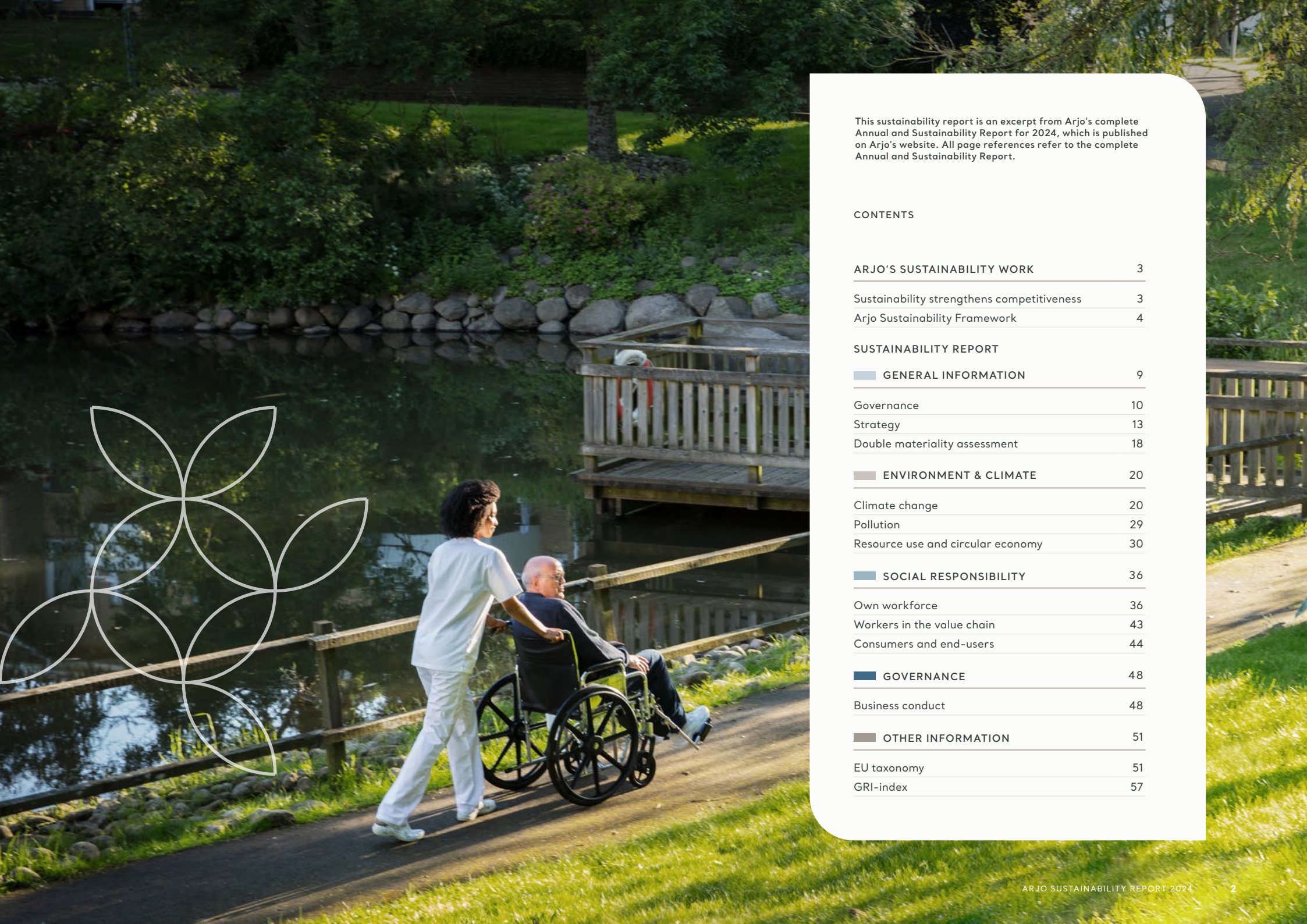




Sustainability strengthens Arjo's competitiveness

ARJO SUSTAINABILITY REPORT 2024



This sustainability report is an excerpt from Arjo's complete Annual and Sustainability Report for 2024, which is published on Arjo's website. All page references refer to the complete Annual and Sustainability Report.

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Sustainability strengthens competitiveness

Sustainability is key to Arjo's success and the company sees opportunities to further enhance its competitiveness by providing more circular solutions and business models. As a global medtech company, Arjo plays an important role in society.

Every day, the company's products and solutions contribute to increased patient safety, improved working environment for caregivers and improved resource efficiency in healthcare.

With a clear link to strategy, targets and activities, Arjo pursues the Group's Sustainability Framework to reduce the climate and environmental impact throughout the value chain, to ensure responsible and ethical business operations and to be an attractive and responsible employer.



"Our sustainability agenda is a key part of our strategy and integrated into how we conduct our operations. With clear targets and activities, we ensure continuous improvements in both our own operations and in the value chain."

Niclas Sjöswärd
Interim President & CEO



Arjo Sustainability Framework

Contributing to better and more sustainable healthcare is the core of Arjo's operations. To achieve this, a framework has been developed with three focus areas - A sustainable offering, A responsible company and An attractive employer. These focus areas are based on the results of regular materiality assessments and analyses of the company's positive and negative impacts throughout the value chain. The framework forms the foundation of Arjo's sustainability efforts and is based on the three pillars of environment, social responsibility and governance (ESG). The work is driven and developed by the company's own ambitions as well as increased demands from customers and other stakeholders.



A sustainable offering



A responsible company



An attractive employer

Clear governance ensures results

Arjo's sustainability efforts are based on policies, directives and clear governance involving all levels of the company in a systematic work process to enable the implementation of approved activities.

Read more about the governance of Arjo's sustainability efforts on page 11





A sustainable offering

To reduce the company's climate impact, Arjo strives for sustainable use of energy and resources and to increase the Group's contribution to a circular economy – thereby contributing to long-term sustainable development.

Arjo wants to contribute to the transition to more sustainable healthcare. The Group's target is to reduce greenhouse gas emissions from the company's own operations (Scope 1 and 2) by 50 percent by 2030, and for emissions in the value chain (Scope 3) by 25 percent by 2030, both with 2021 as the base year. During the first quarter of 2024, Arjo's climate targets were approved by Science Based Targets initiative – an important milestone in the Group's sustainability work. This means that the climate targets are considered to be in line with the latest climate science and the Paris Agreement.

Arjo works actively to reduce the climate impact of the company's products, and

product development follows the principles of EcoDesign as well as the highest focus on safety and quality. This method is used to ensure long life cycles and limited environmental impact during the product's entire life cycle.

Two of Arjo's operations have inherent circular qualities that help reduce the climate and environmental impact of healthcare. The rental business enhances resource efficiency, reduces the total number of manufactured products, thereby decreasing the use of raw materials, and minimizing waste. Arjo's ReNu circular business model enables the reuse of single-use medical consumables.

FOR BETTER AND MORE SUSTAINABLE HEALTHCARE

Expanded capacity for a circular business model

Medical consumables comprise a large proportion of the total climate impact of healthcare. As such, solutions for re-processing offer major opportunities to reduce emissions and waste. To meet a growing demand for sustainable solutions and also achieve higher production efficiency, Arjo ReNu opened a new and larger facility in Everett, WA in the US in September 2024.

Arjo ReNu enables the reprocessing of noncritical, non-invasive medical devices based on an environmentally friendly water-based, high-temperature decontamination process that does not use any chemicals. Arjo ReNu is currently available in the US and Australia.



"With Arjo ReNu, we are contributing to more sustainable healthcare while helping our customers achieve their sustainability targets. The circular business model reduces the need for raw materials, requires less transportation and reduces waste – factors that our customers increasingly value."

Chris Dorsey,
President, Arjo US



A responsible company

As a global medical technology company, Arjo's products and solutions contribute to helping people in an often vulnerable situation in healthcare. This, together with a significant proportion of customers financed by public funds, means that the Group has an important role in conducting responsible business.

Arjo's growth and success are dependent on a high level of trust. Long-term relationships with both customers and suppliers are therefore based on sound business ethics and clear principles for regulatory compliance.

Arjo has a broad network of suppliers and other business partners, and places the same high demands on them as on its own operations, with zero tolerance for all forms of corruption, fraud and bribery. The company's ambition is to impact this network in contributing to the development of a fair global market. Arjo has signed the UN Global Compact and supports the ten principles that apply to human rights, labor, the environment and anti-corruption.

Arjo promotes an inclusive and safe culture where employees, suppliers and other partners are willing and able to speak up when they experience questionable behavior. The Code of Conduct is the foundation of Arjo's culture, and it is based on international principles and covers issues such as anti-corruption, fair competition, human rights and work environment responsibility.

Safe, high-quality products are Arjo's hallmark, which the company is always working to guarantee. Medical devices are strongly regulated and Arjo ensures that the Group's products adhere to laws and regulation in all markets in which the company operates.

FOR BETTER AND MORE SUSTAINABLE HEALTHCARE

Fair terms at all stages

A prerequisite for being a responsible company is to ensure that the company's ambitions and targets reach the supply chain, and are followed. For example, a training course under the framework of Arjo's program for supplier assurance was held for purchasing staff at the plant in Suzhou, China in 2024.

The program is also part of compliance with the Corporate Sustainability Due Diligence Directive (CSDDD). This Directive requires large EU companies to collect and analyze data on their environmental impact and human rights throughout the value chain.

"Assuring that our suppliers act in accordance with Arjo's sustainability targets and social principles is part of our efforts to make our products even more sustainable. We also want to guarantee fair labor conditions for everyone involved in the production of the company's products."

Lotta Carlsson, Vice President Procurement at Arjo





An attractive employer

To attract and retain employees, it is essential for Arjo to offer healthy and equal working conditions. Diversity, equity and inclusion are top priorities and the company values high levels of health and safety for employees and business partners.

Arjo's Guiding Principles form the basis for creating an engaging culture and workplaces that offer all employees opportunities for growth and development, with diversity, equity and inclusion helping to build a strong company and achieve success.

Attracting and retaining employees with the right competencies is a key strategic priority for Arjo. Arjo works together with local universities and colleges to attract new talent. To retain the right skills, the company focuses on continuous dialogue about employee skills, personal targets and development linked to the company's strategic business objectives.

The health and safety of Arjo's employees and partners in the workplace is of great importance. The company makes continuous improvements based on Arjo's Directive to achieve a consistently high safety standard and ensure a healthy work environment.

Arjo complies with internationally recognized principles, frameworks and guidelines on human rights, which also form the base of Arjo's Code of Conduct for suppliers and other business partners.





Learn
develop
inspire



Learning and development initiatives

The "In your shoes" initiative being carried out at Arjo Germany offers all employees the opportunity of a two-day work experience placement at a different department to their own. The initiative is open to all levels of the organization.

In 2024, Marco Gerner, Service Installation Manager in Germany, had the chance to step into the shoes of Andreas Aerni, Managing Director of Arjo's operations in Germany, Austria and Switzerland, for a two-day internship.



"This is an opportunity for our employees to grow personally and professionally, and maybe even discover interests and skills that can be further developed. We want to create a more knowledgeable, close-knit and confident team."

Aylin Güler, HR Director of Arjo in Germany, Austria and Switzerland.

Arjo's Sustainability Report 2024 is presented in a format based on the EU Corporate Sustainability Reporting Directive (CSRD) and associated reporting standard, the European Sustainability Reporting Standards (ESRS).

The legislation applies to Arjo as of the fiscal year 2025, i.e. for the Sustainability Report to be published in 2026. Arjo has chosen to use the overall structure of the ESRS standards in this year's Sustainability Report as a first step in the transition to the new legislation.

The presentation of general information as well as policies, processes and actions per significant area is inspired by ESRS. Key figures and targets follow the Global Reporting Initiative (GRI) reporting standard. All page references refer to Arjo's complete Annual and Sustainability Report.

The Sustainability Report for 2024 has been prepared in accordance with the Swedish Annual Accounts Act. The auditor's statement regarding the statutory Sustainability Report can be found on page 147. A limited assurance review of the Sustainability Report has not been conducted.

Arjo has a revolving credit facility totaling EUR 600 million that is linked to three of Arjo's long-term sustainability targets. A limited assurance review of the targets has been carried out in 2024. The credit facility expires in 2028.



General information

In 2024, Arjo continued preparations for the introduction of the CSRD and the ESRS. This year's Sustainability Report, which includes the double materiality assessment, should be seen as part of these preparations.

About the Sustainability Report

General basis for preparation of the Sustainability Report

Arjo's Sustainability Report has been prepared on a consolidated basis, covering the reporting period January 1 to December 31, 2024. The reporting structure and scope aligns with the financial reporting, ensuring that all subsidiaries included in the financial reporting are also accounted for in the Sustainability Report. For more information see Note 12 in the financial statement. Arjo's upstream and downstream value chain has been analyzed from a high-level perspective, with data from the value chain (Scope 3) emissions collected. Read more in the Climate change mitigation section. No omissions have been made regarding intellectual property or sensitive information.

Disclosures in relation to specific circumstances

Arjo is committed to maintaining accurate and comparable data, continuously enhancing data accuracy. When reporting metrics concerning direct and indirect emissions, Arjo has used assumptions and estimations to be able to compile as accurate and fair data as possible. The accounting policies for metrics are disclosed within each material topic's section.

To facilitate comparability, Arjo has established a recalculation policy. This policy states that for significant changes in data quality resulting in an outcome variation of more than 5 percent, historical figures should be recalculated if feasible. This ensures reliable analysis and comparison of year-to-year improvements. If recalculation is not possible due to a lack of historical data, the analysis will clearly describe the change, and a footnote will be added to

the presented data. For 2024, historical data recalculations have been performed for the Scope 3 categories of Upstream transportation and distribution (spend-based emissions) and Use of sold products.

Incorporation by reference

More information on the Board of Directors and the Arjo Management Team can be found in the Corporate Governance report and more details on Arjo's incentive program can be found in the Remuneration report.

- **Strategy** – Breakdown of significant groups/ services offered – see pages 14–15
- **Strategy** – Head count – see the Group note 3
- **Strategy** – Breakdown of revenue – see the Group note 2
- **Incentive schemes** – see Remuneration report pages 107–108
- **Risk management** – see Risk management and risk analysis pages 88–91

■ Governance

The role of the administrative, management and supervisory bodies

A presentation of Arjo's Board and Management Team can be found in the Corporate Governance Report on pages 92-106.

Responsibility, expertise and skills

Policies, framework and guidelines

Arjo's governance model is based on relevant policies and directives and ensures systematic implementation and follow-up of approved activities.

Board of Directors

Arjo's Board of Directors is responsible for the Sustainability Report and for governing and reviewing sustainability efforts. In addition, the Board shall ensure that Arjo's external information is characterized by openness and is correct, relevant and clear.

The Chairman of the Board organizes and leads the Board's work and is responsible for ensuring that the other Board members receive satisfactory information and documentation for decision-making. The Chairman is also responsible for ensuring that new Board members continuously update and deepen their knowledge of Arjo and receive the continuous training required to enable the Board's work to be conducted efficiently.

The Board is responsible for oversight of impacts, risks and opportunities and decides on guidelines and policies. On an annual basis the Board of Directors review and decide on stakeholder engagement, sustainability materiality plans, impacts, risks and opportunities and yearly progress towards set targets.

Audit Committee

The Audit Committee oversees business ethics, compliance and sustainability, and reports to the Board. The Committee works with a particular focus on monitoring sustainability activities and strengthening the internal control program for sustainability

reporting. If necessary, the Committee is in regular contact with Arjo's organization. The Committee holds four meetings every year where sustainability is addressed.

CEO

The CEO is responsible for ensuring that the Board of Directors receive objective and relevant information required to be able to make well-founded decisions. The CEO and Management Team has the strategic responsibility for setting sustainability targets, follow up on activities, and actively participate in deciding on priorities, evaluating results and identifying areas for improvement.

Sustainability Team

The Group Sustainability function advises and assists the Management Team in setting the strategic long-term sustainability direction, leading cross-functional projects and assists business functions and external stakeholders in sustainability matters. The Head of Sustainability leads the sustainability agenda and follows up on progress towards the Group sustainability targets and the management of material impacts, risks and opportunities. The Head of Sustainability has a monthly alignment with the CEO and reports on a regular basis to the Management Team and Audit Committee.

A quarterly sustainability status report is shared with the Management Team and the Board of Directors, covering progress of the material topics, legislative updates and sustainability metrics. Local units report on sustainability data, which are then compiled and analyzed by the Group Sustainability Controller.

Line organization

The day-to-day operational responsibility for sustainability activities rests with the Group's line organization, often through cross-functional teams responsible for carrying out projects and activities.

BOARD OF DIRECTORS

GENDER DISTRIBUTION ¹⁾



1. Includes employee representatives

INDEPENDENT DIRECTORS



Governance, cont.

Information provided to the Board and Management Team

The Chairman of the Board monitors Arjo's operations through ongoing communication with the CEO. The Board receives monthly updates from the Management Team on significant events, with additional updates provided between meetings as needed.

The Board's work and management of financial and sustainability issues are evaluated in cooperation with an external partner. The results are presented to the Board and the Nomination Committee.

During the year, the Board monitored the development of the EU legislation on sustainability reporting, CSRD. The Board and the Management Team received external CSRD training. The Board of Directors, the Audit Committee and the Management Team have access to expertise within sustainability. They receive regular reports from the Head of Sustainability and Subject Matter Experts of material areas, for example regarding Scope 3 category Purchased goods and services, which relates to the material topic

Workers in the value chain. This information is incorporated in the evaluation of the identified impacts, risks and opportunities, to analyze their effects on the company's strategy and business model. It also helps to determine if relevant governance instruments and policies are in place or need to be developed.

Information and sustainability matters addressed during the reporting period

- The Board of Directors and Group Management received training on the CSRD legislation, responsibilities and implementation updates.
- Material sustainability topics and outcome of the double materiality assessment were approved and monthly status reports were shared to enable full transparency with the Management Team and the Board of Directors.
- Due diligence deployment plans were discussed and monitored.
- Circularity development project initiation was endorsed.

Integration of sustainability-related targets in incentive schemes

Arjo's short-term incentive program includes a sustainability-related target applicable for executive level employees, such as the Management Team as well as country managers and factory managers, and a number of other employees in leading positions or specialist roles. The Board of Directors decides on the metrics to be included in the incentive program and is responsible for approval on a yearly basis. Currently, ten percent of the potential variable remuneration is tied to the sustainability target for reducing greenhouse gas emissions from Arjo's own operations (Scope 1 and 2), which has been validated by the Science Based Targets initiative (SBTi). This target is further detailed in the Climate change mitigation section.

Risk management and internal control in sustainability reporting

Arjo has analyzed potential risks related to the sustainability reporting. The risks mainly concern incorrect data input from local units, incorrect estimations or assumptions or not reporting complete information. They also include potential lack of data from the upstream and downstream value chain. The risks are mitigated by the Group Sustainability Controller reviewing the data before compiling it into the Sustainability Report. To further enhance risk management, Arjo will implement an internal control framework in 2025, with delegation of responsibility within the organization.

The risks in each of the processes mentioned above are documented and maintained through individual risk and control matrices. Key controls in each process are identified and periodically reviewed, with results presented to the Audit Committee. Any exceptions found are included in remediation activities, and their status is periodically reported back to the Audit Committee.

Statement on due diligence

Core element of due diligence	Paragraphs in the Sustainability Report	Page
a) Embedding due diligence in governance, strategy and business model	Governance, strategy and business model	37-43
b) Engaging with affected stakeholders in all key steps of the due diligence	Governance, strategy, stakeholder dialogue, workers in the value chain	37-43, 69
c) Identify and assess adverse impacts	Process to access material topics, strategy and business model, workers in the value chain	39-43, 44-45, 69
d) Taking actions to address adverse impacts	Respective material topic and action section	49-50, 55, 56-58, 62-65, 69, 70-72, 74-75
e) Monitor goals and efforts	Respective material topic, goals and metrics	51-54, 59-61, 66-68, 73, 76

Strategy

Strategy, business model and value chain

Arjo is a global supplier of medical devices and solutions that improve clinical and financial outcomes for healthcare and thus contribute to a sustainable healthcare system. Arjo creates value by preventing complications related to reduced mobility and by improving the quality of care for patients as well as enabling a safer and more effective work environment for healthcare professionals. This in turn leads to reduced costs and a more efficient use of resources in healthcare and in society.

Business performance is measured and followed up on the three segments Global Sales, North America and Other. Arjo's main sales streams are capital goods and consumables, rental of products and service. For more detailed information on turnover per segment and sales stream, see the segment report on pages 14 and 15.

Arjo's main customers are public and private institutions within acute care and long-term care. This involves managing both individual agreements and public tenders with different demands on suppliers of medical devices. For customers, it is crucial that products maintain high quality and adhere to industry regulatory compliance requirements. Consequently, product and patient safety are of highest importance. Arjo works closely with customers to be able to offer the best solutions for current and future needs.

Arjo's rental business is linked to the sustainability aspect of circularity which is further described in the section Resource use and circular economy. In addition, Arjo's ReNu operations are also strongly linked to the sustainability aspects of resource use and circularity. Arjo ReNu is a service that enables the reuse of medical consumables, which were previously considered disposable after single use. By using a completely water-based process, ReNu extends the life of specific medical consumables.

Challenges related to environmental, social and governance topics (ESG)

Arjo's challenges related to ESG topics include ensuring sustainable sourcing models and that suppliers meet the company's requirements as well as future requirements set by the EU Corporate Sustainability Due Diligence Directive (CSDDD).

For many years, Arjo has consistently been performing supplier assessments and are now extending the scope. In 2024, progress was achieved in enhancing processes for collaborations within the value chain and its workers. By collaborating with business partners and suppliers, Arjo can seize opportunities related to the use of more sustainable materials in its products. This is crucial for achieving the company's goals in climate change mitigation.

Arjo has identified challenges in the transport sector and is actively working to find safe, efficient, and sustainable transport routes and solutions. With manufacturing facilities in five locations globally and customers in over 100 countries, it is crucial for the organization to engage in continuous monitoring, scenario planning, and transportation follow-up. This ensures production continuity and timely deliveries to customers.

Arjo has extensive experience and significant knowledge in the field of MedTech and works closely with customers, business partners, healthcare professionals and other stakeholders to share the company's knowledge about patient safety and to ensure safe work environment for healthcare professionals and thus contribute to better healthcare. This is done through various forms of educational initiatives.

Arjo has a well-established research and development function where products are constantly refined to meet current and future needs, through the development of new products and improvements to existing products. By using a customer-oriented research and development process, Arjo strives to develop products and solutions that make healthcare more efficient and help customers solve their challenges – with a constant focus on user-friendliness and safety.

One of the most significant challenges for healthcare systems globally is the aging population. In addition, providers of healthcare and elderly care struggle with staff shortages and the lack of healthcare professionals with the right competencies. Arjo works strategically to create increased value in healthcare through outcome-based solutions that improve both clinical and financial outcomes and thus contribute to a better use of resources within healthcare. For more information see the Strategy section on page 18.

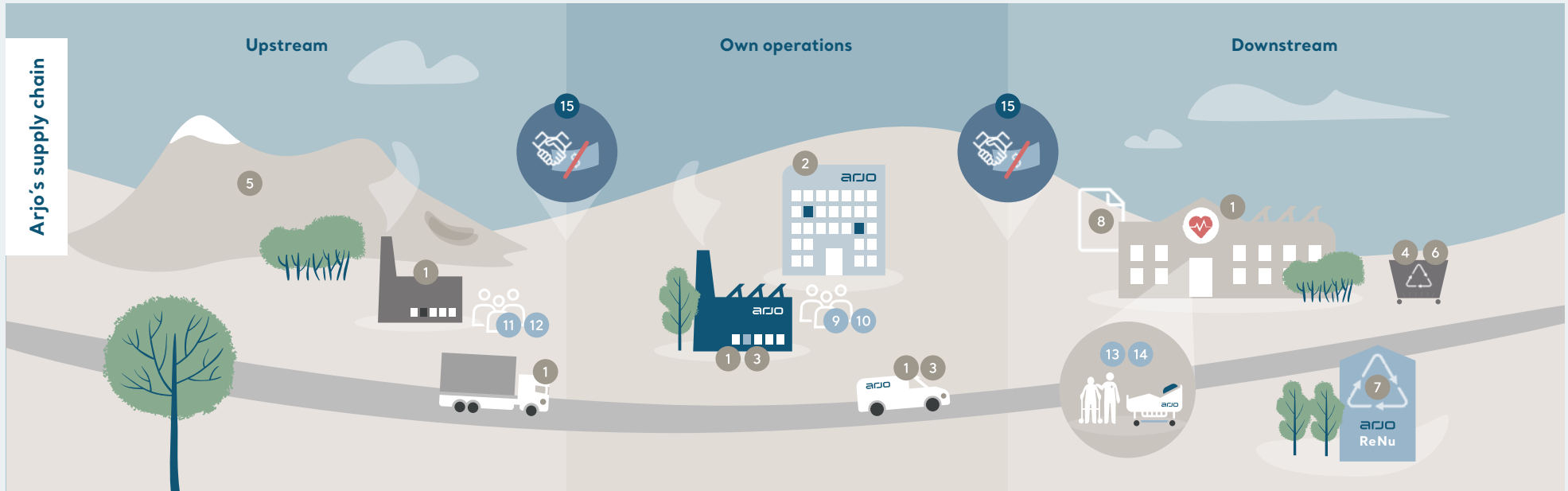
Stakeholder dialogue

The stakeholder dialogue is fundamental for understanding Arjo's impacts, risks and opportunities and for making the correct sustainability priorities, reducing negative impacts and risks and making necessary adjustments to the business strategy.

The company uses several methods and channels for interacting with stakeholders to get a broader understanding of the stakeholder's views on Arjo's business activities and the impact these activities have on them.

Arjo's Management Team is informed about the outcome of the stakeholder dialogue through different channels such as the annual employee survey, customer satisfaction survey and ESG analysts' reports.

The stakeholder dialogue outcome is used by group functions as input and verification when assessing topics through the process of the double materiality assessment. In addition, the information is used to further improve business processes, develop the company and increase stakeholder collaboration.



Material topic	Sub topic	Impacts, risks and opportunities	Impact in the value chain			
			Impact	Upstream	Own operations	Downstream
E1 - Climate change	Climate change mitigation	1 Greenhouse gas emissions	▼	X	X	X
		2 Potential risk of lost business opportunities	▲▲		X	
		3 Energy and fuel consumption	▼		X	
E2 - Pollution	Substance of Very High Concern (SVHC)	4 SVHC	▼			X
E5 - Resource use and circular economy	Resource inflow	5 Extraction of virgin raw materials	▼	X		
	Resource outflow	6 End-of-life treatment of products	▼			X
		7 Product rental and reprocessing of medical consumables (Arjo ReNu)	▲	X	X	X
		8 Customers' demands regarding sustainability	▲▲			X
S1 - Own workforce	Working conditions in own operations	9 Working conditions	▼		X	
	Equal treatment and opportunities for all	10 Equal treatment and opportunities for all	▼		X	
S2 - Workers in the value chain	Working conditions in the value chain	11 Working conditions	▼	X		
	Other work-related rights	12 Human rights	▼	X		
S4 - Consumers and end-users	Product safety	13 Increased safety and quality of life for patients	▲			X
		14 Improved working environment for caregivers	▲			X
G1 - Business conduct	Bribery and corruption	15 Bribery and corruption	▼	X		X

▲ Positive impact ▼ Negative impact ▲▲ Risk

The illustration and accompanying table provide an overview of Arjo's impact, risks, and opportunities. For more detailed descriptions, see pages 16 and 17.

■ Strategy, cont.

Overview stakeholder dialogue

During 2024, Arjo has conducted an in-depth analysis to clearly identify how the company’s sustainability work connects to the overall business strategy. As a first step, a mapping of the company’s stakeholder dialogue has been carried out. The results are presented in the table below.

Key stakeholder	Channel for dialogue	Organized	Purpose	Outcome
Customers	<ul style="list-style-type: none"> Sales dialogues Clinical evaluations Customer satisfaction surveys Queries in tender processes External forums, such as conferences and seminars 	<ul style="list-style-type: none"> Sales function Customer service function Research and Development function Marketing function 	<ul style="list-style-type: none"> To understand current and future needs To understand the sustainability impacts and risks, and how to mitigate them 	<ul style="list-style-type: none"> Adapt to future demands Actively work for sustainability impact reduction Verification of change in demands and impacts
Suppliers	<ul style="list-style-type: none"> Procurement dialogues Supplier visits Fairs and exhibitions Sustainability audits Benchmarking industry impacts Supplier pre-evaluation tool 	<ul style="list-style-type: none"> Buyers Procurement sustainability managers Participation in conferences and forums 	<ul style="list-style-type: none"> Align sustainability ambitions Prioritize impact mitigation activities Ensure compliance Understand sustainability impacts and risks Understand supplier awareness of sustainability 	<ul style="list-style-type: none"> Drive cooperation to reduce risks and impacts Improve supplier understanding in applicable areas Verification of changed impacts and risks Actions to resolve compliance gaps
Employees	<ul style="list-style-type: none"> Daily work dialogues Employee survey Performance & development dialogues Work environment committees Diversity, equity and inclusion (DEI) committee Union dialogues Metrics and targets 	<ul style="list-style-type: none"> Employee survey handled by the HR function Occupational Health and Safety committee and DEI committee Unions Sustainability accounting system managed by finance function 	<ul style="list-style-type: none"> Understand employee’s needs, opinions, engagement and motivation Understand company impacts and risks Attract and retain employees to secure competencies and long-term business 	<ul style="list-style-type: none"> Close gaps to reduce negative impacts and risks Take actions and actively drive improvements based on the outcome of the stakeholder dialogues
Investors/banks	<ul style="list-style-type: none"> Sustainability dialogues Sustainability inquiries Analyst reports 	<ul style="list-style-type: none"> Capital markets days Bank meetings and other financiers meetings Investor meetings Surveys ESG ratings from different institutes 	<ul style="list-style-type: none"> To understand the stakeholder’s needs of information and data To understand where to prioritize improvement activities for reducing risks and impacts 	<ul style="list-style-type: none"> Adapt to future demands Actively work for sustainability impact and risk reduction
Governments and regulators	<ul style="list-style-type: none"> Monitoring of emerging legislations 	<ul style="list-style-type: none"> Seminars Newsletters Trade associations 	<ul style="list-style-type: none"> Detect, assess and develop the organization to ensure regulatory compliance 	<ul style="list-style-type: none"> Implementation or adjustment of policies, governance, processes, targets and metrics to meet regulatory compliance Adjusted communication and reporting needs

Strategy, cont.

Material impacts, risks and opportunities

The table describes Arjo's material topics and an assessment of the time horizon for each impact, risk or opportunity.

Material topic	Sub topic	Impact materiality or financial materiality	Impacts, risks and opportunities	Description of impacts, risks and opportunities	Time horizon:	Read more
E1 – Climate change	Climate change mitigation	Actual negative impact	Greenhouse gas emissions	Negative impact from greenhouse gas emissions from Arjo's own operations (Scope 1 and 2) and from the company's value chain upstream and downstream (Scope 3).	M L	page 46–50
	Climate change mitigation	Potential long-term financial risk	Potential risk of lost business opportunities	Potential risk of lost business opportunities if the company's climate targets are not met or data cannot be reported.	L	page 46–50
	Climate change mitigation	Actual negative impact	Energy and fuel consumption	Negative impact from greenhouse gas emissions from energy and fuel consumption in own operations in production facilities, warehouses, sales and service units, as well as vehicles for transportation and service to customers.	M L	page 46–50
E2 – Pollution	Substance of Very High Concern (SVHC)	Potential negative impact	SVHC	Potential negative impact in end-of-life treatment of products	S M L	page 55
E5 – Resource use and circular economy	Resource inflow	Actual negative impact	Extraction of virgin raw materials	Negative impact from extraction of virgin raw materials used in Arjo's products. The extraction of these materials, particularly metals, plastics, and electronic components, has negative social and environmental impacts.	M L	page 56–57
	Resource outflow	Actual positive impact	Product rental and reprocessing of medical consumables (Arjo ReNu)	Positive impact from the company's rental operations contributing to optimized resource use and Arjo ReNu enabling the reuse of medical consumables.	M L	page 57–58
	Resource outflow	Actual negative impact	End-of-life treatment of products	Negative impact from end-of-life treatment of products and waste.	M L	page 57–58
	Resource outflow	Potential long-term financial risk	Customers' demands regarding sustainability	Potential financial risk from lost business opportunities if the company does not meet customers' demands for repair or service of products.	L	page 57–58
S1 – Own workforce	Working conditions in own operations	Potential negative impact	Working conditions	Potential negative impact regarding working conditions (occupational health and safety) in the company's own operations.	S	page 62–65

Time horizon: Short term (<1 year) Medium term (1–5 years) Long term (>5 years)



Strategy, cont.

Material topic	Sub topic	Impact materiality or financial materiality	Impacts, risks and opportunities	Description of impacts, risks and opportunities	Time horizon:	Read more
	Equal treatment and opportunities for all	Potential negative impact	Equal treatment and opportunities	Potential negative impact regarding equal treatment and opportunities for all employees.	M L	page 63–64
S2 – Workers in the value chain	Working conditions in the value chain	Potential negative impact	Working conditions in the value chain	Potential negative impact in areas such as working conditions, terms of employment, and occupational health and safety at suppliers in the value chain in countries with weak enforcement of legislation.	M	page 69
	Other work-related rights	Potential negative impact	Other work-related rights connected to human rights	Potential negative impact on human rights (such as child labor, forced labor, housing for employees, and employee privacy) for workers in the value chain due to weak local legislation in certain countries.	M	page 69
S4 – Consumers and end-users	Product safety	Potential positive impact	Increased safety and quality of life for patients	Potential positive impact from Arjo's products increasing safety and quality of life for patients.	S M L	page 70–72
	Product safety	Potential positive impact	Improved working environment for caregivers	Potential positive impact through Arjo's products improving the working environment for healthcare staff.	S M L	page 70–72
G1 – Business conduct	Bribery and corruption	Potential negative impact	Bribery and corruption	Potential negative impact related to lack of business ethics, such as bribery and corruption.	S	page 74–75

Time horizon:

Short term (<1 year)

Medium term (1–5 years)

Long term (>5 years)

■ Process to assess material topics

Double materiality assessment – methodology and assumptions

In 2024, Arjo performed its first double materiality assessment (DMA) in preparation for its 2025 Sustainability Report. The assessment was carried out in accordance with the European Sustainability Reporting Standards (ESRS) with guidance from European Financial Reporting Advisory Group (EFRAG). The process included three steps:

- 1) Compilation of a list of sustainability matters
- 2) Impact assessment
- 3) Assessment of financial risks and opportunities

To identify the material topics, Arjo began with an industry benchmark analysis and a stakeholder analysis, involving internal stakeholders from key functions. The results from these two assessments were then used to conduct the double materiality assessment. An initial assessment was performed in collaboration with external experts and subject matter specialists within the organization. The scoring methodology and criteria for the materiality assessment were developed in accordance with the requirements of ESRS 1.

Stakeholder assessment

Arjo's 2024 stakeholder assessment was conducted through a workshop organized and attended by internal representatives from relevant functions. Participants identified key stakeholders that impact Arjo's business, stakeholders that Arjo has an impact on, and users of the Sustainability Report. They gained an understanding of current stakeholder dialogue formats, required stakeholder input and the consideration given to stakeholder views in the double materiality assessment. The workshop also identified areas of improvement in the current stakeholder dialogue within the process for stakeholder engagement, such as routines for documentation of the dialogues and a procedure for gathering information for the 2025 double materiality assessment.



Process to assess material topics, cont.

Impact materiality

To assess Arjo's potential and actual impacts on sustainability matters, a five-step process was applied based on the list found in ERS1 AR16. Sector and entity-specific sustainability matters were added to determine impacts, risks and opportunities. The company's impact on people and planet was analyzed and finally, a valuation of impact and thresholds for materiality was performed.

An initial assessment was conducted by external experts, and the final update of the descriptions and assessments was completed by Arjo's internal functions. The sustainability-related impacts on people and the environment were described qualitatively and quantitatively. In many cases, especially for the value chain assessment, qualitative descriptions were used as no quantitative data was available. Based on these descriptions, the impacts were scored and assessed in accordance with ERS requirements using scale, scope, irremediability, and likelihood based on whether an impact was considered positive or negative and potential or actual. For positive impacts, only aspects that improve the life of people or improve the state of the environment were included. Positive impacts were scored in the same way as negative impacts except that the irremediable aspect was not regarded.

The impact assessment was performed with a medium-term time horizon. In the short term, the impact is likely to be lower than in the medium-term perspective. For the long term, the impact is also expected to be lower for Arjo, based on actions taken during the medium-term period.

The assessment of Arjo's impacts on different sustainability matters was presented using the ERS 1 AR16 list as framework. For positive impact, aspects that improve conditions for both people and the environment were identified. Activities to mitigate negative impacts were not considered positive impacts.

Financial materiality

The financial thresholds were set to align with Arjo's general risk framework. Parameters used for scoring materiality were the magnitude of the risk or opportunity, likelihood, and the nature of the financial effect. Magnitude was scored according to five levels.

A first set of risks and opportunities were identified collectively by Arjo's Sustainability function, Risk function and external experts. The list was presented to key functions in Arjo and each function identified its risks and opportunities, then evaluated them using the above-mentioned scoring parameters. In alignment with Arjo's risk assessment process, it was decided that a risk or opportunity score above ten was required to qualify the risk or opportunity as material. Risks scoring eight or higher were transferred to the risk assessment process.

The scoring resulted in two potential risks in the long-term perspective. No opportunities were deemed material. Arjo has integrated sustainability-related risks and opportunities in the company's risk assessment process. The risk register is reviewed annually and sustainability-related risks will be monitored in the same way as other risks in the company.

Decision-making process and internal control

In the annual review and update of the double materiality assessment, Arjo will consider the input from the stakeholder engagement process as well as review the material topics and the identified impacts, risk and opportunities. The internal control function will also review the sustainability reporting data and processes.

Future steps - monitoring and review

Currently, there is an ongoing process to integrate the results from the double materiality assessment into Arjo's strategy and business model, and the implementation will continue during 2025. Arjo commits to continue reviewing the double materiality assessment annually, considering healthcare industry trends, underlying assumptions, contextual and regulatory changes.

Results of Arjo's double materiality assessment for 2024

Material topics

F	I	Climate change mitigation
F	I	Resource outflow
	I	Energy and fuel consumption
	I	Substance of Very High Concern
	I	Resource inflow
	I	Working conditions in own operations
	I	Equal treatment and opportunities for all
	I	Working conditions in the value chain
	I	Other work-related rights
	I	Product safety
	I	Bribery and corruption

F Financial materiality

I Impact materiality

Environment and climate

Arjo is committed to reducing its environmental and climate impact in its own operations and in the value chain. The Group's climate transition plan contains clear targets and action plans for the various operations.

Climate change

Strategy

Transition plan for climate change mitigation

Arjo wants to contribute to the transition to a more sustainable healthcare sector. To reduce the company's carbon footprint, Arjo strives for a sustainable use of energy and resources and to increase its circular contribution. Arjo's climate transition plan is a fundamental part of the company's business strategy and is integrated with governance and financial planning. The plan is approved and followed up by the Management Team and Board of Directors. Climate impact and greenhouse gas emission reduction is integrated as a management incentive (see General information, section Incentive programs).

The climate transition plan clarifies Arjo's ambition and action plan to reduce climate impact from its own operations (Scope 1) and value chain (Scope 3) as well as to reduce the life cycle emissions of products and services offered to customers. Arjo's rental and reprocessing operations (Arjo ReNu) are examples of how the company's business model contributes to more sustainable healthcare.

Metal is an important material in several of Arjo's products. At the same time, metal makes up a significant part of the company's climate impact. Arjo does not regard these emissions as locked-in as innovation, resource efficiency and design will reduce the climate impact from the company's products over time.

Arjo's Scope 1 emissions are mainly derived from service transport vehicles. These emissions are not viewed as locked-in, since the automotive industry is transitioning to electrification, although there are still challenges regarding vehicle capability, range and charging infrastructure.

Science based targets

Arjo is actively working to reduce carbon emissions and has set targets to reduce greenhouse gas emissions in its own operations (Scope 1 and 2) by 50 percent by 2030 and to reduce greenhouse gas emissions in the value chain (Scope 3) by 25 percent by 2030. Both targets have 2021 as the base year. The company's climate

targets are in line with the latest climate science and the Paris Agreement. This was confirmed by the Science Based Targets initiative (SBTi), which validated the company's climate targets in February 2024.

Greenhouse gas emissions in Scope 1, 2 and 3

Emissions from the Group's own operations (Scope 1 and 2) mainly derive from energy consumption at facilities and from vehicles and represent a minor share of Arjo's total greenhouse gas emissions.

Arjo has previously made an inventory of all fifteen categories in Scope 3 and identified three categories as material. These are Purchased goods and services, Upstream transportation and distribution, and Use of sold products. The three material categories in Scope 3 account for 92 percent of the total emissions from the value chain, with the base year 2021 as reference. Other non-material categories account for the remaining part.

The majority of Arjo's emissions in the value chain (Scope 3) derive from the category Purchased goods and services. These are mainly raw materials for components for the company's products. Metal and plastic are the most used materials and account for the majority of emissions in this category.

Arjo's calculations of energy consumption and emissions follow the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and the Group reports greenhouse gases as carbon dioxide equivalents (CO₂e). Arjo does not use carbon offsets to reduce emissions.

Activities in the climate transition plan

Arjo has been working with climate impact reduction activities for many years, both through local and global initiatives. The activities have been overseen by the Management Team through written reports quarterly and regularly at meetings of the Management Team and the Board of Directors. Examples of activities include rationalizing heated and cooled areas in buildings, installation of solar panels, reduction of air transport, and innovations in product design. Through these activities, Arjo has reduced the

Climate change, cont.

greenhouse gas emissions in both its own operations (Scope 1 and 2) and in the value chain (Scope 3).

No significant cost impact has been identified for the planned climate impact reduction activities. Arjo's focus is on innovative improvements driving both climate impact mitigation and cost reduction synergies. To encourage local investments in energy efficiency and energy reduction infrastructure in the long term, Arjo has implemented a "green" capex opportunity in the budget for 2025. Arjo does not use carbon offsetting as a way of reducing the company's emissions.

Activities to reach the reduction target for own operations (Scope 1 and 2)

Greenhouse gas emissions from Arjo's facilities

Arjo is actively working to reduce greenhouse gas emissions from its facilities by enhancing energy efficiency and transitioning to renewable energy. Key initiatives include installing more efficient equipment and continuously introducing solar energy in company facilities. These efforts are crucial to achieving climate targets for Arjo's own operations (Scope 1 and 2).

Greenhouse gas emissions from vehicles

To achieve the climate target for own operations (Scope 1 and 2), Arjo is working on route optimization to enhance mileage efficiency and reduce fuel consumption. The company is also gradually transitioning to hybrid and electric vehicles in its sales and service fleet, and implementing EcoDriving initiatives to further reduce fuel consumption.

Activities to reach the climate target for the value chain (Scope 3)

Purchased goods and services

Engaging with suppliers and collaborating with partners is crucial for achieving the climate targets for value chain emissions (Scope 3). Additionally, it is important to explore the possibility of increasing the use of low-emission raw materials, such as recycled or remanufactured content, in the company's products.

Arjo will continue to investigate and analyze the impact of climate requirements in purchasing agreements, such as switching to renewable electricity, and will implement these measures where feasible and cost-effective in collaboration with suppliers.

Upstream transportation and distribution

Arjo works continuously to improve transport efficiency by increasing fill rates and maximizing the utilization of transport units, to ensure no space is left unused.

The company aims to develop a system to measure actual fill rates and to conduct analyses of co-loading to optimize and verify packaging. If necessary, packaging will be upgraded to improve stacking possibilities, with the goal of increasing shipment consolidation. In parallel, Arjo will adopt a Transport Management System (TMS) software to conduct in-depth analyses of shipping data and identify improvement opportunities. The TMS will provide visibility of all transport flows, enabling analysis, planning, and optimization of all shipping activities.

Additionally, Arjo will map potential carriers to increase the utilization of biofuels. Success in this area will depend on local cooperation and the establishment of new partnerships with maritime and road transport providers.

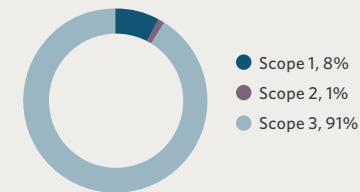
Strategic Green Corridors

Arjo is committed to developing green corridors, which are trade routes designed to minimize environmental impact by utilizing low or zero-emission transportation methods. The company's transformation plan focuses on identifying suitable corridors, with most opportunities found in maritime transportation. The next step is to assess the potential and prioritize implementation.

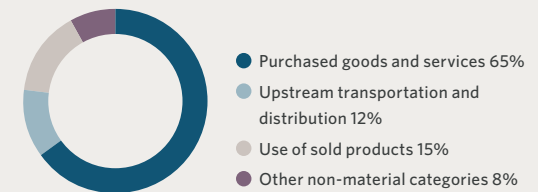
Use of sold products

As part of Arjo's EcoDesign framework, the aim is to improve energy efficiency in new development projects using new technology in electronic components and more optimized software applications.

DISTRIBUTION BETWEEN SCOPE 1, 2 AND 3



DISTRIBUTION OF SCOPE 3-CATEGORIES



Reduction in Scope 1 & 2 greenhouse gas emissions

-19%

Arjo has reduced the greenhouse gas emissions from its own operations (Scope 1 and 2) by 19 percent since the base year 2021.



To integrate climate risks in Arjo's risk assessment process, the following steps were taken:

1. Identification of climate risks in line with the latest science and best practice.
2. Assessment of financial, people and planet impacts and prioritization of risks.
3. Development of plans and follow-ups to mitigate risks where applicable.

Climate change, cont.

Climate-related risks

Arjo has previously conducted interviews with several internal stakeholders to better understand their views on climate-related risks and opportunities, and to promote greater transparency within the organization. These interviews were performed in addition to the annual risk assessment and were inspired by the Taskforce on Climate-related Financial Disclosures (TCFD) framework. Discussions were based on two clearly defined scenarios, focusing mainly on identifying and understanding the risks. No further investigation was made regarding metrics and targets connected to the identified risks.

Climate scenario

Due to the uncertainty regarding how climate change will impact Arjo's business, the company has, in line with the TCFD framework, used scenario analysis for assessing climate risks and opportunities. Arjo's scenario analysis is based on the Representative Concentration Pathways (RCP). These climate change scenarios project future greenhouse gas concentrations and describe different outcomes depending on the amount of gases emitted in the coming years.

There are four RCPs defined, where higher values indicate higher greenhouse gas emissions and consequently higher global surface temperatures and more distinct effects from climate change. To achieve lower RCP values, more stringent climate change mitigation efforts would be required. To cover both the physical risks associated with higher emissions and the transitional risks linked to stricter legislation, Arjo has chosen to work with two scenarios: one reflecting a stringent approach with immediate limited global warming and another reflecting a continued increase in greenhouse gas emissions, with an expected peak around 2080.

The results from the TCFD assessment were incorporated and reviewed with Arjo's Management Team as part of the annual risk assessment process and were also integrated in the double materiality assessment. The highest rated risks are presented in the risk assessment chapter in the annual report, see page 91. The process of monitoring and assessing climate risks will be further developed going forward. These risks are integrated into Arjo's risk register and development is followed up regularly. Integrating these risks in the overall risk assessment process also enhances resilience and awareness of mitigating actions and enables the adaptation of work methods to address any further developments.

Management of impacts, risks and opportunities

Arjo is a manufacturing company with impacts in its own operations as well as upstream and downstream in the value chain. Like all manufacturing companies, Arjo has an impact on climate change and faces potential risks related to it. In the upstream value chain, the impact is primarily connected to suppliers, especially for carbon-intensive materials such as plastic, metal and electronics. The downstream impact is mainly associated with the use of sold products with so-called built-in carbon emissions from energy consumption. The risks related to Arjo's climate impact in the value chain are presented on page 40.

Transport is integral to both Arjo's own operations and in the value chain, as the company works with suppliers and customers globally.

Arjo's own energy and fuel consumption in regards to climate change mitigation is deemed as material based on the scope and scale of the organization and its energy usage.

Climate change, cont.

Policies related to climate change mitigation Environmental Policy

The Arjo Environmental and Climate Policy, covering both the company's own operations and value chain, defines the common principles for managing and developing operations, products and services to minimize the environmental and climate impact. Arjo's overall environmental and climate objective is to contribute to a sustainable society, with commitments to protecting the environment, reducing carbon emissions, preventing pollution, optimizing the use of natural resources, and contributing to a circular economy.

Arjo's employees have a responsibility to follow this policy and to integrate the following environmental and climate actions into their work:

- Reduce climate impact in line with the Paris Agreement.
- Consider environmental risks and opportunities related to climate change and adaptation in own operations and throughout the value chain.
- Ensure sustainable use of resources while simultaneously improving performance and customer value.
- Strengthen environmental awareness and empower employees to contribute to sustainability goals.
- Continuously improve the company's environmental management system to enhance environmental performance.
- Comply with applicable environmental requirements and regulations.
- Consult key stakeholders about their interests and concerns in relation to environmental issues.
- Regularly monitor and report environmental performance to relevant stakeholders.

Arjo's Business Partner Code of Conduct

Arjo's Business Partner Code of Conduct for suppliers and other business partners, set expectations on business partners to manage their operations responsibly in relation to environmental risks and impacts to ensure that suppliers are aligned with Arjo's transition plan.

Arjo expects suppliers and business partners to do their utmost to reduce negative environmental impact from their operations, including but not limited to reducing emissions and waste. The company expects suppliers to have a structured and systematic approach to minimizing and mitigating any negative effects that they may have on the environment, either directly or indirectly. Arjo's supplier audits contain specific sustainability criteria with climate-related questions that are thoroughly reviewed before establishing new business relationships.

Transport Environmental Policy

Arjo's Transport Environmental Policy outlines how the company collaborates with carriers to ensure the achievement of the Group's sustainability goals. The policy is binding for Arjo as well as for its partners.

Arjo's global transport function, overseeing the company's purchased transport services, has introduced sustainability requirements into the transport tender process. Fulfillment of these requirements is mandatory and provides Arjo with a clear overview of a carrier's sustainability ambitions. The result is one of the parameters used for approval of new carriers. The Transport Environmental Policy also states that Arjo will only work with new carriers if their targets meet the company's expectations.

The policy specifies the detailed freight data that is required from existing and new partners. Accurate CO₂e calculation is essential for tracking progress toward Arjo's targets. Therefore,

the company collaborates only with carriers that have committed to providing detailed information that can be used to calculate CO₂e on ton-kilometres.

Arjo's Director of Global Transport is responsible for the transport environmental policy while a transportation sustainability specialist is responsible for its implementation among Arjo's logistics partners. The policy is reviewed annually by the Global Transportation leadership team.

Actions

Greenhouse gas emissions in own operations (Scope 1 and 2)

The emissions generated from Arjo's own operations represent less than 10 percent of the total emissions. To reach the 2024 Scope 1 and 2 reduction target of 23,700 ton CO₂, based on the transition plan, Arjo has executed a number of activities.

The company has implemented a "green" capex in the budget for 2025, encouraging local investments in energy efficiency and energy reduction infrastructure for the long-term perspective. No resources are allocated for overall corporate implementation activities.

In 2024, Arjo continued its transformation to renewable energy sources, now reaching 45 percent of total energy consumption. All Arjo production facilities and distribution centers, as well as all facilities in the United States, purchased renewable electricity during the year.

At Arjo's Suzhou factory in China, a solar power installation started operating, reducing greenhouse gas emissions by approximately 370 tons of CO₂e annually. This accounts for about 40 percent of the factory's total CO₂ emissions. By adopting a business model that offers discounted electricity in exchange for allowing a business partner to install solar panels on the rooftop, Arjo enhances both its sustainability performance and business efficiency.

Climate change, cont.

During the year, part of Arjo's UK operations has moved to a new service center in Luton, significantly reducing the operational energy needs due to a more modern facility and more energy-efficient equipment.

The number of electrical vehicles in Arjo's vehicle fleet has increased to 166, compared to 123 last year. However, there are currently challenges in replacing certain service vehicles due to limitations in range, charging infrastructure and loading capabilities. The company's local market organizations are closely monitoring these developments.

Greenhouse gas emissions in the value chain (Scope 3)

Purchased goods and services

Emissions from the value chain represent more than 90 percent of Arjo's total emissions. These emissions stem from the Scope 3 category Purchased goods and services, Upstream transportation and distribution and Use of sold products. In 2024, Arjo collaborated with external experts to further identify emission reduction activities, including reduction potential, implementation lead times and resource needs. The result will be integrated into the climate transition plan.

Developing activity-based data for emission calculations for procurement of materials and components will enhance transparency and credibility. It will enable Arjo to set measurable milestones and monitor progress over time. To achieve this, a team has been assigned to start implementing activity-based emission data calculations in 2025.

Upstream transportation and distribution

In 2024, transportation data accuracy and emission calculation were in focus. For the Supply Chain function, mainly emissions from global transportation were captured. Starting in 2025, Arjo's transport function will focus on establishing the same accuracy for sales and service transport emissions. To ensure

consistent reporting of transportation emissions, reporting will be centrally managed and controlled.

Several initiatives have been identified to reduce the impact of transportation in the coming years, such as expanding resources to develop packaging and logistics that generate lower emissions through improving the fill rate in packaging and transportation.

In addition, intercontinental and continental transportation flows has been optimized and consolidated, which in 2024 increased efficiency as well as reduced replenishment flows by establishing line hauls between Arjo's operations in Europe. Further reduction of airfreight in favor of lower-emission land and sea transport has been achieved by shifting modes of transport and changing logistics set-up.

Arjo has conducted training sessions with transport providers on the Business Partner Code of Conduct for suppliers and other business partners and distributed a tender questionnaire related to sustainability. This mapping enables Arjo to make well-informed decisions about carrier selection, which is expected to further reduce emissions. Arjo continuously works to enhance cooperation with carriers to jointly develop new solutions to reduce emissions.

Use of sold products

During the year Arjo has established tools and methods of how to accurately measure the energy consumption of the company's products when used by customers. The result will contribute to understanding and identifying improvement areas during product development.





■ **Climate change, cont.**

Metrics and targets

Targets for climate change mitigation

Arjo’s targets have been established and validated in accordance with the Science Based Targets initiative (SBTi). The climate target were approved by SBTi in February 2024. The company doesn’t count any offsets as progress towards the emission targets. Calculation and reporting of greenhouse gas emissions are conducted according to the Greenhouse Gas Protocol Accounting and Reporting Standard. The base year of 2021 was chosen as it represents a normal year after the effect of the COVID-19 pandemic. The emission data availability was also a key factor in the decision. The baseline emissions, performance tracking of Scope 2 emissions and targets are calculated using the market-based method.

Climate targets

Arjo’s target is to reduce the absolute GHG emissions (Scope 1 and 2) by 50 percent by 2030, in accordance with the 1.5°C trajectory. The Scope 1 and 2 trajectory curve toward the 2030 climate target sets a yearly target for the organization to adhere to.

For the value chain (Scope 3) Arjo’s target is to reduce absolute GHG emissions from Purchased goods and services, Upstream transportation and distribution and Use of sold products by 25 percent by 2030, in accordance with the well below 2°C trajectory. Both targets have 2021 as the base year.

Target coverage

The climate target for Arjo’s own operations (Scope 1 and 2) includes emissions from all subsidiaries with operational control, covering more than 95 percent of all baseline absolute emissions. The Scope 3 target covers more than 90 percent of all baseline absolute emissions.

Energy consumption

Total energy consumption at Arjo’s facilities

Energy (MWh)	2024	2023	2022	2021
Natural gas	10,904	11,524	13,816	11,835
Oil	356	217	371	126
Diesel for generators	185	212	224	24
District heating/cooling	633	602	574	161
Electricity	17,715	17,854	18,689	17,775
Solar power electricity	552	157	236	0
Total energy (MWh)	30,345	30,566	33,910	29,921

In 2024, Arjo invested in solar panels for the production facility in Suzhou, China, which has increased solar power production and reduced purchased electricity for the unit by nearly 50 percent.

Accounting policy

Natural gas, oil and diesel from generators are calculated based on quantity in cubic meters or liters. If actual quantity is not measurable, an estimation based on the latest information on usage is used. District heating and district cooling is reported in kWh, provided by a third party or estimated by square meters and average usage in the local countries, and are converted to emissions by using a location-based emission factor. Electricity is primarily collected as amount of kWh from third party. If that is not possible, an estimation based on square meters and average usage is used. Solar power electricity production is not owned by Arjo and the company does not sell solar power electricity. Arjo does not use carbon offsets to reduce emissions. No bioenergy is used by the company. Solar power is calculated as the amount produced by the facilities’ solar panels and used by Arjo.

Target by 2030

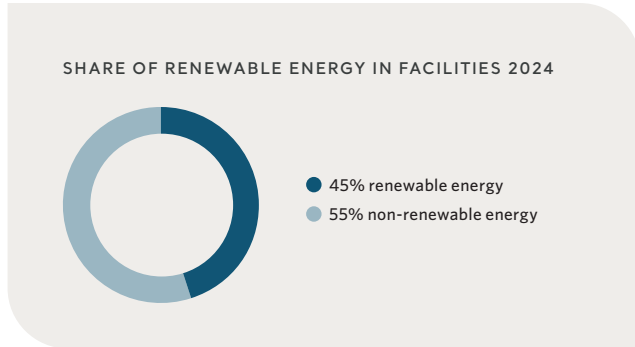
50%

Reduction of greenhouse gas emissions from the company’s own operations (Scope 1 and 2) by 50 percent by 2030, with 2021 as the base year.

25%

Reduction of greenhouse gas emissions in the value chain (Scope 3) by 25 percent by 2030, with 2021 as the base year. The material Scope 3 categories are Purchased goods and services, Upstream transportation and distribution and Use of sold products.

Climate change, cont.



Renewable energy sources

	2024	2023	2022	2021
% of renewable energy	45	33	28	5

Arjo has increased its share of renewable energy through the acquisition of Energy Attribute Certificate (EAC) for a significant part of the business with focus on manufacturing units.

Accounting policy

The percentage of renewable energy is equivalent to the total amount of EAC purchased certificates as well as self-produced renewable electricity. The percentage is the sum of renewable energy divided by total energy consumption.

Total Scope 1, 2 and 3 emissions

Greenhouse gas emissions throughout the value chain

Scope 1 (ton CO₂e) – direct emissions

	2024	2023	2022	2021
Natural gas	2,033	2,118	2,546	2,181
Oil/diesel	161	124	175	46
Vehicle fuel	18,191	19,146	21,100	19,170
Total Scope 1 – direct emissions	20,385	21,388	23,821	21,397

Scope 2 (ton CO₂e) – indirect emissions

Electricity	1,576	2,639	3,705	5,841
Solar power electricity	0	0	0	0
District heating	76	64	63	24
Total Scope 2 - indirect emissions	72	47	23	2
Total Scope 2 – indirect emissions	1,724	2,750	3,791	5,867

Scope 3 (ton CO₂e) – indirect emissions

Upstream transportation and distribution ¹⁾	31,489	26,336	38,221	42,527
Use of sold products ¹⁾	37,946	41,888	42,341	46,552
Purchased goods and services	169,123	143,504	171,415	180,599
Total Scope 3 – indirect emissions	238,558	211,728	251,977	269,678
Total Scope 1, 2 and 3 emissions	260,667	235,866	279,589	296,942

1. Conversion policy: For the Scope 3 category Upstream transport and distribution and Use of sold products, historical data has been recalculated as new measurement methods and updated emission factors are used, which affects comparability. For further information and analysis, see the respective category tables.

Scope 1 (ton CO₂e) – direct emissions

	2024	2023	2022	2021
Natural gas	2,033	2,118	2,546	2,181
Oil	114	69	118	40
Diesel	47	55	57	6
Total Scope 1¹⁾ – direct emissions	2,194	2,242	2,721	2,227

1. Emission factor: DEFRA (2024)

The increase in oil consumption is attributed to the company's German units. Efforts are currently underway to ensure more reliable data from suppliers and thus move from assumptions and estimates to primary data sources.

Accounting policy

Natural gas, oil and diesel are calculated based on quantity in cubic meters or liters, converted into emissions using an emission factor. If actual quantity is not measurable, an estimation based on the latest information on usage is used.

Climate change, cont.

Scope 2 (ton CO₂e) – indirect emissions

	Market based/location based			
	2024	2023	2022	2021
Electricity	1,576/ 6 430	2,638/ 6,808	3,705/ 7,155	5,841/ 6,657
Solar power electricity	0	0	0	0
District heating	76	64	63	24
Total Scope 2¹⁾ – indirect emissions	1,652/ 6,430	2,703/ 6,808	3,768/ 7,155	5,865/ 6,657

1. Emission factor:
Electricity: IEA (2023), AIB (2023)
District heating: DEFRA (2024), Energiföretagen 2023, Norsk Fjernvarme 2020

Market-based emissions have decreased due to the purchase of renewable energy through Energy Attribute Certificates. The climate impact of certified renewable electricity is calculated to be 0 g/kWh for market-based electricity.

Accounting policy

Purchased electricity is primarily collected as amount of kWh from third party. If that is not possible, an estimation based on square meters and average usage is used. kWh is converted into emissions based on region or country specific emission factors. Solar power electricity production is not owned by Arjo and the company does not sell solar power electricity. Arjo does not use carbon offsets to reduce emissions. No bioenergy is used. Solar power is calculated as the amount produced by the facilities' solar panel and used by Arjo. District heating and district cooling is reported in kWh, provided by a third party or estimated by square meters and average usage in the local countries, and are converted to emissions by using a location-based emission factor. Clean EAC certificates and energy bundled with EAC certificates are included in the accounting.

Scope 1 & 2 (ton CO₂e) – direct and indirect emissions from vehicles

	2024	2023	2022	2021
Vehicles fuel ¹⁾ Scope 1	18,191	19,146	21,100	19,170
Electricity vehicles Scope 2	72	47	23	2
Total Vehicles	18,263	19,193	21,123	19,172

1. Emission factors
Drivkraft Sverige Beräkningsfaktorer (2024) & Energimyndigheten Drivmedel (2024)

The company's emissions from vehicles have decreased, which is largely due to updated emission factors, resulting in approximately 300-600 tons CO₂e lower outcomes for 2024.

Accounting policy

Greenhouse gas emissions from vehicles are calculated based on the type of vehicle, type of fuel and consumption of fuel primarily and actual distance secondarily.

Greenhouse gas emission intensity

Intensity figures for Scope 1 and 2 in relation to net sales and number of employees

	2024	2023	2022	2021
Intensity in relation to net sales (tons CO ₂ e/SEK M)	2	2	2.8	3
Intensity in relation to number of employees (CO ₂ e/number of employees)	3.2	3.6	4	4.2

Accounting policy

Intensity CO₂e/SEK M is calculated as total CO₂e for Scope 1 and 2 divided by net sales in million SEK. Intensity CO₂e/employee is calculated as total CO₂e for Scope 1 and 2 divided by the total number of employees.

Reduction of greenhouse gases in relation to base year

	2024	2023	2022	2021
Scope 1 & 2 emissions (%)	-19	-11	1	—

Emissions from Arjo's own operations (Scope 1 and 2) have decreased by 19 percent compared to the base year 2021. This year's decrease is mainly due to the company's increased share of renewable electricity, which reduces emissions. The climate impact of certified renewable electricity is estimated at 0g/kWh for market-based electricity.

Accounting policy

Reduction of CO₂e emission since base year is calculated on Scope 1 and 2, as the change in emissions compared to the base year divided by the base year total emissions in the base year.

Greenhouse gas emissions from Purchased goods and services

Scope 3 (ton CO₂e) – indirect emissions

	2024	2023	2022	2021
Purchased goods and services¹⁾	169,123	143,504	171,415	180,599

1. Emission factors. Swedish National Agency for Public Procurement (2023), Environmental spend analysis (process-LCA) version 4, IVL Swedish Environmental Research Institute, Gothenburg, 2024.

Emissions in the Purchased goods and services category amount to 169 123 tons of CO₂e for 2024. The majority of emissions come from direct purchases of metal. Indirect emissions from services account for the remaining share, about 20 percent. Compared to 2023, emissions have increased by about 17 percent or 25,000 tons of CO₂e in 2024. In 2023, a significant part of the inventory volume was used, which affected purchase volumes for 2024. Currently, the emissions data are based on spend-based calculations. Arjo is actively working to improve the

■ Climate change, cont.

accuracy of the data through more detailed product and supplier data and through the transition to volume-based calculations.

Accounting policy

Calculation of emissions from Purchased goods and services is based on spend per material category multiplied with a material specific emission factor for conversion. Services are also calculated based on spend divided by the different types of services multiplied with specific emissions factors for conversion

Greenhouse gas emissions from Upstream transportation and distribution

Scope 3 (ton CO₂e) – indirect emissions

	2024	2023	2022	2021
Upstream transportation and distribution (calculation based on ton-km)	25,277	19,970	32,229	35,242
Upstream transportation and distribution (calculation based on spend)	6,212	6,366	5,992	7,285
Total¹⁾	31,489	26,336	38,221	42,527

1. Emission factors:

Upstream transportation and distribution calculated based on ton-kilometres: NTM (2021)
Spend-based Exiobase 3.9 (2019)

In 2024, Arjo was impacted by global transport disruptions. This meant that the company had to redirect deliveries and use different methods to ensure deliveries on time. In parallel, Arjo started examining the emissions more closely. In 2024, the company's internal functions developed a strategy for reducing Scope 3 emissions, and in 2025 a development plan for the company's transports will be developed.

In 2024, the global transport function continued to implement improvements to ensure accurate emissions calculations for the Upstream transportation and distribution category. To maintain consistent reporting, a project was initiated to include Arjo's

service and sales units in the calculations based on ton/km. Significant improvements were achieved and 2025 will be the first year in which all transports within the company's own operations are reported using the same methodology. Simultaneously, the company's transport function was working on a plan to improve data maturity to improve existing calculations. For transport from SSU to customers, spend-based data is used to calculate emissions.

In 2024, outdated emission factors for all modes of transport were replaced with new ones. This resulted in more accurate and reliable calculated emissions. The change was so significant that recalculation of historical data was required. Thus, all years from 2021 onwards have been recalculated with new emission factors.

Accounting policy

Ton-kilometre calculation: Transportation to and from warehouses and factories within the supply chain areas of responsibility are calculated using a distance-based method in accordance with the GHG Protocol. The calculations are based on distance, weight and mode of transport with specific emission factors for the mode of transport. Arjo works with an external party that uses freight orders, distances, modality per shipment, weight and geographical area to calculate the amount of CO₂e for the specific transport. There is a match between the freight order and the invoice to ensure the completeness of shipments. Arjo estimates that this method captures 95 percent of freight emissions.

Spend-based calculation: Transportation from Arjo's sales and service companies to customers is calculated according to a spend-based method according to the GHG Protocol. In 2024, a project was initiated to change the methodology and implement a distance-based method for the sales and service companies as well. As of the third quarter, the majority of transports from Arjo's European sales and service companies have been integrated into the calculation, and other regions will gradually be included. The same logic as for transport in the supply chain is applied, using distance, weight and emission factors in line with the modality per shipment. In 2024, the CO₂ emissions of transports from Arjo's sales and service companies will continue to be reported using the spend-based method, with the goal of applying the new calculation method by 2025, after ensuring that all data is collected.

Greenhouse gas emissions from Use of sold products

Scope 3 (tons CO₂e) – indirect emissions

	2024	2023	2022	2021
Use of sold products ¹⁾	37,946	41,888	42,341	46,552

1. Emission factors:

Electricity IEA (2023), A1B (2023)

In 2024, the Research and Development function developed a more product-specific and refined definition of daily use of products. The function also further developed measurement methods and ensured the use of the same high-quality and calibrated power meters in all tests. This resulted in changes to some of the product groups. Consequently, the product categories Disinfection and Pressure injury prevention has been recalculated for all years, dating back to the base year 2021, as it is assessed that the new measurement methods are also applicable to historical data.

Accounting policy

Emissions from Use of sold products is calculated based on sales volume for electric products that render energy (kWh) through their lifetime. Arjo uses country-specific emission factors for electricity multiplied by product lifetime consumption and number of sold products in each country. To provide accurate data for each product type, R&D support with structured power consumption measurements according to common use workflows. The calculation method is based on GHG protocol for use of products, which states that the whole lifetime consumption of the products is accounted for in the year of sales. This means that depending on Arjo's product mix sold the total energy consumption will vary from year to year.

■ Pollution – substances of very high concern

Management of impacts, risks and opportunities

Arjo is a global MedTech company manufacturing products used in care environments. Substances of Very High Concern (SVHC), such as specific chemicals in specific type of plastics, can be used in Arjo's products in very small amounts. These substances help the products last longer and withstand the cleaning procedures required to meet quality regulations within the MedTech industry.

Substances of Very High Concern (SVHC) are receiving increasing attention from stakeholders, with a growing demand to reduce their presence in medical device products. This trend is reflected in various regulations and reporting requirements, such as RoHS, REACH, and SCIP databases.

The SVHC substances used in Arjo's products do not have an actual impact on people using the products, but there can be a potential impact on the environment in the end-of-life treatment. Since Arjo is a global company with sales world-wide, this topic is considered material to improve. By controlling and reducing the amount of substances of very high concern in the company's products, the risk of negative impact on people and environment during the use-phase and especially in the end-of-life treatment, is reduced.

Policies

Arjo has a Standard Operating Procedure which is part of the Supplier General Quality Agreement, defining the terms by which activities related to the manufacturing and distribution of products delivered to or from Arjo will be established, maintained and controlled.

The procedure applies exclusively to suppliers of materials, components, subassemblies, and products manufactured for or on behalf of Arjo or any subsidiaries and are delivered based on received orders by one of the Group's companies. The procedure is signed by Arjo's Procurement function and the main contacts responsible for general inquiries related to product or process

quality from the supplier. Arjo's Supplier Quality Manager and VP Procurement are responsible for the review and approval of the procedure.

In one of the clauses, Arjo requires that the supplier ensures compliance with environmental requirements such as the EU directives: Restriction of certain Hazardous Substances (RoHS) and Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) as well as (EU) 2019/1021 Persistent Organic Pollutants (POPs). The supplier also commits to being able to verify compliance through declaration of conformity.

Product Regulated Substance Management procedure

Arjo has a dedicated procedure for regulated substance management that defines the process to determine if regulated substances are present above specified thresholds in the company's products.

This procedure applies to regulated substances present in finished goods. It does not apply to regulated substances used in the manufacturing process or servicing activities. All products for which Arjo is the legal manufacturer are included in the scope of this procedure.

Arjo's VP QA Supply Chain & Operations and EVP Supply Chain & Product Development & Operations are accountable for this procedure.

Arjo's Procurement Sustainability Specialists have a yearly process for requesting suppliers to determine if supplied articles contain declarable substances at levels beyond the thresholds defined by applicable regulations. Procurement Sustainability Specialists collect supplier declarations and summarize the information in a Product Regulated Substance Matrix. If a supplier does not have the capability of determining whether regulated substances are present within purchased articles, Arjo's VP Procurement determines the need for alternative approaches, such as third party analytical services.

When the missing information is received, Procurement Sustainability Specialists update the Product Regulated Substance Matrix and follow-up forms.

Arjo's Regulatory Standards Specialist monitor the Product Regulated Substance Matrix to determine which purchased articles contain declarable or restricted substances above the threshold(s).

If the supplier declarations summarized in the Product Regulated Substance Matrix indicate that there is no new regulated substance present above the thresholds, no further action is required.

Part qualification process

Arjo has an established mechanism of verification implemented during the part qualification process. The process is activated when it is required to approve a new part in production or a change to an existing part. Change to existing parts includes changes such as process change, tooling change, location or material change. If a part contains restricted substances above specified thresholds, the part qualification shall be rejected. If a part contains declarable substances above specified thresholds, Supplier Quality Engineers consult the Sustainability function to establish further steps. Part qualification can be approved only after receipt of acceptance from Arjo's sustainability function.

Actions

During 2024, Arjo initiated a program managed by the Procurement function to monitor SVHC. Based on input from the organization, a time plan and a priority list of Arjo's product groups has been established, and in 2024 over 200 suppliers have been contacted and requested to provide declarations of compliance. Going forward this will extend to all products and suppliers. Metrics and goals will be established in 2026.

Resource use and circular economy

Management of impacts, risks and opportunities

Arjo identifies and measures resource use by calculating and managing inflows and outflows from all operations, including energy use and key materials needed for the business operations. The company also measures and reports waste generated from its operations divided into different waste fractions such as cardboard, textiles, plastic, metal and hazardous waste. The waste is also reported based on its treatment method, including reuse, recycling, incineration or landfill.

Material impacts related to resource use and the transition to a circular economy have been identified upstream in Arjo’s value chain, primarily linked to extraction and manufacturing of raw materials, as well as downstream in the value chain, related to recycling and end-of-life treatment. Many of Arjo’s products are made from components based on finite natural resources, such as steel, aluminum and polymers. The majority of materials used in the supply chain and in Arjo’s production sites for assembly are virgin materials. The extraction of these materials can have adverse social and environmental impacts. Downstream in the value chain, recovery and recycling rates vary across regions and countries. Arjo sells products globally, and recycling materials can be challenging in certain countries due to inadequate technical solutions and waste management infrastructure. Some

products must be disposed of via landfill or incineration due to contamination risk or complex material compositions that make separation challenging.

There is a strong trend among customers towards increased focus on both sustainability and circularity. Consequently, a potential financial risk identified is the possibility of lost sales if Arjo fails to meet the customer demands. Currently, the company has two circular business models: its rental operations and the reprocessing of single-use medical devices (Arjo ReNu). These operations have a positive impact on resource use and minimizing waste. Due to increased demands for more sustainable products and solutions, the rental and ReNu operations are also considered significant opportunities for Arjo.

Policies related to resource use and circular economy

Arjo’s Environmental and Climate Policy applies for all impacts, risks and opportunities summarized in the table below. It states that resources should be sustainably used and that environmental considerations should be included in processes and activities. The policy also states that Arjo is committed to contributing to a circular economy.

Arjo’s Business Partner Code of Conduct requires all suppliers and business partners to manage their operations responsibly in relation to environmental risks and impacts, and to have a life cycle perspective of their operations. Business partners and suppliers shall do their utmost to reduce negative environmental impact from their operations, including but not limited to reducing emissions and waste. The Business Partner Code of Conduct is relevant for the subtopic E5-1a in the table.

Arjo’s Responsible Sourcing Directive describes initiatives to embed environmental considerations in daily purchasing operations. The directive applies for E5-1a for suppliers upstream in the value chain as well as in Arjo’s own procurement operations.

Arjo’s Standard Operation Procedure for EcoDesign describes how projects shall establish and develop sustainable solutions for a product’s entire life cycle, throughout the development process. Through an EcoDesign optimization checklist, different aspects such as material optimization, energy reduction during use and design for recyclability are taken into consideration. This procedure should be applied to all Arjo’s New Product Development projects. Active products are also to be included when undergoing major updates through the design control procedure. Arjo’s purchasing function takes an active role in establishing efficient communication and understanding of the EcoDesign requirements. The procedure is crucial and relevant for the E5-2a in the table since the recyclability of the products depends significantly on how they are initially designed.

All Arjo’s manufacturing sites are certified according to ISO 14001. There are Waste Management Procedures managed locally on all sites, describing procedures for prevention, reuse, recycling, disposal, storage, and handling of waste as well as roles and responsibilities.

Summary of impacts, risks and opportunities – Resource use and circular economy

ESRS standard	Sub topic	Impact/risk/opportunity	Description of impact, risk and opportunity	Value chain
E5-1a	Resource inflow	Negative Impact	Extraction of virgin raw materials for products and packaging	Upstream
E5-2a	Resource outflow	Negative Impact	Landfill and incineration of used products	Downstream
E5-2b	Resource outflow	Positive Impact	Reprocessing (ReNu) and rental of products	Own operations
E5-3a	Resource outflow	Potential Financial Risk	Failure to meet customer requirements, leading to lower sales	Own operations

■ **Resource use and circular economy, cont.**

Actions

Resource inflows

Products and materials

To reduce resource consumption and prevent waste generation, Arjo has undertaken several projects and initiatives aimed at optimizing materials and increasing the proportion of renewable and/or recycled raw materials. These efforts span central functions such as Research and Development and Procurement, as well as the manufacturing sites.

Arjo's factory in the Dominican Republic has reduced the material in non-woven products by 2-10 percent and has also reduced the need for PVC by 10 percent and foam by 13 percent. In the Suzhou factory, the Auralis pump package has been redesigned, transitioning the packaging material from fossil-based to renewable raw material. Arjo's factory in Magog, Canada, has focused on replacing packaging materials with more sustainable alternatives, for instance increasing the proportion of recycled content. In the company's factory in Poznan, Poland, the use of polyester lining has been reduced by 11 percent.

Resource outflows

Waste from own operations

At Arjo's production facilities, continuous improvements are being made to reduce the proportion of waste in total and to reduce the proportion of waste that goes to landfill and incineration. At Arjo's factory in Suzhou, a collaboration with an external waste contractor has been initiated to reuse textile waste. This has resulted in an 80 percent reduction in textile waste that would otherwise be incinerated.

End-of-life product management

Arjo strives to design products where the materials and design makes them easy to dismantle and recycle after final use. Minimized resource use and improved recyclability are included in the checklist for EcoDesign that is used for all New Product Development (NPD) projects and is part of common practice.

During 2024 a dismantling instruction was developed for the product Airpal Variable Speed Air Supply. Arjo plans to develop additional dismantling instructions and to investigate possible partnerships for separability and recycling of the company's products.

Internal awareness has been raised through active internal communication, resulting in a greater focus in the latest development projects on how to make the products more separable, repairable etc.

Circular solutions

Activities and measures related to the circular economy are currently dispersed throughout the company, highlighting the need for consolidation and the establishment of a common framework. During 2024 a pre-study project plan was developed for execution during the first half of 2025. The main purpose of this pre-study is to develop a recommended framework for circularity, including a clear strategic direction, recommended focus areas, clear ownership, KPIs, targets and activities.

The pre-study will include assessments of current activities, products, business models and ways of working related to circular economy. To select recommended focus areas going forward, potential new solutions will also be evaluated, as well as obstacles, challenges and opportunities linked to these.

The scope of the pre-study encompasses the entire value chain, as managing circular economy aspects requires collaboration both upstream and downstream. The circular framework is expected to be ready for implementation during the second half of 2025 and beyond.

Arjo ReNu

One of Arjo's current circular business models is Arjo ReNu, which employs a reprocessing method that allows for the reuse of medical devices such as garments for treatment of deep vein thrombosis.

Arjo ReNu uses a completely water-based, chemical free, process. The process enables multiple reprocessing cycles for the devices, as the material does not deteriorate. Increased reprocessing cycles result in lower resource use and further reduction in climate impact.

Arjo acquired the US-based company ReNu in 2018 and during 2023 a new ReNu facility was opened in Australia. The reprocessing facilities contribute to all subtopics defined in the table due to the prolonged life of the single-used products leading to less resource use upstream, less waste generated downstream as well as business opportunities and reduced financial risk of not meeting customer requirements.

In 2024, Arjo opened a new state-of-the-art reprocessing facility in the US to increase production capacity and to improve turnaround times, as well as customer service. Arjo also initiated improvements for shipments between customer sites and ReNu, and developed more optimized packaging solutions. This work will continue during 2025, with the ambition to further reduce climate emissions from packaging and transportation.

The ReNu business has a very close collaboration with customers to inform and educate users on what items can be reprocessed and how the processes work, but also to capture customer goals, to better understand how Arjo can support them.

In 2024, Arjo ReNu increased its market penetration in Australia, with a growing number of healthcare facilities adopting its reprocessing service. During the third quarter, the ReNu sales nearly doubled month-over-month. The ReNu business in Australia has also worked with improvements for shipments and more sustainable packaging solutions increasing recycled content and using packaging from renewable sources.

Resource use and circular economy, cont.

In 2024, approximately 4.2 million medical consumables were reprocessed by ReNu, of which about 1.5 million were garments. Apart from the positive impacts and opportunities of reducing resource use and reducing waste, reprocessing also has a significant impact on the carbon footprint. A life cycle assessment completed in 2023 demonstrated that the ReNu reprocessing of garments reduces climate impact by 54-64 percent compared to single use.

Rental operations

Through Arjo's rental operations, customers can rent the products they require for the period of time they need them. This means that the use of resources is optimized as the same products can be used by several different care units over time. This in turn leads to fewer products being produced in total, reducing the extraction of raw materials and reducing waste, in line with the transition to a more circular economy. Arjo's rental operations include products that are specifically developed to be able to be transported between different care providers while retaining their quality, function and safety. After each rental, Arjo checks, cleans, and, if necessary, conducts maintenance on the products. Arjo's rental operations accounts for approximately 25 percent of the company's total revenue, with an increasing customer interest across many markets.

Arjo has significant rental operations in France and the UK. The driving force behind increased customer demand in these markets is both reduced costs and increased flexibility. Sustainability issues are increasingly being raised and customers expect sustainability to permeate the entire offering, including packaging, washing and repair processes and transportation.

In 2024, extensive work was carried out in France to enhance test methods for product quality in the rental business. These improvements led to a reduction of about 5,000 fault reports compared to previous years. Consequently, this resulted in fewer transports, washing and repairs, and thus reduced emissions. In addition, route optimization for transports was performed using newly developed AI software. This initiative will continue in 2025, alongside a gradual transformation to an electrical fleet.

In the UK, a new hygiene center was opened in Luton in April 2024. The facility is a high-tech unit with fast barrier washes, efficient testing methods and solar panels - all aimed at enabling a more efficient and sustainable rental business for customers in the London area. Another initiative in the rental business is that the plastic bags used now contain 30 percent recycled material, which adds to the overall circular mission for the business.

Customer requirements

To address customer requirements for sustainability data and circular solutions, a mapping of twelve Arjo markets was carried out in 2024. This mapping was conducted to better understand the magnitudes and trends regarding customer requests, especially for data on product level such as life cycle assessment data. Different key roles such as Product Managers, Tender Managers, Quality Managers and Sustainability Managers were interviewed. The results showed a wide variation across the different markets, but regardless of market maturity the trend showed a clear increase in sustainability interest from customers in all markets, with increasingly detailed questions and demands. The access of sustainability data on product level will be developed further within Arjo and work is ongoing to be able to combine internal value and customer value.



■ Resource use and circular economy, cont.

Metrics and targets

Arjo's goals for resource use and circular economy are focused on packaging materials and waste within its own operations. The targets for packaging materials are directional rather than quantified or time bound. During the first half of 2025, a framework for circularity will be developed. This includes reviewing metrics and targets to identify which areas are most important to measure and drive improvements. For example, outflows of resources need to be measured and targeted more clearly to show what happens to end-of-life products after use and thus promote circular solutions. Waste within Arjo's own operations is not defined as an impact, risk or opportunity, but has been measured and reported for several years with a defined target.

Targets – resource use and circular economy

Sub topic	Impact/risk/opportunity	Target	Waste hierarchy
Resource inflow	Extraction of virgin raw materials	Reduce total amount of packaging materials	a) Prevention
Resource inflow	Extraction of virgin raw materials	Increase the share of reused/ recycled content in packaging materials	c) Recycling
Resource outflow	Not material for Arjo	The percentage of waste that can be recycled is to be 80 percent by 2030, with 2021 as the base year.	b) Re-use c) Recycling

Resource inflows

Arjo uses different resources, including raw materials, water and energy for product manufacturing, packaging and business operations. The major material flows for Arjo's products consist of metal and plastic, which are predominantly derived from virgin raw materials. In 2025, targets and key metrics for resource flows will be reviewed and projects are underway to gather all data in volume, similar to the approach used for packaging.

Material consumption

Resource inflow (spend-based %)	2024	2023
Plastic	14	14
Metal	23	22
Textile	16	12
Hardware and hydraulic	8	8
Electronics	26	29
Packaging	4	4
Other	9	11

Accounting policy

Material flow is all calculated as direct material purchased by Arjo. The inflow of materials is reported as a share per product category based on spend.

Packaging material

Packaging (%)	2024	2023	2021 (base year)
Share of renewable packaging material	98	95	98
Share of recycled material	15	15	—

Packaging material (ton)	2024	2023	2021 (base year)
Cardboard	927	849	813
Plastic	53	115	34
Wood	1551	1,435	1,227
Total weight packaging material	2,531	2,398	2,074

Purchased packaging materials consist mainly of renewable materials such as corrugated cardboard and wood. The total amount of packaging material is at the same level as in 2023. The share of renewable materials has increased slightly as the share of plastic packaging has decreased. The projects ongoing have also yielded results quantitatively on the total. Read more in the section Measures and resources related to resource use and circular economy. This can also be explained by the

Resource use and circular economy, cont.

different packaging requirements of the product mix, which have been more favorable in 2024 compared to 2023.

The proportion of packaging material from recycled sources is a new metric. It remains at the same level as in 2023 and is considered to have good potential to increase, given that both wood and corrugated cardboard are available with a high content of recycled material. Arjo is working to improve the basis for this reporting, as the proportion of recycled material is not always clear in the current specifications.

Accounting policy

The amount of packaging material is a compilation of reported data from all production units that are reported quarterly. Packaging materials include primary packaging, secondary packaging and tertiary packaging and cover the packaging materials purchased at Arjo's production facilities.

Resource outflows

Circular solutions

Arjo's rental and ReNu operations are circular business models that reduce resource outflows. Metrics and targets for circular solutions will be further developed in the pre-study planned for 2025. Read more on page 57. Currently, the following metrics are monitored:

Indicators	Unit	2024	2023
Medical single use consumables reused through Arjo ReNu	Million units	4.2	3.4
Share of rental turnover	%	25	24

Arjo ReNu has a strong upward trend. In 2024, the handling of medical consumables increased by 24 percent compared to 2023. Arjo's rental operations are also showing a positive trend with the major markets being the US, France and the UK.



■ Resource use and circular economy, cont.

Total amount of waste from production per category

Type of waste (tons)	2024			2023			2021 (base year)		
	Total amount of waste	Waste to reuse and recycling	Waste to landfills and incineration	Total amount of waste	Waste to reuse and recycling	Waste to landfills and incineration	Total amount of waste	Waste to reuse and recycling	Waste to landfills and incineration
Cardboard	446	445	1	427	427	0	443	443	0
Textiles	94	25	69	88	13	74	252	9	243
Plastic	273	126	147	237	101	135	229	101	128
Metal	47	47	0	56	56	0	94	94	0
Wood	179	179	0	234	195	39	38	38	0
Other non-hazardous waste	427	21	406	250	19	231	123	31	92
Hazardous waste	15	6	9	18	6	11	39	8	31
Total amount of waste (tons)	1,481	850	631	1,309	817	491	1,218	723	495

The primary waste fractions from Arjo's production facilities include corrugated cardboard, plastic, wood and other non-hazardous waste. Among these fractions, it is mainly other non-hazardous waste that goes to landfill and incineration and therefore needs to be reduced. A significant proportion of plastic and textiles goes to incineration or landfill. Textiles are a relatively new area where recycling technologies are not yet established in Arjo's largest markets. However, there is significant research and technological development underway in the industry to establish circular flows for textiles and other polymer types.

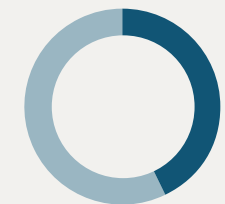
The proportion of hazardous waste is only 1 percent and consists mainly of chemical packaging, lighting and oils. Work to reduce hazardous waste and find alternatives to the chemicals that are considered SVHC is ongoing.

Efficiency figures for amount of waste in relation to net sales

	2024	2023	2021
Tons waste/SEK M	0.13	0.12	0.13

The amount of waste sent to reuse or recycling has decreased in 2024 and now accounts for 57 percent. This is partly explained by the increase in production at units where a larger proportion of waste goes to landfill, due to the lack of recycling infrastructure. Arjo's aims to increase the share of waste that can be reused or recycled to reach 80 percent by 2030, with 2021 as the base year.

WASTE PER METHOD OF HANDLING



- Waste to landfill/incineration, 43%
- Waste to reuse/recycling, 57%

Accounting policy

The data presented in the table is based on reported data from production and is compiled centrally on a quarterly basis. The data is mainly based on information from the waste management contractor at each production site.

Social responsibility

Social responsibility is an important part of the Arjo culture and the company works actively to ensure good working conditions, both within its own organization and together with suppliers.

Own Workforce

Policy and management of impacts, risks and opportunities

Impact and organization

In 2024, Arjo performed a double materiality assessment to identify topics that may have an impact or pose a risk to Arjo's various stakeholders, including its own workforce. The material topics identified related to Arjo's own workforce are working conditions (occupational health and safety) and equal treatment and opportunities for all (gender equality and equal pay for work of equal value and diversity).

Arjo has approximately 7,000 employees across more than 30 countries, including permanent and fixed-term contracts. In addition, Arjo has around 650 non-employee workers on temporary contracts. These figures do not include upstream or downstream value chain workers.

Framework for policies and directives

Arjo's policies and directives apply to the entire Group and establish rules and boundaries for how employees and legal entities shall act in various areas and functions. All policies and directives mandate appropriate working methods and ethical guidelines relating to business activities.

Arjo's Board of Directors is responsible for approving all policies, while the Management Team is responsible for approving the directives. Each policy and directive has an owner in the Management Team, who is responsible for implementation and maintenance.

Human rights and fair labor conditions

Approach and policies

The Arjo Human and Labor Rights Policy outlines the company's position and commitments to ensure that the company lives up to international principles for human rights and fair working conditions.

Sound business ethics, transparency, honesty and well-defined principles for compliance are at the core of Arjo's long-term business relations. These guidelines are set by the Board of Directors and is solidified in the organization through the company's Code of Conduct for employees, which covers matters such as anti-corruption, fair competition, human rights and work environment responsibility.

Arjo respects internationally recognized human rights as stated in the UN Guiding Principles on Business and Human Rights (UNGP) and the UN Global Compact.

Arjo is committed to respecting and ensuring labor rights in line with the International Labour Organization (ILO) core conventions and recognizes the freedom of association and the right to collective bargaining. Arjo does not accept disciplinary or discriminatory actions against employees who choose lawfully to organize or join a trade union or a workers' association.

Arjo has zero tolerance for forced labor, child labor or other forms of involuntary labor, including modern slavery. The company complies with applicable laws and international standards on forced labor.

Actions

To enforce compliance with the Code of Conduct, all new employees receive training. Arjo's goal is for all new employees to have completed the training within three months from the date of employment. This applies to all employees, regardless of position in the organization.

In 2024, the Human and Labor Rights Policy was incorporated into a mandatory training module for leaders. The purpose is to raise awareness and compliance from executive and senior leadership on all areas of the Arjo business.

To gain insights from the organization and encourage continuous dialogue between managers and team members, Arjo includes questions related to the field of human rights and fair labor conditions in the annual employee survey.

Own Workforce, cont.

Engaging with own workforce

Approach and policies

Arjo's annual employee survey gives every employee the opportunity to provide feedback about their everyday experience of working at Arjo as well as the company at large. Core engagement is measured and scored based on loyalty, trust and satisfaction. Drivers of engagement include, but are not limited to wellbeing, strategy communication, management support, peer relationships, reward and recognition, diversity, equity and inclusion, and growth. The survey tool provides an external industry benchmark score, which helps Arjo to ensure that the company remains competitive against its peers. An analysis of the survey serves as the foundation for ongoing development of action plans aimed at fostering both individual and team engagement. It also helps retain talent and skills within the company and provides an opportunity to continuously monitor overall engagement levels. The survey tool offers confidential dialogue within the platform and all teams are encouraged to discuss and work with the results.

Since 2018, Arjo has increased the global participation rate year on year, from 84 percent in 2018 to 90 percent in 2024. The global engagement score has increased over time, from 7.3 out of 10 in 2018 to 8.1 out of 10 in 2024. Arjo has continued the efforts to improve those areas highlighted by the workforce. According to the survey tool's industry benchmark, Arjo's overall engagement score is above average for the Healthcare Equipment and Services sector.

The Arjo Performance and Development approach focuses on continuous development conversations and real time two-way feedback in a structured setting.

Arjo's global intranet is an important channel to regularly provide updates on important topics. The company also has a number of leadership forums to share information and engage in a dialogue with its leaders. All employees have access to an HR Business Partner, who can support in topics of concern.

Arjo's Flexible Workplace guideline supports leaders and teams on how to apply the hybrid working model in practice.

Arjo engages with unions and works councils (workers' representatives). When the employees are represented by a legally recognized trade union or similar, Arjo ensures constructive communication and involvement. The company strives to work with openness to encourage dialogue, and engaging in negotiations and consultations with the representatives.

Arjo does not accept disciplinary or discriminatory actions against employees who choose lawfully to unionize or join an association. At Group level, Arjo has union representation in the Board of Directors and also participate in European Works Council (EWC).

Remediation and channels to raise concerns

Arjo encourages employees and other stakeholders to communicate any observed or suspected misconduct in terms of compliance, either directly to their manager, local HR or to the company's compliance function. Arjo has a global whistleblowing system where employees can report any improprieties or deviations. This process and actions related to non-compliance are further described in the Responsible Business Conduct section.

Arjo recognizes the challenges employees may face when deciding to report a suspicion. Therefore, the company is committed to protecting those who file reports in good faith. No employee is to be subject to harassment, retaliations or negative consequences in their employment due to filing such a report.

Diversity, equity and inclusion

Approach and policies

Diversity, equity and inclusion (DEI) is considered a material area for Arjo and given the potential negative impact to any individual, it is of high priority to the company. Arjo has policies, processes and initiatives to support the direction of equal treatment and opportunities. Arjo's ambition is to not only foster an awareness of the need for diversity, equity and inclusion within the organi-

zation but also establish metrics. Arjo is committed to increasing diversity in gender, race, ethnicity, language, nationality, age, physical ability, sexual orientation and background.

Arjo continuously works to ensure that the company's directive is embedded across the global organization through the establishment of a global DEI steering committee, a global DEI council, and a DEI leaders' framework. The global DEI steering committee consists of employees representing senior management on functional and geographical level and who reports to members of the Management Team.

The company's eleven commitments stated in the DEI directive have been established to support the implementation of fair, equitable and non-discriminatory employment practices and a diverse and inclusive workplace through the provision of equal opportunity for all. The commitments are actioned and followed up via different initiatives to make sure that they are integrated and considered throughout all HR-related processes.

Actions

Through the annual people survey, the company collects feedback on DEI related topics from across the organization in a confidential manner. Survey questions address topics such as Arjo's overall efforts to ensure diversity as a clear priority in recruitment processes and in the company as a whole, as well as the company's responsiveness to any discrimination. The annual people survey shows an increase in overall global scores on the DEI topics, from 8 out of 10 in 2018 to 8.5 out of 10 in 2024.

Arjo has a Total Rewards directive that explicitly prohibits pay discrimination on any grounds. The company has initiated an annual equal pay analysis in each country of operations as of 2024, to assess pay gaps and enable actions for mitigation. The company's DEI strategy was developed with clearly defined goals, KPIs and focus areas aligned with Arjo's eleven DEI commitments. Arjo's DEI council holds monthly meetings, and, in addition, nine global work streams are working on identified areas and proposed actions to the DEI steering committee.

Own Workforce, cont.

Attracting and developing employees

Approach and policies

Attracting and retaining employees with the right competencies is a key strategic priority for Arjo. Based on the organization's needs, the right skills are identified in a well-defined process using various assessment tools during the recruitment and selection phase. Arjo works together with local universities and colleges to attract new talent. The company provides internships and graduate projects for students and in many markets has trainee programs that gives students the opportunity to participate in interdisciplinary projects while receiving internal training. There are a number of directives supporting the attraction and development of talent, such as the Performance and Development Directive, the Succession Planning Directive, the Recruitment, On-boarding and Leaving directive and the Mentorship framework.

Arjo works with talent development continuously throughout the year. In addition, to provide a company-wide global insight on the current and potential capabilities required to meet the strategy, an annual global people review is conducted in alignment with the annual financial plan. During the people review, leaders across Arjo evaluate their teams against their strategic workforce plans, assessing strengths and areas for development based on performance and potential. The result is calibrated in several steps and is consolidated at Management Team level to ensure quality and inclusivity to the process. This provides the company with a broad insight of talent data to support employee growth and development. Arjo continuously strives for individual developmental growth plans that encompass stretched goals and objectives. This enables the employee to meet identified competency gaps and demonstrate behaviors aligned with the Arjo Guiding Principles and Leadership Behaviors.

Arjo uses assessment tools in relevant processes, which can support high-performing teams and provide better insights into

the drivers of employee motivation. Over time, this can help both individual employees and groups reach their full potential.

Actions

Arjo's Talent and Mentorship Programs provide employees with exposure to the wider business, networking outside of their field, knowledge-sharing and applying diversity in decision-making. The individual development offerings provide strategic projects under the guidance of the Management Team. The global Academy function provides specialized product, clinical, sales, and customer-related training to continually keep employees up to date with Arjo's offering. The success of these employee development initiatives is measured using the annual employee survey feedback with questions covering career path, mentorship and learning.

Arjo continuously works to foster a learning culture across the organization based on the 70/20/10 concept and aided by an e-learning library. Leaders are encouraged to provide diverse learning opportunities to their teams connected to business objectives and skill gaps.

Leaders take part in both global and local on-boarding and introduction programs including foundational leadership in Arjo training modules delivered by HR Business Partners. The modules cover principles and culture, compliance, sustainability and Arjo's people processes and employee lifecycle from employment to termination.

Arjo continuously tracks KPIs related to the employee value proposition to secure the attractiveness of Arjo as an employer and thus enable the competency agenda. The annual employee survey feedback insights are the basis for local and global actions.

The annual employee survey shows an increase of score from the workforce on the topic of growth, from 6.8 out of 10 in 2018 to 7.5 out of 10 in 2024.

Diversity, equity and inclusion

ARJO'S 11 COMMITMENTS

1. Leadership and Accountability
2. Recruitment, Selection and Promotion
3. Gender Pay equity
4. Diverse representation of workforce and teams
5. Support for caregiver responsibilities
6. Mainstreaming flexible working
7. Preventing harassment and discrimination, sexual harassment and bullying
8. Support for employees experiencing domestic and family violence
9. Learning, Development, Mentoring and Training
10. Talent management and succession planning
11. Driving change beyond the workplace

Own Workforce, cont.

Occupational Health and Safety

Approach and policies

Occupational health and safety is at the core of Arjo and central to all operations, products and services. Arjo has a clearly defined framework for managing physical and psychological health and safety in the work environment, with a zero-accident vision.

Arjo makes continuous improvements based on the company's Occupational Health and Safety directive and Occupational Health and Safety manual. As part of these efforts, Arjo has implemented a management system and a framework for achieving a consistently high safety standard and ensuring a healthy physical and psychosocial work environment at its various work places. Arjo's work environment is regularly evaluated by work environment representatives and committees comprising employees from different functions and levels. This structure fosters a mutual understanding and enables need-based decisions at every facility. Audits are conducted annually to verify that the company's facilities meet established targets and applicable regulations and requirements.

Actions

Arjo's senior leaders must complete the company's annual mandatory compliance program to acknowledge and sign off their understanding and responsibility. Arjo's Code of Conduct, DEI Directive, Occupational Health & Safety Directive and Human and Labor Rights Policy contribute to ensuring a good working environment.

Arjo has established processes to remedy potential negative impacts on health and safety including a corporate internal audit program to review and audit selected sites to validate that occupational health and safety plans are in place and identify gaps and potential improvements.

Arjo has also established a global framework with local occupational health and safety committees to lead and direct occupational health and safety across the workplace through consultation processes. Twice a year, training is provided on the mandatory global reporting system to measure targets and objectives. Through this process of identifying and controlling risks and hazards, Arjo is reducing and eliminating risks with preventive measures.

Arjo provides all employees with injury management and rehabilitation. Incidents and accidents are investigated and lessons are learnt within the organization. Arjo has resources and support to implement and ensure compliance with the Occupational Health and Safety Directive, procedures and programs. Arjo continuously revises this directive as well as the Occupational Health and Safety Manual.

The annual employee survey includes questions about the work environment and health and safety. Arjo has established an escalation and reporting process for high-risk occupational health and safety issues. As part of the process, the global process owner for occupational health and safety and the Management Team are involved.

The company's employee survey shows an increase in the score from the workforce – from 8.3 in 2023 to 8.4 in 2024 on the topics of occupational health and safety. The Arjo manual for Occupational Health and Safety is based on the ISO 45001 standard. The manual was updated and revised in 2024 to include the definitions and calculations set out in ESRS S1 Own Workforce, in order to prepare the organization for reporting in 2025. Arjo's internal audit program identifies two to three entities per year to be audited, either internally or through a third-party audit. The facilities in the UK and Australia are externally certified according to ISO 45001. All Arjo employees are covered by the Occupational Health and Safety management system.



Own Workforce, cont.

Metrics and Targets

Number of employees per region, gender and age group

Region/ age group	2024			2023		
	Women	Men	Total	Women	Men	Total
Europe						
15-29	232	258	490	178	203	381
30-49	784	1,210	1,994	734	1,154	1,888
≥50	436	899	1,335	450	926	1,376
North America						
15-29	53	103	156	40	93	133
30-49	208	401	609	199	395	594
≥50	179	373	552	183	407	590
Other						
15-29	427	254	681	306	199	505
30-49	604	466	1,070	555	483	1,038
≥50	138	148	286	139	154	293
Total	3,061	4,112	7,173	2,784	4,014	6,798

Full time/part time employees per region and gender

Region	2024			2023		
	Women	Men	Total	Women	Men	Total
Europe						
Full time	1,299	2,270	3,569	1,215	2,215	3,430
Part time	153	97	250	147	68	215
North America						
Full time	436	869	1,305	417	885	1,302
Part time	4	8	12	5	10	15
Other						
Full time	1,151	851	2,002	982	821	1,803
Part time	18	17	35	18	15	33
Total full time	2,886	3,990	6,876	2,614	3,921	6,535
Total part time	175	122	297	170	93	263
Total	3,061	4,112	7,173	2,784	4,014	6,798

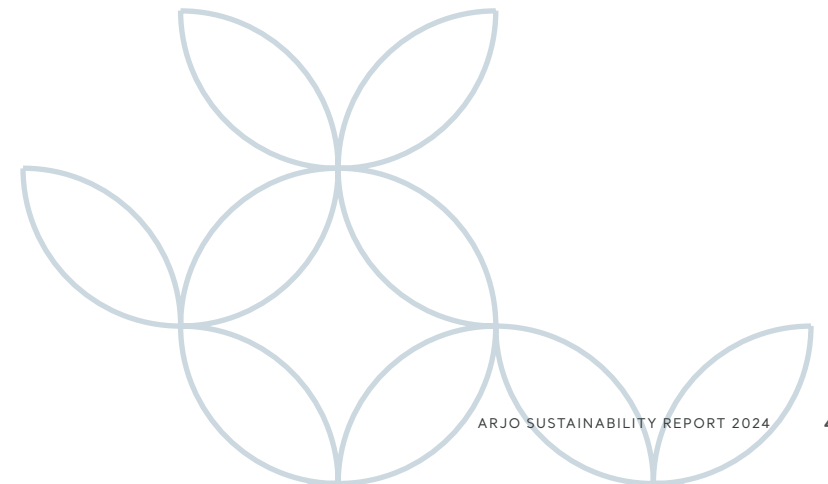
Employees by type of employment, region and gender

Type of employment	2024			2023		
	Women	Men	Total	Women	Men	Total
Permanent employment	2,904	3,925	6,829	2,631	3,851	6,482
Europe	1,319	2,225	3,544	1,228	2,154	3,382
North America	437	871	1,308	421	887	1,308
Other	1,148	829	1,977	982	810	1,792
Fixed-term employment	157	187	344	153	163	316
Europe	133	142	275	134	129	263
North America	3	6	9	1	8	9
Other	21	39	60	18	26	44
Total	3,061	4,112	7,173	2,784	4,014	6,798

In 2024, the number of internal employees increased by over 300, with the majority of the growth coming from production personnel in the Dominican Republic.

Accounting policy

The number of employees by region, gender and age group is based on data from the global HR system SuccessFactors as of December 31, 2024. This means that the number of employees and related breakdown are based on headcount per this date. The categories of permanent employment and fixed-term employment include all internal employees.



Own Workforce, cont.

Staff turnover (voluntary)

Region/age group	Women		Men		Total	
	Number	Turnover	Number	Turnover	Number	Turnover
Europe						
15-29	25	16.2%	25	14.6%	50	15.3%
30-49	51	7.5%	86	7.7%	137	7.6%
50+	31	7.6%	50	5.8%	81	6.3%
North America						
15-29	11	22.4%	21	20.5%	32	21.1%
30-49	23	11.4%	66	16.7%	89	14.9%
50+	13	7.3%	38	9.9%	51	9.1%
Other						
15-29	69	17.9%	47	21.4%	116	19.2%
30-49	38	6.5%	47	10.4%	85	8.2%
50+	8	6.2%	9	6.3%	17	6.2%
Total	269	9.7%	389	10.1%	658	9.9%

Accounting policy

Percentage of employee turnover is calculated based on number of permanent full-time equivalents leaving voluntarily during the year. The number of employees by region, gender and age group is based on data from the global HR system SuccessFactors as of December 31, 2024.

Workers who are not employees

Total FTE per region	2024	2023
Europe	261	270
North America	140	171
Other	267	230
Total	668	672

Personnel who are not employed and whose work is controlled by the organization consists of consultants in areas such as IT, rental or production operations, research and development and finance.

Accounting policy

The number of employees by region is based on data from the global HR system SuccessFactors as of December 31, 2024. Workers who are not employees and related breakdown is based on full-time equivalents per this date.

Diversity

Share of women per category (%)

	2024	2023	2022
Percentage of women, total	43	41	42
Percentage of female managers in leading positions	40	37	34
Percentage of women in the Management Team	44	50	50
Percentage of women on the Board of Directors	37	29	29

The proportion of women in the company increased by 2 percent and the proportion of female managers in leading positions increased by 3 percent to 40 percent. The number of women on the Board also increased.

Accounting policy

Leading positions refer to managerial roles at levels 1-3 below the CEO and President, with Arjo's Management Team representing level 1. Data is retracted from the global HR system SuccessFactors as of December 31, 2024.

Health and safety

Workplace inspections and corrective actions (%)

	Goal 2030	2024	2023	2022
Percentage of planned inspections completed	100	86	92	89
Percentage of corrective measures completed	100	86	87	80

Own Workforce, cont.

Total number of incidents and accidents

	Goal	2024	2023	2022	2021
Percentage of people in its own workforce who are covered by health and safety management system		100%	100%	100%	100%
Number of fatalities	0	0	0	0	0
Number of recordable work-related accidents for own workforce (major consequence)	0	1	3	3	12
Number of recordable work-related accidents for own workforce (minor consequence)	0	220	107	108	140
Rate of recordable work-related accidents for own workforce ¹⁾		14.8	7.7	7.6	11.1
Number of incidents	n/a	164	221	286	117

1. Rate of recordable work-related accidents is computed by dividing the respective number of cases by the number of total hours worked by people in the workforce and multiplied by 1,000,000. Hours worked is actual or planned hours minus number of hours due to absence (publ. holiday, sick leave or vacation).

In 2024, Arjo's Occupational Health and Safety Network held a workshop where the definitions of accidents and incidents were clarified. The outcome for 2024 shows a change from a historically higher number of incidents to a higher number of accidents

with low consequences, indicating that Arjo now has more accurate data through the clarified definition. Reported incidents and accidents with low consequences mainly refer to physical or safety-related events.

Accounting policy

Arjo reports twice a year in its global sustainability system, Position Green, according to the metrics defined in the Arjo Occupational Health and Safety manual. Recordable work-related accidents require medical treatment beyond first aid. They meet the definition of serious injury/illness/dangerous incident/high consequence accident/injury/ill health/loss of consciousness/ diagnosed by a physician or other licensed medical practitioner as defined in Arjo Occupational Health and Safety manual.

Percentage of participants in the annual People Survey (%)

	2024	2023	2022
Percentage of participants in the annual People Survey	90	89	88

In 2024, 90 percent of Arjo's employees participated in the company's annual employee survey.

Code of Conduct for employees (%)

	Goal	2024	2023	2022	2021
Share of new employees who have completed training in Arjo's Code of Conduct	100	87	80	85	86

87 percent of all new employees completed the Code of Conduct training in 2024.

Accounting policy

The number of employees who have completed a course in business conduct is calculated as the proportion of employees who, as of December 31, 2024, have completed an e-learning course in business conduct relative to the total number of employees invited to take the course. This training is automatically assigned to all new employees in Arjo through the global learning management system, and completion rate is tracked in the system.

Workers in the value chain

Strategy

Workers in the value chain is an important stakeholder group for Arjo since the company works closely with suppliers and strive to have long-term business relations. Ensuring good working conditions for workers in the value chain is also part of Arjo's fundamental values. Arjo's Supply Chain function works actively with continuous improvements through supplier evaluations, supplier audits and continuous dialogue.

Management of impacts, risks and opportunities

Policies related to value chain workers

Through Arjo's Business Partner Code of Conduct for suppliers and other business partners, the company expects each business partner to respect and support international human rights and labor conditions, and avoid causing, contributing or being linked to negative human rights or labor conditions impacts. Arjo continuously develops its human rights initiatives and is determined to perform human and labor rights due diligence for the supplier base.

Processes for interacting with value chain workers

In 2024, Arjo initiated sustainability audit training for the global procurement function, starting with the Asian region. The aim of the training was to prepare supplier quality engineers to conduct sustainability audits autonomously, and to build competence, experience and prepare for the requirements of the EU Corporate Sustainability Due Diligence Directive (CSDDD).

Arjo has started the implementation of a sustainability audit program aimed at evaluating direct suppliers based on environmental, social and governance (ESG) criteria. The program includes Tier 1 suppliers, defined as those with whom Arjo has a direct contractual relationship. The audits will prioritize worker-related aspects such as fair wages, safe working conditions, diversity and inclusion, and human rights compliance. Through the program, Arjo wants to ensure that the supply chain lives up to the company's requirements in terms of working conditions and business ethics.

In 2025, the sustainability audit deployment will continue within the European and American regions. As maturity and experience grow, improvements to processes, governance and competence will develop. Once the program is fully implemented, annual audit execution will start, based on the audit frequency defined in Arjo's Standard Operating Procedure SOP-009 (Selection and Monitoring of Suppliers).

A pre-screening tool for supplier sustainability capabilities is implemented to aid purchasers and supplier sustainability auditors in assessing risks and preparing for audits.

Arjo's sustainability audit program focuses on identifying the most vulnerable groups of workers in the company's value chain. The program will assess working conditions at suppliers and evaluate the extent to which specific groups of employees are exposed to increased risks linked to working conditions, wage setting, etc.

A corporate-led CSDDD integration program will start in the second half of 2025, covering the whole value chain, including Arjo's own operations, with the goal to establish due diligence procedures, targets and metrics. The supplier sustainability audit program will be integrated to ensure full alignment to the CSDDD.

Actions

Arjo has a whistleblowing service, with a designated link on the website. The whistleblowing function can be used both by internal and external stakeholders, such as value chain workers, and the reporting is anonymous.

Using the Supplier Sustainability Criteria Checklist, auditors verify whether potential suppliers have updated and relevant occupational health and safety training. The checklist includes working hours, child labor, and sourcing minerals considered to be high-risk.

Starting from the fourth quarter 2025, supplier quality engineers will continuously conduct supplier sustainability audits according to the new audit framework.

Consumers and end-users

Strategy

Approach and policies

Arjo's vision is to drive healthier outcomes for people facing mobility challenges. The company helps healthcare providers to create the conditions to retain and improve patient mobility aided by the right care setting, equipment and work methods throughout the care process. Improved mobility contributes to positive effects such as quicker recovery, preventing complications and enabling greater independence and quality of life. The right solutions for improving patient mobility also reduce the risk of work-related injuries among caregivers and increase resource efficiency for healthcare.

Different solutions are needed to provide the right support for patients with varying physical mobility and dependence. Arjo's product portfolio helps solve individual problems related to patient mobility in different care settings such as elderly care, acute care, bariatric care and care for people with other special needs.

Arjo promotes an outcome-based business model with programs that aim to prevent the occurrence of patient injuries and enable healthcare professionals to safely provide high-quality care, thereby reducing the risk of work-related injuries.

Safe, high-quality products are Arjo's hallmark, which the company is constantly working to ensure. Medical devices are surrounded by extensive regulations, especially in the EU and the US. Arjo ensures that the Group's products comply with laws and regulations in all markets in which the company operates.

The majority of Arjo's medical devices have a low-risk profile, corresponding to risk classification 1 in the EU. To ensure compliance with laws and regulations, Arjo has a certified quality management system with defined quality assurance procedures for processes such as design and development, risk assessments, testing, documentation, customer and end-user feedback and management of improvements.

Management of impacts, risks and opportunities

Policies related to consumer and end-users

The Arjo Quality Policy and Quality Management System procedures cover all consumers and end-users of the company's products. They are mandatory and are made available for all affected employees in the company via communication channels such as the global intranet and the global training platform.

The Arjo Quality Policy is reviewed annually by the Arjo Management Team and any changes are to be approved by the company CEO and the Board of Directors. Objectives and targets are also reviewed annually by the Arjo Management Team to ensure consistency between the Quality Policy and objectives as basis for KPI monitoring.

Established process for ethical marketing

Arjo markets the company's products and solutions in accordance with high ethical and regulatory standards as well as applicable legal requirements. The activities are governed by Arjo's Code of Conduct, the Quality Policy and the Directive for design and development of customer solutions, which describes the procedure for the development of sales and marketing material as well as the approval process for all external material containing statements regarding products or performance. All relevant staff receive training on Arjo's ethical guidelines for interaction with business partners and healthcare professionals.

Compliance standards and controls

Arjo devotes significant efforts and resources to implementing and applying processes to ensure regulatory compliance. To meet the growing demands and expectations within the medical device industry, the company focuses on continuously evaluating and improving products and processes.

The Executive Vice President Quality & Regulatory Compliance, who is part of the Arjo Management Team, heads the global Quality & Regulatory Compliance function, which has representatives in all parts of Arjo. This role is also appointed the Person Responsible for Regulatory Compliance (PRRC) as defined by the European medical device regulation and is accountable for the implementation of the Quality Policy.

Arjo's Quality & Regulatory Compliance organization maintains the global Quality Management System, which is established with five multi-site certificates issued by the certification body BSI:

- ISO 9001 Quality management systems - Requirements
- ISO 13485 Medical devices - Quality management systems - Requirements for regulatory purposes
- EU Medical Device Regulations (MDR)
- Medical Device Single Audit Program (MDSAP) covering medical devices in the US, Canada, Australia, Japan and Brazil
- UK Conformity Assessed (UKCA) covering medical device regulations in the UK

The certificates show that the policies, directives and processes in Arjo's global Quality Management System meet the supervisory requirements in regulatory standards and laws. ISO 9001 is a voluntary certification, whereas the other global certifications are required for regulatory purposes.

In 2024, Arjo continued its efforts to comply with the EU MDR. In 2023, Arjo's MDR certificate was updated to cover all product groups Arjo planned to certify to MDR, and during 2024 availability of technical product documentation was ensured, to enable review by BSI for continued maintenance of the MDR and UKCA certificates.

■ Consumers and end-users, cont.

Quality and environmental certifications 2024

Certificate	Global certifications		Certification of production units			
	ArjoHuntleigh AB	Suzhou, China	Poznan, Poland	Magog, Canada	San Cristóbal, Dominican Republic	Cardiff, UK
ISO 9001	X	X	X	X	X	X
ISO 13485	X	X	X	X	X	X
MDSAP	X	X	X			X
CE (EU:s MDR)	X	X	X	X	X	X
UKCA (UK MDR)	X	X	X	X	X	X
ISO 14001		X	X	X	X	X

Usability assessments

Arjo’s Vice President Research & Development heads the global design and development organization and is responsible to ensure that user needs serve as input to the product design in the early concept and planning phases of design and development projects.

Usability testing involving patient and user groups is performed to obtain user input to prototype designs, risk analysis, user interfaces and user interactions with the product according to the labelling and instruction for use. The aim is to ensure adequate instructions for use and that products are proven safe and effective for their intended users and in their intended use environments.

Post market surveillance

As part of Arjo’s global Quality Management System, processes for monitoring and managing customer complaints are established to ensure that investigations and cause analyses are carried out with the aim to continuously improve product quality processes, remedy potential negative side effects of products criticized by the market and serve as input to new product development.

Complaint handling

Customer complaints received from the market are registered in a global database. The central Complaint and Vigilance function ensures that complaints and adverse events are investigated in collaboration with the manufacturing units. Trend analyses are performed for all product groups at periodic intervals as input to assessments of health and safety impacts and maintenance of product risk management files. The investigations, health hazard evaluations and trend analyses determine if remediation activities should be done in the form of product quality improvements. If there is a need for field actions or recalls, this function ensures that communication to and follow-up with customers take place in cooperation with the local sales and service units. This function also ensures that post market surveillance and medical device reporting obligations to authorities are fulfilled.



The Arjo Quality Policy

The company is committed to:

- Retaining excellence in solutions (products, systems and services)
- Delivering well-designed and safe products, with a high degree of clinical and ergonomic efficiency
- Being professional and presenting the company’s solutions in an honest and ethical manner
- Providing competent, responsive, and efficient services, and reliable delivery performance
- Complying with regional, national, and international regulatory requirements for product and management systems
- Fostering a company-wide culture of quality where all contribute to achieving excellence
- Continuously improving the solutions by utilizing customer feedback
- Maintaining an effective quality management system.

■ Consumers and end-users, cont.

Actions

Design and development

As part of Arjo's global Quality Management System, processes for design and development describe how to carry out design control activities in order to meet customer needs, as well as applicable regulations and standards. The product development model is phased, with clearly described actions and deliverables for each phase. In each product development project, inputs to the design are defined based on market requirements and user needs with the purpose of achieving positive impacts for users and patients. Product risk assessments and clinical evaluations using feedback from similar products in the market, form part of the design input with the aim to minimize or mitigate any potential negative impacts on users and patients.

Corrective and preventive actions

Internal audits as well as audits by external regulatory bodies and auditing organizations as BSI are conducted annually on both local and corporate level to ensure compliance with policies and standards and for continued Quality System Management certification, and UKCA and CE marking. Specific areas to focus on in the internal audit program are identified each year based on risks and changes to processes and regulations. Part of the 2024 internal audit focus was employee training and product changes.

Each non-conformity raised during internal and external audits in 2024 was assessed through a root cause analysis, and relevant corrective and preventive actions were initiated to improve and prevent recurrence. In 2024, this led to improvements of areas such as the implementation of changes to standards and regulations in technical product documentation and how the company document action plans to proactively prevent nonconformities when opportunities for improvements are identified.

No major deviations were noted during external audits or inspection of the Quality Management System in 2024.

Product quality improvements

Arjo has committed to work to remedy potential negative side effects that have been identified as caused by or contributed to through the use of the company's products.

Health and safety effects are assessed continuously for improvement in all significant product and service categories as part of the clinical evaluations and the risk management activities performed during the processes for design and development and post market surveillance. Such assessments are required by market regulations, including the EU Medical Device Regulations affecting products with CE marking. 90 percent of the products that Arjo manufacture are CE marked.

Upon receipt of customer complaints and other feedback from the market, trend analyses are performed, leading to product quality improvement projects.

A global Quality Board evaluates any potential need for remediation such as corrections in the field based on health hazard evaluations and complementary analyses, reviews, and verifications. If initiated, field actions are coordinated by a global field action manager in cooperation with the manufacturing units that deliver the technical solutions and the sales and service organization that executes such actions in the field. There was no safety related field action initiated in 2024.

Incidents of regulatory non-compliance

All incidents of regulatory non-compliance are registered, investigated and analyzed with the purpose to initiate corrections and actions to prevent recurrence.



■ Consumers and end-users, cont.

Metrics and targets

Arjo's targets are in line with the core intentions of the regulations and standards for medical devices under which Arjo is certified, which is to ensure that the devices are safe, effective and protect patients and users from harm.

Incidents of regulatory non-compliance

	Goal	2024	2023	2022	2021	2020
Incidents resulting in fines, sanctions or warnings	0	0	1	0	0	0
Major deviations during external quality management system inspections or audits	0	0	0	0	0	0
Number of safety-related field actions initiated	0	0	3	1	4	3

Accounting Policy

Incidents resulting in fines, sanctions, or warnings related to customer health and safety, or non-compliance with quality management system requirements, are reported globally and reviewed quarterly by the Quality Board. Major deviations during external quality management system inspections or audits are reported monthly by each audited site in a global BI Dashboard and reviewed by a global Quality Board each quarter. The number of initiated safety related field actions are reported monthly by centralized unit coordinating Field Actions in a global BI Dashboard reviewed by a global Quality Board each quarter.



Governance

Arjo works systematically to ensure the highest standards of regulatory compliance and business ethics. The company's success should be based on the value the products and solutions create for customers, not questionable business practices.

Business conduct

Governance

Business ethics

Arjo has implemented several measures to maintain expertise in matters of business ethics. VP Business Compliance is invited to the Board's meetings in the Audit Committee and business ethics is on the Board's agenda once a year.

Arjo's Business Compliance Committee leads and coordinates business ethics and compliance and makes decisions on the company's business ethics strategy. The committee comprises the President & CEO (Chairman), EVP Legal & Business Compliance (Vice Chairman), CFO, EVP Communication & PR, EVP HR & Sustainability, Director Internal Control and additional members appointed as needed. VP Business Compliance is responsible for the day-to-day administration of compliance and serves as secretary to the Committee. Documented meetings are to be held regularly, and in 2024 four meetings were held. Two support committees have been established in North America to meet local regulatory requirements. In 2024, the Canadian Support Committee held four documented meetings and the US Support Committee held four documented meetings.

Management of impacts, risks and opportunities

Arjo works actively with risk assessments to identify and manage corruption risks within the entire organization. Consequently, the company has decided to continuously review and monitor its distributors in selected countries and regions. In addition to the global process, regular risk assessments are carried out in North America, for example by analyzing potential conflicts of interest. Suitable follow-up measures are taken based on the outcome of each risk assessment process.

Business conduct policies and corporate culture

Arjo's success must always be the result of the value the company creates for customers through its products and solutions and its own work, and never by offering dubious benefits circumvent-

ing rules or engaging in other unethical behavior. Arjo is to only engage in business activities where competition is honest and fair, based on the company's offering.

Sound business ethics, transparency, honesty and well-defined principles for compliance are at the core of Arjo's long-term business relations. This commitment starts with the Board of Directors and is solidified in the organization through the company's Code of Conduct for employees.

The Code of Conduct is based on international principles and covers issues such as anti-corruption, fair competition, human rights and work environment responsibility. The Code applies to all employees and the company holds regular training to ensure compliance with the Code.

Business conduct forms an integral part of the Code of Conduct and Arjo's Guiding Principles, alongside specific directives addressing anti-corruption and anti-bribery, and whistleblowing. Arjo's policy on business ethics describes the composition, scope, roles, and responsibilities within Arjo's organization. The policy is approved by the Board of Directors and was updated in 2024.

The process for evaluating and screening business partners was reviewed in 2023, leading to an update of the overall procedure in 2024. This is an important process for minimizing risks of contact with inappropriate business partners, and it has been established to support the functions and business units within Arjo that are most at risk with respect to corruption and bribery. These functions and entities are found in the company's sales and purchasing organizations, and the process is linked to examples and scenarios in the Anti-Corruption Directive and the company's ethical guidelines, all of which are driving a culture of business ethics. In response to compliance with local regulatory requirements, Arjo also has local business ethics policies in North America.

Further to this, Arjo's Business Partner Code of Conduct for suppliers and other business partners covers multiple areas including business ethics and corruption. The code of conduct is a part of standard contracts for distributors and suppliers alike.

■ Business conduct, cont.

Whistleblowing

Arjo encourages employees and other stakeholders to communicate any observed or suspected misconduct in terms of compliance, either directly to their manager, to local HR or to the company's compliance function. Misconduct can also be reported anonymously via a whistleblowing service in the form of a secure external website that is also available to external parties. During 2024, the service was updated to include the possibility of reporting orally through voice clips. To further facilitate the procedure of processing compliance-related questions in North America, there is a telephone hotline alongside the online whistleblowing channel.

Arjo acknowledges that it can be difficult to decide to report a suspicion and therefore the company is committed to protect employees who file a report in good faith. No employee is to be subject to harassment, retaliation or negative consequences in their employment due to filing such report.

Misconduct in compliance may include corruption, violation of competition laws, serious risks to the environment, impacts on health and safety, violation of laws, treaties or other forms of agreements and all other observed or suspected violations of laws or Arjo's Code of Conduct.

Management of relationships with suppliers

Arjo's Business Partner Code of Conduct is fundamental in the interaction with suppliers. It serves as a platform to communicate clear expectations and standards for ethical, responsible and sustainable business practices, and promotes transparency and consistency in supplier relationships. The Code enables both parties to collaborate effectively, creating stronger and more resilient partnerships.

If the business partner or any of its employees believes that Arjo is not acting in line with its own requirements, Arjo encourages such concerns to be reported. In cases of serious violations, where such reporting is not conceivable, an anonymous report can be made to Arjo's whistleblowing service.

Another important factor that is considered in supplier relationships is setting clear payment terms. In the General Supplier Agreement, Arjo outlines in a clear manner the paying amount, due dates and any penalties for late payment. Defining these terms reduces ambiguity and provides a reference point for both parties.

Another important aspect of supplier relationships is the phase out, when terminating a cooperation. The phase out process shall be done in a professional and careful way, where the best interest of both parties is taken into account, including the understanding of the impacts on both Arjo and the supplier.

Prevention and detection of corruption and bribery

All reported incidents are reviewed by an independent investigation team, which is separate from those involved in the matter. The investigation is summarized in a report with recommended actions, and the Business Compliance Committee is informed of incidents that have occurred.

To provide a common basic understanding of Arjo's anti-corruption rules, all employees in managerial positions, and employees who have regular contact with business partners must complete at least one anti-corruption training session every year. The employees in Arjo's risk-functions are part of this target group.

This year's mandatory anti-corruption training was launched in the fourth quarter of 2024. It requires a digital signature and is available in twelve different languages to include all target groups. A total of 2,825 employees completed the training, which represents 96 percent of the target group.

All nine members of Arjo's Management Team completed the training. In addition to this training, other ethics training is also available for different markets. In 2024, Arjo focused on the Central Eastern Europe organization with e-learning and dilemma-based training to ensure a thorough understanding of anti-corruption rules. Furthermore, the company conducted e-learning and training sessions with relevant employees in China and Southeast Asia.





Business conduct, cont.

Metrics and targets

Whistleblower cases

	Goal	2024	2023	2022	2021
Incidents of whistleblowing	N/A	29	30	14	-

A total of 29 incidents were reported in 2024. All incidents were addressed and handled in accordance with established investigative procedures. No incidents were found to be bribery or corruption, and no employments have been terminated due to these incidents. Arjo has not been forced to terminate any agreements with business partners due to corrupt actions by the partner.

Accounting policy

Whistleblower cases are received and handled by an independent investigation team. All whistleblowing reports are managed in accordance with the guidelines approved by the Business Compliance Committee, which is ultimately responsible for the whistleblowing scheme. Only cases which are closed during the financial year, and which have been reported to the committee as fully or partially substantiated, are reported.

Business Partner Code of Conduct (%)

	Goal	2024	2023	2022	2021
Share of purchased direct material from suppliers that have signed Arjo's Business Partner Code of Conduct for suppliers and business partners	97	92	91	91	95

Arjo is actively working to increase compliance with the company's Business Partner Code of Conduct for suppliers and other business partners. The company plans to expand the training programs to increase knowledge of Arjo's principles of business ethics and to increase the proportion of suppliers who sign the Business Partner Code of Conduct.

Accounting policy

The target is for 97 percent of Arjo's total purchases of direct materials to be made from suppliers who have signed the company's Business Partner Code of Conduct for suppliers and other business partners. The metric is based on purchased volumes.

Other information

■ EU Taxonomy

The taxonomy is an EU regulation that defines environmentally sustainable economic activities in line with the EU’s sustainability target for 2030. The purpose is to help investors and other stakeholders to compare investments based on a classification system. It is based on a selection of economic activities listed in the taxonomy.

An economic activity qualifies as sustainable if it:

1. Substantially contributes to one or more of the following six environmental objectives:
 - a) Climate change mitigation
 - b) Climate change adaptation
 - c) The sustainable use and protection of water and marine resources
 - d) The transition to a circular economy
 - e) Pollution prevention and control
 - f) The protection and restoration of biodiversity and ecosystems
2. Does no significant harm to any of the other environmental objectives
3. Is carried out in compliance with the minimum safeguards as stipulated in Article 18 of the Taxonomy Regulation

Approach

To identify activities covered by the taxonomy, Arjo has continued the work in the team that was appointed in 2022 with an additional member, a Group Sustainability Controller. With the support of external expertise, the team has analyzed the company’s economic activities and investments and mapped these against the Taxonomy Regulation and its delegated acts. Data was collected from all Group units via a digital platform. The collected data has then been analyzed in detail to examine if the activities are Taxonomy-eligible and, if so, whether they are Taxonomy-aligned.

Results

Turnover

The Group’s main business, manufacturing of medical devices, has been evaluated. The analysis shows that the Group’s turnover of Arjo ReNu, which is based on a business model for the reuse of consumables, is covered by activity 5.1 “Repair, renovation and remanufacturing” and is considered to contribute significantly to the environmental objective of “Transition to a circular economy”. For more information about Arjo ReNu, see page 57 in the Annual Report. Within Arjo ReNu there are two types of reuse of consumables. Both remanufacturing and refurbishment are considered to be covered by the EU taxonomy activity 5.1 while only refurbishment are considered to be taxonomy-aligned. This is because the remanufacturing operations currently do not meet the criteria for Substantial Contribution as there is no waste management plan at the disposal for the public.

Furthermore, this year’s analysis also revealed that a large proportion of Arjo’s entire rental operations are covered by activity 5.5 “Products as a service and other circular use and result-oriented service models” and is considered to contribute substantially to the same environmental objectives. Arjo’s assessment is that the entire operation meets the criterion to be included in the taxonomy. Arjo makes the assessment that part of the leasing activity, “Sale and lease back”, does not meet criteria under 1c for Substantial contribution. Sale and lease back means that ownership is not retained, which is one of the criteria for inclusion in the taxonomy, thus this part of the turnover is excluded for the activity 5.5 Products as a service and other circular use and result-oriented service models in the EU Taxonomy. For total sales, see Note 2 in the Segment reporting.

Furthermore, we make the assessment that the remaining part of the rental business does not meet the requirements of DNSH 1

EU Taxonomy, cont.

Climate Change Mitigation at present. However, the assessment is made that Arjo meets the requirements for DNSH for environmental objectives 2-6

A correction has been made regarding 2023 share in terms of applicability in activities 5.1 and 5.5. In 2023, the proportion covered by taxonomy requirements A.2 for turnover was 1 percent for activity 5.1 and 24 percent for activity 5.5.

Activity according to the taxonomy's definition	Environmental objective	Example of turnover:
5.1 Repair, refurbishment and remanufacturing	CE	Arjos ReNu operation including both remanufacturing and refurbishment
5.5 Product-as-a-service and other circular use- and result-oriented service models	CE	Arjos Rental operations

Minimum safeguards

In order for turnover to be classified as aligned, they must not only contribute substantially to one or more of the environmental objectives, but must also not cause significant harm to any of the other objectives and comply with minimum safeguards requirements. As of the end of 2024, Arjo's position is that the Group substantially meets these requirements. In 2024, work was carried out on the company's impact on human rights throughout the value chain.

Arjo has established a human rights due diligence process for suppliers, with appropriate policies, risk assessment, due diligence processes and tools, and has launched sustainability audit training for the global procurement team in 2024. The aim of the training was to improve the skills of supplier quality engineers so that they can conduct sustainability audits independently, build knowledge and experience, and prepare for the upcoming EU CSDDD legislation. A global CSDDD integration program will be launched in the second half of 2025 and cover

the entire value chain with the aim of setting practices, targets and metrics. During the year, a sustainability risk monitoring tool has been implemented to help buyers and supplier auditors in their work with evaluation and risk reduction in the value chain. Arjo has a whistleblower service with a link on the website. The whistleblower function can be used by both internal and external stakeholders, such as workers in the value chain. The reporting is anonymous.

Capital expenditures

According to the review that has been carried out, the following capital expenditures, included in the taxonomy, have been identified:

Activity according to the taxonomy's definition	Environmental objective	Example of CapEx:
5.5 Collection and transport of non-hazardous waste in source segregated fractions	CCS, CCM ¹⁾	Source segregated fractions
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	CCA, CCM ¹⁾	Right-of-use related to cars
7.2 Renovation of existing buildings	CCA, CCM ¹⁾	Investments in facilities
7.3 Installation, maintenance and repair of energy efficiency equipment	CCA, CCM ¹⁾	Installation of LED lights and air conditioning
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCA, CCM ¹⁾	Investments in charging stations
7.7 Acquisition and ownership of buildings	CCA, CCM ¹⁾	Right-of-use assets related to offices and plants

1. Indicates which environmental objective the activity is allocated to.

The capital expenditures covered by the taxonomy have been allocated to the environmental objective to which the activity has primarily contributed, since the taxonomy does not allow double counting.

With regard to the activities reported under capital expenditure in the table below, Arjo has been able to conclude that these activities are either not Taxonomy-aligned or that the company has not had the opportunity to investigate alignment with the investments, due to the difficulty of ensuring supplier alignment. For activity 5.2 Renewal of water collection, treatment and supply systems there are no outcome for 2024, however, the proportion of reported capital expenditure regarding 2023 is reported in the table for capital expenditure.

A correction has been made to the 2023 share in terms of applicability in activity 6.5 and 7.7. In 2023, the proportion covered by taxonomy requirements A.2 for operating expenses was 26 percent for activity 6.5 and 3 percent for activity 7.7.

Operating expenses

The Group's operating expenses, defined in the EU Taxonomy have been reviewed. It shows that the business has operating expenses linked to activity 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces adjacent to buildings). Arjo makes the assessment that alignment does not exist as the company currently has difficulties in ensuring alignment with suppliers.

Activity according to the taxonomy's definition	Environmental objective	Example of OpEx:
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCA, CCM ¹⁾	OpEx for maintenance of charging stations.

■ **EU Taxonomy, cont.**

Nuclear and fossil gas related activities

Nuclear energy related activities	Yes/No
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No

Fossil gas related activities	Yes/No
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Proportion of turnover contributing substantially to one of more objectives

	Proportion of Turnover /Total Turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM		
CCA		
WTR		
CE	2%	25%
PPC		
BIO		

Proportion of CapEx contributing substantially to one of more objectives

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	43%
CCA	0%	0%
WTR		
CE		
PPC		
BIO		

Proportion of OpEx contributing substantially to one of more objectives

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	0%
CCA	0%	0%
WTR		
CE		
PPC		
BIO		



TAXONOMY

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities

Fiscal year 2024

	Code(s)	Absolute turnover MSEK	Proportion of turnover, Year 2024 %	Substantial contribution criteria							DNSH criteria (*Does Not Significantly Harm*)							Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) proportion of turnover in 2023 %	Category (enabling activity) E	Category (transitional activity) T
				Climate change mitigation	Climate change adaptation	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	Minimum safeguards				
Economic activities		MSEK	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Turnover of eligible taxonomy-aligned activities (A.1)		—	—															—		
Repair, refurbishment and remanufacturing	CE 5.1	222	2%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	—	Y	Y	Y		—	E	—
Of which Enabling		222	2%															—		
Of which Transitional		—	—															—		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Repair, refurbishment and remanufacturing	CE 5.1	81	1%	N/EL	N/EL	N/EL	EL	N/EL	N/EL									1%		
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	2,763	24%	N/EL	N/EL	N/EL	EL	N/EL	N/EL									24%		
Total (A.1 + A.2)		3,066	27%															25%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of non-eligible activities (B)		8,226	73%																	
Total (A+B)		11,292	100%																	

Definition of turnover

The key performance indicator for total revenue have been defined as revenue from the normal business operations recognized in accordance with IFRS 15.



TAXONOMY

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities

Fiscal year 2024

Code(s)	Absolute CapEx	Proportion of CapEx, year 2024	Substantial contribution criteria							DNSH criteria (*Does Not Significantly Harm*)							Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) proportion of CapEx in 2023	Category (enabling activity)	Category (transitional activity)
			Climate change mitigation	Climate change adaptation	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	Minimum safeguards				
Economic activities	MSEK	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T

A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of eligible taxonomy-aligned activities (A.1)		—	—															—	
Of which Enabling		—	—															—	
Of which Transitional		—	—															—	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Renewal of water collection, treatment and supply systems	CCM & CCA 5.2	—	—															0.01%	
Collection and transport of non-hazardous waste in source segregated fractions	CCM & CCA 5.5	0.5	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL									—	
Transport by motorbikes, passenger cars and light commercial vehicles	CCM & CCA 6.5	199	21%	EL	EL	N/EL	N/EL	N/EL	N/EL									26%	
Renovation of existing buildings	CCM & CCA 7.2	17	2%	EL	EL	N/EL	N/EL	N/EL	N/EL									—	
Installation, maintenance and repair of energy efficiency equipment	CCM & CCA 7.3	2	0.2%	EL	EL	N/EL	N/EL	N/EL	N/EL									0.02%	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM & CCA 7.4	1	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL									0.06%	
Acquisition and ownership of buildings	CCM & CCA 7.7	195.4	20%	EL	EL	N/EL	N/EL	N/EL	N/EL									3%	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		415	43%															29%	
Total (A.1 + A.2)		415	43%															29%	

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

CapEx of Taxonomy-non-eligible activities (B)		549	57%
Total (A+B)		964	100%

Definition of CapEx

The key performance indicator for CapEx comprises the total of all investments for the year in tangible assets, intangible assets and right-of-use assets according to IFRS 16 (see notes 12–14).



TAXONOMY

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities

Fiscal year 2024

Code (s)	Absolute OpEx	Proportion of OpEx 2024	Substantial contribution criteria							DNSH criteria (*Does Not Significantly Harm*)							Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) proportion of OpEx in 2023	Category (enabling activity)	Category (transitional activity)
			Climate change mitigation	Climate change adaptation	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	Minimum safeguards				
Economic activities	MSEK	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	%	E	T

A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of eligible taxonomy-aligned activities (A.1)																			
Of which Enabling																			
Of which Transitional																			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																			
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM & CCA 7.4	0.1	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL								—		
Total (A.1 + A.2)		0.1	0.1%																

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

OpEx of Taxonomy-non-eligible activities (B)	224.9	99.9%
Total (A+B)	225	100%

Definition of OpEx

Total OpEx comprises direct non-capitalized costs for research and development (R&D), building renovation, short-term leases, maintenance and repairs, and other direct costs required for the efficient day-to-day operation of tangible assets.

GRI-index

Statement of use	Arjo has reported in accordance with the GRI Standards for the period January 1, 2024 – December 31, 2024
GRI 1 used	GRI 1 Foundation 2021
Applicable GRI Sector Standard(s)	No applicable GRI Sector Standards were available for reporting 2024 data

GRI Standard	Disclosure	Location ¹⁾	Requirement(s) omitted	Reason	Deviation	
					Explanation	
General disclosures						
GRI 2: General disclosures 2021	2-1	Organizational details	2-3, 36, 156			
	2-2	Entities included in the organization's sustainability reporting	36, 156-157			
	2-3	Reporting period, frequency and contact point	36			
	2-4	Restatements of information	36, 52			
	2-5	External assurance	35			
	2-6	Activities, value chain and other business relationships	39-43			
	2-7	Employees	66-67	2-7, b iii	Not applicable	Arjo does not report non-guaranteed hourly employees since no such employee relationships exist.
	2-8	Workers who are not employees	67			
	2-9	Governance structure and composition	37, 93-106	2-9 vi	Legal prohibitions	Arjo does not report facts about underrepresented social groups. The collection of such information is not permitted under Swedish law.
	2-10	Nomination and selection of the highest governance body	94-95			
	2-11	Chair of the highest governance body	37, 96-97			
	2-12	Role of the highest governance body in overseeing the management of impacts	37, 97-99	2-12 b	The information is unavailable or incomplete	Arjo has opted for a strict interpretation of the requirement for due diligence of human rights throughout the value chain. Arjo has a Code of Conduct that is structured in accordance with the four focus areas of human rights, labor, the environment and anti-corruption. Arjo has several programs within the framework of the UN Global Compact, and works continuously on development, training and follow up of business ethics, health and safety and the environment in the value chain.

1. All page references refer to Arjo's complete Annual and Sustainability Report.



GRI-INDEX

GRI Standard	Disclosure	Location ¹⁾	Requirement(s) omitted	Reason	Deviation
					Explanation
2-13	Delegation of responsibility for managing impacts	37			
2-14	Role of the highest governance body in sustainability reporting	37			
2-15	Conflicts of interest	96			
2-16	Communication of critical concerns	96–98	2-16 b	Confidentiality restrictions	The total number and nature of critical concerns communicated to the Board of Directors during the year are not communicated externally.
2-17	Collective knowledge of the highest governance body	102–104			
2-18	Evaluation of the performance of the highest governance body	96–98	2-18 a, c	Confidentiality restrictions	Arjo does not report any action taken on the evaluation of the Board’s work other than recommendations from the Nomination Committee regarding proposals for the composition of the Board.
2-19	Remuneration policies	107–112			
2-20	Process to determine remuneration	94, 99			
2-21	Annual total compensation ratio	108–109	2-21	The information is unavailable or incomplete	Arjo follows Swedish practice for remuneration reports, which contain similar information as prescribed by GRI. The presentation of key performance indicator is not exactly as prescribed by GRI.
2-22	Statement on sustainable development strategy	39–43			
2-23	Policy commitments	46, 49, 56, 62–65, 70, 74 Arjo ESG-index på www.arjo.com	2-23 a	The information is unavailable or incomplete	Arjo has opted for a strict interpretation of the requirement for due diligence of human rights throughout the value chain. Arjo has a Code of Conduct that is structured in accordance with the four focus areas identified in the UN Global Compact (human rights, labor, the environment and anti-corruption) that all employees are trained in, and sign upon completion. Arjo has several programs within the framework of the UN Global Compact, and works continuously on development, training and follow up of business ethics, health and safety, and the environment in the value chain.
2-24	Embedding policy commitments	46, 49, 56, 62–65, 70, 74			
2-25	Processes to remediate negative impacts	46–75			
2-26	Mechanisms for seeking advice and raising concerns	74–75			
2-27	Compliance with laws and regulations	74–75	2-27 b, d	The information is unavailable or incomplete	Arjo discloses significant cases of non-compliance with laws and regulations on the indicated pages but does not disclose the monetary value of fines or provide a breakdown of instances to cover all standard requirements.

1. All page references refer to Arjo’s complete Annual and Sustainability Report.



GRI-INDEX

GRI Standard	Disclosure	Location ¹⁾	Requirement(s) omitted	Reason	Deviation
					Explanation
	2-28 Membership associations	16			Member of Swecare and Swedish Medtech.
	2-29 Approach to stakeholder engagement	41			
	2-30 Collective bargaining agreements	62	2-30	The information is unavailable or incomplete	Arjo acknowledges the right to collective bargaining negotiations and agreements, and follows local regulations in all countries of operation but does not collect country-specific information about collective agreements at global level.
Material topics:					
GRI 3: Material topics 2021	3-1 Process to determine material topics	44-45			
	3-2 List of material topics	45			
Anti-corruption					
GRI 3: Material topics 2021	3-3 Management of material topics	74-76			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	74-76	205-1 a, b	The information is unavailable or incomplete	Corruption risks are assessed but not at a detailed level stipulated under 205-1 a and the share of the operations assessed for risks related to corruption was not available for 2024.
	205-2 Communication and training about anti-corruption policies and procedures	74-76	205-2	The information is unavailable or incomplete	Arjo has not collected sufficiently detailed data for 2024 and does not report the number, share or region of senior employees trained in anti-corruption.
	205-3 Confirmed incidents of corruption and actions taken	76			
Emissions					
GRI 3: Material topics 2021	3-3 Management of material topics	46-54			
	305-1 Direct (scope 1) greenhouse gas emissions	52			
	305-2 Energy indirect (scope 2) greenhouse gas emissions	53			
	305-3 Other indirect (scope 3) greenhouse gas emissions	53-54			
	305-4 Greenhouse gas emissions intensity	53			
	305-5 Reduction of greenhouse gas emissions	53			
Employment					
GRI 3: Material topics 2021	3-3 Management of material topics	62-68			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	67			
Occupational health and safety					
GRI 3: Material topics 2021	3-3 Management of material topics	65			

1. All page references refer to Arjo's complete Annual and Sustainability Report.

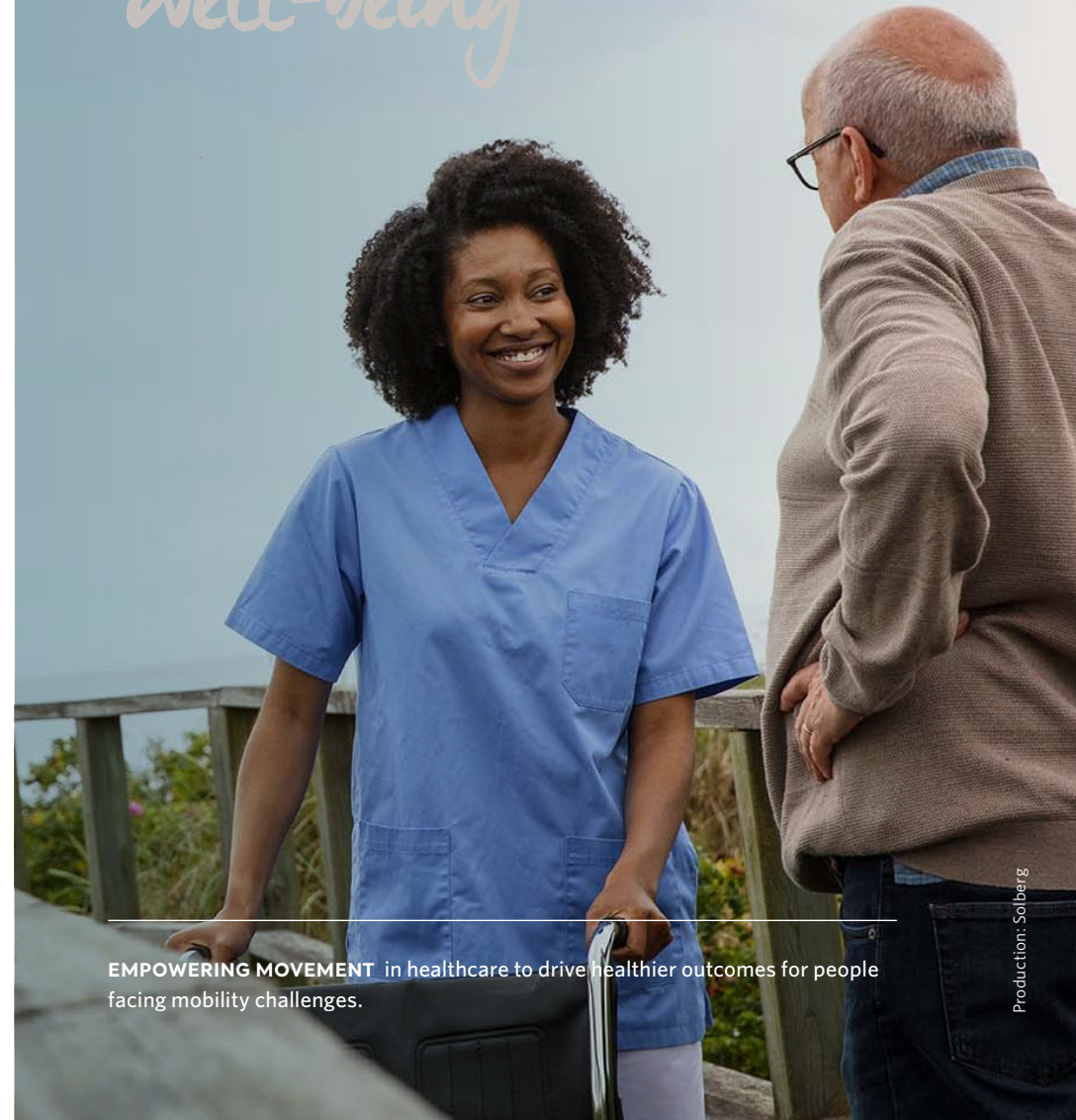


GRI-INDEX

GRI Standard	Disclosure	Location ¹⁾	Requirement(s) omitted	Reason	Deviation
					Explanation
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	65			
	403-2 Hazard identification, risk assessment, and incident investigation	68			
	403-3 Occupational health services	—	403-3	The information is unavailable or incomplete	Workers' access to occupational health services varies between countries and is governed locally. Aggregated data is not available.
	403-4 Worker participation, consultation, and communication on occupational health and safety	65	403-4 b	The information is unavailable or incomplete	Occupational health and safety committee meetings are planned and held locally and aggregated data on the number of meetings is not available.
	403-5 Worker training on occupational health and safety	65			
	403-6 Promotion of worker health	—	403-6	The information is unavailable or incomplete	Workers' access to non-occupational health services and health and medical care services varies between countries and is governed locally. Aggregated data is not available.
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	65, 69	403-7	The information is unavailable or incomplete	Arjo does not collect any information on occupational health and safety in the value chain. For information on Arjo's work on screening suppliers based on environment and occupational health and safety, see the section Workers in the value chain, page 69.
	403-8 Workers covered by an occupational health and safety management system	68			
	403-9 Work-related injuries	68	403-9	The information is unavailable or incomplete	Arjo reports incidents and accidents for employees and non-employees jointly.
Diversity and Equal Opportunity					
GRI 3: Material topics 2021	3-3 Management of material topics	63–64, 67			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	67			
Customer health and safety					
GRI 3: Material topics 2021	3-3 Management of material topics	70			
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	70–71			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	73			

1. All page references refer to Arjo's complete Annual and Sustainability Report.

insight
mobility
well-being



Arjo's journey began with entrepreneur and founder Arne Johansson in 1957. When he came to understand the burden his wife experienced in her work as a nurse, he had found his mission in life - to develop equipment that makes it safer to handle patients. The first Arjo products then saw the light of day, followed by many, many more. Today, our solutions help improve mobility in care settings around the world, and drive healthier outcomes for everyone involved.

For more than 65 years, we have had a close cooperation with healthcare providers, giving us an in-depth understanding of their daily challenges. Together, we strive to minimize patient challenges such as loss of muscle strength, blood clots, pressure injuries, falls, anxiety and depression as well as work-related injuries among staff. Our products and solutions for patient handling, hygiene, disinfection, diagnostics, treating leg ulcers, prevention of pressure injuries and blood clots, and our medical beds, are all designed to promote mobility, safety and dignity in all care situations.

Arjo AB · Corp. Reg. No. 559092-8064 · Hans Michelsengatan 10 · SE-211 20 Malmö · Sweden

www.arjo.com

arjo
EMPOWERING MOVEMENT

EMPOWERING MOVEMENT in healthcare to drive healthier outcomes for people facing mobility challenges.