



**ADDvise**

**Sustainability report**

**2023**

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*Please note that ADDvise's 2023 sustainability report in English is a translated version of ADDvise's 2023 sustainability report in Swedish. The Swedish version represents the original.*

This is the sustainability report from ADDvise Group AB (publ) ("ADDvise" or the "Company"), which concerns the 2023 financial year. The sustainability report covers the parent company ADDvise Group AB (556363-2115) and its subsidiaries.

Subsidiaries acquired in 2023 are consolidated in the ADDvise Group as follows: Diabetic Supplies Inc. from August 7, 2023, Kolplast CI S A from September 30, 2023, Axelerist Inc. from November 22, 2023, Labplan Ltd from December 22, 2023. In some cases, a different demarcation is applied in the sustainability report figures, which is then mentioned in connection with the deviation.

The sustainability report has been prepared in accordance with the provisions of Chapters 6 and 7 of the Swedish Annual Accounts Act. Global Reporting Initiatives' (GRI) sustainability reporting standards and the EU's forthcoming Corporate Sustainability Reporting Directive (CSRD) have been used as guidance and inspiration in preparing this sustainability report.

On signing the annual report and consolidated financial statements, the Board of Directors of ADDvise have approved the sustainability report.

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# Long-term sustainability goals for 2030, with 2022 as the base year

ADDvise has chosen sustainability goals intended to be clearly linked to the vision of contributing to a sustainable society through products and services that extend, improve, and save people's lives. The sustainability goals, in combination with its financial targets, will ensure that ADDvise is steering toward long-term profitable and sustainable growth. During the year, ADDvise has begun defining metrics and monitoring the long-term sustainability goals set out in 2022 to 2030, with 2022 as the base year.

## Environment

- Our goal is to reduce the Group's **carbon intensity** by 50% in Scope 1 and 2. Carbon intensity is calculated as carbon dioxide equivalent (CO<sub>2</sub>e) divided by the Group's net revenue.

## Finance/governance

- Every company in the Group should have **incentives** linked to sustainability-related goals.

- 100% of acquisitions should contribute to the United Nations Sustainable Development Goal 3, Good Health and Well-being, and also meet the requirements of our **sustainable investment** policy.
- 1.5% of net revenue should be allocated to **developing products** that improve, prolong, and save people's lives.

## Social

- Achieving a **gender balance** among people on the Board and in senior positions (an even distribution between men and women is represented within the 40-60% range).
- All companies in the Group should comply with the **Code of Conduct**.
- Maximum **absence rate due to illness** of 5%.
- Zero vision** for workplace accidents.

Monitoring of goals	Measured as	Base year		Result 2023	Status
		2030 target	2022		
Halve energy intensity, Scope 1+2	CO <sub>2</sub> e/net revenue	-50	1.01	0.61	● (1)
Sustainability-related incentives in all companies	Proportion of companies with incentives	100%	-	-	● (2)
100% sustainable acquisitions	Proportion of acquisitions that meet the criteria	100%	100%	100%	● (3)
Funding product development in healthcare sector	% of net revenue	1.50%	-	-	● (4)
Gender balance on board	Proportion of women	40-60%	40%	40%	●
Gender balance in management positions at company level	Proportion of women	40-60%	15%	16%	● (5)
Gender balance in management positions at company level	Proportion of women	40-60%	-	29%	● (6)
All companies in the Group to comply with the Code of Conduct	Proportion of companies meeting the criteria	100%	-	-	● (7)
Low sick leave rate	Absence due to ill health in relation to hours worked	<5%	3.15%	1.47%	● (8)
No workplace accidents	Number of accidents	0	30	16	●

Note 1: Monitoring against this target will not be relevant until the collection of data for climate calculations has been further developed.

Note 2: Incentives linked to sustainability have not yet been developed.

Note 3: Definitions, guidelines, and monitoring need to be developed further. All acquisitions in 2022 and 2023 support UN Goal No. 3.

Note 4: Definitions, guidelines, and monitoring need to be devised.

Note 5: Includes management of the parent company and CEOs of subsidiaries.

Note 6: Includes people identified by the subsidiaries as being in a management position.

Note 7: Definitions, guidelines, and monitoring need to be devised.

Note 8: This figure covers both illness and occupational ill-health. Definitions, incident reporting, and monitoring need to be developed further.

# Extending, improving, and saving people's lives

The hallmark of ADDvise's business concept is its aspiration to extend, improve, and save people's lives by developing and providing products and services for the healthcare and research sectors. This is a social responsibility that contributes to a more sustainable society. Sustainability is more than just the social aspect associated with our core business; it is about taking responsibility and having influence at all levels. ADDvise's sustainability work is based on this shared commitment. The Group and all its companies must be continuously developed and improved, based on a holistic approach to the environment, social aspects, and business operations.

Sustainability continues to be a strong focus area for us and is a fundamental part of our drive to achieve better business outcomes. During the year, extensive work has been carried out for us to start mapping the value chains, suppliers, and essential sustainability issues of all our subsidiaries. This work involves carrying out the double

materiality analysis that is part of the preparations for the EU's new Corporate Sustainability Reporting Directive (CSRD). Preparations will continue in 2024 in the run-up to its entry into force in 2025.

ADDvise makes every endeavor to work and invest sustainably. The sustainability goals previously set still apply, and during the year we have begun establishing a systematic procedure for monitoring results against our targets. Our work on the materiality analysis has improved our understanding of the Group's impact, providing a basis for identifying measures to be taken in the future.

The outside world's expectations of seeing tangible improvements within sustainability are accelerating our work and driving development. There is a greater demand for communication and transparency in this area from ADDvise's various stakeholders, such as shareholders, investors and financial institutions, employees, subsidiaries, customers, and suppliers. The ongoing work will further boost ADDvise's ability to provide such information.

## Ownership model

ADDvise is an international life science group with subsidiaries in Sweden, the United States, Ireland, Brazil, and other countries. Our decentralized ownership model enables us to develop and acquire high-quality companies in our two business areas: Lab and Healthcare.

Several factors are contributing to the long-term demand for products and services within the life science and medical technology market. There is a substantial need for increased capacity and modernization in both the private and public healthcare and laboratory sectors. A growing and aging population in most countries is creating a long-term demand for our products and services.



Chief Executive Officer Rikard Akhtarzand

## Decentralization

ADDvise is a long-term owner that operates a decentralized ownership model, and our focus is to maintain a spirit of entrepreneurship and business acumen at a local level in the subsidiaries.

Every company within the Group functions as a separate entity and operates independently so as to retain its own strategy and culture. This ownership model enables product development and key commercial decisions to be made closest to customers, based on cultural and geographical considerations.

## Support and collaboration within the Group

Increasingly complex regulations are creating significant barriers for smaller players who struggle to allocate sufficient resources to ensure full compliance. This is why the Group has a QA/RA (quality assurance/regulatory assurance) function, which offers the subsidiaries support and guidance to ensure that the Group's companies do comply with applicable quality standards, laws, and regulations.

The markets for laboratory- and healthcare-related businesses are heavily regulated, which entails high quality requirements for the Group's companies. Other common certifications, standards, and administrative approvals obtained by subsidiaries include, for example, ISO 13485, ISO 17025, CE, FDA approved, EU Regulation 2017/745 (MDR), DEA, SE, NC Board of Pharmacy, State Pharmacy Boards, Health Canada, etc. Since 2009, the parent company has been certified in accordance with ISO 9001 and ISO 14001, the most widely accepted global quality and environmental management systems.

The subsidiaries of the ADDvise Group are offered central support in everything, from strategic decisions to advice on pricing, marketing, and how to optimize their balance sheet and working capital. Companies within the Group are encouraged to exchange knowledge, experience, and business opportunities with each other, and several of the companies have extensive business partnerships.

## Governance and responsibility for sustainability aspects in our operations

The Board of Directors has overall responsibility for managing ADDvise, which also includes issues related to sustainable business. The Board receives updates and information related to sustainable business, as necessary, from the CEO. The CEO is responsible for executing the Board's decisions and strategies.

The ADDvise Board has established a Code of Conduct that applies to all Group companies and employees. It also applies to suppliers, subcontractors, customers, and partners. The Code of Conduct is available on the ADDvise website. It is not compulsory for the Group's companies to implement the Group-wide Code of Conduct. Alternatively, they can draw up their own specific company code. It is, however, essential for any company-specific code of conduct to at least meet the requirements of the Group-wide Code of Conduct.

Since 2022, a Sustainability Manager has been employed on a part-time basis, who, in the first half of 2024, will move to providing the organization with full-time support on sustainability issues. This person is responsible for producing decision guidance, conducting analyses, and assisting management in implementing the decisions that are made. The sustainability manager will also be in charge of supporting the subsidiaries in their sustainability work.

ADDvise's ambition is for all employees to feel ownership of issues relating to sustainable business that are closely associated with their own role at the Company. During the year, ADDvise has held training sessions and workshops for Company employees with the aim of not only improving their understanding and expertise, but also of creating a sense of commitment.

## Governing documents and guidelines

The fundamental starting point for ADDvise's sustainability work is to minimize the potential negative effects of our operations and any risks involved, and to capitalize on the opportunities that sustainable business offers.

ADDvise's business policy, including the sustainability aspect, applies to the entire Group.

This policy addresses a range of areas, including environmental issues, respect for human rights, and employment conditions. Parts of the policy, such as our ambitions, are set out in this sustainability report.

The policy is available in its entirety on the Company's website. ADDvise plans to produce a more detailed sustainability policy, in addition to supplementing it with sustainability guidelines for its subsidiaries, as well as a sustainable investment policy. These governing documents must align with the long-term sustainability goals that apply to the entire Group and which can be read about on the ADDvise website and later in this report.

## Supply chain

The companies in the ADDvise Group work with a large number of global suppliers. Their relationships with suppliers are primarily based on long and close collaborations, which create good opportunities for dialogue and control. According to ADDvise's decentralized ownership model, each subsidiary is responsible for ensuring that their suppliers comply with laws, rules, and the applicable Code of Conduct.

The ADDvise Board has established a Code of Conduct that applies to all Group companies and employees. It also applies to suppliers, subcontractors, customers, and partners. It is not compulsory for the Group's companies to implement the Group-wide Code of Conduct. Alternatively, they can draw up their own specific company code. It is, however, essential for any company-specific code of conduct to meet the requirements of the Group-wide Code of Conduct as an absolute minimum.

ADDvise has a whistleblower function allowing anyone to report any deviations from the Code of Conduct. The whistleblower system is part of ADDvise's effort to maintain a transparent business environment, a high level of business ethics, and a sustainable business. It enables ADDvise to detect and remedy any breaches or grievances at an early stage.

## Combating discrimination

ADDvise has zero tolerance for any form of discrimination, and we strive to achieve a culture of equality and diversity. This is clearly expressed in our equality policy, which is communicated to all employees. In 2022, the ADDvise Board adopted an updated Code of Conduct, which is partly based on the human rights established by the United Nations. This is also communicated to all employees and implemented in our operations.

The CEO of each subsidiary is responsible for ensuring that there is a Code of Conduct, and that personnel are informed about and provided with training on the Code of Conduct and human rights. The subsidiaries produce local policy documents adapted to their respective operations.

A sustainability section has been created on the ADDvise website, [www.addvisegroup.com/sustainability](http://www.addvisegroup.com/sustainability), for publicizing sustainability initiatives. This is part of our effort to be more transparent and make information available to stakeholders in a clear and simple way.

# Identifying key sustainability issues

The materiality analysis is validated annually, and ADDvise continuously improves the effort aimed at identifying and deepening the understanding of and work on sustainability issues. ADDvise operates in a non-cyclical market and has therefore decided to carry out a more comprehensive stakeholder and materiality analysis every two years.

## Materiality analysis 2021

ADDvise produced its first sustainability report in 2021, for which a very basic stakeholder and materiality analysis was carried out.

## Materiality analysis 2022

In 2022, a comprehensive additional stakeholder and materiality analysis was carried out. ADDvise used the results of stakeholder dialogues and analyses of ADDvise's strategic issues, risks, challenges, and goals to define the key sustainability issues. Macro trends and drivers in society, as well as an industry comparison with other companies were also taken into account in order to achieve comparability and transparency. Scheduled and other forthcoming legislative amendments and standards were reviewed and included to ensure that ADDvise's work progresses in the desired direction.

The materiality analysis has mapped which aspects of sustainable business are most important to ADDvise, and where they can be considered to have the greatest impact. The analysis has been based on risks and opportunities related to sustainable business. The predominant areas considered have been the environment, social conditions, human resources issues, respect for human rights, anti-corruption, and governance issues, a differentiation that complies with the legal requirements for sustainability information according to the Swedish Annual Accounts Act. The analysis has been based on the core business and focuses on international guidelines and global initiatives. The analysis results can be extrapolated from the topics and performance indicators presented in this report. ADDvise primarily focuses on governance issues, the environment, and social conditions.

## Stakeholder analysis 2022

ADDvise has identified the following key stakeholder groups that may directly or indirectly influence or be influenced by the decisions ADDvise makes: shareholders, investors and financial institutions, employees, subsidiaries, customers, and suppliers. These are identified on the basis of the extent to which they influence or are influenced by the Group's work.

ADDvise maintains an ongoing dialogue with stakeholders as a way of gaining an insight into the issues they consider to be the most important, as well as into their needs and expectations of the Company. Conducting an ongoing dialogue with stakeholders is an important part of ADDvise's sustainability work. We also carry out analyses of and comparisons with companies operating in similar industries and with similar business models to ensure that this work is being carried out at a satisfactory level.

Representatives from both outside and within ADDvise have been asked during the most recent stakeholder dialogue held about the company's sustainability work and what the important issues are for the company to consider in the face of future challenges. The majority of respondents came from Sweden or the USA, but responses were also received from employees, suppliers, and customers from other parts of the world. The dialogues showed that there is great commitment to ADDvise's sustainability work. The dialogues were conducted both in person and online in conjunction with internal training, workshops, sustainability dialogue, opinion polls, questionnaires, the annual general meeting, analyst meetings, investor meetings, and employee appraisals, as well as at private and public meetings.

## Double materiality analysis 2023-2024

In 2023, ADDvise launched a more comprehensive materiality analysis based on the guidelines set out in the new EU accounting directive CSRD (Corporate Sustainability Reporting Directive) and related accounting standards, ESRS (European Sustainability Reporting Standards). The materiality analysis will be completed in 2024, including a re-examination of the perspectives of stakeholders as part of the double materiality analysis.

Interviews have been conducted with key personnel in each subsidiary to create an understanding of each subsidiary's value chain, impact, and risks. Information has been collected about key suppliers, goods and services purchased, as well as about the needs each company fulfills on the market. This work will continue in 2024 with the end result being a "double materiality" analysis for the entire ADDvise Group.

The results of the double materiality analysis will then form the basis for both preparations enabling sustainability reports to be compiled in accordance with the CSRD from 2025 onward, as well as the longer-term work geared toward achieving the established sustainability goals.

# Key sustainability issues 2023

A double materiality analysis based on the CSRD has been launched during the year. The aim of the materiality analysis is to map which sustainability issues are vital to ADDvise, and which will therefore be covered by future sustainability reports according to the CSRD. Some of the issues it has focused on include:

- All subsidiaries' value chains and business models, their goods and services.
- The customer groups served.
- Mapping each subsidiary's key purchases and suppliers, in order to highlight input raw materials, components, and from where the purchases are made. All of this is being done to identify potential sustainability risks.
- Conditions for creating a picture of key foundations in subsidiaries for carrying out long-term methodical and lasting sustainability work, which is based on pre-established processes, such as permits, certificates, management systems, and work environment activities in the companies.

- Monitoring how the subsidiaries apply ADDvise's Group-wide Code of Conduct.

## Collecting information and reporting

Work has also been carried out to improve access to and reporting of sustainability-related information, for example through collecting material for more key performance indicators and establishing new procedures for gathering information. The methods are under development.

## ADDvise Academy

During the year, a web-based training platform, ADDvise Academy, was developed to streamline training and information activities and facilitate onboarding of new acquisitions. A series of interactive training courses are already available right from the start, and more modules will be added when new needs are identified. The platform is expected to be an important tool in our sustainability work.

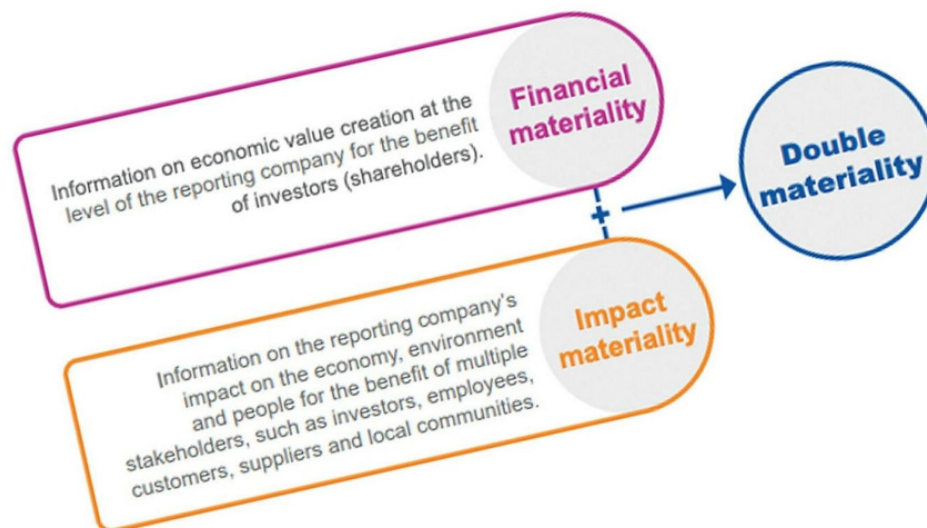


Figure showing double materiality according to GRI.



# ADDvise contributes to the United Nations Sustainable Development Goals, Agenda 2030

Sustainability is an important and clear part of ADDvise's work. Linking ADDvise's work to established frameworks and supporting global initiatives is part of being transparent and highlighting what ADDvise considers important. One such framework is the United Nations Sustainable Development Goals (SDGs). Together with a series of measurable indicators and targets, they form the vision and framework for an agenda up to the year 2030 for sustainability work both in companies and in society in general. The underlying view is that social, economic, and environmental development go hand in hand and must collaborate to succeed.

ADDvise's materiality analysis in 2022 identified which SDGs ADDvise and its subsidiaries would contribute to. ADDvise contributes in a number of ways, but with its mission to extend, improve, and save people's lives, it makes the most significant contribution to SDG3, the global sustainability goal for health and well-being.

A number of important issues are listed below, but do note that the list is not exhaustive and may also include climate and the environment, anti-corruption, and more.

## Goal 3 – Good Health and Well-being

ADDvise's subsidiaries contribute solutions within the healthcare sector, laboratory activities, and research. This includes their contribution to improving healthcare processes and products, enabling safe and modern research, and developing medicines, as well as providing aids and consumables for self-care and clinical activities.

## Goal 5 – Gender Equality

ADDvise endeavors to achieve equal opportunities in the workplace. As a measure, ADDvise has selected a gender balance of 40/60 percent. This long-term sustainability goal of achieving equality has not yet been achieved, but progress is being made. At Group level, the focus is on people on the Board of Directors and in management positions. Since 2022, the targets at Board level have been met.

## Goal 8 – Decent Work and Economic Growth

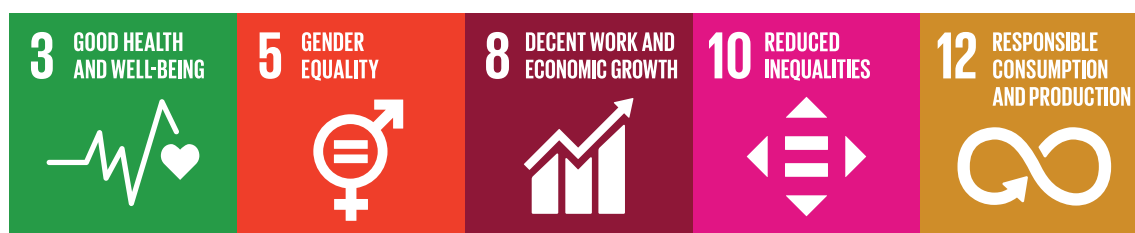
ADDvise attaches the utmost importance to being an employer that offers decent working conditions. This applies both in our own companies and at the other stages of the value chain where our influence is significantly less. To support this work, ADDvise has drawn up a Code of Conduct that is based, to some extent, on human rights adopted by the UN, with each company being responsible for applying it and informing its stakeholders about it.

## Goal 10 – Reduced Inequalities

ADDvise encourages companies in the Group, where possible, to hire suppliers for production who work to create jobs and promote inclusion for all people, regardless of disabilities or work ability.

## Goal 12 – Responsible Consumption and Production

Companies within the Group are constantly working to improve and develop their production approach. They evaluate sustainable material choices and review packaging materials to ensure that production is as sustainable as possible.



# Sustainability-related risks and risk management

## About the risk analysis

The risk analysis below is based on the results of the analysis of key sustainability issues conducted in 2022. The description has not been updated for 2023.

An ongoing review and update of sustainability-related risks is being carried out as part of the double materiality analysis conducted in 2023-2024, the results of which will be presented in the 2024 Sustainability Report.

In addition, sections on risks are also referred to in ADDvise's 2023 Annual Report.

Significant risk	Description of risk management
Environment	
<p><b>Climate change</b></p> <p>Depending on how global greenhouse gas emissions develop, the Earth is very likely to face an increase in average global temperature. This will affect different parts of the planet in different ways. ADDvise has most of its operations based in the United States.</p> <p>ADDvise's analysis shows that climate change would not pose a material threat to our operations apart from a risk of any insurance costs increasing due to, for example, more extreme weather, such as heavier rainfall and similar natural phenomena.</p> <p>It may also affect how products are shipped.</p>	<p>Although ADDvise cannot influence climate change on its own, we are actively working to reduce our own impact. Actively working to reduce our carbon footprint is also part of contributing to the debate and setting a standard that companies should work toward in an attempt to reduce their own impact on the environment. ADDvise operates according to a decentralized ownership model, and the CEO of each subsidiary is ultimately responsible for reducing the impact on operations based on its specific circumstances.</p>
<p><b>Stricter regulation of greenhouse gas emissions</b></p> <p>Due to the threat of climate change, there is a consensus that global greenhouse gas emissions need to be drastically reduced. There is therefore a high likelihood that political initiatives and regulations will be introduced that will, in various ways, force companies to limit and report their emissions and impacts.</p>	<p>ADDvise's operations have limited impact, and no significant emissions are generated from heavy production, for example. To check and monitor greenhouse gas emissions, a mapping of all scopes has been carried out, in accordance with the GHG Protocol. Scopes 1, 2, and 3 have been mapped in order to obtain a clear picture of where ADDvise's impact can be found. ADDvise will explore the possibility of formulating a Scope 3 climate impact reduction target in future.</p>

Significant risk	Description of risk management
<p data-bbox="113 230 304 264"><b>Environment</b></p> <p data-bbox="113 286 775 347"><b><i>Sustainable choice of materials, packaging, and modes of transport</i></b></p> <p data-bbox="113 358 780 546">Customers are stipulating more stringent requirements for choice of materials, modes of transport, and packaging materials. ADDvise's analysis shows that if products do not satisfy customer requirements, ADDvise risks being perceived as lacking credibility and, in the worst case, we may lose customers and contracts.</p> <p data-bbox="113 571 772 728">Means of transport, methods of travel, and choice of vehicles that are considered to have a negative impact on the environment may adversely affect ADDvise's credibility and reputation, in addition to contributing to a greater negative climate impact.</p>	<p data-bbox="810 324 1477 450">The CEO of each subsidiary is responsible for choosing materials and packaging options that are tailored to their operations and, wherever possible, choosing the most sustainable options available.</p> <p data-bbox="810 454 1458 580">Passenger transport is yet another factor affecting the environment. ADDvise has drawn up a travel policy to ensure that the impact on the environment is limited as far as possible.</p>
<p data-bbox="113 768 355 801"><b>Personnel issues</b></p> <p data-bbox="113 824 711 857"><b><i>Work environment – safety, health, and well-being</i></b></p> <p data-bbox="113 864 762 958">There is a risk of employees being physically injured during workplace accidents. Employees are also exposed to harm arising from psychosocial risks.</p> <p data-bbox="113 1182 467 1216"><b><i>Discrimination and inequality</i></b></p> <p data-bbox="113 1223 756 1348">There is a major risk associated with being a workplace perceived as lacking in equal opportunities and posing a risk of discrimination. This could contribute to ADDvise losing its competitiveness and competent employees.</p>	<p data-bbox="810 864 1477 1182">ADDvise is actively working to constantly improve the work environment and has devised a business policy that takes the work environment into consideration. ADDvise is also ISO certified in accordance with 14001 and 9001, standards which cover management systems for areas such as the work environment. Most subsidiaries also hold additional certifications, such as ISO 13485. The CEO of each subsidiary is responsible for its work environment and for adapting the design of policies according to its operations.</p> <p data-bbox="810 1223 1477 1411">ADDvise has zero tolerance for any form of discrimination, and we strive to achieve a culture of equality and diversity. This is clearly expressed in our equality policy, which is communicated to all employees. ADDvise has a whistleblower system to enable anonymous reporting of grievances.</p>
<p data-bbox="113 1429 355 1462"><b>Social conditions</b></p> <p data-bbox="113 1485 411 1518"><b><i>Community engagement</i></b></p> <p data-bbox="113 1525 772 1744">ADDvise considers a lack of community engagement beyond our core business to be a risk. The risks perceived as arising from this entail losing credibility, gaining a bad reputation, and failing to fulfill the collective desire to make the world a better place. An additional risk linked to a lack of active engagement is not being able to attract or retain employees.</p>	<p data-bbox="810 1525 1477 1776">ADDvise's core business aims to extend, improve, and save people's lives. In addition to the engagement of and work carried out by employees every day, ADDvise has also decided to increase its community engagement and support the charity Hand in Hand Sweden. This is a non-profit organization that works with entrepreneurship as an effective, long-term, and sustainable way of fighting poverty.</p>

Significant risk	Description of risk management
<b>Respect for human rights</b>	
<p><i>Risks in the value chain</i></p> <p>ADDvise's analysis does not show any direct risks of human rights violations (discrimination and associated risk management are described above). However, there is a risk of human rights violations in our value chain. For more information, see below under risks in the supply chain ("Corruption and bribery").</p>	<p>ADDvise has a Code of Conduct that is partly based on the human rights established by the United Nations. In 2022, ADDvise's Group-wide Code of Conduct was updated and then adopted by the Board. This Code of Conduct has been announced and implemented. The CEOs of all subsidiaries have read and signed the document. The Group operates according to a decentralized ownership model, and the CEO of each subsidiary is responsible for ensuring that there is a code of conduct, as well as for personnel being trained and informed about the Code of Conduct and human rights.</p> <p>In order to further minimize the risks in the value chain, ADDvise is planning to map our suppliers in the near future.</p>

Ethics	
<p><i>Tackling corruption</i></p> <p>ADDvise considers the risk of corrupt behavior to be relatively limited. The risk primarily arises in connection with purchases and sales within certain customer segments in high-risk countries. This accounts for a very small share of revenues at present. Public sector procurements can also be seen as a risk as ADDvise may gain a bad reputation if the procurement procedure is misinterpreted or inadequate information is provided.</p>	<p>ADDvise has a Code of Conduct covering bribery and corruption. The Group works according to a decentralized ownership model, and the CEO of each subsidiary is responsible for ensuring that there is a code of conduct, as well as for personnel being trained and informed about corruption and bribery. ADDvise also has a whistleblower function, allowing employees or other stakeholders to anonymously report suspicions of corrupt behavior.</p>

# Focus on the environment, personnel, and social conditions

## Environment

The greatest environmental impact arising from or due to ADDvise's activities is considered to be linked to energy consumption and emissions of climate-polluting gases. It is therefore important to systematically monitor these areas in order to reduce the impact.

Emissions of climate-polluting gases are caused by internal company energy consumption of fuels and electricity, as well as when transporting people, materials, and products to and from the company, its suppliers, and customers. In addition to this, another area where the climate impact arises is the manufacture of products included in the goods and during the use of these products.

In ADDvise's view, the most significant climate impact from its business arises far beyond its own company. This means that both mapping and climate action plans should gradually cover the entire value chain, despite limited influence and the challenges faced in obtaining data.

Work on this is underway, and ADDvise is expanding the scope of the calculations annually and striving to gradually improve the calculation basis.

### Calculation of climate impact

The Group's climate-related emissions have been calculated using the most widely recognized method in this area. It is described in the Greenhouse Gas (GHG) Protocol, which measures all emissions caused by the company's activity, regardless of where in the value chain they occur.

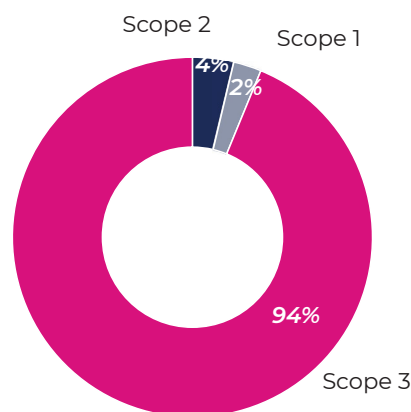
The standard defines an organization's or company's emissions based on three areas, which are referred to as scopes. Scope 1 covers direct emissions from a company's facilities and vehicle fleet. Scope 2 includes emissions linked to purchased heating, cooling, steam, and electricity. Scope 3 includes all other external emissions, both in different supply routes (upstream) and in activities that take place after the company's own operations (downstream).

The calculations cover both carbon dioxide and other climate-polluting gases. The results are expressed in the unit of carbon dioxide equivalents, where the climate impact of different substances has been converted to correspond to the impact of one kilo of carbon dioxide.

Following the demarcations carried out, ADDvise's CO2 emissions in 2023 have been estimated to be approximately 14,000 tonnes CO2 equivalent, 94% of which occur in Scope 3.

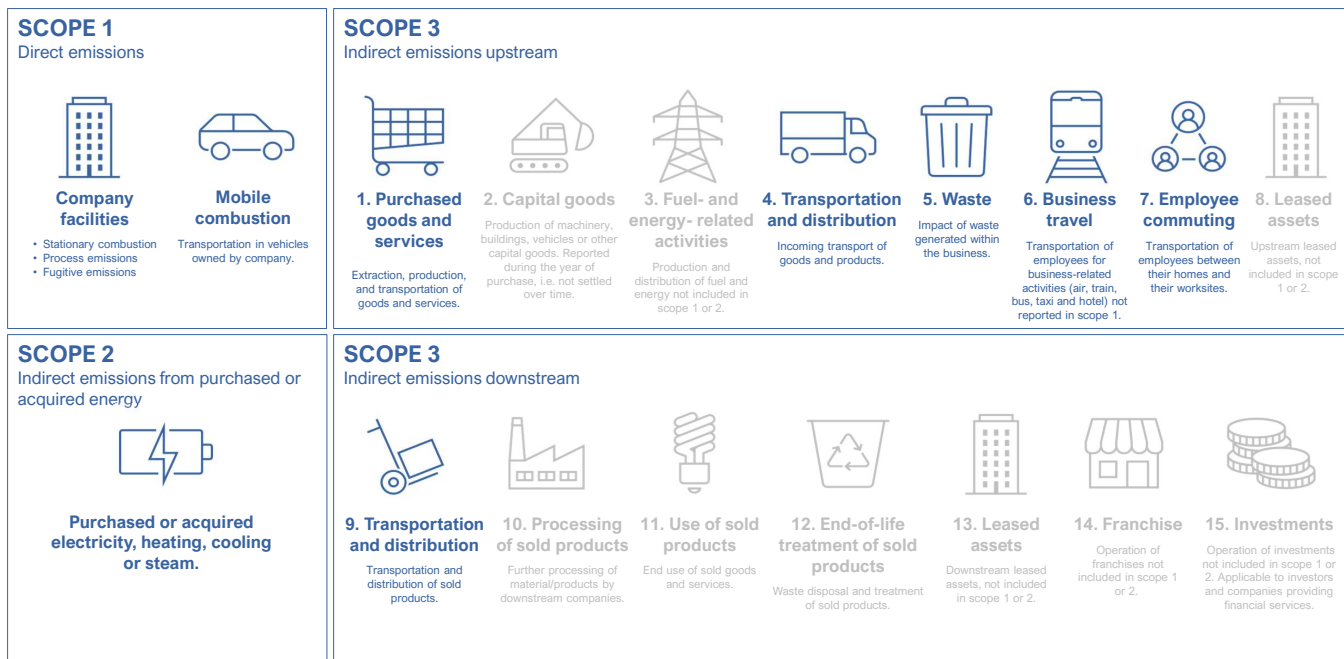
A number of categories in Scope 3 have been excluded from the calculations as they are not considered relevant or due to insufficient data. Overall, the excluded categories are considered to account for a large proportion of the emissions in Scope 3. Therefore, efforts are currently underway to improve how such information is collected and collated. This applies in particular to data relating to goods and services resold to the customer, which are not included in the current overview.

In some areas, relevant data is available from individual subsidiaries, but not from sufficiently many to provide a true picture at Group level when aggregating data. Such areas have therefore been excluded from this year's sustainability report. Through ongoing work carried out with an extended scope and gradually improving the quality of input data, our aim is to be able to report Scope 3 emissions in more detail for each year.



### Demarcations in this year's calculations

With regard to ADDvise Group's calculation, the system limits have been defined based on our operational control of properties, facilities, and vehicles. The properties, facilities, and vehicles over which the Group has operational control have been included in Scope 1. As an example, leased vehicles and leased business premises are included in Scope 1, as well as Scope 2 activities associated with these.



The figure shows which system limits have been applied for this year's calculations in the ADDvise Group.

The climate calculation has covered all Scope 1 and 2 categories. For Scope 3, a selection has been made based on materiality and access to data.

A description is provided below of the GHG Protocol Scope 3 categories, how they concern ADDvise, and any comments on changes in relation to the previous year's calculations.

**3.1 Purchased goods and services:** This standard category includes both items sold on to the customer and items used within its own operations, and relates to the entire impact from raw material extraction to the finished product.

*ADDvise's 2023 scope: Goods and services that are used internally in the business are included in the calculations. Items sold on to the customer are not included in the report as the data are not considered to be sufficiently complete to give a true picture.*

**3.2 Capital goods:** This standard category includes all significant goods that are used within the business and written off over time.

*ADDvise's 2023 scope: this category is not included in the report as the data are not considered to be sufficiently complete to give a true picture.*

**3.3 Fuel and energy related activities:** This standard category includes the energy consumption that is not included in Scope 1 or 2. Production of the fuel used in the previous categories mentioned and emissions linked to transmission and distribution.

*ADDvise's 2023 scope: this category is not included in the report as the data are not considered to be sufficiently complete to give a true picture.*

**3.4 Upstream transportation:** Includes incoming transport in vehicles not owned by the company.

*ADDvise's 2023 scope: this category is included in the report.*

**3.5 Waste:** Includes waste generated within the business and taken care of by third parties.

*ADDvise's 2023 scope: this category is included in the report.*

**3.6 Business travel:** Includes all personal travel within the service not already included in Scope 1.

*ADDvise's 2023 scope: this category is included in the report. Change: The amount of business travel has decreased within ADDvise, which is reflected in the climate calculations.*

**3.7 Employee commuting:** Includes transportation to and from the workplace.

*ADDvise's 2023 scope: this category is included in the report. Change: Emissions linked to employees' commuting journeys have decreased compared to last year. An increase in the number of days of working remotely contributes to the results.*

**3.8 Leased assets:** Includes energy consumption for leased assets.

*ADDvise's 2023 scope: this category is not included in the report as the category is not considered applicable.*

**3.9 Downstream transportation:** Includes outgoing transport in vehicles not owned by the company.

*ADDvise's 2023 scope: this category is included in the report.*

**3.10 Processing of sold products:** Processes required for further processing, refinement, and/or contract manufacturing of sold products.

*ADDvise's 2023 scope: this category is not included in the report as the data are not considered to be sufficiently complete to give a true picture.*

**3.11 Use of sold products:** Includes emissions linked to the use of sold products.

*ADDvise's 2023 scope: this category is not included in the report as the data are not considered to be sufficiently complete to give a true picture.*

**3.12 Disposal of sold products:** Includes disposal by the customer when the product is no longer in use.

*ADDvise's 2023 scope: this category is not included in the report as the data are not considered to be sufficiently complete to give a true picture.*

**3.13 Leased assets:** Includes site-specific energy consumption for leased assets.

*ADDvise's 2023 scope: this category is not included in the report as the category is not considered applicable.*

**3.14 Franchising:** Includes plastic-specific energy consumption for franchisees.

*ADDvise's 2023 scope: this category is not included in the report as the category is not considered applicable.*

**3.15 Investments:** Includes site-specific energy consumption and/or emissions data for investment activities. This relates to ownership over 50%, subsidiaries, project financing, and joint venture investments. This category is primarily relevant for investment companies, banks, and companies offering financial services.

*ADDvise's 2023 scope: this category is not included in the report as the category is not considered applicable.*

*Climate impact calculation method*

According to the GHG protocol, the climate impact for the period was calculated using consumption data and emission factors. Primary data were used wherever possible. If no primary data were available, secondary data from recognized sources were used. The emission factors are taken from scientifically recognized databases, such as ecoinvent and DEFRA.

Emissions for electricity were calculated using both a market-based and site-based method, corresponding to the dual reporting according to the GHG protocol. In the market-based method, the specific emission factors for the electricity purchased, to the extent they were known, were used for the calculation. In all other cases, the residual mix was used if it was available, but if not, the country mix was used. The site-based method uses national average factors for each electricity mix. This makes it possible to compare directly our own value to the country-specific average.



## Personnel issues

### *Employees*

Employees are ADDvise's most important asset. All employees contribute to ADDvise's shared success. ADDvise must offer its employees a safe and healthy work environment that, together with good working conditions, will create a sustainable work culture with low absence due to illness, not to mention good health and commitment.

### *Diversity*

ADDvise has zero tolerance for any form of discrimination, and we strive to achieve a culture of equality and diversity. This is clearly expressed in our equality policy, which is communicated to all employees.

ADDvise actively works to increase the proportion of women and people from international backgrounds in order to become an equal opportunities group, with a focus on people on the Board and in management positions. ADDvise has set a sustainability goal of achieving a gender balance of 40/60 percent in management positions. Within the Board of Directors, this target has been achieved since 2022, but not yet within management at Group level or within the subsidiaries.

ADDvise established a whistleblower system in 2021 to enable anonymous reporting of grievances. No cases were received during 2022 or 2021. In 2023, one case was reported. The whistleblower system is located on the ADDvise website so that it is available to everyone within and outside the Group.

### *Health and safety*

Workplace safety is an important issue for ADDvise's long-term sustainability. ADDvise is actively working to constantly improve the work environment and has devised a business policy that takes the work environment into consideration. Work on safe workplaces is carried out locally based on each company's specific conditions.

In 2023, there were 16 workplace accidents, one of which was serious, which is a lower figure than in 2022. A serious workplace accident occurred when an employee crushed their hand in a production press tool. The employee has still not returned to work and is still undergoing rehabilitation. The employer's insurance scheme covers the costs of the person affected.

The statistics on accidents are important to monitor, but the figures are difficult to interpret, mainly because they fluctuate in a manner that cannot be explained by changes in the Group's size, operations, working environment or similar.

Sick leave is also monitored. This can provide valuable indications about the work environment, but even these statistics are often difficult to interpret, as in many cases the reason for absence is not at all work-related.

Reporting procedures and definitions are being reviewed to provide better and more balanced information in the future.

## Social conditions

### *Community engagement*

ADDvise considers it important to influence and contribute to positive change outside of our own organization. This is part of being a desirable place to work and of attracting and retaining competent employees. ADDvise's support for the charity Hand in Hand Sweden is an example of such community engagement.

Having contributed financially to the charity Hand in Hand for several years, ADDvise helps people, mainly women, to help themselves out of poverty through entrepreneurship. Hand in Hand Sweden is a non-profit organization that uses entrepreneurship as an effective, long-term, and sustainable way of fighting poverty.

Several of the Group's subsidiaries also run charities and sponsor organizations of their own choice. This is in keeping with ADDvise's decentralized ownership model, where entrepreneurial spirit and business acumen at local level are of paramount importance, and where as many decisions as possible should be made locally.

### *Human rights*

ADDvise attaches the utmost importance to continuously preventing and ensuring that no human rights violations take place. The risk of human rights violations within ADDvise is primarily found in the value chain, although no such violations have been identified. We consider the risks inherent in conducting business with companies that do not comply with human rights established by the United Nations to be enormous, and we believe that doing so could damage our credibility with customers, investors, employees, and other stakeholders. We have a Code of Conduct based on the human rights established by the United Nations. For more information on the Code of Conduct, refer to the section on corruption and bribery.



*Ethics and tackling corruption*

ADDvise has zero tolerance for bribery and corruption, a stance that is set out clearly in the Code of Conduct. The risk of this is considered to be relatively limited as it primarily arises in connection with purchases and sales to high-risk countries, which account for a small share of revenues at present.

The Group has a decentralized ownership model, and the CEO of each subsidiary is responsible for implementing a Code of Conduct that is adapted to their specific operations, as well as for staff being trained and informed about corruption, bribery, and human rights.

All subsidiaries have a Code of Conduct. Most use the Group's common code, while some of the companies have devised company-specific codes.

*Whistleblowing*

ADDvise has a whistleblower function that enables employees or other stakeholders to anonymously report suspicions of corrupt behavior or grievances.

**Employees**

Average number of employees by gender and country

	2023		
	Average number of employees	Of which women	Of which men
Sweden	70	35	35
Brazil	58	38	20
Finland	16	4	12
United Arab Emirates	108	3	105
Ireland	1	0	1
Netherlands	15	8	7
Spain	13	1	12
USA	147	78	69
<b>Total</b>	<b>427</b>	<b>167</b>	<b>260</b>

Total number of employees and personnel turnover for period

	2023		
	Number	Of which full-time	Of which part-time
Number of employees at end of period, Group (1)	624	-	-
Number of employees at end of period, excluding 3 new acquisitions (2)	596	579	17
Number of new employees during the year, excluding 3 new acquisitions (2)	73	69	4
Number of employees who left during the year, excluding 3 new acquisitions (2)	71	69	2
Personnel turnover, proportion that has left, excluding 3 new acquisitions (2)	11.9%	11.9%	12.0%

Note 1: Accounts for subsidiaries acquired in 2023 are consolidated in the ADDvise Group as follows: Diabetic Supplies Inc. from August 7, 2023. Kolplast CI S A from September 30, 2023. Axelerist Inc. from November 22, 2023. Labplan Ltd from December 22, 2023.

Note 2: Subsidiaries acquired in 2023 are consolidated as follows: Kolplast from September 30, 2023. Based on a materiality assessment and access to data, sustainability data for other acquired companies acquired in 2023 will be consolidated as of January 2024.

## Diversity

Gender balance among Board members and senior management positions	2023			
	Women	Men	Proportion of women	Proportion of men
Company Board members	2	3	40%	60%
Senior executives at Group level (3)	9	34	21%	79%
Senior management positions in subsidiaries (4)	20	48	29%	71%

Note 3: Includes company management of the parent company and CEOs of subsidiaries.

Note 4: Includes people identified by the subsidiaries as being in a management position.

## Health and safety

Own employees – health and safety	2021	2022	2023	Target
Average number of employees during the year (5)	214	335	423	
Number of workplace accidents	8	30	16	Zero vision
Number of workplace accidents involving absence of 1 day or more	-	-	7	
Number of people affected by permanent harm due to work-related illness/accident	-	1	1	
Number of deaths due to workplace-related illness or accident	-	0	0	
Absence days due to illness	-	2,428 (6)	1,418	
Absence days due to occupational injury	-	-	12.25	
Sick leave in relation to hours worked (7)	-	3.15% (8)	1.47%	Max. absence due to illness of 5%

Note 5: Accounts for subsidiaries acquired in 2023 are consolidated in the ADDvise Group as follows: Diabetic Supplies Inc. from August 7, 2023. Kolplast CI S A from September 30, 2023. Axelerist Inc. from November 22, 2023. Labplan Ltd from December 22, 2023.

Note 6: The 2022 figure makes no distinction between absence due to illness or occupational injury.

Note 7: A full-time job is estimated to be 230 days.

Note 8: The 2022 figure has been corrected following discovery of a calculation error. Previously, the figure was 0.4%.

## Community engagement

Community engagement and ethics	2022	2023	Target 2030
Number of whistleblower cases during the year	0	1	
Code of Conduct signed by subsidiaries' CEOs	-	100%	100%
Code of Conduct signed by employees	-	21%	
Code of Conduct signed by new employees (1)	-	37%	
Sustainable investments	100%	100%	100% of new acquisitions (2)
Health-promoting product development	-	-	1,5% of revenue (3)

Note 1: New employees refer to people employed in the last 12 months.

Note 2: 100% of acquisitions must contribute to United Nations Sustainable Development Goal 3, Good Health and Well-being, and also meet the requirements of our sustainable investment policy.

Note 3: 1.5% of net revenue must be allocated to developing products that improve, prolong, and save people's lives.

# Outlook for 2024

ADDvise continues to focus strongly on driving sustainability work forward and achieving the goals it has set.

Procedures, information collection, and reporting need to be developed further and adapted to meet the scope and quality requirements of the new standards and regulations that will apply in the next few years and as ADDvise grows.

## Prioritised activities 2024:

- To complete the **double materiality analysis** that has been launched, including further development of the work involving stakeholders' needs and views, as well as a renewed and in-depth analysis of sustainability-related impacts, risks, and opportunities.
- **Preparations for CSRD**, the EU's new sustainability reporting regulation, which is the most comprehensive regulatory change affecting ADDvise's sustainability work. The CSRD also includes the mandatory accounting standards ESRS (European Sustainability Reporting Standards) and accounting requirements under the EU taxonomy for sustainable financing.
- Gradual development of the necessary **policies, guidelines, procedures, and action plans** that consolidate the work intended to achieve the Group's overall sustainability goals.
- To continue the task of developing the **ADDvise Academy** and supporting the subsidiaries in their ESG issues.
- **Education** of new acquisitions so that they get a clear picture of the Group's focus, policies, governance, activities, and long-term sustainability goals, as well as an understanding of how they contribute to them.

The Board of Directors and CEO hereby certify that the Sustainability Report has been prepared in accordance with Chapter 6 and Chapter 7 of the Swedish Annual Accounts Act.

Stockholm, April 2, 2024

Staffan Torstensson  
Chair of the Board

Johanne Louise  
Brændgaard  
Board Member

Fredrik Celsing  
Board Member

Anna Ljung  
Board Member

Erland Pontusson  
Board Member

Rikard Akhtarzand  
Chief Executive Officer

# Auditor's statement regarding the statutory sustainability report

To the AGM of ADDvise Group AB (publ),  
company reg. no 556363-2115.

## *Assignment and division of responsibilities*

The Board of Directors is responsible for the sustainability report for 2023 and for its preparation in accordance with the Swedish Annual Accounts Act.

## *Focus and scope of the review*

Our review has been carried out in accordance with FAR's recommendation RevR 12 Auditor's statement on the statutory sustainability report. This means that our review of the sustainability report has a different focus and a much smaller scope than the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this review provides us with sufficient basis for our opinion.

## *Opinion*

A sustainability report has been prepared.  
Stockholm, April 2, 2024  
Öhrlings PricewaterhouseCoopers AB

Johan Engstam  
Authorized Public Accountant