

Our focus on sustainability

Sustainability is a central part of AddLife's vision to improve people's life by being a leading, value-creating player in Life Sciences. Integrating responsible business practices is an essential part of how we do business, and how we deliver business value. We address our impacts in relationships throughout the value chain, as producer and distributor, as an employer as well as in our role as a market participant.



Increased healthcare needs and costs for a growing and aging population will lead to changes in healthcare. Connected devices, advancements in data analysis, and artificial intelligence will support the transition from acute treatment to lifelong wellbeing and early diagnosis. Transparency regarding human rights, working conditions, and business ethics of suppliers and business partners are increasingly becoming fundamental criteria for our stakeholders. At the same time, all sectors of society must contribute to solving the challenges of climate change and resource scarcity.

We aim to be flexible and agile in responding to changing expectations to continue delivering our vision. Sustainability is a central part of our vision to improve people's lives and therefore an integrated part of the long-term strategy of the business. We are committed to making a positive impact on the world through our products and services.

Each subsidiary is responsible for its own business operations within the framework of the growth, profitability, and sustainable development requirements set by the group. Our decentralized model, with about 85 operational units, more than 4,000 product suppliers, and many more product categories, also means complexity. Local responsibility and entrepreneurship, combined with a wide variation in the size and focus of the companies, make it challenging to have a uniform model that fits all companies. Thus, our sustainability work is integrated within the different parts of the group and is adapted on a case-by-case basis.

Based on our value chain and stakeholder dialogues, we have identified three sustainability areas where we as a group can primarily contribute to a long-term sustainable society. We have also identified specific goals and key figures linked to these areas.

Our sustainability goals

1. Sustainable solutions - Driver of climate smart offering
2. Sustainable culture - Attractive employer and business partner
3. Sustainable growth - Responsible market participant

Our emissions

Approximately 80 percent of our net sales is generated from our role as a distributor. Procurement of raw materials and production mainly occur with third-party suppliers. Therefore, our environmental impact is mainly indirect. We collaborate with suppliers that have production facilities all over the world. Through well-established relationships with these partners, we aim to influence areas such as material selection, product development, logistics and efficient production, human rights,

working conditions, and business ethics. We monitor risks by evaluating suppliers and trying to initiate change through close dialogue.

In our role as a producer, which accounts for approximately 20 percent of revenue, we can have greater control over the supply chain, production processes, and material selection.

The majority of our emissions are indirect and come from suppliers, distributors, and end customers. AddLife's direct emissions are estimated to account for only about 2% of the total emissions associated with our operations. Therefore, we engage in sustainable initiatives throughout the value chain to minimize the negative impact our operations have on the environment.



Illustrative example

Scope 1 emissions refer to direct emissions that arise from sources controlled by the group, primarily refer to emissions from own and leased vehicles.

Scope 2 emissions include indirect emissions that arise from the production of the energy that the group purchases and uses, for example emissions from electricity production that is used to run the group's facilities.

Scope 3 emissions include all other indirect emissions that occur in the group's value chain, including, for example, emissions from transport of raw materials and products, external production and waste management.

ACTIVITIES COMPLETED DURING 2022

- Launched new sustainability strategy based on the 2021 materiality analysis
- Implementation of management and reporting system for sustainability throughout the group
- Implemented new code of conduct including digital training for all employees
- Developed a joint evaluation model of suppliers' sustainability
- Implemented whistleblower function and carried out activities to increase awareness around this
- Increased focus on sustainability issues in acquisition and investment processes
- Increased focus on sustainability issues in the budget process for all companies
- Increased number of ISO certifications
- Implementation of green car policy

OUTLOOK 2023

- Include sustainability targets in variable compensation
- Recurrent training in the code of conduct
- Evaluation of supply chain management systems
- Mapping of Scope 3 emissions
- Sign commitment on Science Based Targets Initiatives

Governance

As a signatory to the UN's Global Compact, we actively support human rights and conduct our business in a manner that is socially responsible and consistent with the principles of the Global Compact, the International Bill of Human Rights, the ILO's Core Conventions and the OECD's Guidelines for Multinational Enterprises.

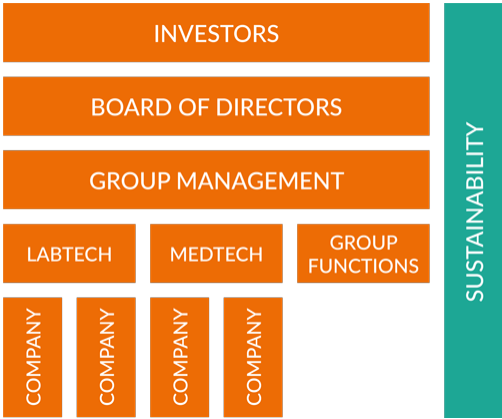
AddLife is less exposed to direct non-financial risks in product development and production because of the low percentage of in-house manufacturing. However, the group faces risks when it comes to managing suppliers' purchases and their operations. We also have certain responsibility for the products sold on the market. When it comes to environmental risks, our direct impact is limited upstream and managed through dialogue, influence and choice of suppliers. Logistics is a priority area for future assessment of indirect impact.

AddLife has a common group strategy for governance through our values and culture.

Our business model encourages a mixed model of central and local management of sustainability risks and opportunities, often by policies and management systems where effectiveness is monitored through different activities.

Each subsidiary is responsible for its own business activities within the context of the requirements for growth, profitability and sustainable development as set by the Group. Our decentralized model, which is part of our DNA, also entails complexity. Local responsibility and entrepreneurship, combined with a wide range of company sizes makes it challenging to have a "one size fits all" model. Thus, rather than having an independent sustainability function, our sustainability approach is integrated across the different group elements and requires to be adapted case-by-case.

Our operations are subject to external review and monitoring by the Swedish Financial Supervisory Authority and Nasdaq Stockholm.



Focus area	Target	Risk covered	Policy & management systems	Monitoring effectiveness
Environmental risks in operations	Sustainable solutions	<ul style="list-style-type: none"> - Emissions - Hazardous waste - Packaging 	<ul style="list-style-type: none"> - Local environmental policies - Local sustainability strategies - Green car policy - ISO 14001 (52% of operational companies) 	<ul style="list-style-type: none"> - Central sustainability report system
Product safety	Sustainable solutions	<ul style="list-style-type: none"> - Incorrect instrument results - Incorrect product use, impacting patient or professionals health - Incorrect or lack of required product certifications 	<ul style="list-style-type: none"> - ISO 9001 - ISO 13485 - 87% of operating companies have one or both - Certifications (CE, MDD/MDR, IVDD/IVDR) 	<ul style="list-style-type: none"> - System of Field Safety Notices - Field Safety Corrective Actions - Whistleblower function
Product lifecycle	Sustainable solutions	<ul style="list-style-type: none"> - Single-use products - Waste - Premature disposal of instruments and products 	<ul style="list-style-type: none"> - Instrument maintenance extends product life span - Local reuse and recycling procedures - Local refurbishment business 	n/a
Occupational health and safety	Sustainable culture	<ul style="list-style-type: none"> - Employee health, safety and well-being - Workplace accidents - Psycho-social work environment 	<ul style="list-style-type: none"> - ISO 45001 - Occupational health and safety procedures - Evaluation of risks 	<ul style="list-style-type: none"> - Annual employee survey - External audits - Whistleblower function
Talent management	Sustainable culture	<ul style="list-style-type: none"> - Recruitment and retention 	<ul style="list-style-type: none"> - Incentive programs - Annual appraisal meeting (73% of all employees) - AddLife Academy 	<ul style="list-style-type: none"> - Annual employee survey - Central representation in subsidiary boards
Ethical business practices	Sustainable culture	<ul style="list-style-type: none"> - Human and labor rights - Discrimination - Corruption and bribery - Third-party misconduct - Export controls/ Trade sanctions 	<ul style="list-style-type: none"> - Code of Conduct - Supplier and customer agreements - Insider trading policy - Local policies and regulations - Insider log 	<ul style="list-style-type: none"> - Whistleblower function - Supplier evaluations - External audits - Central review: Companies' internal control - M&A: DD and target background check
Long-term growth	Sustainable growth	<ul style="list-style-type: none"> - Short term focus overrules strategy, vision and long-term profitability 	<ul style="list-style-type: none"> - Dividend policy - Company target processes 	<ul style="list-style-type: none"> - Sustainability report - Materiality assessment and stakeholder dialogue

Focus on the essential

The materiality assessment provides guidance in the choice of content in this sustainability report, the strategic direction and how to integrate sustainability throughout AddLife's business.

Materiality is the point at which a sustainability topic becomes relevant to the ability to create lasting value. In 2021, a future-focused assessment to see how priorities are evolving was conducted. The assessment allows better understanding of expectations from customers, employees, investors, suppliers and society, how sustainability influences the strategic direction and the group's impacts on people and the planet to 2030.

AddLife's most material topics are issues that substantively:

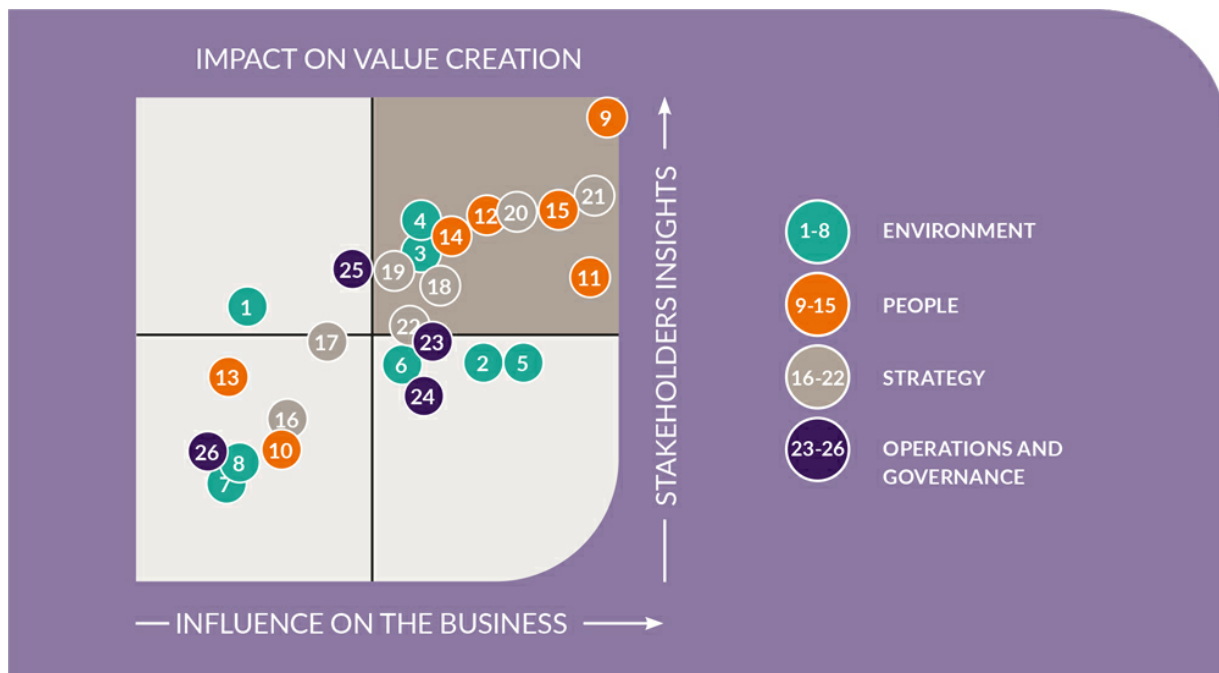
- Reflect the significant economic, environmental and social impacts
- Influence the ability to create lasting value, build trust and reduce risks
- Influence stakeholders' perception of AddLife's performance and ability to deliver value to them

The process engaged group management, internal experts, customers, suppliers, employees, investors and representatives of society and comprised of five steps:

- Navigating 2030 – Reviewed research on how the industry will be influenced by four macrotrends to 2030—Access to resources, Demographic shifts, A changing environment, and an Interconnected world.
- Internal ranking and weighting – 15 internal experts weighted and ranked 26 topics across four areas relating to environmental and people impacts, strategic imperatives and operations and governance.
- Deep-dive interviews and surveys – By combining 16 stakeholder interviews, 16 responses to customer and supplier surveys and the insights from employee survey, a validation and adjustment of the ranking and additional knowledge was added.
- Strategize – The outcome of the assessment served as foundation for our new sustainability strategy which was presented in 2022.

Our top six take-aways:

1. Sustainability is set to increase in importance, driven by investor, employee and customer expectations and changing business landscape.
2. Environment-related topics and their influence on the ability to create value are expected to increase.
3. Talent management, responsible sourcing and material traceability influence AddLife's ability to create value. Their importance to stakeholders is not as high.
4. Stakeholders hold AddLife accountable for monitoring and assessing supplier sustainability risks.
5. AddLife's purpose and ability to contribute to society are important to attracting new talent. Skills development is key to retaining and empowering talent.
6. Expectations from employees on the importance of work-life balance and well-being are high.



ENVIRONMENT

1. Energy use and efficiency
2. Climate impact along the supply chain
3. Plastics
4. Packaging
- 5. Responsible sourcing**
6. Circularity
7. Water efficiency
8. Biodiversity loss and ecosystems

PEOPLE

- 9. Product quality and service**
10. Community involvement
- 11. Talent attraction and retention**
12. Employee health and well-being
13. Occupational health & safety
14. Diversity and inclusion
- 15. Patient well-being**

STRATEGY

16. Fair pricing
17. Ethical marketing and labelling
18. Multi-stakeholder collaboration
19. Product and service innovation
- 20. Business model innovation**
- 21. Long-term growth and sustainable development**
22. Access to healthcare

OPERATIONS AND GOVERNANCE

23. Data protection and privacy
24. Human and labor rights
- 25. Ethical business practices**
26. Taxes paid

AddLife has three overarching sustainability targets.



Sustainable solutions: Driver of climate smart offering

Through high-quality products and value-creating services, combined with climate-smart solutions, we create competitive advantages that lead us forward. Targets in this area are related to encouraging internal and external dialogues and collaborations as well as evaluation of our suppliers.

Sustainable culture: Attractive employer and business partner

The commitment and well-being of our employees enables our success. We create an inclusive organization of talented and entrepreneurial colleagues, characterized by diversity. Targets in this area are related to employee satisfaction, diversity, inclusion and different employee trainings and formation.

Sustainable growth: Responsible market participant

AddLife takes advantage of its role as a market player to drive the green transition. Targets in this area are related to encouraging customer dialogues and collaborations, acquisition and investment evaluations and environmental protection goals.

Overview KPI

AREA	SUB AREA	GOAL	RESULT 2022
Sustainable solutions	Evaluation of new suppliers	100 %	79 %
Sustainable culture	Employee satisfaction	4.3	4.0
Sustainable culture	Inclusive workspace	>90 %	79 %
Sustainable culture	Gender balance in management	40/60%	34/66%
Sustainable culture	Discrimination and harassment	0 %	4 %
Sustainable culture	Gender pay gap	0 %	14 %
Sustainable culture	Incidents of corruption	0	0
Sustainable growth	Direct emissions (scope 1 & 2) in relation to net sales (SEKm)	-25 % (2025)	n/a (2022 base year: 0,50 ton/SEKm)

Driver of climate smart offering

AddLife aims to create a competitive advantage through high-quality products and value-creating services, combined with climate-smart solutions.

Our role in the value chain, primarily as a distributor, involves both close dialogue with many customers at the local level and the selection of leading global suppliers and influence on them. This is a unique opportunity to support a sustainable transition together with our partners and develop solutions that can also have a positive impact on business operations.

Each individual subsidiary is responsible for selecting its own suppliers. Evaluating new and existing suppliers is an ongoing process, and a selection criterion is that suppliers respect fundamental human rights and treat their employees in accordance with the International Labour Organization's declaration on fundamental principles and rights at work.

87% of the Group's sales are made through subsidiaries that have ISO certification for quality, ISO 9001, and 52% of sales are made through companies that have the environmental certificate ISO 14001.



New business models with reuse of products



AddLife prioritizes and invests in circular business models that extend the lifespan of products. During the year, AddLife invested in a circular business model through the acquisition of O'Flynn Medical, the market leader in medical equipment rental in the Irish market. The company's circular model extends the lifespan of the product and offers a rental option for all equipment, including cleaning and sanitation services, as well as maintenance, repairs, and inventory management.

Sustainable business practices are a part of O'Flynn Medical's daily operations, from the decontamination unit and product and logistics strategy to the paperless office philosophy. In recent years, the company has made

significant investments in building a sustainable business model.

In 2022, O'Flynn Medical was nominated for "Green Small Organization of the Year" at the Green Awards. The nomination is a recognition of the company's commitment to promote a greener, more sustainable future for Ireland. O'Flynn Medical has new solutions to launch in 2023 to further support customers with sustainable solutions.

Focus areas to meet target

Sustainability as a competitive advantage

AddLife creates competitive advantages with its high-quality products and value-creating services combined with sustainable offering. 20 percent of AddLife's revenue comes from manufacturing where we have a direct influence on the process. We encourage innovative and smart solutions to always be at the forefront and we also review current products and services to identify where changes can be made, such as material consumption, packaging, transport and recyclability.

Governance and KPIs

- Identification of climate smart solution initiatives for existing and new products which to be implemented on the local market
- Number of corrective measures for products

Partnerships

We aim to benefit healthcare systems, patients, users and healthcare employees. Partnerships are a tool for achieving these goals. By conducting dialogues with different players in the value chain we can identify which areas need improvement and push for changes in line with AddLife's long-term vision of a sustainable society.

Governance and KPIs

- Number of collaboration dialogues and initiatives with partners across the value chain

Sustainability across our supply chain

We engage in the governance of environmental and social issues throughout the supply chain. This work involves evaluation, dialogue and influencing our current suppliers as well as identifying new frontrunner alternatives. Our role in the value chain gives us a unique opportunity to support sustainable development and develop solutions with our partners to achieve a positive impact on the business.

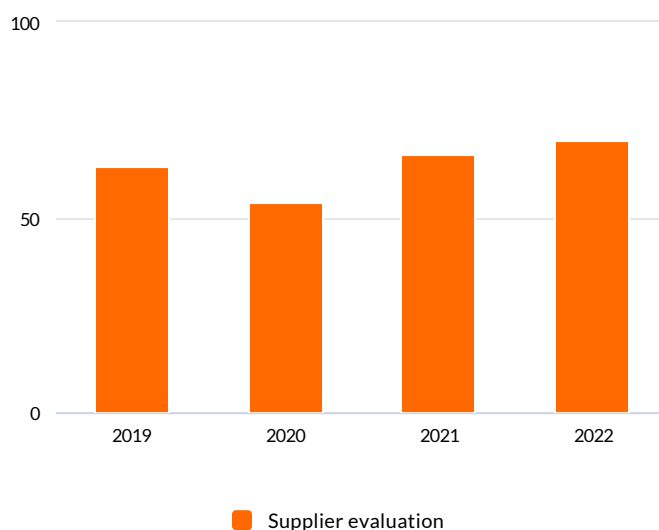
Governance and KPIs

- 100 % of suppliers evaluated according to AddLife approach
- Initiatives to reduce CO₂ across the supply chain (to be initiated)
- Share of (in relation to net sales) ISO certified companies

SHARE ISO CERTIFIED
COMPANIES

87 %

SHARE OF NEW SUPPLIERS THAT HAVE
BEEN EVALUATED



Attractive employer and business partner

AddLife's goal is to create a culture where all employees have the opportunity to thrive and develop. Our success is built on the engagement of our employees, who are driven to improve both themselves and the company they work for.

As an employer, we take responsibility for creating a safe and positive work environment, and we have a zero-tolerance policy when it comes to work-related accidents and illnesses. We value secure employment forms and individual development opportunities. We aim 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 work is our business school, AddLife Academy, where our employees receive continuous education in our corporate culture and can hone their business skills through the courses offered.



For us, high ethical standards are a given, and we value transparency and integrity. We have zero tolerance for corruption, discrimination, and other forms of behavior that are not in line with our values. Employees should be given equal opportunities regardless of gender, age, ethnic or national origin, religion, sexual orientation, or disabilities.

In 2022, we launched an updated code of conduct aimed at our employees, which supports the UN Global Compact, ILO core conventions, and OECD guidelines for multinational companies. All employees are trained in this code through our new digital education system in AddLife Academy. As an employee, one has a duty to live up to the code of conduct and reflect it in their work and relationships with colleagues and surroundings.

We conduct employee surveys to identify areas for improvement throughout the group. In this year's survey, 86% responded, compared to 84% (2021) and 85% (2020). The results for each subsidiary are communicated at the company level, with improvement-oriented follow-up activities based on outcomes. In the same survey, we also follow up on the employee index, which measures the working environment with respect to health, safety, and well-being.

Focus areas to meet target

Personal development

AddLife's ambition is to maintain and strengthen the entrepreneurial culture, which, in addition to contributing to our success, also means that our employees have freedom with responsibility and the opportunity to develop skills and careers. Within AddLife Academy, we provide digital and physical education on topics that our employees should know and apply in their daily work. It is also a platform for networking between employees from different companies and countries. Some of AddLife's subsidiaries also have complementary training initiatives regarding products, services, or specific local regulations.

Governance and KPIs

- 90% of employees taking part of AddLife Academy sustainability training
- Average corporate learning time per employee
- Number of employees participating in AddLife Academy

LEARNING
TIME PER
EMPLOYEE

7 h

PARTICIPANTS IN ADDLIFE
ACADEMY

1,550

Diversity and inclusion

Employees must be given equal opportunities regardless of gender, age, ethnic or national affiliation, religion, sexual orientation or disability. The employee survey is, among other things, used to ensure that any discrimination is detected and remedied. In addition, we have developed a whistleblowing channel that facilitates the reporting of suspected discrimination.

Governance and KPIs

- Employee satisfaction 4.3 out of 5.0
- Share of employees that have experienced discrimination and/or harassment

EMPLOYEE
SATISFACTION

4.00

Goal	2022	2021	2020
4.30	4.00	3.90	4.04

DISCRIMINATION
& HARASSMENT

4 %

Goal	2022	2021	2020
0	4%	4%	4%

- 40/60% gender-balanced representation in management and senior positions



43/57 %

ALL EMPLOYEES

34/66 %

LOCAL
MANAGEMENT GROUPS

WOMEN/MEN

40/60 %

GROUP
MANAGEMENT

50/50 %

ADDLIFE
BOARD

- 100% of managers taking part of AddLife Academy leadership
- Gender pay gap
- Share of employees that consider AddLife to be an inclusive workplace

GENDER
PAY GAP

14 %

INCLUSIVE
WORKPLACE

79 %

Business ethics

We create a sustainable supply chain by ensuring that ethical guidelines and national and international laws and regulations are followed. Furthermore, our zero tolerance towards corruption, bribery and unfair anti-competitive measures is a central part of our corporate culture. This is our commitment to society and the people whose lives we strive to improve. 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 partner relationships. We strive for all our employees to know and follow our code of conduct.

Ambition

- 100% of employees completing AddLife's Code of Conduct training

Governance and KPIs

- Number of reports in whistleblowing channel
- Incidents of corruption

COMPLAINTS THROUGH
WHISTLEBLOWER
CHANNEL

2

INCIDENTS OF
CORRUPTION

0

AddLife Academy

Competence development and corporate culture

AddLife's most important resource is its employees, and through our academy, AddLife Academy, we ensure their development and establish a common culture. The academy is central to our success and ensures a focus on our financial goals.

In 2022, 1,550 employees participated in instructor-led training within AddLife Academy. The average training time per employee was 7 hours, excluding local training in each company. Among other things, we have trained 115 leaders through our leadership program and 225 salespeople have participated in our sales training. Since its inception in 2016, 4,775 employees have participated in AddLife Academy.

The foundation of AddLife Academy is "Vision & Corporate Philosophy", a standardized training that all our employees, regardless of role, participate in. The course provides an introduction to AddLife, our common values, our code of conduct, and the basic requirements for growth, profitability, and sustainable development.

AddLife Academy also offers niche training for different roles, where we offer tools and knowledge exchange to support our employees' development and success. These are carried out with colleagues from across the group and also aim to build networks and share knowledge and experiences:

- Leadership program
- Effective sales 1
- Effective sales 2
- Soft selling
- Negotiating skills
- Public procurement
- Digital customer meetings
- Presentation skills

AddLife Academy also carries out customized projects based on the companies' needs. Examples of projects in 2022 include customer service training and coaching of management teams. The academy is also a flexible tool for AddLife with the aim of responding to changes in the external environment. During the year, 550 salespeople participated in training on pricing to address risks in a market with significant disruptions in supply chains. In finance, marketing, and HR, we have also held conferences where we gather employees from across the group with a focus on developing their respective roles and utilizing the strength within the group. We have also established cross-group networks within these groups to strengthen collaboration and knowledge exchange between the companies.

The combination of standardized and customized training provides a unique added value. In addition to these corporate training programs within AddLife Academy, most subsidiaries also offer local training for employees based on their business context. In the last quarter of 2022, AddLife implemented a digital training platform (Learning Management System "LMS"). In the future, we intend to use a combination of e-learning, digital seminars, and physical training to increase the offering and thus the total learning. In 2023, we will increase the focus on common and faster learning and also establish more networks for different roles.



Responsible market participant

For AddLife, growth and sustainability are intertwined. Without making the business more efficient from an economic and societal perspective, long-term profitability will not be achieved. We therefore work to promote new initiatives that benefit both the planet and our growth.



New materials with sustainable attributes

At AddLife, we engage in dialogues with business partners with a focus on sustainable offerings for the healthcare sector. Our sustainability efforts influence our supplier choices and our own manufacturing processes.

Our subsidiary, Mediplast, has been producing bandages in Denmark for 45 years. Over the past seven years, the focus has been on innovations to promote ecological sustainability. In 2022, Mediplast launched products that introduced bamboo materials into their range of bandages, a step towards becoming a more sustainable supplier. Bamboo is a sustainable, natural, and renewable material that also has antibacterial properties. There are several advantages that make bamboo a sustainable solution; it requires no irrigation, is grown with little or no pesticides or chemical fertilizers, and produces more oxygen than an equivalent stand of trees, which contributes positively to the balance between oxygen and carbon dioxide in the atmosphere. Mediplast delivers a wide range of sustainable bamboo bandages globally and is currently the only manufacturer in the world producing this type of bamboo bandage.



Focus areas to meet target

We support customer's sustainability work

At AddLife, we believe that all market players have a responsibility to act based on a sustainable approach regarding environmental, social and governance issues. We therefore want to support our customers' development of sustainable procurement processes. This is achieved, among other things, by having open dialogues with different customers to showcase and benchmark different available approaches and ideas.

Governance and KPIs

- Number of sustainable procurement dialogues with customers

Sustainability through acquisition and investment processes

Another important part of securing sustainable growth is including the possible sustainability impact of acquisitions and investments. We have developed criteria to evaluate acquisitions and larger investments from a sustainability perspective which ensure that new companies and investments fit our targets.

Governance and KPIs

- 100% of new acquisitions evaluated according to AddLife criteria (to be implemented)

Long-term growth combined with environment protection

The climate is the biggest challenge of our time. At AddLife, we do not see profitability and sustainability as two separate goals; we combine long-term growth with goals to protect the environment. We believe that everyone in society must contribute to reduced emissions and we have therefore developed goals to reduce our negative impact.

Emissions 2022

- Scope 1: 3,966 ton
- Scope 2: 514 ton

SCOPE 1 & 2 EMISSIONS*

0,50 ton / SEKm

*In relation to net sales, the calculation excludes companies acquired by AddLife after January 31 2022.

Ambition

- Carbon neutral in our operations by 2030
- Commit to the Science Based Target Initiative

Governance and KPIs

- Reduction of 25% of CO₂ in relation to net sales in our direct operations
- Reduction of CO₂ in scope 3 through an activity-based approach



The UN's Sustainable Development Goals (SDGs) are a 17-point plan up to 2030, for ending extreme poverty, fighting inequality and injustice and protecting the planet. Achieving these global goals requires significant effort at all levels of society, not least in business, which has a critical role to play as a change agent. Based on our materiality assessment and stakeholder dialogue, we have identified three areas where we can contribute most to the SDGs.



3. Good Health and Well-being

3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.

3.B Support the research and development of vaccines and medicines for the communicable and noncommunicable diseases, provide access to affordable essential medicines and vaccines, and provide access to medicines for all.

8. Decent Work and Economic Growth

8.3 Promote decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

8.4 Improve resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation.

12. Responsible Consumption and Production

12.2 By 2030, achieve the sustainable management and efficient use of natural resources.

12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities.

SUSTAINABILITY REPORT 2022

AddLife has prepared a sustainability report for the 2022 financial year that covers the parent company AddLife AB (publ) company ID no. 556995-8126 and its 103 subsidiaries. The board of directors approved the sustainability report at the same time that it signed the 2022 annual report. No standard template for sustainability reporting has been applied in full. 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. [AddLife's business model](#) and [Strategy for sustainable growth](#) for sustainable growth can be found on pages 6-8 in the printed annual report. Pages 6-8 and 27-44 comprise AddLife's statutory sustainability report.

EU Taxonomy report 2022

This is AddLife's EU Taxonomy Report, based on EU regulations to establish a framework that facilitates sustainable investment ("EU taxonomy"). The aim of the EU taxonomy is to establish common definitions for and reporting about which economic activities are in line with the EU's 2030 Sustainable Development Goals. The EU taxonomy describes which sectors should report, which economic activities "should be covered by the taxonomy" (within its scope) and which business operations meet the technical review criteria to be "compliant with the taxonomy requirements" in accordance with EU goals. AddLife's business operations are mainly associated with economic activities that are not currently covered by the EU Taxonomy Regulation.

Net sales			Meeting substantial contribution criteria	Meeting do no significant harm criteria								
	Activity code	2022	Share of net sales	Climate change mitigation Climate change adaptation Water and marine resources Circular economy Pollution Biodiversity and ecosystems	YES/NO	Minimum social safeguards Biodiversity and ecosystems Pollution Circular economy Water and marine resources Climate change adaptation Climate change mitigation	2022	2021	Enabling or transitional activity Taxonomy aligned (%) part of net sales			
										SEKm	%	%
A. TAXONOMY ELIGIBLE ACTIVITIES												
Aligned activities												
-			0	-	-	-	-	-	-			
Total aligned activities			0	-	-	-	-	-	-			
Not aligned activities												
-			0	-	-	-	-	-	-			
Total not aligned activities			0	-	-	-	-	-	-			
Total eligible activities			0	-	-	-	-	-	-			
B. TAXONOMY NON-ELIGIBLE ACTIVITIES												
Non-eligible activities			100	9,084	-	-	-	-	-			
TOTAL (A+B)			100	9,084	-	-	-	-	-			

Capex			Meeting substantial contribution criteria	Meeting do no significant harm criteria								
	Activity code	2022	Share of capex	Climate change mitigation Climate change adaptation Water and marine resources Circular economy Pollution Biodiversity and ecosystems	YES/NO	Minimum social safeguards Biodiversity and ecosystems Pollution Circular economy Water and marine resources Climate change adaptation Climate change mitigation	2022	2021	Enabling or transitional activity Taxonomy aligned (%) part of capex			
										SEKm	%	%
A. TAXONOMY ELIGIBLE ACTIVITIES												
Aligned activities												
-			0	-	-	-	-	-	-			
Total aligned activities			0	-	-	-	-	-	-			
Not aligned activities												
-			0	-	-	-	-	-	-			
Total not aligned activities			0	-	-	-	-	-	-			
Total eligible activities			0	-	-	-	-	-	-			
B. TAXONOMY NON-ELIGIBLE ACTIVITIES												
Non-eligible activities			100	1,036	-	-	-	-	-			
TOTAL (A+B)			100	1,036	-	-	-	-	-			

Opex			Meeting substantial contribution criteria		Meeting do no significant harm criteria												
	Activity code	2022	Share of opex	Climate change mitigation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Taxonomy aligned (%) part of opex		Enabling or transitional activity
															SEKm	%	
A. TAXONOMY ELIGIBLE ACTIVITIES																	
Aligned activities																	
-			-	0	-	-	-	-	-	-	-	-	-	-	-	-	-
Total aligned activities			-	0	-	-	-	-	-	-	-	-	-	-	-	-	-
Not aligned activities																	
-			-	0	-	-	-	-	-	-	-	-	-	-	-	-	-
Total not aligned activities			-	0	-	-	-	-	-	-	-	-	-	-	-	-	-
Total eligible activities			-	0	-	-	-	-	-	-	-	-	-	-	-	-	-
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																	
Non-eligible activities			81	100	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL (A+B)			81	100	-	-	-	-	-	-	-	-	-	-	-	-	-

Accounting principles

The proportion of the business operations that are environmentally sustainable according to the EU Taxonomy Regulation should be reported using three financial ratios. To calculate the three ratios, net sales, capital expenditure (capex) and operating expenditure (opex) have to be identified according to the taxonomy.

Net sales

Net sales is the part of the net sales derived from products or services

Capital expenditure

The reporting of total capital expenditure refers to additions to tangible assets during the year before depreciation, write-ups and write-downs, and excluding changes in fair value. Tangible assets arising from business combinations are also included. See [Notes 15](#) and [16](#).

Operating expenditure

In the context of the EU taxonomy and the Regulation, operating expenditure is defined as direct non-capitalised expenditure relating to research and development (R&D), building renovation activities, short-term leases, maintenance and repairs, and direct costs related to the day-to-day maintenance of assets, i.e. not the total operating costs, but only costs relating to the maintenance of the assets. Only R&D, repairs and maintenance are included in this report, as all other areas are considered to be insignificant.