under implementation and is as a complement to physical audits.

Anti-corruption

As a global company with strong ethical values, we put emphasis on doing business that generates long-term value and trust. Our standpoint is made clear in our Code of Conduct which addresses anti-corruption, bribery, embezzlement, and other forms of misconduct. This protocol also applies to all individuals performing work for Etac.

Human rights

It is the responsibility of every company to respect human rights. This means our business shall not contribute to violations of human rights and are obligated to prevent such occurrences. A high level of transparency can lead to positive change. If we notice deviations that violate human rights, we can start with a warning. In potentially serious cases we can end a supplier relationship with immediate effect.

Results for responsible sourcing:

- Roll-out of sustainability self-assessment questionnaire and scorecard system
- 0 reported incidents of misconduct

What we have learned:

- Self-assessment questionnaire and scorecard system is a valuable instrument in aiding suppliers in identifying improvements as well as a tool for Etac to drive continuous improvements at suppliers
- Timely on-site audits are important in supplier qualification
- Product design and set-up of sourcing, logistics and manufacturing defines a large part of our footprint

Sponsorship

Etac actively supports several community activities that share our aim of bettering lives regardless of circumstances. Through this involvement we can achieve valuable impact, strengthen relationships, and improve transparency. Our sponsorship policy agreements are approved, and quality is assured by operational management. We intend to promote health, gender equality, diversity, and inclusion at the local level.

Frame football for children in Sweden

In 2021, Etac Sweden has chosen to sponsor Sweden's first frame football club for children – Stockholm frame football. Frame football is a growing sport in Sweden where most children use the R82 Crocodile and R82 Mustang walkers to practice the sport. Etac's sponsorship has contributed to the team being able to go to games and tournaments, as well as purchase training materials.

Sponsoring activities in the UK

Supporting the Deaf Society, an Etac employee aids in fundraising through organizing a golf event and a yearly excursion to the Pantomime at Christmas.



KPIs for Etac's sustainability work*

Sustainability area	KPI	Result 2018	Result 2019	Result 2020	Results 2021	Target 2025
Circular economy						
Promote reuse and remanufacturing of our products	Share of sales of spare parts and accessories	22%	23%	23%	23 %	30%
Collaborate with customers and stakeholders to launch circular models	Cross revive was successfully developed and launched in February 2022. New KPIs and targets are currently being established for this area.					
Product design & development						
Increase use of recycled or non-virgin materials	Share of recycled aluminium for die casting	-	-	-	100 %	100 %
	Share of recycled aluminium for extrusion	-	-	-	30 %	30 %
	Share of recycled stainless steel	-	-	-	60 %	80 %
	Share of recycled packaging in relation to tons of total purchased packaging	63 %	65 %	65 %-	100 %	100%
	Share of recycled cardboard packaging total	-	-	-	100 %	100%

In the material areas of textiles and plastics, current regulatory requirements and high-quality standards limit the possibility of using recycled materials. Our focus is therefore on the recyclability of our products and components and establishing relationships with our suppliers. New KPIs are currently being established for these areas.

Environment & climate						
Improve energy intensity	Energy consumption GJ in relation to cost of goods MSEK	54 GJ per MSEK	50 GJ per MSEK	49 GJ per MSEK	44 GJ per MSEK	30% improvement in 2025 from base year 2018
Improve emission intensity	Carbon emissions in relation to cost of goods MSEK	5,3 Tons CO ₂ per MSEK	4,8 Tons CO ₂ per MSEK	4,6 Tons CO ₂ per MSEK	3,7 Tons CO ₂ per MSEK	30% improvement in 2025 from base year 2018
Reduce greenhouse gas emissions (scope 1 and 2)	CO ₂ emission per year	2 629 Tons	2 478 Tons	2 693 Tons	2640 Tons	1 821 Tons (-30%)
Minimize air travel	Air flights per employee and year	3.6	3.0	1.3	1.0	2.0
Sustainable manufacturing facilities	Share of ISO 14001 certified factories	20%	20%	20%	40 %	100%
Social responsibility						
Secure code of conduct audited suppliers in risk countries	Share of audited suppliers over 2 years	100%	100%	100%	100 %	100%
Promote gender equality	Share of women in top 40 management	30%	25%	27%	27 %	40%
Safe work environment	Work related accidents	4	5	7	8	0

*KPI's cover Etac excluding Ki Mobility, acquired 2021, and the partially owned subsidiary HoverTech International. Sustainability work in those entities are handled separately but will be incorporated in future reports.



Creating possibilities for tomorrow

Our ambition is to continue to offer high quality products for a wide range of daily needs and care situations for all stages of life, while minimizing environmental impact, protecting human rights, and preventing corruption.

There is a great deal of effort behind our results for 2021. Yet, our work has just begun. With optimism, we look forward to continued engagement towards a sustainable future.

A few lessons

- Importance of co-creation with stakeholders and customers
- Knowledge of vital logistics solutions and development of a remanufacturing process
- Value and importance of product information to improve handling and care
- Importance of sustainability aspects from the first step in design and development
- Importance of monitoring impact at operational and product level
- Continuous investments in energy efficiency at operational level are necessary
- High level of transparency is vital in protecting human rights and preventing corruption
- Self-assessment questionnaire and score card system is a valuable instrument in aiding suppliers with identifying improvement areas



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.

Etac

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etac[®]
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 2021 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 according to our digital signature

PricewaterhouseCoopers AB

A blue digital signature scribble.

Patrik Adolfson
Authorised Public Accountant

