

*From innovation  
to excellence - moving  
forward together*



**SUSTAINABILITY REPORT**

20  
19

CONTENTS

The Year in Brief	1
This is Elos Medtech	3
Objectives and Strategy	4
Sustainability Risks	6
Stakeholder Dialogue	7
Materiality Assessment	8
Auditor's Report	9
Elos Medtech Cares	10
Care for Our Business	12
Care for Our People	14
Care for Our Responsibilities	16
Index	18

ABOUT THE SUSTAINABILITY REPORT

This statutory sustainability report has been approved by Elos Medtech's Board of Directors in accordance with the Swedish Annual Accounts Act and is separate from Elos Medtech's annual report. The sustainability report for 2019 pertains to the entire Group, unless otherwise stated.

Elos Medtech's business model can be found on page 3 and its sustainability risks on page 6. Detailed information regarding Elos Medtech's performance in environmental, social & compliance-related aspects can be found on pages 18-21.

The auditor's report on the statutory sustainability report can be found on page 9. Please refer to the inside cover for further information.



Injection molding machine.

## Significant Sustainability Highlights

- Net sales amounted to MSEK 689.4, a sales growth of 6.9%
- Operating profit amounted to MSEK 65.3, an increase in the operating margin to 9.5%
- All employees have undergone training in compliance and our values
- 80 new hires, of whom 27 were women and 53 men
- Water consumption decreased by 36%
- Significant reduction of scrap rate
- Reduction in energy and greenhouse gas intensity
- Modernized the Timmersdala site together with the workforce

5.4%

Share of investment budget spent on projects improving our environmental performance.

61%

Renewable energy

CO<sub>2</sub> Emissions



- From energy consumption to maintain production and facilities
- From transportation of materials, products, and scrap
- From employees travelling

CEO COMMENTS: ELOS MEDTECH CARES



CEO Jan Wahlström

>> Care is a strategic concept as we aim at fulfilling our sustainability goals within our focus areas: Care for our Business, Care for our People, and Care for our Responsibility. During the year, we achieved our goal of a scrap rate below 5 percent. We have also succeeded in reducing energy consumption and we investigate using renewable energy where possible. Our sustainability work in China took a step forward in 2019. A new water purification system was put into full operation, resulting in significantly reduced water consumption.

We continued to work on anchoring vision and core values internally. This journey will gain further momentum in 2020 with priority on our most important resource – our employees. While the completion of our new site in Memphis and the validation of machines for new customer projects have required significant input of labor, we expect it to be fully operational in the second half of 2020. To meet market demand for our contract manufacturing services in Life Science and our polymer business, we have initiated an expansion of our site in Skara.





Dental prosthetics in final control.

## THIS IS ELOS MEDTECH

Developing and manufacturing medical devices comes with great responsibility. Patients trust the tools to treat them, and the designers of those tools put their trust in us. We earn that trust by focusing on what we do better than anyone else.

State of the art equipment, capabilities, and processes set Elos Medtech apart, but the more important difference is our people. At every level we thrive on new challenges, we always look for ways to add value, and we collaborate seamlessly with each other and with our customers.

### Value Creation by Complete Performance™

Elos Medtech's business model is based on great experience and attained expertise in medical technology. With in-depth knowledge in technical innovation and contract manufacturing, combined with the experience of developing our own products, we create added value for our customers. Our aim is to increase quality of life worldwide in partnership with our customers. We also create value through a safe and stable workplace, where employees are encouraged in personal development. Investments are continuously made in technology and competencies to ensure future competitiveness.

### Environmental Policy

Elos Medtech believe that we have a responsibility to care for and protect the environment in which we operate. We are fully committed to improving environmental performance across all of our business activities, and will encourage our business partners to join us in this effort.

Elos Medtech recognizes our key impacts related to waste generation, emissions to air & water, transport, as well as use of energy, raw material and water.

We will strive to:

- Meet and exceed all applicable environmental legislative requirements
- Minimize waste through careful and efficient use of all materials and energy
- Measure our business/operations impact on the environment and set targets for continuous improvement
- Train employees in good environmental practice and encourage employee involvement in environmental action

Elos Medtech Management is responsible for the environmental work.

### ELOS MEDTECH'S SUSTAINABILITY GOALS 2020

- Improve evaluation regarding sustainability of our critical suppliers
- Secure sustainable investments corresponding to at least 5 percent of the agreed investment spend and aim for/to decrease in our environmental footprint
- Increase the response rate to 80 percent in the Employee Engagement Survey
- Increase awareness by internal campaigns on how to live more sustainable
- Compensate our CO<sub>2</sub> footprint through certificates where a change to renewable energy is not possible. Goal: reach Scandinavian level or less at all sites
- Reduce scrap rate to 2.8 percent or below end of 2020
- Report water consumption on a regular basis in water stressed areas and set a goal

# Objectives and Strategy

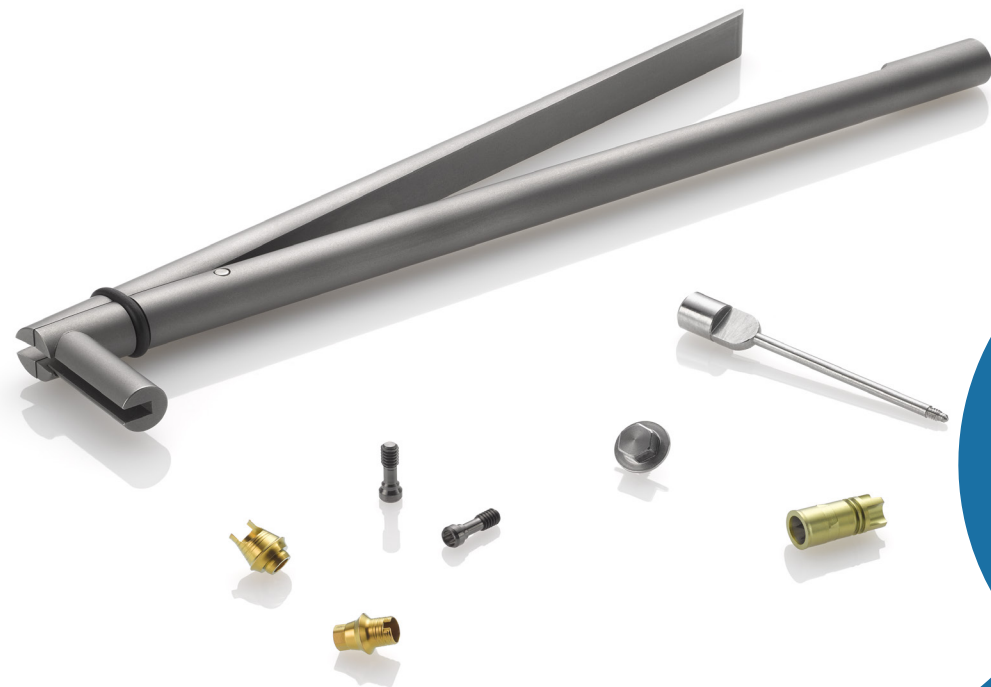
Our strategy is based on an increased focus on selected markets and a greater degree of specialization and expertise in our competence areas. Through a stronger offering, we achieve our strategic goals of a more direct positioning and continued increased profitable growth.

**Vision:** Transforming medical technology and advancing quality of life worldwide.

**Mission:** In partnership with our customers, we provide sustainable, innovative products and supply solutions for the global medical device market. Building profitable, long-term partnerships and striving for excellence in everything we do, our goal is to help people to live rich, active and fulfilling lives.

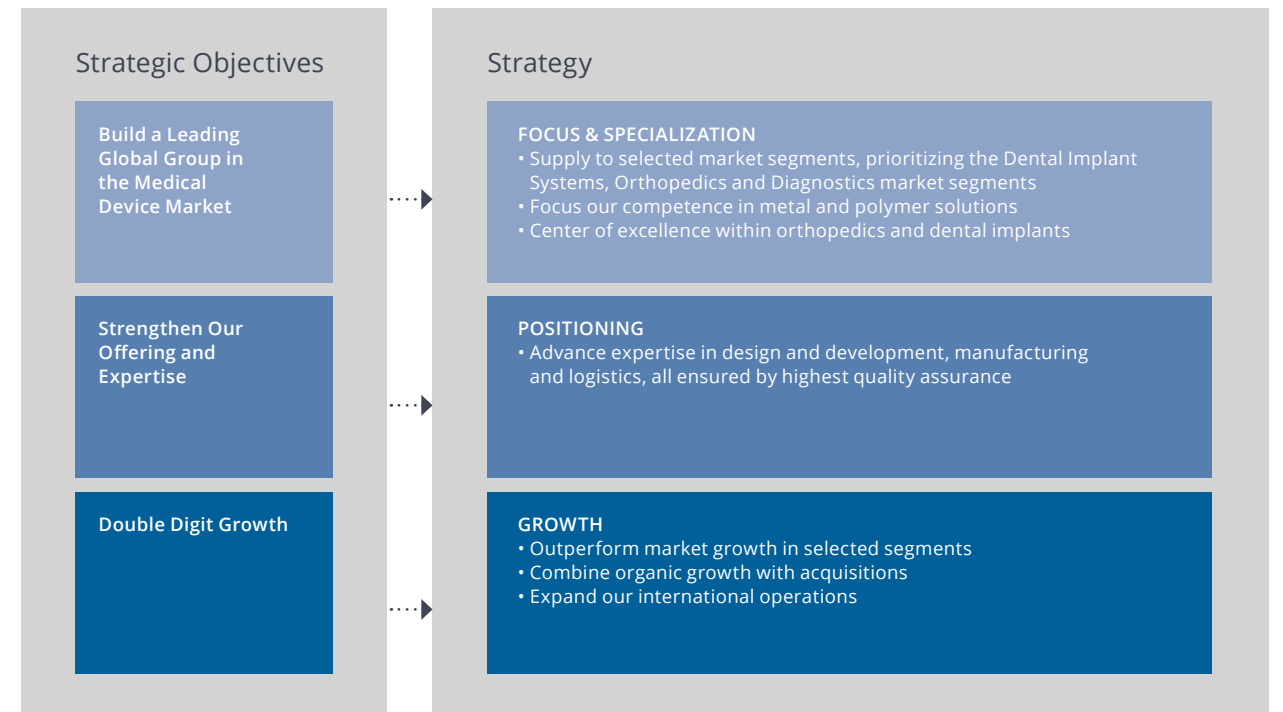
**Value based culture:** Our culture is value-based, customer-centric, process-oriented, and results-driven. Our three core values serve as a compass for what we collectively believe in and continuously guide our work and behaviors.

- **Passionate.** We are committed, determined and dedicated. With a positive attitude, we drive our development forward and find solutions.
- **Trustworthy.** We are open and honest. We take responsibility for our actions and products and keep our promises.
- **Result-oriented.** By taking initiative and wanting to win, we achieve the targets that create trust and value for patients and customers.



Elos Accurate® dental products

*Vision: Transforming medical technology and advancing quality of life worldwide*



Financial Longterm Goals		
	Goal	2019
Organic growth rate, %	>10	6.9
EBIT, %	>13	9.5
Share of own products, %	>13	9.9
Sales incl. acquisitions, MSEK	1,000	689.4

Sustainability Goals 2019		2019
Inform all critical suppliers about our Code of Conduct		✓
Secure sustainable investments corresponding to at least 5 percent of the agreed investment budget		✓
Increase the response rate to 80% in the Employee Engagement Survey		✓
Up to 10 employees will be given the opportunity to spend at minimum 1 month on another site/country		✓
Investigate opportunities to reduce energy consumption in relative terms and to increase awareness and use of renewable energy		✓
Achieve a scrap rate of 5 percent during 2019		✓
✓ Completed		

# Sustainability Risks

As a global company offering medical devices to many leading medical companies, we constantly have to manage our risk exposure. We do this by continuously assessing and managing the risks in our operations. This year we have once again reviewed the risks relating to sustainability, and we conclude that there have been no substantial changes during 2019.

Elos Medtech's risk management program is an essential element of our strategic planning. Overall, the goal of our risk management program is to take a proactive and structured approach to manage negative outcomes, respond to them if they occur, and identify potential opportunities that may be hidden in the situation.

We continuously evaluate current risks and their control measures to ensure that we are prepared to adequately manage upcoming risks. Management of these areas is covered in established procedures, at business reviews and management meetings.

Potential sources of risk include the following: commercial relationships and obligations, legal expectations and liabilities, technological innovations and disruption, political changes and trends, natural events and forces, environmental impact, human error and deficiencies. However, based on the materiality assessment Elos Medtech has concluded four areas with the greatest sustainability risks connected to our business activities:

### Environment

Our environmental risks are related to material consumption/scraping of raw materials, waste water generation, energy consumption and greenhouse gas emissions from transportation.

All business units running production comply with applicable environmental protection legislation. Environmental issues and risks are considered alongside all our

business decisions, from new product design and development, to manufacturing and distribution. The environmental impact assessment has been completed and identified.

### Employees

Risks to employee health and safety is primarily related to the working environment in our production facilities.

Our preventive health and safety measures are executed through a systematic approach. We identify risks and the causes of incidents and accidents and take appropriate action through technical improvements and training. Formal safety committees are in place at all operating units, covering all employees. Regular safety inspections and safety and fire prevention trainingsessions are conducted at all operating units.

Motivated and competent employees are a crucial factor for Elos Medtech to reach our goals and we therefore consider this as a risk. We regularly arrange trainingsessions and annual performance reviews to unlock our employees' potential.

### Human Rights

The risk of infringement of human rights at the Group's companies could damage both the Group's reputation and its business operations.

All operations have been assessed for human rights where policies, procedures and performance have been considered.

Regular business reviews are conducted with each business center by the CEO and CFO, who physically visits the centers several times a year and monitors procedures ensuring that aspects of human rights and performance are accordingly followed up.

### Social Aspects

The risk related to social aspects varies between our business centres, as well as the underlying factors.

Internal audits of financial subjects (wages, employees' benefits etc.), as well as social subjects (working conditions, emergency preparedness etc.) are performed at regular intervals.

Diversity is an important competitive advantage in the global environment in which we are active. Elos Medtech strives to establish a business with extensive expertise and experience in creating an organization that develops the company towards our strategic goals. We describe how we handle diversity, in the Code of Conduct.

### Anti-corruption

There are no known cases of any corruption or bribes during 2019.

Assessments of risks related to corruption and anti-competitive behavior are performed yearly. The risk assessment performed in 2019 showed no material risks related to corruption or anti-competitive behavior. Therefore, Elos Medtech does not deem corruption to constitute a material sustainability aspect.

# Stakeholder Dialogue

By engaging in stakeholder dialogues, Elos Medtech aims to create value for its stakeholders.

Elos Medtech maintains a dialogue with key stakeholders. The key stakeholders are: employees, board and owners, customers, suppliers, society, in general and schools and universities (future employees).

In early 2017, Elos Medtech's Sustainability Project Group held meetings to plan how the dialogue with the various stakeholder groups should be conducted going forward. During 2019, Elos Medtech has continued to uphold an ongoing dialogue

with its stakeholders through different channels.

The aim is to build long-term relationships, increase understanding of what is important for stakeholders and continually improve the company's sustainability efforts.



Stakeholder Group	Dialogue	Stakeholder Expectations
Employees	Workplace meetings Town hall meeting Employee surveys Performance reviews Safe workplace coordinating councils (SAM) Management meetings Business risk analysis, SWOT	Competence development (training and education) Customer satisfaction Environmental engagement Leadership – strategy (strategic platform) Ethics and compliance
Board and owners	Board meetings Personnel surveys – interviews Annual general meeting Business risk assessment	Sustainability reporting – environmental engagement Strategic platform Policies – Code of Conduct Ethics and compliance Human rights Long-term profitability Customer satisfaction (sustainable customer solutions)
Customers	Business reviews Conferences – exhibitions Customer surveys Audits	Product quality and safety Compliance – quality management Business continuity plan Supplier management Product performance and excellence Market presence
Suppliers	Audits Qualification questionnaires	Business continuity plan Environmental engagement
Society in general	Local communities – study visits	Human rights Investments for sustainable solutions Environmental engagement
Schools, universities – future employees	Meetings Networking Study visits – lectures University teacher at local apprenticeship	Sponsoring of local education programs Career opportunities Diversity Sustainability reporting



# Materiality Assessment

By conducting a materiality assessment, Elos Medtech has defined its most important sustainability topics.

Elos Medtech has conducted a comprehensive materiality analysis to define our key sustainability aspects. The analysis was based on the conclusions from dialogues, identified external trends, Elos Medtech's strategy, SWOT analyses, risks and oppor-

tunities assessments, as well as sustainability frameworks such as Global Reporting Initiative and the UN Global Compact. The analysis was conducted by our Sustainability Project Group in 2016 and 2017. It is

evaluated annually, and thus an evaluation has been performed during 2019.

The materiality assessment resulted in a list of eleven material aspects which are presented below, together with an illustration showing where in our value chain the impact occurs.

	Suppliers	Elos Medtech	Customers and Consumers
<b>Care for our Business</b>			
Customer satisfaction		●	●
Product performance and excellence	●	●	●
Investments in sustainable solutions	Could be affected, such as service providers for waste handling	●	
<b>Care for our People</b>			
Empowering people		●	
Healthy and safe workplace		●	
Promote favorable labor practices and diversity including human rights	●	●	
<b>Care for our Responsibilities</b>			
Ethics and compliance	●	●	●
Energy management		●	
Emissions to air	●	●	
Water management	●	●	
Waste management	●	●	

For more detailed information regarding our sustainability performance, see page 18-20

# About the Sustainability Report

This is Elos Medtech's second sustainability report. It has been prepared in accordance with the stipulations in the Swedish Annual Accounts Act referring to sustainability reporting. This sustainability report also references GRI 103: Management Approach 2016.

In conjunction with the GRI Standard, we have applied the ISO 26000 guidance standard which provides a practical set of tools to measure and report on our social responsibility issues and practices.

ISO 26000 offers guidance and recommendations on how to structure, evaluate, and improve social responsibility, including stakeholder relationships, and community impacts.

We welcome your feedback on our report! Should you have any questions or comments, please contact Malin Gustavsson, Group Marketing Director, malin.gustavsson@elosmedtech.com.

Gothenburg, March 31, 2020

Yvonne Mårtensson  
*Chairman of the Board of Directors*

Hanna Ernestam Wilkman  
*Board member*

Jeppe Magnusson  
*Board member*

Jon Risfelt  
*Board member*

Claes Hansson  
*Board member*

Anders Birgersson  
*Board member*

Jan Wahlström  
*Chief Executive Officer*

# Auditor's Report on the Statutory Sustainability Report

To the general meeting of the shareholders in Elos Medtech AB (publ), corporate identity number 556021-9650

## Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2019 and that it has been prepared in accordance with the Annual Accounts Act.

the examination has provided us with sufficient basis for our opinion.

## Opinion

A statutory sustainability report has been prepared.

## The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report.

This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that

Gothenburg, March 31, 2020  
KPMG AB

Johan Kratz  
Authorised Public Accountant

# ELOS MEDTECH CARES

Globally, the debate surrounding the challenges of developing a sustainable world is intensifying. We are committed to contributing to a more sustainable development within medical technology, improving the lives of millions of patients. Elos Medtech has identified three focus areas that are critical success factors in our sustainability agenda. We have named these areas our "Care Areas" as this is where our business has the greatest impact, and thus where we have the greatest possibilities to improve the lives of millions of patients.

**MISSION**

In partnership with our customers, we provide sustainable, innovative products and supply solutions for the global medical device market. Building profitable, long-term partnerships and striving for excellence in everything we do, our goal is to help people to live rich, active and fulfilling lives.

## CARE FOR OUR BUSINESS

>> Medical devices support people with diseases and injuries, and product safety and performance are of the utmost importance to our customers, medical professionals, patients, and to Elos Medtech as a trustful partner. We care about delivering products and services of the right quality, in time, and at the right price. We are committed to offering innovative, sustainable, and efficient solutions to our customers.

## CARE FOR OUR PEOPLE

>> Our employees are our greatest strength, and engaged employees will go the extra mile, learn more and faster, and be more creative. Therefore, providing each member of Elos Med-tech with a safe and supportive working environment that encourages personal and professional development is vital to our success.

## CARE FOR OUR RESPONSIBILITIES

>> We operate in many locations across the world, and our employees represent a vast diversity of cultures and backgrounds. With this comes great responsibility - both locally and globally. Therefore, we strive to make a positive contribution to the communities in which we are active, and we aim to minimize our environmental impact.



Manufacturing of orthopedic plates.



# CARE FOR OUR BUSINESS

Ensuring customer satisfaction and product performance, while also investing in sustainable solutions, is at the core of Elos Medtech's operations.

>> Elos Medtech brings together knowledge and expertise to develop and design for manufacturing the best components and products in partnership with our customers. We and our partners are guided by the same mission: to help people live rich, active, and fulfilling lives. Long-lasting and close relationships with our business partners are central for our business model and a strategic focus area. Collaboration with our customers and other partners has been of great importance for Elos Medtech's growth and success over the decades. Our aim is to secure more than 5% of our investments in projects and initiatives that improve our environmental performance. During 2019 we have invested substantially in new buildings, such as the increased production area in Memphis, USA, and the start of the expansion of our site in Skara, Sweden. We have also continuously replaced old equipment by new and more sustainable technology for e.g. lighting and air compression. The majority of our investments could be considered sustainable since they contribute to

improved resource efficiency. However we want to create an awareness of investments to reduce our environmental footprint, e.g. by reducing energy and water consumption as well as CO<sub>2</sub> emissions.

### From collaboration comes solutions

Elos Medtech fully collaborates with customers to respond to their challenges efficiently, and customer surveys are conducted on a regular basis. Customer satisfaction is analyzed, and the key account manager is responsible for initiating improvements to ensure satisfied customers. Another highly valued quality is our ability to quickly respond to changes and find solutions, as this allows our customers to optimize their supply chains. Finally, a key aspect of a successful partnership is the value of our expertise in design, production and compliance. Our experience and high competence within design and development, fueled by our collaborative approach, will simplify new product development and reduce time to market.



### YEARLY CUSTOMER SATISFACTION SURVEY

>> The yearly customer survey initiative has been launched to support our efforts to be perceived as a highly valued strategic partner by our customers. Experience in our specialized areas, our development competence, and our expertise in design for manufacturing are critical in forming our customers' overall view on the partnership with us, which is why this is a prioritized area.

- The survey and the overall partnership score show that our customers are very pleased with us and see us as a trusted business partner in reaching their goals
  - Customers acknowledge our strong product quality and our expertise in design and technology
  - New customers have an even more positive opinion of the collaboration with us, than existing customers
- Our ambition is to increase the partnership score.



Customers acknowledge our strong product quality and our expertise in design and technology.

Classified clean room

### MDR: OUR PORTFOLIO IS A GUARANTEE

>> In 2020 the new Medical Device Regulation goes live at full effect. Every company that produces or distributes medical devices in Europe has a stricter set of rules to comply with, compared with the old MDD. In order to improve traceability, the MDR contains an EU-broad database containing all medical devices. Also, MDR raises the requirements for clinical data, as well as for the post-market surveillance. Changes brought about by the regulation are significant and require manufacturing

clean roomers to take proactive and multilevel decisions on implementation. MDR impacts all areas of the business, including supply chain arrangements, regulatory resources, and processes and marketing. Elos Medtech have done necessary investments in competencies, capacity and equipment. As a company with both our own products as well as being an established CDMO, we are well prepared.



# CARE FOR OUR PEOPLE

Our employees' engagement and dedication are essential for our competitive edge. We strive to provide an attractive and safe workplace.

>> Our company culture is based on a set of strong, shared core values: passionate, trustworthy, and result-oriented. These values guide us in our daily business and create unity across our global sites..

### Empowering people

All Elos Medtech's employees should have good opportunities to develop, irrespective of gender or cultural background. Personal development plans are reviewed annually, and performance is linked to individual tar-

gets to ensure career development. On average, each employee undertakes approximately 13 hours of task-specific training, as well as internal and external training courses.

We have expanded the annual employment survey and the 2019 survey shows that employees feel respected by colleagues and management. Also, employees feel they live our core values: passionate, trustworthy and result-oriented.

### A healthy and safe workplace

Employees should feel safe, healthy, and respected in job situations. We strive to be accident free, with zero lost time accident rate. The most common causes of injuries at Elos Medtech are injuries related to heavy lifting, repetitive work, handling of machinery, falls, and slips. Our employees either have access to occupational health support or hold health care and wellness coverage as part of employee sponsored insurance.

*"Elos Medtech is an exciting company to be part of where I can make a difference, challenge myself and help to fulfill the overall strategy".*



Visual inspection

*"Dedicated team work has created a great deal of pride in our workplace in Timmersdala, Sweden".*

### YEARS OF SERVICE AMONG EMPLOYEES



- < 5 years
- 6-10 years
- 11-15 years
- > 15 years

### GENDER DISTRIBUTION



- Women
- Men

### MODERNIZING THE TIMMERSDALA SITE TOGETHER WITH THE WORKFORCE

>> When we recently began streamlining our Timmersdala production site in Sweden, we involved everyone at the facility. We inspired each other and focused on areas we knew we could improve and that would create a more practical, fun, and rewarding workplace for everyone.

The entire industry could benefit from having more rewarding workplaces. Teams are not born, they're built.

To start with, we thought long and hard about which machines to replace, considering maintenance costs, necessary operator skills, environmental impact, and equipment bulkiness. The result was a highly efficient, cutting-edge medical device production line.

We invested in new machines that eliminate unnecessary repetitive tasks. Our new collabora-

tive robot (cobot) enables the production engineers to spend more time doing what they do best. And everyone knows you have more fun at work when you're doing what you're good at.

Then there's our new morning scrum meetings. Every single morning, the entire production team gathers for a micro-meeting. Ten minutes later we all know exactly what we're focusing on that day and what is expected from each of us.

By involving everyone, making the workforce part of the strategic planning process and aware of the company goals, we've built a stronger team spirit than ever before at Elos Medtech in Timmersdala."

Emeli Söderberg, Production Manager  
Elos Medtech Timmersdala



# CARE FOR OUR RESPONSIBILITIES

Elos Medtech's responsibilities include ethics and compliance as well as environmental stewardship. Commitment to our responsibilities is a prerequisite for the success of our business.

>> Our production technologies include injection molding in polymer and different types of metal machining such as grinding, turning, and milling. From a life cycle perspective, in most cases, our production has a very limited environmental impact. The ambition is to identify improvement areas and define targets.

### Energy and Water Management

Reducing the climate impact of the operations is a long-term commitment. We systematically collect data on consumption of energy to identify improvement areas. During 2019, we increased the share of renewable energy in the Memphis plant. Overall, renewable energy sources stand for more than 60 percent of the energy consumption, and our goal is to increase this ratio.

All sites are connected to municipal wastewater treatment plants via the sewage system. A small portion of the process water is polluted with metal residuals and oil, and thus handled as contaminated waste and

disposed of by certified waste service providers.

### Waste Management

We strive to minimize the production waste as this impacts our financial results as well as our environmental impact, why this is an important sustainability goal for us. Part of the waste is scrap, mainly derived from rejected units. All core raw materials, metals, and plastics are sorted for recycling. Other recycled, non-hazardous waste is cardboard, paper, wood, and plastics. During 2019 we have significantly reduced our scrap rate.

We are always looking to improve internal solutions to recycle supporting production materials, such as oil and water. We have contracted certified service providers for appropriate disposal, incineration, landfill, and recycle handling services.

### Greenhouse Gases

The majority of Elos Medtech's greenhouse gas emissions is a consequence of energy con-

sumption and transportation of raw materials and finished products, as well as of travels of employees. We collect data on business travel and how our employees commute to work in order to identify more efficient and sustainable means/modes of transport. Greenhouse gas intensity is an aspect that we measure each year and end of 2019 we have succeeded to reduce this ratio.

### Compliance

Our employees undergo regular compliance training regarding medical devices and environmental management. Employees are encouraged to report any suspected noncompliance in relation to Our Way, policies, and business ethics to their line manager, their local management team, or our Ethics & Compliance Helpline team which is our secure and independent whistleblower function.

Our quality management systems comply with the standards and regulations for medical devices. All business centers are

annually audited by our notified body for compliance with applicable standards.

### Community engagement

We are increasing our community engagement by apprenticeships and student fair participation. The objective is to raise interest for our industry and to incite students to apply for a job with us after graduation.

In Denmark, we have had apprenticeship programs for many years. During 2019, three vocational schools have entered partnership with Elos Medtech in Gørløse. This type of cooperation makes it easier for Elos Medtech to attract apprentices while simultaneously making the automation technology and precision engineering education much more interesting.



Quality assurance

### VISIT FROM CHINESE VOCATIONAL SCHOOL

>> On August 2019, Elos Medtech in Gørløse was visited by 17 teachers and other personnel from a school in Shenzhen, China. The school is considered the most renowned vocational school in China.

During their study visits, they were informed about our apprenticeship and the responsibility we have regarding the apprentices' education. The apprenticeships are our way to offer hands-on training to young people in order to make them better prepared for professional conditions.

**53%**  
water reduction in  
Tianjin site

### SIGNIFICANT REDUCTION OF WASTEWATER

>> In 2018, our team in Tianjin evaluated the water consumption at our site in China. Wastewater back then was collected and handled as hazardous waste and had to be removed from the facility using an external carrier. The evaluation showed great potential with regards to minimizing our environmental impact, which would also have a positive effect on our financials. Second half 2018, we started the installation of the new equipment to recycle the water from production and in early 2019, we could utilize it with full effect. The results from our sustainable investment in Tianjin are impressive. During 2019, we have reduced water consumption from production by over 50 percent by recycling the production wastewater and we have saved 6 261 tons of water in one year.



# Care for Our Business

## MA 1 Customer Satisfaction

- The survey and the overall partnership score show that our customers are very pleased with us and see us as a trusted business partner in reaching their goals
- Customers acknowledge our strong product quality and our expertise in design and technology
- New customers have an even more positive opinion of the collaboration with us, than older customers

## MA 2 Product Performance & Excellence

### Own products

	2019	2018
% sales consisting of our own products	9.9%	10.2%

### Number of adverse events

	2019	2018
	0	0

## MA 3 Investments supporting sustainable solutions

### Investment goal

	2019	2018
% of investment budget allocated to sustainability-related projects	5%	5%

### Actual investments

	2019	2018
% of actual investments allocated to sustainability-related projects	5.4%	7.0%

MA = Material Aspect

# Care for Our People

## MA 4 Employment

### Average number of employees

	2019	2018
SWE	137	136
DEN	167	172
USA	142	140
CHN	120	126
GROUP	566	572

### Gender distribution

	Women		Men	
	2019	2018	2019	2018
Board	33%	33%	67%	67%
Executive Management	33%	33%	67%	67%
Local Management	37%	33%	63%	67%
New hires	34%	36%	66%	64%
GROUP	38%	40%	62%	60%

### Employee turnover

	2019	2018
Number of employees hired during the year	80	129
Number of employees terminated during the year	104	95
Employee turnover rate	18.2%	16.6%

## MA 5 Empowering People

	2019	2018
% of employee participation in company-wide roll outs	80%	100%
% of employees who have received performance reviews	64%	72%
Average hours of training per employee	13.0	13.2

## MA 6 Healthy and safe workplace

### The most common causes of injuries

2019	2018
Repetitive movements	Handling of tools and machinery
Handling of tools and machinery	Repetitive movements
Lifting of heavy machinery	Inhaling chemicals
Inhaling chemicals	Falls and slips

### Absence and illness

	2019	2018
Total number of lost days of work due to injury	84.0	54.5
% absence rate	1.75	2.5

## MA 7 Favorable labor practices & diversity

	2019	2018
% of Chinese management with domestic background	80%	80%

### Years of service amongst employees

	2019	2018
<5 years	285	315
6-10 years	129	127
11-15 years	43	49
>15 years	92	90

# Care for Our Responsibilities

## MA 8 Ethics & Compliance

	2019	2018
% of employees that have undergone compliance training	100%	100%
Number of internal audits of business centers	19	18
Number of days with customer audits	20.0	19.5

To ensure we continue to build on our reputation of integrity we promote the Ethics & Compliance Helpline as a secure and independent resource for voicing concerns of wrongdoing or conduct inconsistency with our Code of Business Conduct and Ethics. We encourage employees to report any suspected violations or non-compliance in relation to Our Way and business ethics

## MA 9 Environmental stewardship

### Certifications

Business Centre	Certificates
Elos Medtech Pírol	ISO 13485, ISO 13485 CMDCAS, ISO 9001, ISO 14001, MDSAP
Elos Medtech Timmersdala	ISO 13485, ISO 14001
Elos Medtech Microplast	ISO 13485, ISO 14001
Elos Medtech Tianjin	ISO 13485, ISO 14001
Elos Medtech Onyx	ISO 13485

## MA 10 Energy and water stewardship

### Main activities for energy consumption

	2019	2018
Production equipment	Production equipment	Production equipment
Lighting	Lighting	Lighting
Ventilation	Ventilation	Ventilation
Cooling	Cooling	Cooling
Heating	Heating	Heating
Transport	Transport	Transport
Computers & Servers	Computers & Servers	Computers & Servers

### Energy

	2019	2018
% of energy consumption deriving from renewable sources	61%	60%
Total energy consumption (GJ)	48 356	48 346
Energy intensity (GJ/MSEK sales)	70	75

### Water

	2019	2018
Total water consumption (m3)	15 448	24 087

## MA 11 Emission of greenhouse gases

	2019	2018
Emissions of greenhouse gases in equivalent of CO <sub>2</sub> (tons)	6 046	5 808
Greenhouse gas intensity (tons/MSEK sales)	8.8	9

## MA 12 Waste

	2019	2018
Waste generated (tons)	326	315*
Waste recycled (tons)	93	93
% of waste recycled**	28.5%	29.5%

\* Adjusted for correct comparison between years



## HISTORY

**2018** Launch of Code of Conduct. Elos Medtech's sustainability agenda is anchored in the organization and continued development of our strategy strengthens our focus on sustainability. Elos Medtech's first sustainability report is published.

**2017** Sustainability is defined as an important aspect of the business strategy. Launch of an updated Our Way.

**2016** Our commitment 'Energizing Sustainability' is launched, in order to introduce a more systematic and transparent way of working with sustainability.

**2012** ISO 14001 and ISO 13485 multisite certificate for the Elos Medtech business centers. Introduction of Elos Medtech Environmental Policy and Quality Policy.

**2009** Launch of Our Way including corporate social responsibility, vision, and values.

**2003** Elos Medtech implements the strategic decision to focus on medical devices.

**1923** Elos Medtech is founded.



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