

Group Sustainability Policy		
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1. PURPOSE

- 1.1. Mölnlycke Health Care acknowledges the environmental and social challenges that the world is facing and the essential role and responsibility business can play in preventing harm as well as enabling a sustainable and responsible development.
- 1.2. The purpose of this Policy is to clearly outline Mölnlycke’s commitment to Sustainability in light of its purpose to revolutionise care for People and Planet, define the principles that sustain the relations of Mölnlycke and our Stakeholders, support the integration of sustainable practices within our business model, and ensure that our business activities are carried out with respect and care for People and Planet.
- 1.3. In addition, this Policy provides the framework to define the roles and responsibilities relating to Sustainability within Mölnlycke’s activities and operations as well as in our relationship with business partners, to ensure progress and to provide regular reporting on non-financial information.

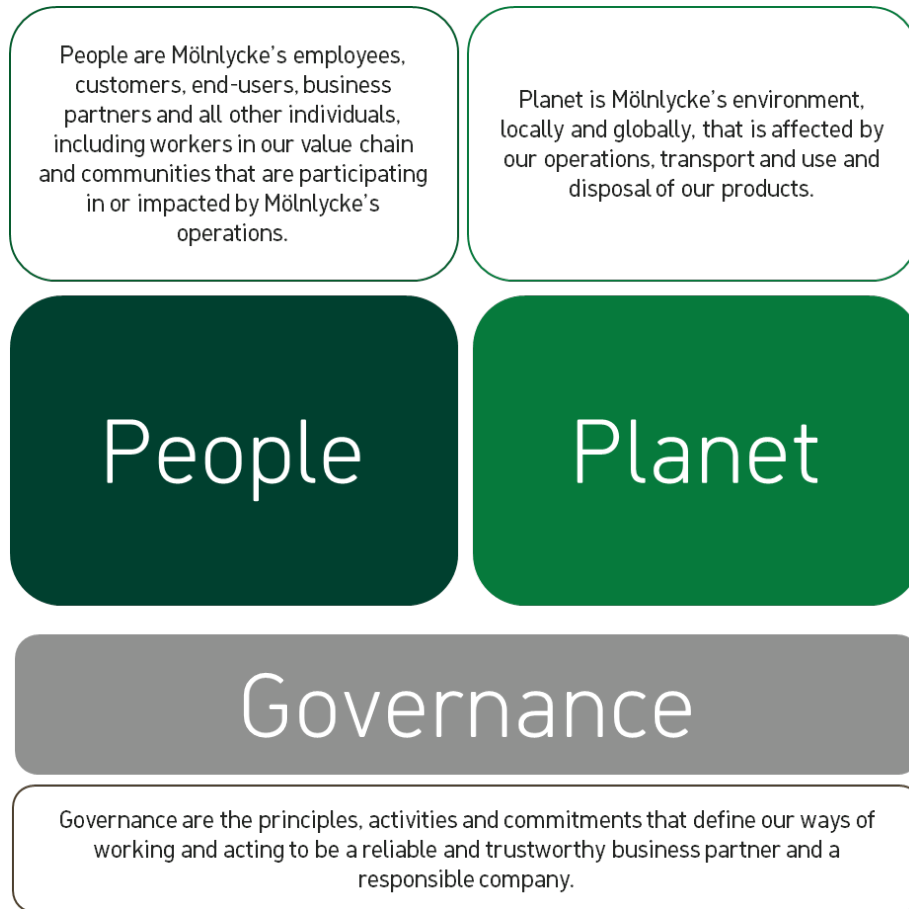
2. SCOPE

This Policy applies to all Mölnlycke Personnel.

3. OVERARCHING PRINCIPLES

- 3.1. Mölnlycke’s purpose is to revolutionise care for People and Planet. This purpose is translated into the conduct of our business when Mölnlycke puts the care of patients first and integrate sustainable development criteria in all our business areas. This includes ensuring the respect and promotion of human and labour rights in all our stakeholders, an efficient management of natural resources and an appropriate protection of the environment where it operates. Mölnlycke’s approach and commitment to sustainability is integral to living our values and is part of our corporate ethical culture. Mölnlycke relies on each of our business units and support functions leveraging their efforts to achieve the goal of being a sustainable company.
- 3.2. Mölnlycke is a member of the UN Global Compact, adheres to the OECD Guidelines for Responsible Multinational, UN Universal Declaration of Human Rights, UN Convention on the rights of the child, ILO Conventions, United Nations Framework Convention on Climate Change (UNFCCC), the Paris Agreement , as well as the recommendations from the Task Force on Climate-related Financial Disclosure and the views of our stakeholders.
- 3.3. Mölnlycke 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.

3.4. The overarching principles concern People and Planet. To ensure this is correctly implemented there is also a level of Governance needed.



4. PEOPLE

- 4.1. We are achieving our vision of becoming a sustainability leader in the industry with a healthy, safe and engaged workforce that embraces diversity and inclusion. To create a positive societal impact, Mölnlycke is building mutually beneficial relationships with employees, customers and the people in its communities.
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- 4.3. We aim for a safe, incident-free, and healthy working environment in our operations and the entire value chain. We are committed to proactively eliminating hazards and reducing risks related to occupational health and safety to prevent work-related injury and ill health. We maintain and continually improve a health and safety management system according to ISO45001:2018 to ensure our legal and other requirements are fulfilled, and our health and safety performance continually improves.
- Diversity and inclusion
- 4.4. Mölnlycke's objective is to create an environment where our employees feel empowered to grow, develop to their full potential and are proud of working for us. We strive to nurture a culture of constant learning and development and to attract the talent which is essential for the current and

future success of our business. We work systematically to improve diversity and inclusion with a particular focus on gender equality.

Community engagement

- 4.5. We partner with bona fide non-governmental organisations to create a long-lasting positive impact on local communities where we operate.

Human rights and labour rights

- 4.6. Mölnlycke is committed to respecting human rights and labour rights, set out by the United Nations and International Labour Organisation, throughout our operations and our value chain. Human trafficking and modern slavery are grave violations of these rights, and we recognise the importance of taking proactive steps to combat such violations. We work systematically to identify, address, and mitigate any negative impacts on human rights and labour rights stemming from Mölnlycke's business and, when possible, offer remediation. We select business partners that share our values and ensure that they adhere to them through agreements, the Supplier Code of Conduct, and the Distributor Code of Conduct. Mölnlycke also strives to enhance our positive impacts on human rights, especially the right to health and education. Further information on human rights and labour rights can be found in the Human Rights Policy.

5. PLANET

- 5.1. We are transforming our business to decarbonize and decouple it from resource constraints. We are constantly innovating to offer our customers sustainable solutions while not compromising on the safety and quality of our products.

- 5.2. Mölnlycke is committed towards environmental considerations in all aspects of its activities and has a systematic approach. We maintain an environmental management system according to ISO14001:2015 to ensure our legal and other obligations are fulfilled, and our environmental performance continually improves.

We innovate

- 5.3. Mölnlycke innovates to develop high-quality, safe solutions that are resource-efficient and generate minimal environmental impact throughout their life cycle. We optimise the use of resources in both products and production while replacing fossil-derived raw material with renewable and recycled materials. We minimise and control the use of substances that are harmful to humans or our environment, to protect the environment and prevent pollution.

Science based targets initiative

- 5.4. We commit to net zero by 2050 at the latest through the Science Based Targets Initiative, covering own operations (Scope 1 and 2) and both upstream and downstream value chain emissions (Scope 3). We prioritise energy efficiency, renewable energy, and logistics efficiency. We are further reducing greenhouse gas emissions by minimising travel or switching to more efficient and fossil-free transportation.

Waste management

- 5.5. We seek to continually improve our waste management, while enabling our customers to do the same with products and packaging at the end of their life. We take a life cycle perspective, assessing the full environmental impact of our products and portfolios.

6. GOVERNANCE

Risk assessment

- 6.1. Mölnlycke regularly assesses its sustainability related risks and uses a double materiality process to understand its environmental, social and governance impacts, and financial impacts (so called risks and opportunities) related to our value chain, which are also captured in company-wide

enterprise risk management (ERM) process. The identified risks help inform its priorities and actions to implement mitigation measures and controls.

Ethical approach

- 6.2. We set high standards of ethics and responsibility in our business, business ethics and governance constitute the foundations of our business model. We do not tolerate corruption or corrupt practices and we develop and implement strong business ethics and compliance processes to support this commitment. We require that our employees show integrity in all their dealings.
- 6.3. We follow our Code of Conduct and applicable industry codes on business ethical practice, systematically performing activities relating to anti-corruption, fair competition, and healthcare compliance to ensure that our business is ethical, legal and transparent.

Responsible finance

- 6.4. We manage our financial resources properly to safeguard the long-term sustainable financial performance of Mölnlycke. We follow applicable legal requirements as well as applicable International Financial Reporting Standards.
- 6.5. We strive to ensure investments are responsible by integrating environmental and social parameters in the investment process.

Concerns and grievances

- 6.6. We encourage transparency, and actively encourage all our stakeholders to raise any concerns and grievances via our Ethics Hotline or any of the other available channels. Internal investigations are conducted confidentially, and corrective actions and remedies are endorsed by Management. Lessons learned from concerns and grievances are distributed to avoid reoccurrence of similar issues.

Transparency and reporting

- 6.7. Mölnlycke is committed to transparent, open and accurate reporting on sustainability in accordance with the relevant legislation and best practices. It is Mölnlycke's commitment to provide transparent non-financial reporting that allows its stakeholders to understand its sustainability impact, risks and opportunities and to give context on how this impacts its strategic goals.

Partnerships at heart

- 6.8. Mölnlycke is committed to lead the way in building strong, mutually beneficial relationships with customers, employees, suppliers, and other stakeholders. To support our sustainability commitment, we engage our customers and other stakeholders in dialogue to ensure that their needs drive our continual improvement and welcome their feedback on our practices. We are committed to a respectful dialogue with our social partners, such as employee representatives, unions, and workers' councils, to build the culture we are aiming for.

7. RESPONSIBILITIES

- 7.1. The Sustainability Committee provides the platform for cross functional awareness and information exchange on the progress of the sustainability goals and KPIs.
- 7.2. The Sustainability function is responsible for informing the Board of Directors and Executive Leadership Team of requirements for this Policy and the progress on the execution of such requirements. The Sustainability function is responsible for ensuring a cohesive approach to Sustainability and its elements throughout Mölnlycke. Furthermore, it ensures the preparation and realization of the legally required Sustainability reporting and additional communication and of liaising with the relevant functions who will provide input. The Sustainability function is also

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responsible for ensuring that the policy statements are displayed in certified locations and communicated to employees, digitally and/or with printed copies.

- 7.3. The Executive Leadership Team decides on the execution of this Policy and provides regular updates to the Board of Directors on the execution thereof.
- 7.4. Every Mölnlycke Personnel shares ownership and maintains the effectiveness of our management systems. We strive for continual improvement to enhance our performance and we encourage a company culture that promotes positive change.
- 7.5. Mölnlycke Personnel having questions about this Policy in general should obtain additional guidance from their immediate manager or the Sustainability function.
- 7.6. If you believe this Policy has been violated, please notify Business Ethics Compliance or contact the Ethics Hotline. Mölnlycke will not retaliate against Mölnlycke Personnel or any other who, in good faith, report an actual or suspected violation of this Policy.
- 7.7. Non-compliance with this Policy can lead to disciplinary and other actions including termination of employment.

8. DEFINITIONS

In this document, the following words and expressions have the following meaning:

“KPI”	means Key Performance Indicator.
“Mölnlycke Personnel”	means all individuals working for Mölnlycke Health Care, including full-time and part-time employees, officers, volunteers, trainees, interns, temporary workers, and contingent workers, as well as Mölnlycke Health Care board members.
“Science Based Target Initiative”	means the collaborative effort between CDP, the United Nations Global Compact (UNGC), World Resources Institute (WRI), and the World Wide Fund for Nature (WWF). SBTi encourages and assists companies to set emissions reduction targets in line with the latest climate science to help limit global warming to well below 2 degrees Celsius above pre-industrial levels, in line with the goals of the Paris Agreement.
“Sustainability”	means meeting the needs of the present without compromising the ability of future generations to meet their needs. Therefore, Sustainability encompasses Environmental, Social and Governance topics
“Sustainability Committee”	means the established Mölnlycke committee where relevant support functions and BAs are represented to receive regular updates on all relevant matters relating to sustainability progress. This committee’s role is mainly to ensure follow up on sustainability performance, exchange of information, raising awareness and ensuring the overall knowledge on sustainability issues is updated.

9. REFERENCES / RELATED DOCUMENTS

- 9.1. Human Rights Policy
- 9.2. UN Sustainable Development Goals
- 9.3. ISO 45001:2018 Occupational health and safety management systems
- 9.4. ISO 14001:2015 Environmental management systems
- 9.5. UN Universal Declaration of Human Rights
- 9.6. UN Convention on the rights of the child

- 9.7. UN Global Compact
- 9.8. ILO Conventions
- 9.9. United Nations Framework Convention on Climate Change (UNFCCC)
- 9.10. The Paris Agreement
- 9.11. Task Force on Climate-related Financial Disclosure and the views of our stakeholders.

Signed:

Zlatko Rihter

CEO

