



## Modern Slavery Statement 2022

This statement is made by **Mölnlycke Health Care AB** on behalf of itself and its subsidiaries. It is the third year that the company has produced the statement and sets out the steps taken by Mölnlycke companies **during the financial year ended 31 December 2022** to identify and reduce the risks of modern slavery and human trafficking in its business and supply chains.

### **Mölnlycke is very serious about the role it plays in removing all forms of modern slavery and human trafficking**

Sustainability is embedded in the culture and in everything Mölnlycke does. It is a driver for growth, innovation and productivity and is an integral part of our overall strategy and of how we do business.

Mölnlycke aims to become a global leader in sustainable healthcare. To deliver on this vision the company is committed to helping employees to develop and grow and empowering them to maximise long-term value for society through our WeCare roadmap and endorse the UN Guiding Principles on Business and Human Rights (UNGPs) and OECD Guidelines for Multinational Enterprises. We are a long-standing member of the United Nations Global Compact. Our WeCare roadmap has three sustainability strategic pillars: green mindset, ethical business and responsible relationships.

More details are available in our integrated Annual and Sustainability Report 2022 on our website.

With over eight thousand employees and a truly global supply chain, we seek to affect working conditions in a positive way — and to prevent slavery and promote workers' rights within our business and our suppliers.

We understand that ethical behaviour is about the culture of an organisation as well as its policies and processes.

### **Our business and supply chains**

Mölnlycke is a world leading medical solutions company, with the purpose to advance performance in healthcare across the world. Our products and solutions provide value for money supported by clinical and health economic evidence.

The corporate headquarters and research and development hub are in Gothenburg, Sweden. Our employees operate worldwide, with sales office coverage in 40 countries throughout Europe, the Middle East and Africa, the Americas and the Asia Pacific Region. We are present in more than 100 countries. We have 14 manufacturing sites in Belgium, Czech Republic, Finland, Malaysia, Denmark, Thailand, UK and USA.

We manufacture around 20,000 different stock items at our manufacturing sites. While we manufacture the large majority of our products and solutions, we buy in raw materials and components. We work with around 40 contract manufacturers and 388 suppliers globally.

### **Our commitment spans our own activities and is present in our relationships with key partners in our value chain to ensure high standards of business ethics across our supply chain**

**In our own operations**, we have developed policies which govern the behaviour of our employees and are designed to ensure the protection of workers' rights. These rights are communicated to our employees through the Code of Conduct:

- Work is freely chosen, and forced, bonded and compulsory labour are prohibited
- No form of child labour under 15 years is accepted or under 18 years for any hazardous work
- Employees should not be prevented from associating freely
- Working conditions should be safe and hygienic
- Wages and working hours should meet national legal standards
- Discrimination is prohibited

Each factory, site and sales office have an appointed General Manager, local HR representative and appointed Business Ethics Representatives. These roles partner to implement policies enshrined in the Code of Conduct as well as their local legislative requirements.

We are also audited by customers and external bodies. Currently Mölnlycke Manufacturing sites and our Headquarters hold the ISO 45001 (Occupational Health & Safety Management) certificate. Also, for the first time during 2022 Ecovadis, trusted provider of business sustainability ratings, awarded Mölnlycke a silver medal for our focus on sustainability, including ethics; labour and human rights.

**Within our supply chains**, Mölnlycke requires its contract manufacturers and major suppliers to sign the company's Supplier Code of Conduct. This document refers to the same rights as our own Code of Conduct, setting requirements for ethical and social conduct associated with human rights. Mölnlycke follows up the adherence to the Supplier Code of Conduct and has the right to perform audits at the manufacturing site or at the suppliers' locations.

We recognise the importance of our suppliers to our own business, and we also acknowledge the challenge of working with a global supply chain. Many of our medical suppliers purchase their own raw materials or component products. Consequently, our supply chain is large and complex. We share our culture with our suppliers and ask them in turn to promote good practice among their partners and suppliers.

As part of our sourcing process, we have a supplier evaluation and performance monitoring process. These processes help with assessing, monitoring and improving the performance of our suppliers. The Supplier Standard incorporates our Code of Conduct for Suppliers (which refers to the same rights as our own Code of Conduct).

**Within our distributor relationships**, Mölnlycke has recently enhanced its global third-party programme to better identify and mitigate any risks in its collaboration with distributors proactively. Further details below.

## **Due diligence in our business and supply chains is key to assessing how we are progressing and identifying areas of improvement**

**Across Mölnlycke**, we conduct periodic reviews of our sites checking compliance with our Code of Conduct. In addition, we perform Employee Engagement Surveys on a regular basis to find out how our employees feel about their work, the company and the way they are managed.

The information collected in the survey is extremely valuable when planning for the development and well-being of our employees, as well as ensuring their rights are respected. The results from the most recent survey are summarised in our integrated Annual and Sustainability Report 2022 on our website.

Mölnlycke continues to improve its business ethics program by implementing preventative measures such as risk assessments and procedure development to strengthen awareness. Also in place are various grievance mechanisms including an externally operated Ethics Hotline, where both employees and external stakeholders can bring forward concerns.

**For our suppliers,** the Mölnlycke Sustainable Procurement Framework also includes governance, strategies, operational aspects, reporting and training. The process includes for example, that for suppliers located in countries where there is an increased risk of Code of Conduct violations, Mölnlycke carries out specific on-site assessments as part of its supplier selection, strategy and collaboration processes. These assessments are either by a Mölnlycke employee or a third-party expert in the local market.

**For our distributor relationships,** our new third-party programme outlined above includes a due diligence assessment as well as guidance and support.

The questions assessed include human rights with specific questions relating to risk areas such as labour rights. The purpose of the programme is to ensure compliance with business ethics standards and increase efficiency when working with third parties.

**For both our suppliers and distributor relationships,** where deficiencies are identified, Mölnlycke will decide to either support in achieving improvements needed for a sustainable business relationship or if it is felt that improvements are not achievable it may result in termination of any contract/agreement.

### **Ongoing Training & Education is key**

During 2022, in Mölnlycke 98.3% of white-collar employees were trained in the company's Code of Conduct including human rights matters/issues.

Our Factory General Managers also attended an education session on Modern Slavery to understand potential areas of risk; expectations in their role and to the company, while sharing activities that can support proactively managing potential risks.

The above trainings ensure that the company and its employees live up to core values and are not involved in or linked to unethical business practices. This includes general rules for how to conduct business, including working with suppliers and third-party distributors, and how the company's employees are to act towards each other and in business relationships.

### **Monitoring effectiveness will ensure integrity in all parts of our value chain**

Mölnlycke encourages employees and business partners to speak up if they have any concerns, to do so they can use the dedicated channels: using the Ethics Hotline, contacting a compliance officer, using the dedicated local channels in specific locations. The Ethics Hotline offers the possibility to report anonymously in any preferred language, either through a web-portal or via phone.

Ethics Hotline reports are treated confidentially and promptly investigated following the dedicated policy and procedure. The Ethics Hotline investigations are overseen by our Ethics Hotline Committee and regular reporting is made to our Audit Committee. All investigation reports include follow-up actions to ensure preventive and corrective actions to ensure issues are properly addressed.

During the financial year being reviewed, there were cases reported to the Ethics Hotline. The reporting tool shows that there were no Modern Slavery related cases reported. Mölnlycke did not identify any actual adverse impacts or significant risks in the supply chain related to modern slavery or human trafficking.



Our integrated Annual and Sustainability report 2022 also outlines how we are doing against our own business standards, set out in the Code of Conduct and can be found on [Mölnlycke.com](https://www.molnlycke.com).

**Mölnlycke reiterated its commitment to removing all aspects of modern slavery and human trafficking within our area of influence. We have a number of existing controls that allow us to track the effectiveness of our policies; processes and ways of working and we continue to be committed to improving these controls and ways of working to achieve this commitment in collaboration with business partners.**

This statement has been approved by the board of Mölnlycke Health Care AB.

A handwritten signature in blue ink, appearing to read "Zlatko Rihter".

Zlatko Rihter

CEO  
Mölnlycke Health Care AB