

AddLife and sustainability

Below is AddLife's sustainability report, which describes AddLife's operations and value chain from a sustainability perspective. The report can be viewed as preparation for the new legal requirement for sustainability reporting, the Corporate Sustainability Reporting Directive (CSRD).



AddLife's business model in relation to sustainability

AddLife's vision is to improve people's lives by being a leading, value-creating partner in Life Science. By offering high-quality products and value-added services, we add value to our customers who are active in this sector. Consequently, our business can help enhance opportunities and delivery of healthcare and social services. Our product and service offerings also help our customers in lowering their environmental footprint by providing options with reduced packaging, products and services with lower carbon footprint, and supporting product reuse.

Our success depends on the dedication and experience of our employees. It is therefore essential to ensure a positive working environment, provide ample growth opportunities and foster an inclusive corporate culture so that we can retain our current employees and attract new potential talent. The products and services we sell are subject to strict quality assurance regulations. This ensures that the product does not result in any significant harm to patients and users. Maintaining high quality and safety standards for our products and services is critical to prevent both customer loss and damage to our reputation. Our business model relies on our business relationships with suppliers, the products we distribute and the raw materials from which they are derived.

Sustainability strategy

The external landscape, the healthcare sector, and sustainability itself are all undergoing changes that AddLife must address to successfully run our business. AddLife has formulated a sustainability strategy to navigate these challenges. It was revised in 2023, following stakeholder dialogues and an update of our materiality analysis. See pages 36-37 for more information. The sustainability strategy mirrors our key sustainability issues: our positive contribution to the Life Science sector, the well-being and development of our employees, and our supply chain management. We recognise business opportunities in working with sustainability and believe that our sustainability efforts can provide added value for our customers.



Sustainable health solutions

AddLife creates competitive advantages by offering high-quality products and value-adding services, coupled with sustainable solutions. Our position in the value chain, primarily as a distributor, entails close dialogue with many local-level customers and collaboration with major global suppliers. This offers a unique opportunity to facilitate a sustainable transition alongside our partners and develop solutions that could positively impact our business operations. We encourage innovative and intelligent solutions to remain at the forefront, while also reviewing existing products and services to identify areas for improvement, with a focus on material consumption, packaging, transportation and reuse opportunities.

IMPROVE PEOPLE'S LIVES

AddLife offers Life Science solutions that improve people's lives by:

- Providing products and services that improve human health and well-being and facilitate research in Life Sciences
- Creating competitive advantages through high-quality products and value-adding services, coupled with climate-smart and circular solutions
- Working together on sustainable offerings aimed at benefitting research, healthcare systems, healthcare professionals, care providers, patients and users



TARGET: Reduce the intensity of emissions in scope 1 and scope 2 per SEK million sales by 25% by 2025, using 2021 as the base year.

Sustainable culture

The dedication of our employees is the key to our success. We aim to foster an inclusive environment for our talented and dedicated colleagues, characterised by diversity. To accomplish this, we concentrate on aspects related to employee contentment, diversity, and inclusion. We are proud of our corporate culture and we take responsibility for how we do business.

ENTREPRENEURIAL CULTURE

AddLife builds an entrepreneurial, inclusive and responsible culture by:

- Supporting the professional development of our employees through training, knowledge sharing and growth opportunities.
- Creating a diverse, inclusive and entrepreneurial organisation that ensures the well-being of our employees.
- Running our business responsibly with integrity and transparency

TARGET: 40/60% gender balanced representation at all levels of management by 2027.



Sustainable supply chain

Our commitment to environmental and social issues extends throughout the supply chain. The work involves evaluating, engaging with, and exerting influence on our suppliers, while also identifying new market-leading alternatives. Our position in the value chain offers us the opportunity to collaborate with our partners in developing solutions to responsibly address our shared impact. Each subsidiary is tasked with selecting and evaluating new and current suppliers, an ongoing process where adherence to the principles of the UN Global Compact is a key criterion.

SUSTAINABILITY IN THE SUPPLY CHAIN

AddLife wants to strengthen its sustainability efforts in the supply chain by:

- Cooperating with our suppliers to reduce the climate footprint of our products.
- Respecting human and labour rights, protecting the environment and fighting corruption in our supply chain together with our suppliers
- Supporting our customers in developing new procurement models to ensure a sustainable supply chain.

TARGET: Evaluate 100% of our new suppliers from a sustainability perspective in 2023

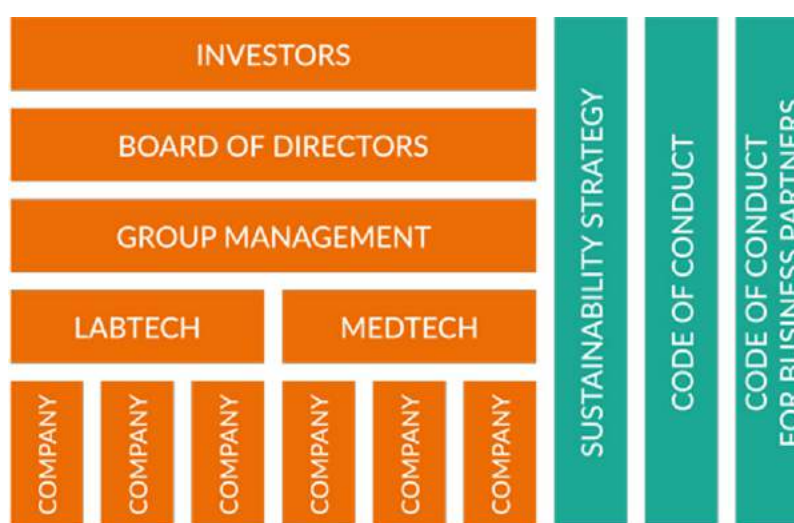


SUSTAINABILITY

Sustainability governance

The Board of Directors is responsible for the organisation of AddLife and for managing the affairs of the company in the best interests of the shareholders. The CEO is responsible for the daily management of the company and for ensuring that AddLife operates in compliance with the regulations and standards applicable to a listed company. Consequently, the Board of Directors and the CEO are indirectly responsible for ensuring that AddLife addresses its impact, as well as its risks and opportunities, concerning sustainability. In 2023, AddLife began to systemise its sustainability reporting to the Board, with the process set to be completed in 2024. In 2023, a sustainability manager was hired to ensure that AddLife's sustainability efforts comply with legal requirements and meet the expectations of our key stakeholders. The sustainability manager is also tasked with expanding the understanding of sustainability within the organisation. In 2023, the Board, Group Management and the business division managers received sustainability training, a programme that will extend into 2024.

Under our decentralised business model, we use a blend of central and local approaches to manage sustainability-related impacts, risks, and opportunities. AddLife has a group-wide sustainability strategy and Code of Conduct, as well as a Code of Conduct for business partners. Each subsidiary is responsible for its own business activities within the context of the requirements for growth, profitability and sustainability set by the Group. Our decentralised model, with about 85 operating



subsidiaries, numerous product suppliers and a considerably larger number of product categories, poses challenges. Local responsibility and entrepreneurship, combined with a wide range of company sizes make it challenging to have a "one size fits all" model. Consequently, our sustainability approach is adapted from company to company. The incentive programmes offered to employees of the parent company and the managing directors of the subsidiaries include the fulfilment of AddLife's sustainability goals. Several of our subsidiaries are certified to ISO 14001 and ISO 9001, which serve as the cornerstone of their business development initiatives. Components of the management system include dialogue with customers and other key stakeholders, company risk analyses, and formulation of goals and action plans. The proportion of the business certified to ISO 9001 and ISO 14001 has declined because the sales of certified subsidiaries have decreased compared with those that are not certified.

The share of the business certified according to any management system based on turnover.	2023	2022
ISO 9001	73%	87%
ISO 13485	39%	-
ISO 14001	49%	52%
ISO 45001	7%	-
Other management systems	6%	-

In 2024, AddLife will begin work on establishing a due diligence process for sustainability issues. Processes, procedures and activities that could be part of such a process have been formulated, but have not yet been integrated. We aim to implement the due diligence process in all relevant processes and procedures, across the Group, in order to comply with future legal requirements and meet the expectations of our key stakeholders. In 2023, we launched a project to formulate an internal control process regarding sustainability information, which will extend into 2024.

SUSTAINABILITY

Materiality assessment

In 2023, AddLife conducted a new materiality assessment based on the double materiality approach, in compliance with the new requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standard (ESRS).



Results of the materiality assessment

The following ESRS standards are considered material from a double materiality perspective. For a more detailed discussion of the justification for considering a standard as material, see the relevant sections for environmental, social and governance information.

Significant standards in ESRS to report under

Standard	Part of the value chain
E1 Climate change	The whole value chain
E2 Pollution	Upstream in the value chain and the own operations
E4 Biodiversity and ecosystems	Upstream in the value chain
S1 Own workforce	The own operations
S2 Workers in the value chain	Upstream in the value chain
S4 Consumers and end-users	Downstream in the value chain
G1 Business conduct	The whole value chain

Results of stakeholder dialogue

In 2023, AddLife engaged in dialogue on the topic of sustainability with our key stakeholders. We interviewed our investors, equity analysts, bankers and experts, and we also conducted an employee survey aimed at all employees. In 2024, our dialogues with our key stakeholders will continue, with a focus on our customers and suppliers. The most critical concerns for our key stakeholders include, in no particular order: reducing our climate footprint, improving resource efficiency, ensuring employee well-being and skills development, product safety, making a positive contribution to healthcare and social services, addressing sustainability risks in the supply chain, and adhering to ethical business practices.

Methodology for the materiality analysis and stakeholder dialogues

The materiality analysis was conducted by analysing the operations and value chain based on the topics, sub-topics, and sub-sub-topics as specified in the ESRS. The materiality assessment considers the negative and positive sustainability impacts of different activities in different geographic locations and different segments of the value chain. The materiality assessment also considers whether AddLife is involved in impacts either through our own operations or as a consequence of business relationships. We have engaged in dialogue with key stakeholders and external experts to inform and validate the materiality assessment. Where direct dialogue with relevant stakeholders has not been feasible, we have assessed their

viewpoints based on available resources.

Impacts, risks and opportunities have been prioritised based on their materiality. Materiality has been calculated based on various parameters, depending on whether positive impacts, negative impacts, risks or opportunities have been assessed. The threshold has been continually monitored and adjusted during the assessment process in relation to the completed materiality assessments. This approach ensures that no material impact, risk or opportunity is deemed non-material and therefore omitted from the sustainability report.

Materiality for negative impacts is based on their severity and likelihood. Severity is based on the scale, scope and irremediable character of negative impacts. Materiality for positive impacts is based on scale, scope and likelihood. For sustainability-related risks and opportunities, the materiality analysis is based on the potential financial effect on the Group, along with the likelihood of the risk or opportunity. Risks and opportunities have been identified based on the impact AddLife generates and the relationships and resources on which AddLife relies.

In 2023, sustainability-related risks have been assessed separately from other business-related risks within the Group. From 2024 onwards, this information will be integrated into the overarching risk analysis.

AddLife has updated the methodology for its materiality assessment in compliance with ESRS and CSRD. Previously, the materiality assessment only included sustainability-related risks and opportunities for AddLife's operations. Now the perspective of AddLife's impact on people and the environment is also included.

SUSTAINABILITY

About the 2023 Sustainability Report

AddLife has prepared a sustainability report for the 2023 financial year that covers the parent company AddLife AB (publ) company ID no. 556995-8126 and its approximately 85 operating subsidiaries. The Board of Directors approved the sustainability report at the same time that it signed the 2023 annual report. While no standardised model for sustainability reporting has been applied in full, the European Sustainability Reporting Standard has been used as a point of departure. The purpose of the sustainability report is to provide an overarching description of AddLife's business from the perspective of sustainability and to inform about the sustainability aspects that are necessary to understand the company's development, position, and performance, as well as the consequences of its operations. AddLife's sustainability report is integrated in part into the annual report. Pages 32-48 comprise AddLife's statutory sustainability report.

Environmental information

This part of the sustainability report concerns AddLife's work on environmental matters in its own operations and value chain. A more detailed description of AddLife's work on pollution and biodiversity in the supply chain can be found on page 47.



Climate change

Impacts, risks and opportunities

AddLife's negative climate impact is concentrated upstream in the value chain. Specifically, the extraction of resources required to manufacture the products and components we distribute and use in our own production has a negative impact on the climate. In particular, mining, to extract minerals and metals, and oil extraction, to produce plastics, rely heavily on fossil energy. The manufacture of components and the final production of the products we distribute use less energy-intensive processes than are used for extraction of raw materials, for which reason they have a lower climate impact in relative terms. In our own operations, the largest sources of emissions are fuel consumption by company-owned cars, electricity consumption, and district heating and cooling for offices. The use of refrigerants to cool some of our products also gives rise to greenhouse gas emissions. Customers cause greenhouse gas emissions in the downstream value chain by using our products and in their waste management. Along with climate impact and resource use, we also distribute some products containing substances of concern and substances of very high concern.

Given the decentralised nature of the AddLife Group, with about 85 operating companies that are active in different geographic locations, as well as in different niche markets in Life Science, physical climate-related risks are not considered likely to be significant from a Group perspective. The expected financial consequences of AddLife's significant climate risks are primarily transition risks that affect all companies in the Group. Compliance with the EU Directive on corporate sustainability due diligence in particular may have adverse effects on AddLife's financial position and performance in the medium and long term, especially through increased costs associated with managing our climate impact in the supply chain. The potential to reduce its customers' greenhouse gas emissions could have a positive financial effect on AddLife.

Governance and strategy

AddLife's climate efforts are guided by our group-wide Code of Conduct, which mandates that we should take responsibility for our environmental impact across the entire value chain and work towards climate-smart solutions. AddLife's current climate target is to reduce greenhouse gas emissions in scope 1 and scope 2 by 25% per SEK million in sales by 2025, compared to the base year of 2021. This target will be reviewed and updated in the future. Developing a climate goal in line with the Paris Agreement and the 1.5-degree target, along with a corresponding transition plan, presents challenges for AddLife. This is because AddLife operates as an acquirer with a decentralised business model, primarily distributing products



from other companies. We also have numerous suppliers, product categories and subsidiaries, which add to the complexity of our operations from a climate perspective. Since our emissions primarily occur in the upstream value chain, emission reduction relies heavily on our suppliers, especially their subcontractors. In our Code of Conduct for Business Partners, we urge our suppliers to assume responsibility for, be transparent about and reduce their negative environmental impact. In 2023, we initiated efforts to understand how we can best address future legal requirements and the expectations of our key stakeholders concerning our climate work.

CLIMATE TARGET 2023

- Reduce the intensity of emissions in scope 1 and scope 2 per SEKm sales by 25% by 2025, using 2021 as the baseline year.



Metrics

Energy consumption and mix

This is the first year that AddLife is gathering data on energy consumption broken down by energy source, which makes it impossible to compare with energy consumption from the previous year since the same detailed breakdown is not available. Much of the Group's energy consumption derives from the subsidiaries' cars, which are primarily used in sales operations and usually use fossil fuels, although electric cars are becoming more common. This source is followed by energy consumption from our offices and manufacturing units, which use electricity, as well as district heating and cooling. Some of our premises are heated by furnaces, which usually use natural gas or similar fuel.

Energy consumption and mix (MWh)	2023
Total fossil energy consumption	14,392
Share of fossil sources in total energy consumption (%)	61%
Consumption from nuclear sources	400
Share of consumption from nuclear sources in total energy consumption (%)	2%
Fuel consumption from renewable sources	677
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	7,950
The consumption of self-generated non-fuel renewable energy	0
Total renewable energy consumption	8,627
Share of renewable sources in total energy consumption	37%
Total energy consumption	23,419

Energy intensity

Since AddLife has no activities in high climate impact sectors, our energy intensity per net sales in these sectors is zero.

Energy intensity per net revenue in high climate impact sectors (kWh/MSEK)	2023
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors	0

Greenhouse gas emissions

AddLife's greenhouse gas emissions increased between 2022 and 2023. The main reason is better data coverage; for example, the use of district heating is now included, whereas in previous years it was difficult to obtain that information from our landlords. The increase in emissions is also due to an increase in our energy consumption, especially fuel consumption from our fleet of vehicles, which travelled further in 2023 than in 2022, as well as a refrigerant leak at one of our subsidiaries that had a significant climate impact. We have also updated our emission factors and calculation methods. Therefore, it is not possible to compare greenhouse gas emissions between 2023 and 2022. Our climate calculations comply with the GHG Protocol Corporate Standard.

Emissions of greenhouse gases (Tonne CO₂e)	2023	2022
Gross Scope 1 GHG emissions	8,491	3,966
Gross location-based Scope 2 GHG emissions	1,193	859
Gross market-based Scope 2 GHG emissions	1,846	514
Total Gross indirect (Scope 3) GHG emissions	16,244	-
where of Category 3: Fuel- and energy-related activities	1,437	-
where of Category 5: Waste generated in operations	7,624	-
where of Category 6: Business travel	7,183	-
Total GHG emissions (Scope 1 + Scope 2 market-based + Scope 3)	26,581	4,480
Total GHG emissions (location-based)	25,928	4,825
Total GHG emissions (market-based)	26,581	4,480
GHG intensity per net revenue (tCO₂eq/SEKm)	2023	2022
Total GHG emissions (location-based) per net revenue	2.7	0.5
Total GHG emissions (market-based) per net revenue	2.7	0.5
GHG emissions in Scope 1 and Scope 2 market-based per net revenue	1.1	0.5

HC21 NOMINATED FOR GREEN AWARDS 2023

AddLife's subsidiary HC21 delivers products and solutions for primary care and home healthcare that promote independence for the elderly and people with disabilities. In 2015, they invested in one of the first large-scale decontamination and recycling centres for healthcare products. The team handles everything from electric beds, toilet aids and dynamic air mattresses to pressure-relieving cushions, electric wheelchairs and lifting devices. In 2023, HC21 reviewed its processes and was nominated for The Green Transformation Award and The Excellence in Waste Management Award for their efforts.



SUSTAINABILITY

EU Taxonomy Report 2023

This is AddLife's EU Taxonomy Report, based on the EU regulation establishing a framework to facilitate sustainable investment (the "EU Taxonomy"). The purpose of the EU taxonomy is to establish common definitions and reporting on which economic activities are in line with the EU's 2030 sustainability goals. The EU taxonomy describes which sectors should report, which economic activities 'should be covered by the taxonomy' (are within its scope) and which activities fulfil the technical screening criteria to be 'taxonomy compliant' in line with EU objectives.

Identification and assessment of activities covered by the taxonomy

AddLife has reviewed its financial activities in accordance with the EU Taxonomy Regulation (EU 2020/852) and related provisions, known as the Taxonomy. The distribution and manufacturing of products within Life Science, which is AddLife's main activity, does not fall within the scope of the current version of the taxonomy. To assess relevant economic activities, a threshold is used based on external revenue, i.e. net sales in the group's income statement. Internal consumption that does not generate external revenue is not considered to be part of the economic activities in the taxonomy. Economic activities related to climate change adaptation have not been considered relevant as they do not generate external revenue, operating costs or investments. Two relevant financial activities related to capital expenditure were identified during the review. No relevant economic activities were identified for sales or operating expenditure. AddLife lacks sufficient data to determine the requirements for substantial contribution or the principles of not causing significant harm (DNSH) are met for the relevant economic activities. Consequently, a conservative assessment has been made to report these activities as non-aligned.

Accounting principles - denominator

The proportion of the business operations that are environmentally sustainable according to the EU Taxonomy Regulation should be reported using three financial metrics. To calculate the three ratios, turnover, capital expenditure (CapEx) and operational expenditure (OpEx) must be identified according to the taxonomy.

Turnover

The Group's total turnover equals net sales (note 5) in the consolidated income statement under IFRS.

Capital expenditure

Reporting of total capital expenditure refers to additions to tangible assets during the year before depreciation, revaluation and impairment and excluding changes in fair value. Also included are property, plant and equipment arising from business combinations. See Notes 15 and 16.

Operational expenditure

In the framework of the EU taxonomy and according to the Regulation, operational expenditure is defined as direct non-capitalised costs that relate to research and development (R&D), building renovations, short-term leases, maintenance and repairs, as well as direct expenditure related to the day-to-day maintenance of the assets, i.e. not the total operating costs, but only costs related to the maintenance of the assets. This report only includes R&D, repairs and maintenance, as the other areas are considered to be of negligible importance.

Transport by motorbikes, passenger cars and light commercial vehicles

Several companies in the Group use leased cars in their operations, where the investment costs related to these vehicles become relevant from a taxonomy standpoint. No assessment has been made to determine whether these are aligned environmentally sustainable activities.

Acquisition and ownership of buildings

AddLife leases premises that are recognised as right-of-use assets in Note 15, which is covered by the taxonomy. No assessment has been made to determine whether these are aligned environmentally sustainable activities.

Tables EU taxonomy

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Financial year 2023	Year			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
	Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution(8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation(11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)				
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	N77.1.1	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	-	-	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	-	-	
				EL	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	-	-	
				EL						-	-	-	-	-	-	-	-	-	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	N77.1.1	2	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Turnover of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		2	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		2	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy- non-eligible activities		167	99%																
TOTAL		169	100%																

Nuclear and fossil gas related activities

Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Social information

This section of the sustainability report presents AddLife's involvement with social issues with respect to our employees, as well as our patients and users. For information on AddLife's management of workers in the value chain, see page 47 for a description of our sustainability efforts in the supply chain.



Own workforce

Impacts, risks and opportunities

Our staff primarily comprise salaried employees working in sales, administration and service. In some subsidiaries, employees also commonly work in warehouse management and production, or as service technicians. AddLife's negative impact on our employees is mainly involves work-related stress, as well as gender equality and inclusion. In our annual employee survey, 19% of our employees reported that they frequently or very frequently experience stress. Overall, the gender balance in the group is even, although this is not mirrored in senior management. Currently, the gender balance in the company is 56% men and 44% women, while in management positions the gender balance is 65% men and 35% women. In all, 81% of our staff experience the workplace culture as inclusive; however, 4% feel they face discrimination. AddLife's primary positive impact on our employees is chiefly through skills development at our business school, AddLife Academy. For more information on the AddLife Academy, see pages 44-46.

Strategy and governance

AddLife's work with employees is governed by our group-wide Code of Conduct. AddLife currently has a gender equality target to achieve an average gender balance of 40%/60% in management positions across the entire Group by 2027. In addition to the gender equality target, AddLife has ambitions relating to our employees that we aim to achieve, see table below.

AddLife wants to achieve a culture in which all employees thrive and grow. Our success relies on the dedication of our staff, motivated by the aim to improve both themselves and the organisation they serve. As an employer, we are committed to providing a safe and positive working environment. We value job security and opportunities for personal development. We want to attract and retain employees who support our core values and have the right skills to develop the business. One of our most important tools in this endeavour is our business school AddLife Academy, where our employees learn about our corporate culture and are offered training in business skills. Within AddLife Academy, we offer digital and in-person courses in subjects that our staff can implement in their daily work. AddLife Academy also serves as a networking platform for employees from different subsidiaries and countries. Some of AddLife's subsidiaries also offer additional educational initiatives for their staff regarding products, services or specific local regulations.



At AddLife, maintaining a high ethical standard is paramount, and we value transparency and integrity. We have a zero-tolerance policy towards discrimination, harassment, and other forms of behaviour that do not align with our values. Employees will be given equal opportunities regardless of gender, sex, age, ethnic or national origin, religion, sexual orientation or disability. Ensuring equal opportunities for employees is crucial to continue fostering a sustainable organizational culture. These positions are set out in our Code of Conduct.

Every year we conduct an employee survey to identify areas for improvement across the group. In this year's survey, 91% of the approximately 2,300 employees responded, compared to the previous 86% (2022), 84% (2021) and 85% (2020). Results for each subsidiary are reported at the company level, with improvement initiatives based on outcomes. We also monitor the employee index, which measures the working environment in terms of health, safety and well-being. In 2023, 39% of our employees were covered by collective agreements. In many European countries where AddLife operates, labour law issues are regulated by legislation and thus collective agreements are less common.

GENDER EQUALITY TARGET

- 40/60% gender balanced representation at all levels of management by 2027.

35/65 %

WOMEN/MEN IN
MANAGEMENT

Social ambitions and outcomes for 2023

In addition to our gender equality target, AddLife has ambitions in social sustainability that we aim to achieve. The purpose of these ambitions, and related KPIs, is to understand how healthy the culture is within the group and each subsidiary.

Ambitions	2023	2022
Employee satisfaction score at 4.3	4.1	4.0
Zero tolerance towards corruption or non-compliant behavior towards AddLife's Code of Conduct	0	0
100% of employees completing and signing off AddLife's Code of Conduct training	97%	-
Unadjusted gender pay gap at 0%	14%	14%
90% of employees find AddLife to be an inclusive workplace	81%	79%
No cases of discrimination	7 cases	4 cases
100% of our employees shall have career performance and development reviews	78%	76%

Metrics

Number of employees divided by gender (headcount)	2023
Male	1,284
Female	1,017
Other	0
Not reported	0
Total employees	2,301

Number of employees divided by country (headcount)	2023
UK	492
Spain	280
Sweden	270
Denmark	228
Norway	147
Germany	135
Austria	134
Finland	134
Italy	130
Switzerland	56
Other	333
Total number of employees	2,301

Non-employees	2023
Number of non-employees (consultants)	142

Share of employees covered by a collective bargaining agreement or social dialogue

Coverage	Collective Bargaining Coverage		Social dialogue
	Employees - EEA	Employees - Non-EEA	Workplace representation only*
0-19%	Denmark, Germany, Italy, Norway, Switzerland	UK	
20-39%			
40-59%			
60-79%	Finland, Sweden		
80-100%	Austria, Spain		

*The information regarding social dialogue for 2023 is missing. We plan to gather this information for 2024 and beyond

Share of men and women in management level	2023	2022
Men	65%	68%
Women	35%	32%
Others	0%	0%

Share of employees divided by age	Share
<30	10%
30-50	54%
>50	36%

Training and development*	Men	Women	Other	Total
Share of employees that participated in performance and career development reviews	-	-	-	78%
Average training hours per employee	-	-	-	5.5h

*The information on the share of employees who participated in performance reviews and the average training hours per employee, broken down by gender, is missing for 2023. We plan to gather this information for 2024 and beyond

Remuneration metrics	2023
Unadjusted gender pay gap*	14%

*The wage gap mainly stems from gender differences in occupational roles and compensation structures. A majority of men work in roles with variable compensation, such as sales, while women work more in areas that typically lack variable compensation, such as administration. Additionally, men are more frequently in leadership positions, resulting in higher compensation.

Incidents, complaints and severe human rights impacts	2023
Total number of incidents of discrimination and harassment	7
Number of complaints filed	4
Total amount of fines, penalties, and compensation for damages as a result of the incidents and complaints disclosed above	0

Patients and users

Impacts, risks and opportunities

AddLife's vision is to improve people's lives by being a leading, value-creating player in Life Science. We have a positive impact on patients and users who use our products and services. We also make a positive contribution by supplying the products and services needed to conduct research. However, failure of these products could result in incorrect diagnoses and surgical complications. Should this occur, it could potentially have serious negative consequences for the individual involved, but also poses a financial risk for the group, as we could become liable for damages and it could harm our brand. Indemnities may not always be fully covered by AddLife's insurance, and AddLife may encounter challenges in claiming reimbursement from its suppliers for these costs. We work with our suppliers to improve product safety and quality. We regularly evaluate our insurance coverage to reduce the risk of unexpected costs. In addition, AddLife has an ongoing quality assessment process for our own products. At group level, the risk is therefore considered low. If we could quantify the beneficial social impact of our products and services, it would simplify the process of highlighting the advantages of our products to our customers, not solely from a cost-saving perspective.

Strategy and governance

Our positive impact on people's lives and health is at the core of our business offering, and a vital aspect of our business strategy. We are committed to finding the right products and services for our customers, so that they can provide high-quality healthcare, social services and research. For more information on our efforts to improve people's lives, see page 33. Our subsidiaries are responsible for ensuring that our products and services are of adequate quality to avoid endangering patients and users. Product safety is regulated within the EU through the Medical Devices Regulation (MDR) and the Regulation on In Vitro Diagnostic Medical Devices (IVDR), ensuring a high level of product safety. Several of our subsidiaries are also certified to ISO 9001 and ISO 13485 to ensure quality.

SUSTAINABILITY

AddLife Academy

Skills development and corporate culture

AddLife's most valuable asset is its employees, and through our business school, AddLife Academy, we provide opportunities for development and foster a shared culture. The business school is crucial for our success and ensures a focus on our financial targets.



AddLife Academy consists of different components

Corporate Philosophy is a teacher-led course that describes AddLife's development as a company, our most important

goals, how we work with sustainability and how we will live up to our values. AddLife's "Code of Conduct" is carried out digitally in our LMS (Learning Management System), clarifying for every employee the expectations and obligations of working for the company and the manner in which the code of conduct should be integrated into daily operations.

Our open scheduled training programmes have been in high demand in 2023. We arrange both teacher-led courses, which gather participants from all companies, and digital courses. Our employees can sign up based on their needs and their position; for example, specialised training courses are available for salespeople or managers. We mainly focus on teacher-led training programmes, as we know that participants also benefit from sharing their experience and networking. In 2023, we offered three different teacher-led training programmes in sales, leadership and negotiation skills. During the year, we also developed the AddLife Academy to provide even greater support to companies in commercial excellence.

ADDLIFE ACADEMY TRAINING

- Vision and corporate philosophy
- Code of Conduct
- Leadership
- Effective sales 1
- Effective sales 2
- Soft selling
- Negotiation skills
- Public procurement
- Digital customer meetings
- Presentation skills
- Sales Psychology with Persuasion Skills

Throughout the year, we have conducted several company-specific projects where we tailor training programmes to support a company's specific needs, often related to "commercial excellence.". For example, we worked extensively with the eye surgery company AddVision in 2023.

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In addition to training through AddLife Academy, most subsidiaries also offer local training opportunities for their employees. Blending centralised training via AddLife Academy with local training in the employee's native language is key to maximising employee development.

Governance information

Sustainability in the supply chain



Impacts, risks and opportunities

About 90 percent of our sales are generated from distribution and 10 percent from own production. Our negative sustainability impact is therefore mainly indirect, through business relationships with our suppliers, and is concentrated in the upstream value chain. This is particularly the case for mining and oil extraction, which use fossil fuels, pollute the local environment and often take place in countries with low respect for human rights, poor protection for workers and a high risk of corruption. The consequences of the final production of the more complex products we distribute are deemed to have a lower negative impact on people and the environment, as they often take place in countries with good environmental protection, high respect for human and labour rights and a lower risk of corruption. The consequences of the final production of consumables and other simple products can have a greater negative impact on people and the environment, depending on where in the world they are produced.

The expected financial consequences of AddLife's significant sustainability risks primarily concern sustainability-related legislation, which affects all companies in the Group. In particular, the EU directive on corporate due diligence regarding sustainability may, in the medium and long term, have adverse effects on AddLife's financial position and performance, especially through increased costs to address negative impacts on people and the environment along the supply chain.

Strategy and governance

AddLife manages sustainability initiatives within the supply chain through our group-wide Code of Conduct for Business Partners. Our goal in 2023 was to evaluate all new suppliers from a sustainability perspective, using a risk assessment tool we developed. We achieved this goal during the year. AddLife has approximately 7,000 suppliers of products and materials, and probably many more subcontractors. In our decentralised business model, the subsidiaries are responsible for their suppliers, which makes it more challenging to identify and manage sustainability-related risks. In 2023, AddLife implemented a group-wide system for identifying, assessing and managing sustainability-related risks in the supply chain. The work will continue throughout 2024, in parallel with our development of the due diligence process regarding sustainability, which will be implemented across the entire group.



SUPPLIER TARGET

- Evaluate 100% of our new suppliers from a sustainability perspective in 2023



Metrics

Evaluation of new suppliers based on sustainability criteria	2023
Share of new suppliers evaluated based on sustainability criteria	100%

Anti-corruption

Impacts, risks and opportunities

AddLife's negative impact through corruption is mainly concentrated within the supply chain, although the risk of corruption also exists within public procurement. The risk of corruption in the supply chain depends on where in the world the products are manufactured. The risk is particularly high in the extraction of raw materials in the mining and oil industry, and slightly lower in the manufacture of materials, components and products. Public procurement is considered to have a relatively high risk of corruption, especially after a contract has been concluded, as contract monitoring and management are often neglected in the public sector.

Strategy and governance

In 2023, several subsidiaries have joined our group-wide whistleblowing channel, which enables anonymous reporting of suspected corruption or other breaches of the Code of Conduct. We have zero tolerance for corruption as well as for deviations from our Code of Conduct, which is an important commitment in our sustainability work. It is also a commitment to our suppliers, who entrust us with their brand, and to our customers, who rely on fair and long-term business relationships.

In 2022, we launched an updated code of conduct for our employees, based on the UN Global Compact, the ILO Core Conventions and the OECD Guidelines for Multinational Enterprises. All employees receive training on this topic through our digital training system at AddLife Academy. Employees have an obligation to live up to the Code of Conduct and to reflect it in their work and in their relations with colleagues and the community. By 2023, 97% of our employees had completed this training.

Metrics

Corruption and bribes	2023
Number of convictions or violation of anti-corruption and anti- bribery laws	0
Amount of fines for violation of anti-corruption and anti- bribery laws	0
Total number of confirmed incidents of corruption or bribery	0
Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents	0
Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery	0