



Sustainability Report

2017

 **etac**[®]
Creating Possibilities

Etac Sustainability Report 2017

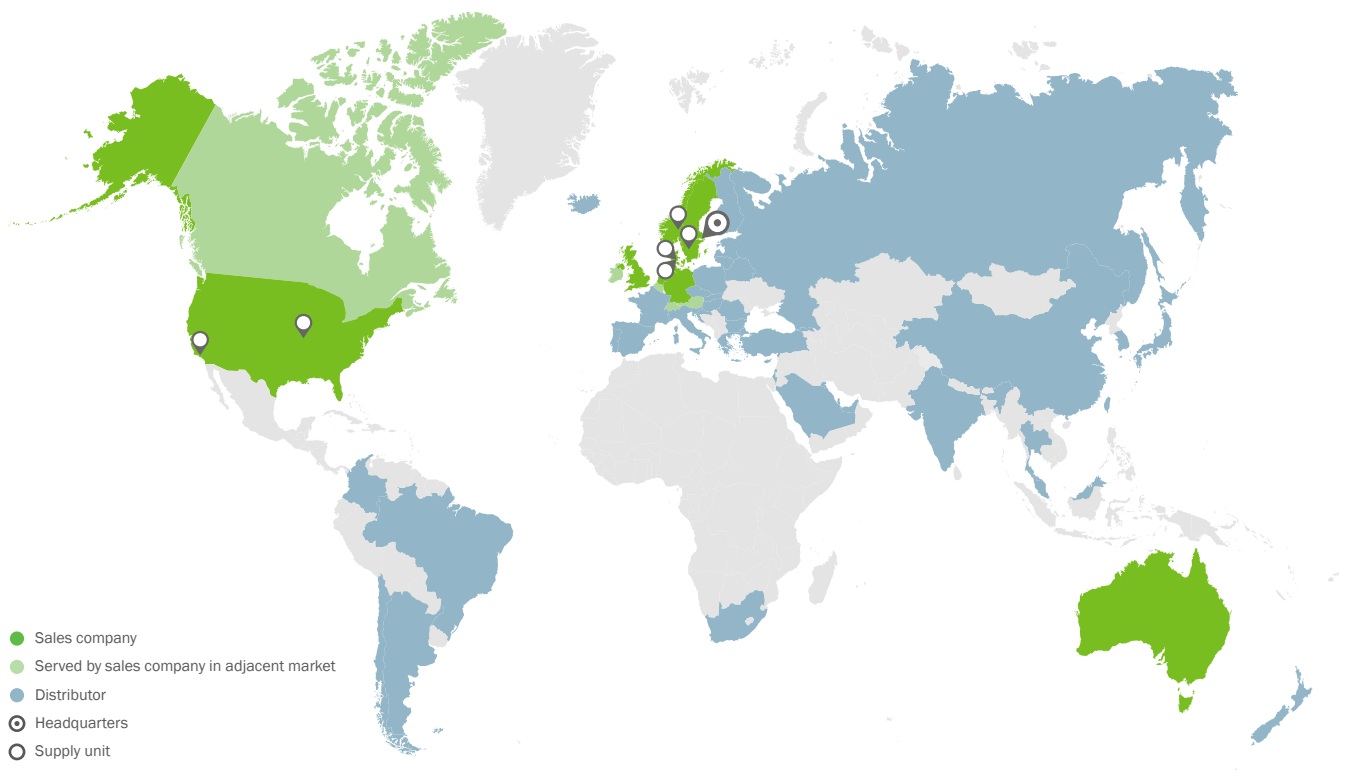
Etac develops, supplies and sells mobility equipment and solutions for elderly and disabled. We are a leading company in the rehab industry in Northern Europe and aims to be one of a handful leading players on the global scene.

Etac offers a wide range of highly effective mobility solutions

- Our products are well-designed with the user needs and aesthetics in focus.
- Our solutions enable the user to enjoy living at home while remaining optimally active.
- Our solutions promote an optimal working environment for the caregiver.







Operation

Etac operates sales companies in Sweden, Norway, Denmark, Germany, the Netherlands, United Kingdom, Australia and the United States and has an extensive network of distributors in over 40 other markets around the world. Our main customer groups are the public sector (municipalities, technical aid centers, hospitals, nursing homes), insurance companies and private companies that distribute and sell rehab equipment.



Our mission

To promote Etac's mission that "Everyone should be able to live a free and independent life and pursue their dreams regardless of any physical circumstances" we not only work to provide the users with the best equipment to allow them to be as active as they can in life but also improving their safety and reducing the risks for both users and carers. To further enhance the positive effects of Etac's mission, we work to increase the sustainability of our business and operations.

	 Product Development	 Sourcing	 Production	 Transportation	 Sales	 Use
Etac's value creation	Etac develops high functionality mobility equipment and solutions for elderly and disabled.	Sourcing is coordinated, which provides economics of scale and the opportunity to work in a structured way in terms of setting requirements, monitoring and developing suppliers with regard to social responsibility, the environment and business ethics.	Etac manufactures and assembles high functional mobility equipment in a safe work environment, creates value to its customers and users by way of functional, durable as well as re-usable products and works to reduce its utilisation of resources and environmental impact.	The products are delivered to customers directly, primarily using lorries through our logistic partners.	Etac's employees sell products and services mainly to health care organisations and distributors. Information supplied to customers is clear and accurate.	Etac's products have a long lifespan and low environmental impact.
Significant sustainability aspects (risks)	Sustainable choice of materials Product responsibility Sustainable use of resources Business ethics and anti-corruption.	Reduced climate impact Responsible sourcing Business ethics and anti-corruption Labour conditions, health and safety.	Labour conditions, health and safety Sustainable use of resources Business ethics and anti corruption.	Reduced climate impact Business ethics and anticorruption Labour conditions, health and safety.	Business ethics and anticorruption Products responsibility.	Reduced climate impact Sustainable use of resources Product responsibility.
Etac's working methods	Sustainability is an important factor in Etac's product development.	Systematic supplier selection and supplier audits are conducted to ensure social and business ethical risks as part of the sourcing process and to influence suppliers to improve their sustainability efforts.	Production adopts a goal-driven LEAN approach along with systematic health and safety activities to prevent accidents in the workplace.	Etac optimises steadily its transportation flows with the aim of reducing the amount of transportation and collaborates with established logistic forwarders.	Business methods comply with generally accepted business practices. There is a channel for reporting statutory and regulatory violations.	Etac conducts relevant tests, both independently and thorough external partners and in line with required and recognised standards.

Employee per country

31 December 2017



Country	Number
Sweden	115
Norway	173
Denmark	185
UK	49
Germany	41
Netherlands	13
US	181
Australia	7
Employees of subsidiaries	764
Employees of Parent Company (Sweden)	62
Employees of the Group	826

Production facilities

Anderstorp, Sweden
Gjövik, Norway
Gedved, Denmark
Horsens, Denmark
Freeburg, USA
Torrance, USA

Sustainability according to Etac

The aim of Etac's sustainability work is to increase value for customers, stakeholders and society, while also reducing the impact on the environment.

- Etac is committed to establishing, promoting, maintaining and improving a culture of sustainability and environmental responsibility with employees, our supply chain and stakeholders.
- Etac is committed to providing timely management reviews of sustainable business operating procedures and practices. We commit to track, measure and report on our performance of the implementation of sustainability practices with a commitment of continual improvement in these areas.
- Etac is committed to providing the most suitable, sustainable and safe products possible for our clients based on their needs.
- Etac also ensure that our practices and procedures are in compliance with all environmental, health and safety regulations where we conduct our business.

The customer and stakeholder dialogue confirms that the issues are in line with the above.

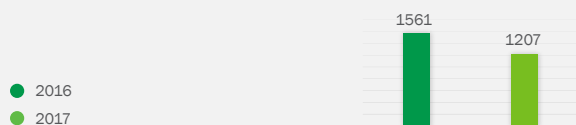
Etac has a Sustainability policy and other policies in relevant areas in place. As an element of developing the Etac's Sustainability work even further we have in the beginning of 2018 employed a Sustainability Manager who will be responsible for sustainability matters and policy development within the Etac Group.



Quality and Safety

With a focus on quality and safety, Etac strives to provide the best products with lowest risk for the users. We work systematically to ensure control of all processes in manufacturing and design to manage risks. Our priority is to ensure, that our products comply with the strict regulations which apply to medical devices in any of our markets.

Summary of all supplier claims in our production facilities in Gjøvik, Anderstorp and Gedved

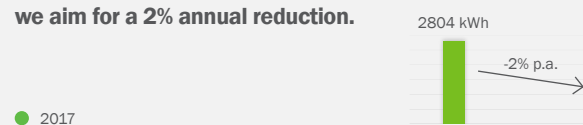


- **Objective 1:** All supply units must have relevant Quality Management Systems implemented according to national or international standards.
- **Objective 2:** Supplier management with quality control, quality agreements and quality audits will be conducted regularly/annually for all critical suppliers and critical components.
- **Objective 3:** Etac will continuously monitor and analyze all non-conformities in order to be able to define preventive and corrective actions.

Environment and Health

With a focus on providing products with the minimum impact on environment and health, Etac selects materials which do not contain harmful levels of toxic substances. All our products undergo biological evaluation. We are also working towards minimizing energy usage in all our operations.

The energy consumption for 2016 of our production facility in Anderstorp has been evaluated during 2017 and we aim for a 2% annual reduction.

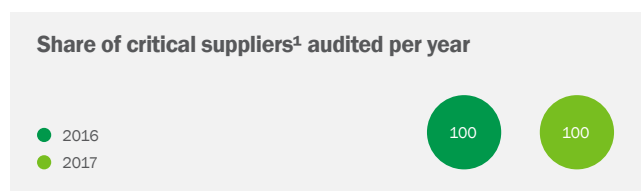


- **Objective 1:** Etac staff will monitor and analyze energy use at the supply units and adhere to the recommendation from the Energy Audits in Large Enterprises to reduce yearly energy usage.
- **Objective 2:** We will only work with suppliers who can provide materials/components with no harmful levels of toxic substances and can show compliance with REACH and RoHS.
- **Objective 3:** All purchases of textiles must be certified through OEKOTEX class II or have corresponding certifications obtained through test institutes.



Compliance and Good Governance

A focus on business ethics and good governance is important; showing openness and transparency is essential to prevent or manage conflict of interest between Etac and our stakeholders. Etac conducts all activities in accordance with the highest standards of corporate best practice and in full compliance with all applicable statutory and regulatory requirements, including standards on ethical business and anti-corruption.

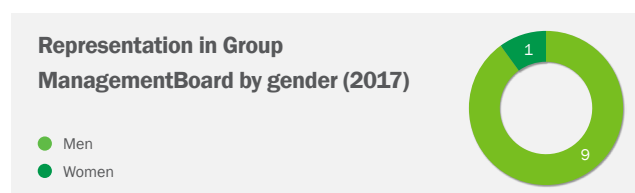
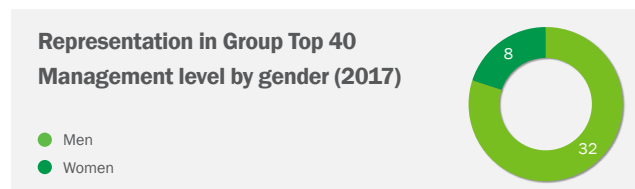


¹ Critical suppliers are defined as suppliers located in medium and high risk countries (according to OECD definition) and which are supplying our factories in Scandinavia

- **Objective 1:** Etac considers openness about our environmental and social ambitions to be important and requires the same transparency from suppliers and subcontractors.
- **Objective 2:** Supplier Code of Conduct will be a part of all supplier agreements and suppliers will be audited to make sure this is fulfilled. All critical suppliers will continuously be audited once a year.
- **Objective 3:** Management will show commitment and make sure our policies are treated with the highest priority and communicated.
- **Objective 4:** A broader Etac Anti-corruption and bribery policy must be established and by the end of 2018 all Etac units and distributors shall have signed off on the policy.
- **Objective 5:** Etac will maintain a Whistle blower function which allows both employees and external stakeholder to report on non-conformities .

Social employer responsibility

With a focus on social employer responsibility Etac is reviewing the entire supply chain and all suppliers shall confirm compliance with Etac's supplier Code of Conduct. Etac actively strives to continually improve health and safety at work and to offer its employees a non-discriminatory work environment.



- **Objective 1:** Initiate reporting and measuring on a Group level, work related accidents and during 2018 establish ambitious targets for reduction of work related accidents for the coming years.
- **Objective 2:** Initiate by 03/2018 reporting and measuring on a Group level Employee Retention and during 2018 define appropriate targets/measures for reduction of Employee turnover. Commencing in 2018 annual Employee Satisfaction Surveys will be conducted.
- **Objective 3:** Strive to a more gender equal representation in the Group Management Board.

This sustainability report constitutes Etac AB's statutory sustainability report prepared in accordance with chapter 6 of the Swedish Annual Accounts Act.



Revisorns yttrande avseende den lagstadgade hållbarhetsrapporten

Till bolagsstämman i Etac AB, org.nr 556324-9746

Uppdrag och ansvarsfördelning

Det är styrelsen som har ansvaret för hållbarhetsrapporten för år 2017 och för att den är upprättad i enlighet med årsredovisningslagen.

Granskningens inriktning och omfattning

Vår granskning har skett enligt FARs rekommendation RevR 12 *Revisorns yttrande om den lagstadgade hållbarhetsrapporten*. Detta innebär att min (vår) granskning av hållbarhetsrapporten har en annan inriktning och en väsentligt mindre omfattning jämfört med den inriktning och omfattning som en revision enligt International Standards on Auditing och god revisionssed i Sverige har. Vi anser att denna granskning ger oss tillräcklig grund för vårt uttalande.

Uttalande

En hållbarhetsrapport har upprättats.

Stockholm den 12 juni 2018

Öhrlings PricewaterhouseCoopers AB

A handwritten signature in blue ink, appearing to read "Håkan Malmström", with a long horizontal stroke extending to the right.

Håkan Malmström
Auktoriserad revisor