

Responsibilities

This Sustainability Policy must be reviewed and approved by the Executive Leadership Team on an annual basis.

The Sustainability Function must communicate the principles of this Policy to Personnel and all other relevant parties.

All Personnel share ownership for maintaining the effectiveness of its management systems, including this Policy, and are responsible for continual improvement to enhance Sustainability performance.

Questions about this policy should be addressed to an immediate manager or the Sustainability function.

Non-compliance with this Policy may lead to disciplinary action, including termination of employment or business relationship with Mölnlycke.

Policy

Mölnlycke's purpose to revolutionise care for people and planet is translated into business conduct through embedding Sustainability into every aspect of operations, offers, and partnerships, driving the creation of sustainable healthcare systems. Sustainable healthcare systems aim to improve health and wellbeing for more people today while safeguarding the planet's resources for future generations.

Mölnlycke participates in the UN Global Compact, and supports the UN Sustainable Development Goals, with a particular focus on: 3. Good health and well-being, 5. Gender equality, 7. Affordable and clean energy, 8. Decent work and economic growth, 10. Reduced inequalities, 12. Responsible consumption and production, 13. Climate action, 16. Peace, justice and strong institutions, and 17. Partnerships for the goals. In addition, Mölnlycke adheres to the OECD Guidelines for Responsible Multinational Enterprises and Due Diligence Guidance, applies minimum safeguards as part of the EU Taxonomy Regulation, and respects the UN Universal Declaration of Human Rights, UN Convention on the rights of the child, ILO Conventions, United Nations Framework Convention on Climate Change (UNFCCC), and the Paris Agreement.

To guide its strategic approach towards sustainability and transparent reporting, Mölnlycke conducts a double materiality assessment each year. Performed in accordance with the Corporate Sustainability Reporting Directive (CSRD), financial materiality identifies Sustainability factors affecting business performance (risks and opportunities), while impact materiality evaluates the organisation's effects on environmental, social, and governance factors. The process incorporates stakeholder input, data analysis, and alignment with the European Sustainability Reporting Standards (ESRS).

Requirements

Decarbonised healthcare. Mölnlycke is decarbonising healthcare by eliminating emissions throughout the full life cycle, from raw material to end-of-life treatment, including lower-carbon transport and travel. By transforming processes, utilising renewable energy, collaborating with partners, and leveraging innovative solutions, Mölnlycke are charting a path toward a net zero future. Mölnlycke endorses and promotes the aims of the Paris Agreement, aiming to limit global warming to 1.5°C, and is committed to Science Based Targets, with both its near-term and net-zero targets validated encompassing scopes 1-3. Mölnlycke also integrates climate adaptation measures to enhance resilience in operations and healthcare delivery. Mölnlycke has an ambition to electrify its entire car fleet by 2030, following a phased approach that prioritises regions with mature EV infrastructure and low-carbon electricity grids. In addition, Mölnlycke encourages sustainable mobility options including active transport, public transport, car-pooling, and other low-emission alternatives.

Zero waste. Mölnlycke is creating a culture of care for material value by continually minimising operational waste through a focus on right-first-time, enhancing material efficiency, and fostering a zero-waste mindset. Mölnlycke use resource productivity as a means to build pride in operational teams. Personnel encourage the full value chain to reduce waste, facilitated by waste eliminating solutions for healthcare providers.

Circular economy business models. Mölnlycke's approach focuses on decoupling economic growth from the consumption of finite resources. Mölnlycke partners with healthcare providers to reduce device consumption through appropriate selection, use, and fully utilising products' service life. Mölnlycke is leading the development of circular solutions, including closed-loop systems, that retain the value of resources in the healthcare system while reducing waste, so that many more patients can benefit from finite resources without deterioration in the quality and safety of the product used. The portfolio of renewable and recycled material solutions will continually expand.

Sustainable supply and distribution. Mölnlycke engages in due diligence on business partners to build a comprehensive understanding of Sustainability risks and impacts. Measures to ensure that products and services are sourced and distributed responsibly are deployed, the principles of human rights, fair labour conditions, care for the environment and ethical business practices are enacted throughout the value chain. Mölnlycke finds partnership opportunities to do good together, for people and planet.

Sustainable healthcare solutions. Mölnlycke is innovating to provide its customers with 'sustainable leading solutions' which offer significant, measurable Sustainability benefits for customers over mainstream alternatives in the market, while providing the same or better functionality. Comprehensive Life Cycle Assessments (LCAs) inform improvement initiatives and enable healthcare partners make improvements measurable. As part of a continually improving ISO14001:2015 standard environmental management system, Mölnlycke minimises and replaces hazardous substances when possible, and works proactively to identify, assess, and manage all substances, including Active Pharmaceutical Ingredients, to prevent pollution and control their impact on people and planet.

Zero injuries and harm. Mölnlycke prioritises employee, customer and patient wellbeing, fostering a culture of safety and continual improvement to create a workplace and healthcare ecosystem where injuries, ill-health and harm are non-existent. This commitment extends to product design, ensuring they are not only safe to use but also enhance patient outcomes. Continually improving a health and safety management system according to ISO45001:2018 ensures legal and other requirements are fulfilled, hazards are proactively eliminated, and risks are reduced.

Diverse, equitable and inclusive workplace. Mölnlycke's goal is to foster an environment where every employee feels empowered to grow, develop to their full potential, and take pride in being part of our team. Mölnlycke is committed to creating an inclusive environment where every employee can be their authentic self and feel a sense of belonging. Mölnlycke strives to attract and retain talents for our current and future success. Mölnlycke believes in a culture where everyone can succeed based on their merit and contributions nurturing a culture of continuous learning and development. Mölnlycke believes that all employees have the right to equitable compensation, benefits, and opportunities for development and advancement.

Human rights protection. Mölnlycke acknowledges the social and human rights challenges that the world is facing and the adverse impacts that businesses can cause. Mölnlycke is committed to respecting human rights, including fighting modern slavery, and aims to identify, prevent, mitigate, and remediate potential and actual risks of adverse human rights impacts within Mölnlycke's own operations and across its value chain. This includes a robust responsible sourcing framework aligned with the OECD Due Diligence Guidance, including risk-based processes to identify, assess, and mitigate potential impacts related to conflict minerals within its supply chain, and only sourcing from RMAP-approved and audited smelters.

Empowered communities. Mölnlycke is working on interventions with long-term positive impact, whether it is helping people heal or giving back to the communities Mölnlycke serves. Value is returned to society by investing in communities Mölnlycke operate within, and

by supporting charities that share goals with Mölnlycke. Employees all over the globe are encouraged to drive fund-raising activities and engage with local charity organisations. All efforts are aligned with Mölnlycke Community Support principles.

Ethical business culture. Mölnlycke is dedicated to fostering and upholding an ethical business culture by embedding an integrity mindset in every decision. Mölnlycke aims for trustworthiness, accountability, and fairness in all activities, benefitting not only patients, care givers and payers, but also each other and society. By upholding these principles and empowering its Personnel with ethical decision-making, Mölnlycke aims to maintain trust, safeguard its reputation, and foster a culture of trust, innovation, and collaboration.

Transparent reporting. Mölnlycke makes accurate, transparent reports on Sustainability publicly available to enable stakeholders to understand its Sustainability impact, risks, and opportunities, and provide context on its strategic goals. Reporting is in accordance with the relevant legislation, including the requirements of the CSRD), applicable International Financial Reporting Standards (IFRS), and best practices such as the Global Reporting Initiative (GRI). Quantitative targets and reporting relate to energy, air and greenhouse gas emissions, indirect biodiversity impact, waste management, resource and water consumption and recycling safety and wellbeing, engagement and inclusivity, development opportunities, collective bargaining, and human rights impact assessment.

Signed:
Guillaume Joucla
CEO

