

Modern slavery statement

2023

Modern slavery statement

This joint Modern Slavery Statement is made by Mölnlycke Health Care AB on behalf of itself and all its subsidiaries (hereinafter “Mölnlycke”). It is published in accordance with the Australian Modern Slavery Act, the UK Modern Slavery Act, the California Transparency in Supply Chains Act, and the Norwegian Transparency Act. This statement sets out the steps taken by Mölnlycke to identify, prevent, mitigate, and remediate potential and actual risks of modern slavery and human trafficking in its business and supply chains. It covers the reporting period January 1, 2023, to December 31, 2023.

This is Mölnlycke®

Mölnlycke Health Care is a world-leading MedTech company that specialises in sustainable solutions for wound care and surgical procedures. Mölnlycke® products and solutions are used daily by hospitals, healthcare providers and patients in over 100 countries around the world. Founded in 1849, Mölnlycke is headquartered in Sweden and owned by Investor AB. Investor AB is listed on NASDAQ OMX Stockholm.

Key facts and figures 2023

8,427	14	76%	61%
employees	manufacturing sites in eight countries	employee engagement index score	fossil free electricity use*
39	100	1,924	11%
commercial entities	countries where Mölnlycke is present	annual sales 2023, million EUR	reduction of GHG emissions across the entire value chain compared to 2022

* Editorial note 11 April 2024: Fossil free electricity share in 2023 was 65.3%



Business Areas



Wound Care

Innovative and intuitive solutions for wound prevention and management.



Gloves

State-of-the-art solutions for hand health and surgical performance.



OR Solutions

Sustainable solutions for improved operating room performance.



Antiseptics

Best-in-class infection prevention to eliminate healthcare-acquired infections.

1. Mölnlycke fully acknowledges its responsibility to respect human rights and contribute to removing all forms of modern slavery and human trafficking

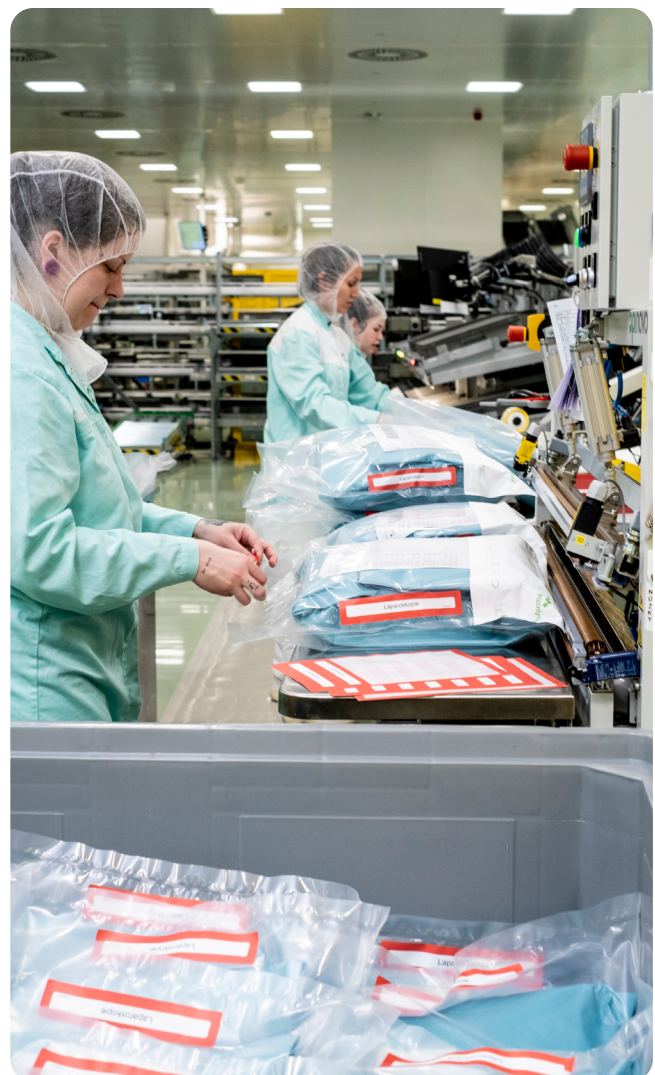
Mölnlycke's purpose is to revolutionise care for People and Planet. This purpose is translated into the conduct of our business where Mölnlycke puts the care of patients first and integrates sustainable development criteria in all its business areas. This includes ensuring the respect and promotion of human and labour rights in all its stakeholder relationships. Mölnlycke is achieving its 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.

When referring to human rights, Mölnlycke takes into consideration internationally recognised human rights as set out by the United Nations (the "UN"), the International Labour Organisation (the "ILO"), the European Union, and applicable national laws. This includes, but is not limited to, the Universal Declaration on Human Rights, the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights, and the ILO Declaration on the Fundamental principles and Rights at Work. Mölnlycke has also been a signatory to the UN Global Compact since 2017 and recognises its ten principles. Mölnlycke endorses the UN Guiding Principles on Business and Human Rights and the Organisation for Economic Co-operation and Development (the "OECD") Guidelines for Multinational Enterprises.



Mölnlycke is committed to uphold human rights and combat modern slavery and human trafficking in all its activities and prohibits forced, compulsory or coerced labour, child labour, forced marriage, debt bondage, servitude, exploitation, trafficking of people, harassment and discrimination. Mölnlycke protects the right to fair working conditions, the freedom of association, the right to collective bargaining and the right to a safe and hygienic workplace.

Mölnlycke's responsibility to identify, prevent, mitigate, and remediate potential and actual risks of modern slavery and human trafficking, as well as other negative human rights impacts, is anchored in the Business Ethics Compliance team, under the Legal Department. It is further supported by the relevant functions People, Supply Chain, Operations, and Sustainability. During 2023 Mölnlycke established a Human Rights Committee to oversee the implementation of Mölnlycke's human rights program and to take decisions in human rights-related dilemmas that might originate in the company's value chain. The committee is composed of Executive Leadership Team members and supported by the Business Ethics Compliance team. Mölnlycke has several policies and procedures in place to embed its responsibility to respect human rights such as the Code of Conduct, the Supplier Code of Conduct, the Distributor Code of Conduct, and the Sustainability Policy. A Global Human Rights Policy will also be published in 2024, as it is a focus area in Mölnlycke's human rights program.

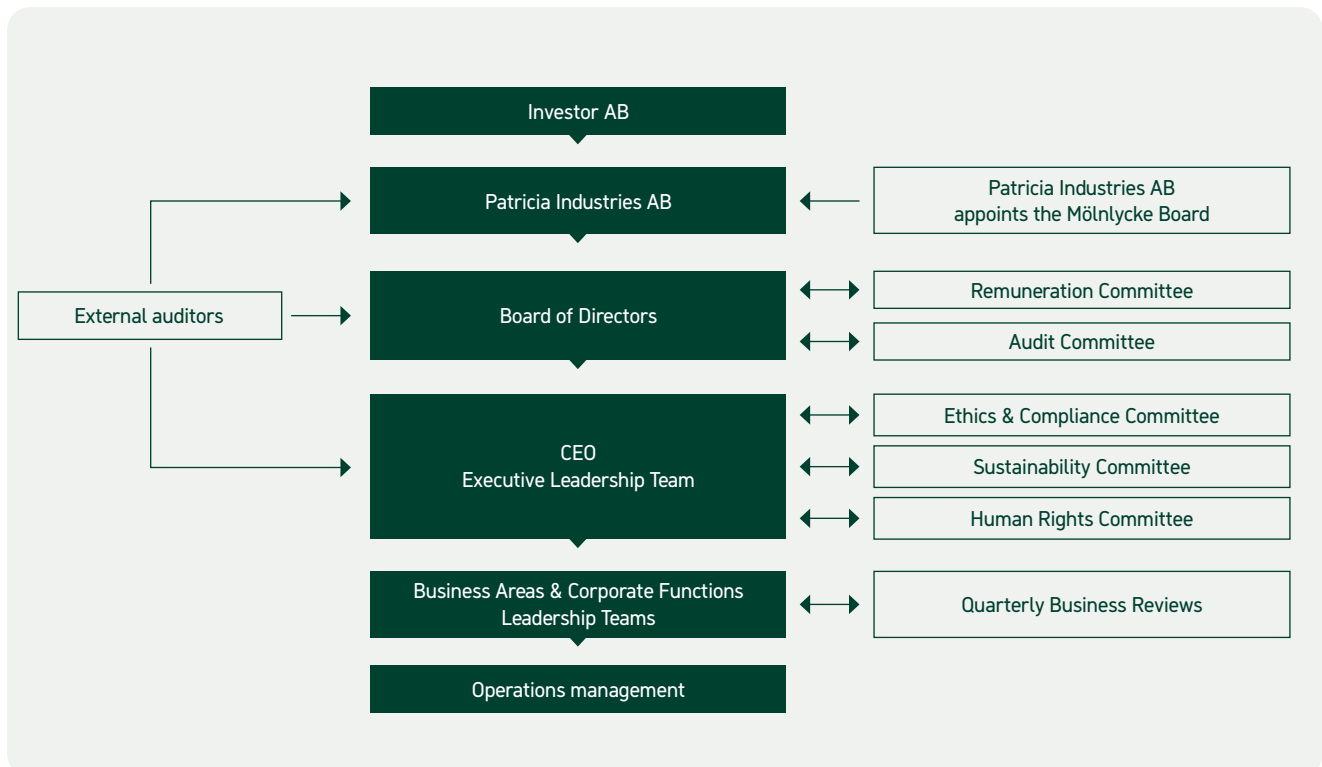


2. Mölnlycke's structure, operations and supply chain

Mölnlycke is a world leading MedTech company that specialises in sustainable solutions for wound care and surgical procedures. Mölnlycke's products and solutions are used daily by hospitals, healthcare providers and patients in over 100 countries around the world. Founded in 1849, Mölnlycke is headquartered in Sweden and majority owned (99 percent) by Patricia Industries, a part of Investor AB. Investor AB is listed on Nasdaq Stockholm and the Wallenberg Foundations are the main owners, controlling 50 percent of the votes in Investor AB.

The corporate headquarters and research development hub are in Gothenburg, Sweden. Mölnlycke has four different business areas which are Wound Care, Operating Room Solutions, Gloves and Antiseptics. Mölnlycke has 8,427 employees who operate globally with commercial entities in 39 countries throughout Europe, the Middle East, Africa, the Americas, and the Asia Pacific Region. Mölnlycke has 14 manufacturing sites in 8 different countries, namely Belgium, Czech Republic, Finland, Denmark, Malaysia, Thailand, UK, and USA. Mölnlycke is present in 100 countries.

While the majority of Mölnlycke's products and solutions are manufactured in-house, raw materials and components are purchased. Mölnlycke works with around 400 direct material suppliers, delivering raw material and goods and collaborates with approximately 16 000 suppliers globally, a large share of these being indirect suppliers delivering goods and services supporting our business operations but without direct input to Mölnlycke's finished products.



Business model

Mölnlycke is organised around four Business Areas with end-to-end responsibility to create value for customers.

Market drivers

There are a number of underlying market drivers in health care that support Mölnlycke's opportunities for long-term growth. These shape the company's strategy to drive value and business opportunities.

- Wound Care patients are often treated by inexperienced generalists.
- Solutions are not always accessible, intuitive, fast or easy-to-use.
- Patients' quality of life is impacted by inadequate prevention, slow healing and reoccurring wounds.
- The immense pressure facing healthcare professionals lead to a high staff turnover and staff shortages.
- Surgeons and operating room staff are forced to conduct more procedures with fewer resources.
- Operating room staff spend substantial time on non-value adding tasks.
- Hand health is critical for the performance of nurses and surgeons.
- Protection, high tactility grip and comfort also impact the performance of caregivers' hands.
- Hand fatigue is a common problem among surgeons and nurses.
- Infection prevention has become the task of experts, who must comply using products that might be effective but are often not practical.
- The multi-faceted, cross-functional nature of infection prevention is taking up time and effort.
- Infection prevention behaviours rely on experienced staff and a strong culture, which is difficult to maintain with high staff turnover and shortage of time.

Wound Care

Free patients, caregivers and health-care systems from the burden of wounds

Deliver innovative and intuitive solutions for prevention, faster healing and better quality of life

OR Solutions

An operating room in frictionless flow

Create an ecosystem of solutions and services to ensure a frictionless flow in the operating room

Gloves

Hands deserve better

Deliver innovative and sustainable solutions to enable hands to perform at their best

Antiseptics

A world without healthcare-acquired infections

Prevent infections across the patient's journey

3. Identifying risks of Modern Slavery and Human Trafficking

Mölnlycke recognises that its business can create potential or actual risks of modern slavery and human trafficking and actively aims to identify any risks linked to its own operations, supply chain, and distributor relationships.

Within Mölnlycke's own operations

In order to identify human rights risks, including risks of modern slavery and human trafficking, in its own operations, Mölnlycke implements several steps: desktop assessment based on risk indicators and country-level analysis, review and internal investigation of the concerns and grievances received. In addition, human rights impact assessments will be implemented over the coming year to further this understanding. Furthermore, Mölnlycke conducts periodic reviews of its sites to ensure compliance with its Code of Conduct. Employee Engagement Surveys are performed regularly to gauge how employees

feel about their work, the company and the way in which they are managed. The information collected in the survey informs Mölnlycke of the development and well-being of its employees, as well as ensuring that their rights are respected. The results from the most recent survey are outlined in the integrated Annual and Sustainability Report 2023 on Mölnlycke's website.

Within Mölnlycke's supply chain

To identify human rights risks in its supply chain, including risks of modern slavery and human trafficking, Mölnlycke implements a risk based due diligence assessment of suppliers. In 2023, Mölnlycke became a Sedex-member which offers the world's largest platform for supply chain sustainability assessments. We are aligning our procurement practices with Sedex tools and protocols to further advance in human rights due diligence.

The first stage of our risk assessment is a sustainability risk screening. The screening is performed using the Sedex tool Radar. Radar is an online tool designed to help Sedex members globally

identify key and relative risks across the supplier base. It combines inherent country risk and industry sector risk information from independent and reputable sources. The tool assesses risks in 14 areas and provides an overall risk score. Mölnlycke conducts sustainability risk screening of all active suppliers, including screening of new suppliers at the time of their onboarding as per the requirements in Mölnlycke's work instruction for evaluation and approval of new suppliers, to identify possible labour- and environmental risks that suppliers might be exposed to. In 2023, the risk screening covered approximately 16,000 supplier sites, including both direct and indirect suppliers, spread over 80 countries.

The result from the risk screening informs the next step of the due diligence process, which is to validate and mitigate risks by engaging with individual suppliers based on their specific operations. Mölnlycke will request on-site audits from suppliers exposed to the highest level of risks. The preferred audit protocol is the Sedex Member Ethical Trade Audit, SMETA 4-pillar audit. SMETA is a comprehensive on-site audit, including human rights, working conditions, health and safety, environment and business ethics, conducted by approved audit companies. The result from the 2023 risk screening demonstrated that approximately 50 suppliers are exposed to potential high sustainability risks and in the next phase Mölnlycke will assess each supplier's site-specific conditions and business criticality, and enrol suppliers in its sustainability audit program.



Within Mölnlycke's distributor relationship

Within the medical healthcare industry, interactions with distributors are essential to reach customers across different markets and geographies. In order to identify the potential human rights risks linked to these relationships, Mölnlycke has developed a due diligence process. This process aims at assessing the distributors' integrity and ensure compliance with values and commitments as well as relevant requirements.

The first stage is the screening of new distributors, which is completed before signing any contracts. The next stage is the initiation of a comprehensive review, including a detailed questionnaire that also addresses human rights and modern slavery issues. The third stage is focuses on monitoring the existing distributors and ensuring due diligence renewals. Finally, the distributor receives a risk level in the system which will affect the level of monitoring and frequency of renewals. In 2023, Mölnlycke continued enhancing this program with additional guidance and support.

| 4. Steps taken to address identified risks

Mölnlycke strives to identify and understand the potential and actual risks posed to people, individuals as well as groups, associated with its activities. Where an actual risk is identified, Mölnlycke works with its partners and stakeholders to remediate it, validate remediation and put appropriate processes in place to seek to prevent the issue from reoccurring. Performing due diligence in Mölnlycke's own operations, supply chain, and distributor relationships is crucial to assessing progress and identifying areas of improvement.

Within Mölnlycke's operations

Each factory, site, and sales office is overseen by an appointed General Manager, local People representative, and an appointed Compliance Officer and is supported by a Business Ethics Representative. These roles collaborate to implement the policies outlined in the Code of Conduct as well as local legislative requirements. Mölnlycke regularly undergoes audits conducted by customers and external bodies. Mölnlycke's Environment Health and Safety management system adheres to the ISO 45001 standard and undergoes regular audits by an accredited body,

ensuring continued certification. Mölnlycke aims to achieve 100% ISO 45001 coverage across all manufacturing sites and headquarters in 2024. In 2023, Mölnlycke reported zero fatalities as a result of work-related injury or ill health, either among Mölnlycke employees or contractors. The coordinated focus on safety has begun to yield results. The company achieved a significantly reduced LTI, or recordable injury, frequency rate of 1.3 ppm*, with a total of 25 incidents, representing a 14% reduction from 2022 in number of cases. In 2023 Mölnlycke also improved its EcoVadis rating from Silver to Gold in recognition of Mölnlycke's focus on sustainability, including ethics, labour and human rights. This places the company in the top 3% of companies assessed across all industries worldwide.



Ongoing education and awareness are key to ensuring Mölnlycke employees are aware of the risks. During 2023, 98.7% of employees in scope (in sales and offices functions) were trained in the company's Code of Conduct including human rights matters/ issues. These trainings are integral to upholding Mölnlycke's core

* The rate of injuries per number of hours worked calculated on one million working hours. Total number of hours worked in 2023 was 18,759,975.

values and preventing unethical business practices. This includes general rules for how to conduct business, including working with suppliers and third-party distributors, and how the company's employees are to act towards each other and in business relationships.

Listening to Mölnlycke's employees and seeking continuous feedback is one of the company's ways to futureproof its business through enhancing a sense of purpose and belonging. As an integral part of Mölnlycke Pulse, the annual Culture Survey from previous years, has been replaced by a bi-annual Engagement Survey with a new set of questions including an enhanced focus on Diversity, Equity & Inclusion (DE&I), health and well-being, as well as effectiveness of Mölnlycke's people leaders. In 2023, Mölnlycke achieved a global response rate of 92% and an overall engagement score of 3.8 (1-5) which is in line with other companies across all industries. Mölnlycke will also continue to address improvement opportunities linked to well-being and health as this is important and meaningful for Mölnlycke's employees, as demonstrated by a huge employee engagement in the global campaign in support of the World Mental Health Day. Important themes of the campaign were breaking the taboo around mental health, as well as educating employees and society in general about ways to get help and support. As a result of employee engagement with this event, Mölnlycke pledged a donation to the World Federation of Mental Health to help them in their continued work to make mental health a universal human right.

Within Mölnlycke's supply chain

The Mölnlycke Supplier Code of Conduct outlines the minimum requirements for Mölnlycke's suppliers with regards to human rights, working conditions and business ethics. It aims to ensure that suppliers comply with rules and regulations, provide safe working conditions for their employees, and respect fair business ethics practices, amongst other issues.

The Supplier Code of Conduct is incorporated in Mölnlycke's Supplier Standard, which also includes requirements on quality

and environment, and contractually applies to all direct material suppliers, e.g. suppliers of raw materials or components, as well as logistic suppliers and indirect suppliers having a critical impact on finished products or Mölnlycke business operations.

Suppliers are expected to follow the principles and requirements set out in the Supplier Code of Conduct and apply and communicate the requirements to their own suppliers. Mölnlycke has a contractual right to conduct audits to assure compliance with the Supplier Code of Conduct and reserves the right to discontinue any relationship should a business partner violate, fail to correct or have a pattern of violating the requirements. In cases where non-conformities are identified, Mölnlycke seeks to the extent possible to achieve remediation and positive change in collaboration with concerned suppliers. New suppliers acknowledge the Supplier Code of Conduct as part of Mölnlycke's requirements in the work instructions and for evaluation and approvals of new suppliers.

Within Mölnlycke's distributor relationship

During 2023 Mölnlycke launched a new Distributor Code of Conduct which outlines the minimum requirements for Mölnlycke's distributors, including expectations regarding human rights, working conditions and business ethics. It aims to ensure that distributors comply with rules and regulations, and amongst other, provide safe working conditions for their employees, and respect fair and ethical business practices.

Distributors are expected to follow the principles and requirements set out in the Distributor Code of Conduct and apply and communicate them within their own operations and to their business partners. Mölnlycke evaluates its Distributors' compliance with applicable legislations, requirements and principles of the Distributor Code of Conduct through a combination of audits, self-assessments and documentation reviews. Failure to comply with the principles and requirements set out in the Distributor Code of Conduct can be considered a material breach of the Distribution Agreement and may lead to termination of the relationship with the distributor.

5. Grievance mechanism and remediation

Mölnlycke strives to identify and understand the potential and actual risks posed to people, individuals as well as groups, associated with its activities. Where an actual risk is identified, Mölnlycke works with its partners and stakeholders to remediate it, validate remediation and put appropriate processes in place to seek to prevent the issue from reoccurring. Performing due diligence in Mölnlycke's own operations, supply chain, and distributor



Mölnlycke Ethics Hotline

relationships is crucial to assessing progress and identifying areas of improvement.

Within Mölnlycke's operations

Mölnlycke actively promotes a culture where employees are encouraged to voice any concerns they may have on business ethics, compliance, or any breach to the law, including relating to human rights and modern slavery. Employees have access to dedicated channels: using the Ethics Hotline, contacting one of the Compliance Officers, or utilising additional local channels in specific locations. The Ethics Hotline provides the option to report anonymously in any preferred language, either through a web-portal or via phone. The Ethics Hotline is also communicated to

external stakeholders and business partners who could suspect or experience any misconduct in their relation to Mölnlycke.

Ethics Hotline reports are treated confidentially and promptly investigated in line with the dedicated policy and procedure. The Ethics Hotline investigations are overseen by the Ethics Hotline Committee and regular reporting is made to the Audit Committee. All investigation reports invite for an assessment of relevant preventive and corrective follow-up actions to ensure that any issues are properly addressed.

In 2023, a total of 55 reports were received and investigated. This constitutes an increase of 62% in the number of cases received compared to 2022, indicating a stronger reporting culture. Analysis of the reports indicate there were no modern slavery related cases reported, and Mölnlycke did not identify any actual adverse impacts or significant risks in the supply chain related to modern slavery or human trafficking. The majority of cases, 56%, was related to employee relations.

Mölnlycke decided to conduct a company-wide awareness campaign during the first half of 2023. The aim was twofold: to encourage employees to speak up and to ensure that employees

in positions of responsibility are better prepared to receive employees' concerns. Live sessions were held with managers, People Partners and Business Ethics Representatives with the aim to share best practice and explain the process behind investigating and addressing concerns. Around 800 employees attended these live sessions, and many got to participate actively through role-plays and exercises showcasing typical dilemmas in receiving concerns. The integrated Annual and Sustainability report 2023 also outlines how Mölnlycke is doing against its own business standards, set out in the Code of Conduct and found on [Mölnlycke.com](https://www.molnlycke.com).

62%

increase in the number
of concerns reported vs 2022

| 6. Assessing the effectiveness of Mölnlycke's actions



Assessing the effectiveness of Mölnlycke's actions helps Mölnlycke understand and improve how it identifies, prevents, and mitigates potential and actual risks. It also helps Mölnlycke assess the effectiveness of its grievance mechanisms and remediation processes if Mölnlycke was to identify that it has caused or contributed to impacts related to modern slavery or human trafficking. Mölnlycke uses the following elements to assess the effectiveness of its actions.

- Number of suppliers exposed to high risk with valid third-party audit
- Number of distributors screened through Mölnlycke's due diligence program
- The confidence in the Mölnlycke speak-up program and number of cases received
- The number of employees who have completed training on relevant topics

| 7. Consultation process and approval

This statement has been prepared by Mölnlycke with input from the various relevant internal stakeholder groups (including Procurement, People, and Legal). In addition, the General Management of the subsidiaries in scope of this Modern Slavery Statement have been consulted.

This statement has been approved by the Mölnlycke Health Care Board of Directors on May 23rd 2024



Zlatko Rihter, Chief Executive Officer

Any questions or request for information relating to this statement or to Mölnlycke's Human Rights program and commitments can be submitted by e-mail to humanrights@molnlycke.com

Appendix 1.

How Mölnlycke addresses relevant reporting criteria in this Modern Slavery Statement

Australia MSA reporting criterion	UK MSA reporting criterion	Norwegian Transparency Act	California Transparency in Supply Chains Act	Reference in this Statement
Identify the reporting entity and describe the entity's structure, operations and supply chain	Describe the organisations' structure including supply chains	A general description of the reporting entity's structure, area of operations, guidelines and procedures for handling actual and potential adverse impacts on human rights and decent working conditions	N/A	Section 2
Describe the risks of Modern Slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls	Describe the identified parts of the business where there are risks	Information regarding actual adverse impacts and significant risks of adverse impacts the reporting entity has identified through its due diligence	N/A	Section 3
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	Describe the steps taken to manage those risks, the human rights due diligence and policies in relation to human rights and available training on human rights for employees.	Information regarding the measures the reporting entity has implemented or plans to implement to cease or mitigate actual or potential impacts and the result or expected result of these measures	Disclose the extent of their efforts; in engaging in verification of product supply chains. Specify if the verification and audit was not conducted by a third party. Conducting audits of suppliers, specify if the audit was not independent and unannounced. Provide training for employees and management on human trafficking and slavery	Section 4-5
As above	As above	As above	Disclose if the entity maintains internal accountability standards and procedures for employees or contractors failing to meet company standards regarding slavery and trafficking	Section 4-5
N/A	N/A	N/A	Disclose if the entity requires direct suppliers to certify that materials incorporated into the product comply with laws regarding slavery and human trafficking of the countries in which they are doing business	Section 4

Appendix 1.

How Mölnlycke addresses relevant reporting criteria in this Modern Slavery Statement

Australia MSA reporting criterion	UK MSA reporting criterion	Norwegian Transparency Act	California Transparency in Supply Chains Act	Reference in this Statement
			regarding slavery and human trafficking of the countries in which they are doing business	
Describe how the reporting entity assesses the effectiveness of such actions	Describe the effectiveness of ensuring successful risk management measured against performance indicators when appropriate	N/A	N/A	Section 6
Describe the process of consultation with any entities that the reporting entity owns or controls, and for a reporting entity covered by a joint statement, the entity giving the statement	N/A	N/A	N/A	Section 7
Include any other information that the reporting entity considers relevant	N/A	N/A	N/A	Section 1-7