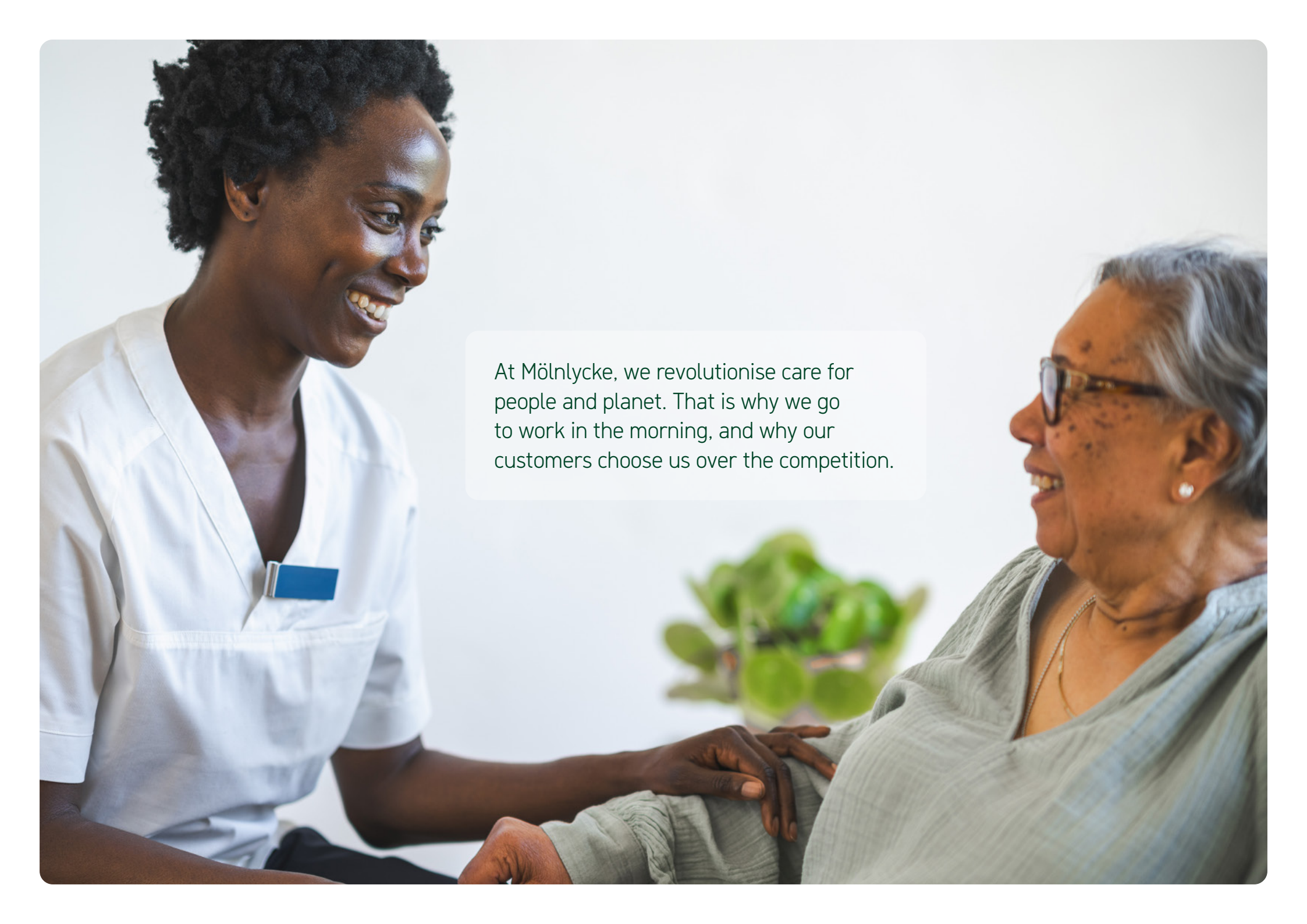


# Annual report 2024



A healthcare worker with dark skin and curly hair, wearing a white uniform and a blue name tag, is smiling and touching the arm of an elderly woman with grey hair and glasses. The woman is also smiling. They are in a bright, indoor setting with a green plant in the background.

At Mölnlycke, we revolutionise care for people and planet. That is why we go to work in the morning, and why our customers choose us over the competition.





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Mölnlycke's 2024 Integrated Annual Report covers the year ended 31 December 2024. The audited consolidated financial statements for Mölnlycke Holding AB are prepared in accordance with IFRS and are presented on [pages 62-100](#). The sustainability reporting is prepared in accordance with the Swedish Annual Accounts Act, chapter 6, section 10 and 11 (in line with the EU Directive on non-financial reporting). The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, applying the reporting principles outlined in GRI 1: Foundation (2021) and is presented on [page 101-146](#). Additionally, the report has been structured to align with the Corporate Sustainability Reporting Directive (CSRD) format and requirements, though full compliance has not yet been achieved. Climate-related disclosures have been incorporated in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). As a supplement, a GRI content index is provided at the end of this report.

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For any questions regarding this report, please contact:  
Sara Ehinger, Global Communications VP, [Sara.Ehinger@molnlycke.com](mailto:Sara.Ehinger@molnlycke.com)

# This is Mölnlycke®

Mölnlycke Health Care is a world-leading MedTech company that specialises in innovative solutions for wound care and surgical procedures. Mölnlycke products and solutions are used daily by hospitals, healthcare providers and patients in over 100 countries around the world. Founded in 1849 and headquartered in Sweden, Mölnlycke is owned by Investor AB, listed on NASDAQ OMX Stockholm.



## Business Areas



### Wound Care

Innovative and intuitive solutions for wound prevention and management.



### OR Solutions

Sustainable services and solutions for improved operating room performance and efficiencies.



### Gloves

State-of-the-art solutions for hand health and improved surgical performance.



### Antiseptics

Infection prevention across the patient journey.

## Key facts and figures 2024

8,617	14	3.9	100%
employees	manufacturing sites in nine countries	out of 5 in global engagement score	renewable electricity
39	100	2,064	15%
commercial entities	countries where Mölnlycke is present	annual sales (EUR million)	less greenhouse gas emissions across the entire value chain compared to 2021 baseline



3



# 2024 in brief

## 1 Continued strong growth

Mölnlycke continued to deliver strong sales growth throughout 2024, outperforming competition. The sales increase of 7.4% in constant currency rates resulted in net sales of EUR 2,064 million.

## 2 EUR 2 billion in annual sales

It took 163 years from 1849 to 2012 to reach EUR 1 billion in annual sales, and just another 12 years to achieve EUR 2 billion, highlighting the company's strength and resilience.

## 3 EcoVadis platinum rating

Mölnlycke has been awarded the platinum medal in EcoVadis sustainability rating, which places the company in the top 1% of all companies assessed.

## 4 Acquisition of P.G.F. Industry Solutions

Mölnlycke has acquired P.G.F. Industry Solutions GmbH, the Austrian manufacturer of Granudacyn® wound cleansing solutions. The acquisition will allow Mölnlycke to expand its Granudacyn® business.

## 5 Geographic expansion in the Middle East & APAC

Mölnlycke has increased its investment in the Tamer Mölnlycke Care joint venture to 60%, becoming the majority shareholder. Following a strategic decision to expand manufacturing footprint into India and China, detailed plans have been put in place.

## 6 New HQ at GoCo Health Innovation City

At the beginning of 2025, Mölnlycke completed the move to new headquarters at GoCo Health Innovation City, ensuring a presence in the MedTech hub with possibilities to collaborate and embrace partnerships.

## 7 Fighting HAIs<sup>1</sup> through partnership with Ondine Biomedical

Mölnlycke has partnered with Ondine Biomedical Inc to distribute Steriwave®, a light-activated nasal decolonisation technology, in the UK, EU and the Middle East. The partnership aims to combat healthcare-associated infections and antimicrobial resistance.

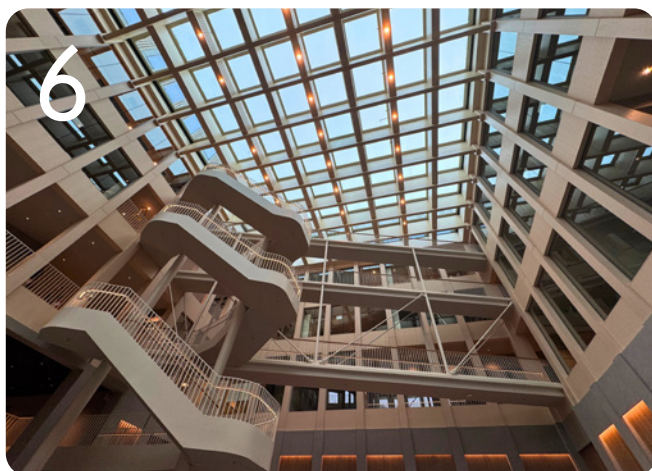
## 8 100% renewable electricity at all manufacturing sites and HQ

In 2024, Mölnlycke reached its SBTi-validated near-term target of sourcing 100% renewable electricity for all manufacturing sites and HQ. The company will continue to actively source renewable electricity through 2030.

## 9 Investment in radical innovation

Mölnlycke has invested USD 15 million in MediWound Ltd., a company specialising in non-surgical wound debridement and USD 8 million in diabetic foot ulcer management system company Siren. Both strategic investments aiming to enhance wound care standards.

1. Healthcare-Associated Infections.





## Words from the CEO

"Together we continue our quest to revolutionise care for people and planet. No matter the changes to come."

Zlatko Rihter  
Chief Executive Officer

The only constant in life is change. In 2024, Mölnlycke celebrated 175 years of being at the forefront of that change and going forward we will continue to be progressive and innovative, ready to support healthcare professionals and healthcare systems around the world as we revolutionise care for people and planet.

In 2024, we reached the milestone of EUR 2 billion in annual sales for the first time. Our strong financial position and continued growth allow us to direct our future and continued investments. At the same time, it is clear that our strategy and previous investments have paid off, enabling close relationships with our customers working alongside them to handle the challenges of healthcare today.

The healthcare sector is undergoing significant changes. In the wake of the pandemic, healthcare systems globally are under immense pressure. Recognising this, we are dedicated to pioneering sustainable healthcare solutions. Our goal is to ensure that healthcare professionals receive the support they need to continue their vital work, while we innovate towards achieving sustainable healthcare systems, enhancing efficiencies in healthcare and addressing climate change challenges.

In the accelerated shift from acute to non-acute care settings, we are committed to developing ecosystems of care that support day care, ambulatory care and home care, in addition to acute care, ensuring that healthcare professionals and caregivers are well-equipped to meet evolving patient needs. This transition is crucial for alleviating the burden on hospitals and providing more efficient care.

Throughout 2024, despite facing challenges such as supply chain disruptions in the Red Sea and natural disasters, our team has shown remarkable resilience. We have continued to meet the needs of our customers and their patients, adapting to



geopolitical factors with more regional and local strategies. Our significant investments in key regions like China, India and Saudi Arabia, alongside a strong focus on core markets such as the EU, UK and US, demonstrate our commitment to remaining resilient and adaptable in a polarised global landscape.

A heartfelt thank you to all who have supported us during the year – our dedicated people, our valued customers and our committed owners. Together we continue our quest to revolutionise care for people and planet. No matter what changes lie ahead.

## Another strong year

When reflecting on 2024, I am proud to report that Mölnlycke has had another strong year, achieving 2,064 MEUR in net sales while improving profitability. This corresponds to a sales growth of 7.4% in constant currency rates, compared to 2023, outperforming the market. The EBITDA margin amounted to 29%. Financially, we have improved on the strong performance of last year, with all business areas showing growth.

- Wound Care continued to outperform the market demonstrated by an 8% organic growth ending the year with more than EUR 1,2 billion in sales.
- Operating Room Solutions achieved 5% organic growth and reached sales of EUR 525 million with growth mainly fuelled by the Tray channel, price increases and acceleration in more profitable segments.
- Gloves positively delivered a 4% organic growth and EUR 250 million sales after a challenging 2023. The positive results are from all regions the business area serves.
- Antiseptics built on the momentum from the end of 2023 delivering an outstanding organic growth of 23%, with similar patterns across regions. Sales was EUR 66 million in total.

## A leader in sustainable healthcare

At Mölnlycke, we are dedicated to transforming our business to become a global leader in sustainable healthcare, driving innovation for both people and planet. This means embedding sustainability into every aspect of our operations, offers and partnerships. In 2024, our sustainability roadmap 2030, "WeCare", was updated to prepare for the transition to Corporate Sustainability Reporting Directive (CSRD) with even more transparency in our sustainability reporting.

Our commitment to Net Zero greenhouse gas emissions by 2050 stands firm and we achieved our first SBTi-validated near-term target of 100% renewable electricity at all our manufacturing sites and HQ – a major enabler on the path to Net Zero.

We continued to strengthen the framework for shaping sustainable value chains and ensuring transparency throughout the lifecycle of our solutions. Governance and business ethics is the foundation of our operations. We reinforced the governance structures and the compliance mechanisms to uphold the highest standards across all activities.

The significant progress in becoming a leader in sustainable healthcare was also recognised with a platinum medal from EcoVadis and the Capgemini Swedish Sustainability Tech Award 2024 for Mölnlycke ProcedurePak®.

## Leveraging technology

While new business models and digital solutions are emerging, the healthcare sector remains conservative. We are focused on optimising existing systems with digital innovations, understanding that a one-size-fits-all approach is not feasible in healthcare. It requires an in-depth understanding of the different challenges our markets experience, and the different conditions in local healthcare systems.

Our online portal for Operating Room Solutions has been further developed and we are now piloting the first true eCommerce customer. We have also continued to successfully

grow our scar management portfolio on key eCommerce platforms in China. Additionally, we have introduced bots at our factory sites to optimise our business systems and are leveraging technology to drive efficiency and innovation. Digitalisation remains at the core of our strategy for the years ahead.

## Future of partnerships

A clear focus for our 2025 strategy and beyond will be on transformation through partnerships, collaborations and joint ventures to drive growth. A journey we commenced in 2024 with the acquisition of P.G.F. Industry Solutions, the strategic partnership with Ondine Biomedical Inc and strategic investments in MediWound and Siren. The joint venture Tamer Mölnlycke Care in Saudi Arabia has started production and we are planning for expansion in India and China.

In conclusion, Mölnlycke is well-positioned for a future of change. We will continue to refine our go-to-market strategy, deepen our understanding of patient and caregiver needs, and strengthen our presence in both acute and non-acute care. I am confident that our adaptability and dedicated team will enable us to navigate any challenges ahead.

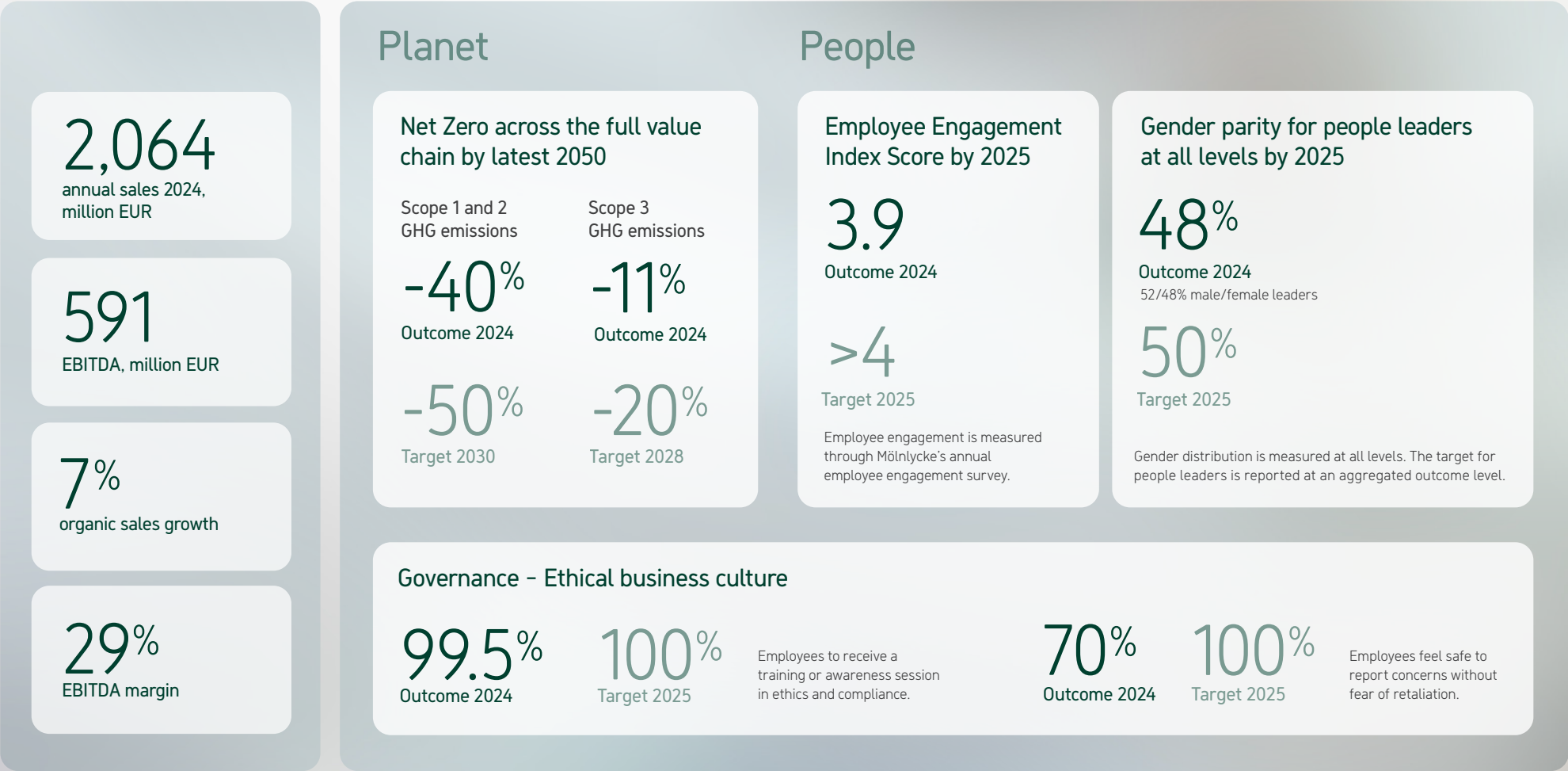


Zlatko Rihter  
CEO, Mölnlycke

# Performance

## Financial

## Non-financial





# Strategy

Mölnlycke’s strategy to become a MedTech industry leader in customer-centricity, sustainability and digitalisation is deeply rooted in ethnographic customer studies and the company’s purpose to revolutionise care for people and planet.

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# External environment and trends

At Mölnlycke, analysing the external environment is a crucial aspect of the strategy formulation process. This helps in identifying potential trends, opportunities and threats that can impact the business. By continuously monitoring its external environment, Mölnlycke can better support its customers and proactively pursue growth opportunities that align with business objectives.

Trends	Mölnlycke’s response
<p><b>The healthcare system</b></p> <p>There is a noticeable trend in global healthcare where limited resources are exerting significant pressure on healthcare professionals to manage an overburdened system. This strain is due to both cost-saving measures and staff shortages. Consequently, we are seeing a shift towards assigning various healthcare tasks to less experienced and less qualified individuals. It is also bringing care closer to the patient by a transition in settings, with patients moving from acute care to community and post-acute care environments.</p> <p>As a result, the healthcare sector requires more intuitive and efficient products and solutions to address the impact of these trends, aiming to advance care and improve efficiency.</p>	<p>Mölnlycke is committed to delivering high-quality products and solutions that address the evolving needs of the healthcare sector. The company prioritises developing intuitive and user-friendly solutions, emphasising patient safety, comfort, effectiveness, and improved clinical and financial outcomes.</p> <p>By conducting ethnographic studies, Mölnlycke observes its customers and patients in their daily work environments to gain a deep understanding of their needs. These insights guide Mölnlycke’s innovation efforts, helping to support its customers in overcoming challenges as well as creating growth opportunities for the company.</p>
<p><b>Digitalisation</b></p> <p>The world is undergoing a swift digital transformation which is also impacting the healthcare sector. The digital health market is projected to expand significantly in the coming years, with healthcare providers increasingly adopting various software, hardware and services. Concurrently, digital transformation is driving changes in business and operating models.</p> <p>With the rise in chronic diseases and government efforts to provide accessible and affordable healthcare, the use of digital health technology is anticipated to grow substantially in the future.</p>	<p>Mölnlycke aims to lead the industry in digitalisation by actively investing in the digital transformation of its portfolio. This strategy focuses on delivering sustainable, competitive and customer-centric digital solutions with a unique value proposition.</p> <p>Key initiatives include developing digital ecosystems, launching new business models and leveraging data-driven healthcare through AI, big data and other analytical tools. Furthermore, Mölnlycke is dedicated to creating a strong internal digital ecosystem to ensure efficient and future-proof working processes.</p>



Trends	Mölnlycke's response
<p><b>Geopolitical dynamics</b></p> <p>Current geopolitical dynamics drive isolation and regionalisation. Global businesses like Mölnlycke are impacted by trade restrictions and market access challenges resulting from ongoing dynamics. Trade policies and regulatory changes can alter operational landscapes. Economic factors such as inflation and currency fluctuations influence costs and pricing strategies, while supply chain disruptions affect the availability of critical supplies and equipment.</p>	<p>These dynamics drive strategic adaptations including navigation of the geopolitical and macro-economic landscape to maintain innovation and ensure supply availability throughout the entire value chain. Mölnlycke is strengthening its presence in multiple geographies addressing the business model through partnerships.</p>
<p><b>Sustainability</b></p> <p>Much like in many other industries, sustainability is driving transformative change in the healthcare sector, focusing on minimising environmental impact, improving resource efficiency and fostering innovation in sustainable products and processes. Prioritising healthcare professionals' well-being and enhancing patient care through sustainable practices are also key trends shaping the future of the industry.</p>	<p>Mölnlycke is taking a holistic and progressive approach to becoming a leader in sustainable healthcare. The company's innovative and sustainable solutions are supported by research-based benefits for its customers and patients. Understanding that collaboration is key to achieving its sustainability goals, Mölnlycke actively engages with all stakeholders across the entire value chain to identify opportunities and create mutual benefits.</p>
<p><b>Demographics</b></p> <p>The healthcare industry is likely to be impacted by two significant factors – an increasing global population and the rise in average life expectancy. These demographic shifts will create new challenges and opportunities for the market. Additionally, the growth of a middle-class population and an increase in sedentary lifestyles will further influence Mölnlycke's market.</p>	<p>The growing demand for healthcare products and solutions presents significant growth opportunities for Mölnlycke. To meet this demand, the company is constantly assessing its production capacity, geographical presence, the ecosystems it is part of, and its portfolio of products and services, to ensure that it can fulfil the evolving needs of the market.</p>

# Business model

Mölnlycke is organised around four Business Areas with end-to-end responsibility to create value for customers, executing on our strategy. The Business Areas are supported by Corporate Functions providing capabilities and support in enabling processes.

## Market drivers

There are a number of underlying market drivers in health care that support Mölnlycke’s opportunities for long-term growth. These shape the Business Areas’ strategies to drive value and business opportunities.

- Wound Care patients are often treated by inexperienced generalists.
  - Solutions are not always accessible, intuitive, fast or easy-to-use.
  - Patients’ quality of life is impacted by inadequate prevention, ‘hard to heal’ and reoccurring wounds.
- The immense pressure facing healthcare professionals lead to a high staff turnover and staff shortages.
  - Surgeons and operating room staff are forced to conduct more procedures with fewer resources.
  - Operating room staff spend substantial time on non-value adding tasks.
- Hand health is critical for the performance of nurses and surgeons.
  - Protection, high tactility grip and comfort also impact the performance of caregivers’ hands.
  - Hand fatigue is a common problem among surgeons and nurses.
- Infection prevention has become the task of experts, who must comply using products that might be effective but are often not practical.
  - The multi-faceted, cross-functional nature of infection prevention is taking up time and effort.
  - Infection prevention behaviours rely on experienced staff and a strong culture, which is difficult to maintain with high staff turnover and shortage of time.



Wound Care



OR Solutions



Gloves



Antiseptics

Vision	Free patients, caregivers and healthcare systems from the burden of wounds.	An operating room in frictionless flow.	Hands deserve better.	A world without healthcare-acquired infections.
	Deliver innovative and intuitive solutions for prevention, faster healing and better quality of life.	Create an ecosystem of solutions and services to ensure a frictionless flow in the operating room.	Deliver innovative and sustainable solutions to enable hands to perform at their best.	Prevent infections across the patient’s journey.

## Value creation for stakeholders



Value creation for stakeholders

Mölnlycke is committed to creating long-term value for all stakeholders by achieving growth in a sustainable way in its business model.

By centring its philosophy, strategy and operations around customer needs, Mölnlycke creates value by driving innovation and education to address customer pain points. Through strong partnerships and continuous insights, Mölnlycke enhances patient care and contributes to sustainable healthcare.



Mölnlycke invests in the development of its employees to enable them to develop, grow and bring value to the company and its customers. Mölnlycke fosters a healthy, safe and engaged workforce that values diversity, equity and inclusion, reflected in an increased global engagement score of 3.9 out of 5.



Mölnlycke builds strategic partnerships with its supply and service partners to support the business. Through the purchase of raw materials, components, services, transport, etc. the company creates value that stretches beyond its own business.



Mölnlycke's profitable growth and a strong cash conversion positively impacted the owner's valuation of the company. The owners received a dividend distributions of EUR 500 million in 2024.



Mölnlycke has total outstanding bonds of EUR 2,073 million and a revolving credit facility of EUR 350 million, currently undrawn from a group of seven banks.



Mölnlycke's purpose is to revolutionise care for people and planet. Its positive contribution to society is measured in innovations aimed at improving the lives of patients and healthcare professionals while making a minimum negative impact on the environment, as well as its contribution through paid taxes.



# Mölnlycke’s strategy

Mölnlycke’s purpose to revolutionise care for people and planet is central to its strategy to become a MedTech industry leader in customer-centricity, sustainability and digitalisation.

Mölnlycke aims to lead the market across all segments and regions where it serves. This ambition is firmly grounded in a robust portfolio of product brands and a strong heritage of clinical data-based and customer-insight driven innovations that enhance the lives of patients and healthcare professionals.

The company’s strategy revolves around three pillars: customer-centricity, sustainability and digitalisation, with Mölnlycke aspiring to become the undisputed industry leader. By focusing on these three strategic pillars across its Business Areas, Mölnlycke is dedicated to creating long-term value for its customers, owners and the communities it serves.

Sustainable growth is achieved through innovative and

customer-centric solutions that make a measurable positive impact on customers and their patients. This includes the continuous improvement and enhancement of existing offerings, radical innovation into new or adjacent areas, and new technologies that can improve patient outcomes, environmental impact, clinician wellbeing and the efficiency of healthcare systems.

Mölnlycke’s strategy is deeply rooted in ethnographic studies conducted in the everyday environment of healthcare professionals. These studies have also informed the individual strategies of each Business Area. Throughout 2024, Mölnlycke focused on further executing the strategy by entering several partnerships.



## Strategy governance

Mölnlycke follows an annual strategy governance cycle to ensure continuous progress towards its long-term objectives. This process involves identifying key focus areas that set the company’s top priorities for the forthcoming year. The strategy update is conducted annually and approved by the Board of Directors.

To aid the execution and communication of its strategy, Mölnlycke uses a scorecard that translates the strategy into prioritised activities and relevant performance indicators for its Business Areas and corporate functions.

The scorecard serves several purposes, including:

- Defining priorities and clarifying how these are connected to the overall strategy
- Balancing Mölnlycke’s short- and long-term ambitions and supporting the execution
- Improving communication of the priorities and activities throughout the organisation

In addition to the annual strategy update, Mölnlycke conducts Quarterly Business Reviews (QBRs). The QBRs focus on key strategic priorities and activities, providing an ongoing opportunity for evaluation and alignment of any corrective measures, followed by financial performance follow-up and mitigating actions when and if required.



## Customer-centricity

Customer-centricity has been the foundation of the Mölnlycke business for 175 years and sits at the core of its approach to sustainable healthcare. Simply put, customer-centricity means seeing everything through the eyes of the customer.

For Mölnlycke, this approach involves placing the customer at the centre of the organisation's philosophy, strategy and operations. Mölnlycke defines its customers, in all their shapes and forms, and works to understand their motivations and interconnections. Mölnlycke then uses this understanding to generate value for both the customer and the company.

Adopting a customer-centric mindset allows Mölnlycke to identify where customer needs and motivations are not aligned, generating challenges for a smooth and successful entry into the market, ultimately impacting the patient. By understanding these pain points, Mölnlycke can innovate, educate and train its customers, driving a shared vision and purpose that guides the development of cohesive solutions.

A customer-centric company delivers real and measurable value to its customers and Mölnlycke represents this through strong and relevant value propositions. Stakeholder alignment from the top down is critical, ensuring that everybody understands and has confidence that they are all trying to solve the same problems for the same ultimate beneficiary: the patient. Mölnlycke's value propositions ensure that the connections between customers are as aligned as possible.

It is imperative that, amidst all this, Mölnlycke keeps the patients, caregivers and their problems at the heart of its efforts. Understanding the continuously evolving patient needs is critical. By doing so, Mölnlycke can better address the real challenges patients face and provide solutions that complement



The patient and caregivers are at the heart of everything Mölnlycke is doing



current clinical practices and technologies, to truly revolutionise care for people and planet.

Mölnlycke takes an ethnographic approach, actively listening to and engaging with patients, healthcare providers and payers to build strong relationships founded on trust and partnership. From these relationships, Mölnlycke can innovate – not just in products, but also in digital and service offerings, professional education and training – to make their contribution to sustainable healthcare.

Sustainable healthcare is a vision of a future where people enjoy optimal health and well-being, health systems operate efficiently and responsibly, and healthcare staff feel fulfilled. Achieving this vision requires a holistic approach that considers the environmental, social and economic aspects of care delivery. It also involves the active participation of patients, who are empowered to take responsibility for their own health and care. Mölnlycke's view is that partnerships between various stakeholders will be essential to achieve the vision of a sustainable healthcare.

In addition to the ever-growing number of stakeholders in healthcare, the last few years have seen an explosion of technology along with an increasing convergence of MedTech, HealthTech and Pharmaceutical approaches. The challenge of sustainable healthcare is too complex and too large for the stakeholders to address in isolation and a coordinated approach is required.

As such, Mölnlycke has 'Embrace partnerships' as one of its core values. Mölnlycke believes in going beyond being a supplier to healthcare to being a true partner and is committed to being an active contributor to sustainable healthcare.

Embracing partnerships involves proactively identifying and developing collaborations to address the complexity of delivering sustainable healthcare. This includes actively seeking differing, sometimes opposing, viewpoints and working together to understand these perspectives to find a path forward. Mölnlycke forms partnerships for technological advances by investing in innovative companies, collaborates with medical societies and organisations like MedTech Europe and the International Hospital Federation to influence approaches to healthcare at the highest

level and ensures the patient voice is heard, advocating for change on their behalf, especially in under-served specialities and settings of healthcare.

The patient and caregiver are at the heart of everything Mölnlycke is doing. People actively involved in their health and healthcare tend to have better outcomes and, some evidence suggests, lower costs. Patient engagement is the desire and capability to actively choose to participate in care in a way uniquely appropriate to the individual, in cooperation with a healthcare provider, for the purposes of maximising outcomes or improving care experiences.

Mölnlycke believes patient engagement must evolve further into patient empowerment, a process in which patients understand their role and are given the knowledge and skills by their healthcare provider to perform tasks. Clear incentives, accessible tools and patient-to-patient communities are essential to delivering this, and Mölnlycke partners with organisations active in this space.

In order to be truly customer-centric, Mölnlycke sets out to achieve real patient-centred care, where patients are encouraged and supported in embracing their role, in their path of care, from prevention to cure. Evidence and practice show that when care pathways are organised around the patient's needs, clinical outcomes are more likely to improve, as is user satisfaction. Moreover, patient-centred care pathways may contribute to more efficient care delivery and ultimately to sustainable healthcare.

Partnerships will form the basis of Mölnlycke's future as the world of healthcare is changing rapidly and Mölnlycke must never stop seeking for insights and acting upon them to revolutionise care for people and planet.

## Sustainability

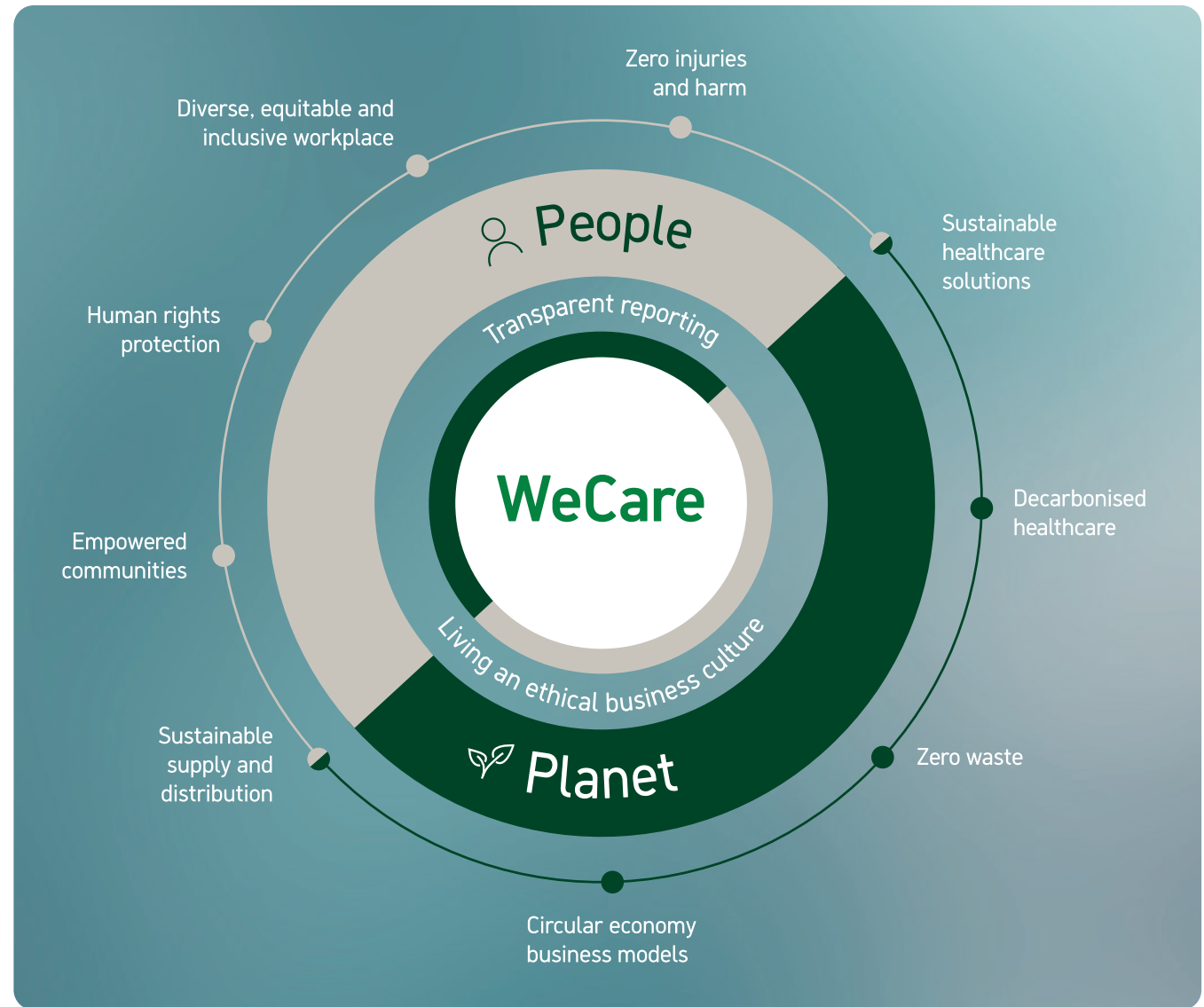
Mölnlycke is committed to transforming its business to become a global leader in sustainable healthcare.

Substantial progress in Mölnlycke's transformation was made during 2024, as confirmed by independent external ratings. The EcoVadis Sustainability Rating platinum medal that the company received for its sustainability work in 2024 places it in the top 1% of all benchmarked companies (all sectors). Mölnlycke has now advanced its efforts by further embedding sustainability into every aspect of the company's operations, offers and partnerships.

Mölnlycke endorses a vision of a transformation where social, environmental and economic dimensions are fully integrated into the company's business strategy. This holistic approach guarantees that all company actions generate shared value for employees, customers, business partners, the company's owners and society as a whole. WeCare – Mölnlycke sustainability roadmap 2030 – rests on two interconnected focus areas of "People" and "Planet". These are further supported by Governance, including transparent reporting and a strong ethical business culture.

Partnerships across the company's value chain, as well as within the ever more interrelated healthcare ecosystems, are essential in delivering lasting benefits for people and the planet. Together with customers, industry peers, NGOs and other business partners, Mölnlycke is charting a path towards the elimination of greenhouse gas (GHG) emissions, waste and harm, and the delivery of positive societal value, ensuring a future where healthcare is both efficient and resilient.

Mölnlycke has an ambition to contribute to the healthcare sector's journey towards decarbonisation by eliminating emissions across the company's entire value chain. Having its near-term GHG emission reduction targets validated and its Net Zero target submitted for review to the Science Based



More information regarding Mölnlycke's contribution to UN's Sustainable Development Goals can be found at: <https://www.molnlycke.com/corporate/sustainability/>



## Commitments



## Partnerships



## Ratings and awards



Targets initiative (SBTi), the company is fully aligned with the Paris Agreement's ambition to limit global warming to 1.5°C. This progress has been bolstered by substantial milestones, including achieving 100% renewable electricity at all Mölnlycke's production sites and the headquarters in December 2024.

Mölnlycke integrates a culture of material efficiency and care into its operations, prioritising a right-first-time principle to eliminate waste. The road to zero manufacturing waste by 2030 is substantially aided by local external partnerships supporting the transition to reusable waste and elimination of landfill waste. Furthermore, by enabling healthcare providers to adopt waste-minimising solutions, the company extends this zero-waste mindset throughout the healthcare system. These efforts are externally recognised – in 2024 Mölnlycke received the Capgemini Nordic Sustainability Tech Award 2024 for Mölnlycke ProcedurePak® trays, which can reduce packaging waste by up to 90%<sup>2</sup>.

Through innovative product design, Mölnlycke is contributing to making the circular economy in healthcare a reality. The solutions incorporate renewable and recycled materials certified by ISCC<sup>3</sup> and FSC<sup>®4</sup>. The company continually works with product packaging optimisation and looks for improvements to packaging material with the aim to reduce finite resource consumption. Mölnlycke also explores developing closed-loop systems that retain material value while reducing waste, expanding the use of finite resources to many more patients.

Mölnlycke's continuous efforts to contribute to achieving sustainable healthcare are based on a combination of streamlined practice focused on prevention and appropriate intervention, supported by innovations that enable more efficient clinical practice. The company systematically performs comprehensive Life Cycle Assessments (LCAs) aligned with appropriate international standards, encompassing its entire value chain. LCA data is used to continually develop solutions with lower environmental impact and shared with the healthcare partners to drive informed decisions and help the partners achieve measurable improvements.

Within the focus area "People", Mölnlycke envisions a workplace and healthcare ecosystem where accidents, injuries and harm are non-existent, Mölnlycke prioritises the wellbeing of its employees, customers and patients, fostering a culture of safety and continuous improvement to eliminate workplace injuries and ensure safe conditions throughout its operations. This commitment extends to the design of its products, ensuring they are not only safe to use but also enhance patient outcomes.

Beyond safety, the wellbeing of Mölnlycke's employees is grounded in the company's commitment to create an inclusive and equitable workplace, where the power of diversity is constantly recognised, leveraged and celebrated as the very lynchpin that aids meeting the customers' diverse needs with innovative solutions.

Mölnlycke also strives to consider the long-term impacts of its actions on society. Giving back to society is integral to Mölnlycke's sustainability roadmap and is achieved through partnerships with NGOs that share its vision of sustainable healthcare – most notably in 2024 the partnership with Operation Smile that culminated in the inauguration of the Cebu Comprehensive Cleft Care Centre in the Philippines.

Finally, Mölnlycke is committed to fostering and upholding a sound and ethical business culture by embedding an integrity mindset in every decision. As a signatory of the UN Global Compact, Mölnlycke both endorses and enacts the same values and principles in its relations with own employees and business partners, shaping sustainable value chains and ensuring full transparency throughout the lifecycles of its products and services.

The company is committed to respecting human rights and to eradicating modern slavery and aims to identify, prevent, mitigate and remediate potential and actual risks of adverse human rights impacts within Mölnlycke's own operations and across its value chain.

Mölnlycke is also dedicated to transparent and comprehensive reporting, partially aligning proactively with key principles of the Corporate Sustainability Reporting Directive (CSRD) ahead of full regulatory requirements, demonstrating its commitment to accountability and value creation for all stakeholders.

2. Greiling. A multinational case study to evaluate and quantify time-saving by using custom procedure trays for operation room efficiency. (Poster from 2010.)

3. International Carbon & Sustainability Certification.

4. Forest Stewardship Council.

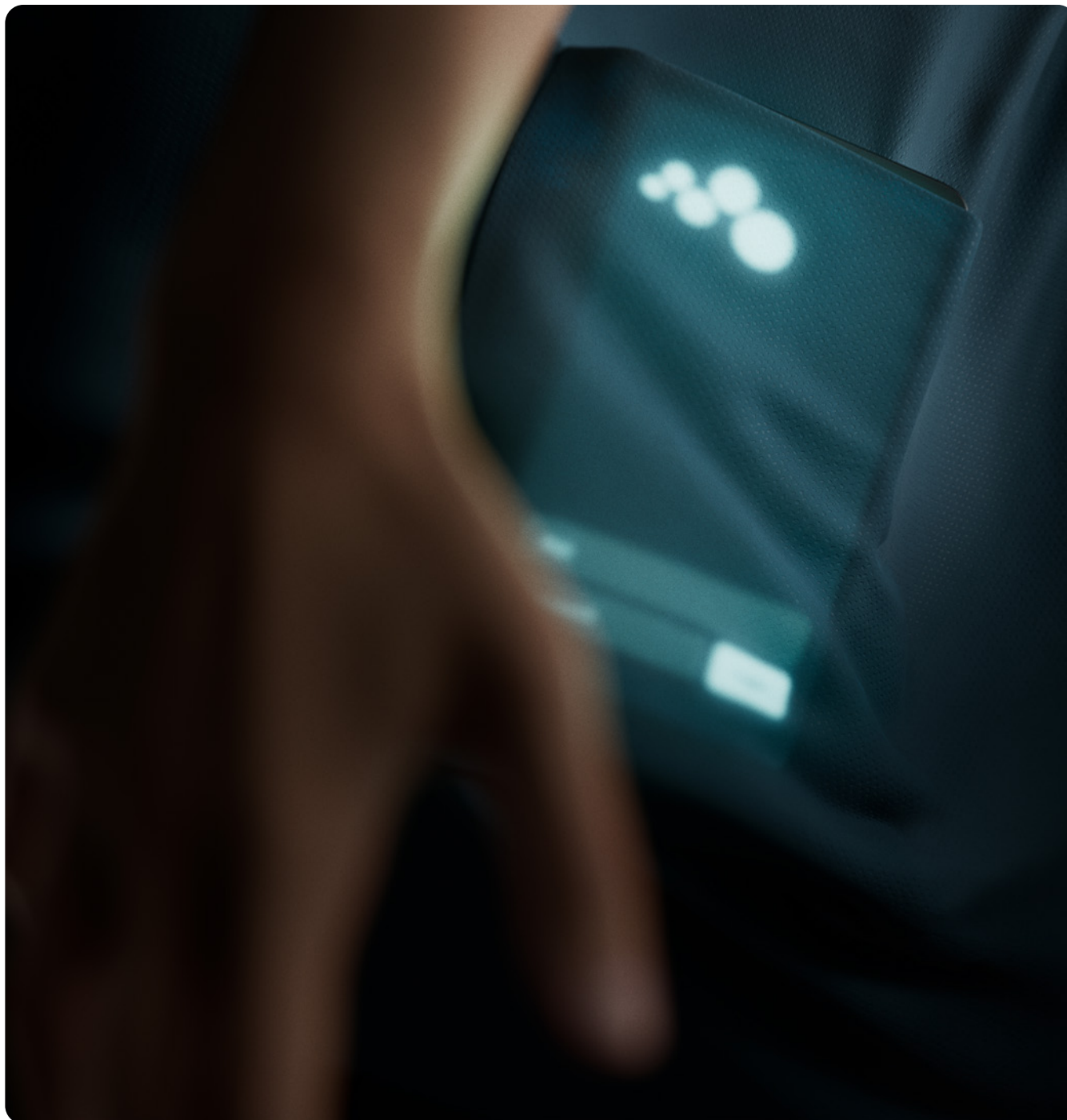
## Digitalisation

Mölnlycke aspires to become a leading provider of digital solutions to improve patient outcomes and maximise efficiency of healthcare providers.

The company embraces external partnerships with suppliers, customers and academia, and is actively engaged in the development of several solutions that incorporate digital components designed to enhance the quality of healthcare.

The global digital health market is anticipated to experience substantial growth in the forthcoming years, as chronic diseases continue to increase and governments and healthcare providers are increasingly motivated to explore more accessible and cost-effective methods for providing healthcare.

Mölnlycke is therefore committed to invest in digital solutions and ecosystems to improve patient outcomes, drive efficiencies and reduce costs. Mölnlycke's digital aspiration is built around four pillars.





Mölnlycke’s digital aspiration is built around four pillars

IT foundation	Digitalising internal operations	Digital customer engagement	New ventures
<p>Modernise IT infrastructure via flexible platforms and tools to reduce costs and increase capabilities, while also promoting employee efficiency and satisfaction. This includes expanding digital workplaces to allow for both on-site and remote working to improve work-life balance. Mölnlycke prioritises IT security, including cybersecurity and a secure digital backbone in operational technology through a risk-based company security programme. This is to protect its business information and ensure continuity in operations, while adapting to the latest relevant industry standards and complying with different directives in data protection and confidentiality.</p>	<p>Streamline business operations and processes to improve customer satisfaction while enhancing productivity and efficiency through adoption of modern technology platforms. Mölnlycke also prioritises ongoing improvements to supply chain planning processes to deliver quality services and products to customers in a timely and efficient manner, through state-of-the-art planning technologies and methodologies. Mölnlycke is currently shifting its legacy SAP ERP platform to a cloud-based SAP S/4Hana solution as one of its key priorities, with a targeted completion in spring 2025.</p>	<p>Boost omni-channel customer journeys in healthcare to support different go-to market strategies. This includes a worldclass website, digital marketing, digital self-service, e-commerce and digital professional education. In this way Mölnlycke aims to professionally and effectively engage and strengthen our relationship with customers to position the company’s premium brand and enable its strategy. The key driver behind this pillar is to continue executing market expansion plans, to increase market share and to improve sales productivity.</p>	<p>Utilise premium product and brand position to become an integrated part of digital health ecosystems. Mölnlycke develops new digital solutions and business models driving radical innovation and positioning the company as a leader in the MedTech industry for digital health. Each Mölnlycke Business Area identifies its specific needs based on customer insights and puts a roadmap in place to achieve the identified goals.</p>



# Sustainability in action

This chapter showcases real-world examples of how Mölnlycke's sustainability commitments are being translated into action. By embedding sustainability at the core of everything Mölnlycke does, whether through innovative product design, responsible sourcing practices, or impactful collaborations with stakeholders,

the company aims to create measurable value for both **People** and **Planet**. These case studies underscore Mölnlycke's belief that sustainability is not a standalone initiative but a fundamental element of the company's strategy, driving resilience, innovation and long-term success.



## Accelerating the use of bio-based materials in Mölnlycke solutions

An important step in Mölnlycke's efforts to design solutions for circularity is the continual expansion of the use of renewable material in the company's solutions replacing finite fossil-based material.

Mölnlycke offers a range of bio-derived products certified by International Sustainability and Carbon Certification (ISCC). During 2024, the assortment was expanded with speciality drapes for laparoscopy and mayo stand cover. The company has also launched a bio-based tray stabiliser and needle counter as components in the tray business. A full list of certified products is available here: [www.molnlycke.se/ISCC](http://www.molnlycke.se/ISCC). In 2024 Mölnlycke more than doubled its procured amount of ISCC-certified material to a total of 159 tonnes.

Furthermore, Mölnlycke offers solutions certified by the Forest Stewardship Council® (FSC), such as the classic gown assortment. The majority of the renewable raw materials are used in packaging or paper coating, as well as in the supply of natural fibres and natural latex.

Altogether, the share of renewable materials procured in 2024 was 33% of the total procured materials – a 20% increase compared to 2023.

For more details please see section  
"Circularity and resource efficiency," p. 119





## Fostering a diverse and inclusive workplace

In 2024, the execution of Mölnlycke's diversity, equity & inclusion (DE&I) strategy was substantially strengthened through the introduction of a company-wide unconscious bias training.

The training explored how humans naturally classify others into categories influenced by cognitive distortions, prejudices and stereotypes, and provided tools to address these unconscious thought patterns. Participants learned to identify common forms of unconscious bias and its impact on decision-making. The training aimed to equip employees to approach professional interactions more objectively and inclusively.

This initiative complemented the company's broader DE&I efforts, including the work of Employee Resource Groups (ERGs), which continued to drive impactful activities across Mölnlycke. This year, two new ERGs were formed: Evergreen, for professionals with 25+ years of experience, and the Professional Women's Alliance in the UK, expanding on the success of its counterpart in the US. These groups enhance connection, support and engagement within Mölnlycke's diverse workforce.

In order to inspire meaningful dialogue and underscore Mölnlycke's commitment to fostering a culture where diversity thrives, the company also recognised key awareness days related to diversity and inclusion, including International Women's Day, the World Day of Cultural Diversity, Pride Month and the International Day of People with Disabilities.

Through initiatives like unconscious bias training, ERG expansion and awareness day recognition, Mölnlycke continues to build a more diverse and inclusive workplace. This not only paves the way for



lasting change but also ensures that the diverse and inclusive teams are better equipped to address the diverse needs of customers and communities.

"The training not only broadened my perspective, but also made me reflect deeply on how we approach new opportunities with preconceived judgements. I'd love to share it with my friends and family."

Carlos Dixon,  
Business Development Manager, Wound Care

For more details please see section  
"Own workforce", p. 127

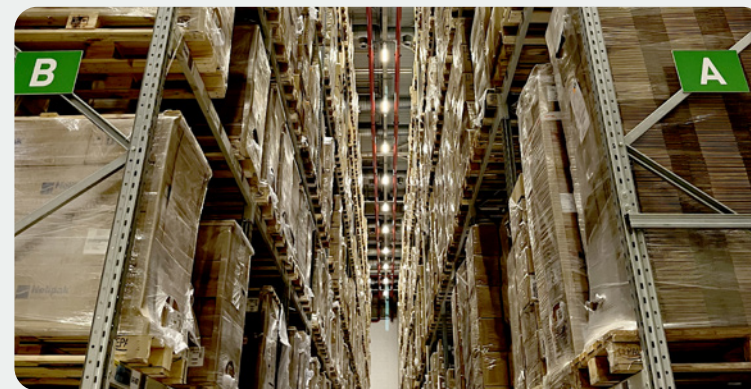


## Improving energy efficiency at the manufacturing site in Havířov

Investing in energy efficiency and preservation initiatives at Mölnlycke's manufacturing sites and offices is an integral part of the company's efforts to decouple its operations from resource constraints.

One example of energy efficiency improvements is the modernisation of lighting at the manufacturing site in Havířov, Czech Republic. In April 2024, new LED lights with a motion-detection sensor system were installed in the warehouse, resulting in a 2.5% reduction in the site's total annual electricity consumption compared to 2023. Looking ahead, this upgrade is expected to reduce electricity consumption for warehouse lighting by 55% annually. Upgraded to the most recent health and safety requirements regarding illumination, uniformity, glare and photobiology, the new lighting will contribute positively to the employees' health and wellbeing.

Other energy efficiency plans in Havířov involve installing two cogeneration units in 2026, which will further reduce consumption of district heat. Such improvement initiatives are an important step toward reaching the company's goal to reduce Scope 1 and 2 GHG emissions by 50% by 2030 (versus 2021 baseline).



For more details please see section  
"Climate change and energy", p. 108







Image courtesy of ENGIE

## 100% renewable electricity for Mölnlycke manufacturing sites and HQ

In 2024, Mölnlycke achieved its ambitious target of securing 100% renewable electricity. The achievement was enabled through signing two virtual Power Purchase Agreements (vPPAs) for manufacturing sites in the European Union and Malaysia.

To cover electricity consumption for the sites in the European Union, Mölnlycke signed a long-term vPPA committing to purchasing renewable electricity generated in Mutkalampi, the largest wind farm in Finland. The three manufacturing plants in Malaysia will handle their renewable electricity needs through a similar vPPA from a newly-established solar power plant in Bukit Kayu Hitam, Malaysia.

In addition, Mölnlycke continues to invest in on-site generation of solar energy with manufacturing sites in Malaysia and the UK having completed the installation of rooftop solar panels while the installation on factories in Thailand is ongoing.

The remaining electricity consumption needs for manufacturing sites in Thailand, the UK and the US, as well as the newly established plant in Saudi Arabia, are met through Renewable Energy Certificates (RECs).

"This is a significant milestone in Mölnlycke's commitment to halving Scope 1 and 2 greenhouse gas emissions by 2030, compared to 2021," said Caterina Camerani, VP Sustainability. "It propels us toward our vision of building a sustainable healthcare manufacturing ecosystem."

With this important milestone the company has reached one of its near-term targets pledged to Science Based Targets initiative and will continue sourcing renewable electricity through 2030.



Caterina Camerani,  
VP Sustainability

For more details please see section  
"Climate change and energy", p. 108





## "Partnering for Progress": digitalising healthcare and its supply chain

Mölnlycke's webinars series, 'Partnering for Progress', has become an essential part of its efforts to engage with its key suppliers.

The series, dedicated to strategic topics, is an important channel to align with supplier partners on common goals and encourage them to an open dialogue to spur collaborative innovation.

In 2024, the webinar series focused on:

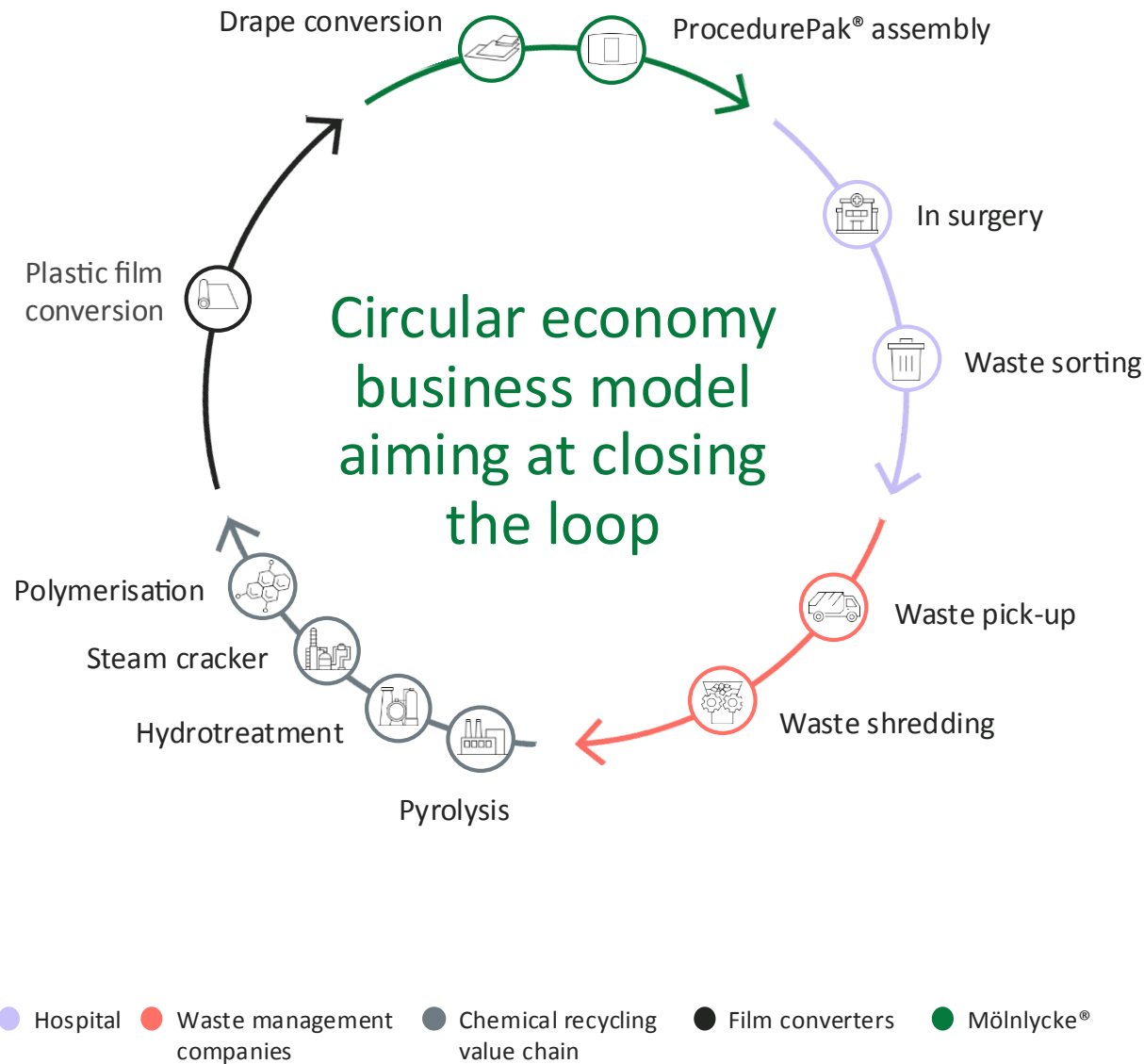
- 'Digitalisation as Mölnlycke's strategic priority' – sharing the company's macro-trends in digital healthcare alongside its digitalisation roadmap
- 'Data-driven sustainability' – focusing on the importance of data in driving sustainability and Mölnlycke's requirements for its business partners
- 'Network and Information Security 2 (NIS 2) Directive' – focusing on raising the bar on cyber security and Mölnlycke's requirements for its suppliers

The sessions were well attended and appreciated, with approximately 150 strategic suppliers joining live from all over the globe, covering both direct material suppliers and service providers. Supplier engagement is an important component of driving an open dialogue about the transformation of healthcare across its entire value chain.

For more details please see section  
"Management of relations with suppliers", p.140







## Exploring closed loop systems for medical supplies in the Operating Room (OR)

To address the challenge of plastic waste from the OR, Mölnlycke has started to explore developing local closed loop systems for medical supplies, circular business models where cross-sector collaboration aims to bring a disruptive transformation in healthcare.

In collaboration with a European hospital and other industry partners in the healthcare ecosystem, Mölnlycke piloted a circular business model for OR Solutions. The process involved collecting used materials from healthcare providers, separating non-contaminated waste and passing it to waste management partners for shredding and transportation to an advanced chemical recycling facility.

Through chemical recycling, the recovered monomers were polymerised under controlled conditions to create new medical-grade polymers. These were then converted into plastic film for use in various medical devices.

This proof-of-concept helps conserve finite natural resources and reduce plastic waste without compromising the safety and efficacy of medical devices. Additionally, it demonstrates how manufacturers can take on greater responsibility, relieving healthcare professionals of the burden of waste management – a significant step toward a more efficient Operating Room and improved clinician wellbeing.

The next step for Mölnlycke is to rigorously assess the overall environmental impact of this closed-loop approach.

For more details please see section  
"Circularity and resource efficiency", p. 117







## Mölnlycke and Operation Smile help to change people's lives with newly inaugurated cleft care centre

In 2024, Mölnlycke and Operation Smile celebrated the culmination of a four-year partnership aimed at improving access to cleft care.

Operation Smile, a global non-profit organisation specialising in cleft lip and palate (CLP) surgeries for underserved communities, inaugurated the Cebu Comprehensive Cleft Care Center of Excellence in the Philippines – a facility Mölnlycke played a key role in establishing. The centre is poised to provide comprehensive care for individuals with CLP in the region and is expected to treat 10,000 patients within its first three years of operation.

Located within the Cebu City Medical Center (CCMC) hospital, the 2,000 m<sup>2</sup> state-of-the-art facility offers an optimal environment for delivering holistic CLP services. These include speech therapy, dental and psychosocial care and advanced surgical support, reflecting Mölnlycke and Operation Smile's shared commitment to comprehensive care. The facility is fully staffed by local healthcare professionals.

"This clinic is a milestone for us, but also for cleft care globally, as it is also a training hub. In a rather lengthy construction project, our partner Mölnlycke has supported us financially while, in parallel with the construction, we have jointly created and rolled

out a training programme with innovative methods and solutions," said Emiliano Romano, Executive Director, Operation Smile Philippines.

Through investment in the "train-the-trainer" model, Mölnlycke aims to enhance the competency of local healthcare professionals, creating lasting and scalable shared value for the community.

For more details please see section  
"Community support", p. 136





## Advancing the vision of zero injuries and harm at the Distribution Centre in Anderson, US

Mölnlycke is committed to achieving zero injuries and harm, ensuring a safe and healthy workplace for all employees and visitors to its sites. Many of Mölnlycke's sites have made substantial progress in their safety journey, fostering a culture of care and accountability.

The Distribution Centre in Anderson exemplifies the company's steadfast commitment to its vision of a workplace free from injuries and harm. Through targeted safety improvements, enhanced communication strategies and investments in welfare facilities, the site has strengthened its safety culture and operational excellence.

Safety improvements included the installation of overhead mirrors to improve visibility, upgraded racking systems to enhance stability and the implementation of new forklift safety lighting to reduce collision risks. Additionally, Mölnlycke's proactive approach to safety is demonstrated through the involvement of all its employees in identifying and mitigating potential hazards, embedding hazard recognition as a core part of its safety culture. To foster transparency and alignment, communication improvements include new boards displaying critical metrics on safety, quality and production, ensuring that employees remain informed and engaged. Finally, both offices and restrooms were upgraded to improve employee wellbeing.

These efforts have yielded tangible results, with the centre achieving a remarkable milestone of five years without a Lost Time Injury (LTI), maintaining a flawless LTI rate of 0. This success is a testament to the strengthened safety culture and the collective commitment of the workforce to reducing risks and creating a safer, more productive environment.

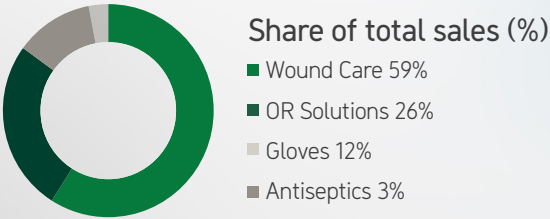
For more details please see section  
"Health, safety, physical security and wellbeing", p. 132



# Business Areas

Mölnlycke’s ambition is to be the market leader in all segments and geographies where the company operates.

Each Business Area has end-to-end responsibility to drive profitable growth and add value to its customers.



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# Wound Care

Every day, patients around the world suffer physically and emotionally from acute and chronic 'hard to heal' wounds. These wounds can be persistent, difficult to treat and costly to manage. Mölnlycke works with patients, caregivers and healthcare systems to reduce the burden of these wounds through innovative solutions for prevention, faster healing and better quality of life.



## Offering

Mölnlycke is a leading global provider of wound care solutions for 'hard to heal' and acute wounds in various healthcare settings, using therapy-based approaches to reduce patient pain and discomfort, prevent infection and promote faster healing. The company specialises in pressure ulcers, diabetic foot ulcers, leg ulcers, surgical incisions and burns. Additionally, Mölnlycke provides digital tools for wound assessment and to simplify selecting the most appropriate solution.

## Strategy

Mölnlycke's Wound Care vision is to free patients, caregivers and healthcare systems from the burden of wounds. The Business Area is committed to supporting multiple stakeholders, including patients, clinicians, at-home caregivers and non-clinical decision-makers involved in patient care, by providing easy-to-use and effective diagnosis and treatment solutions.

To drive impactful change, the Wound Care business prioritises the following:

- improving patients' quality of life with effective solutions for prevention and faster healing
- increasing the intuitiveness of wound care products and delivering education for all stakeholders
- diversifying its portfolio throughout the patient journey
- extending its presence in underserved markets globally, while enhancing its global go-to-market strategy
- providing top-tier supply and service to customers

Mölnlycke continues to work towards reducing the environmental impact of its products and manufacturing. In 2024, the Wound Care business defined a roadmap to reduce the Scope 3 of products, including product and packaging reformulation, working with suppliers to reduce embedded carbon in raw materials and driving manufacturing process efficiency. While progress is being made there is more to do, such as continuing to deliver on the plans to further decarbonise factories, by replacing processes that consume natural gas and investing in new, more efficient equipment.

## Products and solutions



**Mepilex® Border Flex**



**Exufiber® and Exufiber® Ag+**



**Mepilex® and Mepilex® Ag**



**Granudacyn®**



**Leg ulcer solutions incl. Mepilex® Up**



**Oxygen therapy with Granulox®**



**Incision care solutions**



**Pressure ulcer prevention solutions**

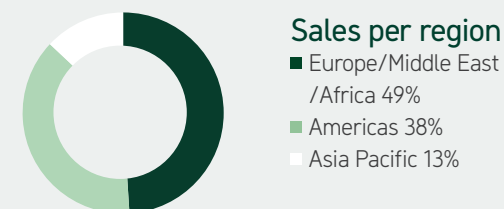
## Vision

Free patients, caregivers and healthcare systems from the burden of wounds.

## Mission

Deliver innovative and intuitive solutions for prevention, faster healing and better quality of life.

<b>2,562</b>	<b>1,223</b>	<b>8%</b>
employees	annual global sales, million EUR	organic sales growth



## Major product brands

Mepilex®, Mepitel®, Exufiber®, Avance® Solo, Granudacyn®, Granulox®, Mepore® and Mepiform®.

## Production

The vast majority of products are manufactured in the company's own factories in the US, the UK, Finland, Denmark and Austria.

## Core markets

Mölnlycke's Wound Care business has a global footprint with major markets in the US, France, Germany, the UK and the Nordic countries.

## Business environment

The healthcare system is currently facing significant challenges due to staff shortages, a less experienced workforce and budget constraints. Wound care is shifting from acute to post-acute and home care and there is an increased adoption of digital solutions and digital medicine. Procurement continues to play a growing role in decision-making.

It is important for Mölnlycke to address these trends to ensure the best care and results for patients by providing solutions that drive high-value, clinical and economic health outcomes.

"Our team is driven by our purpose to improve patients' lives through innovative and sustainable solutions. We strive to develop products that deliver exceptional value and clinical outcomes while expanding our global presence. We remain committed and resolute in our mission to free patients from the burden of wounds."



Anders Andersson,  
EVP Wound Care

## 2024 Highlights

In 2024, Wound Care continued to deliver on its customer-centric strategy with organic sales growth of 8%. The Wound Care business has outperformed its main competitors and its growth has led to increased market share in the advanced wound care segments, demonstrating the business strategy is gaining momentum.



Launch of holistic incision care portfolio, including upgrade to our Mepilex® Border Post-Op, Mepilex® Border Ag solutions and expansion of Avance® Solo.



Expansion of leg ulcer management solutions in preparation for the launch of Mepilex® Up in EMEA in 2025, following the launch of Mepilex Up in the US in 2024.



Acquisition of P.G.F. Industry Solutions GmbH, the manufacturer of Granudacyn®, to further accelerate growth of the Granudacyn business to improve the lives of even more patients.



Strategic investments aiming to improve wound care standards. USD 8 million investment in Siren, a healthcare tech company on a mission to help reduce the risk of diabetic foot ulcers by early detection and USD 15 million investment in MediWound Ltd., a company specialising in non-surgical wound debridement.



## Case study

Addressing the  
'forgotten wounds' with  
tailored incision care

Mölnlycke's emphasis on undisturbed wound healing (UWH) is raising the bar on surgical wound care to improve patient outcomes.

Despite significant advances in surgical techniques and innovations aimed at enhancing safety, surgical wound complications remain a leading cause of morbidity worldwide following surgery<sup>5</sup>. Effective postoperative wound care – and particularly the prevention of surgical site complications – may improve outcomes, reducing lengths of stay and readmissions and thereby also reducing the cost of care<sup>6-9</sup>.

The safe healing of surgical incisions is too important for them to become the 'forgotten wounds'. Mölnlycke's ambition is to prevent surgical wound complications and enhance healing outcomes by providing superior products and promoting treatment protocols based on the concept of undisturbed wound healing.

Mölnlycke Incision Care Solutions include a first class advanced incision dressing, Mepilex® Border Post-Op and a single-use negative pressure wound therapy system (suNPWT), Avance® Solo. Both incorporate Safetac®, Mölnlycke's skin-friendly wound contact layer.

Mepilex Border Post-Op combines the properties of an ideal surgical dressing<sup>10</sup> with a wear time of up to 14 days for undisturbed wound healing. Along with improved patient outcomes, another advantage of fewer dressing changes is a reduction in the amount of medical waste.

Avance Solo includes a multi-layer absorptive dressing and a canister that helps manage

exudate. The pump has an operating life span of 14 days and the dressing can be left in place for up to 7 days of continuous therapy. The pump operates with a negative pressure level of -125 mmHg, delivering effective therapy proven to reduce surgical site complications<sup>11-12</sup>.

Avance Solo and Mepilex Border Post-Op put Mölnlycke at the forefront of the movement for undisturbed wound healing. The next challenge is to identify those patients at high risk of postoperative complications. This group would benefit most from treatment with negative pressure wound therapy, such as Avance Solo.

"Mölnlycke's patient-centric approach helps our customers deliver clinically impactful and economically responsible surgical care. This means care that helps provide the right therapy to the right patient", says Malin Andersson, VP Global Marketing Wound Care.

Mölnlycke aims to prevent surgical wound complications and promote healing by providing superior products and promoting treatment protocols based on the concept of undisturbed wound healing.

5. International Best Practice recommendations for the early identification and prevention of Surgical Wound Complications. Barbara Conway, Gulnaz Tariq, Harikrishna KR Nair, Karen Ousey, Kylie Sandy-Hodgetts, Risal Djohan, Thomas Serena, Wounds International, 11 March 2020.  
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8. Walter CJ, Dumville JC, Sharp CA, Page T. Systematic review and meta-analysis of wound dressings in the prevention of surgical-site infections in surgical wounds healing by primary intention. Br J Surg 2012 Sep;99(9):1185-94...  
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10. Incision care and dressing selection in surgical wounds: Findings from a series of international meetings. Sandy-Hodgetts K., Morgan-Jones R. Wounds International, 2022.  
11. Apelqvist J, Fagerdahl A, Teótl L, Willy C. Negative Pressure Wound Therapy: An Update for Clinicians and Outpatient Care Givers. J Wound Management, 2024;25(2 Sup1): S1-S56 DOI: 10.35279/jowm2024.25.02.sup01.  
12. Victoria Rose, Nadine Hachah Haram, Sarah Gallala. A new portable negative pressure wound therapy device: a prospective study investigating clinical outcomes. The Journal of Wound Care, Vol 33, No 11, November 2024.

# OR Solutions

In the operating room, healthcare professionals need innovative solutions that are tailored for efficiency, personalised to their needs and designed for safety. Mölnlycke is their trusted partner in optimising efficiency before, during and after surgical care, helping them achieve better health economics and better healthcare outcomes.





## Offering

Mölnlycke provides a range of drapes, staff clothing and surgical instruments for the operating room, available individually or as part of ProcedurePak® trays to enhance efficiency. Digital services like Mölnlycke Portal help customers assemble trays with the right components, maximising value creation.

Operating Room Solutions (ORS) differentiates through a core, premium and sustainable model. This commitment, reflected in strategic goals and the innovation pipeline, ensures a frictionless flow in the operating room. The portfolio includes essential instruments for orthopedic, laparoscopic and robotic surgeries, along with patient drapes, staff clothing, protection and patient warming solutions, providing comprehensive support to healthcare professionals.

Sustainability is a key focus, supported by corporate initiatives and partnerships with other companies to drive sustainable practices. ORS incorporates ISCC<sup>13</sup> and FSC<sup>14</sup>-certified materials, biobased raw materials and PVC-free components. These efforts reflect a broader strategy to integrate environmentally responsible practices, such as minimising waste, into operations, delivering long-term positive environmental and social impacts.

## Strategy

Efficiency remains a pivotal driver in the operating room, where healthcare professionals face staff shortages and increasing demands. ORS works closely with customers to eliminate non-value-adding tasks, improving capacity, enhancing care and enabling more procedures to be performed.

Looking ahead, ORS aims to deepen its impact by creating an ecosystem that adds value before, during and after surgical procedures. The goal is a frictionless flow, improving patient outcomes, increasing procedural volume and supporting healthcare professionals to excel in their roles.

A customer insight study launched in 2021 has become central to the ORS strategy. Building on this, four key movements identified in 2024 will position ORS as an international market leader, transitioning from a product supplier to a solutions provider. This transformation is driven by further tray development and a growing digital ecosystem.

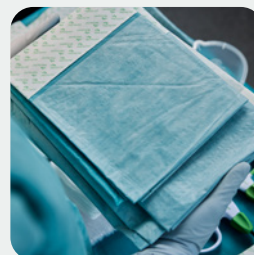
13. International Carbon & Sustainability Certification.

14. Forest Stewardship Council.

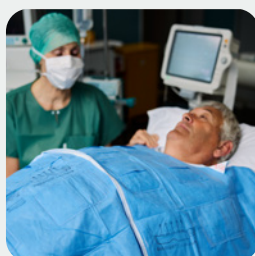
## Products and solutions



**BARRIER® drapes and staff clothing**



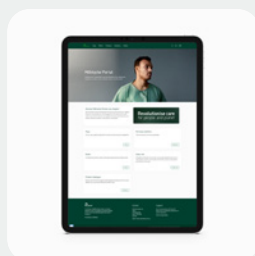
**ProcedurePak® customised trays**



**EasyWarm® patient warming**



**Surgical instruments**



**Digital services**

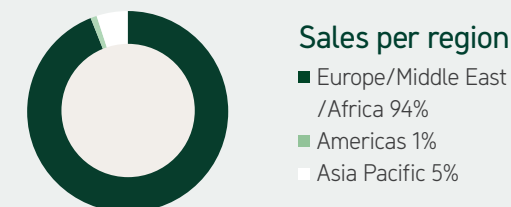
## Vision

An operating room in frictionless flow.

## Mission

Create an ecosystem of solutions and services that assures a frictionless flow of items in the operating room.

<b>2,247</b>	<b>525</b>	<b>5%</b>
employees	annual global sales, million EUR	organic sales growth



## Major product brands

BARRIER®, ProcedurePak® and EasyWarm®

## Production

Most of ORS' drapes, staff clothing and customised trays are manufactured in Mölnlycke's factories while other devices largely come from third party manufacturing. ORS provides its customers with 20 medical devices per second.

## Core markets

The EMEA region (Europe, Middle East and Africa) is the main market for the ORS business. Asia-Pacific includes several strategically important markets where we have seen notable growth in recent years.



## Business environment

Surgery rates have returned to pre-pandemic levels in most countries, though regional variations persist. Surgical backlogs remain a challenge due to operating theatre staff shortages, with mixed results from efforts to address them.

Sustainability is increasingly prioritised by customers, driven by market dynamics and government policies aimed at reducing environmental impact. Digitalisation also plays a key role in improving patient outcomes, efficiency and staff well-being.

To meet these trends, ORS established a digital ecosystem, with the Mölnlycke Portal as a key enabler. Expanding digital offerings will further enhance hospital efficiency and support the ORS vision of a frictionless flow in the operating room.

The supply chain faces ongoing pressure from global disruptions and political tensions. Mölnlycke mitigates risks by expanding tray production to three countries, diversifying contract manufacturing and exploring new suppliers to ensure reliability.

Sustainability-driven sourcing lies at the core of ORS approach, with decisions increasingly focused on minimising environmental impact.

ORS is leveraging economic growth in Asia-Pacific to expand its presence, focusing on innovation, efficiency and tailored solutions. This reinforces leadership in Mölnlycke ProcedurePak® trays and enhances cross-regional benefits.

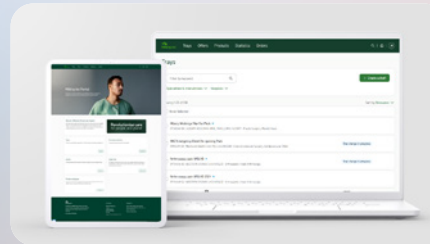
"We drive innovation and excellence in every aspect of our work. By creating an ecosystem of solutions and services, we ensure a frictionless flow of items in the operating room."



Fredrik Wallefors,  
EVP OR Solutions

## 2024 Highlights

In 2024, the Business Area had another strong year with sales outpacing market growth, driven by focused expansion in key markets and product segments and leveraging our tray channel. Organic sales grew by 5%, reflecting the strength of our offerings and robust customer demand.



The Mölnlycke Portal underwent a comprehensive redesign, making it a state-of-the-art digital platform, with a strong focus on user-friendliness. In 2024, a pilot for e-commerce was launched, onboarding the first customer for ProcedurePak® trays – a key step in enhancing how we serve our customers.



Substantial growth in ISCC-certified solutions, such as BARRIER® drapes, has been achieved, with steadily increasing sales across more customers and countries. These products support sustainability and the circular economy by utilising renewable and circular materials, contributing to sustainable practices and reduced GHG emissions.



Completion of the Tamer Mölnlycke factory in Saudi Arabia marked a significant regional expansion.



The campaign "The answer" highlighting ProcedurePak® sustainability, achieved a total of 126 million impressions across various media channels. In addition, ProcedurePak solutions have been recognised for their sustainability impact, receiving the prestigious Capgemini Swedish Sustainability Tech Award 2024.

## Case study

## How innovative maternal drapes empower mothers during caesarean deliveries



Mölnlycke's new maternal drape enables mothers to actively participate in their C-sections, fostering a more holistic birthing experience to enhance emotional connection and wellbeing.

In conventional C-section settings, mothers often experience the procedure as passive observers, only able to touch their newborn after initial medical handling<sup>15</sup>. Some hospitals have improvised makeshift solutions involving attached gowns and gloves, but these are cumbersome, time-intensive and increase the risk of contamination.

Mölnlycke's response was to develop an all-in-one, sterile drape with integrated sleeves and gloves. It redefines the C-section experience by allowing the mother to assist in bringing her baby into the world, which can help create a feeling of a deeper emotional connection during the birth.

The design addresses both efficiency and safety, ensuring a seamless experience for healthcare professionals and mothers alike.

Feedback from new mothers and hospitals has been overwhelmingly positive. 'Mothers who experienced this new procedure were enthusiastic about their participation, which added significant value to their birth experience,' noted Cheryl Pape, Sales Manager ORS in The Netherlands.

For healthcare professionals, the drape offers operational ease, combining essential features into a single, sterile unit that can be quickly set up. This optimises workflow and minimises the risk of contamination. The inclusion of transparent sleeves ensures anaesthesiologists can monitor blood flow and pressure unobstructed.

This attention to detail is typical of Mölnlycke's commitment both to patient safety and collaborative development. The initial design was shaped with input from anaesthesiology departments and involved close collaboration between Mölnlycke's R&D, marketing and commercial teams as well as healthcare professionals in Europe to identify critical needs. Extensive feedback throughout the development stages helped refine the product. Mölnlycke's engineers successfully incorporated the insights gained at every stage, resulting in a product that combines functionality and safety, manufactured by Nurel Medikal and distributed by Mölnlycke.

Since its launch two years ago, the drape has seen impressive uptake. It has been adopted as widely as the Nordics, Italy and New Zealand, with further expansion underway. In Belgium, hospitals have integrated it as a standard practice. The success of the drape illustrates the value of Mölnlycke's customer-centric approach in combining innovation with empathy in introducing our products into new hospitals and markets.

**The design addresses both efficiency and safety, ensuring a seamless experience for healthcare professionals and mothers alike.**

15. Kjerulff KH, Brubaker LH. New mothers' feelings of disappointment and failure after cesarean delivery. Birth. 2018 Mar;45(1):19-27. doi: 10.1111/birt.12315. Epub 2017 Oct 20. PMID: 29052265; PMCID: PMC6366841.



# Gloves

Surgical gloves play an important role in enabling healthcare professionals to perform at their best. Mölnlycke works with clinical and R&D teams to create surgical gloves that offer optimised fit and comfort, while thanks to its patented indicator technology, ensure protection and safety for both surgical staff and patients.





# Offering

Mölnlycke is a world-leading provider of surgical gloves. Biogel® gloves combines superior fit and comfort with exceptional tactile sensitivity both in surgery and in clean rooms. Biogel has been supporting healthcare professionals for the past 40 years driving innovations such as the first in the world powder-free glove and indicator gloves. With an industry beating AQL of 0.4 this means that all Biogel gloves exceed EN and ASTM standards – giving healthcare professionals better assurance while at work.

Biogel gloves are available in both natural rubber latex and synthetic materials, designed to provide enhanced protection against blood-borne infections. This is achieved through double glove indication technology. The innovative Biogel Indication® System reveals any glove breach.

Thanks to the unique hand scanner technology, healthcare professionals are being helped to find the perfect size and style of gloves This includes determining the most suitable combination of over glove and under glove.

# Strategy

Hands are critical to a clinician’s ability to excel in their work and to keep the hospital running efficiently. Healthcare professionals emphasise that the right gloves play an important part in a successful procedure. Therefore, surgical teams demand gloves that not only meet the highest standards of protection and safety, but also offer optimised fit and comfort produced in the most sustainable way.

Business Area Gloves aims to help hands perform at their best so clinicians can perform at their best. To help the healthcare professionals, Mölnlycke focuses on three strategic improvement areas:

- fit is foundational, because it affects everything, including comfort and tactility
- hand health is exceptionally important and addressing hand health issues during surgery will improve outcomes
- different situations during the surgery will require different solutions for optimal outcome

# Products and solutions



Biogel® gloves

Gloves R&D programmes work on innovation based on customers’ needs. A great example of this is Biogel® Pro-Fit, an ergonomic glove allowing natural hand movement during surgery minimising hand fatigue. High quality solutions preventing breaches are important in the Pharma clean room, where it is essential to use high quality equipment to protect the process, the product and the operator. Biogel provides a wide range of high-quality glove protection with the indication breach technology.

Sustainability-wise, the Gloves Business Area is on a mission to decarbonise all its factories by improving production efficiencies and implementing equipment that minimise the environmental footprint. Product packaging has also been improved with all Biogel surgical gloves packed in FSC®-certified dispensers and shipping boxes.

Expansion beyond Mölnlycke’s core markets and segments in North America and Europe is in the scope for the Gloves Business Area. India’s surgical gloves market is undergoing a shift from powdered gloves towards non-powdered alternatives. Looking ahead, the Biogel Indicator System will remain a cornerstone of the product portfolio and market differentiation strategy – to be replicated across regions and accounts.

Entry into clean room segment, both Pharmacy and Pharma, with differentiated offer providing Indicator technology for safety is another example of Biogel expansion.

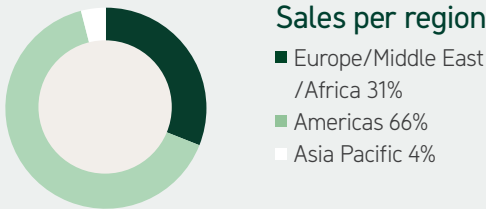
# Vision

Hands deserve better.

# Mission

To deliver innovative and sustainable solutions to enable hands to perform at their best.

2,352	250	4%
employees	annual global sales, million EUR	organic sales growth



# Major product brands

Biogel® – top-three global surgical gloves business.

# Production

All manufacturing of Biogel takes place in Mölnlycke’s own factories, located in Malaysia. Gloves Business Area continuously works to enhance its production facilities, aiming for further improved resource efficiency, reduced environmental impact and a safer, healthier work environment for its employees.

# Core markets

The US is the main market, followed by the UK and the Nordic countries.

## Business environment

The global surgical gloves market stabilised in 2024. However, the supply chain faced disruptions due to complications in the Red Sea, leading to higher logistics costs. Utility costs also continued to rise throughout the year.

Hospitals worldwide are experiencing financial challenges, and staffing shortages remain a concern, affecting both healthcare professionals and administrative staff.

"We experience an increased demand from customers and industry partners for actions on sustainability – from production facilities to packaging materials. Setting ambitious goals to protect the environment and human health, we do not only support them in their sustainability efforts but also contribute to long-term environmental and societal wellbeing."



Katriina Öberg,  
EVP Gloves

## 2024 Highlights

In 2024, the Business Area's net sales amounted to EUR 250 million with organic sales growth of 4%. While facing higher utility and logistics costs on a global level, Gloves has stayed a top-three surgical gloves business maintaining the strategic focus on high-quality solutions enabling hands to perform their best.



The Kulim High Tech Park Biogel glove factory in Malaysia is Leadership in Energy and Environmental Design (LEED) certified by US Green Building Council and Green Business Certification Inc.



The clean room packaging has been improved, becoming more ergonomic for the operator to handle. All Biogel surgical gloves are packed in FSC®-certified dispenser and shipping boxes. Currently 73% of Gloves packaging is recyclable with the target to reach 95% by 2030.



As part of the Business Area's commitment to low-carbon operations, continuous improvement efforts have identified opportunities to further reduce GHG emissions. A Life Cycle Assessment (LCA) conducted in early 2023 showed that Biogel® natural rubber latex gloves have a lower climate impact than Biogel synthetic gloves. In 2024, factories further reduced GHG emissions compared to previous years, and a new LCA was conducted to evaluate the Global Warming Potential impact. The results of this assessment will be released in 2025.



The Business Area Gloves upholds high ethical standards and has zero tolerance of harassment, trafficking, or forced labour. Regular external audits show no issues, reflecting our alignment with ILO standards.

## Case study

## The world's first consensus on surgical gloving best practice



An evidence-based consensus on surgical gloving means there is now clear guidance to improve the safety, protection and experience of healthcare providers and their patients.

The use of surgical gloves has been studied over many years and many clinical publications have proven the benefits of surgical gloving practices such as double gloving and indicator gloving<sup>16</sup>. Despite this, the clinical use of surgical gloves still varies widely, not only by country but even between departments within the same hospital.

These variations in practice – and the growing body of research highlighting safety concerns in relation to glove use – prompted Mölnlycke bring together a group of 13 independent experts to address the situation. The group comprised researchers, surgeons, nurses, infection specialists and surgical technologists from a range of countries and specialties. Their task was to conduct a review of the available evidence and develop a publication that highlights best practice for surgical gloving. The consensus document they produced is the first of its kind<sup>17</sup>.

The expert group looked at the available clinical evidence in four key areas – glove fit, double gloving, indicator gloving and glove change protocol – to understand what best practice statements could be drawn from them. In the course of this work, they conducted a systematic literature review of more than 4,000 clinical papers. Based on the results, the group came up with 10 statements that define best practice for surgical gloving.

These statements were assessed by the strength of the underlying evidence by the group who then voted on each to reach a consensus opinion. The approved recommendations represent the group's mandate for best practice in surgical gloving and have now been written up into a clinical publication.

The consensus document has been presented at several key clinical events held by the American College of Surgeons, the Association for Perioperative Practitioners, the Surgical Infection Society and the European OR Nurses Association, to name just a few.

Mölnlycke strongly supports the work of the consensus group to develop evidence-based best practice. We will provide help and guidance to enable surgical teams to implement the consensus recommendations to improve patient and clinician safety and support the best clinical outcomes.

**In the course of their work, the group conducted a systematic review of more than 4,000 clinical papers to come up with 10 statements that define best practice for surgical gloving.**

16. For example, Mischke C, Verbeek JH, Saarto A, Lavoie MC, Pahwa M, Ijaz S. Gloves, extra gloves or special types of gloves for preventing percutaneous exposure injuries in healthcare personnel. Cochrane Database of Systematic Reviews 2014, Issue 3. Art. No.:CD009573. DOI: 10.1002/14651858.CD009573.pub2; Laine T, Arnio P. Glove perforation in orthopaedic and trauma surgery – A comparison between single, double indicator gloving and double gloving with two regular gloves. J Bone Joint Surg Br. 2004;86(6):898-900.

17. Learn more about the consensus and its recommendations on <https://www.molnlycke.com/corporate/about/our-expertise/gloves/first-ever-consensus-on-surgical-gloving-best-practice/>.



# Antiseptics

Preventing healthcare-acquired infections is a growing concern in pre- and post-operative care. Mölnlycke is committed to human safety in all its actions, and has made it a priority to reduce the risk of infections through effective hygiene measures and antibacterial skin protection. Mölnlycke's innovative solutions enable people and patients across the globe to easily eliminate bacteria that may cause infections from the skin.



## Offering

Mölnlycke's Antiseptics Business Area is committed to supporting people and patients in enhancing and strengthening their natural protective barriers, by integrating antiseptic washing into infection control protocols.

The innovative antiseptic products offer long-lasting antibacterial protection for the skin and ensure comprehensive protection against harmful pathogens, particularly when used prior to and after surgical procedures.

The solutions include daily bathing antiseptics for inpatients, whole-body washing solutions for patients and hand disinfectants for healthcare professionals. To also prevent nasal bacterial infections, Mölnlycke has partnered with Ondine Biomedical Inc. to distribute their Steriwave® product in the UK. Steriwave is a non-antibiotic bacterial decolonisation product that ensures nasal antimicrobial protection for patients.

## Strategy

Infection prevention is a complex but essential aspect of healthcare. The challenge lies in balancing compliance with usability, as too rigid systems can increase the risk of infection. High staff turnover and time constraints further complicate infection control. Additionally, the cross-functional nature of healthcare environments exacerbates the challenge of achieving understanding and consensus around infection prevention.

Antiseptics focuses on the bacterial decolonisation of the patient both at home, before and after surgery and through their hospitalisation. The Business Area considers hospitals as the primary channel and infection preventionists as the way in, but it also offers an opportunity to engage patients as consumers by shifting some responsibilities.

Looking ahead, Antiseptics aims to expand into new markets and segments globally – with an adjusted and even more streamlined product portfolio that further prevents infections across the patient's journey and fits the demands of the future.

Sustainability thinking is integrated into the Business Area product innovation gate model, ensuring environmental and social considerations are integrated throughout the development process. This includes evaluating opportunities to remove or replace raw materials and incorporating options with higher recycled content or improved recyclability.

## Products and solutions



Hibiclens® and Hibi® Universal Bathing System (HUBS)



Hibiscrub®



Antiseptic wound cleansers



Hibi® Liquid Hand Rub+



Hibiwash®

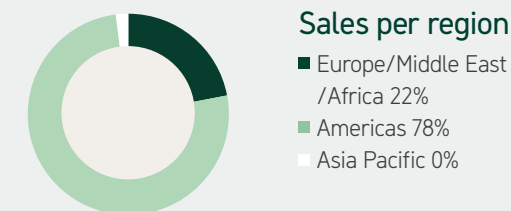
## Vision

A world without healthcare-acquired infections.

## Mission

Preventing infections across the patient's journey.

53	66	23%
employees	annual global sales, million EUR	organic sales growth



## Major product brands

Hibiscrub®, Hibi® Liquid Hand Rub, Hibiclens®, Hibi® Universal Bathing System and Hibiwash®.

## Production

The products are contract manufactured to Mölnlycke's formulations in the US, UK, Belgium and Germany, i.e. close to the markets where they are sold.

## Core markets

Main market is the US, followed by the UK and Benelux.



## Business environment

In 2024, the US market faced challenges in a price-sensitive environment, with hospital executives under pressure to drive revenue due to rising labour and technology costs.

In the EMEA region, customers remain cost-conscious, but decision-makers are placing greater emphasis on infection prevention, creating a favourable environment for the Business Area. While price pressure continues, there is a growing trend toward investing in prevention rather than covering the costs of treating surgical site infections.

Looking to 2025, following the transition to new Contract Manufacturing Organisation partners in the US and EMEA, product availability has significantly improved, with continued stability expected to support growth.

The successful launch of Hibiwash in the UK has paved the way for its expansion into mainland Europe.

The availability of raw materials and components has improved and dual sourcing activities will also help secure supply.

"Safeguarding human health, protecting people from antimicrobial resistance and surgical site infections via systematic antiseptic protocols is our finest task. Leveraging our broad-spectrum antimicrobial antiseptic properties, we work each day to prevent infections across the patient's journey moving towards a world without healthcare-acquired infections."



Lina Karlsson,  
EVP Antiseptics

## 2024 Highlights

In 2024, Antiseptics delivered growth of 23% and net sales of EUR 66 million, building on the momentum from 2023. The results are thanks to strong performance in the US and similar patterns across other markets.



From 1 January 2024, Antiseptics has its own dedicated US sales force. This creates more focused go-to-market strategy and better sales excellence.



Hibiwash, an improved version of Hibiscrub, was successfully launched in the UK. The removal of ingredients like colour, fragrance and soy oil resulted in a product with lower GHG emissions, supporting customers in fulfilling their climate change commitments.



Antiseptics' strategic direction to create a comprehensive nose-to-toes portfolio. Nasal decolonisation is key to this strategy, as 80% of the bacteria comes from the nose. Signed partnership with Ondine Biomedical Inc. to distribute their Steriwave product, starting with the UK.



Move and start-up of new Contract Manufacturing Organisations both in US and Europe to certify supply stability.



## Case study

## Innovative new weapon in the battle against healthcare-associated infections



In 2024 Mölnlycke entered into a partnership with Canada's Ondine Biomedical Inc. to distribute their nasal decolonisation therapy, Steriwave®, in the key markets of the UK, EU and Middle East.

The collaboration marks a significant milestone in the fight against healthcare-associated infections (HAIs) and the related and growing threat of antimicrobial resistance (AMR).

Steriwave offers an innovative, light-activated form of nasal decolonisation. It has been clinically proven<sup>18-22</sup> to reduce harmful pathogens in the nasal passages – a common source of HAIs, that lead to increased rates of mortality, lengths of stay in hospital and readmission rates. Because it is a non-antibiotic therapy, Steriwave can safely be used to reduce hospital infections without the risk of generating AMR.

Mölnlycke is incorporating Steriwave as a key product within the infection control portfolio, enhancing the product offerings with a focus on preventing HAIs and reducing AMR. Mölnlycke will spearhead sales and marketing efforts for Steriwave across the UK, EU and Middle East.

The initial focus is on the UK – a pivotal market with a recently published five-year plan to tackle AMR<sup>23</sup>. The UK has a total addressable market of over 3 million major surgeries<sup>24</sup> and 200,000 intensive care unit admissions annually<sup>25</sup> and exerts significant global influence in setting best practice for patient care.

Steriwave is already deployed in a number of National Health Service (NHS) Trusts, including

the Mid Yorkshire Teaching NHS Trust and Leeds Teaching Hospital NHS Trust. It is currently listed with NHS Supply Chain, a national body that manages the sourcing, delivery and supply of healthcare products to the NHS and healthcare organisations in England and Wales.

Distribution commenced in the UK in Q4 2024, with expansion into the EU set to follow in 2025, leveraging Mölnlycke's extensive market presence to broaden the impact of this innovative technology on a global scale.

HAIs remain a critical challenge<sup>26</sup> around the world, resulting in avoidable deaths and human suffering as well as significant costs – for example, approximately 6% of European public sector budgets. Post-surgical infections, in particular, can lead to extended recovery times and often require prolonged antibiotic treatment.

**Because it is a non-antibiotic therapy, Steriwave can safely be used to reduce hospital infections without the risk of generating antimicrobial resistance.**

18. Bryce E, Wong T, Forrester L, et al. Nasal photodisinfection and chlorhexidine wipes decrease surgical site infections: a historical control study and propensity analysis [published correction appears in J Hosp Infect. 2015 Sep;91(1):93]. J Hosp Infect. 2014;88(2):89-95.

19. Moskven E, Banaszek D, Sayre EC, et al. Effectiveness of prophylactic intranasal photodynamic disinfection therapy and chlorhexidine gluconate body wipes for surgical site infection prophylaxis in adult spine surgery. Can J Surg. 2023;66(6):E550-E560. (link)

20. Ondine Biomedical's nasal photodisinfection cuts surgical site infections by 66%. Press release 18 April 2023.

21. Pre-op Nasal Decolonization via Photodisinfection: A Pilot Study in Spinal Surgery Procedures at the Ottawa Hospital. Poster presentation at IPAC Canada 2023 National Conference.

22. Street C, Pedigo L, Gibbs A, et al. Antimicrobial photodynamic therapy for the decolonization of methicillin-resistant Staphylococcus aureus from the anterior nares. In: Kessel DH, editor. Photodynamic therapy: back to the future. 12th World Congress of the International Photodynamic Association. Vol. 7380 of Proceedings series. Bellingham (WA): SPIE; 2009.

23. Poovelikunnel T, Gethin G, Humphreys H. Mupirocin resistance: clinical implications and potential alternatives for the eradication of MRSA. J Antimicrob Chemother. 2015;70(10):2681-2692.

24. Surgical Procedure Volumes in UK from 2021-2029. Life Science Intelligence; 2023 Jan. Volume 23.

25. Hospital Admitted Patient Care Activity, 2011-22. Secondary Care Analytical Team, NHS Digital. Health and Social Care Information Centre. 22 Sep 2022.

26. OECD/European Union (2020), Health at a Glance: Europe 2020: State of Health in the EU Cycle, OECD Publishing, Paris.

# Corporate governance

Mölnlycke's robust governance processes ensure transparency, accountability and ethical decision-making, aligning with the company's commitment to long-term sustainability and stakeholder trust. Mölnlycke's risk management involves identifying, assessing and mitigating potential threats to its objectives and assets, ensuring proactive measures are in place to navigate uncertainties and enhance overall resilience.

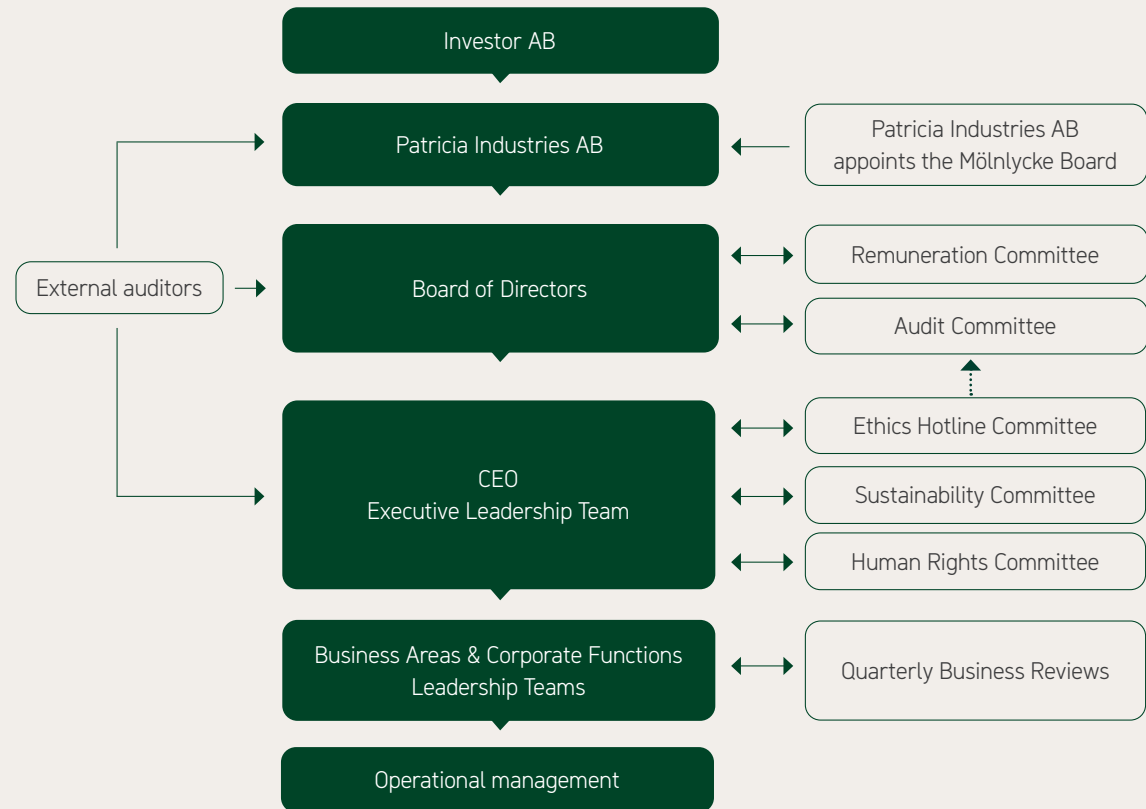
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# Corporate governance

Mölnlycke has established a thorough governance framework that covers control and compliance with laws and regulations, upholds high ethical standards and promotes efficient strategy implementation and optimal performance. The company has a robust system of policies, procedures, codes and processes that are designed to support sound decision-making, accountability, compliance, control and appropriate behaviour across all aspects of its operations. Mölnlycke continues to develop and improve the system in order to comply with the changes impacting our business and to enable an effective and efficient strategy execution.

## Governance and division of responsibilities

Mölnlycke prioritises corporate governance by implementing a robust system of segregation of duties, effective control measures and risk management processes. This ensures that the company meets its commitments to employees, customers, patients, suppliers, owner and other stakeholders, while at the same time adhering to applicable legislation, internal policies and guidelines. In 2024, the corporate structure (see diagram) played a key role in managing, controlling and segregating duties at Mölnlycke, ensuring adherence to strict corporate governance practices.



### Relevant external regulations

- Medical Device Regulation (MDR, EU)
- Food & Drug Administration (FDA, US)
- International Financial Reporting Standards (IFRS)
- Swedish Companies Act
- Annual Accounts Act
- Corporate Sustainability Reporting Directive (CSRD)
- EU Taxonomy

### Internal governing documents

- Articles of association
- Code of Conduct
- Sustainability policy
- Quality policy
- Other company policies
- Instructions and rules of procedures
- Third-party Codes of Conduct
- Mölnlycke Business Management process
- Enterprise Risk Management process



## Ownership structure

Mölnlycke AB is 99% owned by Patricia Industries AB – a part of Investor AB; which is listed on the Nasdaq OMX stock exchange in Stockholm. The remaining 1% is owned by Mölnlycke employees and Board members. Mölnlycke is the largest subsidiary within Patricia Industries' group of companies. Mölnlycke AB owns 100% of Mölnlycke Holding AB.

## The Board of Directors

Mölnlycke's Board of Directors holds ultimate responsibility for the company and its operations. They work in accordance with written rules of procedures and are assisted by the Audit Committee and the Remuneration Committee, which have administrative and preparatory roles. The Board oversees Mölnlycke's strategy, objectives, policies and plans and monitors the implementation of these plans, as defined by the Executive Leadership Team (ELT) and driven by stakeholders' needs. The owner, Patricia Industries, determines the overall direction of the holdings of their portfolio investments, including Mölnlycke. The Board is responsible for monitoring how the company identifies and manages risks as part of its enterprise risk management process. They also monitor the actions implemented to ensure Mölnlycke meets its operational and financial objectives in compliance with applicable laws and regulations. Sustainability is integrated across Mölnlycke, guided by the company's Double Materiality Assessment (DMA), in line with

recommendations from the ELT. In line with CSRD requirements, the Board annually reviews and approves the company's list of Impacts, Risks and Opportunities (IROs), identified through the DMA process.

As of 23 May 2024, Mölnlycke's Board of Directors consists of eleven members and one deputy, with nine members considered independent from the owners. The Board has convened for eight regular meetings and three extraordinary meetings in 2024 to discuss key issues, including:

- the development and implementation of the strategy
- the progress of the sustainability roadmap and the digital transformation
- macroeconomic conditions including the impact of increased supply costs, lead time constraints and inflation
- financial performance vis-à-vis the long-term strategic plans, and mitigating actions when deviations are identified
- investment and valuation considerations and decisions

### Chair of the Board

The Chair's primary responsibility is to oversee and guide the activities of the Board, ensuring they are carried out in an orderly and effective manner. This includes ensuring that the Board fulfills its duties, keeping a vigilant eye on the company's progress and consistently obtaining the necessary information needed for the Board to perform its functions at a high standard while complying with relevant regulations.

Since September 2022, Karl-Henrik Sundström has been the Chair of the Board at Mölnlycke. The other Board members include Jenny Ashman

Haquinius (deputy), Christian Cederholm, Aashima Gupta, Sharon James, Johan Malmquist, Leslie McDonnell, David Perez, Zlatko Rihter, Kristina Willgård, Lars Axelsson and Niclas Flach.

### Evaluation of the Board's work

Every year, the members of Mölnlycke's Board evaluate their work through a survey. The survey assesses various aspects, such as meetings, materials and the performance of the Chair and Board members in their respective roles as per the rules of procedure. The Chair oversees this survey and the results are presented to and discussed by the Board. The survey serves as the basis for continuous improvement in the Board's functioning as well as the foundation for the owners to suggest any proposals concerning the Board.

## Board committees

During 2024, the Board had two committees: the Audit Committee and the Remuneration Committee.

### Audit Committee

The Audit Committee is responsible for preparing and reviewing financial and compliance matters. It also ensures a smooth communication channel between the Board and the auditors. As per the committee's rules of procedure, it should safeguard the following on Mölnlycke's Board of Directors' behalf:

- that accounting, reporting and financial statements are accurate and present a true and fair view of the performance

- that audit, audit-related services, audit plan and audit independence are properly managed
- financial risks and valuation considerations
- financial internal control and priorities
- corporate business ethics compliance and priorities
- safeguarding funds are available for the operational and strategic development

Following the 2024 statutory Board meeting held on 23 May 2024, the Audit Committee consisted of: Kristina Willgård (Chair), Christian Cederholm and Jenny Ashman Haquinius (deputy) representing the Board of Directors. Representatives from the company's executive management (Guillaume Joucla (CFO & EVP IT & GBS) and Kristin Hedlund (EVP Legal General Counsel)) attend the Audit Committee meetings to present information.

During 2024, the Committee had five meetings, where the company's auditors participated in all meetings. The company's auditor also attended one Board meeting to present an overview of the audit.

### Remuneration Committee

Mölnlycke's Remuneration Committee is dedicated to thoroughly review the company's executive remuneration policies and packages. This remuneration aims to attract and retain key individuals at Mölnlycke, while promoting desirable behaviors in a cost-effective way.

As outlined in the Remuneration Committee's rules of procedure, the committee performs the following tasks on behalf of the Board:

- submitting proposals on reward philosophy for the company, supporting the achievement of long-term business strategy
- submitting proposals on a remuneration framework for the CEO and Executive Leadership Team
- proposing remuneration packages to the Executive Leadership Team members
- submitting proposals on structure of all long-term incentive programmes in the company
- recommending structure of the short-term incentive programme for the Executive Leadership Team and respective Business Area and Corporate Function Leadership Team

Following the 2024 statutory Board meeting held on 23 May 2024, the Remuneration Committee consisted of Chair Karl-Henrik Sundström, Johan Malmqvist, Christian Cederholm, David Perez and Jenny Ashman Haquinius (deputy) representing the Board. Zlatko Rihter (CEO) and Maria Morin (Chief People Officer) attend the meetings representing management.

During 2024, the Committee held five meetings, where among other topics it discussed compensation to executive leaders, salary increases and global short-term incentives for all employees.

## Auditors

Each year, Mölnlycke elects auditors during its Annual General Meeting. On 23 May 2024, Deloitte was re-elected, with Hans Warén serving as the auditor in charge. The auditors

present their audit plans, status of ongoing work and findings to the Audit Committee and the Board. In addition to their standard duties, Deloitte undertakes advisory and investigative assignments. Such assignments are not deemed to jeopardise the auditors' independence.

## CEO

Mölnlycke's Board of Directors appoints the CEO, who is responsible for executing the strategies, business plans, and operational execution approved by the Board. The CEO keeps the Board updated on the company's financial status and performance, provides necessary information and presents reports at Board meetings. All work must align with the Board's directives. Zlatko Rihter has been serving as CEO of Mölnlycke since 1 December 2020.

## Executive Leadership Team

The CEO is supported by the Executive Leadership Team (ELT), which consists of the CEO and the 10 Executive Vice Presidents leading Mölnlycke's Business Areas and Corporate Functions. Together, the ELT defines and implements the company's corporate strategy while managing daily operations of their relevant areas. In 2024, the ELT held 11 meetings that mainly centered on the execution of customer-centric strategies, tackling macro-economic challenges and mitigating their effect on the business and its financial performance while also navigating the dynamic sustainability landscape and addressing day-to-day operational issues.

## Business Areas and corporate function leadership teams

Mölnlycke's four Business Areas have end-to-end responsibility of all operational and business-related aspects, including strategy, research and development, sustainability, manufacturing, procurement, marketing and sales. The leader of each Business Area is a member of the Executive Leadership Team (ELT).

Each Business Area is supported by a dedicated leadership team, comprised of the head of the unit and the critical staff function heads. The leadership teams manage their relevant Business Area, oversee daily operations, and are responsible for implementing strategies, operational management and decision-making oversight.

During 2024, focus for all Business Area Leadership Teams have been to continue implementing their respective customer-centric strategies. In order to secure alignment of priorities inside each Business Area, but also between Business Areas and Corporate Functions, the Business Areas have each developed a Mölnlycke scorecard against which business is being actioned and monitored. When implementing the operating model based around the four Business Areas with full end-to-end responsibility, the company identified certain areas where it would be beneficial to maintain a cross-functional overview of the company's activities and work alongside the Business Areas, named Corporate Functions.

These are:

- CFO, Finance, IT and Global Business Services
- CMO (Medical Affairs)
- COO (Logistics, Supply Chain and Operational Excellence, Customer Experience, Quality, Regulatory, Indirect Procurement and Corporate Sustainability)
- Corporate Strategy, Business Development and M&A
- Legal Affairs (Business Ethics & Governance, Data Privacy, IP and Legal)
- People/HR and Brand & Communications

The functions at Mölnlycke are accountable for developing and executing relevant company-wide strategies, plans, processes and policies in their functional areas. They drive and support the company's growth based on their individual areas of expertise, while maintaining control over processes. In 2024, Corporate Functions have concentrated on both effectively managing their functions and aligning their strategic priorities to support the Business Areas concurrently.

## Sustainability management

A detailed description of Sustainability governance is covered in the Sustainability report on [page 102](#).

# Internal controls over financial reporting

## Introduction

Mölnlycke provides fair representation of financial and sustainability reporting in a timely manner, and protects the company from potential losses or risks through implementation of reasonable safeguarding controls and compliance to applicable financial laws and regulations.

The Board sets the tone at the top regarding the importance of internal control over financial reporting and is ultimately accountable for risk management and existence of adequate and effective internal controls within the company. The audit committee safeguards on behalf of the Board, the financial internal controls and priorities, as well as the annual reassessment on whether the internal financial control procedures work properly.

Mölnlycke's internal control over financial reporting is based on five essential components of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework.

## Control environment

Mölnlycke fosters a robust governance structure through clear roles and responsibilities amongst the Board, audit committee, group management and entity management. Mölnlycke communicates and trains employees regarding the company's code of conduct and the line of authorities.

Global and local policies and guidelines are established and reviewed annually or when needed to provide company's directive. Applied accounting frameworks, reporting requirements

and responsibilities are documented in the company accounting policy.

## Risk assessment

Mölnlycke adopts an enterprise risk management framework to identify Mölnlycke's top risks. The approached and key risk areas are further elaborated in the "Risk Management" section.

## Control activities

The financial internal control function, entity management and other functions work closely to ensure that adequate controls over process, people and technology are implemented and maintained to mitigate identified risks. Control activities are built into Mölnlycke's core business processes to ensure fair presentation of financial reporting. This includes segregation of duties, approval of business transactions by authorised personnel, reconciliations and analytical reviews.

Controls over Mölnlycke's operating systems, platforms and applications include but not limited to access controls, incident and change management, data backup and recovery and application controls.

Approved policies and guidelines are made available to all employees on the company's intranet. Training and communication are conducted through various forums to emphasise the importance of internal controls over financial reporting. These forums are tailored to targeted audience and provide opportunities for feedback.

Continuous communication among group finance, entity finance and global business services is maintained via monthly closing instructions, business performance reviews and process improvement. This ensures fair representation and timely financial reporting both internally and externally.

## Monitoring

Entity management is responsible for reviewing any control deficiency with control owners, implementing remediation actions and formally endorsing on the annual control self-assessment questionnaire.

The financial internal control function, in collaboration with group accounting and other functions, conducts risk-based review to assess control effectiveness. Remediation of identified control deficiencies are systematically tracked until completion within the remediation action dashboard. This dashboard is used by action owners to provide regular status updates and the internal control function to provide supervisory oversight.

Summary of control deficiencies identified, action plan to address underlying causes and remediation status is reported to the Audit Committee.

The Audit Committee and Board deem the current set up appropriate to safeguard the internal control over financial reporting in Mölnlycke.



# Risk management

Mölnlycke proactively manages a range of strategic, operational, regulatory, financial and sustainability risks by developing mitigations to reduce impact and likelihood.

## Risk management

At Mölnlycke, risk management is an integral part of the company's operations, at both enterprise and individual business area levels. The Board assumes responsibility for efficient risk management by adopting policies that set risk levels and limits for the company. Periodic Enterprise Risk Management (ERM) reporting is submitted by each Business Area and corporate function to the Board. A comprehensive yearly risk and mitigation assessment is performed, which identifies and evaluates current and newly emerging risks across five categories: strategic, operational, legal and compliance, sustainability and financial. The risk assessment also includes black swan scenarios.

Mölnlycke incorporates all material risks into a company-wide risk map, with action plans developed and implemented to minimise their probability and impact. Risk assessments and action plans are reviewed and confirmed with both the Executive Leadership Team and the Board, recognising the potential for these risks to have a significant negative impact on the business if not acted upon. Actions to mitigate these risks are crucial to the company's success and are integrated into daily operations.

## Uncertainty factors

Industry shifts and market trends alongside strategy and innovation related risks are the most significant uncertainty factors affecting Mölnlycke. A lack of radical innovation and digital transformation may have a negative impact on Mölnlycke, as well as not capturing a transforming market and trends outside the acute sector.

## Political and geopolitical uncertainty but better macroeconomy

2024 has been a year marked by significant geopolitical tensions and numerous elections worldwide. Despite these challenges, the global macroeconomic environment has shown resilience. Factors with the potential to impact Mölnlycke, like other global companies, include:

- increased geopolitical tension – the conflicts in Israel, Ukraine and the Red Sea
- political uncertainty after election year
- protectionism in terms of trade barriers, tariffs and restriction of free trade
- labour unrest with strikes
- macroeconomic uncertainty
- logistic constraints with increased costs and lead times

Mölnlycke works continuously to monitor the global risk environment to mitigate and adapt to a challenging environment to secure the company's business for now and in the future.

## Physical risks

Climate change will most likely increase the frequency of natural hazards. As part of Mölnlycke's risk and insurance process, information about hazard risks and natural hazards is collected. Natural hazards considered during this process are earthquakes, floods, drought, hailstorms, lightning, wind, tornados, subsidence, landslides and active volcanos. Based on the individual risk

assessments, measures to mitigate the risks to an acceptable level are being implemented. Further controls planned are to extend risk evaluation further down our supply chain as part of the company's Net Zero commitment.

With regards to the risks related to water, the company refers to the World Resources Institute to assess the level of risk at our production locations on a yearly basis. Initiatives to conserve water and optimise production processes for water efficiency are continually ongoing.

## Transitional risks

Mölnlycke is also exposed to transitional risks, such as market and technology shifts, reputation risks and policy and legal changes. Identifying and addressing risks, including transitional risks related to climate change, is part of the company's regular risk management process (see 'The current risk landscape').

ESG-related risk identification and management are integral to Mölnlycke's ERM framework.

To ensure alignment with the ERM process, specific sustainability-related risks are assessed using the ERM methodology. The primary sustainability-related risks, along with their corresponding mitigation strategies, are reported in the table below. For detailed information on material impacts, risks, and opportunities, please refer to the separate disclosures in the Environmental, Social and Governance chapter of the Sustainability report. A comprehensive overview of the process steps taken during the double materiality assessment is provided in the Stakeholder Engagement and Materiality chapter on [page 103](#).

Risk description	Mitigation	Likelihood	Impact
<b>Strategic risks</b>			
<b>1. Risk related to industry shifts and market trends</b>			
The global healthcare sector is under pressure to control costs and improve efficiency amid operative challenges. Furthermore, staff shortages have resulted in a reduction of healthcare professionals, affecting the sector's changing needs, expectations and requirements. Such developments can lead to changes in market trends and the medical device industry, which could have an impact on Mölnlycke.	Mölnlycke remains competitive by monitoring industry shifts and market trends. The company's foundation is based on extensive ethnographic studies that provide insights into customers' challenges and daily life. Such insights guide the company's priorities. Additionally, Mölnlycke collaborates with key opinion leaders, healthcare organisations and professionals to develop effective solutions for healthcare challenges. Although the market is under pressure, healthcare is relatively stable due to its non-sensitive demand to economic fluctuations and increased global average life expectancy.	3	5
<b>2. Strategy and innovation risk</b>			
In a competitive landscape, Mölnlycke's position as a market-leading company is constantly challenged. Primary risks involve the potential failure to evolve and future-proof its business through innovative products and solutions, sustainable and digital strategies and robust logistics capabilities. Additionally, heightened price competition poses a notable risk to the company.	Mölnlycke has developed strategies to transform and future-proof its business. The company has intensified product development efforts to strengthen its range of products and solutions. This includes shifting towards radical innovation and increased investments in new technologies. As a market-leading company, Mölnlycke continues to differentiate itself through clinical evidence, professional education and high-quality products.	3	5
<b>3. Reputational risk</b>			
Reputation, encompassing brands, trust and customer satisfaction, influences both current and future demand for a company's offerings and its commercial flexibility. Product quality, service excellence, employee satisfaction and customer relations are key determinants of reputation. Moreover, adherence to regulatory standards adds another layer of significance. In today's multi-channel landscape, managing the market perception of a brand is increasingly complex.	Mölnlycke constantly undertakes initiatives to maintain and strengthen its corporate reputation. The activities include upholding high ethical standards in all business activities as per the company's Code of Conduct, adhere to all relevant laws and regulations, delivering constant quality in products, solutions, employee experiences and customer services. To mitigate unexpected challenges, Mölnlycke has a comprehensive crisis management plan in place. Monitoring the online presence and strategically responding to media coverage and online discussions is a priority.	1	4

Risk description	Mitigation	Likelihood	Impact
<b>Legal and Compliance risks</b> <b>4. Regulatory risk</b>			
<p>Mölnlycke and its product range is subject to rigorous regulatory control activities in most of the markets where the company operates. Breach of regulatory legislation may lead to enforcement activities such as import stop, fines or reputational damage. Increased regulatory control, new or changed requirements, if not identified and properly implemented, could negatively impact the company's business, financial position and earnings in the future.</p>	<p>Mölnlycke maintains compliance to current regulatory legislation and proactively monitors changes in legislation that may affect the company and its products. Regulatory affairs are represented in all Business Areas and the company aims to be compliant with laws and regulation in the country where it operates. Mölnlycke has successfully transitioned to the new Medical Device Regulations (MDR) in EU.</p> <p>The quality management system is certified to the applicable standards for the company and the product range.</p>	3	4
<b>5. Business ethics risk</b>			
<p>Unethical behavior, such as bribery, corruption, anti-trust, human rights violation and unfair competition within Mölnlycke's organisation or supply chain may result in fines and other legal sanctions. This would also damage the company's brand and credibility. Mölnlycke's expansion into new markets and partnerships may increase the risk.</p>	<p>Mölnlycke's white-collar employees are trained in the company's Code of Conduct and in anti-bribery and anti-corruption, which ensures that the company and its employees uphold core values and avoid unethical business practices. This includes general guidelines on conducting business and how employees should act. The company regularly improves its business ethics programme by implementing preventive measures such as risk assessments, procedure development and offering mechanisms for grievance, including an external Ethics Hotline. See also "Risk related to distributors, suppliers and other third parties" below.</p>	2	3
<b>6. Risk related to distributors, suppliers and other third parties</b>			
<p>As a general rule, monitoring a partner is more challenging than overseeing one's own business operations. If any of Mölnlycke's contract manufacturers, suppliers or distributors fail to adhere to the company's standards for business ethics and human rights, it could have negative impacts on the company. This may include damage to the company's reputation and impeding its ability to participate in tenders. Some of these partners may operate in countries with a higher risk of not meeting ethical standards.</p>	<p>Mölnlycke requires all contract manufacturers and major suppliers to sign its Supplier Code of Conduct or at least have internal code of conduct with corresponding terms and conditions. Mölnlycke performs a yearly sustainability risk screening on all suppliers to identify suppliers exposed to the highest level of inherent sustainability risks. The company joined Sedex in 2023 and apply the Sedex risk assessment tool. To further understand and improve site-specific conditions of suppliers with high-risk scores, Mölnlycke requests a third-party audit to be conducted based on the Sedex Member Ethical Trade Audit-protocol, SMETA. For distributors, Mölnlycke has a global programme that includes due diligence to ensure partners meet the company's ethical standards and encourages our business partners to report concerns through the Ethics Hotline.</p>	3	3



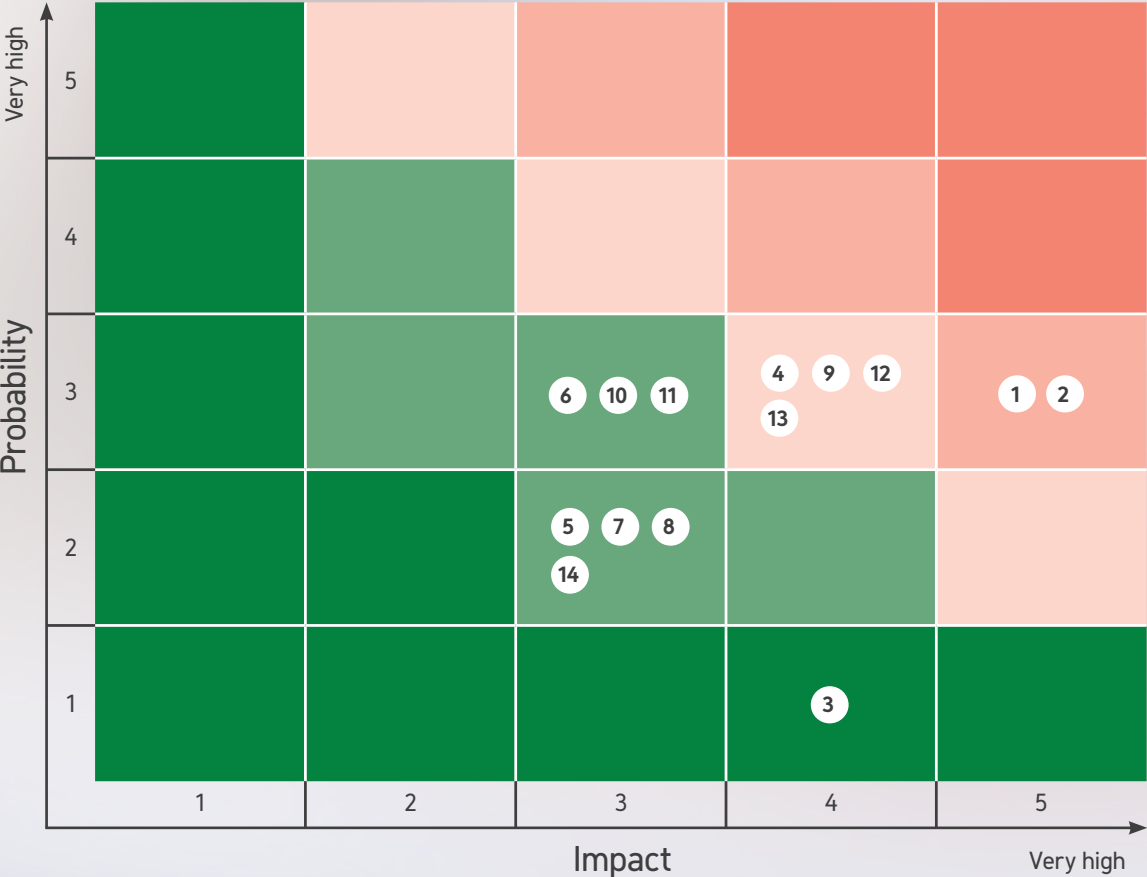
Risk description	Mitigation	Likelihood	Impact
<b>Operational risks</b>			
<b>7. Manufacturing risk</b>			
A substantial disturbance, such as a fire or machinery breakdown, occurring in the factories of Mölnlycke or its contract manufacturers, could result in production interruptions, delivery complications and have adverse effects on the business. Certain products may rely heavily on production in a specific area, making the company more vulnerable to climate-related incidents and material sourcing issues.	Mölnlycke takes measures to minimise the impact of production disruptions by implementing manufacturing backup plans, dual sourcing of raw materials and collaborating closely with logistical partners. The company continually assesses its manufacturing footprint to reduce potential risks, which involves qualifying contract manufacturers for backup production. Additionally, all of Mölnlycke's facilities have comprehensive insurance coverage to safeguard the business.	2	3
<b>8. Supply continuity and resilience</b>			
The company relies on specific suppliers for crucial materials and any disruption or quality issues could adversely impact manufacturing. Dependence on a particular country or region also poses risks. The worldwide logistics chain is vulnerable to disturbances, as evidenced by challenges arising from both the pandemic and geopolitical issues the last few years, potentially causing customer confidence decline and revenue loss.	To minimise the risk of supply disruptions, Mölnlycke has in recent years focused on implementing a dual sourcing strategy and continually seeks alternative materials from different suppliers. Mölnlycke monitors their presence in different locations and regularly reassesses our safety stock levels. The company has a strong logistics network for global distribution and collaborates with suppliers during difficult times. Precise volume forecasts are generated to ensure efficiency. Geopolitical factors are also monitored and adapted to.	2	3
<b>9. Portfolio diversification risk</b>			
Wound Care accounts for more than half of Mölnlycke's revenue streams, making the company vulnerable to fluctuations in that specific segment. Additionally, the concentration of sales in key markets poses a heightened risk, as any adverse economic conditions or regulatory changes in those markets could significantly impact the company's overall financial performance.	By structuring its business into dedicated business areas, Mölnlycke aims to focus each area distinctly, reducing dependence on a singular aspect. For the wound care sector, the company is continuously engaged in developing its portfolio to maintain its premium position. The wound care market is also considered to be growing, driven by factors such as increased life expectancy and a growing population.  Mölnlycke predominantly conducts its sales in mature markets known for their stability and a reduced likelihood of significant fluctuations. Additionally, as part of its strategic approach, the company actively pursues expansion opportunities in emerging growth markets like China and India, thereby mitigating the risk associated with overreliance on any single market.	3	4

Risk description	Mitigation	Likelihood	Impact
<b>Operational risks</b> <b>10. IT security risk</b>			
<p>Mölnlycke depends on IT systems for its operations, which makes it susceptible to significant changes in the IT sector. With the increasing frequency and complexity of IT security threats, the risk of security breaches such as hacking, cyber-attacks, or data leaks has become higher. Any disruptions or glitches in crucial systems could have a direct impact on Mölnlycke's business processes, such as halted production and possible data loss.</p>	<p>Mölnlycke prioritises IT security and invests resources in proactive measures. Working with partners, the company follows established processes to ensure IT systems are stable and secure, including monitoring services and measures to prevent cyber incidents and reduce vulnerabilities in company devices. The company's security programme aims to increase employee awareness, protect data and enhance the efficiency of Mölnlycke's security processes and controls in line with an established ISO 27001 based ISMS (Information Security Management System). Mölnlycke is preparing or being compliant with the new EU legislation NIS2, that will come in place during 2025.</p>	3	3
<b>11. Risk related to ability to attract and retain talented employees</b>			
<p>Mölnlycke needs to attract and retain skilled and dedicated employees to maintain its competitive edge. As competition for talent intensifies, the process becomes more challenging and expensive, which could potentially affect the company's competitiveness if it fails to succeed.</p>	<p>Mölnlycke invests in long-term career development for its employees, offering learning and development programmes and opportunities for progression. In 2024, 55% of manager-level and above positions were filled internally. The company rewards employees who achieve successful results through its programmes, both short- and long-term. Mölnlycke prioritises health and well-being, aiming to provide accident-free workplaces, and introduced remote working principles to achieve work-life balance. During 2024 Mölnlycke started a graduate programme consisting of young talents.</p>	3	3
<b>Sustainability risks</b> <b>12. Climate change impact risk</b>			
<p>The activities of Mölnlycke have environmental implications as manufacturing of the company's products, including transportation, partially relies on fossil fuels, leading to greenhouse gas emissions. Any expansion of Mölnlycke's operations may lead to heightened energy consumption. Additionally, the limited availability of renewable energy sources poses a risk in certain countries where Mölnlycke's manufacturing sites are located.</p>	<p>Mölnlycke is committed to achieving its SBTi-validated near-term reduction targets and reaching Net Zero GHG emissions by 2050. A key milestone in this journey was achieving 100% renewable electricity across all manufacturing sites and headquarters by the end of 2024.</p> <p>This was accomplished in December 2024 through power purchase agreements, on-site renewable energy installations like solar panels and renewable energy certificates where necessary. Beyond its own operations, Mölnlycke continues to work with suppliers to cut emissions across the value chain, increase the use of biobased or recycled materials and shift to more sustainable transportation for finished goods.</p> <p>Further strengthening its climate commitment, Mölnlycke submitted its Net Zero target to the SBTi for validation in December 2024.</p>	3	4

Risk description	Mitigation	Likelihood	Impact
<b>Sustainability risks</b> <b>13. Stakeholder management, new requirements and regulations risk</b>			
<p>As sustainability gains more prominence, the demands and expectations evolve swiftly. Failing to meet progressively stringent environmental, social and governance standards may adversely affect the company's reputation, recruitment, retention, operations, financial performance, and could lead to disqualification from tenders or non-compliance with future regulations.</p>	<p>Mölnlycke proactively addresses evolving sustainability demands by integrating sustainability at the core of its business strategy. The company ensures compliance with tightening environmental, social and governance (ESG) standards through robust reporting, strategic initiatives and continuous stakeholder engagement.</p> <p>To maintain transparency and regulatory alignment, Mölnlycke has transitioned to reporting partially in line with the Corporate Sustainability Reporting Directive (CSRD) and Corporate Due Diligence Directive (CSDDD) in 2024, building on its long-standing adherence to GRI standards and the Task Force on Climate-related Financial Disclosures (TCFD) framework.</p> <p>Sustainability is embedded in Mölnlycke's operations through its continuously updated WeCare sustainability roadmap, which aligns with stakeholder expectations and reinforces the company's ambition to be a global leader in sustainable healthcare. Life Cycle Assessments (LCA), following ISO 14040:2006 and 14044:2006 standards, drive sustainable product development and support engagement with customers on environmental impact reduction.</p> <p>Furthermore, Mölnlycke ensures accountability by annually reporting greenhouse gas emissions according to the Greenhouse Gas Protocol and delivery on the SBTi-validated near-term reduction targets.</p>	3	4
<b>Financial risks</b> <b>14. Currency risk</b>			
<p>Fluctuations in exchange rates may negatively impact Mölnlycke's cash flow, income statement and balance sheet. Currency exposure can arise from payment flows (transaction exposure), the valuation of foreign currency balance sheet items (balance sheet exposure) and translation during consolidation of foreign subsidiary income statements and balance sheets into EUR (translation exposure). The largest currency exposure for the company is in the USD net in-flow.</p>	<p>Mölnlycke centralises all currency exposure to its Group Treasury via the internal netting system. The Policy of Management of Group Financial Risks, approved by the Board, stipulates the management of foreign exchange market exposure. According to the policy, Mölnlycke does not hedge exchange rate exposure.</p>	2	3



# The current risk landscape



- Strategic risks**
  1. Risk related to industry shifts and market trends
  2. Strategy and innovation risk
  3. Reputational risk
- Legal and compliance risks**
  4. Regulatory risk
  5. Business ethics risk
  6. Risk related to distributors, suppliers and other third parties
- Operational risks**
  7. Manufacturing risk
  8. Supply continuity and resilience isk
  9. Portfolio diversification risk
  10. Cyber risk
  11. Risk related to ability to attract and retain talented employees
- Sustainability risks**
  12. Climate change impact risk
  13. Stakeholder management, new requirements and regulations risk
- Financial risks**
  14. Currency risk

## Board of Directors



**Karl-Henrik Sundström**  
**Chairman of the Board,**  
elected 2022 (Board member  
since 2018)

**Born:** 1960

**Nationality:** Swedish  
**Education:** Bachelor of  
Economics

**Board assignments:** Chairman  
of the Board of Boliden and  
the Finnish-Swedish Chamber  
of Commerce. Deputy  
Chairman of the Board of  
Vestas A/S. Board member  
of NXP Semiconductors,  
and Marcus Wallenberg  
Foundation.

**Professional experience  
and previous assignments:**  
CEO of Stora Enso 2014–2019.  
Former leadership positions  
include, among others,  
CFO & Executive Vice  
President of Stora Enso, NXP  
Semiconductors and Ericsson.



**Christian Cederholm**  
**Board Member,** elected 2020

**Born:** 1978

**Nationality:** Swedish  
**Education:** Master of Science  
in Economics and Business  
Administration

**Board assignments:** Board  
member of Hi3G Scandinavia.

**Professional experience  
and previous assignments:**  
President and CEO of Investor  
AB since May 2024 and part of  
Investor since 2001. Previously  
Head of Patricia Industries, a  
part of Investor AB, since 2021.



**Aashima Gupta**  
**Board Member,** elected 2023

**Born:** 1970

**Nationality:** American  
**Education:** BS. Comp Science,  
Ms Computer Science  
**Board assignments:** Board  
member of Neogen, Member  
of the HIMSS NA and GRAIL  
Advisory Boards.

**Professional experience  
and previous assignment:**  
Currently holds the position  
as Global Director of  
Healthcare Industry Solutions  
at Google Cloud. Former  
Executive leadership roles  
driving digital strategy for  
Kaiser Permanente, an  
integrated health system and  
senior leadership roles in  
software development at J.P  
Morgan Chase and Fidelity  
Investments.



**Sharon James**  
**Board Member,** elected 2018

**Born:** 1961

**Nationality:** British  
**Education:** Doctor of  
Philosophy in Neurobiology  
**Board assignments:** Board  
member of Novozymes.

**Professional experience  
and previous assignments:**  
Senior advisor to Bain &  
Company. Former Research  
& Development leadership  
roles within Bayer Consumer  
Health, Reckitt Benckiser,  
PepsiCo and GlaxoSmithKline.



**Johan Malmquist**  
**Board Member,** elected 2015

**Born:** 1961

**Nationality:** Swedish  
**Education:** Bachelor of Science  
in Business Administration

**Board assignments:** Chairman  
of the Board of Getinge,  
Arjo and Trelleborg. Board  
member of Stena Adactum  
and Chalmers University of  
Technology Foundation.

**Professional experience  
and previous assignments:**  
President and CEO of Getinge  
1997–2015. Previous leadership  
positions within Getinge and  
the Electrolux Group.



**Leslie McDonnell**  
**Board Member,** elected 2023

**Born:** 1972

**Nationality:** American  
**Education:** Masters of  
Business Administration,  
Bachelor of Science in  
Business

**Board assignments:** Board  
member of Laborie Medical  
Technologies.

**Professional experience  
and previous assignments:**  
Previous executive leadership  
roles in MedTech at  
Medtronic, 3M Healthcare  
and Natus Medical. Most  
recently, President, CEO and  
Board Member of Iradimed  
Corporation.

## Board of Directors



**David Perez**  
**Board Member**, elected 2019

**Born:** 1959

**Nationality:** American

**Education:** Bachelor of Arts

**Board assignments:**

Chairman of the Board of Advanced Instruments and Laborie. Board member of NeoGenomics, Book Trust and Nurse Family Partnership.

**Professional experience**

**and previous assignments:** President and CEO of Terumo BCT (and its predecessor companies Cobe BCT, Gambro BCT and CaridianBCT) 1999–2019. Former board member of Terumo Corporation, Ortho Clinical Diagnostics and Sarnova. He serves on the United States Department of Health & Human Services Advisory Committee for Blood & Tissue Safety & Availability.



**Zlatko Rihter**  
**Board Member**, elected 2020

**Born:** 1970

**Nationality:** Swedish

**Education:** Master of Science, Mechanical Engineering

**Board assignments:** Board member of Sobi AB.

**Professional experience**

**and previous assignments:** President and CEO of Mölnlycke. Former CEO of CellaVision, 2015–2020. Previous positions include EVP Global Sales & Marketing at Cooper Companies, President Chronic Dialysis and EMEA commercial at Gambro and VP Patient Handling Product Division at Arjo.



**Kristina Willgård**  
**Board Member**, elected 2021

**Born:** 1965

**Nationality:** Swedish

**Education:** Bachelor of Economics

**Board assignments:** Chairman of the Board of C-Rad. Board member of Addnode Group AB, Ernströmgruppen AB, AQ Group and InArea Group.

**Professional experience**

**and previous assignments:** CEO of AddLife 2015–2022. Previous senior positions include CFO of Addtech and Finance Director at Ericsson.



**Jenny Ashman Haquinus**  
**Deputy Board member**, elected 2021

**Born:** 1986

**Nationality:** Swedish

**Education:** Master of Science in Finance

**Board assignments:** Board member of Vectura and Navigare Ventures.

**Professional experience and previous assignments:**

CFO of Investor AB since end of 2024. Previous position as investment professional at Patricia Industries, part of Investor AB, since 2015 and Corporate Finance department of Nordea Markets Investment Banking.



**Lars Axelsson**  
**Employee representative**, elected 2021

**Born:** 1961

**Nationality:** Swedish

**Education:** Master of Science in Engineering Physics, Masters of Business Administration

**Board assignments:** -

**Professional experience and previous assignments:** Project Manager, R&D, OR Solutions.



**Niclas Flach**  
**Employee representative**, elected 2021

**Born:** 1975

**Nationality:** Swedish

**Education:** Concept Design

**Board assignments:** -

**Professional experience**

**and previous assignments:** Senior Concept Designer, R&D, Wound Care.



## Executive Leadership Team



**Zlatko Rihter**  
President and CEO

**Born:** 1970  
**Nationality:** Swedish  
**Employed since:** 2020  
**Education:** Master of Science, Mechanical Engineering  
**Board assignments:** Board member of Sobi AB.  
**Previous experience:** President and CEO of CellaVision, 2015–2020. Previous positions include Executive Vice President Global Sales & Marketing at Cooper Companies, President Chronic Dialysis and EMEA commercial at Gambro and VP Patient Handling Product Division at Arjo.



**Guillaume Joucla**  
CFO and EVP IT and  
Global Business Services

**Born:** 1973  
**Nationality:** French  
**Employed since:** 2002  
**Education:** Postgraduate degree in Finance and Management, Master of Science in Applied mathematics  
**Board assignments:** -  
**Previous experience:** Various senior leadership roles in Global Finance & Strategic projects and local operations at Mölnlycke. Prior positions include senior management roles at ProxiMed Services and BioSteril.



**Anders Andersson**  
EVP Wound Care

**Born:** 1971  
**Nationality:** Swedish  
**Employed since:** 2000  
**Education:** Master of Science in Business and Economics  
**Board assignments:** -  
**Previous experience:** Various senior leadership roles in Operations, Commercial and R&D at Mölnlycke. Before taking on his current role Anders served as EVP OR Solutions.



**Fredrik Wallefors**  
EVP OR Solutions

**Born:** 1975  
**Nationality:** Swedish  
**Employed since:** 2002  
**Education:** Master of Science in Industrial Engineering and Innovation Management  
**Board assignments:** -  
**Previous experience:** Various senior leadership roles in R&D, Marketing and Commercial at Mölnlycke. Prior to his current role, Fredrik served as the Global Vice President of Commercial OR Solutions.



**Katriina Öberg**  
EVP Gloves

**Born:** 1966  
**Nationality:** Finnish  
**Employed since:** 1999  
**Education:** Master of Science in Business and Economics  
**Board assignments:** -  
**Previous experience:** Various senior leadership roles at Mölnlycke. Most recently Regional Vice President Asia-Pacific and before that General Manager Region North.



**Lina Karlsson**  
EVP Antiseptics

**Born:** 1973  
**Nationality:** Swedish  
**Employed since:** 2019  
**Education:** Master of Science in Chemical Engineering, Doctor of Philosophy in Polymer Science, Executive Master of Business Administration  
**Board assignments:** Board member of Dignitana AB.  
**Previous experience:** Head of OR Solutions R&D at Mölnlycke 2019–2021. Previously senior global positions in R&D and Operations at Gambro and Baxter.

In 2024, Susanne Larsson was a part of the Executive Leadership team as CFO and EVP IT, Global Business Services and Indirect Procurement.

## Executive Leadership Team



**Moatassem Bassiouni**  
EVP Corporate Strategy,  
Business Development  
and M&A

**Born:** 1973  
**Nationality:** Egyptian  
**Employed since:** 2015  
**Education:** Pharmaceutical  
Science, Associate degree in  
Advance Management  
**Board assignments:** -  
**Previous experience:**  
Several senior commercial  
leadership roles such as  
General Manager Turkey,  
MEA & South Africa and Vice  
President EMEA Wound Care  
at Mölnlycke. Prior experience  
includes positions at Johnson  
& Johnson Medical.



**Eric De Kesel**  
Chief Operations Officer and  
EVP Sustainability

**Born:** 1965  
**Nationality:** Belgian  
**Employed since:** 2002  
**Education:** Master of Applied  
Science, Electromechanical  
Engineering  
**Board assignments:** Board  
member of One Life SA and  
Tamer Mölnlycke Arabia LLC.  
**Previous experience:**  
Various senior roles at  
Mölnlycke, such as head of  
Global Business Units and  
President of the Surgical  
Division. Most recently  
EVP, Global Operations &  
Regulatory Affairs and Quality  
Assurance.



**Kristin Hedlund**  
EVP Legal, Compliance & IP

**Born:** 1968  
**Nationality:** Swedish  
**Employed since:** 2018  
**Education:** Master of Laws,  
Political Science  
**Board assignments:**  
Board member of Swecare  
foundation.  
**Previous experience:**  
A number of positions within  
DB Schenker, serving as  
General Counsel and member  
of the Board at Schenker AB  
and has a background as a  
judge in the Swedish court  
system.



**Maria Morin**  
Chief People Officer  
and EVP Group Brand &  
Communications

**Born:** 1974  
**Nationality:** Swedish  
**Employed since:** 2023  
**Education:** Bachelor of  
Business Administration  
and Bachelor of Science  
HR Management  
**Board assignments:** -  
**Previous experience:**  
Senior positions within human  
resources development and  
communication from among  
others CellaVision AB. Most  
recently served as Group  
CHRO at BHG Group, leading  
HR, communications and ESG  
functions.



**Emma Wright**  
Chief Medical Officer  
and EVP Regulatory and  
Quality Affairs

**Born:** 1973  
**Nationality:** British  
**Employed since:** 2018  
**Education:** Doctor of  
Philosophy, Bachelor of  
Science (Hons)  
**Board assignments:** -  
**Previous experience:**  
The entire career spent in  
medical devices, particularly  
in the wound care and surgical  
implant space. Has worked  
across various markets, for a  
range of MedTech businesses,  
from start-ups to large global  
companies.

# Financial report

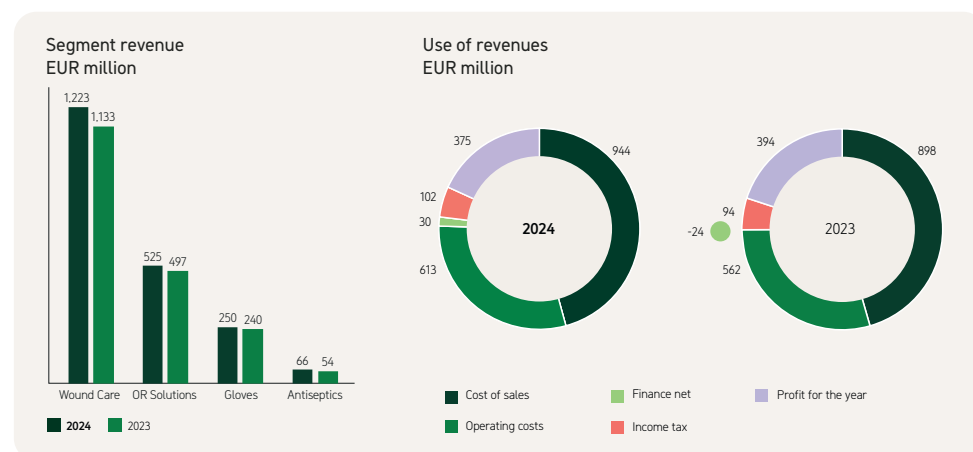
The financial report presents the consolidated financial statements for the Mölnlycke Holding AB Group prepared in accordance with IFRS as adopted by the EU. The parent company of Mölnlycke Holding AB is Mölnlycke AB which in turn is controlled by Investor AB, listed on NASDAQ OMX Stockholm.

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## Consolidated income statement, MEUR

	Notes	2024	2023
Revenue	6	2,064.2	1,923.5
Cost of sales	7	-944.3	-897.8
<b>Gross profit</b>		<b>1,119.9</b>	<b>1,025.7</b>
Selling costs	7	-385.3	-360.7
Administrative costs	7	-174.7	-151.0
Research and development costs	7	-55.0	-51.3
Share of result in associates and joint ventures	4	0.3	-0.6
Other operating income and expenses	7	1.8	1.3
<b>Operating profit</b>		<b>507.0</b>	<b>463.4</b>
Finance income	8	30.2	76.2
Finance costs	8	-60.4	-52.2
<b>Profit before tax</b>		<b>476.8</b>	<b>487.4</b>
Income tax expense	9	-101.5	-93.9
<b>Profit for the year</b>		<b>375.3</b>	<b>393.5</b>
Attributable to:			
Owners of the Company		373.3	393.5
Non-controlling interests		2.0	-
		<b>375.3</b>	<b>393.5</b>



## Comments on the income statement

### Revenues

Mölnlycke revenue reached MEUR 2,064.2 (1,923.5). This corresponds to an organic sales growth of 7.4% compared to prior year, excluding currency impact.

- Wound Care reported an organic sales growth of 8.3% excluding currency impact driven across all regions. This follows a good growth rate in the market with particular strong sales development within the post operation and prevention assortment and in the MEA region leveraging the local investments made
- ORS reported an organic sales growth of 5.4% excluding currency impact. The growth was mainly fueled by the Tray channel through an increased complexity of each product, leveraging price increases and accelerating in more profitable segments
- Gloves reported organic sales growth of 4.1% excluding currency impact driven by distributor destocking in prior year and stabilized supply enabling customer conversions
- Antiseptics reported an organic sales growth of 22.7% excluding currency impact benefitting from an improved supply situation, price increases and customer conversions

### Operating profit

Operating profit amounted to MEUR 507.0 (463.4), corresponding to an operating profit margin of 25% (24%). The increased operating profit is primarily a result of the sales growth and active price management, partly offset by increased sea freight rates following the Red Sea situation. In line with the commercial strategy there was a continued investment in operating expenses which, together with the high inflation rate, increased the selling and administrative costs.

**7%**  
organic growth

### Finance net

The Group's net financial items amounted to MEUR -30.2 (24.0). The increase in financial costs in 2024 relates to increased net debt and higher interest rates as well as net revaluation losses on financial instruments compared to significant revaluation gains last year.

### Income tax expenses

The Group's income tax expenses amounted to MEUR -101.5 (-93.9), corresponding to an effective tax rate of 21% (19%). The increase in effective tax rate relates primarily to increased profitability in countries with a high corporate tax rate and a one-off effect from initial recognition of deferred tax assets in 2023.

### Profit for the year

The Group's profit for the year amounted MEUR 375.3 (393.5) which corresponds to a decrease of 5%. The decrease is mainly related to increased net finance costs and tax expenses.

### Gross profit

The Group's gross profit amounted to MEUR 1,119.9 (1,025.7), corresponding to a gross margin of 54% (53%).

## Consolidated statement of comprehensive income, MEUR

	2024	2023
<b>Profit for the year</b>	<b>375.3</b>	<b>393.5</b>
<b>Other comprehensive income</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising during the year on translation of foreign operations (net of tax of MEUR 2.5 (2023: MEUR 0.3))	4.8	-2.1
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Actuarial gains/(losses) on defined benefit pension plans (net of tax of MEUR 3.1 (2023: MEUR -0.6))	-11.2	1.5
<b>Total comprehensive income for the year</b>	<b>368.9</b>	<b>392.9</b>
Attributable to:		
Owners of the Company	366.8	392.9
Non-controlling interests	2.1	-
	<b>368.9</b>	<b>392.9</b>

### Comments on the consolidated statement of comprehensive income

Total other comprehensive income amounted to MEUR -6.4 (-0.6) which includes exchange differences arising during the year on translation of foreign operations and remeasurements of post-employment benefit obligations.

The loss from remeasurements of post-employment benefit obligations in 2024 relates mainly to net negative changes in actuarial assumptions. The total comprehensive income for the year amounted to MEUR 368.9 (392.9).

## Consolidated statement of financial position, MEUR

	Notes	12/31/2024	12/31/2023
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	316.1	270.7
Right of use assets	18	114.7	62.6
Goodwill	11	2,138.4	2,129.1
Other intangible assets	12	552.9	574.1
Other non-current assets		26.1	4.1
Investments – equity method	4	-	4.7
Deferred tax assets	9	57.9	53.9
Derivative financial instruments	22	31.6	44.0
		<b>3,237.7</b>	<b>3,143.2</b>
<b>Current assets</b>			
Inventories	13	343.2	303.9
Trade and other receivables	14	427.6	356.9
Receivables, parent company	16	288.9	258.3
Current tax receivables		11.0	30.7
Short-term investments	15	200.0	150.0
Cash and cash equivalents	15	166.4	398.4
		<b>1,437.1</b>	<b>1,498.2</b>
<b>Total assets</b>		<b>4,674.8</b>	<b>4,641.4</b>

## Comments to the statement of financial position

### Assets

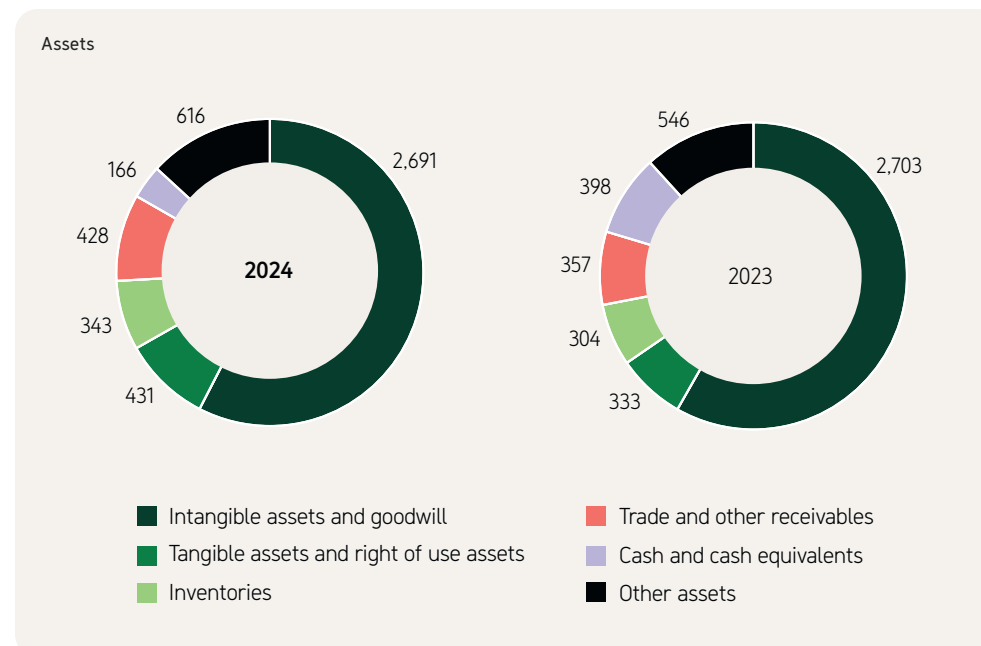
Intangible assets are mainly related to goodwill and trademarks with an indefinite useful life and are not subject to amortisation. The change in other intangible assets compared to last year is mainly related to amortisation of intangible assets with a defined useful life, such as proprietary technology, capitalised development expenditures and computer software. Investments in property, plant and equipment are mainly related to investments in the factories and the new headquarters in Sweden as well as fixed assets obtained in business combinations.

The increase in right-of-use assets refers mainly to the lease contract for the new headquarters and extension and expansion of the lease contract for the factory in Finland.

The derivatives financial instruments refer mainly to cross-currency and interest rate swaps valued at fair value.

Trade receivables and inventories have increased since last year reflecting the underlying sales growth.

Short-term investments refer to interest-bearing deposits of excess cash.





## Consolidated statement of financial position, MEUR

	Notes	12/31/2024	12/31/2023
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital		0.1	0.1
Share premium		999.9	999.9
Foreign currency translation reserve		33.6	28.9
Retained earnings		817.8	952.5
<b>Equity attributable to equity holders of the parent</b>	16	<b>1,851.4</b>	<b>1,981.4</b>
<b>Non-Controlling interest</b>		<b>7.7</b>	<b>-</b>
<b>Total equity</b>		<b>1,859.1</b>	<b>1,981.4</b>
<b>Non-current liabilities</b>			
Bond notes	17, 22	1,789.7	1,792.3
Retirement benefit obligations	19	78.0	62.1
Deferred tax liabilities	9	143.1	143.2
Lease liabilities	17, 18	84.9	39.9
Provisions	20	0.9	0.9
Other interest-bearing financial liabilities	17, 22	11.4	-
Other liabilities		5.8	1.7
		<b>2,113.8</b>	<b>2,040.1</b>
<b>Current liabilities</b>			
Trade and other payables	21	388.5	336.0
Current tax liabilities		8.2	12.9
Lease liabilities	17, 18	24.2	22.5
Bond notes	22	272.7	247.8
Provisions	20	0.7	0.7
Other interest-bearing financial liabilities	17, 22	7.6	-
		<b>701.9</b>	<b>619.9</b>
<b>Total liabilities</b>		<b>2,815.7</b>	<b>2,660.0</b>
<b>Total equity and liabilities</b>		<b>4,674.8</b>	<b>4,641.4</b>

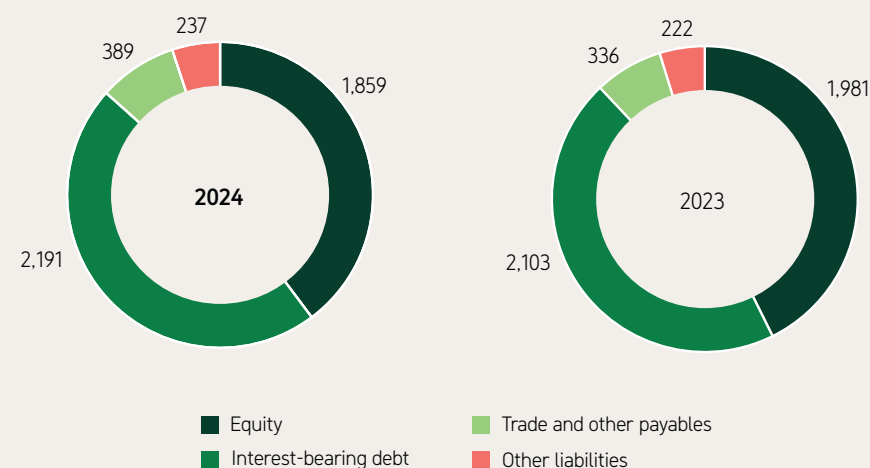
## Comments to the statement of financial position

### Equity and liabilities

The increase in equity following the positive net result for the year, was offset by the group contribution and the dividend made to the immediate parent company which together were higher than the net result.

A new bond note of MEUR 500.0 has been issued and prior bond notes has been repaid by MEUR 475.2. Trade and other payables have increased compared to last year reflecting higher outstanding payables for inventory and investments compared to last year.

Equity and liabilities



## Consolidated statement of changes in equity, MEUR

	Share capital	Share premium	Foreign currency translation reserve	Retained earnings	Attributable to owners of the parent	Non-controlling interest	Total equity
<b>Balance at 31 December 2022</b>	<b>0.1</b>	<b>999.9</b>	<b>31.0</b>	<b>704.2</b>	<b>1,735.2</b>	<b>-</b>	<b>1,735.2</b>
Profit or loss for the year	-	-	-	393.5	393.5	-	393.5
Other comprehensive income for the year	-	-	-2.1	1.5	-0.6	-	-0.6
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-2.1</b>	<b>395.0</b>	<b>392.9</b>	<b>-</b>	<b>392.9</b>
Group contribution, net of tax	-	-	-	-146.7	-146.7	-	-146.7
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-146.7</b>	<b>-146.7</b>	<b>-</b>	<b>-146.7</b>
<b>Balance at 31 December 2023</b>	<b>0.1</b>	<b>999.9</b>	<b>28.9</b>	<b>952.5</b>	<b>1,981.4</b>	<b>-</b>	<b>1,981.4</b>
<b>Non-controlling interest on acquisition of subsidiary</b>						<b>5.6</b>	<b>5.6</b>
Profit or loss for the year	-	-	-	373.3	373.3	2.0	375.3
Other comprehensive income for the year	-	-	4.7	-11.2	-6.5	0.1	-6.4
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>4.7</b>	<b>362.1</b>	<b>366.8</b>	<b>2.1</b>	<b>368.9</b>
Dividend				-400.0	-400.0	-	-400.0
Group contribution, net of tax	-	-	-	-96.8	-96.8	-	-96.8
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-496.8</b>	<b>-496.8</b>	<b>-</b>	<b>-496.8</b>
<b>Balance at 31 December 2024</b>	<b>0.1</b>	<b>999.9</b>	<b>33.6</b>	<b>817.8</b>	<b>1,851.4</b>	<b>7.7</b>	<b>1,859.1</b>

### Comments on changes in equity

Net profit for the year of MEUR 375.3 (393.5) and other comprehensive income totaling MEUR -6.4 (-0.6) increased the Group's equity while the group contribution (net of tax) and dividend to the parent company during the year of MEUR -496.8 (-146.7) reduced equity. Group contributions refer to distribution of earnings to the immediate parent company Mölnlycke AB. The non-controlling interest of 7.7 (-) refers to the minority holding in Tamer Mölnlycke Arabia LLC.

## Consolidated statement of cash flows, MEUR

	Notes	2024	2023
<b>Cash flow from operating activities</b>			
Operating profit		507.0	463.4
Adjustments for:			
Depreciation, amortisation and impairment charges		88.4	81.7
Other items		-1.7	0.7
<b>Operating cash flow before movements in working capital</b>		<b>593.7</b>	<b>545.8</b>
Decrease / (increase) in inventories		-34.2	28.1
Decrease / (increase) in trade and other receivables		-68.1	-27.5
Increase / (decrease) in trade and other payables		43.1	-21.6
<b>Cash generated from operations</b>		<b>534.5</b>	<b>524.8</b>
Tax paid		-100.2	-71.9
<b>Cash flow from operating activities</b>		<b>434.3</b>	<b>452.9</b>
<b>Cash flow from investing activities</b>			
Interest received		15.3	10.7
Investments in intangible assets		-7.6	-6.7
Acquisition of businesses	3	-11.4	-0.3
Investments in property, plant and equipment		-53.2	-37.5
Investment in JV	4	-	-1.8
Short-term financial investments		-50.0	-150.0
Other investments		-21.4	3.0
<b>Cash flow from investing activities</b>		<b>-128.3</b>	<b>-182.6</b>
<b>Cash flow from financing activities</b>			
Interest paid		-45.9	-36.3
Principal elements of lease payments	17	-25.0	-23.3
Proceeds from bonds and other financial liabilities	17	502.9	397.1
Repurchase of bonds and other financial liabilities	17	-473.3	-251.7
Distribution to the owners of the Group	16	-500.0	-300.0
<b>Cash flow from financing activities</b>		<b>-541.3</b>	<b>-214.2</b>
<b>Cash flow for the year</b>		<b>-235.3</b>	<b>56.1</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>398.4</b>	<b>343.3</b>
Effect of foreign exchange rate differences		3.3	-1.0
<b>Cash and cash equivalents at the end of the year</b>	15	<b>166.4</b>	<b>398.4</b>

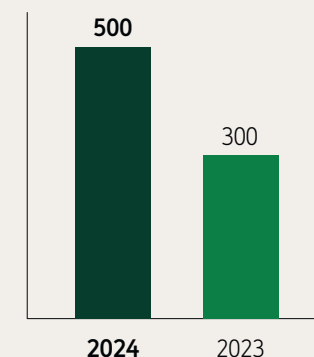
## Comments on the statements of cash flows

Cash generated from operations before changes in working capital increased compared to prior year following increased operating profit. The total cash generated from operations decreased due to increases in inventories and trade and other receivables as well as increased tax payments. The decreased cash outflow from investing activities compared to prior year was mainly related to less net short-term investments in bank deposits.

Investments in property, plant and equipment increased as investments were made in the Group's factories as well as in the new headquarters in Sweden.

The decrease in cash flow from financing activities compared to prior year was mainly related to the increased distribution to the owners of the Group. The cash flow from the issuance of a new MEUR 500 bond was offset by the final redemption of the bond with original maturity in 2024 and partly repurchase of the outstanding bond with maturity in 2025. The Group distributed MEUR 500 (300) in cash to the owners of the parent company, Investor AB, on behalf of the immediate parent company Mölnlycke AB.

Distributions to the owners of the Group  
EUR million





# Notes to the consolidated financial statements

## 1. Summary of significant accounting policies

### General information

Mölnlycke Holding AB (publ), corporate ID number 556693-6729, (the 'Company') is a public limited company incorporated in Sweden with its registered office in Gothenburg. The Company was first registered on 13 December 2005 and undertook no significant activities until it acquired MHC UK Ltd and its subsidiaries on 30 March 2007.

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 27 March 2025.

### Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU), which includes interpretations from the IFRS Interpretations Committee (IFRIC).

The consolidated financial statements are presented in millions of Euros rounded to the nearest hundred thousand and are prepared on the historical cost basis modified by the revaluation of certain financial instruments.

The consolidated financial statements of Mölnlycke Holding AB (publ) and its subsidiaries (the 'Group') cover the year ended 31 December 2024. The comparative information covers the year ended 31 December 2023. There were no material discontinued operations in either period and all the results presented refer to continuing operations.

The Company is not required to prepare consolidated financial statements under Swedish Law and these consolidated financial statements are not the Company's Swedish statutory accounts.

The Company's immediate parent company is Mölnlycke AB, corporate ID number 556723-5949, a company incorporated in Sweden, and its ultimate parent company is Investor AB, a company incorporated in Sweden and listed on Nasdaq OMX Stockholm.

### Principal accounting policies

#### Basis of consolidation and equity accounting

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and any non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Interests in joint ventures are accounted for using the equity method. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the joint ventures in profit or loss, and the Group's share of movements in other comprehensive income of the joint ventures in other comprehensive income.

Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment. Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. The carrying amount of equity-accounted investments is tested for impairment when indications of impairments exist.

When necessary, adjustments are made to the financial statements of subsidiaries and joint ventures to bring their accounting policies into line with those used by other members of the Group.

#### Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

#### Business combinations

All acquisitions that meet the definition in IFRS 3 of a business combination are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred

by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Transaction costs are expensed to profit or loss when incurred.

The Group acquired one new subsidiary in 2024. In addition, the Group increased ownership in the prior joint venture and gained control over the entity. There were no acquisitions in 2023.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date (see IFRS 2, 3.16.2)
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS. For the acquisitions made in 2024, the non-controlling interests have been measured as the proportionate share of the recognised amounts of the acquiree's identifiable net assets.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised as a financial income or expense in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit

or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

### Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer who is also the chief operating decision-maker.

### Foreign currencies

All foreign subsidiaries report in their functional currency being the currency of the primary economic environment in which the subsidiary operates (its functional currency). Transactions denominated in foreign currencies during the year have been translated at the exchange rate prevailing at the respective transaction date. Trade receivables and trade payables and other receivables and payables denominated in foreign currency have been translated at the exchange rates prevailing at the balance sheet date. Such exchange rate gains and losses are included in operating profit.

Exchange rate gains and losses on translation of intra-group receivables from, or liabilities to, a foreign operation that in substance is part of the net investment in the foreign operation are reported in 'Other comprehensive income'. Other foreign currency items have been included in financial income and financial expense.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company's foreign subsidiaries are expressed in EUR, the functional currency of the parent company, using exchange rates prevailing on the balance sheet date. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the

foreign operation and translated at the closing rate. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as other comprehensive income and transferred to the translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

### Revenue recognition

The Group's revenue from contracts with customers relates entirely to sale of surgical and wound care products. For all products revenue is recognised at a point in time when products are shipped to the customer and the customer obtains control of the assets. The sales contracts can, to a limited extent, also include various forms of services. These services have however been concluded to not be material in relation to the overall cost of the product to the customer. As a result, no separate performance obligation for services is accounted for.

The evaluations made by the Group in order to identify when a customer obtains control of promised goods is to a large extent based on the shipping terms. This is because shipping terms typically specifies when title passes and will also affect when risk and rewards of ownership transfer to the customer. For the majority of the Group's sale, control is transferred when goods are delivered to the customer since, at that point of time, the customer has legal title to the asset and the significant risks and rewards have been transferred to the customer based on the shipping terms used.

The Group is determining the transaction price based on the consideration the Group expects to be entitled in exchange for transferring promised goods to a customer, excluding sales tax. Where a contract contains elements of variable consideration such as rebates, discounts and bonuses revenue is reported net after reporting a liability for such variable considerations. The liability is calculated based on contractual agreements and historical experience for the respective customer. When sales are made to a distributor the transaction price is reported net after considerations payable to the customer such as distributor fees.

The Group's payment terms are less than one year, hence the contracts do not involve any significant financing component.

The Group has elected to use the practical expedient to not adjust the amount of consideration for the effects of financing components since the period between when the Group transfer a promised good to a customer and when the customer pays for that good is expected to be one year or less at contract inception. For certain countries and customers, when deemed appropriate from a credit risk perspective, payment in advance is requested before delivery of goods. When payment in advance is requested the time from when payment is received until goods are shipped is normally short.

The Group only has very limited performance obligations for right of returns, refunds, warranties and similar obligations. As a result, the Group has not reported any significant liabilities for performance obligations that are not satisfied at the end of the reporting period. Neither have there been any material revenue recognised in the period from performance obligations satisfied in previous periods.

The Group pays some sales commissions that meet the definition for a cost of obtaining a contract. The Group has elected to use the practical expedient to recognise these costs as an expense when incurred if the amortisation period of the asset that the Group otherwise would have recognised is one year or less. Since all sales commissions paid would have been amortised within one year, no costs to obtain or fulfil a contract with a customer has been capitalised as an asset in the Group's balance sheet.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income is recognised when the shareholders' rights to receive payment have been established.

### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for recognition.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred, using the effective interest method.

### Retirement benefit costs

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administrated funds. The Group has both defined benefit and defined contribution plans. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement. A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit schemes are dealt with in the same way as payments to defined contribution plans where the obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out once a year. Remeasurement, comprising actuarial gains and losses, the effect of changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest) is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Past service cost is recognised in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service costs, past service costs, as well as gains and losses on curtailments and settlements) – included as a cost in arriving at operating profit
- net interest cost or income – included as a net finance cost or income
- remeasurement – included as part of other comprehensive income

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. See note 19, Retirement benefit obligations, for further details.

### Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises the termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to present value, if material.

### Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses when it is contractually obliged to pay a bonus or where there is a past practice that has created a constructive obligation.

### Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years (temporary differences) and it further excludes

items that are never taxable or deductible (permanent differences).

The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, other comprehensive income or directly to equity depending on where the item that the deferred tax relates to is recognised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. See note 9, Income tax.

### OECD Pillar II legislation

The Group is within the scope of the OECD Pillar II model rules. Pillar II legislation has come into effect for financial years beginning from 31 December 2023 or later. Since the Pillar II legislation was not effective for the financial year 2023, the Group has no related current tax exposure in relation to 2023. The Group has reviewed the safe harbour provisions in relation to 2024 and concluded there are no material current tax exposures. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar II income taxes, as provided in the amendments to IAS 12 issued in May 2023.

### Group contributions

Group contributions are accounted for directly against equity together with the Group contributions' tax effect.

### Property, plant and equipment

Property, plant and equipment (land, buildings, and fixed installations as well as machinery and equipment) are measured at cost less accumulated depreciation and accumulated impairment losses. No depreciation is made for land.

Cost includes the acquisition price, costs directly related to the acquisition, and expenses of making ready the asset until the time when it is ready to be put into operation. Subsequent costs are included in the property, plant and equipment's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs for repairs and maintenance are charged to the income statement in the period in which they are incurred.

Depreciation is charged to write off the cost, other than for land and properties under construction, over its expected useful life using the straight-line method. In case where items of property, plant and equipment is comprised of different components each having a cost and expected useful life significantly different than the total item, such components are depreciated separately over each component's useful life. Depreciation commences when the assets are ready for their intended use. Useful lives are reviewed annually. The expected

useful lives of the major categories of property, plant and equipment are:

Properties	25–40 years
Land improvements	30–40 years
Heavy machines	7–15 years
Smaller machines and transport equipment	3–5 years
IT-equipment and other equipment	3–10 years

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss but is not included in revenue.

### Leasing

The Group has leasing agreements for company cars, office rentals, warehouses and certain factory buildings. Company cars normally have lease terms of around three years while the leasing contracts for offices, warehouses and factories have varying terms for up to 15 years. Leasing contracts for company cars do normally not include any extension options. Outstanding leasing agreements for offices, warehouses and factories include various extension and termination options as well as contracts that are automatically extended for a certain period if not actively being cancelled.

In accordance with IFRS 16, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Lease liabilities are initially measured at the net present value of the fixed payments during the contract period and periods under extension options that are deemed reasonably certain to be utilised. The Group does not have any leases involving residual value guarantees or variable lease payments. The determination of the lease term for contracts with an extension option is based on the current business plan for each location and all facts and circumstances that create an economic incentive to exercise an extension option such as the cost for moving to a new facility. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the Group's incremental borrowing rate in a similar economic environment with similar terms, security and conditions is used.

Right-of-use assets are initially measured at the amount of initial measurement of the lease liability plus any lease payments made at or before the commencement date and depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not to exercise) it. The assessment of reasonable certainty is only revised if a significant event or a change in circumstances occurs, which affects this assessment, and that is within the control of the Group.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less while all leases of office equipment are considered as being of low-value.

Leasehold improvements are capitalised as Property, plant and equipment and amortised over the shorter of their useful life or the remaining term of the lease (including lease renewal periods if the renewal is reasonably assured).

### Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see 'Business combinations' above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in

profit or loss in the consolidated income statement. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### Internally-generated intangible assets

#### Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An identifiable internally-generated intangible asset arising from the Group's development projects is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- the intention to complete the intangible asset and use or sell it
- the ability to use or sell the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

The amount initially recognised for internally-generated intangible assets is the sum of directly attributable expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no identifiable internally-generated intangible asset can be recognised, the development expenditure is recognised in profit or loss in the period in which it is incurred.

Capitalised development projects are amortised on a straight-line basis over their estimated useful lives, which normally is between 3 to 5 years.

#### Computer software

Computer software intangible assets are capitalised based on the costs incurred to acquire and bring into use

the specific software. These costs are amortised over the expected useful lives, being 3–10 years. Internally developed computer software is capitalised on the same basis as for development expenditures.

Costs associated with maintaining computer software assets are recognised as an expense as incurred.

SaaS (Software-as-a-Service) costs are expensed as incurred. Configuration and customisation services for SaaS software which are performed by the SaaS provider or their subcontractors are considered non-distinct services and are recognised as prepayments which are expensed over the expected SaaS term.

### Other intangible assets

Intangible assets separately acquired are initially measured at purchase cost. Intangible assets acquired as part of a business combination are initially measured at fair value.

#### Proprietary technologies

Proprietary technologies are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives from the time they are available for use. The expected useful lives are reviewed annually and the amortisation period is between 15 and 20 years.

#### Customer contracts

Customer contracts are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the income statement on a straight-line basis over the estimated useful life. The estimated useful lives for customer contracts are based on the expected cash flow regarding the customer contracts acquired and are between 4 and 10 years.

#### Trademarks and brands

Trademarks and brands are valued independently as part of the fair value of the business acquired from third parties where the trademark has a value which is substantial and long-term and where the trademark can be sold separately from the rest of the business acquired or where it arises from contractual or legal rights. One important element of the strong development of the Group has been the long-term brand building efforts. The trademarks and brands of the Group have a very strong position in the market and several of the Group's



trademarks and brands are therefore considered to have an indefinite useful life. Trademarks and brands that are considered to have an indefinite useful life are subject to an impairment test annually or more often if there is an indication that their value might be impaired. The expected useful lives for trademarks and brands that are not considered to have an indefinite useful life are reviewed annually and the amortisation period is between 5 and 15 years.

### Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets which are not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable

amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### Inventories

Inventories (including raw materials, work in progress, finished goods and spare parts) are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is generally determined on a first in, first out basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. An obsolescence reserve is recognized if the estimated net selling price is lower than the cost of acquisition. To determine any inventory obsolescence, the Group makes estimates and assumptions regarding, among other things, future market conditions and expected sales volumes. The total amount of inventory obsolescence is presented in note 13.

### Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered and the definitions of a financial liability and an equity instrument.

#### Trade receivables

Trade receivables are held in a hold to collect business and are at initial recognition measured at fair value and subsequently at amortised cost using the effective interest rate method. The Group applies the IFRS 9 simplified approach to measure credit losses which uses a lifetime expected loss allowance for all trade receivables. All overdue receivables are assessed on an individual basis and a loss allowance is reported for the difference between the asset's carrying amount

and the present value of estimated future cash flows for all receivables that are considered doubtful. The same principle is applied to all non-overdue receivables for which other lagging borrower-specific factors are observed. For all receivables not considered doubtful a loss allowance is reported based on an expected loss rate calculated from the historical credit losses experienced over a period of 36 months before the balance sheet day. As of 31 December 2024 this expected loss rate amounts to 0.0437% (0.0369%). In addition, separate calculations and provisions are made for markets for which the expected credit losses expects do deviate significantly from the Group average. Assets for which there is no reasonable expectation of recovery is written off through profit and loss to the extent of expected loss.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. In order to be classified as cash and cash equivalents, the maturity of the cash and cash equivalents instruments is three months or less at the time of acquisition. The Group's cash and cash equivalents are held in a hold to collect business and are valued at amortised cost. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial. Short-term deposits with maturity at inception exceeding three months (but less than 12 months) are presented as short-term investments and not included as cash and cash equivalents.

#### Bank loans and other borrowings

Interest-bearing bank loans, overdrafts and other loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings (see above).

#### Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

### Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when it is extinguished, i.e. when the debt has been paid off or the primary obligation specified in the contract is cancelled or has expired.

### Derivative financial instruments

Derivatives are only used for economic hedging purposes or embedded in other agreements such as virtual power purchasing agreements (VPPA) and not used as speculative investments. Derivative financial instruments are initially measured at fair value on the contract date and are remeasured to fair value at sub-sequent reporting dates. All derivatives with a positive fair value are recognised as derivative financial instruments assets and all derivatives with a negative fair value are recognised as derivative financial instruments liabilities.

Changes in the fair value of derivative financial instruments that are not designated as part of a hedging relationship are recognised as operating profit or financial gain, operating loss or financial loss, depending on the objective of using the derivative and whether the derivative is attributable to operational or financial items.

There were no derivatives designated as cash flow hedges in 2024 or 2023, whereby all fair value changes of derivatives are recognised in the income statement. Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in profit or loss.

### Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

## Application of new and revised International Financial Reporting Standards (IFRS)

### New accounting policies for 2024

There were no new or revised IFRSs or interpretations from the IFRS Interpretations Committee in 2024 that have had any effect on the profit or loss, financial position or disclosures for the Group.

### New accounting policies for 2025 and later

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods.

IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027) will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. IFRS 18 will not impact the recognition or measurement of items in the financial statements and its impacts on presentation and disclosures are expected to be limited for the Group.

Standards that are not yet effective have not been early adopted by the Group or are expected to have a material impact on the Group in the future reporting periods or on foreseeable future transactions.

## 2. Critical accounting judgements and key sources of estimation uncertainty

Inherent in the application of many of the accounting policies used in the preparation of the financial statements is the need for management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of income and expenses during the reporting period. Actual outcomes could differ from the estimates and assumptions used. The following summary provides further information about the critical accounting judgments and key sources of estimation uncertainty that could have a significant impact on the results of the Group.

## Recoverability of the carrying values of goodwill and indefinite-lived intangible assets

Significant judgment is required to determine the extent to which goodwill and indefinite-lived intangible assets have a value that will benefit the Group over future periods. To assist in making this judgment, the Group undertakes an assessment, at least annually, of their carrying values.

Mölnlycke is organised into four decentralised, customer-centric and empowered Business Areas: Wound Care, Operating Room Solutions (ORS), Gloves and Antiseptics supported by focused Corporate Functions. Management has concluded that the Group's four Business Areas are the lowest level of assets (or groups of assets) for which there are separately identifiable cash flows whereby they meet the definition in IFRS of cash-generating units (CGU's). See note 11 Goodwill for the amount of Goodwill allocated to the respective CGU and the impairment test performed.

## Taxation – unrecognised temporary differences

The Group has recognised deferred tax assets in respect of unutilised losses, tax incentives and timing differences. The Group also has losses for which no value has been recognised for deferred tax purposes in these financial statements. These relates to loss-making subsidiaries where the future economic benefit of these timing differences is not deemed to be probable or subsidiaries where the timing differences are of such a nature that their value is dependent only on certain types of profit being earned, such as capital profits. If trading or other appropriate profits are earned in future in these companies, the timing differences may yield benefit to the Group in the form of a reduced tax charge.

In accordance with IAS 12 Income taxes an entity shall recognise a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries except to the extent that 1) the entity is able to control the timing of the reversal of the temporary difference and 2) it is probable that the temporary difference will not reverse in the foreseeable future. The accounting for such temporary differences therefore involves management's intention regarding the reversal of these temporary differences. Management's assessment is that these criteria do not report a

deferred tax liability are fulfilled in relation to certain temporary differences associated with investments in subsidiaries. If these intentions are changed in the future this could result in an increased current or deferred income tax expense for the Group in the period when this occurs. See note 9 for further information on the Group's unrecognised temporary differences and the assessments made in relation to these temporary differences.

## Retirement benefits

Retirement benefit accounting requires a number of key assumptions to be made in order to value the Group's obligations and to determine the liabilities to be recognised and the charge to be recognised in the income statement. It is management's responsibility to set the assumptions used in determining the key elements of the costs of meeting the Group's retirement benefit obligations. These assumptions are set after consultation with qualified actuaries. Details of the assumptions used are given in note 19. While management believe that the assumptions used are appropriate, a change in the assumptions used would affect Group profit or loss and financial position.

## Climate related risks

In the short term (up to 2026), immediate risks include the need for regulatory compliance and meeting growing customer expectations for sustainable solutions. For instance, this involves adhering to stricter disclosure requirements, such as the CSRD, and investing in lower-carbon supply chains. In the medium term (2026-2030), risks such as potential supply chain disruptions, challenges in sourcing raw materials, and the scaling of lowcarbon technologies are expected to arise. Mölnlycke plans to mitigate these through targeted innovation and supplier engagement. In the long term (beyond 2030), the severity of physical risks, such as extreme weather events and resource scarcity, is anticipated to increase significantly. This will require continuous adaptation strategies to ensure resilience and maintain operational continuity. In the short and medium term, the rising cost of embodied emissions presents an opportunity for Mölnlycke to innovate in low-carbon technologies, optimize energy efficiency, and expand its portfolio with sustainable solutions that support customers' decarbonization goals. The company is committed to leading the transformation of healthcare by continuing to

offer and improve products like Custom Procedure Trays®, which reduce waste and optimize resource use, and Biogel® Surgical Gloves, produced with lower material intensity and continuously improved packaging. Mölnlycke's achievement of 100% renewable electricity through a virtual Power Purchase Agreement (vPPA) will continue to reduce embedded emissions and stabilize energy costs, making the company's operations more resilient to market volatility and improving its long-term cost efficiency. Additionally, Mölnlycke is leveraging digital supply chain solutions to optimize transport, reduce emissions, and uses Life Cycle Assessments (LCA) to make informed decisions and support customers in their decarbonization journey. The company's circular economy initiatives, such as closed-loop systems for single-use items, will present significant business opportunities, driving waste reduction and sustainability in healthcare. Overall the Group does not see a significant risk resulting in a material adjustment to the carrying amounts of any assets or liabilities within the next financial year due to climate related risks.

### 3. Business combinations

#### Tamer Mölnlycke Arabia LLC

In 2021 the Group established a Joint Venture (JV) in Saudi Arabia, Tamer Mölnlycke Arabia LLC ("TMC"), to manufacture procedure trays for the Saudi Arabian and Middle East region. The JV was governed by the Joint Venture and Shareholders' agreement ("the Agreement") between the Group, Farouk Maamoun Mohammed Said Tamer Industries Holding ("Tamer") and TMC. Mölnlycke's initial ownership and voting rights of this entity was 33.33% and was accounted for using the equity method. In 2023, the Group made an additional capital contribution to the JV of MEUR 1.8 and in total the Group has contributed MEUR 5.7 to the entity since inception.

On 1 June 2024 ("the effective date") an amendment to the Agreement was effective. The amended Agreement added new business lines into TMC to include sales and manufacturing of an increased range of the Group's products in the Middle East region.

The Agreement also changed the shareholding percentage of the TMC owners where the Group is entitled to 60.00% (prior 33.33%) and Tamer is entitled to 40.00% (prior 66.67%). In connection with the change in shareholding, the Group also provided TMC with the licences to manufacture and sell the increased range of the Group's products in the region.

Since being a part of consolidated Group in 2024, TMC contributed with net sales of MEUR 36.8, EBIT of MEUR 5.1 and net income of MEUR 5.1. Since 1 January 2024, TMC generated net sales of MEUR 36.8, EBIT of MEUR 4.7 and net income of MEUR 4.8.

At the effective date the Group became the majority owner of TMC and from then on, TMC is fully consolidated into the Group's accounts. The measured assets and liabilities recognised as a result of the Agreement are as follows:

Tamer Mölnlycke Arabia LLC	MEUR
Purchase consideration	
Fair value of previously held share	4.8
<b>Total purchase consideration</b>	<b>4.8</b>
<b>Recognised assets and liabilities</b>	
Property, plant and equipment	27.8
Cash and cash equivalents	0.7
Other current assets	0.8
Non-current liabilities	-12.9
Deferred tax liabilities	-0.2
Other provisions	-0.1
Other current liabilities	-2.3
Net identifiable assets acquired	13.8
Non-controlling interest	-5.2
Bargain purchase	-3.8
	<b>4.8</b>

A bargain purchase of MEUR 3.8 was recognised in the income statement within other operating income and expenses as the only identifiable purchase consideration from a Group consolidation perspective was the previously held share in TMC. Adding additional Mölnlycke business lines into TMC represents a significant value for TMC going forward, but is not included as an identifiable purchase consideration since the business lines existed in the Group prior to the acquisition. The result of derecognition of the previously held share in the JV was MEUR 0.2 and is included in Other income and expenses.

The acquisition's impact on the Group's cash and cash equivalents was MEUR 0.7, representing the Cash and cash equivalents held by TMC at the effective date.

TMC is operating within all business areas, except Antiseptics. The bargain purchase has not been allocated to a specific business area.

#### P.G.F. Industry Solutions GmbH

In October 2024 the Group completed the acquisition of P.G.F. Industry Solutions GmbH ("PGF"), the Austrian manufacturer of Granudacyn wound cleansing and moistening solutions. PGF produces and sell their products to other entities in the Group and have no external sales. Since being a part of the consolidated Group in 2024, PGF contributed with EBIT of MEUR 0.2 and net income of MEUR 0.2. Since 1 January 2024, PGF reached an EBIT of MEUR 0.6 and net income of MEUR 0.5.

The purchase price allocation is preliminary and will be finalized during 2025. All goodwill is attributable to operating segment Wound Care. The acquisition's impact on the Group's cash and cash equivalents was MEUR -12.1, representing the cash purchase price of MEUR 12.1 less acquired cash balance of MEUR 0.0.

P.G.F. Industry Solutions GmbH	MEUR
Purchase consideration	
Net cash payment	12.1
<b>Total purchase consideration</b>	<b>12.1</b>
<b>Recognised assets and liabilities</b>	
Property, plant and equipment	0.3
Cash and cash equivalents	0.0
Deferred tax assets and other assets	0.7
Non-current liabilities	-0.3
Other current liabilities	-0.5
Net identifiable assets acquired	0.3
Goodwill	11.8
	<b>12.1</b>

Purchase considerations – cash-flow, MEUR	2024	2023
SastoMed GmbH		
Earn-out payments	-	-0.3
Tamer Mölnlycke Arabia LLC		
Net cash balance at acquisition	0.7	-
P.G.F. Industry Solutions GmbH		
Net purchase price	-12.1	-
Net cash balance at acquisition	0.0	-
<b>Cash flow from investments in subsidiaries</b>	<b>-11.4</b>	<b>-0.3</b>

## 4. Group companies

### Principal subsidiaries

The Company's only directly held subsidiaries are MHC UK Ltd, (Reg. No. 5886297), Great Britain and MHC Sweden AB (Reg. No. 556716-2150), Sweden. MHC UK Ltd, Great Britain and MHC Sweden AB, Sweden owns, direct and indirect, 100 % of the following companies (unless otherwise stated):

Mölnlycke Health Care Pty Ltd., Australia	Mölnlycke Health Care S.r.l., Italy
Mölnlycke Health Care GmbH, Austria	Mölnlycke Health Care K.K., Japan
P.G.F. Industry Solutions GmbH, Austria	Mölnlycke Health Care Korea Co. Ltd., Korea
Mölnlycke Health Care N.V./S.A., Belgium	Mölnlycke Health Care UAB, Lithuania
Mölnlycke Health Care Brazil Ltda., Brazil	Mölnlycke Health Care Sdn Bhd., Malaysia
Mölnlycke Health Care Vends de Prod. Médicos Ltda., Brazil	Mölnlycke Health Care Sales Sdn Bhd., Malaysia
Mölnlycke Health Care Inc., Canada	Mölnlycke Health Care KH Property Sdn Bhd, Malaysia
Mölnlycke Health Care Chile SpA., Chile	Mölnlycke Health Care B.V., Netherlands
Mölnlycke Healthcare (Shanghai) Co. Ltd., China	Mölnlycke Health Care AS, Norway
Mölnlycke Health Care (Suzhou) Co., Ltd, China	Mölnlycke Health Care Polska Sp. z o.o., Poland
Mölnlycke Health Care Adria d.o.o, Croatia	Mölnlycke Health Care LDA., Portugal
Mölnlycke Health Care Klinipro s.r.o., Czech Republic	Mölnlycke Health Care Asia Pacific Pte. Ltd, Singapore
Mölnlycke Health Care s.r.o., Czech Republic	Mölnlycke Health Care Slovakia s.r.o Slovakia
Mölnlycke Health Care ProcedurePak s.r.o., Czech Republic	Mölnlycke Health Care S.L., Spain
Mölnlycke Health Care A/S, Denmark	Mölnlycke Health Care South Africa (Pty) Ltd, South Africa
M&J Airlaid Products A/S, Denmark	Mölnlycke Health Care AB, Sweden
Mölnlycke Health Care OÜ, Estonia	Mölnlycke IP AB, Sweden
Mölnlycke Health Care Oy, Finland	Sälöknapp AB, Sweden
Mölnlycke Health Care SAS, France	Mölnlycke Health Care S.A., Switzerland
Mölnlycke Health Care GmbH, Germany	Mölnlycke Health Care (Thailand) Ltd., Thailand
Medlock Medical Ltd, Great Britain	Mölnlycke Health Care Sales (Thailand) Co., Ltd., Thailand
Mölnlycke Health Care Ltd., Great Britain	Mölnlycke Health Care Taiwan Co. Ltd., Taiwan
Regent Medical Holdings America Ltd, Great Britain	Mölnlycke Health Care US LLC, USA
Regent Medical Ltd, Great Britain	Mölnlycke Manufacturing US LLC, USA
Regent Medical Overseas Ltd, Great Britain	Mölnlycke Middle East & North Africa Reg HQ Ltd, Saudi Arabia
Mölnlycke Health Care Ltd./Kft., Hungary	Tamer Mölnlycke Arabia LLC, Saudi Arabia (60%)
Mölnlycke Health Care Hong Kong Limited, Hong Kong	
Mölnlycke Health Care India Pvt Ltd, India	



Interests in joint ventures

Up until 1 June 2024, the Group had a share of 33.33% in the Joint Venture Tamer Mölnlycke Arabia LLC. As of 1 June 2024, the ownership has changed to 60.00% (refer to note 3). After the change in ownership the

entity is fully consolidated into the Group. The result presented below represents the result for the JV up until 1 June 2024.

MEUR	2024	2023
<b>Tamer Mölnlycke Arabia LLC</b>		
Carrying amount	-	4.7
Group share of:		
Result from continuing operations	0.3	-0.6
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>0.3</b>	<b>-0.6</b>

Specification of holdings of shares and participations in Associates and Joint Ventures (2023)

Name of associated company or Joint Venture	Registered office (city, country)	Registration number	Number of shares held	Share of voting power (%)	Proportion of equity (%)
Tamer Mölnlycke Arabia LLC	Jeddah, Saudi Arabia	4,030,411,421	1,299,870	33.33	33.33

The Group has no contingent liabilities relating to the joint venture other than the responsibility of the Group for the quality of items supplied by Mölnlycke to the company in accordance with normal delivery and commercial terms.

5. Segment information

Mölnlycke has a reporting structure with four decentralised, customer-centric and empowered Business Areas: Wound Care, ORS (Operating Room Solutions), Gloves and Antiseptics supported by focused corporate functions. Information reported to the Group's chief operating decision-maker for the purposes of resource allocation and assessment of segment performance is focused on these four Business Areas. Management has made an assessment and concluded that these Business Areas are the Group's reportable segments under IFRS 8.

The Wound Care product segment specialises in providing products for the treatment of acute wounds, caused by burns, trauma and surgery, and the treatment of chronic wounds, including diabetic foot ulcers and venous leg ulcers – as well as the treatment and prevention of pressure ulcers.

The ORS product segment specialises in providing single-use surgical products serving customer needs for operating room efficiency and protection of patients and health care workers. Products include drapes (patient and equipment drapes), staff clothing (gowns, headwear, facemasks, and scrub suits), surgical instruments, components and custom procedure trays.

The Gloves segment provides high quality and reliable gloves to the surgical staff. Mölnlycke gloves are designed to offer optimised comfort and fit as well as extra protection from blood-borne infection and are used as a double glove solution.

The Antiseptics segment provides antiseptic products which are used in pre- and post-operative washing and provides lasting antibacterial protection for the skin.

Information regarding the Group's reportable segments is presented in the following tables.

MEUR	2024					
	Wound Care	OR Solutions	Gloves	Antiseptics	Unallocated	Total
<b>Segment revenue per region</b>						
Europe/Middle East/Africa	600.4	491.5	76.3	14.6	-	1,182.8
Americas	463.1	6.4	164.1	51.3	-	684.9
Asia Pacific	159.9	27.1	9.4	0.1	-	196.5
<b>Total segment revenue</b>	1,223.4	525.0	249.8	66.0	-	<b>2,064.2</b>
whereof through distributors	1,015.9	133.2	191.3	59.4	-	1,399.8
whereof directly to customers	207.5	391.8	58.5	6.6	-	664.4
Share of result in associates and joint ventures						
	-	0.3	-	-	-	<b>0.3</b>
<b>Segment EBITDA</b>	490.1	49.8	47.8	3.5	-	<b>591.2</b>
Exceptional items						
	-	-	-	-	4.2	<b>4.2</b>
Depreciation, amortisation and impairment charges						
	-51.4	-19.4	-12.8	-0.7	-4.1	<b>-88.4</b>
<b>Operating profit</b>	438.7	30.4	35.0	2.8	0.1	<b>507.0</b>
Net finance costs						
	-	-	-	-	-30.2	<b>-30.2</b>
<b>Profit before tax</b>						<b>476.8</b>
Income tax						
	-	-	-	-	-101.5	<b>-101.5</b>
<b>Profit for the year</b>						<b>375.3</b>
<b>Assets</b>	513.8	390.1	186.9	87.6	3,496.4	<b>4,674.8</b>
Investments in associates and joint ventures						
	-	-	-	-	-	-
Additions to non-current assets*	82.1	27.4	15.6	2.7	-	<b>127.8</b>
<b>Liabilities</b>	51.3	52.8	11.7	3.1	2,696.8	<b>2,815.7</b>

MEUR	2023					
	Wound Care	OR Solutions	Gloves	Antiseptics	Unallocated	Total
<b>Segment revenue per region</b>						
Europe/Middle East/Africa	559.0	463.5	75.3	11.6	-	1,109.4
Americas	425.6	5.9	155.6	41.1	-	628.2
Asia Pacific	148.8	27.1	9.0	1.0	-	185.9
<b>Total segment revenue</b>	1,133.4	496.5	239.9	53.7	-	<b>1,923.5</b>
whereof through distributors	960.6	122.3	181.5	49.8	-	1,314.2
whereof directly to customers	172.8	374.2	58.4	3.9	-	609.3
Share of result in associates and joint ventures						
	-	-0.6	-	-	-	<b>-0.6</b>
<b>Segment EBITDA</b>	463.6	35.6	42.8	3.1	-	<b>545.1</b>
Exceptional items						
	-	-	-	-	-	-
Depreciation, amortisation and impairment charges						
	-50.0	-19.4	-11.5	-0.8	-	<b>-81.7</b>
<b>Operating profit</b>	413.6	16.2	31.3	2.3	-	<b>463.4</b>
Net finance costs						
	-	-	-	-	24.0	<b>24.0</b>
<b>Profit before tax</b>						<b>487.4</b>
Income tax						
	-	-	-	-	-93.9	<b>-93.9</b>
<b>Profit for the year</b>						<b>393.5</b>
<b>Assets</b>	443.2	318.7	173.4	55.1	3,651.0	<b>4,641.4</b>
Investments in associates and joint ventures						
	-	1.8	-	-	-	<b>1.8</b>
Additions to non-current assets*	38.5	9.6	12.1	1.3	-	<b>61.5</b>
<b>Liabilities</b>	44.6	41.3	8.8	3.1	2,562.2	<b>2,660.0</b>

\* The amounts of additions to non-current assets, other than financial instruments and deferred tax assets.

Segment assets are reconciled to total assets as follows	2024	2023
Segment assets for reportable assets	1,178.4	990.4
<b>Unallocated:</b>		
Goodwill	2,138.4	2,129.1
Trademark, Technology & Customer contracts	518.7	535.7
Deferred tax asset	57.9	53.9
Current tax receivables	11.0	30.7
Cash and cash equivalents	166.4	398.4
Receivables, parent company	288.9	258.3
Short-term investments	200.0	150.0
Other	115.1	94.9
<b>Total assets</b>	<b>4,674.8</b>	<b>4,641.4</b>

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the year (2023: Nil).

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 1. Segment profit (EBITDA) represents the earnings before interest, tax, depreciation, amortisation and impairment charges earned by each segment excluding exceptional items. This is the

principal measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The only liability that is provided on a regular basis to the chief operating decision maker on a segment level is Trade accounts payable. The total of the reportable segments' liabilities does equal the total Trade accounts payable reported in the Group's balance sheet, please refer to note 21.

Geographical information non-current assets, MEUR	12/31/2024	12/31/2023
Sweden	87.0	52.8
Czech Republic	58.5	64.1
Finland	78.9	58.8
Malaysia	95.1	88.2
U.S.	51.0	53.7
Other countries	94.5	54.1
<b>Total</b>	<b>465.0</b>	<b>371.7</b>

Non-current assets included in the table above comprise property, plant and equipment, right-of-use assets, capitalised development expenditure and computer software. Goodwill and other intangible assets that have been recognised as a result of the acquisition of

geographically diverse subsidiaries (trademarks and brands, proprietary technologies and customer contracts) have not been allocated to different geographical areas and are not included in non-current assets in the above table.

## 6. Revenue from contracts with customers

The Group's revenue from contracts with customers relates entirely to sale of products. For all products, control is transferred and revenue is recognized at a point in time when products are shipped to the customer and the customer obtains control of the assets. The Group derives revenue in the following

reportable segments, geographical regions and sales channels. Revenue from external customers is allocated to geographical area by the location of the legal entity in which the revenue is recorded. There were no inter-segment sales in the year (2023: -).

MEUR	2024	2023
<b>Geographical information</b>		
Sweden	68.0	62.1
France	206.0	207.9
UK	149.9	137.6
Europe (excl. Sweden, France and UK), Middle East and Africa	758.9	701.8
<b>Total Europe/Middle East/Africa</b>	<b>1,182.8</b>	<b>1,109.4</b>
U.S.	610.0	559.7
Americas (excl U.S.)	74.9	68.5
<b>Total Americas</b>	<b>684.9</b>	<b>628.2</b>
<b>Asia Pacific</b>	<b>196.5</b>	<b>185.9</b>
<b>Total</b>	<b>2,064.2</b>	<b>1,923.5</b>
<b>Sales channels</b>		
Through distributors	1,399.8	1,314.2
Directly to customers	664.4	609.3
<b>Total</b>	<b>2,064.2</b>	<b>1,923.5</b>

## 7. Operating costs by nature

The Group classifies operating costs in its income statement according to function. The Group's operating costs can be analysed by their nature as follows:

Operating cost, MEUR	2024	2023
Raw materials and finished goods	-675.9	-627.3
Personnel costs	-536.6	-488.2
Depreciation, amortisation and impairment charges	-88.4	-81.7
Other operating expenses	-258.4	-263.6
	<b>-1,559.3</b>	<b>-1,460.8</b>

Other operating income and expenses, MEUR	2024	2023
Insurance compensation	-	1.0
Sales to related parties	1.3	0.6
Sales of intangible assets	5.3	-
Government fees	-2.8	-
Impairment charges and write-downs	-3.9	-
Bargain purchase	3.8	-
Other	-2.0	-0.3
	<b>1.8</b>	<b>1.3</b>

## 8. Finance income and finance costs

Finance income, MEUR	2024	2023
<b>Interest income</b>		
<i>Financial assets at amortised cost</i>		
Cash and cash equivalents	17.1	13.9
Receivables parent company, net	13.1	10.2
	<b>30.2</b>	<b>24.1</b>
<b>Revaluation gain - net</b>		
<i>Financial assets and financial liabilities at Fair value through profit and loss</i>		
Derivative financial instruments	-	52.1
	<b>30.2</b>	<b>76.2</b>
<b>Total finance income</b>	<b>30.2</b>	<b>76.2</b>

Finance costs, MEUR	2024	2023
<b>Interest expenses</b>		
<i>Financial liabilities at amortized cost</i>		
Borrowings	-42.7	-28.4
Interest on derivative instruments	-8.5	-6.9
Other interest cost	-6.8	-4.9
	<b>-58.0</b>	<b>-40.2</b>
<b>Revaluation loss - net</b>		
<i>Financial assets and financial liabilities at Fair value through profit and loss</i>		
Derivative financial instruments	-12.2	-
Other financial investments	0.8	-
	<b>-11.4</b>	<b>-</b>
<b>Other financial items</b>		
Currency gain/loss	7.3	-11.4
Other financial items	1.7	-0.6
	<b>9.0</b>	<b>-12.0</b>
<b>Total finance costs</b>	<b>-60.4</b>	<b>-52.2</b>



## 9. Income tax

MEUR	2024	2023
<b>Income tax expense for the period</b>		
Current tax	-102.7	-98.5
Deferred tax	1.2	4.6
	<b>-101.5</b>	<b>-93.9</b>
<b>Income tax recognised in other comprehensive income</b>		
Current tax: Exchange difference on foreign operations	2.5	0.3
Deferred tax: Remeasurment of defined benefit pension plans	3.1	-0.6
	<b>5.6</b>	<b>-0.3</b>
<b>Income tax recognised directly in equity</b>		
Current tax: Group contribution	25.1	38.1
	<b>25.1</b>	<b>38.1</b>
<b>Total tax for the period</b>		
Total current tax	-75.2	-60.1
Total deferred tax	4.3	4.0
<b>Total</b>	<b>-70.9</b>	<b>-56.1</b>
<b>Numerical reconciliation of income tax expense, MEUR</b>	<b>2024</b>	<b>2023</b>
Profit before tax	476.8	487.4
Tax at the Swedish domestic income tax rate of 20.6%	-98.2	-100.4
Tax effect of expenses that are not tax deductible	-2.8	-2.1
Tax effect of income that is not taxable	2.2	0.1
Difference in tax rates in foreign subsidiaries	-9.0	-3.9
Adjustments to taxes for previous periods	1.3	-1.2
Change of tax rates	-0.3	-0.1
Tax effect of recognition and derecognition of tax losses and tax incentives	-1.1	11.9
Other	6.4	1.8
<b>Income tax expense for the period</b>	<b>-101.5</b>	<b>-93.9</b>

Movements in net deferred tax balance, MEUR	2024	2023
<b>Net liability at the beginning of the year</b>	<b>89.3</b>	<b>92.8</b>
Charged /(credited) to profit or loss for the year	-1.2	-4.6
Charged /(credited) to other comprehensive income	-3.1	0.6
Business combinations	-0.1	-
Exchange rate differences	0.3	0.5
<b>Net liability at the end of the year</b>	<b>85.2</b>	<b>89.3</b>
<b>Deferred tax assets and liabilities attributable to, MEUR</b>	<b>12/31/2024</b>	<b>12/31/2023</b>
<b>Deferred tax assets</b>		
Property, plant and equipment	0.9	0.7
Goodwill	14.3	14.4
Other intangible assets	6.7	5.4
Inventories	23.0	20.3
Accounts receivable	1.1	1.3
Retirement benefit obligations	9.0	6.4
Other accruals, provisions and liabilities	11.6	10.3
Tax loss carry forward and tax incentives	7.9	11.7
<b>Gross total</b>	<b>74.5</b>	<b>70.5</b>
Net of deferred tax liabilities	-16.6	-16.6
<b>Net total</b>	<b>57.9</b>	<b>53.9</b>
<b>Deferred tax liabilities</b>		
Property, plant and equipment	26.2	25.3
Goodwill	16.7	14.3
Other intangible assets	109.5	111.1
Fair value derivatives	6.1	9.1
Other	1.2	0.0
<b>Gross total</b>	<b>159.7</b>	<b>159.8</b>
Net of deferred tax assets	-16.6	-16.6
<b>Net total</b>	<b>143.1</b>	<b>143.2</b>

Tax losses, MEUR	12/31/2024	12/31/2023
Unused tax losses of which no deferred tax asset has been recognised	26.6	33.0
Potential tax benefit	6.6	8.8

No deferred tax asset has been recognised for certain subsidiaries where the uncertainty exists if the Group will have the specific type of income (such as non-trading income in specific entities) in the jurisdiction of origin that is needed to utilize these losses or if the unused tax losses being incurred by a dormant subsidiary that is not likely to generate taxable income

in the foreseeable future. The unused tax losses for these entities can be carried forward indefinitely. Tax incentives are recognised when it is probable that the entity will generate sufficient taxable profit to utilise such incentives and all other requirements to obtain the incentives are fulfilled at the closing day.

Unrecognised temporary differences, MEUR	12/31/2024	12/31/2023
Temporary differences relating to investments in subsidiaries for which deferred tax liabilities have not been recognised:		
Foreign currency translation <sup>1)</sup>	278.5	238.0
Undistributed earnings <sup>2)</sup>	28.1	33.4
	<b>306.6</b>	<b>271.4</b>
Unrecognised deferred tax liability relating to the above temporary differences	60.2	52.4

1) The Swedish Council for Advance Tax Rulings has in 2019 interpreted Swedish tax law in relation to exchange differences on EUR denominated financial assets in Swedish entities with EUR as reporting currency. Within the Group's holding structure, external funding denominated in EUR is raised in one of the holding companies and distributed to the Group's operating entities through a EUR denominated intercompany loan. According to the interpretation in the advanced tax ruling, an unrealized taxable foreign exchange gain exists on this intercompany loan that however will be taxable, triggering a negative cash flow effect, only when the loan is close to fully repaid. The Group has the full decisive power to decide if and when to have this

loan repaid and the Group has no intention to do so within a foreseeable future. In accordance with IAS 12 Income taxes the Group has therefore not reported any deferred tax liability for this temporary difference.

2) The Group's production entity in Thailand has undistributed earnings which, if paid out as dividends, would be subject to a 10% withholding tax. An assessable temporary difference exists, but no deferred tax liability has been recognised as the Group is able to control the timing of distributions from this subsidiary and is not expected to distribute these profits in the foreseeable future.

## 10. Property, plant and equipment

MEUR	Properties	Land and land improvements	Machinery	Equipment	Total
<b>At 1 January 2023</b>					
Acquisition cost	125.5	5.3	326.9	94.3	552.0
Accumulated depreciation and impairment	-40.3	0.0	-177.7	-58.2	-276.2
<b>Net book amount</b>	<b>85.2</b>	<b>5.3</b>	<b>149.2</b>	<b>36.1</b>	<b>275.8</b>
<b>Year ended 31 December 2023</b>					
Opening net book amount	<b>85.2</b>	<b>5.3</b>	<b>149.2</b>	<b>36.1</b>	<b>275.8</b>
Additions	1.7	0.0	17.3	18.5	37.5
Disposals	0.0	-	-0.1	-0.3	-0.4
Depreciations	-4.7	0.0	-20.7	-7.0	-32.4
Reclassifications	0.1	-	13.5	-13.7	-0.1
Exchange differences	-3.7	-0.1	-4.9	-1.0	-9.7
<b>Closing net book amount</b>	<b>78.6</b>	<b>5.2</b>	<b>154.3</b>	<b>32.6</b>	<b>270.7</b>
<b>At 31 December 2023</b>					
Acquisition cost	123.6	5.2	352.7	97.8	579.3
Accumulated depreciation and impairment	-45.0	0.0	-198.4	-65.2	-308.6
<b>Net book amount</b>	<b>78.6</b>	<b>5.2</b>	<b>154.3</b>	<b>32.6</b>	<b>270.7</b>
<b>Year ended 31 December 2024</b>					
Opening net book amount	<b>78.6</b>	<b>5.2</b>	<b>154.3</b>	<b>32.6</b>	<b>270.7</b>
Business combinations	27.3	-	-	0.1	27.4
Additions	6.7	-	14.9	26.2	47.8
Disposals	-0.3	-0.1	-0.1	-0.1	-0.6
Depreciations	-4.7	0.0	-22.4	-7.9	-35.0
Reclassifications	1.1	0.1	1.4	-2.6	0.0
Write-down	-1.3	-	-2.6	0.0	-3.9
Exchange differences	3.5	0.2	5.5	0.5	9.7
<b>Closing net book amount</b>	<b>110.9</b>	<b>5.4</b>	<b>151.0</b>	<b>48.8</b>	<b>316.1</b>
<b>At 31 December 2024</b>					
Acquisition cost	161.9	5.4	374.4	121.9	663.6
Accumulated depreciation and impairment	-51.0	0.0	-223.4	-73.1	-347.5
<b>Net book amount</b>	<b>110.9</b>	<b>5.4</b>	<b>151.0</b>	<b>48.8</b>	<b>316.1</b>

## 11. Goodwill

MEUR	2024	2023
<b>At the beginning of the year</b>	<b>2,129.1</b>	<b>2,129.2</b>
Recognised on the acquisition of subsidiaries (note 3)	11.8	-
Exchange differences	-2.5	-0.1
<b>At the end of the year</b>	<b>2,138.4</b>	<b>2,129.1</b>

Goodwill has been allocated to the Group's cash generating units (CGUs), which corresponds to the Group's four Business Areas, as follows:

MEUR	12/31/2024	12/31/2023
Wound Care	1,433.7	1,424.4
OR Solutions	91.4	91.4
Gloves	547.4	547.4
Antiseptics	65.9	65.9
	<b>2,138.4</b>	<b>2,129.1</b>

### Impairment test of goodwill

The impairment testing is based on a calculation of value in use in which assumptions of future growth and operating margins are important components. The growth rates and margins used to estimate future performance are based on the Group's forecasts and strategic planning process and are consistent with past performance and experience of growth rates and margins achievable in the Group's key markets. In the Group's impairment assessment special consideration is taken to account for changes in the macroeconomic environment, changes in interest rates and inflation and other uncertainties.

The value in use calculation is based on input data where the first five years' cash-flows are derived from the Group's forecasting and strategic planning process. A growth rate of 2% (2%) has been used to extrapolate the cash flows for the years beyond this five-year period, which is considered reasonable given historical growth, geographical positioning and industry fundamentals. Estimated cash flows have been discounted using a pre-tax discount rate of 9.6% (9.1%) for Wound Care, 11.9% (11.4%) for ORS, 9.6% (9.1%) for Gloves and 13.2% (12.6%) for Antiseptics.

No impairment requirement has been identified since the carrying values are lower than calculated value in use. The assessment is that no reasonable possible

change in any key assumption will lead to a calculated recoverable amount that is lower than the carrying amount, except for Business area Gloves where negative changes in any of the key assumptions would require impairment of goodwill.

If the forecasted EBITDA margin used in the value in use calculation for Gloves had been 1% lower than management's estimates at 31 December 2024, all else equal, the Group would have had to recognise an impairment against the carrying amount of goodwill for the Gloves segment of MEUR 40.

If the pre-tax discount rate used was 1% higher (10.6% instead of 9.6%), all else equal, the Group would have had to recognise an impairment against the carrying amount of goodwill for Gloves of MEUR 86.

These changes represent reasonably possible variations to management's forecasts. In the prior year, management's assessment was that there were no reasonably possible changes in any of the key assumptions that would have resulted in an impairment write-down for goodwill allocated to Gloves or the other segments.

## 12. Other intangible assets

MEUR	Trademarks and brands	Proprietary technology	Customer contracts	Capitalised development expenditure	Computer software	Total
<b>At 1 January 2023</b>						
Acquisition cost	499.0	224.2	8.8	64.5	87.9	884.4
Accumulated amortisation and impairment	-14.5	-157.6	-7.3	-46.7	-62.7	-288.8
<b>Net book amount</b>	<b>484.5</b>	<b>66.6</b>	<b>1.5</b>	<b>17.8</b>	<b>25.2</b>	<b>595.6</b>
<b>Year ended 31 December 2023</b>						
Opening net book amount	484.5	66.6	1.5	17.8	25.2	595.6
Additions	-	-	-	5.2	1.5	6.7
Disposals	-	-	-	-	0.0	0.0
Amortisations	-1.9	-14.3	-0.5	-4.2	-7.1	-28.0
Reclassifications	-	-	-	-	0.1	0.1
Exchange differences	0.0	-0.3	0.1	0.2	-0.3	-0.3
<b>Closing net book amount</b>	<b>482.6</b>	<b>52.0</b>	<b>1.1</b>	<b>19.0</b>	<b>19.4</b>	<b>574.1</b>
<b>At 31 December 2023</b>						
Acquisition cost	499.0	223.9	8.9	69.9	89.2	890.9
Accumulated amortisation and impairment	-16.4	-171.9	-7.8	-50.9	-69.8	-316.8
<b>Net book amount</b>	<b>482.6</b>	<b>52.0</b>	<b>1.1</b>	<b>19.0</b>	<b>19.4</b>	<b>574.1</b>
<b>Year ended 31 December 2024</b>						
Opening net book amount	482.6	52.0	1.1	19.0	19.4	574.1
Additions	-	-	-	3.4	4.2	7.6
Disposals	-	-	-	-0.1	-	-0.1
Amortisations	-1.5	-14.3	-0.2	-4.9	-5.6	-26.5
Reclassifications	-	-	-	-	0.1	0.1
Exchange differences	-0.1	-0.9	-0.1	-0.6	-0.6	-2.3
<b>Closing net book amount</b>	<b>481.0</b>	<b>36.8</b>	<b>0.8</b>	<b>16.8</b>	<b>17.5</b>	<b>552.9</b>
<b>At 31 December 2024</b>						
Acquisition cost	498.9	223.0	8.8	72.6	92.9	896.2
Accumulated amortisation and impairment	-17.9	-186.2	-8.0	-55.8	-75.4	-343.3
<b>Net book amount</b>	<b>481.0</b>	<b>36.8</b>	<b>0.8</b>	<b>16.8</b>	<b>17.5</b>	<b>552.9</b>

Amortisation and impairment charges are included in the following line items in the Group's Income Statement:

MEUR	Trademarks and brands	Proprietary technology	Customer contracts	Capitalised development expenditure	Computer software	Total
<b>2024</b>						
Cost of sales	-	-14.3	-	-	-1.7	-16.0
Selling costs	-1.5	-	-0.2	-	-1.3	-3.0
Administrative costs	-	-	-	-	-2.5	-2.5
Research and development costs	-	-	-	-4.9	-0.1	-5.0
<b>Total</b>	<b>-1.5</b>	<b>-14.3</b>	<b>-0.2</b>	<b>-4.9</b>	<b>-5.6</b>	<b>-26.5</b>
<b>2023</b>						
Cost of sales	-	-14.3	-	-	-2.0	-16.3
Selling costs	-1.9	-	-0.5	-	-1.7	-4.1
Administrative costs	-	-	-	-	-3.1	-3.1
Research and development costs	-	-	-	-4.2	-0.3	-4.5
<b>Total</b>	<b>-1.9</b>	<b>-14.3</b>	<b>-0.5</b>	<b>-4.2</b>	<b>-7.1</b>	<b>-28.0</b>

Trademarks and brands assessed as having an indefinite useful life are allocated to the Group's cash generating units (CGUs) as follows:

MEUR	12/31/2024	12/31/2023
Wound Care	290.0	290.0
OR Solutions	116.6	116.6
Gloves	56.2	56.2
Antiseptics	4.6	4.6
	<b>467.4</b>	<b>467.4</b>

## 13. Inventories

MEUR	12/31/2024	12/31/2023
Raw materials	92.5	83.1
Work-in-progress	22.3	17.3
Finished goods	231.9	207.0
Consumables	6.1	5.9
<b>Inventories, gross amount</b>	<b>352.8</b>	<b>313.3</b>
Provision for obsolescence	-9.6	-9.4
<b>Inventories, net after provision for obsolescence</b>	<b>343.2</b>	<b>303.9</b>

The Group reversed 0.9 (2.0) MEUR of a previous inventory write-down during the year. The amount reversed has been included in cost of sales in the statement of profit or loss.

## 14. Trade and other receivables

MEUR	12/31/2024	12/31/2023
<b>Trade accounts receivable</b>		
Accounts receivable, gross	375.0	319.4
Allowance for doubtful debts	-4.9	-4.6
	<b>370.1</b>	<b>314.8</b>
<b>Other financial receivables</b>		
Customer invoices to be issued	4.2	3.6
Deposits	0.1	0.1
Other current receivables	7.9	6.3
Accrued interest income	5.1	3.3
	<b>17.3</b>	<b>13.3</b>
<b>Financial trade and other receivables</b>	<b>387.4</b>	<b>328.1</b>
<b>Other current receivables</b>		
VAT	6.5	3.8
Prepaid rent	1.6	1.2
Other prepaid expenses	32.1	23.8
	<b>40.2</b>	<b>28.8</b>
<b>Trade and other receivables</b>	<b>427.6</b>	<b>356.9</b>

Trade accounts receivable do not include any debtors that have been transferred to a financial institution.



Ageing of trade receivables, MEUR:	12/31/2024			12/31/2023		
	Gross amount	Reported allowance	Net amount	Gross amount	Reported allowance	Net amount
Not past due	300.1	-0.1	300.0	254.3	-0.1	254.2
Past due 0–30 days	31.2	0.0	31.2	19.9	0.0	19.9
Past due 31–90 days	17.6	-0.3	17.3	18.5	-0.4	18.1
Past due 91–180 days	10.8	-0.3	10.5	11.4	-0.3	11.1
More than 180 days	15.3	-4.2	11.1	15.3	-3.8	11.5
	<b>375.0</b>	<b>-4.9</b>	<b>370.1</b>	<b>319.4</b>	<b>-4.6</b>	<b>314.8</b>

Movement in the allowance for doubtful debts, MEUR	2024	2023
<b>At 1 January</b>	<b>-4.6</b>	<b>-4.5</b>
Impairment losses recognised	-0.4	-1.0
Impairment losses reversed	0.1	0.9
Exchange differences	0.0	0.0
<b>At 31 December</b>	<b>-4.9</b>	<b>-4.6</b>

## 15. Cash, cash equivalents and short term investments

MEUR	12/31/2024	12/31/2023
Bank balances	166.4	248.4
Short term bank deposits	-	150.0
<b>Cash and cash equivalents</b>	<b>166.4</b>	<b>398.4</b>

MEUR	12/31/2024	12/31/2023
Short term bank deposits	200.0	150.0
<b>Short term investments</b>	<b>200.0</b>	<b>150.0</b>

Cash and cash equivalents is cash and short-term bank deposits held by the Group with a maturity of less than three months at the time of acquisition.

Cash and cash equivalents as of 31 December 2024, includes MEUR 51.9 (33.8) in countries where exchange controls or other legal restrictions apply. Therefore it is not possible to immediately use these liquid funds in other parts of the Group. However, there is normally no

limitation to use them for the Group's operation in the respective country.

Short term investments refer to short term bank deposits with a maturity at inception of more than three months but less than 12 months. The deposits carry a fixed interest rate.

## 16. Capital management

The Group considers the capital that it manages to be the equity attributable to equity holders of the parent as shown in the Group's Consolidated statement of financial position.

The Group's objectives when managing capital are to ensure that the Group has adequate funds to continue as a going concern and sufficient flexibility within the capital structure to fund the ongoing growth of the business and to take advantage of business development opportunities including acquisitions. The Group determines the amount of capital in conjunction with its borrowing requirements, taking into account changes in business risks, future funding requirements and any restrictions contained its borrowing facilities

(see note 23). The Group's overall strategy remains unchanged from prior year.

A dividend of MEUR 400.0 (-) was transferred to the parent company Mölnlycke AB. Reported group contribution for 2024 to the parent company Mölnlycke AB amounts to MEUR 121.9 (184.8).

In 2024 cash distributions of MEUR 500.0 (300.0) have been made by the Group to the Group's parent company Mölnlycke AB's shareholders on behalf of Mölnlycke AB. From the Group's perspective this distribution is a part of the settlement of dividends and group contributions from the Group to Mölnlycke AB. The table below presents a roll forward of the Group's net receivable/liability to its parent company Mölnlycke AB.

MEUR	12/31/2024	12/31/2023
<b>Opening balance</b>	<b>258.3</b>	<b>104.8</b>
Non-cash transactions		
Group contribution to parent company	-121.9	-184.8
Dividend to parent company	-400.0	-
Capitalised interest	13.1	10.2
Exchange rate differences and other	5.3	6.2
Cash transactions		
Tax paid on behalf of parent company	34.1	21.9
Distribution to the owners of the Group, on behalf of parent company	500.0	300.0
<b>Closing balance</b>	<b>288.9</b>	<b>258.3</b>

## 17. Cash flow information

The tables below detail changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes.

MEUR	01/01/2024	Cash flows	Non-cash changes				31/12/2024
			Acquisitions	Amortisation	Exchange differences	Other changes	
Bond notes	2,040.1	20.2	-	2.1	-	-	2,062.4
Lease liabilities	62.4	-25.0	68.4	-	0.2	3.1	109.1
Other interest-bearing liabilities	-	9.4	9.3	-	0.3	-	19.0
	<b>2,102.5</b>	<b>4.6</b>	<b>77.7</b>	<b>2.1</b>	<b>0.5</b>	<b>3.1</b>	<b>2,190.5</b>

MEUR	01/01/2023	Cash flows	Non-cash changes				31/12/2023
			Acquisitions	Amortisation	Exchange differences	Other changes	
Bond notes	1,893.0	145.4	-	1.7	-	-	2,040.1
Lease liabilities	66.9	-23.3	17.3	-	-0.3	1.8	62.4
	<b>1,959.9</b>	<b>122.1</b>	<b>17.3</b>	<b>1.7</b>	<b>-0.3</b>	<b>1.8</b>	<b>2,102.5</b>

Other changes include capitalised interest.

## 18. Leases

MEUR	12/31/2024	12/31/2023
<b>Balance sheet items</b>		
Right-of-use assets		
Buildings	94.6	48.0
Land	7.6	2.0
Vehicles	12.5	12.6
	<b>114.7</b>	<b>62.6</b>

Lease liabilities		
Current	24.2	22.5
Non-current	84.9	39.9
	<b>109.1</b>	<b>62.4</b>

MEUR	2024	2023
<b>Additions to the right-of-use assets during the year</b>		
Additions	72.4	17.3
Business combinations	1.6	-
	<b>74.0</b>	<b>17.3</b>

<b>Amounts included in the consolidated income statement</b>		
Depreciation charge of right-of-use assets		
Buildings	16.0	14.4
Land	0.1	0.0
Vehicles	6.9	6.9
	<b>23.0</b>	<b>21.3</b>

Interest expense on lease liabilities	3.0	1.8
Expense relating to short-term leases	0.9	0.8
Expense relating to low-value leases	0.9	1.0

<b>Total cash outflow for leases</b>	<b>26.7</b>	<b>26.9</b>
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<b>Future cash outflows for committed leases not yet commenced</b>	<b>15.8</b>	<b>60.1</b>
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Please refer to Note 1 for the accounting policies followed and information about the nature of the Group's leasing activities and Note 23 for a maturity analysis of lease liabilities.

## 19. Retirement benefit obligations

### Defined contribution plans

In many countries, the Group's employees are covered by defined contribution pension plans. The pension plans primarily entail retirement pensions. The premiums are paid continuously throughout the year by each Group company to separate legal entities, such as insurance companies. The employer's obligation is limited to the premiums the company has undertaken to pay. Under this type of plan, no liability is recognised in the balance sheet, except for accrued contributions.

In Sweden, the total retirement benefit package is a mixed solution, with some parts being defined contribution pension plans and others defined benefit pension plans. The part of the Swedish ITP2 plan (supplementary pensions for salaried employees) concerning family pension, disability pension, and employment group life insurance financed by insurance with Alecta is a defined benefit pension multi-employer plan. The Swedish Financial Accounting Standards Council's Interpretations Committee has however concluded that the information provided by Alecta is not sufficient to be able to account for the Alecta plan as a defined benefit plan. Therefore, the Alecta plan has been reported as a defined contribution plan and this means that premiums paid to Alecta will also be recognized on an ongoing basis as expenses in the period to which they pertain. Alecta's surplus can be distributed to the insurers and/or the insured. At year-end 2024, Alecta's surplus in the form of the collective consolidation level was 162% (158%). For 2025, the Group expects to pay MEUR 0.3 for premiums to Alecta.

During the period the Group expensed MEUR 28.3 (26.1) of contributions to defined contribution plans.

### Defined benefit plans

Defined benefit plans are those where the Group's obligation is to provide pension and other post-retirement benefits that participating employees will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation. The Group operates defined benefit pension plans for qualifying employees in Sweden, US, Belgium, Germany, Netherlands, Thailand, Italy, Saudi Arabia and France.

The defined benefit plans in Belgium, US and Netherlands are funded, the remainder is unfunded.

The Swedish plan is the most significant defined benefit plan for the Group, representing 58% of the defined benefit obligation and 75% of the net liability at 31 December 2024 (54% and 72% respectively).

The major risks associated with the defined benefit plans are as follows:

- investment risk: The defined benefit obligation is calculated using discount rates set with reference to corporate bond yields. If assets in funded plans underperform this yield it will increase the amount of any deficit
- interest risk: A decrease in corporate bond yields will increase the value of the defined benefit obligation for accounting purposes, although this would be partially offset by an increase in the value of corporate bonds held as assets
- longevity risk: The majority of the obligations are to provide benefits for the life of the plan member so increases in life expectancy will result in an increase in the defined benefit obligation
- salary risk: The majority of the obligations are to provide benefits for plan member based on annual salaries during the last few years of employment. If salaries increase faster than has been assumed this will result in an increase in the defined benefit obligation

The principal assumptions used for the purpose of the actuarial valuations used in preparing the financial statements were as follows:

	Sweden		Others (weighted average)	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Discount rate	3.1%	4.0%	3.5%	4.1%
Expected rate of salary increases	2.5%	2.4%	2.3%	2.2%
Inflation rate	1.8%	1.7%	2.0%	2.1%

The discount rate is set separately for each country and is determined, in consultation with our local actuaries, by reference to market rates on high quality corporate bonds with a duration and currency that is consistent with the duration and currency of the defined benefit obligation.

This may involve interpolation of bond yield curves where there is no direct match for duration or the market is not deep for matching bond durations.

Other assumptions are based on market conditions in each country.

The amounts recognised in profit or loss in respect of defined benefit plans are as follows:

MEUR	Sweden		Others	
	2024	2023	2024	2023
Current service cost	1.2	0.9	1.2	1.4
Past service cost and (gain) or loss from settlements	-	-	-	-
Net interest cost	1.9	1.8	0.6	0.6
	<b>3.1</b>	<b>2.7</b>	<b>1.8</b>	<b>2.0</b>

The total costs above are shown under selling costs MEUR 0.3 (0.5), administrative costs MEUR 1.2 (0.9), cost of goods sold MEUR 0.9 (0.9) and finance costs MEUR 2.5 (2.4).

The amount included in the balance sheet arising from the Group's obligations in respect of its defined benefit plans is as follows:

MEUR	Sweden		Others	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Present value of funded defined benefit obligations	-	-	24.3	23.3
Fair value of plan assets	-	-	-23.7	-21.3
<b>Deficit</b>	<b>-</b>	<b>-</b>	<b>0.6</b>	<b>2.0</b>
Present value of unfunded defined benefit obligations	58.8	45.0	18.6	15.1
<b>Net liability arising from defined benefit obligations</b>	<b>58.8</b>	<b>45.0</b>	<b>19.2</b>	<b>17.1</b>

Movements in the present value of the defined benefit obligation in the period were as follows:

MEUR	2024	2023
Opening defined benefit obligation	83.4	83.5
Current service cost	2.4	2.3
Interest cost	3.4	3.2
Contributions from plan participants	0.0	0.0
Past service costs and settlements	-	-
Actuarial losses/(gains):		
- Arising from changes in demographic assumptions	-0.1	0.2
- Arising from changes in financial assumptions	15.3	-7.1
- Arising from experience differences	0.8	3.2
Liabilities assumed in a business combination	0.3	-
Benefits paid	-2.7	-1.6
Exchange differences	-1.1	-0.3
<b>Closing defined benefit obligation</b>	<b>101.7</b>	<b>83.4</b>

Movements in the present value of the plan assets in the period were as follows:

MEUR	2024	2023
Opening fair value of plan assets	21.3	21.7
Interest income	0.9	0.8
Return on plan assets, excluding interest income	1.7	-1.6
Contributions from plan sponsors	0.9	0.9
Contributions from plan participants	0.0	0.1
Settlements	-	-
Benefits paid	-1.3	-0.3
Exchange differences	0.2	-0.3
<b>Closing fair value of plan assets</b>	<b>23.7</b>	<b>21.3</b>

The major categories of plan assets, are as follows:

MEUR	12/31/2024	12/31/2023
Equity investments	4.4	3.2
Fixed income investments	1.3	1.2
Others investments, principally insurance contracts	18.0	16.9
<b>Closing fair value of plan assets</b>	<b>23.7</b>	<b>21.3</b>

In Belgium and Netherlands the liabilities are insured. No split of assets underlying the related insurance contracts is available for Belgium or Netherlands and all of the plan assets for those countries are included

against the 'other investments' caption. US plan assets are included against the relevant caption.

The actual return on plan assets was MEUR 2.6 (-0.8).

## Sensitivity analysis

The sensitivity analysis relating to the main actuarial assumptions used to assess the defined benefit obligation for the Group's most significant defined benefit plan (Sweden) is as follows:

	Change in DBO
<b>Discount rate</b>	
1% increase in the discount rate	-17%
1% decrease in the discount rate	23%
<b>Rate of salary increase</b>	
1% increase in the rate of salary increases	8%
1% decrease in the rate of salary increases	-6%
<b>Inflation rate</b>	
1% increase in the rate of inflation	16%
1% decrease in the rate of inflation	-13%
<b>Longevity</b>	
Plus or minus one year	+/- 3%

These sensitivities have been calculated individually while holding the other assumptions constant.

## Maturity of the defined benefit obligation and cash flows expected in 2025

At 31 December 2024 the average maturity of the defined benefit obligations under the Swedish plan is 20 years and the weighted average maturity of the defined benefit obligations under the Group's other plans is estimated at 15 years.

It is estimated that Group company contributions to funded defined benefit plans in 2025 will be MEUR 0.9 (1.1) and that benefit payments from unfunded plans in 2025 will be MEUR 1.8 (1.4).

## Direct pensions

Certain current and former employees of the Group have pension benefits in form of direct pensions where the Group pays premiums to capital insurances which are then used to settle the pension expense. Pension premiums to such capital insurances are expensed as the employee performs the services. Direct pensions are presented at net zero in the balance sheet since the capital insurance in full cover the liability for the pension. In case the special payroll tax is not covered by the capital insurance, the special payroll tax is accrued (refer to note 21). The capital insurances are pledged to cover the direct pension liability (refer to note 24).



## 20. Provisions

MEUR	Provision for legal cases		Other		Total	
	2024	2023	2024	2023	2024	2023
<b>Balance at the beginning of the year</b>	<b>0.9</b>	<b>0.9</b>	<b>0.7</b>	<b>2.6</b>	<b>1.6</b>	<b>3.5</b>
Provision made	-	-	0.1	-	0.1	-
Utilisation of provision	-	-	-0.1	-1.9	-0.1	-1.9
Reversals	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
Exchange rate differences	-	-	-	-	-	-
<b>Balance at the end of the year</b>	<b>0.9</b>	<b>0.9</b>	<b>0.7</b>	<b>0.7</b>	<b>1.6</b>	<b>1.6</b>
<b>Included in the balance sheet as:</b>						
Current	-	-	0.7	0.7	0.7	0.7
Non-current	0.9	0.9	-	-	0.9	0.9
<b>Total</b>	<b>0.9</b>	<b>0.9</b>	<b>0.7</b>	<b>0.7</b>	<b>1.6</b>	<b>1.6</b>

## 21. Trade and other payables

MEUR	12/31/2024	12/31/2023
<b>Trade accounts payable</b>	<b>118.8</b>	<b>97.9</b>
<b>Other financial payables</b>		
Accrued interest expense	23.1	18.6
Deferred consideration	0.5	0.5
Goods received not invoiced	9.3	8.6
Withholding personnel tax liabilities	6.4	6.2
Other liabilities	5.3	3.7
	<b>44.6</b>	<b>37.6</b>
<b>Financial trade and other payables</b>	<b>163.4</b>	<b>135.5</b>
<b>Other current liabilities</b>		
Personnel related liabilities	111.8	99.6
Accrued customer rebates	41.0	34.7
VAT	14.6	17.3
Other accrued expenses	57.7	48.9
	<b>225.1</b>	<b>200.5</b>
<b>Trade and other payables</b>	<b>388.5</b>	<b>336.0</b>

## 22. Financial assets and financial liabilities

The group holds the following financial instruments:

MEUR	Notes	12/31/2024	12/31/2023
<b>Financial assets</b>			
Financial assets at amortised cost:			
Trade and other receivables	14	387.4	328.1
Receivables, parent company	16	288.9	258.3
Short-term investments	15	200.0	150.0
Cash and cash equivalents	15	166.4	398.4
Other non-current assets		4.2	2.7
Financial assets at fair value through profit or loss (FVPL):			
Other non-current assets		23.2	1.4
Derivative financial instruments at FVPL	23	31.6	44.0
<b>Total financial assets</b>		<b>1,101.7</b>	<b>1,182.9</b>
<b>Financial liabilities</b>			
Financial liabilities at amortised cost:			
Bond notes	17, 23	2,062.4	2,040.1
Trade and other payables	21	162.9	135.6
Other interest-bearing liabilities	17, 23	19.0	-
Other non-current liabilities		5.8	1.7
Financial liabilities at FVPL:			
Other non-current liabilities		-	-
Trade and other payables	21	0.5	0.5
Derivative financial instruments at FVPL	23	-	-
<b>Total financial liabilities</b>		<b>2,250.6</b>	<b>2,177.9</b>

Fair value of outstanding bond notes amounts to MEUR 1,995.5 (1,898.4) as of 31 December 2024 considering changes in credit margins and interest rates in the market from drawdown until the balance sheet date.

For all financial instruments except bond notes fair value corresponds to book value as of 31 December 2024 and 31 December 2023.

The following section explains the judgements and estimates made in determining the fair values of the

financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table. There were no transfers between the levels for recurring fair value measurements during the year.

At 31 December 2024, MEUR	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Financial assets at fair value through profit or loss (FVPL):				
Listed equity securities	14.3	-	-	14.3
Unlisted financial instruments	-	-	8.9	8.9
Derivative financial instruments held for trading at FVPL	-	31.4	0.2	31.6
<b>Total financial assets</b>	<b>14.3</b>	<b>31.4</b>	<b>9.1</b>	<b>54.8</b>
<b>Financial liabilities</b>				
Financial liabilities at FVPL:				
Deferred consideration	-	-	0.5	0.5
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>0.5</b>	<b>0.5</b>
<b>At 31 December 2023, MEUR</b>				
<b>Financial assets</b>				
Financial assets at fair value through profit or loss (FVPL):				
Listed equity securities	0.1	-	-	0.1
Unlisted financial instruments	-	-	1.3	1.3
Derivative financial instruments held for trading at FVPL	-	44.0	-	44.0
<b>Total financial assets</b>	<b>0.1</b>	<b>44.0</b>	<b>1.3</b>	<b>45.4</b>
<b>Financial liabilities</b>				
Financial liabilities at FVPL:				
Deferred consideration	-	-	0.5	0.5
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>0.5</b>	<b>0.5</b>

**Level 1:**

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

**Level 2:**

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The fair value of the Group's foreign exchange contracts

is calculated as the present value of future cash flows based on the forward exchange rates at the balance sheet date. Other derivatives traded in recent arm's lengths transactions are valued at the transaction price. These instruments are included in level 2.

**Level 3:**

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for the Group's holding of unlisted financial instruments and deferred consideration liabilities related to business combinations. The following table presents the changes in level 3 items for the periods ended 31 December 2024 and 31 December 2023:

MEUR	Unlisted financial instruments/derivatives	Deferred consideration
<b>Opening balance 1 January 2023</b>	<b>0.3</b>	<b>0.8</b>
Payment	-	-0.3
Acquisition	1.0	-
Currency revaluation	-	0.0
<b>Closing balance 31 December 2023</b>	<b>1.3</b>	<b>0.5</b>
Payment	-	-
Acquisition	7.6	-
Revaluation gain/loss reported in other operating income and expenses	0.2	-
Currency revaluation	-	0.0
<b>Closing balance 31 December 2024</b>	<b>9.1</b>	<b>0.5</b>

The valuation of unlisted equity securities is based on the most recent share issue adjusted for significant development in the company and in the market including changes in currency rates. Deferred considerations are valued based on expected cash outflows originating from earn-out clauses in share purchase agreements.

The expected cash flows are determined based on the most recent prognosis of the basis for the earn-outs, discounted with a risk-adjusted discount rate.

## 23. Financial risk management

The Group is exposed to financial risks such as currency risk, interest rate risk, liquidity and refinancing risk as well as credit and counterparty risk. The financial policy of the Group, adopted by the Board, outlines the rules for management and mitigations of the financial risks that are generated by the Group's commercial activities. This includes written principles on the use of financial derivatives consistent with the Group's risk management strategy. The Group does not use derivative financial instruments for speculative purposes.

### Organisation and activities

The Group's treasury activities are centralised in order to capitalise on economies of scale, consolidate risk exposures and facilitate follow-up and control. Financial activities are managed from Group Treasury, a function within Mölnlycke Health Care AB, which acts as the Group's in-house bank. All financial transactions in the Group are managed and coordinated by the in-house bank that transacts with external counterparties in the foreign currency and interest rate markets.

The Group's executive forum for treasury matters is the Treasury Committee, which includes CFO, Group Treasurer and Treasury Manager. The Treasury Committee proposes changes to the Group's financial policy which is adopted annually by the Board. The Treasury Committee meets on a monthly basis to follow up treasury activities versus the financial policy. Any deviation to Finance Policy is reported to the Board by the CFO.

### Currency exposure and risk

Through its international activities, the Group is exposed to fluctuations in exchange rates. Exchange rate fluctuations could affect the Group's reported cash flow, income statement and balance sheet negatively. Currency exposure arises when translating the balance sheets and income statements for subsidiaries to the Group's reporting currency (translation exposure) and from transactions in currencies which are different from the reporting entities' functional currency (transaction

exposure). The currency impact on EBITDA is the main measure where the Group's management follows the currency exposure of the Group. EBITDA is defined as the earnings before interest, tax, depreciation, amortisation and impairment charges, excluding exceptional items.

### Currency exposure in EBITDA

Transaction exposure from commercial flows in foreign currency is generated from internal sales and purchases between manufacturing and sales companies with different functional currencies as well as external sales and purchases in foreign currency. A majority of the Group's internal transactions flows through Mölnlycke Health Care AB, a company with functional currency SEK. As a result, there is a transactional surplus in this entity of the currencies the Group has its largest sales in (EUR, USD, GBP, CHF etc.) and a transactional deficit of currencies the Group has expenses in, for example production facilities and head quarter functions (SEK, MYR, CZK, THB etc.). In general, an appreciation of the the currencies that the Group has its largest sales in and a depreciation of the currencies that the Group has expenses in has a positive impact on the Group's EBITDA.

Also the Group's translation exposure from the consolidation of EBITDA in foreign subsidiaries affects reported earnings. A large portion of the Group's EBITDA is generated in Mölnlycke Health Care AB with functional currency SEK. As a result, there is a large EUR/SEK translation exposure when consolidating this entity. This exposure is to a large extent offset by the SEK/EUR transaction exposure this entity generates since the major part of EBITDA is generated from transactions in EUR or other foreign currencies.

### Currency exposure in equity

Foreign currency translation exposure in equity arises when the balance sheets of foreign subsidiaries with other functional currencies are translated into EUR. The below table shows net effect on the Group's equity on the balance sheet day from a depreciation(-)/appreciation(+) of 10% of EUR against all other currencies. The calculation is based on the equity of each legal entity

in the Group split by functional currency and includes the effects from intra-group receivables and liabilities that in substance is part of the net investment in the foreign operation. In accordance with IAS 21, the exchange rate gains or losses on such receivables and liabilities are reported in Other comprehensive income.

MEUR	31 December 2024			31 December 2023		
	Balance sheet Shareholders' Equity	EUR -10% vs. other currencies	EUR +10% vs. other currencies	Balance sheet Shareholders' Equity	EUR -10% vs. other currencies	EUR +10% vs. other currencies
USD	191.8	19.2	-19.2	157.3	15.7	-15.7
SEK	44.1	4.4	-4.4	192.4	19.2	-19.2
EUR	1,199.0			1,281.8		
Other	424.2	42.4	-42.4	349.9	35.0	-35.0
<b>Total</b>	<b>1,859.1</b>	<b>66.0</b>	<b>-66.0</b>	<b>1,981.4</b>	<b>69.9</b>	<b>-69.9</b>

### Currency risk in financial instruments

Currency risk in financial instruments exists when monetary items in foreign currencies are valued in the functional currency of each entity. The Group has a EUR/USD cross currency swap of 500 MEUR with maturity in 2029 to match the share of net transactional inflow in USD with a corresponding share of USD debt exposure. Derivatives are valued at fair value through profit or loss and hedge accounting is not applied.

The tables below show the balance sheet exposure of financial instruments in foreign currency and the net effect on the Group's consolidated income statement and equity from a depreciation(-)/appreciation(+) of 10% of EUR against SEK and USD.

At 31 December 2024, MEUR			
Financial instruments in foreign currency	EUR	SEK	USD
Trade and other receivables	3.7	0.0	26.6
Short-term investments	200.0	-	-
Cash and cash equivalents	37.4	0.2	28.2
<b>Total</b>	<b>241.1</b>	<b>0.2</b>	<b>54.8</b>

Bond notes and derivative financial instruments	-0.0	-0.0	-505.1
Financial liabilities, trade and other payables	-12.8	-1.6	-17.1
<b>Total</b>	<b>-12.8</b>	<b>-1.6</b>	<b>-522.2</b>

Group internal receivables and payables	-110.6	65.2	-4.5
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Sensitivity	SEK	USD
A 10% appreciation of the currency against EUR impact on the consolidated income statement:	-6.4	-48.7
A 10% appreciation of the currency against EUR impact directly in equity:	-17.2	1.5

At 31 December 2023, MEUR			
Financial instruments in foreign currency	EUR	SEK	USD
Trade and other receivables	2.6	-	40.8
Short-term investments	150.0	-	-
Cash and cash equivalents	277.3	0.3	37.7
<b>Total</b>	<b>429.9</b>	<b>0.3</b>	<b>78.5</b>

Bond notes and derivative financial instruments	-	-	-498.0
Financial liabilities, trade and other payables	-9.0	-1.2	-9.0
<b>Total</b>	<b>-9.0</b>	<b>-1.2</b>	<b>-507.0</b>

Group internal receivables and payables	-173.7	71.8	13.3
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Sensitivity	SEK	USD
A 10% appreciation of the currency against EUR impact on the consolidated income statement:	-27.9	-42.9
A 10% appreciation of the currency against EUR impact directly in equity:	-15.2	1.4



## Refinancing and liquidity risk

Refinancing risk and liquidity risk are referred to as the risk of being unable to meet payment obligations as a result of insufficient liquidity or difficulties in obtaining adequate financing. To manage the refinancing risk the average duration of the gross interest-bearing debt shall, according to the Group's Finance Policy, exceed three years. As at 31 December 2024 the average duration was 5.3 years (4.0 years).

The liquidity reserve, according to the Group's Finance Policy, shall at all times exceed MEUR 200 (10% of annual sales) on a consolidated level, consisting of cash, short term investments, committed undrawn

overdraft facilities and other committed credit facilities excluding trapped cash (refer to note 15). The liquidity reserve amounted to MEUR 662.4 (864.6) as at 31 December 2024.

The Group's main source of financing is bond notes issued in the European capital markets. Since 2020 the Group has a European Medium Term Note (EMTN) programme, which is a loan framework intended for long-term financing. The Group's outstanding bond notes are outlined in the below table. All outstanding bond notes are denominated in EUR, have a fixed interest, are ranked senior and are unsecured.

MEUR	Maturity date	Original facility amount	12/31/2024 Outstanding facility amount	12/31/2023
Bond 2024	2/28/2024	500.0	-	247.8
Bond 2025	2/28/2025	500.0	272.6	500.0
Bond 2028	08/09/2028	400.0	400.0	400.0
Bond 2029	05/09/2029	500.0	500.0	500.0
Bond 2031	1/15/2031	400.0	400.0	400.0
Bond 2034	06/11/2034	500.0	500.0	-
<b>Total</b>			<b>2,072.6</b>	<b>2,047.8</b>

The Group renewed its revolving credit facility agreement in April 2023. It has a tenor of five years with two one-year extension options and is provided by a syndicate of seven Nordic and international banks. The facility amounts to MEUR 350 with an option to increase the facility with MEUR 100 to a total of MEUR 450 and a maturity in April 2029. It is ranked senior, is unsecured and can be drawn in several optional

currencies and would bear interest at IBOR plus a margin. The terms of the facility include loan market standard restrictions on the Group's ability to, among other things, create security over its assets, sell or otherwise dispose assets or incur subsidiary financial debt. The facility is not subject to any financial covenants. As of the balance sheet day the facility is undrawn.

The tables below analyse the Group's financial liabilities, lease liabilities and derivatives into relevant maturity groups based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows including interest.

At 31 December 2024, MEUR	0 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
Bond notes	-301.5	-21.4	-45.1	-1,018.4	-1,011.3	-2,397.6	-2,062.4
Other interest-bearing liabilities	-2.6	-5.1	-0.5	-12.2	-3.8	-24.2	-19.0
Financial trade and other payables	-118.8	-	-	-	-	-118.8	-118.8
Lease liabilities	-12.2	-12.2	-31.3	-23.6	-47.1	-126.4	-109.1
Gross settled – swaps							
outflow	-8.0	-18.8	-26.9	-565.4	-	-619.2	
inflow	-	21.4	21.4	547.1	-	589.9	31.4
<b>Total</b>	<b>-443.1</b>	<b>-36.1</b>	<b>-82.4</b>	<b>-1,072.5</b>	<b>-1,062.2</b>	<b>-2,696.3</b>	<b>-2,277.9</b>

At 31 December 2023, MEUR	0 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
Bond notes	-264.1	-21.4	-533.3	-471.6	-911.9	-2,202.3	-2,040.1
Financial trade and other payables	-97.8	-	-	-	-	-97.8	-97.8
Lease liabilities	-11.6	-11.6	-25.2	-10.3	-9.6	-68.3	-62.4
Gross settled – swaps							
outflow	-10.2	-20.4	-30.6	-86.7	-562.8	-710.7	
inflow	-	21.4	21.4	64.1	504.4	611.3	44.0
<b>Total</b>	<b>-383.7</b>	<b>-32.0</b>	<b>-567.7</b>	<b>-504.5</b>	<b>-979.9</b>	<b>-2,467.8</b>	<b>-2,156.3</b>

## Interest rate risk

Interest rate risk is the risk of a negative impact on the Group's income statement and cash flow due to changes in the market interest rates. To limit the effects of interest rate fluctuations, the average fixed interest term per currency, according to the Group's Finance Policy, shall be between 0.5 and 8 years.

The Group's main source of financing is bond notes issued as listed in the above section. All outstanding bond notes are denominated in EUR and have a fixed interest. The average duration of fixed interest as of 31 December 2024 was 5.3 years (4.0 years) and the average interest rate for 2024 was 2.42% (1.84%). Mölnlycke has two outstanding derivatives. One EUR/USD cross currency swap with maturity 2029 and one

EUR fixed to floating swap with maturity 2028. By year-end 2024 17% of Mölnlyckes outstanding debt including derivatives had floating interest rate. According to the Finance Policy the percentage of floating interest shall be 0–50%.

The Group has interest bearing financial assets and liabilities in the form of cash and cash equivalents and debt including derivatives. Based on the outstanding balances at year-end, a one percentage point increase of the interest rate would increase the Group's interest income for the next 12 months with MEUR 3.7 (5.5). A one percentage point increase of the interest rate would increase the Group's interest expenses (including impact from derivatives) with 4.0 (4.0).

Credit and counterpart risk

Credit and counterpart risk refers to the risk that a counterpart in a transaction will be unable to fulfil its obligations and that this will create a loss for the Group. The Group is exposed to credit risks primarily through its balance of cash and cash equivalents, derivative instruments and through outstanding trade accounts receivable.

In order to manage credit risks, the Group's Finance Policy states that financial transactions may only be

conducted with approved counterparties having high credit worthiness. Counterparties shall have a rating equivalent to A- by Standard & Poor's, A2 by Moody's Investors Service, or better. The Finance Policy also puts limits for amounts at risk per counterparty which are monitored daily. The following table shows the credit risk exposure in cash and cash equivalents and short-term investment by Standard & Poor's rating category as of the balance sheet day.

MEUR	12/31/2024	12/31/2023
AAA	10.3	3.3
AA	26.0	76.3
A	326.5	464.4
Lower than A	3.5	4.5
	366.3	548.5

When trading with derivative instruments, the Group has entered into ISDA (International Swap and Derivative Association) netting agreements with its counterparties in order to further limit the counterparty exposure. ISDA agreements contain enforceable master netting arrangements which allow assets and liabilities arising on separate derivative financial instruments to be set off and settled net in certain circumstances. No derivative balances have been set off in the balance sheet. If existing ISDA agreements would have been used as a basis to set off derivative assets and derivative liabilities,

reported net derivative assets in the balance sheet would have amounted to MEUR 31.6 (44.0).  
The commercial credit risk is limited since the main part of the Group's sales is directed towards public hospitals/institutions. Regarding sales to private hospitals/institutions, no individual customer is considered to represent a significant part of the Group's sales. The maximum exposure regarding commercial credit risk equals the book value of the trade account receivable. Please refer to note 14 for the aging of trade receivables including a specification of reported allowance.

24. Pledged assets, contingent liabilities and commitments

Pledged assets

The Group has outstanding capital insurances pledged to cover direct pension liabilities to current and past employees. The value of such capital insurances corresponds to the payment to be made to each individual (with the exception of special payroll tax in some cases). The total value of such pledged capital insurances is MEUR 12.7 (12.2).

The Group has no other assets pledged as of 31 December 2024 (2023: Nil).

Contingent liabilities

The Group is involved in various legal proceedings which individually are of non-material magnitude. At 31 December 2024 the Group assesses outstanding legal proceedings to represent a contingent liability of MEUR 3.5 (2023: MEUR 25.6). The decrease since last year relates to increased clarity in certain legal cases as well as cases closed.

In one of the Group's retirement benefit plans the Group has a mutual funding responsibility representing a contingent liability of MEUR 0.8 as of 31 December 2024 (2023: 0.6).

Commitments

Commitments for the acquisition of property, plant and equipment not recognised as liabilities amount to MEUR 11.6 as of 31 December 2024 (2023: 7.2).

## 25. Related party transactions

The Company's immediate parent company is Mölnlycke AB. Mölnlycke AB is to 98.9 % owned by Rotca AB (a company controlled by Investor AB, the Company's ultimate parent company) and 1.1% by entities facilitating management's ownership. The Company has been a subsidiary of Investor AB since 1 December 2010. Investor AB is listed on Nasdaq OMX Stockholm

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Non-trading transactions with the parent company Mölnlycke AB are disclosed in note 16.

### Trading transactions

During the year, Group entities entered into the following transactions with related parties that are not members of the Group:

MEUR	Sales of goods and services		Operating expenses and finance net	
	2024	2023	2024	2023
Parent company	-	-	13.1	10.2
Other subsidiaries of Investor AB	-	-	-	-
Associates of the Group and Investor AB	1.3	0.6	-3.4	-1.2

The following balances were outstanding at the end of the reporting period:

MEUR	Receivables from related parties		Liabilities to related parties	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Parent company	288.9	258.3	-	-
Other subsidiaries of Investor AB	-	-	-	-
Associates of the Group and Investor AB	27.1	73.1	32.3	-

SEB is an associated company of Investor AB and is one of nine relationship banks participating in the financing of Mölnlycke Holding AB (publ) Group. See note 23 for further information about the Group's financing. Receivables from associates relates to a cash balance with SEB.

The lessor of the Swedish headquarters at GoCo, Steptura AB, is an associated company in the Investor AB Group. Liabilities to related parties represents the lease liability to Steptura AB, calculated in accordance with IFRS 16. Please see note 16 for an explanation to the change in receivables/liabilities from parent company compared to prior year.

### Other transactions

There have been no material transactions with related parties other than those disclosed elsewhere in these financial statements.

Compensation of key management personnel, MEUR	2024	2023
Short-term benefits	7.5	5.5
Post-employment benefits	1.0	0.8
<b>Total</b>	<b>8.5</b>	<b>6.3</b>

Key management personnel comprise the members of the Group's Executive Leadership Team.

## 26. Events after the balance sheet date

No significant events have occurred after the balance sheet date.

# Definitions

**Cash conversion, %**

Operating cash flow in relation to EBITDA.

**EBITDA**

Earnings before interest, tax, depreciation, amortisation and impairment charges, excluding exceptional items.

**EBITDA margin, %**

EBITDA in relation to revenue.

**Equity/Assets ratio, %**

Shareholders' equity in relation to total assets.

**Interest-coverage ratio**

EBITDA in relation to net interest expenses.

**Net debt/EBITDA ratio**

Net interest-bearing debt in relation to EBITDA.

**Net debt/Equity ratio**

Net interest-bearing debt in relation to equity.

**Net interest-bearing debt**

Interest-bearing liabilities including lease liabilities and fair value derivatives less cash, cash equivalents and short-term investments (receivables, parent company is excluded from the calculation of net interest-bearing debt).

**Net interest expenses**

Interest expenses less interest income.

**Operating cash flow**

EBITDA adjusted for changes in working capital and capital expenditures in PPE and Intangible Assets.

**Operating margin, %**

Operating profit in relation to revenue.

**Organic sales growth, %**

Net sales compared to prior year adjusted for changes in currency rates and acquired or divested businesses.

**Working capital**

Net balance of Inventory, Trade and other receivables and Trade and other payables excluding Accrued interest expenses and deferred considerations.



# Signatures

Gothenburg, 27 March 2025

Karl-Henrik Sundström	Zlatko Rihter	Christian Cederholm	Sharon James	Johan Malmquist	Leslie McDonnell
Chairman of the Board	CEO and Board member	Board member	Board member	Board member	Board member

David Perez	Kristina Willgård	Aashima Gupta	Lars Axelsson	Niclas Flach
Board member	Board member	Board member	Employee representative	Employee representative

Our audit report was submitted on 27 March 2025.

Deloitte AB

Hans Warén  
Authorized Public Accountant

# Independent auditor's report

To the Board of Directors of Mölnlycke Holding AB,  
Corporate identity number 556693-6729

## Opinion

We have audited the non-statutory consolidated financial statements of Mölnlycke Holding AB (the Company), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. The annual accounts of the Company are included on [pages 62-97](#) in this document.

In our opinion, the accompanying non-statutory consolidated financial statements present a true and fair view, in all material respects, of the financial position of the Company as at December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Sweden and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the consolidated financial statements and that they give a fair presentation in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation

of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Gothenburg, 27 March 2025  
Deloitte AB

Hans Warén  
Authorized Public Accountant

# Five-year overview

EUR million (unless otherwise stated)	2024	2023	2022	2021	2020
<b>Income statement</b>					
Revenue <sup>27</sup>	2,064.2	1,923.5	1,827.7	1,685.6	1,792.7
EBITDA <sup>28</sup>	591.2	545.1	476.3	485.6	536.3
Depreciation, amortisation and impairment charges	-84.4	-81.7	-84.5	-83.5	-81.3
Operating profit	507.0	463.4	391.8	402.1	455.0
Net interest expenses	-27.8	-16.1	-34.0	-30.9	-29.1
Profit before tax	476.8	487.4	359.5	364.7	431.5
Profit for the year	375.3	393.5	279.3	285.3	338.0
FFO (Funds from operations)	460.7	430.5	367.7	382.0	389.9
<b>Balance sheet</b>					
Goodwill and other intangible assets	2,691.3	2,703.2	2,724.8	2,763.2	2,789.0
Other non-current assets	546.4	440.0	387.0	365.1	349.5
Current assets excluding cash	1,070.7	949.8	810.0	637.2	785.6
Cash, cash equivalents and Short term investments	366.4	548.4	343.3	541.0	597.0
<b>Total assets</b>	<b>4,674.8</b>	<b>4,641.4</b>	<b>4,265.1</b>	<b>4,306.5</b>	<b>4,521.1</b>
Equity	1,859.1	1,981.4	1,735.2	1,536.1	1,794.0
Interest-bearing liabilities, incl. lease liabilities	2,190.5	2,102.5	1,959.9	2,086.5	2,089.2
Other liabilities	625.2	557.5	570.0	683.9	637.9
<b>Total equity and liabilities</b>	<b>4,674.8</b>	<b>4,641.4</b>	<b>4,265.1</b>	<b>4,306.5</b>	<b>4,521.1</b>
Working capital	405.9	343.9	327.5	240.2	193.4
Net interest-bearing debt	1,792.5	1,510.1	1,620.4	1,545.5	1,492.2

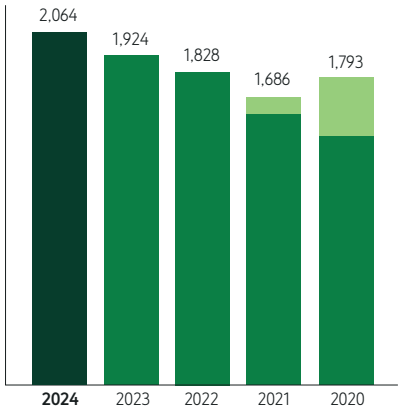
EUR million (unless otherwise stated)	2024	2023	2022	2021	2020
<b>Cash flow</b>					
EBITDA <sup>28</sup>	591.2	545.1	476.3	485.6	536.3
Non-cash items in EBITDA	-1.7	0.7	-6.8	-3.3	-1.8
Change in working capital	-59.2	-21.0	-85.6	-34.0	-8.4
Capital expenditures – PPE and Intangible Assets	-60.8	-44.2	-69.9	-48.7	-38.1
<b>Operating cash flow</b>	<b>469.5</b>	<b>480.6</b>	<b>314.0</b>	<b>399.6</b>	<b>488.0</b>
Acquisitions and divestments of subsidiaries	-11.4	-0.3	-0.6	-0.3	-11.3
Paid taxes	-100.2	-71.9	-72.4	-116.7	-100.9
Distributions to the owners of the Group	-500.0	-300.0	-300.0	-250.0	-350.0
Other movements in Net debt, net	-140.2	1.9	-15.9	-85.9	-47.1
<b>Increase (-)/decrease (+) in Net debt</b>	<b>-282.4</b>	<b>110.3</b>	<b>-74.9</b>	<b>-53.3</b>	<b>-21.3</b>
<b>Financial indicators</b>					
Organic sales growth <sup>27</sup>	7%	8%	8%	-6%	18%
Operating margin	25%	24%	21%	24%	25%
EBITDA margin	29%	28%	26%	29%	30%
Net debt/EBITDA ratio	3.0	2.8	3.4	3.2	2.8
Cash conversion	79%	88%	66%	82%	91%
Net debt/Equity ratio	0.96	0.76	0.93	1.01	0.83
Equity/Assets ratio	40%	43%	41%	36%	40%
<b>Personnel</b>					
Number of employees, FTE (full time equivalent) <sup>29</sup>	8,617	8,427	8,775	8,315	7,910

27. Revenue for 2021 & 2020 was positively impacted by one-off orders for staff clothing and protection. Excluding these one-off orders revenue amounted to EUR 1,618 million and the organic sales growth was 4% in 2021 and EUR 1,562 respectively 2% in 2020.

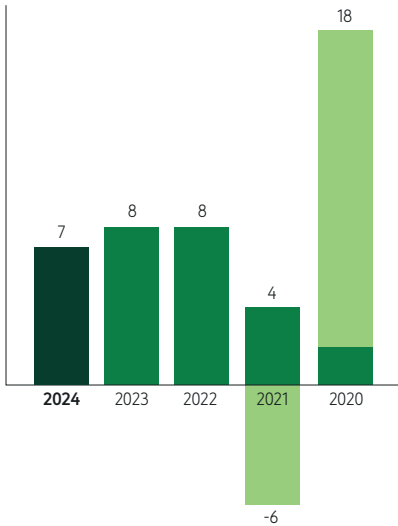
28. EBITDA is positively impacted from the adoption of IFRS16 by approximately EUR 20 million per year since 2019.

29. FTE for Mölnlycke wholly-owned companies amounts to 8,530 as per end of 2024.

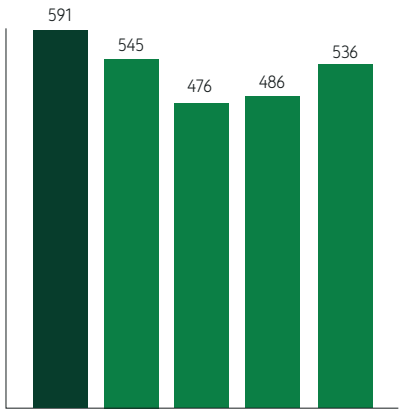
Revenue<sup>27</sup>  
EUR million



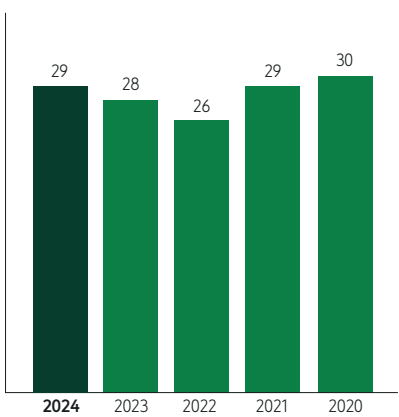
Organic sales growth<sup>27</sup>  
Constant currency, %



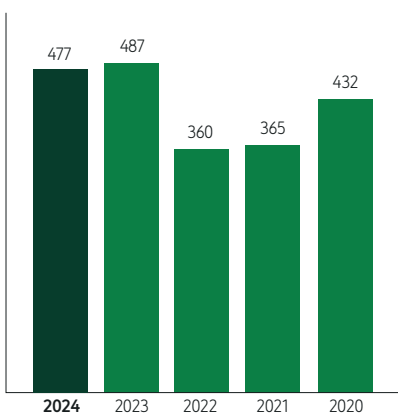
EBITDA  
EUR million



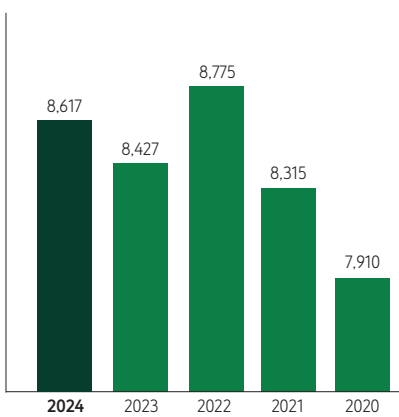
EBITDA margin  
%



Profit before tax  
EUR million



Number of employees  
Full-time equivalent



Impact from the one-off  
orders for PPE sale



# Sustainability report

This section outlines Mölnlycke’s vision and strategic roadmap for creating shared value for all stakeholders.

It provides a detailed overview of Mölnlycke's sustainability performance, including progress on environmental, social, and governance aspects, and is partially aligned with the Corporate Sustainability Reporting Directive (CSRD). Mölnlycke is actively preparing for the implementation of CSRD and European Sustainability Reporting Standards (ESRS), which may result in some omissions.

The section also highlights how Mölnlycke identifies, evaluates, and manages sustainability-related impacts, risks and opportunities across the value chain.

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# General information

At Mölnlycke, sustainability is embedded in the company's business strategy as a key driver of long-term success. The company's approach to risk management and internal controls ensures the accuracy, reliability, and integrity of sustainability reporting, reflecting Mölnlycke's commitment to transparency and alignment with regulatory requirements. This report has been prepared to align with the format and requirements of the upcoming CSRD; however, it's not yet fully compliant.

## Sustainability governance

The Sustainability Committee, composed of senior leaders from key functions and Business Areas, serves as Mölnlycke's decision-making forum for "WeCare" the company's sustainability roadmap. This committee drives a unified, strategic approach to achieving Mölnlycke's sustainability goals while fostering cross-functional collaboration, knowledge exchange, and up-to-date sustainability expertise.

The Committee meets monthly to review ongoing sustainability initiatives, and on a quarterly basis, it evaluates progress against established KPIs. Any deviations are addressed, and resources are reallocated as needed to stay aligned with the company's goals. In-depth sustainability performance reviews occur twice a year and are presented to the Executive Leadership Team (ELT) during Sustainability Quarterly Business Reviews and to the Board of Directors. These reviews encompass key achievements, challenges, and emerging risks or opportunities.

To drive sustainability forward, Mölnlycke has established various dedicated working groups, including:

- **Net Zero Forum:** a cross-functional forum focused on reducing Mölnlycke's Scope 1, 2, and 3 GHG emissions and aligning efforts to achieve Net Zero by 2050. This forum plays a critical role in Mölnlycke's commitment to the Science Based Targets initiative (SBTi) and global climate goals

- **DE&I Council:** a forum consisting of ELT members and senior management, which shapes and oversees Mölnlycke's diversity, equity, and inclusion agenda, ensuring that progress is monitored and achieved
- **Human Rights Committee:** this committee strengthens Mölnlycke's internal focus on human and labour rights, ensuring accountability at the highest levels, with several ELT members actively involved
- **Sustainability Local Leads Network:** a network dedicated to advancing local sustainability activities across various markets

## Control environment for sustainability reporting

The Mölnlycke Board of Directors has overall responsibility for overseeing the internal control environment, including the approval of annual plans and ensuring an effective reporting process. Implementation and operational oversight are delegated to the CEO and ELT, with the Audit Committee responsible for evaluating the effectiveness of internal controls.

Mölnlycke's Sustainability Policy and detailed reporting procedures, at both corporate and site levels, establish clear responsibilities, mandates, and processes for reporting and analysing sustainability data. The policy and reporting procedures also outline how validation is conducted for the majority of the disclosures to ensure high-quality reporting.

Key control documents are accessible to all employees in the company's document management system, with regular updates to reflect regulatory changes and organisational needs.

During 2024, processes were initiated to align with CSRD requirements, ensuring robust controls for data collection, validation, and reporting. This approach underscores Mölnlycke's commitment to providing stakeholders with accurate and reliable information.

## Risk assessment

Risk assessments form a critical component of Mölnlycke's operations, enabling the proactive identification, evaluation and management of sustainability-related risks and opportunities. A structured approach ensures the quality and reliability of data underpinning these assessments, aligning with regulatory and stakeholder expectations.

Sustainability-related risks are first identified by the Mölnlycke's dedicated sustainability working groups. These risks are then rigorously evaluated, prioritised by the Sustainability Committee, and reviewed by the ELT during the Sustainability Quarterly Business Review. This process includes a specific focus on risks related to data accuracy, ensuring robust validation mechanisms are in place and mitigation plans are developed for any identified issues.

Findings from these assessments are systematically presented to the Board of Directors, providing a robust foundation for informed and strategic decision-making. This ensures that data accuracy risks are managed proactively and that reporting processes are continuously improved to align with evolving regulatory and stakeholder expectations.

The primary sustainability-related risks, along with corresponding targets, mitigation strategies, and progress updates, are comprehensively detailed in the relevant sections of the Sustainability report.

## Control activities

To ensure the credibility and compliance of sustainability reporting with CSRD requirements, Mölnlycke has implemented a robust control framework. This framework includes key control activities such as:

- **data validation and verification:** internal data validation processes, supported by automated systems that flag inconsistencies and ensure accuracy. Independent verification with external parties, such as third-party auditors, strengthens credibility and ensures compliance with regulatory and stakeholder expectations
- **approval process with defined accountability:** an approval process under the “four-eye principle” ensures that all data is reviewed and verified by multiple stakeholders, creating accountability at both operational and executive levels. This process mitigates risks of oversight or errors in reporting
- **integrated digital reporting tools:** digital platforms are used to collect, validate, and consolidate data from Business Areas, Corporate Functions and external partners in real-time, reducing the risk of manual errors and enhancing efficiency. These tools also align sustainability data with financial metrics, ensuring consistency across reporting frameworks
- **standardised reporting protocols across the entire organisation:** uniform reporting guidelines are applied across all Business Areas and Corporate Functions to ensure consistency in data collection and validation. This includes the use of CSRD-compliant templates and key performance indicators (KPIs) that are aligned with global standards such as GRI and ESRS standards
- **frequent data analysis and review:** regular analysis of sustainability data is conducted at both Business Areas' and Corporate Functions' levels, as well as once consolidated at Mölnlycke level. Benchmarking against industry standards and peer performance ensures Mölnlycke remains competitive and continuously improves reporting quality

In addition, Mölnlycke has established a continuous feedback loop where insights from internal and external audits are used to refine control processes and improve the overall framework. This iterative approach enables the company to stay ahead of evolving regulatory requirements and stakeholder expectations.

### Information and communication

Mölnlycke's Sustainability Policy and related global social and environmental reporting procedures ensure that internal and external reporting processes are efficient, secure, and aligned with the company's sustainability principles and latest legislation requirements. Each year, training sessions are conducted to educate employees and leadership teams on reporting standards and best practices. Together with Finance, the Corporate Sustainability function facilitates communication across the organisation to ensure uniform application of reporting guidelines. In this way, a consistent application of reporting guidelines is achieved, supporting the alignment of sustainability and financial reporting processes, and strengthens the overall integrity of sustainability data.

### Monitoring

The Board of Directors and ELT regularly review the effectiveness of internal controls related to sustainability reporting and play a key role in monitoring progress, reviewing findings, and addressing potential risks in the reporting process.

Internal audits, led by the Sustainability function, assess compliance and identify areas for improvement, with findings reported back to the ELT and the Board of Directors. These measures ensure continuous improvement in Mölnlycke's sustainability reporting framework.

### Entities with non-controlling interests

Mölnlycke's joint venture in Saudi Arabia (TMC) operates under a framework designed to ensure compliance with Mölnlycke's internal control structures for sustainability reporting. The TMC Board of Directors are responsible for monitoring the efficiency and accuracy of their reporting processes. Findings from TMC reviews are reported to the Mölnlycke ELT, providing a comprehensive understanding of risks and opportunities across the organisation.

## Stakeholder engagement and materiality

### Approach to stakeholder management

Mölnlycke integrates stakeholder engagement as a fundamental component of its due diligence and materiality assessment processes. Insights from key stakeholder groups including employees, customers, owners, suppliers, industry organisations, and local communities inform strategic decision-making, ensuring alignment with regulatory requirements, industry best practices, and sustainability objectives.

The company's materiality assessment identifies and prioritises key environmental, social, and governance (ESG) issues, reinforcing the connection between stakeholder expectations and Mölnlycke's business strategy.

## Stakeholder groups and key engagement insights

The table to the right contains a non-exhaustive list of examples of stakeholder engagements taking place over the past year, and the main ESG-related topics and concerns raised by different stakeholder groups.

Stakeholder group	Examples of engagements	Main topics and concerns raised
Employees	<ul style="list-style-type: none"> <li>- Employee surveys</li> <li>- Employee resource groups</li> <li>- Dialogues with union representatives</li> <li>- Training and awareness initiatives</li> </ul>	<ul style="list-style-type: none"> <li>- Workplace health &amp; safety, wellbeing, and hybrid work models</li> <li>- Diversity, equity &amp; inclusion (DE&amp;I)</li> <li>- Learning and development</li> <li>- Business ethics and anti-corruption</li> <li>- Employee rights, fair wages, and working conditions</li> </ul>
Customers	<ul style="list-style-type: none"> <li>- Individual customer meetings and dialogues</li> <li>- Customer ESG assessments</li> <li>- Joint research and development</li> </ul>	<ul style="list-style-type: none"> <li>- Greenhouse gas (GHG) emissions and decarbonisation</li> <li>- Circularity (single-patient, multi-patient)</li> <li>- Product safety and quality</li> <li>- Digitalisation in MedTech</li> <li>- Supply chain management and transparency, including ethical labour practices</li> <li>- Cost efficiency</li> </ul>
Owners	<ul style="list-style-type: none"> <li>- Board, Audit Committee and Remuneration Committee regular meetings throughout the year</li> <li>- Sustainability half-yearly review meetings</li> </ul>	<ul style="list-style-type: none"> <li>- Strategies, objectives, policies and plans</li> <li>- Financial and sustainability performance</li> <li>- Risk management</li> <li>- ESG ratings</li> <li>- Science-Based Targets initiative (SBTi) commitments</li> <li>- Sustainable product innovation</li> <li>- Workplace health &amp; safety</li> <li>- Corporate governance and ethical business conduct</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>- Responsible sourcing programmes</li> <li>- Supplier sustainability assessments and audits</li> <li>- Supplier training, seminars, and workshops</li> </ul>	<ul style="list-style-type: none"> <li>- Climate change impact reduction and energy efficiency</li> <li>- Bio-based/recycled materials</li> <li>- Business ethics and anti-corruption</li> <li>- Labor rights, fair wages, and working conditions</li> <li>- Responsible sourcing standards (e.g., SEDEX membership)</li> <li>- Product traceability, and due diligence</li> </ul>
Regulators and international institutions	<ul style="list-style-type: none"> <li>- Policy advocacy on a continuous basis via MedTech Europe or directly during public consultations</li> <li>- Compliance with evolving regulations at EU or local site level, relating to country legislation, on a continuous basis</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with CSRD, CS3D, EUDR, and packaging/waste regulations</li> <li>- Sustainable healthcare policies</li> <li>- Transparency in reporting and supply chain due diligence</li> </ul>
Academia and business	<ul style="list-style-type: none"> <li>- Joint research and funding initiatives</li> <li>- Development of sustainable healthcare solutions</li> <li>- Standardisation and best practice collaborations</li> </ul>	<ul style="list-style-type: none"> <li>- Environmental impact of medical supply chains</li> <li>- Digitalisation and innovation in MedTech</li> <li>- Circular economy and material efficiency</li> <li>- Enablement of sustainability in healthcare operations</li> </ul>

Stakeholder group	Examples of engagements	Main topics and concerns raised
Local communities	<div><div>- Healthcare accessibility programmes</div><div>- Infection prevention training</div><div>- Sustainability partnerships</div></div>	<div><div>- Access to essential medical supplies</div><div>- Education and healthcare training</div><div>- Reducing medical waste and improving local healthcare sustainability</div><div>- Social impact and community resilience</div></div>
Civil society, NGOs, and other organisations	<div><div>- Participation in global sustainability initiatives</div><div>- Partnerships with non-profits and advocacy groups</div></div>	<div><div>- Collective climate action</div><div>- Protection of human rights and labour conditions</div><div>- Digital inclusion and education</div><div>- Addressing healthcare inequities in vulnerable regions</div></div>

Strategic adaptation and enhancements

Mölnlycke continuously refined its "WeCare" sustainability roadmap, ensuring alignment with stakeholder expectations while creating positive impact across climate action, resource efficiency, and health equity.

- decarbonisation and circular solutions** – Mölnlycke remained committed to achieving Net Zero emissions by 2050, supported by SBTi-validated near-term targets. In 2024, all established manufacturing sites transitioned to 100% renewable electricity, marking a significant milestone in reducing operational emissions. To further minimise environmental impact and support customers in their decarbonisation efforts, Mölnlycke introduced bio-based BARRIER® surgical drapes, lowering downstream GHG emissions. Additionally, the company piloted a closed-loop system for medical supplies, converting used OR materials into new medical-grade polymers through advanced chemical recycling
- innovation and partnerships** – Mölnlycke collaborated with Medi Wound Ltd. and other partners to enhance sustainable wound care solutions

- sustainable supply chain** – The company encouraged strategic suppliers to adopt and submit SBTi-aligned GHG reduction targets, conducted supplier sustainability assessments, and advanced responsible sourcing based on standardised Life Cycle Assessment (LCA) studies
- employee wellbeing and inclusion** – Mölnlycke strengthened DE&I through Employee Resource Groups (ERGs), enhanced workplace safety initiatives, and incorporated employee feedback into corporate strategy
- product sustainability and transparency** – Mölnlycke prioritised LCAs in product development, ensuring traceability of materials, sustainable innovation, transparency in sourcing, environmental performance and human rights. In 2024, Mölnlycke conducted a pilot impact assessment to better understand its human rights impacts and plans to implement further due diligence measures in 2025. Employees also receive ongoing human rights awareness training, including a dedicated e-learning module

Materiality assessment

In 2024, Mölnlycke conducted a double materiality assessment to enhance its understanding of material sustainability-related impacts, risks, and opportunities, in alignment with CSRD requirements for identifying and evaluating ESG-related factors.

In preparation for the double materiality assessment, a cross-functional team – including Sustainability, Finance, People, IT, Compliance, and Procurement – identified sustainability topics for inclusion based on CSRD standards, sector-specific guidelines, and input from subject matter experts.

The scope of the assessment included all operations of Mölnlycke, including subsidiaries and joint ventures, as well as its upstream and downstream value chain, and was global in geographic scope.



The assessment was conducted through the following key phases:	
A. Definition of the scope, covering environmental, social, and governance (ESG) topics relevant to Mölnlycke	The ESG topics assessed were based on matters found in internationally recognised ESG reporting frameworks, including the ESRS standards, GHG Protocol, SBTi, UN Guiding Principles, and OECD Guidelines. This was conducted through a desktop analysis, which was further supplemented by benchmarking against the ESG disclosures and commitments of industry peers and customers.
B. Preliminary assessment of impacts, risks, and opportunities	After scoping out topics with no apparent relevance to Mölnlycke's value chains, remaining topics were analysed in more detail to identify actual and potential negative and positive impacts, as well as actual and potential risks and opportunities. To enhance Mölnlycke's understanding of the significance of these impacts, this process was supported by input from a wide range of internal and external stakeholders, including customers, suppliers, employees, leadership, Board representatives, distributors, regulators, and non-governmental organisations. To systematically capture and record feedback from this diverse group, various engagement methods were employed, such as surveys, interviews, and focus groups. Significance for each impact was defined using a quantitative scale, including scope, irremediability and likelihood. The threshold for materiality was also set using a quantitative scale. Negative impacts were assessed based on their severity, considering scale, scope, and irremediable nature. Positive impacts were evaluated based on their scale and scope. For potential impacts, the likelihood of occurrence was also taken into account. When assessing downstream impacts in the value chain – specifically in relation to customers and end-users – only impacts directly connected to Mölnlycke's portfolio were included. Impacts occurring within customers' operations or value chains, but with minimal or no connection to Mölnlycke's products, solutions, or technology, were considered irrelevant for this assessment. Sustainability topics, including those within ESRS, were identified where they could influence the company's financial position performance or value creation over the short, medium and long term. Risks and opportunities were considered, and potential future risks and opportunities were modelled under different scenarios including climate change and regulatory shifts. Data including revenues, costs and asset liability values were gathered and used to rank topics based on the magnitude of financial impact and likelihood, using the enterprise risk management rating scale methodology.
C. Validation with key internal stakeholders and subject matter experts across the organisation	The preliminary results were reviewed with internal subject matter experts and business representatives to both validate the assessment of materiality, as well as to embed understanding of impacts, risks and opportunities across Mölnlycke. Impact and financial materiality findings were then consolidated into a single matrix.
D. Final review and approval by Mölnlycke's Executive Team and the Board of Directors	The consolidated results were reviewed by the Sustainability Committee and then approved by the Executive Leadership Team and finally by the Board of Directors.

The validated double materiality assessment will inform Mölnlycke's sustainability disclosures in compliance with CSRD. While the assessment scope covered both risks and opportunities, further analysis is required to integrate these into Mölnlycke's broader business processes. This will ensure consistent alignment with other risk factors and enable a more comprehensive

evaluation of potential financial implications moving forward. Any internal and external audit findings or operational changes will serve as valuable input for an ongoing review and improvement of the double materiality process, incorporating stakeholder feedback, emerging best practices, and updates to the CSRD framework.

Detailed descriptions of identified impacts, risks, and opportunities, along with Mölnlycke's policies and actions to address them, can be found in the topic-specific sections of the Sustainability report.

The results of the materiality assessment are presented below.

Material impacts, risk and opportunities						
	Sustainability matters	Impact			Potential risk and opportunities	Details in section
		Upstream	Own operations	Downstream		
Environment	Climate change adaptation	•	•	•	•	Climate change and energy
	Climate change mitigation	•	•	•	•	Climate change and energy
	Energy	•	•	•	•	Climate change and energy
	Substances of concern	•	•	•	•	Pollution prevention
	Substances of very high concern	•	•	•		Pollution prevention
	Water	•	•		•	Circularity and resource efficiency
	Resource inflows	•	•		•	Circularity and resource efficiency
	Resource outflows		•	•	•	Circularity and resource efficiency
	Waste	•	•	•	•	Circularity and resource efficiency
Social	Working conditions (own workforce)		•		•	Own workforce
	Equal treatment and opportunities (own workforce)		•		•	Own workforce
	Working conditions (value chain)	•			•	Management of relationships with suppliers
	Equal treatment and opportunities (value chain)	•			•	Management of relationships with suppliers
	Information-related impacts for consumers / end-users			•		Healthcare compliance
	Personal safety of consumers / end-users			•		Healthcare compliance
	Social inclusion of consumers / end-users			•		Healthcare compliance
Governance	Corporate culture	•	•	•	•	Business ethics and culture of integrity
	Protection of whistleblowers	•	•	•		Business ethics and culture of integrity
	Management of relationships with suppliers	•	•	•	•	Management of relationships with suppliers
	Corruption and bribery	•	•	•	•	Business ethics and culture of integrity
Other company specific topics	Sustainable solutions	•	•	•	•	Sustainable portfolios

# Environment

## Climate change and energy

### Impact, risks and opportunities

Mölnlycke has identified material impacts related to climate change across its value chain, including upstream activities, downstream impacts, and its own operations. The healthcare sector is a significant contributor to global GHG emissions, accounting for approximately 4% to 5% of global emissions.<sup>30</sup>

This substantial footprint arises from various activities, including energy consumption, waste management, and the production and transportation of medical supplies and equipment.

The majority of Mölnlycke's GHG emissions occur upstream, particularly from the production and processing of raw materials, manufacturing activities, and transportation. Downstream emissions, including the disposal and end-of-life treatment of products, represent a smaller share but remain significant, especially as healthcare facilities work to improve waste management practices.

As renewable energy adoption increases in Mölnlycke's own operations and within healthcare facilities, upstream emissions related to materials and production are expected to constitute a larger proportion of the total footprint going forward. Emissions from Mölnlycke's direct operations (Scope 1 and 2), while representing a smaller share of the total GHG emissions, are still considered material, as reducing emissions across all parts of the value chain is essential to achieving Net Zero targets and aligning with global climate commitments.

Mölnlycke recognises that climate change presents both significant risks and transformative opportunities. By adapting and innovating, the company can mitigate risks while capitalising on opportunities to lead the decarbonisation of the healthcare sector.

### Potential scenarios analysed

As part of its overall climate strategy and its commitment to align to the reporting recommendations of the Task Force on

Climate-Related Financial Disclosures (TCFD), the assessment of Mölnlycke's climate-related risks and opportunities is based on two key scenarios, focusing on the potential impacts across the value chain and over different time horizons. For this analysis, Mölnlycke defines short-, medium-, and long-term time horizons as up to 2026, 2026–2030, and beyond 2030, respectively. While quantitative assessments primarily focus on the 2025–2030 period, the longer-term impacts of risks and opportunities extending beyond 2030 are assessed qualitatively. Under the "current policies" scenario, the physical risks associated with climate change are expected to intensify after 2030, posing greater challenges to Mölnlycke's operations and supply chain resilience.

#### 1. Net Zero 2050 scenario

- **ambitious mitigating actions:** immediate and comprehensive global actions are introduced to achieve Net-Zero Greenhouse Gas (GHG) emissions by 2050
- **temperature outcome:** a 50% chance of limiting global warming to below 1.5 °C by the end of the century
- **impact profile:** this scenario is characterised by relatively low physical risks but significant transitional risks. These include escalating regulatory requirements and compliance costs, as companies must align with evolving climate regulations, emission reduction targets, and sustainability reporting standards. In line with the Net Zero 2050 scenario, the anticipated rise in carbon pricing and emission regulations presents potential challenges across Mölnlycke's value chain. While the direct impact on the company's operations may be limited, the key risk lies in the transition risk associated with its supply chain. Should upstream suppliers face increased costs due to stricter emission regulations and carbon pricing, these additional expenses are likely to be passed through to Mölnlycke. This supply chain cost-push risk could lead to higher production costs, which may impact the company's

overall profitability and pricing strategies. Additionally, rapid technological advancements create a need for innovation in adopting low-carbon technologies to meet industry standards and respond to evolving customer expectations. The increasing pressure from healthcare providers to achieve their own decarbonisation goals further intensifies the demand for sustainable solutions. This trend presents a significant business opportunity for Mölnlycke, particularly with its bio-based products, longer shelf-life offerings, and more efficient sustainable products and services

#### 2. Current policies scenario

- **limited mitigating actions:** climate action is restricted to policies currently adopted or announced, leading to continued emissions growth until 2080
- **temperature outcome:** global warming of around 3 °C by the end of the century
- **impact profile:** this scenario is dominated by high physical risks, including an increased frequency and intensity of extreme weather events, such as storms, floods, and heatwaves, which could disrupt supply chains and impact manufacturing facilities. Rising energy costs and operational expenses pose another challenge, as energy price volatility may increase, affecting production and logistics costs. Additionally, climate impacts on natural resources could threaten the availability of raw materials, disrupting material supply and affecting production timelines and costs. Finally, climate-related damages could lead to higher insurance premiums and increased infrastructure adaptation costs, further contributing to operational challenges

### Scenario analysis

Mölnlycke conducted a thorough evaluation of more than 20 potential climate-related risks, identified through consultations

30. Health Care's Climate Footprint, Health Care Without Harm, 2019. Available at: [https://global.noharm.org/sites/default/files/documents-files/5961/HealthCaresClimateFootprint\\_092319.pdf](https://global.noharm.org/sites/default/files/documents-files/5961/HealthCaresClimateFootprint_092319.pdf)

with internal subject matter experts and external benchmarking. The probability and impact of various risks and opportunities until 2030 were analysed quantitatively using the ERM (Enterprise Risk Management) methodology. The more long-term impacts of risks and opportunities, stretching beyond 2030, were primarily assessed in a qualitative way. This approach allowed for a more detailed evaluation of a shortlist of risks and opportunities that are most relevant to the company's operations. Both upstream and downstream risks in the value chain, as well as within the company's own operations, were considered.

Physical risks were assessed primarily under the assumptions of the "current policies" scenario, focusing on disruptions to operations, supply chain vulnerabilities, and risks to raw material availability, particularly beyond 2030. Transitional risks and opportunities were analysed in the context of the Net Zero 2050 scenario and focused on regulatory shifts, technological requirements, and customer-driven market changes.

### *Identified climate change risks and opportunities*

In the short term (up to 2026), immediate risks include the need for regulatory compliance and meeting growing customer expectations for sustainable solutions. For instance, this involves adhering to stricter disclosure requirements, such as the CSRD, and investing in lower-carbon supply chains. In the medium term (2026-2030), risks such as potential supply chain disruptions, challenges in sourcing raw materials, and the scaling of low-carbon technologies are expected to arise. Mölnlycke plans to mitigate these through targeted innovation and supplier engagement. In the long term (beyond 2030), the severity of physical risks, such as extreme weather events and resource scarcity, is anticipated to increase significantly. This will require continuous adaptation strategies to ensure resilience and maintain operational continuity.

In the short and medium term, the rising cost of embedded emissions presents an opportunity for Mölnlycke to innovate in low-carbon technologies, optimise energy efficiency, and expand its portfolio with sustainable solutions that support customers' decarbonisation goals. The company is committed to leading the transformation of healthcare by continuing to offer and improve products like custom ProcedurePak®, which reduce waste and

optimise resource use, and Biogel® Surgical Gloves, produced with lower material intensity and continuously improved packaging. Mölnlycke's achievement of 100% renewable electricity through a virtual Power Purchase Agreement (vPPA) will continue to reduce embedded emissions and stabilise energy costs, making the company's operations more resilient to market volatility and improving its long-term cost efficiency. Additionally, Mölnlycke is leveraging digital supply chain solutions to optimise transport and reduce emissions, and uses Life Cycle Assessments (LCA) to make informed decisions and support customers in their decarbonisation journey. The company's circular economy initiatives, such as closed-loop systems for single-use items, will present significant business opportunities, driving waste reduction and sustainability in healthcare.

### **Policies**

Mölnlycke's Sustainability Policy serves as a cornerstone of the company's commitment to revolutionising care for people and planet, emphasising sustainable practices across all aspects of its business. The Policy sets out the company's foundational principles on environmental sustainability, including climate change mitigation.

The Policy applies to all Mölnlycke personnel, establishing a company-wide approach to sustainability. It focuses on key priorities, including climate change mitigation, energy efficiency, and responsible resource use, addressing both direct (Scope 1 and 2) and value chain emissions (Scope 3) that contribute to Mölnlycke's overall climate impact. Mölnlycke's commitment to achieving Net-Zero emissions by 2050 is in line with the Science Based Targets initiative, reinforcing its proactive approach to climate action.

To further strengthen its environmental sustainability efforts, Mölnlycke adopts Life Cycle Assessment (LCA) methodologies to assess the broader environmental impact of its products and operations. Mölnlycke's LCA framework adheres to globally recognised standards, including ISO 14040 and ISO 14044, ensuring a consistent and comprehensive evaluation of environmental impacts across the product lifecycle. This precautionary, life-cycle approach drives continuous environmental improvements and sustainable product design, while aligning with the company's

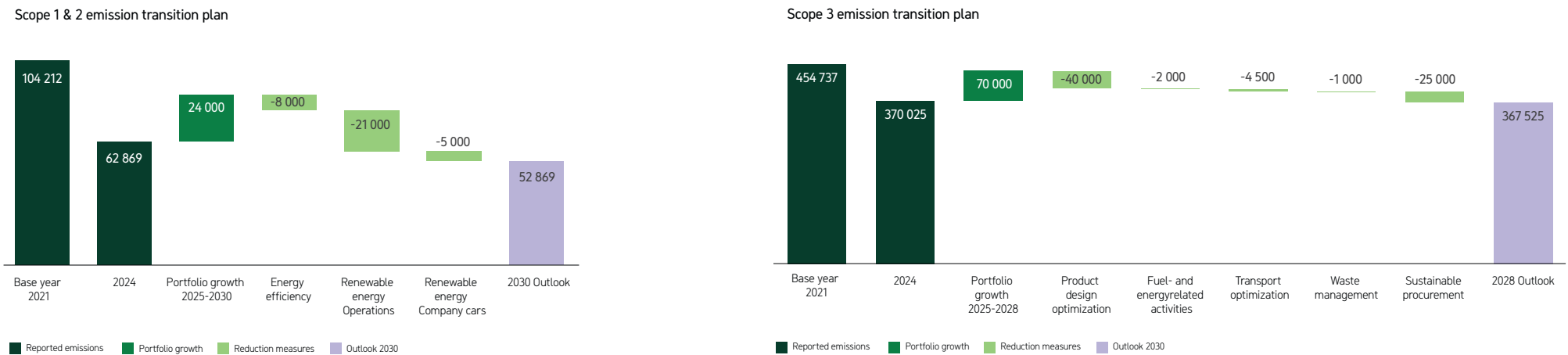
climate change mitigation strategy. Mölnlycke is also committed to minimising the environmental impact of its operations by addressing critical issues such as waste, water use, and pollution prevention. The focus on responsible resource consumption and minimising emissions directly contributes to biodiversity protection and sustainable resource management, reinforcing the company's holistic approach to environmental management.

Mölnlycke's revised Code of Conduct (CoC) for Business Partners strengthens the company's focus on Net Zero and sets clear expectations for its partners, including suppliers, to develop and implement plans and targets for reducing GHG emissions. Suppliers are required to align their emission reduction targets with the science-based 1.5°C ambition and publicly report their progress annually. The CoC, based on the Ten Principles of the UN Global Compact includes Mölnlycke-specific requirements and is incorporated into standard supplier contracts. For all suppliers, but especially for strategic suppliers or suppliers with high GHG emissions, additional CoC requirements apply, including providing specific emission data for their materials or services provided to Mölnlycke, according to the GHG Protocol methodology.

The Board of Directors approves the Sustainability Policy, with ultimate accountability for its implementation resting with the CEO and the ELT. Together, they ensure the policy's objectives are integrated into Mölnlycke's business model and operations, enabling progress tracking and regular reporting on GHG emissions and other material sustainability topics.

### **Management approach Decarbonisation levers**

Mölnlycke is committed to achieving Net Zero emissions across its entire value chain by 2050. In the near term, the company has set ambitious targets to reduce Scope 1 and 2 emissions by 50% by 2030 and Scope 3 emissions by 20% by 2028, based on a 2021 baseline. These targets, validated by the SBTi in January 2024, are supported by a comprehensive transition plan that outlines key actions across each emission scope, with a strong focus on energy efficiency, the shift to renewable energy, and driving emission reductions throughout Mölnlycke's supply chain.



Scope 1 direct emissions

To reduce Scope 1 emissions, Mölnlycke is prioritising energy efficiency improvements and the transition to low-emission technologies across its operations. Comprehensive energy audits are conducted at its facilities to identify inefficiencies and areas for improvement. As part of this, Mölnlycke will replace or retrofit outdated equipment with energy-efficient and low-emission alternatives, including upgrading heating systems, industrial processes, and machinery to more efficient technologies.

Following the succesfull implementation of the waste heat recovery system at Mölnlycke's production site in Finland, similar solutions will be deployed across other sites where feasible to capture and reuse energy that would otherwise be wasted. These measures will help to reduce overall energy consumption and directly contribute to lower emissions.

Additionally, Mölnlycke is committed to transitioning its company car fleet to low- or zero-emission vehicles. This shift will be gradual, with some regions expected to transition more quickly than others, based on the availability of electric vehicles and local market conditions.

Scope 2 indirect emissions

Mölnlycke has set an ambitious target to source 100% of its electricity for operating sites and headquarters from renewable sources by end of 2024. This milestone has been achieved through a combination of onsite renewable energy installations, such as solar panels, long-term PPAs with renewable energy providers and EACs.

In addition to transitioning to renewable electricity, Mölnlycke will continue to implement energy efficiency improvements across its facilities, including upgrading to energy-efficient equipment and optimising energy use in all buildings. These measures will reduce the overall energy consumption, directly lowering Scope 2 emissions, which are tied to purchased energy. Furthermore, Mölnlycke is committed to purchasing 100% renewable electricity through 2030 and beyond for both consolidated sites and new geographical expansions.

Scope 3

Scope 3 emissions represent the largest portion of Mölnlycke's GHG emissions, and addressing these emissions is a key focus of the company's carbon transition strategy. Mölnlycke's approach

to reducing Scope 3 emissions spans multiple key areas within operations and the supply chain.

The company is actively engaging with its suppliers to align them with its Net Zero commitment and near-term climate targets. The company has committed to having 63% of its suppliers adopt science-based targets by 2028, with more than 38% already on board at the end of 2024. Supplier engagement is crucial to reducing Scope 3 emissions, and Mölnlycke is working closely with suppliers to drive reductions across the supply chain.

Another central element of the company's decarbonisation strategy is product life-cycle management. By focusing on sustainable product design, including material substitutions with lower environmental impact, down-gauging products, and optimising packaging, Mölnlycke aims to significantly reduce emissions across its product offerings. For further information on how Mölnlycke's products and solutions reduce downstream's GHG emissions and support the decarbonisation of healthcare, please refer to the Sustainable Product Portfolio Assessment section of the Sustainability report.

In the area of sustainable transportation, Mölnlycke is optimising its logistics and supply chain operations to improve efficiency



and reduce emissions related to transportation and distribution. This involves making improvements in supply-chain planning, optimising operations footprint and prioritising low-carbon transport options.

For energy efficiency and renewable energy within its production processes, Mölnlycke is implementing energy-saving measures and transitioning to renewable energy sources to reduce the upstream emissions associated with the production and transportation of the fuels and energy it consumes in its operations.

Through improved waste management practices, including better production efficiency and waste handling, Mölnlycke is working to reduce emissions linked to waste throughout the supply chain. These initiatives focus on reducing waste production in the first place, and then eliminating waste to landfill while improving the overall efficiency in its operations.

Looking further ahead, Mölnlycke is steadfast in its commitment to reaching Net Zero emissions across its entire value chain by 2050, a goal formally submitted to the SBTi at the end of 2024.

### Carbon removals

As part of its commitment to Net Zero, Mölnlycke plans to explore the use of carbon removal technologies, such as carbon capture and storage (CCS), to neutralise the unavoidable portion of value chain emissions.

In line with its sustainability principles, Mölnlycke will ensure that any carbon removal technologies employed meet the highest standards of effectiveness, transparency, and accountability to preserve the integrity of Mölnlycke's Net Zero claims.

### Internal carbon pricing

In line with Mölnlycke's Investment Request Policy, all investment proposals involving tangible assets must include a sustainability assessment. For significant investments, this includes a quantitative analysis of greenhouse gas (GHG) emission impacts covering Scope 1, 2, and 3. Additionally, Mölnlycke applies an internal static carbon price of €100 per tonne of CO<sub>2</sub>e to Scope 1 and 2 emissions. This shadow price is determined using the highest EU Emissions Trading System (ETS) price as a benchmark, reflecting

the estimated future cost of carbon in regulatory environments, supporting long-term decision making.

The internal carbon price is an essential tool for guiding investment decisions at Mölnlycke, enabling the company to select the most sustainable and efficient solutions to meet its Net Zero target by 2050. By integrating carbon pricing into investment evaluations, Mölnlycke ensures alignment with its decarbonisation strategy while effectively managing potential risks and opportunities related to carbon costs. For example, the carbon pricing mechanism has been applied to key 2024 investments, including ETO sterilisation and expansion in Mölnlycke's production facility in Mikkeli, Finland. Since Mikkeli has been utilising 100% renewable electricity for several years, the Scope 2 emissions for these investments were effectively zero, resulting in minimal impact on Net Present Value (NPV) and Internal Rate of Return (IRR).

Recognising the dynamic nature of sustainability expectations and regulatory landscapes, Mölnlycke regularly reviews its internal carbon pricing to ensure alignment with the latest scientific guidance and policy developments. This approach allows the company to remain proactive in its decarbonisation commitments, mitigate carbon cost impacts for customers by offering sustainable solutions, and maintain competitiveness in an increasingly sustainability-driven market.

### Awareness and training

Climate action is a central part of Mölnlycke's sustainability strategic roadmap. As the company works toward its 2050 Net Zero goal, it is essential to ensure that all employees are equipped with the knowledge and skills necessary to contribute to this journey. To this end, Mölnlycke has developed a comprehensive framework to raise awareness and provide training across the organisation, focusing on building a strong climate-action culture.

In 2024, Mölnlycke rolled out dedicated Net Zero training for 100% of its buyers and R&D employees, ensuring these key teams are well-equipped to integrate sustainability considerations into their daily work. The training was designed to deepen understanding of the company's Net Zero commitment, the

importance of sustainable product design, and the role each individual can play in reducing GHG emissions.

A key initiative in Mölnlycke's engagement with its suppliers is the 'Partnering for Progress' webinar series. In 2024, the "Data-driven Sustainability" session focused on using data to drive supply chain sustainability, highlighting the importance of accurate data collection and analysis to track and reduce GHG emissions. The session also covered Mölnlycke's expectations for business partners to set and achieve emission reduction targets, supporting the company's broader efforts to reduce its climate impact. The session also served as a continuation of the company's GHG emissions training, now extended to suppliers, to ensure alignment on data and emission reduction strategies across the value chain. Approximately 150 strategic suppliers attended and recognised the importance of collaboration and transparency in reducing emissions throughout the value chain.

### Executive variable remuneration

Mölnlycke's Long-Term Incentive plan incorporates sustainability as a key performance measure, aligning employee rewards with measurable environmental outcomes. This approach reinforces the company's commitment to reducing GHG emissions and motivates leaders to drive decarbonisation efforts throughout the organisation.

A key element of the Long-Term Incentive plan is the inclusion of Scope 3 absolute GHG emission reductions, which represent more than 80% of Mölnlycke's total emissions. This focus ensures efforts are directed at reducing emissions from purchased goods and services, energy, upstream transport, and waste. Leaders across functions, from supply chain to R&D, are motivated to adopt innovative, low-carbon solutions that align with Mölnlycke's sustainability goals. With clear targets and performance-based rewards, the Long-Term Incentive plan fosters accountability, collaboration, and long-term systemic change by encouraging employees to align personal success with the company's mission to revolutionise care for both people and the planet.

## Digitalisation

Digitalisation is a key enabler in Mölnlycke's mission to reduce GHG emissions, driving efficiency and innovation across its operations and the solutions it provides to customers.

Within its own operations, Mölnlycke utilises advanced data analytics and real-time monitoring systems to optimise energy use across manufacturing sites, reducing emissions and improving resource efficiency. Supply chain visibility is enhanced through digital platforms that enable smarter transport routes, lower upstream emissions, and improved inventory management. Furthermore, digital Life Cycle Assessment (LCA) tools guide sustainable product design, while virtual collaboration platforms reduce the need for travel, cutting associated emissions. Mölnlycke also empowers its customers with digital solutions designed to optimise care and minimise environmental impact, such as:

- **Mölnlycke ProcedurePak® online tool:** this solution enables healthcare providers to customise procedure trays, ensuring they contain only the necessary items, thereby reducing waste and improving operational efficiency in hospitals
- **e-learning platforms:** Mölnlycke's digital training tools support healthcare professionals by providing virtual resources for skill development and product use, reducing travel-related emissions for in-person training and further improving the outcome of its products
- **supply management systems:** integrated solutions such as inventory tracking and usage analytics help healthcare facilities manage supplies more effectively, reducing overstocking, product waste, and emissions associated with unnecessary deliveries

The company remains committed to further exploring the potential of digital innovation, ensuring all solutions align with best practices and methodologies for assessing their environmental impact. As a general principle, any climate-related commitment or collaboration that Mölnlycke partakes in with external partners must be based on a scientific approach for the company to consider endorsement.

## Metrics and targets

### Targets

#### Emission reductions – long-term

Net zero value chain GHG emissions by 2050, including a 90% absolute reduction in Scope 1 and 2 emissions, and a 97% reduction in physical intensity of Scope 3 emissions (all categories), relative to a 2021 baseline. Carbon removal and storage technologies will be utilised to address any remaining unavoidable emissions. These targets were submitted to Science Based Targets initiative (SBTi) for validation in December 2024.

#### Emission reductions – near-term

Reduce absolute Scope 1 and 2 GHG emissions by 50% by 2030, compared 2021 baseline.

Reduce absolute Scope 3 GHG emissions from purchased goods and services (cat. 1), fuel and energy related activities (cat. 3), upstream transportation and distribution (cat. 4) and waste generated in operations (cat. 5) by 20% by 2028, compared to 2021 baseline.

Metric <sup>31</sup>	Categories	Base year (BY)	BY emissions (tCO <sub>2</sub> e)	Target year (TY)	TY change vs BY (%)	TY emissions (tCO <sub>2</sub> e)	2024 change vs BY (%)	2024 emissions (tCO <sub>2</sub> e)	SBTi status
Scope 1 and 2	Market-based	2021	104212	2030	-50	52106	-40	62869	Validated (1.5 °C)
Scope 3	1, 3–5 <sup>32</sup>	2021	454737	2028	-20	363790	-19	370023	Validated (1.5 °C)

#### Renewable energy

Increase active annual sourcing of renewable electricity to 100% by the end of 2024 and continue active annual sourcing of 100% renewable electricity through 2030.

Metric	Base year	Base year status (%)	Target year	Target (%)	2024 end year status (%)	SBTi status
Renewable electricity	2021	23	2024	100	100	Validated (1.5 °C)

#### Supplier commitment

Have 63% of suppliers by emissions covering purchased goods and services (cat. 1), capital goods (cat. 2), and upstream transportation and distribution (cat. 4) committed to the Science Based Targets Initiative by 2028.

Metric	Scope 3 categories	Base year	Base year status (%)	Target year	Target (%)	2024 status (%)	SBTi status
Suppliers with a SBTi commitment	1–2,4	2021	12	2028	63	38	Validated (1.5 °C)

#### Energy intensity

Decrease energy intensity per tonne of production with 2% YoY.

Metric	Reference year	Reference year Status (MWh/t)	Target Year	Target (MWh/t)	Target Reduction (%)	2024 status (MWh/t)	2024 Performance (%)
Energy intensity	2023	5.49	2024	5.38	-2	5.64	+2.8

31. The targets are company-wide.

32. Purchased goods and services, Fuel- and energy-related activities, Upstream transportation, and Waste generated in operations.

## Metrics

### Energy consumption in own operations

Energy consumption<sup>33</sup> and mix<sup>34</sup>

(MWh)	2024	2023	2022	2021
<b>Fossil sources</b>				
Fuel consumption from coal and coal products	54.9	54.9	52.3	52.3
Fuel consumption from oil and petroleum products	34,227	74,240	54,650	55,382
Fuel consumption from natural gas	191,317	140,690	164,127	168,395
Fuel consumption from other fossil sources	6,212	6,283	4,745	4,956
Purchased or acquired electricity	16,258	30,687	41,388	73,599
Purchased or acquired heat	9,211	9,972	3,731	7,259
Purchased or acquired steam	3,273	4,457	11,746	11,773
Purchased or acquired cooling	-	-	-	-
<b>A. Total fossil energy consumption</b>	<b>260,552.2</b>	<b>266,382.7</b>	<b>280,440.8</b>	<b>321,415.7</b>
Share of fossil sources in total energy consumption (%)	75%	79%	82%	92%
Share of fossil sources in total electricity consumption (%)	16%	30%	40%	71%
<b>Nuclear sources</b>				
Fuel consumption from nuclear sources	-	-	-	-
Purchased or acquired electricity	3,268	9,279	9,342	9,927
<b>B. Total nuclear energy consumption</b>	<b>3,268</b>	<b>9,279</b>	<b>9,342</b>	<b>9,927</b>
Share of nuclear sources in total energy consumption (%)	1%	3%	3%	3%
Share of nuclear sources in total electricity consumption (%)	3%	9%	9%	10%
<b>Renewable sources</b>				
Fuel consumption from renewable sources	-	-	-	-
Purchased or acquired electricity	81,307	60,021	51,514	19,818
Purchased or acquired heat	-	-	-	-
Purchased or acquired steam	-	-	-	-
Purchased or acquired cooling	-	-	-	-

Consumption of self-generated non-fuel renewable energy	3,823	1,738	-	-
<b>C. Total renewable energy consumption</b>	<b>85,130</b>	<b>61,759</b>	<b>51,514</b>	<b>19,818</b>
Share of renewable sources in total energy consumption (%)	24%	18%	15%	6%
Share of renewable sources in total electricity consumption (%)	81%	61%	50%	19%
<b>D. Total energy consumption (A+B+C)</b>	<b>348,951</b>	<b>337,421</b>	<b>341,297</b>	<b>351,161</b>
<b>Energy intensity</b>				
MWh/net sales MEUR	169.1	175.4	186.7	208.3
MWh/t of production	5.64	5.49	5.71	6.08

### Greenhouse gas emissions

GHG emissions by scope and category

(tCO <sub>2</sub> e)	2024	2023	2022	2021
<b>Scope 1 direct GHG emissions</b>				
Consolidated Accounting Group	52,355	52,788	50,904	51,607
Investees and Joint Arrangements	0.5	-	-	-
<b>Total gross Scope 1 emissions</b>	<b>52,356</b>	<b>52,788</b>	<b>50,904</b>	<b>51,607</b>
Scope 1 emissions under regulated ETS (%)	-	-	-	-
(tCO <sub>2</sub> e)	2024	2023	2022	2021
<b>Scope 2 indirect GHG emissions</b>				
<b>Consolidated Accounting Group</b>				
Purchased energy (location-based)	49,506	51,898	54,422	55,603
Purchased energy (market-based)	9,263	20,276	29,027	52,605
<b>Investees and Joint Arrangements</b>				
Purchased energy (location-based)	2,080	-	-	-
Purchased energy (market-based)	1,250	-	-	-
<b>Total gross Scope 2 emissions (location-based)</b>	<b>51,586</b>	<b>51,898</b>	<b>54,422</b>	<b>55,603</b>
<b>Total gross Scope 2 emissions (market-based)</b>	<b>10,513</b>	<b>20,276</b>	<b>29,027</b>	<b>52,605</b>

33. Data on energy consumption in own operations is gathered from internal environmental reporting systems. Data is collected and aggregated by the environmental management responsible on the sites. The data covers fuel and other energy use in MWh, broken down by energy type and source. Primary data is gathered on self-generated electricity. When data is not available – which is predominantly the case for small sales offices – estimations are made for energy demand based on the floor area and the region of operation with the use of literature and publicly available statistics.

34. Following the directives in ESRS E1, energy consumptions is only considered as deriving from renewable sources if the origin of the purchased energy is clearly defined in the contractual arrangements with the suppliers (e.g. renewable power purchasing agreement, Guarantee of Origin or Renewable Energy Certificates).

(tCO <sub>2</sub> e)	2024	2023	2022	2021
<b>Scope 3 other indirect GHG emissions</b>				
<b>Upstream</b>				
Purchased goods and services	312,323	282,583	312,666	376,780
Capital goods	49,979	40,708	62,776	43,226
Fuel- and energy-related activities	14,692	18,202	18,830	19,459
Upstream transportation and distribution	41,254	39,488	45,848	56,914
Waste generated in operations	1,756	1,639	1,505	1,584
Business travel	28,333	24,612	24,654	8,006
Employee commuting	11,797	11,349	11,436	11,906
Upstream leased assets	950	807	759	679
<b>Downstream</b>				
Downstream transportation and distribution	3,510	3,174	3,043	3,152
Use of sold products	670	743	556	703
End-of-life treatment of sold products	20,995	22,748	21,756	22,089
<b>Total gross Scope 3 emissions</b>	<b>486,261</b>	<b>446,053</b>	<b>503,829</b>	<b>544,497</b>
<b>Scope 1, 2 &amp; 3 total GHG emissions</b>				
<b>Total gross GHG emissions (location-based)</b>	<b>590,203</b>	<b>550,739</b>	<b>609,155</b>	<b>651,707</b>
<b>Total gross GHG emissions (market-based)</b>	<b>549,129</b>	<b>519,117</b>	<b>583,760</b>	<b>648,709</b>
<b>%</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Share of GHG emissions by scope</b>				
Scope 1	9%	10%	9%	8%
Scope 2 (market-based)	2%	4%	5%	8%
Scope 3	89%	86%	86%	84%
<b>(tCO<sub>2</sub>e/net sales MEUR)</b>				
<b>GHG intensity based on net revenue</b>				
Scope 1	25.4	27.4	27.9	30.6
Scope 2 (location-based)	25.0	27.0	29.8	33.0
Scope 2 (market-based)	5.1	10.5	15.9	31.2
Scope 3 upstream categories	223.4	218.0	261.8	307.6
Scope 3 downstream categories	12.2	13.9	13.9	15.4
<b>All scopes (market-based)</b>	<b>266.1</b>	<b>269.9</b>	<b>319.4</b>	<b>384.9</b>

(tCO <sub>2</sub> e/t products sold)	2024	2023	2022	2021
<b>GHG intensity based on sold products</b>				
Scope 3	6.77	6.31	7.21	7.74

## Supply chain engagement

*Suppliers by emission committed to SBTi*

%	2024	2023	2022	2021
Suppliers	38	20	14	12

In 2024, Mölnlycke reported a 15% reduction in total GHG emissions compared to the 2021 baseline, along with a 1.4% decrease in overall emissions intensity. This positive trend reflects the company's ongoing efforts to reduce emissions despite a 6% increase in total GHG emissions compared to 2023. The increase in emissions was driven by strong business growth, including the establishment of a new production site in Saudi Arabia.

The reduction in Scope 1 and 2 emissions was particularly notable, driven by key initiatives such as the transition to 100% renewable electricity at all production sites and the headquarters, which resulted in a 9.8 ktCO<sub>2</sub>e reduction in Scope 2 emissions compared to 2023. The company's energy efficiency efforts were further bolstered by the closure of the Batang Kali factory and the relocation of production to more energy-efficient sites, alongside the use of renewable electricity certificates (iRECs) to offset emissions at the Jeddah facility. As a result, Scope 1 and 2 emissions dropped by 40% compared to the 2021 baseline, with a significant 44% reduction in emissions per unit of production. These reductions were achieved while also managing the increased energy demand tied to the company's growth and the energy consumption of newly established facilities.

Mölnlycke continues its decarbonisation efforts in its value chain, achieving a 11% reduction in Scope 3 emissions in 2024 compared to the 2021 baseline. However, compared to 2023, Scope 3 emissions increased by 9%, largely driven by portfolio expansion, longer transportation routes, and changes in emissions calculation methodologies. During 2024, Mölnlycke has made significant progress in decarbonising its value chain. Initiatives such as the transition to renewable energy have contributed to a 19.3% reduction in Scope 3 emissions from fuel- and energy-related activities. Implementation of low-carbon transportation solutions, including increased biofuel and intermodal solutions, alongside optimised logistics flows and minimised use of temperature-controlled containers, helped mitigate some of the impacts of the increased business activity. Moreover, packaging and waste management improvements were initiated and will continue during 2025.



GHG accounting methodology

Greenhouse gas emissions are reported according to the GHG Protocol Corporate Standard, using operational control as the basis for consolidation. Emissions are reported in CO<sub>2</sub>e and include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorochemicals (PFCs), sulfur hexafluoride (SF<sub>6</sub>), and nitrogen trifluoride (NF<sub>3</sub>). Included greenhouse gases are defined by the IPPC AR6 methodology, based on a 100-year timeframe.

GHG accounting methodologies

Scope	Methodology
Scope 1	Calculation of scope 1 emissions is based on fuel consumption and refrigerant leakages from facilities, equipment and vehicles under Mölnlyckes control. Fuel consumption is converted into energy using lower heating value factors. Refrigerant leakage is reported per type. Emissions from internal sterilisation using EtO are calculated stoichiometrically, assuming complete combustion.
Scope 2	Calculation of scope 2 emissions includes all purchased energy used within Mölnlycke's facilities, equipment and vehicles. Amount of energy used is reported using primary data from electricity providers, bills or metering. Purchased energy volumes are multiplied by country average emission factors for location-based emissions. For market-based emissions supplier-specific emission factors are used (must be proven by contractual instruments) or, for sites that do not have any contract that meets the Scope 2 Quality Criteria, residual mix is used (or the grid mix if no residual mix is available).
Scope 3	Calculation of emissions from purchased goods (raw materials, components, spare parts) is based on primary procurement data. Masses and materials of the articles are retrieved from internal systems or manually and validated by Business Area representatives. Supplier-specific emission factors are used, where available. Otherwise, secondary database emission factors are retrieved from LCI databases (aggregated or composite) and used to calculate the emissions.
Purchased goods and services	Calculation of emissions from external sterilisation is based on primary data on the weight of sterilised products and expert assumptions on the emissions and energy consumption per batch of processing. Calculation of emissions from withdrawn water is based on the primary reported data on water consumption from the sites. When data is not available (predominantly for small sales offices), estimations are made based on the floor area of the offices. Calculation of emissions associated with purchased services is based on the primary data on the spent financial resources per service type.
Capital goods	Calculation of emissions associated with capital goods is based on the primary data on spent financial resources per type of capital goods. Internal expert judgements are applied to define the shares of personnel and project management costs per spent category, to exclude these from the calculations.
Fuel- and energy-related activities	Calculation of emissions associated with fuel- and energy-related activities not included in Scope 1 or Scope 2 is based on the primary reported data on energy consumption from the sites. When data on the consumed amounts is not available (predominantly for small sales offices), estimations are made based on the floor area of the offices and region of operation. When primary data on the energy source is not available, assumptions are made based on the region of operation.
Upstream transportation and distribution	Calculation of emissions associated with the transport of raw materials to the production sites and intracompany transport is based on the primary logistics data on the transported masses, distances and modes of transportation. Calculation of emissions associated with purchased warehousing services is based on the primary data on the leased warehousing capacities in pallets by type, and primary data or expert assumptions on average duration of storage, cooling share and energy consumption. Calculation of emissions associated with logistics of the products to processing and first tier customer, is based on the aggregation of the emissions reported by the logistics services providers.

Scope	Methodology
<b>Scope 3</b>	
Waste generated in operations	Calculation of emissions from treatment of operational waste is based on the primary data from the sites on generated operational waste per fraction, destination and treatment type. Transportation of the waste to waste treatment is included, with assumptions on distances and modes of transport. Calculations of emissions from wastewater treatment is based on the primary data on water discharge. When data on water discharge is not available, conservative assumption of equivalence of water withdrawal and discharge is taken. When waste data is not available (predominantly for small sales offices), estimations are made based on the floor area of the offices.
Business travel	Calculation of emissions associated with business travel is based on the primary data on the spent financial resources in business travelling, including transport by mode and accommodation.
Employee commuting	Calculation of emissions associated with employee commuting is based on the primary data on the number of employees and the regional expert estimation of the average distances and modes of commute of the employees.
Upstream leased assets	Calculation of emissions associated with upstream leased assets (operational lease) is based on the primary data on the spent financial resources per leased asset type.
Downstream transportation	Calculation of emissions associated with the transport of sold products from the customer to the final user, is based on the primary data on the volumes of sales, and assumptions on the transportation modes and distances (local supply chain assumed).
Processing of sold products	Mölnlycke does not have any processing of sold products.
Use of sold products	Calculation of emissions associated with the use of products is based on the primary data on sales of the products expected to have considerable energy and material inputs in use, or generating emissions. Energy consumption of products in use is estimated with conservative assumption of full power capacity use, with global average electricity mix. Emissions of products in use are estimated based on provided formulations and relevant substances content.
End-of-life treatment of sold products	Calculation of emissions associated with the end of life of sold products is based on the primary data on sales of products by region. Material composition of the products is assumed analogous to the procurement of goods. End-of-life scenario assumes incineration with energy recovery for products sold in EMEA region, and incineration without energy recovery for products sold elsewhere. Transportation of the waste to waste treatment is included, with assumptions on distances and modes of transport.
Downstream leased assets	Mölnlycke does not lease assets to third parties.
Franchises	No franchises are issued by Mölnlycke.
Investments	Mölnlycke does not act as an investor (excluding operational investments considered in other scopes and categories), nor provides financial services.

### Significant assumptions

To ensure accurate emission calculations, the following key assumptions were made:

- **geographical relevance:** emission factors were carefully selected based on the specific locations of operations to account for regional variations
- **activity data:** for smaller sales offices where actual data was unavailable, estimations were made using floor area and regional operational context as the basis
- **data quality and supplier data:** In cases where actual emissions or supplier-specific data could not be obtained, reliable industry-standard emission factors from sources such as Ecoinvent and Defra were used. When necessary, global averages from databases like Exiobase and Ecoinvent were applied to ensure consistency and credibility in the calculations

## GHG accounting sources

Scope	Accounting method	Emission factor source
<b>Scope 1</b>		
Fuels	Consumed amounts	Defra, Ecoinvent
Refrigerants	Leakages/refilled amounts	Defra
<b>Scope 2</b>		
Purchased electricity	Market-based	PPA, RECs, IRECs, GO, Supplier specific, IEA, eGRID, AIB
Purchased heat & steam	Purchased amounts	Defra, Ecoinvent
<b>Scope 3</b>		
Purchased goods and services	Supplier-specific, Average data & Spend-based	LCA, Ecoinvent & Exiobase
Capital goods	Spend-based	Exiobase
Fuel- and energy-related activities	Average data	Defra
Upstream transportation and distribution	Distance-based & Average data	GLEC, Ecoinvent
Waste generated in operations	Waste-type-specific	Ecoinvent
Business travel	Spend-based	Exiobase
Employee commuting	Distance-based	Ecoinvent
Upstream leased assets	Spend-based	Exiobase
Downstream transportation and distribution	Distance-based	Ecoinvent
Use of sold products	Average data	Ecoinvent
End-of-life treatment of sold products	Average data	Ecoinvent

## GHG accounting rationale

- **Defra:** provides trusted, regularly updated UK government data for energy, fuel, and refrigerant emissions (Scope 1 and 3.3)
- **PPA, RECs, GO, Contract, IEA, AIB:** following the GHG Protocol Scope 2 quality criteria
- **LCA:** product-specific LCAs offer the most accurate emission data for purchased goods
- **Ecoinvent:** provides comprehensive lifecycle data for a wide range of products and activities, ensuring consistent and reliable estimates across the supply chain
- **Exiobase:** a global economic database for consumption-related emissions, used for estimating emissions from purchased services, capital goods, leased assets, and business travel
- **GLEC:** provides specific emission factors for logistics and transportation, used for estimating emissions from upstream and downstream transportation (Scope 3.4 and 3.9)

## EU taxonomy disclosure

The Taxonomy Regulation establishes the framework for the EU taxonomy by setting out four conditions that an economic activity must meet in order to qualify as environmentally sustainable.

A qualifying activity must:

1. Contribute substantially to one or more of six environmental objectives, being:
  - climate change mitigation,
  - climate change adaptation,
  - sustainable use and protection of water and marine resources,
  - transition to a circular economy,
  - pollution prevention and control,
  - protection and restoration of biodiversity and ecosystems.
2. Do no significant harm to any of the other environmental objectives.

3. Be carried out in compliance with minimum (social) safeguards.
4. Comply with technical screening criteria. The technical screening criteria specify the performance requirements for any economic activity that determine under what conditions that activity makes a substantial contribution to a given environmental objective and does not significantly harm the other objectives.

Companies are required to report on the proportion of turnover, capital expenditures and operating expenditures that are associated with environmentally sustainable economic activities (eligible activities), and to what extent these activities are aligned (i.e. contributing to one or more environmental objectives). For the purpose of reporting according to Article 8 of the taxonomy, turnover, capital expenditure (“CapEx”) and operational expenditure (“OpEx”) are identified as follows in accordance with the taxonomy:

- the Group’s total turnover corresponds to Revenue in the Consolidated Income Statement
- total CapEx equals the additions as specified in Note 10 “Property, plant and equipment”, Note 12 “Other intangible assets” and Note 18 “Leases”. Goodwill is not included in the CapEx definition for intangible assets
- total OpEx in the Taxonomy corresponds to non-capitalised research and development costs, building renovation costs, short-term leases, maintenance, and repair costs and other indirect costs for the day-to-day servicing of assets of property, plant and equipment and are not separately disclosed in the consolidated financial statements

Mölnlycke has performed the following activities in 2024 in relation to the EU Taxonomy regulation:

- attended trainings by personnel involved in data-gathering, explaining key characteristics of the EU taxonomy guidelines and potential eligible activities

- performed a detailed analysis of the individual taxonomy-eligible economic activities led by Group Finance and including members from Treasury and Sustainability function. Medical products and solutions do not fall within the EU taxonomy screening criteria for climate change mitigation or adaptation, and only one eligible economic activity generating turnover related to pollution prevention is identified. As a consequence, eligible activities are limited in 2024 and mainly related to supporting CapEx on sustainable solutions
- in accordance with the updated criteria outlined in the EU taxonomy, our review has addressed eligibility and calculated alignment against all six environmental objectives
- the assessment identified that aligned CapEx has increased since 2023 and included: the installation of solar panels at one production facility, installation of EV chargers at two production facilities, installation of LED lighting at one production facility and the investment in our new headquarters at GoCo Health Innovation City
- consulted with external experts and peers to ensure a correct and consistent interpretation of the legal requirements
- conducted a self-assessment using questions which were developed by our owners to determine whether the company complies with the minimum safeguards

The outcomes of the EU taxonomy reporting for 2024 is disclosed in the table below:

	Turnover %	CapEx %	OpEx %
Eligibility	3%	66%	2%
Alignment	-	22%	-

## Circularity and resource efficiency

Mölnlycke is committed to advancing the circular economy by designing products and packaging that remain in circulation. This approach reduces reliance on finite resources, supporting sustainable growth and innovation across the value chain.

Central to Mölnlycke’s circular economy programmes are collaborations with healthcare providers to optimise device usage, extend product lifespans, recyclability and reduce consumption – all while maintaining the highest standards of quality and safety. By adopting “design-for-circularity” principles, Mölnlycke ensures that its solutions are developed to eliminate waste and pollution and circulate materials and products at their highest value in a sustainable way.

Mölnlycke’s use of biobased materials certified by the International Sustainability and Carbon Certification (ISCC) system and the Forestry Stewardship Council (FSC®) underscores the company’s commitment to responsible sourcing and minimising environmental impact. With an expanding portfolio of biobased and recycled materials, Mölnlycke is demonstrating its commitment to reducing waste and retaining valuable resources within the healthcare ecosystem. This includes exploring and implementing closed-loop circular models, ensuring that products are designed with end-of-life considerations in mind.

In 2025, Mölnlycke will introduce targets and metrics to track its progress towards circular economy business models, supported by metrics measuring revenue from solutions that drive circularity.

As part of its commitment to circularity, Mölnlycke is also focused on minimising waste and enhancing raw material efficiency in its own operations. By adhering to the “right first time” principle, the company aims to eliminate unnecessary resource use, repurpose materials where possible, and achieve zero waste to landfill by 2030. This also includes the implementation of closed-loop water systems at its most water-intensive sites, alongside continuous improvements in water reuse practices.

Although reclaiming products and packaging presents challenges due to specific order and product requirements, Mölnlycke continuously monitors its resource efficiency gains related to product reclamation. In 2024, the company reclaimed 1.04% of products based on monetary value, reinforcing its ongoing efforts to improve sustainability across its operations.

For more information on Mölnlycke’s circular economy initiatives, please refer to ‘Exploring closed loop systems for medical supplies in the Operating Room’ in the ‘Sustainability in action’ section of this report.

Waste

In 2024, Mölnlycke generated 14,641 tonnes of waste across its sites, reflecting a 4.7% increase from 2023. Similarly, waste intensity rose by 6%, driven by the same operational factors. These increases were primarily attributed to non-routine waste resulting from the closure of a production facility in the Gloves Business Area, the commissioning of new production lines at the Kulim Hi-Tech facility, and the relocation of Mölnlycke’s headquarters in Sweden.

Despite these temporary impacts, ongoing waste reduction efforts helped mitigate the overall effect. Mölnlycke advanced its circularity initiatives, including reusing process materials and recycling raw materials like latex suspension back into production. Additionally, adjustments to machinery specifications and raw material criteria improved product yield, minimised waste generation, and enhanced resource efficiency.

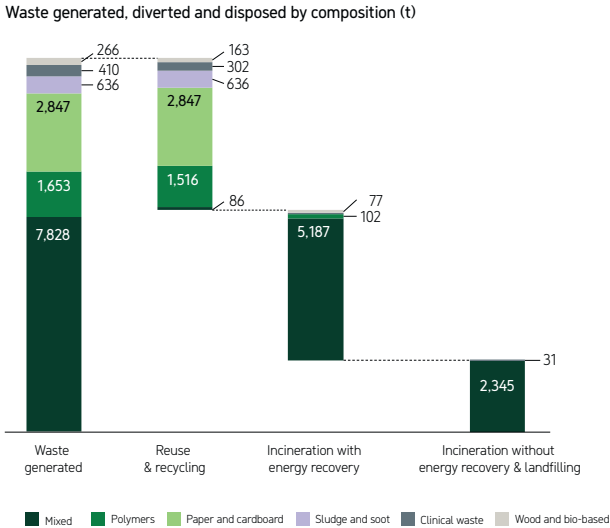
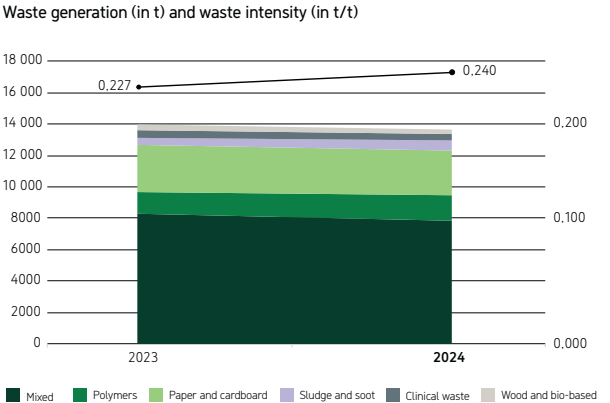
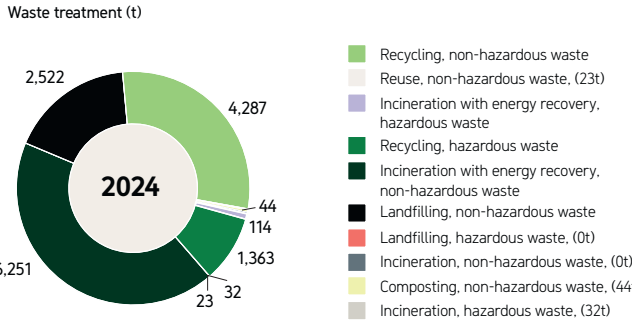
Mölnlycke’s collaboration with local waste management firms and other partners played a key role in enhancing the reuse and recycling of resources in 2024, advancing the company’s commitment to a circular economy.

As part of its ongoing commitment to reducing landfill waste, Mölnlycke has implemented significant initiatives at its facilities. In early 2025, Mölnlycke’s sites in Maine will fully divert 150 tonnes of waste per month away from landfills. Initially, waste

will be incinerated with heat recovery, but later on during the year, the company will transition to a new waste handling and transportation vendor, supporting the launch of a pellet programme, offering a second option for landfill diversion.

Waste management data is collected via the company’s internal environmental reporting system, with each facility’s environmental management responsible for compiling the information. The data includes operational waste generation by category and classification (hazardous or non-hazardous), as well as the treatment methods and disposal destinations. For smaller sales offices, where data may not be readily available, estimates are made based on floor area, assuming all waste is general non-hazardous waste due to the limited activities at those offices.

In 2024, Mölnlycke diverted 5,722 tonnes of waste from disposal, primarily through reuse and recycling. The remaining 8,919 tonnes were disposed of, with the majority being incinerated with energy recovery, while the rest was incinerated without energy recovery or sent to landfill. All waste generated, including both hazardous and non-hazardous materials, is managed through off-site treatment by certified third-party providers.





## Water

Mölnlycke is committed to responsible water use across all its production sites and offices, understanding the critical importance of a sustainable water supply for its business operations. Water is essential to various activities, including raw material production, product manufacturing (such as foam production), cleaning, cooling, and sanitisation. While not being a high-intensity water consumer, Mölnlycke recognises the potential impact its operations may have on local water bodies during extraction and discharge, which leads the company to adopt a precautionary approach.

Ongoing risk assessments and the evaluation of water-related impacts are central to Mölnlycke's strategy. The company works to minimise these impacts through:

- water reuse and recycling technology, such as the closed loop system at the Oldham facility, UK,
- the implementation of robust maintenance practices and secondary containment measures at all manufacturing facilities,
- preventing spills of raw materials through proactive maintenance,
- adhering to sound operating procedures,
- providing continuous training for employees and suppliers involved in raw material handling and management.

Mölnlycke's global presence is a key strength, but it also means that the availability of fresh water varies across regions, and some locations face more long-term water security challenges than others.

While water scarcity is not a concern at most of Mölnlycke's sites, certain regions, such as the newly established joint venture in Saudi Arabia, are in water-stressed areas<sup>35</sup>. Mölnlycke recognises that increasing water stress could affect both local communities and business continuity in the future. To address this, the company

is proactively reducing water usage by enhancing water capture and reuse at relevant sites. This approach goes beyond traditional water efficiency and regulatory compliance, especially in areas with vulnerable populations.

In water-stressed regions, Mölnlycke is committed to developing tailored water action plans by the end of 2025, including water capture and reuse at these sites, and has already initiated this work at its joint venture in Saudi Arabia.

Additionally, all operational teams share best practices to optimise water use across routine and non-routine activities across sites. The company places a strong emphasis on educating and engaging employees in water conservation initiatives to ensure that water efficiency is a core part of its operations.

### Water intake

In 2024, the company saw a 9% increase in total water intake compared to 2023, primarily driven by higher production volumes in the Gloves Business Area in 2024. The majority of this water is sourced from third-party providers, with municipal water supplies being the main source. All withdrawn water (own withdrawn groundwater and water from municipal or other external water supplies) is considered fresh water<sup>36</sup>. Water withdrawal volumes are tracked through the company's internal environmental reporting system, with data collected and compiled by the environmental management teams at each facility<sup>37</sup>.

### Water consumption

Mölnlycke's overall water consumption is estimated to be moderate, totaling 123,026 m<sup>3</sup>. Water is used as an ingredient or component in products such as foam and Epaderm®, with production occurring at three locations: Wiscasset (US), Mikkeli (Finland), and Oldham (UK). These sites are not located in

water-stressed areas. Notably, in 2024, the Oldham facility in the UK has achieved a 98% reduction in water consumption for the Epaderm mixing process compared to previous year through the implementation of a closed-loop water cooling system.

Water is also utilised during evaporation in the Gloves manufacturing process<sup>38</sup>, for fire suppression, and in humidification systems, as well as in various canteens across Mölnlycke's sites.

Water storage is not applicable to Mölnlycke's operations.

### Water discharge

Following usage, all Mölnlycke sites discharge water into municipal sewage systems, with limited environmental impact reported from discharge practices. In the USA and Malaysia, for example, water is treated to meet regulatory standards before being released, ensuring compliance through stringent controls governed by local permits and overseen by authorities. Regular testing is conducted as mandated by local regulations, with effluent discharge quality standards set for all industries.

Mölnlycke works closely with local environmental authorities to ensure that permit requirements reflect the specific characteristics of the receiving water bodies. To the best of the company's knowledge, no priority substances of concern are released into natural systems through its water discharges.

A systematic approach, integrated into Mölnlycke's ISO 14001-certified environmental management system, is followed at all sites to identify, document, and assess risks related to water consumption and discharge. Actions are evaluated and implemented as needed to prevent negative impacts, with examples including upgrading on-site filtration systems, modifying chemical usage in production processes, and developing a process to precipitate chemicals, such as silver, from wastewater to reduce the load on municipal treatment facilities.

35. Water stress is defined in terms of the ratio of total yearly water withdrawal to the amount of available renewable water supply. An area is considered a 'water stress area' when the ratio between withdrawal and supply is either high (40–80%) or extremely high (>80%), based on the data from the World Resources Institute. Baseline water scarcity level for each of the reported locations was collected on 30 December 2024, from the Aqueduct Water Risk Atlas, with information from the World Resources Institute. The data is an annual average and is taken to represent water scarcity levels for both 2023 and 2024 data.

36. In cases where water withdrawal data is unavailable, typically for smaller sales offices, estimations are made based on the office's floor area.

37. Fresh water is defined as containing in total <1000 mg/L of dissolved solids.

38. At certain sites, process water is evaporated in cooling systems; however, it is difficult to estimate the volume of evaporated water, so it has been excluded from the water consumption figures.

Regular follow-ups are conducted through annual reviews, internal and external audits, and environmental assessments of new equipment and processes before implementation. Wastewater discharge is measured at all manufacturing sites<sup>39</sup> and water quality is consistently monitored in line with local regulations and permit requirements. Overall, Mölnlycke’s assessments confirm that the social, environmental, and financial impacts of its water intake and discharge remain minimal.

Raw material use

Raw material management is a key pillar of Mölnlycke’s decarbonisation strategy. The company is committed to reducing overall resource demand and prioritising the use of recycled

and renewable materials with the lowest possible emissions. This approach supports Mölnlycke’s long-term sustainability goals, enhancing both decarbonisation and resource efficiency.

In 2024, Mölnlycke procured 86,078 tonnes of raw materials and components for production.

As part of the WeCare roadmap, Mölnlycke continues to expand the use of bio-based raw materials in polymer use. Building on previous success, the company more than doubled its procurement of ISCC-certified materials, reaching 159 tonnes in 2024.

In total, 11% of all procured materials came from certified renewable sources, such as FSC® or ISCC Plus-certified streams, ensuring responsible sourcing practices. The majority of these renewable raw materials were used in packaging, paper

coatings, as well as in the supply of natural fibers, and natural latex. Overall, 33% of all procured raw materials – equivalent to 28,024 tonnes – came from renewable sources, marking an increase from 31% in 2023.

Packaging

Mölnlycke continues its progress toward more sustainable packaging solutions by reducing material use and developing recyclable or renewable primary packaging suitable for sterilisation. Ongoing initiatives across all product categories aim to minimise the environmental footprint of packaging.

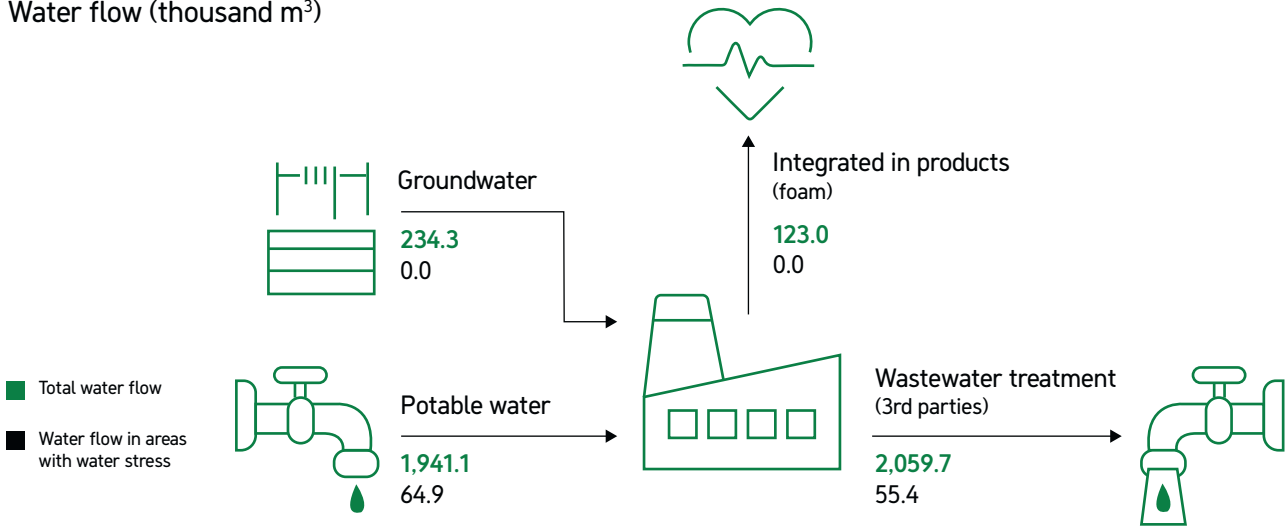
This work is driven by long-term initiatives at various stages of development, alongside regularly planned product updates. Many feasibility studies and development projects launched in 2023 have progressed well in 2024 and will continue into 2025. Delivering more sustainable packaging solutions requires stringent processes to meet the regulatory requirements of the medical device sector. Collaboration with suppliers, customers, recyclers, and other partners remains essential in advancing these efforts.

In 2024, all implemented packaging changes focused on secondary and tertiary packaging. For example, secondary packaging for a group of wound care products was revised, reducing material use, while a tertiary packaging material made of plastic components was replaced with corrugated board, enhancing recyclability and the use of renewable resources.

Further improvements are planned for 2025, including the removal of secondary packaging for selected antiseptic products, reduced material use in secondary packaging for gloves, and increased recycling opportunities for primary packaging in customised procedure trays.

FSC® certification remains a key priority for Mölnlycke, reinforcing the company’s commitment to responsible sourcing and sustainable packaging. Building on many years of FSC®-certified packaging implementation in Wound Care and OR Solutions, Mölnlycke continues to expand its commitment to responsible forestry practices and in 2024 significant progress was made in

Water flow (thousand m³)

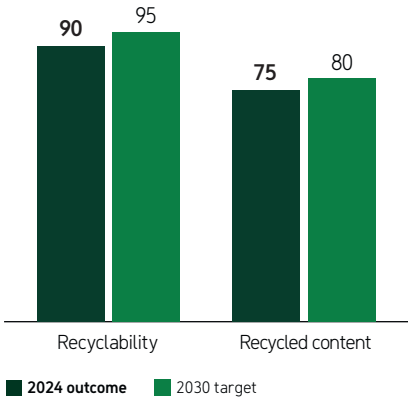


39. Wastewater discharge is calculated as the difference between water withdrawal and water consumption, where applicable. Untreated wastewater is defined as water with dissolved solids greater than 1000 mg/L. For wastewater that is treated by Mölnlycke before discharge, the classification of the water type is determined based on local regulations.

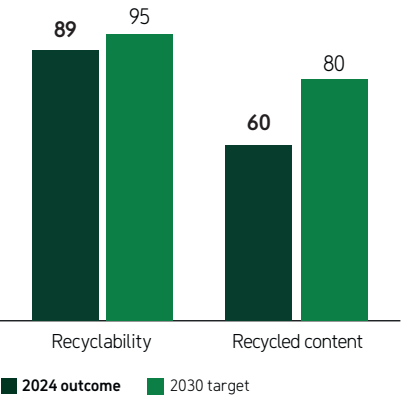
expanding FSC® certification across packaging materials. Since mid-2024, all cardboard and corrugated board boxes used for gloves are FSC®-certified, ensuring they come from responsibly managed forests and controlled sources. Additionally, FSC®-certified tertiary packaging was introduced for selected antiseptic products, with further implementation planned for 2025.

In 2024, further efforts were made to enhance internal data handling and develop a tool for streamlined reporting and assessment. With full implementation expected in 2025, ProcedurePak® trays will be included in packaging targets and baseline calculations. As a result, trays are presented separately in this year's report. The 2024 share of recyclability and renewable and/or recycled content in own-manufactured, contract-manufactured, and distributed products (excluding trays) indicates that Mölnlycke is on the right path to achieving its 2030 packaging targets. Combined data will be presented in 2025.

Share of recyclable packaging and packaging manufactured from renewable and/or recycled materials (%)<sup>40</sup>



Share of recyclable packaging and packaging manufactured from renewable and/or recycled materials in ProcedurePak® trays (%)<sup>41</sup>



## Sustainable portfolios

At Mölnlycke, the sustainable product portfolio is seen as a key opportunity for growth and impact. The company has set an ambitious goal to significantly increase revenue from sustainable solutions over the coming years. These solutions are defined as products that deliver measurable sustainability benefits to customers, meeting the growing demand for environmentally and socially responsible offerings.

By identifying and prioritising sustainable solutions, Mölnlycke can engage more collaboratively with customers, many of whom face ambitious sustainability targets. This alignment not only strengthens partnerships but also fosters positive change across healthcare ecosystems. Moreover, through this harmonised approach to portfolio management, Mölnlycke is well-positioned to drive sustainable innovation and create long-term value for both customers and stakeholders. The company works closely with suppliers and customers to ensure that its products and services deliver value at every stage, balancing environmental, social, and economic benefits for all stakeholders.

To guide this process, Mölnlycke uses the Sustainable Product Portfolio Assessment (SPPA) framework to identify the sustainability value delivered to customers. The SPPA is based on a portfolio framework tool developed by the World Business Council for Sustainable Development (WBCSD), which was adapted to meet the needs of a MedTech company. The framework provides a comprehensive view of the sustainability characteristics of Mölnlycke's product portfolio and enables the company to tailor value-selling strategies that align with specific customer needs.

The portfolio is evaluated across multiple sustainability criteria, comparing products to mainstream market alternatives throughout the entire value chain. Based on this evaluation, products are categorised into three groups: "Leading", "Performers", and "Transitioners".

Mölnlycke's "Leading" solutions are products that offer measurable substantial sustainability advantages over mainstream alternatives while maintaining equal or better functionality. To qualify, these products must meet all criteria without underperforming in any area compared to the alternatives. The sustainability benefits of Mölnlycke's "Leading" solutions are assessed across the entire value chain and may include one or more of the following:

- lower greenhouse gas (GHG) emissions and improved energy efficiency,
- more efficient use of natural resources, such as using less materials or circular materials,
- avoidance of substances of concern,
- reduced waste through longer service life, lower material usage and recyclability design,
- improved packaging to reduce waste and promote recycling,
- increased inclusiveness,
- enhanced health and wellbeing.

40. Calculations based on total weights of our product portfolio (own manufactured, contract manufactured and distributed products), excluding ProcedurePak® trays.  
41. Calculations based on total weights of our ProcedurePak® trays product portfolio.

Products in the "Performer" category meet customer needs and are on a par with mainstream alternatives, while those in the "Transitioner" category contain substances identified as potentially concerning by various stakeholders (e.g., governments, NGOs, customers, and public groups). Through its priority substance programme, Mölnlycke manages these substances and works to promote the use of safer, more sustainable alternatives. In 2024, Mölnlycke expanded its sustainable product portfolio assessment to include Wound Care, in addition to Antiseptics and Operating Room Solutions. The assessed portfolios represented 75% of the company's total revenue, and the "Leading" category alone accounted for 30% of the total revenue in the assessed portfolio – up significantly from 6% in 2023. This growth underscores the success of Mölnlycke's efforts to deliver innovative, sustainable solutions that provide measurable benefits to customers.

As part of its ongoing commitment, Mölnlycke trained more product management and R&D teams on the SPPA framework in 2024, which resulted in a greater understanding of the methodology and heightened awareness of the potential sustainability benefits of its product portfolio. With continued integration of eco-design principles and sustainability criteria into product development and innovation processes, the customer value of Mölnlycke's "Leading" solutions is expected to grow further.

### Examples of "Leading" solutions identified in 2024

- **Hibiscrub® and Hibiclens®**, which avoid potentially concerning substances found in mainstream alternatives.
- **BARRIER® CLASSIC Gowns**, made from certified renewable materials sourced sustainably.
- **Mepilex Border® Flex and Post-Op**, which are changed less frequently, thereby reducing waste compared to mainstream options.

The insights gained from this portfolio analysis are actively used to inform product portfolio planning within Mölnlycke's marketing and innovation processes. The company will continue to promote the adoption of sustainable solutions through this holistic approach to its product portfolio.

Having met its initial target of generating 30% of revenue from "Leading" solutions in the 2024 business in scope, Mölnlycke plans to extend the evaluation in 2025 to include Gloves, further advancing the evolution of its sustainable portfolio.

Customers and end users have accessible and adequate information about the positive and negative environmental and social impacts of Mölnlycke's products and services and how to dispose of the products at their end of life. In 2024, no non-compliance with regulations and/or voluntary codes was identified.

Life Cycle Assessment (LCA) is integral to Mölnlycke's sustainability approach, offering a detailed analysis of the environmental impacts of products across their entire life cycle. In 2024, LCA covered 33.6% of the company's product portfolio in terms of revenue. By identifying both risks and opportunities early in product development, LCA helps minimise costly corrections, ensuring that Mölnlycke's offers are resource-efficient and sustainable.

LCA results are key to supporting customer engagement, aligning Mölnlycke's products with customer sustainability goals and addressing specific performance needs. The assessment evaluates products from raw material sourcing, through production and use, to disposal or recycling, while adhering to ISO 14040:2006 and 14044:2006 standards. Key impact categories assessed include climate change, eutrophication, acidification, ozone depletion, and photochemical ozone creation.

In addition to enhancing transparency, LCA enables Mölnlycke to demonstrate the environmental benefits of its products, reinforcing the company's commitment to sustainable healthcare solutions. By embedding LCA within its SPPA framework, Mölnlycke gains deeper insights into product impacts, unlocking opportunities for improvement and ensuring lasting value that address customer sustainability challenges.

## Pollution prevention

Mölnlycke tracks and reports emissions to air, land, and water for substances that may impact people or the environment, such as VOC, CO<sub>2</sub>, ethylene oxide (EtO) emissions, and both hazardous and non-hazardous waste, to the relevant authorities. While the impact is limited, the company regularly monitors EtO usage at its production sites in Havirov, Czech Republic, and Mikkeli, Finland, as well as by external partners during product sterilisation prior to customer delivery.

In 2024, EtO emissions from combustion leakage in sterilisation processes totalled 58 kg<sup>42</sup>, reflecting a 56% decrease compared to 2023. This decrease was due to a correction of calculation method identified from the previous year, as well as continued efficiency measures such as the implementation of catalysts to reduce the emissions to air at Mölnlycke production sites. Air quality is measured as part of the environmental permitting requirements at these sites. As part of Mölnlycke's continuous pollution prevention efforts, the company is working to identify more efficient alternatives to minimise the environmental impact of its sterilisation processes. At the Havirov factory, validation is underway of a change to process which is expected to be completed in early 2025 and is anticipated to reduce EtO by 30kg per cycle, yielding a reduction of between 240-300 kg EtO per month. At the Mikkeli facility an EtO sterilisation expansion project is ongoing, which will see the site's sterilisation capacity doubled. Using new best available technology, the site will start to use an improved sterilisation cycle which reduces the amount of EtO per pallet by approximately 40%. The EtO process will use the latest, efficient energy handling processes, e.g. heat pump technology for the process heating. The propane-powered catalyst process will also be replaced with new technology powered by renewable electricity. In addition, a pallet automation system will be created to replace manual pallet handling, reducing exposure risk of Mölnlycke's operators.

In 2024, no instances of non-compliance with environmental laws and regulations were identified.

42. Emissions of ethylene oxide (EtO) in sterilisation are based on a calculation formula (mass flow x operating hours or EtO consumption x catalyst process efficiency), in compliance with environmental permits.

# Environmental management

## Environmental Management System

Mölnlycke’s Sustainability Policy serves as the foundation for its environmental management approach. The policy outlines key commitments, including the application of Life Cycle Assessment (LCA) methodology to evaluate significant environmental aspects and reduce the environmental footprint of operations and products. Mölnlycke takes a precautionary approach to environmental challenges, integrating sustainable design principles to drive continuous improvements with a life-cycle perspective.

In line with this policy, Mölnlycke is committed to minimising negative environmental impacts across its operations. The company’s Environmental Management System (EMS) is certified to ISO 14001:2015, covering all relevant areas, including manufacturing, product development, supply chain, and facility management. The EMS is embedded within Mölnlycke’s broader management system, ensuring alignment with group-wide processes such as audits, assessments, and management reviews. In 2024, 100% of Mölnlycke’s manufacturing sites and HQ were certified to ISO 14001 and ISO 45001.

Environmental aspects are regularly assessed to identify significant risks and opportunities, forming the basis for setting measurable targets. Compliance with environmental regulations is closely monitored at a country level to ensure Mölnlycke meets all legal and regulatory requirements.

Environmental risks are integrated into Mölnlycke’s Enterprise Risk Management (ERM) framework, ensuring they are systematically identified, assessed, and managed as part of the company’s overall risk management approach.

Mölnlycke maintains an incident reporting system, encouraging employees to report environmental incidents. In 2025, this reporting process will be included in the list of environmental requirements for Mölnlycke’s suppliers.

	2024	2023	2022	2021	2020
Significant environmental incidents <sup>43</sup>	0	0	0	0	0

## Biodiversity

While biodiversity and land use may not currently be classified as primary material topics for Mölnlycke, the company recognises that healthy societies, resilient economies, and thriving businesses depend on nature. Acknowledging this, since 2023 Mölnlycke has joined over 1,400 companies in signing the Business for Nature call for action, urging governments to implement policies to reverse nature loss this decade.

As part of its materiality assessment, Mölnlycke has evaluated its biodiversity and ecosystem impacts across its value chain. The company identifies climate change, resource use, and pollution as key drivers of biodiversity loss and prioritises efforts to mitigate these impacts. Other drivers, such as land and sea use changes and invasive species, were not found to be material to Mölnlycke’s value chain or the MedTech industry in general.

Mölnlycke integrates biodiversity considerations into its business practices across four key areas:

### Own operations

Mölnlycke’s facilities, including offices and production sites, are primarily located in urban or semi-urban areas with limited impact on land use and surrounding ecosystems. However, the company’s gloves production sites in Malaysia are situated in a region of significant biodiversity value, as recognised by the IUCN. Given the ecological importance of these areas, Mölnlycke has assessed the materiality of biodiversity and land use impacts within these operations.

To minimise its ecological footprint, in 2024 Mölnlycke implemented sustainable practices within its facilities, including water reuse and continued efforts toward its "zero waste to landfill" target. Additionally, the company considers biodiversity impacts in site selection to minimise environmental disruption from land use.

### Supply chain

Mölnlycke promotes responsible sourcing practices to ensure procurement aligns with biodiversity and resource conservation goals. Supplier sustainability performance is managed through

SEDEX assessments and on-site audits, with high-risk suppliers identified based on country and category risks. The company also engages its top suppliers in Scope 3 upstream emission reduction initiatives, reinforcing its commitment to sustainable supply chains. Biodiversity considerations are embedded in Mölnlycke’s material transition strategy. When selecting renewable and bio-based materials, the company prioritises options that minimise ecosystem disruption and habitat loss, supported by recognised certification schemes such as the Forest Stewardship Council (FSC®) and the International Sustainability & Carbon Certification (ISCC).

### Product life cycle

Mölnlycke’s commitment to biodiversity extends throughout the life cycle of its products. The company’s Net Zero commitment provides the foundation for delivering sustainable solutions to customers. Mölnlycke’s sustainable product portfolio focuses on reducing greenhouse gas emissions, waste, and packaging – factors that indirectly contribute to biodiversity conservation.

### Community engagement

As part of its societal responsibility, Mölnlycke actively participates in community initiatives supporting biodiversity conservation, particularly in Malaysia.

Mölnlycke addresses biodiversity-related impacts through its climate change mitigation efforts, pollution reduction initiatives, and circular economy transition. Consequently, biodiversity, including ecosystems, is integrated into broader sustainability efforts rather than managed as a standalone matter.

## Sustainable investments

Mölnlycke’s investment decisions are critical in shaping the company’s long-term growth, competitiveness, and contribution to a more sustainable healthcare industry. With significant expansion in 2024 – including the acquisition of P.G.F. Industry Solutions GmbH and the joint venture in Saudi Arabia – ensuring that asset acquisitions align with sustainability objectives has become a strategic priority.

43. A significant environmental incident is defined as an unplanned event that has resulted in, or may result in, severe long-term negative environmental impact, including impact on air, water, land, natural resources, flora, and/or fauna.



To strengthen this approach, Mölnlycke has implemented a structured sustainability assessment for all material asset acquisitions. Following the company's Investment Request Policy, this process helps identify environmental and social risks early while capturing opportunities to enhance sustainability performance and future-proof investments.

As Mölnlycke continues its global expansion, particularly in high-growth markets like the Middle East and Asia, the company remains committed to integrating sustainability into every stage of its investment strategy, supporting long-term value creation.

### Key sustainability considerations in asset acquisitions

When evaluating asset acquisitions, Mölnlycke assesses:

- **climate change and other environmental impacts:** energy and water consumption, waste management, circular economy integration, GHG emissions reduction, and air pollution mitigation
- **regulatory and legislative compliance:** adherence to CSRD, CS3D, EUDR, and other evolving sustainability regulations
- **biodiversity and land use:** location-specific risks, particularly for assets in high-biodiversity areas or ecologically sensitive regions
- **health, safety, and other societal impacts:** workplace safety, employee well-being, community engagement, and human rights considerations
- **ethical business practices:** supply chain integrity, responsible sourcing, and governance structures

### Internal carbon pricing for asset acquisitions

To further support sustainable decision-making, Mölnlycke has introduced an internal carbon price for significant asset investments. This mechanism ensures that potential long-term carbon costs are factored into financial evaluations, guiding investment choices towards lower-emission assets and operations. It also enables Mölnlycke to proactively manage carbon-related financial risks while reinforcing its leadership in sustainable healthcare solutions. For more details on Mölnlycke's internal carbon pricing, please refer to "Climate change and energy" section of the Sustainability report.

# Social

## Own workforce

At Mölnlycke, employees are at the heart of the company's success and the foundation of its achievements. With a global workforce of 8,668 employees (8,617 FTE) at the end of 2024, Mölnlycke is committed to fostering an inclusive, engaging, and supportive work environment. Feedback gathered through the bi-annual engagement survey is systematically used to identify areas for improvement and enhance the overall employee experience.

Mölnlycke's purpose to revolutionise care for people and planet reflects a commitment to creating meaningful impact for employees and the communities it serves. The company's core values – Be Bold, Lead with Passion, and Embrace Partnerships – shape its culture, drive innovation, and promote effective collaboration to achieve strategic objectives.

The strength of Mölnlycke's brand, rooted in its purpose and values, plays a vital role in attracting, developing, and retaining top talent. It also helps to build trusted partnerships and foster customer loyalty. By focusing on employee engagement, leadership development, and tailored career growth opportunities, Mölnlycke empowers its workforce to achieve their full potential, delivering long-term value to the business.

Mölnlycke strives to ensure an inclusive, and supportive work environment where employee safety, well-being, professional growth, and human rights are prioritised. These priorities are embedded in Mölnlycke's way of working, creating shared value for employees, the business, and society.

### Diversity, equity and inclusion

#### Impact, risks and opportunities

Mölnlycke is committed to fostering an inclusive, equitable and merit-based workplace where the power of diversity is recognised, leveraged, and celebrated. Embracing diversity creates opportunities to better understand the needs of customers and

patients, enabling the delivery of more inclusive and effective solutions. Failing to sustain an inclusive environment, on the other hand, poses significant risks, including higher employee turnover, reduced engagement, and challenges in attracting top talent. These risks could impact innovation and compromise the company's competitive market position.

To address these challenges and capitalise on the opportunities presented by diversity, a comprehensive Diversity, Equity and Inclusion (DE&I) roadmap was launched in 2024. This roadmap serves as a strategic framework to achieve ambitious DE&I goals and enhance the company's employer brand reputation. For more information, please refer to the "Management approach" section.

#### Policies

In 2024, Mölnlycke introduced comprehensive DE&I and Anti-harassment and Anti-discrimination Policies to promote inclusion, ensure fair treatment of employees, and maintain a workplace free from discrimination. These policies play a critical role in mitigating legal and reputational risks associated with non-compliance.

The DE&I Policy formalises Mölnlycke's commitment to diversity, equity, and inclusion. It outlines the strategic approach to ensuring equitable treatment, access, and opportunities for all employees, while actively addressing barriers that hinder full participation. The policy also specifies the governance framework for DE&I, including the various routines and supporting bodies that oversee its implementation.

The Anti-harassment and Anti-discrimination Policy emphasises the company's zero-tolerance stance on any form of harassment or discrimination. The policy provides clear definitions of harassment, bullying, and other forms of discrimination and includes detailed guidelines for reporting breaches or suspected breaches of the policy.

To ensure full awareness and understanding, these policies have been published on Mölnlycke's intranet and communicated to all

employees globally. This approach enables reinforcement of the policies at the local level where necessary. By embedding these principles into everyday operations, Mölnlycke not only safeguards employees but also strengthens its organisational culture, fostering innovation and better meeting the diverse needs of its customers.

#### Management approach

Mölnlycke's DE&I efforts are guided by a comprehensive roadmap launched in 2024. This roadmap serves as a strategic framework to achieve ambitious DE&I goals, enhance the company's employer value proposition, and address the opportunities and challenges associated with diversity.

The DE&I roadmap is governed by the DE&I Council, composed of senior leaders from across the company. The Council oversees the implementation of the roadmap, monitors progress against key performance indicators (KPIs) on a quarterly basis and ensures alignment with Mölnlycke's overarching business objectives.

To promote transparency and ensure activation across all levels of the organisation, the roadmap is communicated to all employees and made accessible through Mölnlycke's intranet. The People function plays a crucial role in engaging business leaders to secure support and drive the integration of DE&I initiatives throughout the company.

The roadmap focuses on key initiatives to embed DE&I principles into Mölnlycke's operations and culture, such as:

- **global DE&I campaigns** highlighting diversity efforts worldwide to support market expansion
- **Employee Resource Groups (ERGs)**, open for all employees regardless of demographics or background, amplifying the voices of diverse employee groups to further improve engagement and satisfaction
- **global awareness days** celebrating events such as International Women's Day and Pride Month to foster inclusivity

- **unconscious bias training** providing training to ensure equitable treatment and decision-making across the workforce
- **graduate and internship programmes**, increasing the representation of younger generations within the workforce
- **DE&I integration in engagement surveys** incorporating DE&I-focused questions in employee surveys to identify opportunities for continuous improvement

This management approach ensures accountability, fosters collaboration, and integrates DE&I principles into Mölnlycke's operations. By addressing risks and seizing opportunities, these initiatives help build a more engaged and diverse workforce, drive innovation, enhance customer satisfaction, and strengthen Mölnlycke's position as an employer of choice.

## Metrics and targets

### Ambitions

To further the policy objectives of inclusiveness and equal opportunity, Mölnlycke has set ambitions to increase the share of women among people leaders, improve the DE&I driver score in the Employee Engagement Survey, and achieve full completion of unconscious bias training, as outlined below.

### Metrics

*Characteristics of employees in the workforce and diversity metrics*

Diversity, Equity & Inclusion		
Metric	Ambition	2024
Gender balance people leaders	50%	<b>48%</b>
ELT nationality diversity	>5	<b>5</b>
Engagement Survey score	>4.0	<b>3.9</b>
DE&I driver	>4.0	<b>3.9</b>
Unconscious bias training completion	>80%	<b>88%<sup>44</sup></b>

Employees			
(Headcount)	2024	2023	2022
Executive Leadership Team	<b>11</b>	11	9
Executive population	<b>65</b>	59	51
Director and above	<b>139</b>	132	134
Management	<b>719</b>	649	609
Other office & field	<b>2,924</b>	2,746	2,625
Production worker	<b>4,810</b>	4,848	5,128
<b>Total</b>	<b>8,668</b>	<b>8,446</b>	<b>8,556</b>

Employees by gender			
(Headcount)	2024	2023	2022
Male	<b>3,333</b>	3,116	3,176
Female	<b>5,335</b>	5,329	5,380
Other/not reported	-	1	-
<b>Total</b>	<b>8,668</b>	<b>8,446</b>	<b>8,556</b>

Share of women per employee category			
(%)	2024	2023	2022
Executive Leadership Team	<b>55</b>	58	56
Executive population	<b>38</b>	42	43
Director and above	<b>44</b>	44	43
Management	<b>50</b>	50	51
Other office & field	<b>62</b>	64	63
Production worker	<b>64</b>	65	65
<b>All employees</b>	<b>62</b>	<b>63</b>	<b>63</b>

Employees by contract type and gender				
2024 (Headcount)	Male	Female	Other /not reported	Total
Permanent employees	3,173	5,106	-	<b>8,279</b>
Temporary employees	160	229	-	<b>389</b>
Non-guaranteed hours employees	-	-	-	-
<b>Total</b>	<b>3,333</b>	<b>5,335</b>	-	<b>8,668</b>
Full-time employees	3,302	5,185	-	<b>8,487</b>
Part-time employees	31	150	-	<b>181</b>
<b>Total</b>	<b>3,333</b>	<b>5,335</b>	-	<b>8,668</b>

Employees by contract type and region				
2024 (Headcount)	EMEA	Americas	APAC	Total
Permanent employees	3,645	799	3,835	<b>8,279</b>
Temporary employees	369	3	17	<b>389</b>
Non-guaranteed hours employees	-	-	-	-
<b>Total</b>	<b>4,014</b>	<b>802</b>	<b>3,852</b>	<b>8,668</b>
Full-time employees	3,843	800	3,844	<b>8,487</b>
Part-time employees	171	2	8	<b>181</b>
<b>Total</b>	<b>4,014</b>	<b>802</b>	<b>3,852</b>	<b>8,668</b>

44. Office & field only.

Share of employees by age group			
(%)	2024	2023	2022
<30	22	22	25
30-50	59	59	58
>50	19	19	17

Employees by country			
(%)	2024	2023	2022
Malaysia	2,412	2,528	2,741
Thailand	963	962	987
Czech Republic	956	1005	1020
Other	4,337	3,951	3,808
<b>Total</b>	<b>8,668</b>	<b>8,446</b>	<b>8,556</b>

Employee Turnover <sup>45</sup>				
2024 (No./%)	EMEA	Americas	APAC <sup>46</sup>	Total
Voluntary leavers (No.)	360	96	764	1,120
Turnover rate Voluntary leavers (%)	10	12	20	14
Total leavers (No.)	527	143	1,075	1,745
Turnover rate (Total leavers (%))	14	18	28	21

## Compensation and rewards

At Mölnlycke, the total rewards philosophy reflects the company's commitment to attracting, retaining, and motivating top talent by providing a competitive, equitable, and meaningful reward offering that aligns with Mölnlycke's values and strategic goals. These principles apply to all employees, supporting a culture of excellence, recognition and care. Mölnlycke ensures competitive base salaries informed by internal and external benchmarks, enabling the company to attract and retain skilled talent across all functions and geographies. A globally consistent job levelling framework and architecture guide pay decisions, enabling meaningful comparisons and promoting internal equity.

Performance is at the core of Mölnlycke's rewards philosophy. The company fosters a culture of accountability, where individuals are rewarded for their contributions to business success and alignment with Mölnlycke's values. Employees are incentivised to exceed expectations through clear performance metrics and objective setting. Recognition is a cornerstone of Mölnlycke's culture. Through both monetary and non-monetary programmes, the company celebrates achievements, reinforces behaviours aligned with its values, and drives engagement.

Mölnlycke's incentive programmes are aligned with business objectives, designed to drive performance, and reward both individual and collective achievements. The company's short-term and long-term incentive plans provide opportunities for employees to share in Mölnlycke's success, linking rewards to company performance and individual impact. Incentives are structured to motivate employees at all levels, ensuring alignment with market practices and Mölnlycke's strategic goals.

Mölnlycke's benefit offerings are designed to promote employee wellbeing, work-life balance, and long-term security. Aligned with local market practices, they also integrate sustainable initiatives that reflect Mölnlycke's purpose and global responsibility. The company provides pension plans, healthcare, and other wellbeing programmes tailored to employees' needs, ensuring an inclusive and holistic reward package.

All reward decisions are grounded in robust governance and guided by a disciplined framework that ensures alignment with Mölnlycke's strategy, market standards, and internal equity. Pay decisions are made transparently, objectively, and fairly, with a commitment to pay equity and non-discrimination. Communication about rewards is clear, transparent, and consistent across all levels of the organisation, reinforcing trust and understanding. Mölnlycke regularly reviews and updates its reward structure to ensure competitiveness, effectiveness, and alignment with the company's commitments to sustainability, customer-centricity, and digitalisation. As part of this process, Mölnlycke continuously refines its pay equity analysis to identify and address any unexplained pay differences.

Through these principles, Mölnlycke ensures a comprehensive and meaningful total reward offering that supports employees in achieving personal and professional success while driving the company's overall performance and growth.

## Remuneration metrics

Aggregated Gender Pay Gap <sup>47</sup>	
(%)	2024
Aggregated gender pay gap	17.7

45. Turnover is calculated on the company's permanent workforce only. No comparable numbers are available as the company previously only has reported turnover excluding production workers.

46. Factory closing down in Malaysia increased turnover in 2024.

47. Only office & field employees are included in the compensation metric showing the unadjusted pay gap. Salaries have been converted to EUR and the full-time salary has been used. Included salary types are base salary and STI payments.

Freedom of association

Mölnlycke fully respects the right of all employees to form or join independent trade unions, as well as the right to engage in collective bargaining agreements. The company complies with, at a minimum, the laws and regulations of each location in which it operates, including those governing wages, working hours, and the right to organise.

The company’s Code of Conduct and Human Rights Policy both reinforce this commitment, ensuring that employees are free to establish or join trade unions and representative organisations of their choice without interference.

Mölnlycke engages in constructive dialogue with employee representatives, aiming to reach mutually beneficial agreements on terms and conditions of employment. This engagement also extends to addressing employees’ grievances where necessary, fostering a cooperative and respectful working environment.

While Mölnlycke has organised collective bargaining agreements at the local level, the company does not currently have agreements with EU or international trade unions. Additionally, union members are represented on Mölnlycke’s Board to ensure employees have access to company information and can actively participate in decision-making processes.

In terms of collective bargaining coverage, Mölnlycke reports the percentage of employees covered by such agreements for countries and regions where the company has at least 50 employees representing at least 10% of the company’s total employees. The table below outlines the current collective bargaining coverage:

Collective bargaining agreements			
(%)	2024	2023	2022
Employees covered	46	45	45

Collective bargaining coverage and social dialogue			
Collective bargaining coverage			Social dialogue
Coverage rate	Employees – EEA (for countries with >50 employees representing >10% total employees)	Employees – non-EEA (estimate for regions with >50 employees representing >10% total employees)	Workplace representation (EEA only) (for countries with >50 employees representing >10% total employees)
0–19%			
20–39%		Asia	
40–59%			
60–79%			
80–100%	Czech Republic		Czech Republic

Employee engagement and feedback

Impact, risks and opportunities

Mölnlycke’s ability to attract, develop, and retain talent is closely linked to the employee experience it offers. By actively listening to employees and gathering continuous feedback, the company aims to future-proof its operations while nurturing a strong sense of purpose and belonging.

This proactive approach helps to mitigate risks such as disengagement, missed improvement opportunities, and potential damage to Mölnlycke’s reputation. Consistent feedback collection boosts employee engagement, driving higher productivity and

fostering innovation. Improved DE&I outcomes cultivate a more inclusive, collaborative work environment, enhancing creativity and strengthening Mölnlycke’s position as an employer of choice. This, in turn, reduces recruitment costs and turnover rates.

Furthermore, the continuous feedback loop provides valuable insights into employees’ concerns and aspirations, allowing Mölnlycke to address issues proactively. This ensures initiatives are aligned with employee needs, resulting in higher satisfaction and loyalty. It also enables the company to identify emerging trends and areas for improvement, ensuring Mölnlycke remains agile and responsive to an ever-changing workplace landscape.

Region	Number of employees in selected region	Number of employees covered by collective agreements in selected region	Percentage of employees covered by collective agreements in selected region [%]
EMEA	4,014	2979	74.2%
APAC	3,852	963	25.0%
Americas	802	71	8.9%
Total number of employees limited to regions where the company has a significant employment	8,668	4,013	46.3%



## Policies

Mölnlycke has established clear processes for raising concerns, including a dedicated hotline for employees to report serious behavioural issues requiring immediate attention. This channel ensures that such matters are addressed confidentially and appropriately, in alignment with the Anti-Retaliation Policy.

Additionally, employees can provide feedback anonymously by commenting on individual questions in the Employee Engagement Survey. This mechanism allows for follow up on concerns and taking necessary actions. Where appropriate, employees may also be encouraged to use the hotline for more serious issues, ensuring that all concerns are handled through the most suitable channels.

## Management approach

In 2024, Mölnlycke enhanced its employee listening approach, Mölnlycke Pulse, to further improve engagement and better understand employee needs. This enhancement included the launch of global onboarding and offboarding surveys and the introduction of a new DE&I driver in the bi-annual engagement survey. The DE&I driver specifically measures the impact of diversity, equity, and inclusion initiatives and assesses employees' perceptions of belonging and inclusion.

People leaders with a minimum of five survey responses are able to access the results for their teams. They are responsible for reviewing the feedback, discussing it with their teams, and planning actionable steps to improve the workplace and overall employee experience, with support from the People function.

Additionally, each member of the Executive Leadership Team (ELT) is accountable for defining the top engagement actions within their respective functions and Business Areas, as well as for the entire organisation.

This bottom-up approach ensures alignment across teams, focusing on what matters most to Mölnlycke's employees. It helps address the right areas for improvement in a consistent and targeted manner, driving meaningful and sustainable change throughout the organisation.

## Metrics and targets

Mölnlycke has set a global target to achieve an engagement score of 4.0 (on a scale of 1-5) in its Employee Engagement Survey for 2025. In 2024, the company achieved a score of 3.9, reflecting a general improvement compared to the previous year.

The highest scores were recorded in areas such as relationships with managers and colleagues, as well as Mölnlycke's approach to strategy, vision, and culture. These strengths highlight the company's commitment to fostering a positive work environment and aligning employees with organisational goals.

Looking ahead, Mölnlycke will continue to focus on improvement opportunities in areas related to employee well-being, health, and empowerment to further elevate the engagement score and enhance the overall employee experience.

## Career development and empowerment

### Impact, risks and opportunities

Mölnlycke is committed to empowering employees to reach their full potential, creating long-term value for the business. Central to this commitment is understanding employees' aspirations, engaging in meaningful discussions about career paths and development plans, and preparing for future roles. This proactive approach helps mitigate potential risks such as employee disengagement and turnover, which can hinder productivity and innovation.

In addition, this focus on career development presents opportunities for Mölnlycke to strengthen its talent pipeline by identifying high-potential employees early and preparing them for leadership positions. It also fosters a culture of continuous learning and growth, which enhances employee satisfaction and retention.

## Policies

While Mölnlycke does not have formal policies on this topic, the company provides guiding materials as a Global Career Development framework, consisting of a personal development workbook and a development toolbox, which outline the process steps and definitions for the practices, processes, and tools mentioned above. These resources ensure that employees and

people leaders have a clear understanding of the framework and can effectively apply it in their day-to-day operations.

## Management approach

Career and personal development conversations are fundamental to understanding employees' desires, strengths, and motivations. These discussions drive the talent planning cycle, ensuring that employees' needs and aspirations are addressed in a timely manner. In this way, Mölnlycke gains valuable insights into employees' goals, enabling the company to tailor development initiatives to meet their evolving needs, enhancing satisfaction and loyalty. In 2024, 100% of Mölnlycke's employees had a career development conversations with their manager.

Each year, Mölnlycke conducts global training sessions for people leaders to enhance or review their understanding of talent philosophy and planning. These sessions are essential to ensure alignment across the organisation regarding the definition of talent and the attributes the company seeks in potential leaders.

In addition, Mölnlycke runs awareness campaigns around its career and development framework to highlight the benefits and encourage wider use of this tool among employees. The goal is to increase engagement with the framework and its practical application in career development.

Following the training, the company implements an annual structured process to assess employee potential and ensure succession plans are both realistic and diverse. This process includes talent reviews at local, regional, Business Area, and Corporate Function levels to ensure a comprehensive and fair evaluation from all perspectives. In 2024, Mölnlycke introduced the concept of the "early bet", which identifies emerging talents who demonstrate potential for future leadership roles at the beginning of their careers. This initiative enables the company to nurture high-potential individuals early, fostering innovation and ensuring a diverse and dynamic leadership pipeline for the future.

In 2024, Mölnlycke successfully completed succession planning for all roles at the manager level and above. The company also reinforced quarterly talent check-in conversations at the Executive Leadership Team level to discuss talent moves, development actions, and to increase visibility for high-potential employees.

Metrics and targets

Mölnlycke follows up on progress and targets related to leadership development, internal mobility, and gender balance in succession planning.

Number of graduates in our leadership programmes		2024
People in talent programmes		127
Internal moves due to development		20242023
Manager and above		55%61%
Director and above		63%70%
Gender balance succession plan		
Target		50%-

Health, safety, physical security and wellbeing

Impact, risks and opportunities

Mölnlycke has identified significant impacts on health, safety, and wellbeing for both its employees and those of its suppliers, including contractors and site service providers. The company continues to maintain a record of zero fatalities among its own employees. Most lost time incidents in recent years have been attributed to two primary causes: issues related to tools and equipment and incidents involving being struck by fixed or moving objects.

For non-operational employees, the main health and wellbeing risks are mental health challenges, including stress, and poor work-life balance. Within operations, the primary impacts are musculoskeletal disorders caused by repetitive tasks or lifting and skin rashes associated with the Gloves manufacturing process.

In addition to health and safety, Mölnlycke also places high importance on physical security across its operations. The company invests in robust physical security measures that ensure a secure working environment addressing the main risks, such as secure access control systems, surveillance, and regular safety drills.

Mölnlycke recognises its responsibility to ensure the health, safety, and wellbeing of everyone working for the company. Additionally, health and safety conditions in the workplace

are frequently assessed in customer supplier evaluations, making Mölnlycke's performance in these areas critical to its competitiveness in tenders and proposals.

Occupational health and safety risks are an integral part of the double materiality assessment and the identified risks help inform its priorities and actions to implement mitigation measures and controls.

During the year, Mölnlycke has invested in tools and equipment to improve the health, safety and wellbeing of its employees, for example within manufacturing by purchasing innovative specialised lifting equipment and fork lift trucks utilising the latest technology in safety systems.

Policies

Mölnlycke's commitment to health, safety, and wellbeing is clearly outlined in its Sustainability Policy, which reflects the company's broader purpose to revolutionise care for people and planet. This Policy defines the principles that guide Mölnlycke's relationships with its stakeholders and integrates sustainable practices within its business model, ensuring that all operations are carried out with respect and care for both people and the environment. The Policy states that Mölnlycke is dedicated to achieving a safe, healthy, and incident-free working environment across its operations and the entire value chain. The company measures progress toward this goal both qualitatively and quantitatively, through a set of published metrics and targets.

Mölnlycke's approach to Occupational Health and Safety (OHS) includes a proactive commitment to eliminating hazards and reducing risks to prevent work-related injuries and ill health. The company has implemented and continuously improves a comprehensive health and safety management system that is aligned with ISO 45001:2018 standards, ensuring compliance with legal and other regulatory requirements while continually enhancing its health and safety performance.

The Sustainability Policy is available to all internal stakeholders through Mölnlycke's document control system and intranet. It is communicated digitally and/or in printed form to all employees, translated into 17 languages to ensure accessibility in employees' native or second languages. Additionally, the policy statements are

displayed in all ISO-certified locations and are publicly accessible to external stakeholders via Mölnlycke's website.

Mölnlycke's Code of Conduct (CoC) for Business Partners extends occupational health and safety requirements to its suppliers, contractors, and other business partners. This CoC emphasises a risk-based approach to health and safety, ensuring that all relevant parties are properly trained and prepared to carry out their roles safely. The CoC also mandates that senior management is responsible for health and safety within business partner organisations, and it outlines the processes to prepare for and handle emergency situations.

In addition to the overarching Sustainability Policy, Mölnlycke maintains a Physical Security Policy that defines the principles and mandatory requirements for physical security at all its locations. This policy includes locally adapted instructions and detailed security plans that outline working routines, security measures, and emergency response procedures. Physical security is considered a critical part of Mölnlycke's overall Environmental, Health, Safety, and Security (EHSS) framework, ensuring that employees are safeguarded in every workplace environment.

Management approach

Mölnlycke places a strong emphasis on fostering a culture of care for its people, with health, safety, and well-being serving as the cornerstone of its operations. The company is committed to achieving zero injuries and harm through high standards in Occupational Health and Safety (OHS) performance and capability. This commitment extends to both employees and external stakeholders, ensuring a safe and supportive environment for all.

Security at Mölnlycke is integral to protecting people, information, assets, and critical business processes from willful security risks. This encompasses both site security and security while employees are travelling. During the year, the company rolled out its updated Physical Security Policy and new procedures to all Mölnlycke locations, with a continued focus on standardising security processes, procedures, and training for personnel across all locations.

Health, safety, and wellbeing governance at Mölnlycke is managed globally through two primary forums. Firstly, the Corporate Sustainability Committee is responsible for making decisions related to global training programmes, such as behaviour-based safety, and promotes alignment and accountability across all business areas. Secondly, following Mölnlycke's governance process, the Sustainability Business Review is held twice a year with the Executive Leadership Team, who provide strategic guidance on OHS initiatives and endorse global programmes. Additionally, global EHSS meetings take place monthly, chaired by the EHSS Operations Manager, where each site is represented by its EHSS lead. In these meetings, the team reviews lost time and high potential incidents, analyses root causes, tracks actions taken, and monitors compliance. This forum fosters organisational learning, supports consistency, and promotes best practice sharing across the company.

Mölnlycke adopts a proactive approach to OHS that goes beyond legal compliance, international standards, and customer expectations. The company's goal is to actively prevent work-related injuries and illnesses. The OHS Excellence Programme, running for four years, is Mölnlycke's overarching strategy to meet its ambition of zero injuries and harm. The program focuses on people safety, process safety, health and well-being, as well as people and physical security. Regular risk and opportunity assessments help identify strategic and recurring risks, and these evaluations are aligned with Mölnlycke's Enterprise Risk Management (ERM) framework.

### OHS management system

Compliance assurance remains a top priority for Mölnlycke to ensure business continuity and regulatory adherence in a dynamic environment. The company's integrated EHS management system is aligned with ISO 45001, the international standard for OHS management, and undergoes regular audits by accredited bodies to maintain certification. This management system aims to mitigate health, safety, and wellbeing risks and identifies opportunities for continuous improvement.

Mölnlycke is proud to have achieved 100% coverage of its OHS management system at all established manufacturing sites and its headquarters, with Denmark's production site being successfully certified in 2024.

Assessment and mitigation of risks and hazards are central to Mölnlycke's approach. The company uses various tools and processes for hazard identification, including risk assessments for machinery, chemicals, and organisational and social change management. A hierarchy of controls is applied to reduce hazards, focusing on machinery guarding and manual handling, which are addressed through site-specific procedures, training, and continuous improvement efforts.

### Stop work authority

Mölnlycke empowers its employees to take responsibility for fostering a safe and positive OHS environment. Every individual has the authority and responsibility to stop work or intervene if they perceive an imminent risk of serious injury or illness. This principle, known as the "Golden Rule", is enshrined in Mölnlycke's global safety guidelines. Any stoppage or intervention must be reported through the company's incident reporting process, and work can only resume once the risk is addressed and the workplace is deemed safe. Individuals who apply the "Golden Rule" are not subject to criticism or penalties, and Mölnlycke has a strict no-retaliation policy for those who stop work or report safety concerns.

### Incident reporting and investigation

Mölnlycke utilises a global incident reporting software to track and investigate hazards, near misses, and incidents involving employees or non-employees, including concerns related to remote working or customer premises. Concerns related to remote working such as at customer premises can also be reported through this system. Reported incidents are investigated by performing a root-cause analysis to remedy any damage and prevent recurrence. The company reports key performance indicators for both injuries and ill health, maintaining thorough data quality checks and adheres to national legislation in reporting

incidents to local authorities. Despite a robust programme, the number of Lost Time Injuries (LTI) reported has increased this year, along with the number of near misses and observations being reported (39% and 18% respectively versus 2023). This is understood to be linked to a maturing safety culture where all incidents, no matter how small, are being reported and the value of taking preventative action. Additionally, the increase can be attributed to a particularly busy year with heightened production demands and operational activities, which naturally introduced more opportunities for potential risks despite ongoing safety measures.

A Mölnlycke-specific training programme in behavioural based safety, focusing on culture and mindset is under development and will be implemented during 2025 across all manufacturing locations.

Lost time days have also seen an increase, partly due to a change in calculation methodology, which is now in line with CSRD requirements, but also attributed to several LTIs related to manual handling in one of Mölnlycke's factories. To address these, Mölnlycke is exploring opportunities for automation in 2025 to reduce manual handling risks. Regarding ill-health cases, the significant majority reported in 2024 are skin rash related issues. This has been identified following a review of the ill health definitions, in line with the CSRD requirements. A specific improvement plan is being developed and will be executed during 2025 to improve this performance.

With the exception of skin rashes, there has been a marked improvement in the number of ill-health cases recorded across the company, reflecting a positive trend in health-related performance metrics. Starting in 2024, all security-related incidents e.g. trespass, must also be reported in the global incident reporting software and investigated in the same way to remedy any damage and prevent recurrence.

### Employee consultation and participation

At Mölnlycke, health and safety committees are established at all manufacturing sites and headquarters. These committees consist of managers, employees with safety responsibilities, work councils, and employee representatives, and they serve as forums for consultation and active participation in OHS matters.

Regular meetings are held to review OHS performance, discuss improvements, and implement actions to enhance the OHS management system. The company shares information related to health, safety, and wellbeing targets, performance, programmes and training with employees through internal channels, including the intranet, noticeboards and face-to-face team meetings. Employee input is actively sought through biannual engagement surveys, which include questions on perceptions of health and safety efforts, work-life balance, and opportunities for feedback.

Health and wellbeing

Mölnlycke takes a holistic approach to health and wellbeing, combining organisational initiatives with individual focus areas. Organisationally, Mölnlycke promotes a supportive workplace environment, inclusive leadership, and meaningful work. This includes:

- **supportive workplace environment:** fostering an inclusive setting where jobs are designed to address physical, social, and emotional wellbeing
- **leadership advocacy:** leader's role-modelling safety and wellbeing behaviours to promote accountability across all levels of the company

Individual focus areas are interconnected and include:

- **physical wellbeing:** encouraging healthy habits in fitness, nutrition, substance use, and rest, with voluntary physical exams available in some regions
- **emotional wellbeing:** promoting mental health, work-life balance, stress management, and resilience
- **financial wellbeing:** education and confidence to help employees manage unexpected challenges and plan for the future
- **social wellbeing:** fostering a sense of belonging, respect, and purpose in both career and personal life (for more details, please refer to the "Diversity, Equity and Inclusion" section of the Sustainability report)

These initiatives are supported by hybrid and flexible working arrangements, empowering employees with greater autonomy over where and when they work. Additionally, the company provides confidential counselling and well-being support through an external employee assistance programme, accessible online or by phone.

Training and awareness

All Mölnlycke employees and non-employees, including contractors and site service providers, are required to complete health, safety, and wellbeing induction training. Additional role-specific training is provided based on individual responsibilities and risk exposure to ensure appropriate competency levels are met. Targeted training on Mölnlycke's global safety principles, which aim to reinforce safe behaviour across all manufacturing and non-manufacturing activities, is mandatory for all employees and suppliers present at operational sites. The company's management safety walks programme sets a monthly target, encouraging leaders to visit sites regularly and engage in dedicated conversations about health, safety, and wellbeing. Mölnlycke also offers a variety of health, safety, and wellbeing training programmes. These include a global mandatory musculoskeletal training for all manufacturing employees, which for the last 3 years has been completed by 100% of employees within 30 days of joining the company, together with 100% completion in training of Mölnlycke's Safety Principles among manufacturing personnel, both focusing on behaviours that help prevent injuries, and online courses designed for line managers and key roles to enhance their understanding of responsibilities related to health, safety, and mental health management in the workplace. Following a risk evaluation, additional training for all Mölnlycke employees is planned in 2025 to provide the relevant information regarding site security risks and protection measures identified, as well as their responsibilities.

Metrics and targets

Targets

Mölnlycke has a target to maintain zero work-related fatalities. The target scope will be extended in 2025 to both Mölnlycke's own workforce and non-employees. The target for lost time injuries is less than 0.5ppm<sup>48</sup> and fewer than ten ill health cases by 2030, within Mölnlycke's own workforce.

Metrics

Category	Target year	Target	No. in 2024
Fatalities – Employees (Number)	2024	0	0
Lost time injuries – Employees (ppm)	2030	0.5	2.1
Ill health cases – Employees (Number)	2030	10	24

Lost time injuries and ill health cases – employees	2024	2023	2022
Lost time injuries	37	25	29
Ill health cases	24	20	23

Employee fatality and lost time injury rate (ppm)	2024	2023	2022
Fatality rate	0.0	0.0	0.0
Lost time injury rate <sup>48</sup>	2.1	1.3	2.1

Lost workdays and near misses and observations	2024	2023	2022
Lost workdays <sup>49</sup>	1,029	292	305
Near misses	61	44	69
Observations (unsafe acts and conditions)	7,554	6,406	5596

48. The rate of injuries per number of hours worked calculated on one million working hours. Total number of hours worked in 2024 was 17,389,614.  
49. 2024 figures are not comparable to previous years due to a change in calculation method in line with CSRD requirements for reporting methodology.

## Human rights

### Impact, risks and opportunities

Mölnlycke recognises human rights as a material topic within its operations and value chain, with a particular focus on risks related to working conditions and social dialogue. A key concern is the potential disruption of communication and engagement, which could impact both production and employee wellbeing. These risks are further addressed in the "Employee engagement and feedback" and "Health, safety, physical security, and wellbeing" sections of the Sustainability report.

While Mölnlycke has implemented clear management procedures across all countries of operation to ensure fair and ethical treatment of employees in compliance with relevant regulations, there remains a risk of unidentified impacts on key rights holders. Failing to fully assess these impacts could result in adverse outcomes for affected individuals, as well as potential reputational damage, fines, or other legal consequences for the company.

Recognising the importance of addressing these challenges, Mölnlycke sees an opportunity during 2025 to further engage more systematically and proactively on human rights issues. This approach aligns with the company's core values and ambition to revolutionise care for both people and the planet. By enhancing its approach, the company aims to deepen its commitment to human rights across its operations.

For details regarding human rights within its supply chain, please refer to the "Management of relationships with suppliers" section of the Sustainability report.

### Policies

Mölnlycke's Code of Conduct is the cornerstone document guiding the company and its employees. Aligned with the Ten Principles of the UN Global Compact (UNGC), it affirms Mölnlycke's commitment to conducting business with integrity, responsibility, and respect for human rights, in line with the United Nations and the International Labour Organisation (ILO) standards. The Code provides clear guidance on expected behaviors and ensures employees understand their rights.

In 2024, Mölnlycke strengthened its focus on human rights by introducing the Human Rights Policy, which covers essential topics such as working conditions, fair wages, social dialogue, freedom of association, collective bargaining, work-life balance, health and safety, and equal opportunities. The policy also covers issues like human trafficking, forced labor, and child labor, and stresses equality, diversity, non-discrimination and development opportunities.

The policy applies to all employees globally and outlines the roles and responsibilities for ensuring human rights and labour rights across Mölnlycke's operations and value chain. Similar requirements are applicable to suppliers and distributors, as expressed in the Codes of Conduct. This approach ensures human rights are respected both within the company and throughout its business relationships.

In crafting the Human Rights Policy, Mölnlycke considered the interests of its employees, providing them with a clear understanding of how their rights are protected and what the company's obligations are. This makes human rights more tangible and relevant to employees in their day-to-day work.

The policy is regularly updated and communicated across the organisation. Internally, it is accessible on Mölnlycke's intranet, ensuring company-wide awareness. Its principles are also reflected in external communications, including the Modern Slavery Statement and Human Rights Position Statement, both of which are accessible on Mölnlycke's website.

### Management approach

Mölnlycke is committed to combating modern slavery, including human trafficking, and to respecting human rights across its operations and value chain. The company actively works to identify, prevent, mitigate, and address human rights risks, ensuring compliance with local labor laws while upholding fundamental rights such as freedom of association, non-discrimination, privacy and health and safety.

To monitor adherence to human rights standards, Mölnlycke has implemented processes in alignment with the UN Guiding Principles on Human Rights and the OECD Guidelines for Multinational Enterprises. Mölnlycke's Human Rights Committee

oversees the progress of the company's human rights programme. In 2024, Mölnlycke strengthened its approach by adopting a more systematic due diligence process, incorporating human rights considerations into the annual risk assessment. The company also conducted a pilot human rights impact assessment within its Gloves Business Area to gain a deeper understanding of its impact on affected individuals. Building on these insights, Mölnlycke plans to expand its human rights due diligence approach and measures in 2025 to further enhance its commitment.

Employee feedback is collected through biannual engagement surveys, with ongoing consultations with employee representatives ensuring continuous dialogue. Additionally, the company reviews its internal investigation processes to address any human rights concerns raised through reporting channels.

### Training and awareness

Mölnlycke provides annual Code of Conduct training, which includes a focus on human rights and labour rights. This training is delivered through e-learning or in-person sessions. In 2024, the company launched two new e-learning courses: "Introduction to human rights" and "Modern slavery," targeted at employees within scope.

Employees are regularly reminded of the available reporting options through multiple communication channels, including Code of Conduct training, Speak-up sessions, videos, intranet communications, posters and ad-hoc awareness sessions. To further support employees, Mölnlycke maintains continuous communication with employee representatives through works councils, employee surveys, union negotiations, and collective bargaining.

### Grievance mechanism

Mölnlycke has established a grievance mechanism to address employee concerns, including human rights violations. The same reporting channels used for other misconduct are available to report human rights concerns, ensuring consistent and thorough investigation. For more information on concern reporting and management, including grievance mechanism, please refer to the "Business ethics and culture of integrity" section of the Sustainability report.



## Impacts and remediation

Mölnlycke is committed to addressing any negative human rights impacts on its workforce through effective remediation. The company aims to prevent, mitigate, and, where possible, repair damage caused by these impacts. Remediation may include apologies, restitution, rehabilitation, or financial and non-financial compensation, depending on the nature of the issue and the stakeholders involved.

The remediation process is integrated with Mölnlycke's investigation and response procedures. Follow-up actions, both preventive and corrective, are determined on a case-by-case basis and overseen by the Ethics Hotline Committee. Currently, the company does not yet systematically monitor or assess the effectiveness of remediation efforts for its employees; however, it is planned for 2025.

## Metrics and targets

### Metrics

#### *Human rights-related incidents*

In 2024, Mölnlycke was not made aware of any human rights grievance through its reporting channels. As a result, no remediation actions were necessary.

# Community support

Mölnlycke is committed to acting responsibly in society by actively engaging with local communities to create meaningful and lasting impacts. The company collaborates closely with stakeholders to address concerns, maximise positive contributions, and ensure that all initiatives drive real societal value. All community support efforts are designed to be measurable, aligned with medical advancements, and contribute to sustainable healthcare development.

In alignment with Mölnlycke's Community Support principles, the company plays an active role in supporting healthcare initiatives through financial contributions, product donations, and employee engagement. These initiatives aim to enhance patient outcomes, improve medical staff protection, and advance medical knowledge,

while ensuring compliance with AdvaMed and Eucomed guidelines. Mölnlycke conducts an annual assessment of its community initiatives to evaluate their impact. In 2024, no adverse effects on local communities were recorded, reinforcing the company's commitment to ethical and responsible corporate engagement.

## Partnership with Operation Smile: comprehensive cleft care

In 2024, Mölnlycke reached a significant milestone in its long-term partnership with Operation Smile, a global non-profit organisation providing free and safe Cleft Lip and Palate (CLP) surgeries to patients with limited healthcare access. In 2021, Mölnlycke committed to supporting the establishment of a Comprehensive Cleft Care Centre in Cebu, Philippines, which was officially inaugurated in November 2024. In its first months of operation, the centre transformed the lives of 229 patients by providing free, high-quality cleft care, strengthening Mölnlycke's commitment to improving healthcare access and patient outcomes. The centre operates as a formal Ambulatory Surgical Unit within the Cebu City Medical Centre, ensuring that all treatment provided is free of charge.

The facility spans 2,000 m<sup>2</sup> and delivers a holistic approach to CLP care, encompassing speech therapy, nutritional support, dental services, and psychosocial care alongside surgical interventions. The centre is fully staffed by local healthcare professionals and is expected to serve 10,000 patients within its first three years of operation.

Beyond financial support for equipping the Operating Rooms, Mölnlycke employees actively contributed by fundraising for the psychosocial care room, reinforcing the company's commitment to a patient-centered approach.

To ensure sustainable impact at the centre, Mölnlycke has prioritised capacity building within the local healthcare sector. The company co-developed an Infection Prevention Training Programme with Operation Smile, which was launched in October 2024. Since October 2024, Mölnlycke's clinical specialists trained 22 of the centre's healthcare staff alongside Operation Smile's medical volunteers. The curriculum includes best practices

in hygiene, equipment handling, and wound management. Furthermore, a 'train the trainer' model has been introduced to enable healthcare professionals across the Philippines to disseminate this knowledge, with plans for annual training expansion to other Operation Smile locations globally. This initiative has proven highly effective, culminating in a certification programme that validates professional development and enhances healthcare standards.

As a pivotal part of Mölnlycke's approach to fostering innovation in surgical care, the Cebu Comprehensive Cleft Care Centre has been established as a global training hub within a hub-and-spokes model. The centre facilitates live-streamed surgeries, educational programmes, and hands-on training for medical professionals worldwide. This initiative aligns with Mölnlycke's broader strategic goal of contributing to medical excellence and improving global surgical outcomes.

Mölnlycke also actively promotes employee engagement through the Mölnlycke Champions Programme, developed in collaboration with Operation Smile. This programme allows selected employees to immerse in the healthcare ecosystem, gaining first-hand insight into patient care, healthcare delivery and community engagement. The 2024 programme took place at the Cebu Comprehensive Cleft Care Centre, offering six employees a unique perspective on the continuum of care, medical leadership, and cross-cultural healthcare dynamics during one full week.

# Healthcare compliance

## Approach to healthcare compliance

As a global manufacturer, marketer, and distributor of medical devices, Mölnlycke operates in a highly regulated healthcare industry. The company is committed to ensuring that all interactions with Health Care Professionals (HCPs) and Health Care Organisations (HCOs) are conducted transparently, maintaining their independence and safeguarding public trust.

Mölnlycke follows best practices in healthcare compliance, adhering to the Code of Ethical Business Practice established by

MedTech Europe. This framework is built upon the following core principles:

- **principle of image and perception:** ensuring activities reflect a commitment to ethical business conduct
- **principle of separation:** avoiding conflicts of interest in relationships with HCPs and HCOs
- **principle of transparency:** disclosing interactions and financial relationships where required
- **principle of equivalence:** ensuring fair-market value in collaborations with HCPs and HCOs
- **principle of documentation:** maintaining accurate and complete records to demonstrate compliance

Mölnlycke's Business Ethics & Governance function and Medical & Scientific Affairs function work collaboratively to develop, implement, and oversee compliance policies and procedures. Continuous training programmes ensure that all employees and stakeholders uphold Mölnlycke's commitment to ethical healthcare engagement and regulatory adherence.

## Ethical clinical research

Mölnlycke upholds the highest ethical standards in clinical research, ensuring full compliance with the Declaration of Helsinki, Good Clinical Practice (GCP), and applicable regulatory requirements. All clinical research activities are governed by Mölnlycke's Clinical Evidence Policy and Investigator-Initiated Studies (IIS) Policy, which align with internationally recognised regulations and ethical guidelines, including ISO 14155, the EU Medical Device Regulation, and the Code of Federal Regulations Title 21. Mölnlycke also adheres to guidance from bodies such as the Medical Device Coordination Group (MDCG), AdvaMed Code of Ethics, and MedTech Europe.

Mölnlycke's commitment to ethical research is embedded in its Standard Operating Procedures (SOPs), including but not limited to:

- **quality improvement projects:** procedures and work instructions supporting continuous enhancement
- **clinical case studies:** guidelines for generating and managing clinical case reports
- **Investigator Initiated Studies (IIS):** governance for independent research collaborations
- **clinical investigations:** policies covering planning, informed consent, safety reporting, and post-market surveillance

Mölnlycke's Quality Management System (QMS) ensures adherence to ethical research practices while mitigating potential negative impacts. Key compliance measures include:

- **safety reporting and risk management:** oversight by a designated complaints unit, rigorous site selection, monitoring, and closure processes
- **data integrity and market readiness:** ensuring high-quality clinical data supports product safety, efficacy, and cost-effectiveness
- **stakeholder training and capacity building:** regular internal and external training sessions for employees and research collaborators to maintain compliance
- **Post-Market Surveillance (PMS) and continuous assessment:** Mölnlycke routinely evaluates research effectiveness through Clinical Evaluation Reports (CERs) and Clinical Investigation Reports (CIRs). No repeated audit findings or FDA warning letters have been reported, demonstrating the effectiveness of its compliance framework

# Governance

## Business ethics and culture of integrity

### Impact, risks and opportunities

Corruption, bribery, and unethical business practices pose significant threats to economic and social development, disproportionately affecting vulnerable communities and undermining institutional trust. These practices can erode confidence in public institutions and businesses, creating long-term barriers to economic growth, particularly in regions with weaker governance structures. For Mölnlycke, operating in diverse global markets, this challenge presents both risks to manage and opportunities to lead with integrity. While exposure to areas with higher corruption risks can harm the business environment, it also presents an opportunity for Mölnlycke to lead by example in fostering a strong culture of integrity.

Mölnlycke has invested in building a robust culture of compliance to mitigate these risks. The company's commitment to ethical practices is reflected in the implementation of a comprehensive compliance programme. By prioritising business integrity and setting clear expectations for employees and stakeholders, Mölnlycke creates an environment where ethical behaviour is supported and misconducts are proactively addressed. This commitment also ensures that employees feel empowered to raise concerns and participate in maintaining a culture of ethics, which helps mitigate the potential financial and reputational costs associated with unethical behaviour.

However, Mölnlycke also recognises that the corporate culture itself can pose a risk if not effectively maintained. A failure to uphold the principles of integrity could lead to misconduct, reputational damage, and even legal consequences. Therefore, the company is dedicated to continually strengthening its business ethics and compliance framework, protecting reporters,

and ensuring all employees are equipped to navigate ethical challenges in their daily operations.

Through this ongoing commitment, Mölnlycke aims to not only manage risks but also seize opportunities to foster trust and drive long-term sustainable growth.

### Policies

#### Mölnlycke's Code of Conduct

Mölnlycke's Code of Conduct is a guiding document that outlines Mölnlycke's commitment to fairness, ethical behaviour and acting with integrity when conducting business. Its objective is to guide employees in daily actions and decisions, establishing the standard for expected behaviour and corporate culture. It covers, among others, topics such as corporate culture, protection of whistleblowers, corruption and bribery, and management of relationship with suppliers.

Mölnlycke's Code of Conduct reflects the company's commitment to respecting the UN Global Compact's Ten Principles, conducting business with integrity, and complying with all applicable laws and regulations. It also ensures adherence to medical device industry standards, including the MedTech Europe Code of Ethical Business Practice.

Mölnlycke considered feedback from employees and managers when updating the Code of Conduct to ensure it is easier to navigate and more relevant to their roles. The 2024 version features clearer language and a user-friendly format, along with practical cases and examples to make the content more tangible. It also includes new or expanded topics such as social media, occupational health and safety, and other key sustainability aspects.

Mölnlycke's Code of Conduct applies to all personnel globally and is approved by the Board of Directors. It is available in 14 languages and implemented across the organisation. ELT members are responsible for its application within their respective areas, supported by the Business Ethics & Governance function.

The Code is accessible to both internal and external stakeholders via Mölnlycke's intranet and external website. Internally, it is integrated into training programs and onboarding processes to ensure widespread awareness. The rollout includes communication materials, articles, and training sessions, with ongoing support provided by Business Ethics Representatives and the Business Ethics & Governance team.

The commitment to anti-corruption and anti-bribery is also reflected in additional policies and processes, such as the process to manage interactions with healthcare professionals, healthcare organisations and government officials. Mölnlycke communicates this commitment and expectations to its business partners through contractual agreements and the Distributor and Supplier Codes.

### Supporting policies

For more detailed information on the topics covered in the Code of Conduct, employees can refer to relevant policies and materials available on Mölnlycke's intranet. Policies such as the Anti-Corruption Policy, Anti-Retaliation Policy, Ethics Hotline Policy, and Conflict of Interest Policy further define and reinforce the commitments outlined in the Code. These policies establish clear roles and responsibilities and outline processes to ensure effective implementation across the organisation. ELT members are responsible for applying these policies, ensuring consistency and alignment throughout Mölnlycke.

### Management approach

Mölnlycke is committed to fostering a culture of integrity by embedding ethical decision making into every aspect of its operations. Transparency, collaboration, and open dialogue are central to ensuring that ethical considerations remain integral to all business activities.

To prevent corruption and bribery, Mölnlycke has established a compliance programme including robust policies and procedures, with a particular focus on high-risk activities involving customers, healthcare professionals, and other key stakeholders. The programme also includes global monitoring activities covering regular risk evaluations and audits to proactively identify and mitigate potential threats. This ensures that any unlawful behaviour or misconduct is promptly detected, reported, and addressed.

All employees are expected to adhere to the Code of Conduct, seek guidance when faced with ethical dilemmas, and report any violations or concerns. Senior leadership plays a pivotal role in shaping this culture, driving discussions on ethics and compliance and addressing emerging challenges. To underscore this commitment, senior leaders, including the CEO, regularly engage with employees on these matters.

Mölnlycke encourages employees, suppliers and business partners to raise concerns, reinforcing a proactive approach to upholding ethical standards.

Mölnlycke actively assesses its corporate culture through maturity assessments, and the perception of its speak-up culture through the employee engagement surveys.

### Reporting concerns and internal investigation process

All Mölnlycke, employees have multiple ways to share their questions, concerns, suggestions, or complaints. They can reach out to their manager, their manager's manager, their Business Ethics Representative, or their People function partner. These contacts provide guidance, support and information on how to raise a concern.

Additionally, employees can report potential misconduct through the following channels:

- **business ethics contacts:** employees can contact their Regional Business Ethics Officer, the Chief Business Ethics & Governance Officer, or the Director of Investigations. Reports can be made in writing, by phone, or in person
- **Ethics Hotline:** available for written (online) or phone reports, the Ethics Hotline allows for anonymous submissions and is operated by an independent third-party reporter system provider. The Ethics Hotline is also available to external partners, including distributors, suppliers and other business partners.

- **local channels (where applicable):** employees can select the relevant option on the Ethics Hotline webpage or phone line, or contact the appointed local representative by phone, email, or in person

All reports are thoroughly assessed and investigated. Once a concern is raised, internal investigators follow established procedures, overseen by the Ethics Hotline Committee, which includes senior leaders, and report substantiated issues to line management for corrective action. If the investigation involves members of the ELT, the matter is escalated to the Board or Audit Committee to ensure impartiality and avoid conflicts of interest.

Mölnlycke encourages employees to report concerns without fear of retaliation. This is reinforced by Mölnlycke's Anti-Retaliation Policy, which aligns with the EU Whistleblower Protection Directive.

To ensure awareness of reporting options, the company offers ongoing training, awareness videos, intranet updates, posters, and manager training on handling employee concerns. Retraining is conducted regularly, and senior management reinforces the company's commitment through messaging to relevant units. Employee perceptions of reporter protection are evaluated through the biannual engagement survey, which helps the company to assess its effectiveness and identify areas for improvement.

In response to investigations, Mölnlycke may take disciplinary action, including dismissal, and implement process changes or enhanced controls. Quarterly reports are submitted to the Audit Committee of the Board, highlighting trends, lessons learned, and key insights to support continuous improvement in the management of reports and investigations.



Mölnlycke's Ethics Hotline  
can be accessed by  
scanning the QR code

### Anti-retaliation approach

The willingness of employees to speak up is a vital safeguard to ensure Mölnlycke conducts business with integrity and maintains high ethical standards in all its operations.

Retaliation against individuals who report concerns in good faith is considered a serious violation of Mölnlycke's Code of Conduct and may result in disciplinary actions. Employees who become aware of, or suspect, any retaliation against themselves or others for raising concerns or participating in an investigation are required to report it promptly. Mölnlycke maintains a zero-tolerance policy for retaliation, as outlined in its Anti-Retaliation Policy.

### Communication and training

To prevent, detect, report and address allegations or incidents of corruption and bribery, Mölnlycke communicates its commitment through various internal channels, including articles on the company intranet and direct interactions during kick-off meetings and team gatherings.

Anti-corruption awareness is integrated into targeted training sessions, especially for teams like sales, where corruption risks in the healthcare industry are more prominent. Mölnlycke also offers annual training sessions on gifts and hospitality, helping employees understand ethical boundaries and navigate potential dilemmas.

The mandatory annual Code of Conduct training further strengthens anti-corruption awareness across the organisation. This training, tailored to different employee categories, is delivered through e-learning or in-person sessions to ensure broad accessibility. It emphasises Mölnlycke's commitment to preventing corruption, provides examples of high-risk situations, and outlines clear employee expectations. Completion of the training is tracked to ensure compliance with the company's anti-corruption policies.

Employees are trained to recognise bribery and corruption risks and are equipped with tools to manage ethical dilemmas that may arise in their roles. Mölnlycke utilises diverse training methods and platforms to engage employees effectively and address specific risk exposures.

The most at-risk functions, i.e. sales, marketing, procurement, finance and governmental affairs, are specifically targeted for mitigation measures due to their frequent interactions with healthcare professionals, organisations, authorities, and business partners. To manage these risks, Mölnlycke implements global policies and controls.

Employees at Mölnlycke participate in regular ethics and compliance trainings, which reinforces the company’s commitment to a transparent and ethical working environment. These trainings educate employees on the importance of ethical decision making and encourages them to report concerns without fear of retaliation, ensuring they are equipped to handle potential ethical dilemmas.

Consistent internal communications supports these training efforts, helping employees understand their role in fostering a culture of integrity and reinforcing the company’s commitment to a transparent, ethical workplace.

Metrics and targets

Targets

*Living an ethical business culture.*  
Strengthen Mölnlycke’s ethics and compliance programme.

*Employees feeling safe to report concerns*

Mölnlycke is committed to fostering a work environment where all employees feel safe to raise concerns without fear of retaliation. As part of this commitment, Mölnlycke has set the target that by 2025, 100% of its employees will feel confident reporting concerns in a safe and supportive environment.

Metrics

*Training and awareness raising*

Training and awareness raising				
(%) <sup>50</sup>	Target audience	2024	2023	2022
Code of Conduct e-learning	Employees	99.5	98.7	98.3
Code of Conduct e-learning	Employees in high-risk roles	99.6	n.a.	n.a.

*Concerns reported and corrective actions*

The tables to the left provide an overview of compliance concerns reported, including the number of cases received, those investigated, substantiated cases concluded within the reporting year, and ongoing investigations at year-end. Additionally, data on reported concerns by category is presented.

The duration of an investigation varies depending on case complexity, meaning not all cases are resolved in the same year they are reported. As a result, the number of substantiated cases and ongoing investigations may include cases from previous reporting periods that were concluded during the year.

Reported concerns by category	
(%)	2024
Misuse of Corporate Assets	18
Employee relations	48
Other	34
Total	100

Furthermore, many reported concerns fall outside the scope of investigation. These are often general inquiries or issues unrelated to misconduct or breaches of the Code of Conduct. When applicable, such cases are directed to the relevant units for resolution through their established processes.

Compliance concerns reporting and corrective actions			
No.	2024	2023	2022
Concern intake and investigation			
Reported	58	55	34
Not referred for investigation <sup>51</sup> (out of scope)	14	-	-
In scope investigation	44	-	-
Cases closed at year end <sup>52</sup>	41	-	-
Substantiation rate <sup>53</sup>	44%		

*Employees feeling safe to report concerns*

Year	Share of employees (%)
2022	75
2023	67
2024	70

No legal actions for corruption, anti-competitive behaviours, anti-trust or monopoly practices were taken against Mölnlycke in 2024.

50. Completion rates are calculated by dividing the number of individuals having completed training at the reporting year cut-off date with the number of individuals having been assigned the same training.

51. Cases received but not investigated as they pertained to inquiries of a general nature or other matters not deemed to be related to misconduct or breaches of the Code of Conduct.

52. Due to the varying complexity of investigations, not all cases are concluded within the same year they are reported. Therefore, the cases closed at year end include cases from previous periods that were concluded during the reporting year.

Cases closed and concluded to be substantiated during the reporting year, some of which were reported in previous reporting years.

53. Cases closed and concluded to be substantiated during the reporting year, some of which were reported in previous reporting years.



# Management of relationships with suppliers

## Impact, risks and opportunities

Mölnlycke operates a global supply chain encompassing approximately 17,000 first-tier suppliers across nearly 80 countries. This complexity introduces the risk that some business partners may not fully align with Mölnlycke's values, principles, and standards, potentially leading to unintended sustainability impacts within the supply chain. On the other hand, a corresponding opportunity for strategic partnerships with suppliers can improve sustainability practices in the supply chain and support Mölnlycke in meeting the company's objectives and ambition to become a global leader in sustainable healthcare.

Around 400 suppliers of the total supplier base are providers of components or direct material to Mölnlycke's production. The largest portion of suppliers are indirect suppliers not critical to the finished product or to the operation of Mölnlycke. These are low risk suppliers from a business and patient safety perspective, and therefore subject to a simplified evaluation and approval procedure. While a risk-based prioritisation is necessary to make use of appropriate resources, it rules the organisation's capacity to engage with suppliers and by that its ability to capture all potential impacts. Mölnlycke also strives to have dual supply sources to strengthen supply chain resilience, which adds to the number of supplier relationship to manage. Mölnlycke has, in recent years, expanded its geographical footprint and the number of local suppliers operating in higher risk countries considering labour standards, business ethics and the environment.

High risk countries are generally not dominant in Mölnlycke's geographical breakdown of supplier origin and constitute less than 4 % of the total number of suppliers. The most dominant country with a high-risk country score is China. The main material impacts identified upstream in the supply chain are related to occupational health and safety, working hours, wages and environmental management.

## Policies

The Mölnlycke Code of Conduct for Suppliers outlines the minimum requirements for Mölnlycke's suppliers with regards to human rights, working conditions and business ethics. It aims to ensure that suppliers comply with rules and regulations, provide safe working conditions for their employees, respect fair business ethics practices, amongst other points.

The Code of Conduct for Suppliers is incorporated in Mölnlycke's Supplier Standard, which also includes requirements on quality and environment, and contractually applies to all direct material suppliers e.g. suppliers of raw materials or components, as well as logistic suppliers and indirect suppliers having a critical impact on finished products or Mölnlycke's business operation. Suppliers are expected to follow the principles and requirements set out in the Code of Conduct, and apply and communicate the requirements on their own suppliers. Mölnlycke has a contractual right to conduct audits to assure compliance with the Code of Conduct and reserves the right to discontinue any relationship should a business partner violate, fail to correct or have a pattern of violating the requirements.

Alongside the Code of Conduct, specific requirements on business partners and suppliers involved in certain activities with higher risks are part of relevant procurement procedures.

## Management approach

### Supplier segmentation and risk assessment

As a producer of medical devices, Mölnlycke must ensure product safety for users of the company's products and services. Therefore, Mölnlycke applies a risk-based approach for defining the evaluation criteria and monitoring measures of its suppliers. Risk aspects formally encompassed in current supplier evaluation process include:

- quality management
- supply contingency
- sustainability conditions

The evaluation is documented by the following:

- risk assessment
- documentation (such as ISO-certificates according to defined risk level)
- sustainability (signed Supplier Standard or Supplier Code of Conduct, sustainability risk screening followed by an independent on-site audit if considered high risk)

Sustainability is embedded in the evaluation and approval of new suppliers, as well as in the annual performance review and management of active suppliers. All new and active suppliers are subject to a sustainability risk screening, to identify inherent sustainability risks that suppliers might be exposed to, considering the country and sector where different commodities are sourced from. This allows us to engage with the most relevant suppliers for site-specific assessments, to ensure suppliers live up to our requirements as communicated in the Mölnlycke Supplier Code of Conduct. Suppliers exposed to the highest level of risks will be subject to a third-party sustainability audit and corrective action plans are established to address non-conformities. Each audit is seen as an opportunity for improvement.

## Social and environmental performance of suppliers

Mölnlycke's Sustainable Procurement Framework sets the governance structure for the company's sustainability efforts related to procurement and supplier management, and it includes for example policies, reporting and training. The Procurement community is continuously trained on various sustainability topics.

### *Empowering sustainable supply chains with Sedex*

Mölnlycke is a member of Sedex, the world's largest platform for sharing supply chain assessment data and results, enabling effective and data-driven environmental, social, and governance (ESG) outcomes. Mölnlycke applies the recognised auditing standards and risk screening tools offered by Sedex. The SMETA (Sedex Member Ethical Trade Audit) 4 pillar audit, is a comprehensive on-site audit conducted by accredited third-party

auditors for the full sustainability scope, including human rights, working conditions, health & safety, environment and business ethics. SMETA utilises the Ethical Trading Initiative (ETI) base code and the local law as main pillars.

Supplier climate action

Mölnlycke has committed to decarbonise healthcare by eliminating emissions across our value chains. As Mölnlycke's largest source of emissions are the supply chain-related emissions, partnership with suppliers is crucial to deliver on company objectives and public commitments, for example to the Science Based Target initiative. Mölnlycke's near-term science based targets include a supplier engagement target to achieve 63% suppliers by emission committed to the Science Based Target initiative by 2028. Mölnlycke's procurement teams continuously monitor our suppliers' status on committing to the SBTi and evaluate this parameter in our sourcing plans.

Supplier engagement

The 'Partnering for Progress' event series has become an essential part of how Mölnlycke engages with its key suppliers. Focused on strategic topics, this series serves as a platform to align with supplier partners on shared goals and foster open dialogue on current and future trends, requirements, and challenges to address together. More details on the 2024 edition of "Partnering for Progress" can be found in the "Sustainability in action" section of this report.

Local procurement practices

Local procurement practices at Mölnlycke are closely monitored at the Business Area (BA) level to enhance cost efficiency, supply chain resilience, and sustainability performance. Prioritising local

suppliers strengthens regional economies, reduces logistical risks, and minimises environmental impact by lowering transportation emissions. Additionally, it enhances supplier collaboration, ensuring reliable and agile sourcing while mitigating potential disruptions from geopolitical uncertainties or global supply chain bottlenecks.

For the BA Operating Room Solutions, 23% of the annual purchasing value is spent on local suppliers, defined as those located in the same country as the Business Area's manufacturing sites. This approach fosters strong supplier relationships, supports economic development, and enhances supply chain stability by reducing dependency on long-distance sourcing.

In the Wound Care BA, 36% of the annual purchasing value is allocated to local suppliers, applying the same definition. This strategy optimises procurement efficiency, shortens lead times, and aligns with Mölnlycke's sustainability goals by lowering the carbon footprint associated with transportation.

For the Gloves BA, 98% of the procurement budget is directed towards suppliers within the Asian region, where the majority of manufacturing operations are based. By sourcing within this region, Mölnlycke ensures a more resilient supply chain, reduces exposure to global disruptions, and maintains cost-effective operations.

The Antiseptics BA operates under an outsourced production model, making the local procurement indicator not applicable. However, procurement activities in this area are managed to ensure supplier reliability and compliance with quality and sustainability standards.

In 2024, a total of 37% of Mölnlycke's purchasing value was allocated to local suppliers.

Metrics and targets

	2024	2023
SBTi supplier engagement target		
Suppliers by emission <sup>54</sup> committed to Science Based Target initiative by 2028 (%)	38	20
Supplier sustainability risk screening		
Suppliers covered by sustainability risk screening (No.)	17,203	15,805
Suppliers with high-risk score (No.)	66	49
SMETA (Sedex Member Ethical Trade Audits) (No.)	40	n.a. <sup>56</sup>
Corrective action rate for critical and major non-conformities (%) <sup>55</sup>	67	n.a. <sup>56</sup>
Good examples and best practice findings (No.)	36	n.a. <sup>56</sup>

54. Covering emissions from Scope 3, category 1, 2 and 4.  
55. Mölnlycke became members of Sedex in 2023. The result of 2023 sustainability risk screening informed the 2024 Supplier Sustainability Audit Programme, which was the first year using SMETA as preferred audit protocol.  
56. Calculated as the number of critical and major non-conformities from SMETA audits conducted in 2024 that have been addressed, closed and verified by the reporting year cut-off date which is December 31, divided by the total number of identified critical and major non-conformities in the same period. The corrective action rate is calculated based on the findings identified in the reporting period and closed during the same period. For this reason, findings identified late in the reporting period may not have been addressed and closed without surpassing the recommended due date.

# Payment practices

## Impact, risks and opportunities

The relationship with business partners is essential to Mölnlycke’s success, particularly when it comes to maintaining strong and effective supplier relationships. Delays or inefficiencies in payment practices can negatively impact these relationships, leading to dissatisfaction, potential supply chain disruptions, and a damaged reputation. Such delays may also increase the risk of suppliers revisiting their contract terms or even choosing to discontinue their partnership, potentially limiting Mölnlycke’s access to critical resources.

To mitigate these risks and ensure operational continuity, Mölnlycke’s Global Business Services (GBS) is focused on delivering excellence in finance operations. By streamlining invoice processing and ensuring timely payments, GBS helps reduce the risk of strained supplier relationships. Furthermore, a smooth payment process enables suppliers to rely on Mölnlycke as a trustworthy partner, creating opportunities for more favorable negotiations and enhanced collaboration.

Efficient payment practices also present an opportunity for Mölnlycke to enhance supplier loyalty, attract better contractual terms, and build long-term, sustainable business relationships. In addition, this operational efficiency may contribute to Mölnlycke’s broader corporate goals by reinforcing its commitment to ethical business practices and sustainability within its supply chain.

## Polices

Mölnlycke does not have a specific policy for payment practices but adopts the procedures and Key Performance Indicators (KPIs) as described under Management approach.

## Management approach

Supplier invoice and payment management apply to all supplier segments and no difference is made between supplier segments. Standard contract payment terms are 60 days on receipt of invoice.

KPIs are implemented to monitor supplier invoices, from a processing efficiency, lead time and payment effectiveness perspective.

Prioritisation of the supplier invoice back-log is made on a daily basis, coordinated by the Operational Lead personnel in the Global Business Services Purchase-to-Pay (GBS PTP) team. There is also a weekly follow-up with team managers, addressing prioritisation of supplier invoice management to ensure timely payment in line with defined payment terms. Further, root-cause analysis and corrective action management is defined in these meetings.

In addition, monthly KPI meetings are held with the Order to Cash (OTC) & Purchase to Pay Director and Global Process Owner, to highlight progress of KPIs and escalate support in terms of tactical/strategic decisions; enhancing the operational excellence of the GBS PTP Finance Operation.

## Metrics and targets

	2024	2023
Average time to pay an invoice <sup>57</sup> (days)	35	-
Percentage of payments aligned to standard payment terms (%)	64	-
Number of legal proceedings currently outstanding for late payments	0	0

# Data and intellectual property

The purpose of Intellectual Property Rights (IPR) at Mölnlycke is to protect and share innovations by granting time-limited exclusivity. This exclusivity allows the company to secure a competitive advantage, mitigate legal risks, and foster technological

advancements that support both business growth and sustainability. Through IPR, Mölnlycke ensures that its innovations are protected, enabling continued investment in the development of more sustainable products and services that positively impact the healthcare industry and the environment.

By safeguarding IPR, Mölnlycke can protect its return on investment and continue to drive the development of high-quality, sustainable products that meet the evolving needs of the healthcare sector. For example, this approach contributes to Mölnlycke’s commitment to environmental sustainability by facilitating the creation of solutions that reduce waste, improve efficiency, and enhance patient care while minimising the environmental footprint.

While Mölnlycke does not have specific standalone policies related to IPR in the areas of economy, environment, or people, these topics are addressed within the broader Mölnlycke Sustainability Policy. The Sustainability Policy outlines the company’s commitment to responsible innovation, with IPR management being an integral part of this strategy. Additionally, Mölnlycke follows specific IPR policies applicable to each business area to ensure compliance with international standards and legal requirements.

Mölnlycke has implemented a governance framework that ensures effective management of IPR. This includes conducting Freedom-to-Operate (FTO) investigations, filing IPR applications, and ongoing surveillance of competitor activities. These actions are critical in managing the risks associated with intellectual property while ensuring that Mölnlycke remains compliant with global standards and continues to protect its innovations. This governance model is closely aligned with Mölnlycke’s sustainability objectives and ensures that the company’s IPR practices support the long-term strategic goals of the business.

In 2024, no negative impacts related to IPR or data in relation to the economy, environment, or people have been identified. Mölnlycke continues to assess and improve its IPR strategy to align with both its business and sustainability goals, ensuring that the management of intellectual property remains a key enabler of the company’s ongoing success and commitment to innovation.

57. From the date when the contractual or statutory term starts to be calculated.

## Strategic fiscal governance

The table below presents data on the creation and distribution of economic value, offering a general overview of how Mölnlycke generates and shares wealth among its stakeholders. Operating costs include cost of sales, selling costs, administrative costs, research and development costs, net other operating income and expenses and share of profit in joint ventures, deducted for employee wages and benefits. Costs and payments to providers of capital include dividends and group contributions distributed, as well as interest expenses. Costs for direct taxes to governments reflect the current income tax expense for the year.

MEUR		2024 Total	2023 Total
Direct economic value generated	revenue	2064,2	1923,5
	revenues from financial investments	30,2	24,1
	sales of assets	0,0	0,0
Economic value distributed	operating costs	-1020,6	-972,6
	employee wages and benefits	-536,6	-488,2
	costs and payments to providers of capital	-521,9	-220,8
	costs for direct taxes to governments	-102,7	-98,5
	community investments	-0,1	-0,3
Economic value retained		-87,5	167,2

## Responsible taxation approach

Mölnlycke acknowledges taxes as an important part in its dedication to achieve sustainable and responsible growth. Mölnlycke strives to pay a proper amount of tax in relation to its profits in the countries where the value is being created.

Mölnlycke’s tax strategy, applicable to the entire Mölnlycke Group, aligns with Mölnlycke’s overall business strategy. Mölnlycke shall manage its tax matters in the light of its commercial objectives and long-term sustainability targets. Recognizing the importance of taxes as a significant part of corporate responsibility, Mölnlycke embraces its role to make a positive impact and bring value to the countries and societies where it operates by contributing with tax revenue.

Mölnlycke’s focus when it comes to taxes is to ensure the organization is compliant with tax laws and regulations in all countries where it operates and not expose the organization to any significant tax risks or uncertainties. Mölnlycke always seeks to develop and maintain professional and transparent relationships with tax authorities in all countries where it operates.

Mölnlycke has established a Tax Control Framework, with its documented Tax Policy as a central component. This framework provides a structured approach to tax governance and includes documented procedures for key areas such as Transfer Pricing (TP), DAC6, and Global Mobility.

The Tax Policy sets out clear guidelines for managing taxes across Mölnlycke’s operations, ensuring both compliance and efficiency. It defines key roles and responsibilities while outlining fundamental principles for tax compliance, risk management, and governance. The policy is formally approved by the Board of Directors.

The Group Tax Director annually reports to the Audit Committee, a part of the Board of Directors, regarding Mölnlycke tax policy matters, updates on tax regulations and the main challenges Mölnlycke might face within the tax area. In addition, the Group Tax Director reports monthly to a Tax Committee, including the CFO, Group Controller and Group Treasurer. The Tax Committee serves to update the organization on significant tax matters as well as an internal decision forum for tax-related questions.

Mölnlycke’s effective tax rate in 2024 was 21%, stated as a percentage of consolidated profit before tax.

MEUR	2024	2023
Corporate income tax	103	99
Social security	68	63

MEUR	Corporate income tax	Social security	Total tax
Europe/Middle East/Africa	86	55	142
Americas	12	8	20
Asia Pacific	5	5	10
Total	103	68	171

# Other

## Reporting principles, scope, and external assurance

This Sustainability report ('the report') has been prepared on a voluntary basis and provides information on material environmental, social, and governance (ESG) impacts, risks, and opportunities, as well as governance structures, policies, management approaches, key metrics, and targets for the Mölnlycke Group. Details on Mölnlycke's strategy and business model can be found in the 'Strategy' section of this Annual report document. Mölnlycke is a part of the Investor AB Group which prepares the statutory sustainability report where Mölnlycke is included.

### Reporting principles and frameworks

The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, following the reporting principles outlined in GRI 1: Foundation (2021). It also aligns with the UN Guiding Principles on Business and Human Rights reporting framework.

Additionally, the report has been structured to align with the Corporate Sustainability Reporting Directive (CSRD) format and requirements, though full compliance has not yet been achieved. Climate-related disclosures are aligned with the Task Force on Climate-related Financial Disclosures (TCFD) framework, embedding its principles into Mölnlycke's climate reporting. As a supplement, a GRI Content Index is provided at the end of this report.

### Scope of reporting and boundaries

The sustainability statements of Mölnlycke are prepared on a consolidated basis, with the scope of consolidation aligned with

that of the financial statements. Acquisitions, divestments, and other similar transactions are reported from the transaction date. For ESG target setting, baselines are recalculated if mergers, acquisitions, or divestments significantly impact key performance indicators. In other cases, prior period data remains unchanged unless stated otherwise. Any restatements are disclosed within the report.

The report also includes information on Mölnlycke's value chain, covering suppliers, vendors, customers, and business partners. While efforts are made to ensure accuracy, inherent uncertainties exist regarding performance data from areas beyond the company's direct control.

### Reporting time horizons

The reporting period for the Sustainability Statements aligns with Mölnlycke's financial statements, i.e. from January 1 to December 31 and includes data from Mölnlycke Holding AB and its subsidiaries.

### Changes in preparation or presentation versus prior periods

For 2024, several changes have been made to the preparation and presentation of the Sustainability Report to align with upcoming CSRD requirements. The revised structure follows the Environmental, Social, and Governance (ESG) presentation format mandated under CSRD:

- **general disclosures**, including basis of preparation, governance, strategy, and Mölnlycke's approach to double materiality
- **environmental disclosures**, covering climate action, circularity, waste and water management, pollution prevention, sustainable innovation, and environmental management

- **social disclosures**, addressing employee diversity, equity and inclusion, health, safety and physical security, wellbeing, career development and empowerment, compensation and rewards, human rights and social responsibility within Mölnlycke's value chain and local communities
- **governance disclosures**, including policies, ethical standards, management of relationships with suppliers, payment practices, data and intellectual property and compliance frameworks, including healthcare compliance
- **other disclosures** include reporting principles, scope, external assurance, restatements and regulatory compliance

### External assurance

Indicators that fall within the scope of limited assurance by the external auditor for 2024 are selected sustainability data – such as Energy, Scope 1, Scope 2, and Scope 3 GHG emissions. The Limited Assurance Report of the independent auditor, detailing the scope and outcomes, is available on [page 147](#) of this report.

### Related reporting and disclosures

Mölnlycke also publishes additional ESG-related statements, including responses to the CDP Climate Change questionnaire, a Modern Slavery and Human Trafficking Statement, and other relevant sustainability disclosures, all available on the company's website.



# Restatements of information

## The following information in the Sustainability Report has been restated:

Information in "Climate change and energy" section about Scope 1 GHG emissions for the years 2021–2023 has been restated following the correction of a wrong emission factor previously applied to diesel and petrol.

GHG emissions (t CO <sub>2</sub> e.)	After restatement			Prior restatement		
	2021	2022	2023	2021	2022	2023
Scope 1	51,607	50,904	52,788	55,894	55,348	57,195
Scope 1 & 2	104,212	79,931	73,064	108,499	84,375	77,471

The Scope 3 GHG emissions data for 2021–2023 in the Climate Change and Energy section has been updated to correct the classification of emissions from ETO sterilization. Previously reported under Category 10 (Processing of Sold Products), these emissions have now been correctly reclassified under Category 1 (Purchased Goods and Services). While this adjustment does not impact the total Scope 3 emissions, it affects Mölnlycke’s SBTi near-term Scope 3 target, as Category 1 is included in the target, whereas Category 10 is not.

GHG emissions (t CO <sub>2</sub> e.)	After restatement			Prior restatement		
	2021	2022	2023	2021	2022	2023
Category 1: Purchased Goods and Services	376,780	312,666	282,583	359,259	292,378	265,574
Category 10: Processing of Sold Products	0	0	0	17,521	20,288	17,009

The information on Scope 3 GHG emissions for 2021 in the "Climate change and energy section has been restated. This adjustment pertains to Category 4 (Upstream transportation and distribution) and results from the correction of emission data from a supplier, as well as a change in the calculation methodology for emissions from ocean container freight, shifting from mass-based to volume-based allocation of emissions (TEU-methodology). The 2022 and 2023 emissions data have not been recalculated as part of the transitioning process towards the TEU-based methodology. This transition reflects a gradual alignment across suppliers, and the 2023 data includes a mix of both TEU and shipped weight-based calculations, depending on the methodology adopted by each supplier.

The information regarding the share of reclaimed products, expressed as a percentage of the product monetary value, has been restated. A review of 2023 data identified an inconsistency in the calculation methodology, which has now been corrected to ensure greater accuracy and alignment with reporting standards. In 2023 2.39% of products were reclaimed based on monetary value.

GHG emissions (t CO <sub>2</sub> e.)	After restatement	Prior restatement
	2021	2021
Category 4: Upstream transportation and distribution	56,914	53,250

% out of total	After restatement	Prior restatement
	2023	2023
Reclaimed products	2.39	0.07

# Independent auditor's limited assurance report on specified sustainability information

To Mölnlycke Holding AB, corporate identity number 556693-6729

## Introduction

We have been engaged by the Board of Directors and Executive Management of Mölnlycke Holding AB to undertake a limited assurance engagement of selected information as presented in the annual report for 2024 consisting of energy use within the organisation and Greenhouse Gas emissions in Scope 1, 2 and 3 for the year 2024 ("Reporting"), as presented in the annual report on [page 114–118](#).

## Responsibilities of the Board of Directors and the Executive Management for the Sustainability Report

The Board of Directors and the Executive Management are responsible for the preparation of the Reporting in accordance with the applicable criteria, as explained on [page 150–151](#) in the annual report, and are the parts of the Sustainability Reporting Guidelines published by GRI (Global Reporting Initiative) related to 302-1 Energy consumption within the organization, 305-1 Direct (Scope 1) GHG emissions, 305-2 Energy indirect (Scope 2) GHG emissions, and 305-3 Other indirect (Scope 3) GHG emissions, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of the Reporting that is free from material misstatements, whether due to fraud or error.

## Responsibilities of the auditor

Our responsibility is to express a conclusion on the Reporting based on the limited assurance procedures we have performed. Our engagement is limited to historical information presented and does therefore not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Reporting, and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of Mölnlycke Holding AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, the conclusion of the procedures performed does not express a reasonable assurance conclusion.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Reporting.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

## Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Reporting, is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

Gothenburg, 27 March 2025

Deloitte AB

Hans Warén

Authorized Public Accountant

# Appendix

## Glossary

<b>CO<sub>2</sub>e</b> Carbon dioxide equivalents. The amount of a particular greenhouse gas, expressed as the amount of carbon dioxide that gives the same greenhouse effect.	<b>GHG Greenhouse gases</b> Naturally occurring and man-made gases that trap heat in the atmosphere, contributing to the greenhouse effect warming the earth.	<b>LCA Life-Cycle Assessment</b> An approach for calculating the environmental impact of a product or service across all its lifecycle phases, ranging from extraction of raw materials and manufacturing to usage and end-of-life management.
<b>Downstream in value chain/Downstream emissions</b> Activities (and related greenhouse gas emissions) occurring post manufacturing/production, primarily associated with a product's distribution, use and end-of-life phases.	<b>GHG (Greenhouse gas) protocol</b> A framework and de facto standard for measuring, accounting and managing greenhouse gas emissions.	<b>Lost Time Injuries</b> A metric in workplace health and safety. A work-related injury that causes the Injured Person to be away from work for at least one normal working day/ working shift after the day when the incident occurred.
<b>ESG</b> Environment, Social, and Governance. Refers to the three overarching themes for assessing non-financial factors which can impact a company's value-creating abilities.	<b>Global Reporting Initiative (GRI) Standards</b> The first and most widely adopted global standards for sustainability reporting. GRI is an independent international organization that has pioneered sustainability reporting since 1997.	<b>Net Zero</b> A state in which no net additions of greenhouse gases are released into the atmosphere. Organizations can achieve this primarily by reducing their emissions as well as using certain accepted carbon capture, removal and storage technologies to neutralize any unavoidable remaining emissions.
<b>FSC®</b> Forestry Stewardship Council.	<b>ISCC</b> International Sustainability and Carbon Certification system.	<b>Own activities</b> Cover GHG emissions in Scope 1, 2, and Scope 3 categories. 3.5 Waste generated in operations, 3.6 Business travel, 3.7 Employee commuting, 3.8 Upstream leased assets.

**SBTi The Science Based Target initiative**

A partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) that defines and promotes best practice in emissions reductions and net-zero targets in line with climate science, including providing a second opinion on the ambition level of targets set by corporates and other entities.

**SDGs Sustainable Development Goals**

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries – developed and developing – in a global partnership.

**UNGC United Nations Global Compact**

Is a voluntary initiative adopted in 2005 by the UN Secretary-General, based on CEO commitments to implement universal sustainability principles and to take steps to support the UN Sustainable Development Goals.

**Scope 1**

Direct GHG emissions derived from assets/sources that are owned or controlled by an organisation, typically through combustion of fossil fuels.

**Sustainable healthcare**

Sustainable healthcare ensures the health needs of the current population are met, without compromising environmental, economic or social resources for future generations.

**Upstream in value chain/upstream emissions**

Activities (and related greenhouse gas emissions) occurring in an organization's supply chain, including extraction of raw materials, manufacturing, assembly and distribution of purchased products and components, and other acquired services.

**Scope 2**

Indirect GHG emissions derived from the energy purchased and consumed, but not generated by, an organization, typically from acquired electricity, heating and cooling.

**TCFD Task force on Climate related Financial Disclosures**

A framework for disclosing on an organization's strategies, targets and risk management approaches as regards climate change.

**Scope 3**

Other indirect GHG emissions which are a consequence of the activities of the company but are derived from sources not owned or controlled by the company. These include emissions occurring in the supply chain as well those occurring when customers use a company's products and services.

**The Paris Agreement**

A legally binding international treaty on climate change, adopted by 196 Parties at the UN Climate Change Conference (COP21) in Paris 2015. The Paris Agreement sets out a global framework to avoid dangerous climate change by limiting global warming to well below 2 °C and pursuing efforts to limit it to 1.5 °C.

# GRI content index

**Statement of use** Mölnlycke Holding AB (publ), corporate ID number 556693-6729, has reported in accordance with the GRI Standards for the period 01.01.2024–31.12.2024.

**GRI 1 used GRI 1:** Foundation 2021.

**GRI Sector Standard** not applicable.

Disclosure	GRI standard /Other source	Location in the report	Omission reason
<b>General information</b>			
2-1 Organisational details	GRI 2: General Disclosures 2021	p. 4	
2-2 Entities included in the organisation's sustainability reporting		p.76 unless specified otherwise in the Sustainability report	
2-3 Reporting period, frequency and contact point		p. 3, p. 145	
2-4 Restatements of information		p. 146	
2-5 External assurance		p. 145, p. 147	
2-6 Activities, value chain and other business relationships		pp. 12–13	
2-7 Employees		p. 127–129	
2-8 Workers who are not employees		p. 128	
2-9 Governance structure and composition		p. 14, pp. 46–50, pp. 102–103	
2-10 Nomination and selection of the highest governance body		p. 48	
2-11 Chair of the highest governance body		p. 48	
2-12 Role of the highest governance body in overseeing the management of impacts		p. 48, p. 102	
2-13 Delegation of responsibility for managing impacts		p. 51, p. 102–103	
2-14 Role of the highest governance body in sustainability reporting		p. 49, p. 102–103	
2-15 Conflicts of interest		pp. 48–49	
Disclosure 2-16 Communication of critical concerns		pp. 103–105, pp. 139–140	
2-17 Collective knowledge of the highest governance body		p. 48	
2-18 Evaluation of the performance of the highest governance body		p. 48	

Disclosure	GRI standard / Other source	Location in the report	Omission reason
2-19 Remuneration policies	GRI 2: General Disclosures 2021	pp. 48–49, p. 129	
2-20 Process to determine remuneration		pp. 48–49, p. 129	
2-21 Annual total compensation ratio		p. 129	
2-22 Statement on sustainable development strategy		p. 7, pp. 17–18	
2-23 Policy commitments		p. 7, pp. 17–18, p. 47	
2-24 Embedding policy commitments		p. 109, p. 127, p. 131, p. 132, p.135, p. 137, p. 138, p. 141, p. 143, p. 144	
2-25 Processes to remediate negative impacts		p. 105, pp. 109–112, pp. 119–122, p. 124, pp. 125–126, pp. 127–128, p. 129, p. 130, pp. 132–134, pp. 135–136, pp.138–140, pp. 141–142, p. 143	
2-26 Mechanisms for seeking advice and raising concerns		pp. 103–105, p. 130, pp. 139	
2-27 Compliance with laws and regulations		p. 138, p. 140	
2-28 Membership associations		p. 18	
2-29 Approach to stakeholder engagement		pp. 103–105	
2-30 Collective bargaining agreements		p. 130	
Stakeholder engagement and materiality			
3-1 Process to determine material topics	GRI 3: Material Topics 2021	pp. 105–107	
3-2 List of material topics		p. 107	
3-3 Management of material topics		p. 17–18, p. 104–105	



Disclosure	GRI standard /Other source	Location in the report	Omission reason
<b>Climate change and energy</b>			
3-3 Management of material topics	GRI 3: Material Topics 2021	pp. 109–112	
302-1 Energy consumption within the organisation	GRI 302: Energy 2016	p. 114	
302-2 Energy consumption outside of the organisation		Omitted	Information of acceptable certainty level is not available. The company is investigating possibilities of reporting the disclosure, according to CSRD ESRS E1 requirements.
302-3 Energy intensity		p. 114	
302-4 Reduction of energy consumption		p. 114	
305-1 Direct (Scope 1) GHG emissions		p. 114	
305-2 Energy indirect (Scope 2) GHG emissions		p. 114	
305-3 Other indirect (Scope 3) GHG emissions		p. 115	
305-4 GHG emissions intensity	GRI 305: Emissions 2016	p. 115	
305-5 Reduction of GHG emissions		p. 115	
201-2 Financial implications and other risks and opportunities due to climate change	GRI 201: Economic Performance 2016	p. 108–109, p. 118–119	
<b>Circularity and resource efficiency – Waste</b>			
3-3 Management of material topics	GRI 3: Material Topics 2021	p. 119–120	
306-1 Waste generation and significant waste-related impacts	GRI 306: Waste 2020	p. 120	
306-2 Management of significant waste-related impacts		p. 120	
306-3 Waste generated		p. 120	
306-4 Waste diverted from disposal		p. 120	
306-5 Waste directed to disposal		p. 120	

Disclosure	GRI standard /Other source	Location in the report	Omission reason
Circularity and resource efficiency – Water			
3-3 Management of material topics	GRI 3: Material Topics 2021	p. 121	
303-1 Interactions with water as a shared resource	GRI 303: Water and Effluents 2018	p. 121	
303-2 Management of water discharge-related impacts		pp. 121-122	
303-3 Water withdrawal		p. 121	
303-4 Water discharge		pp. 121-122	
303-5 Water consumption		pp. 121-122	
Circularity and resource efficiency – Raw material use			
3-3 Management of material topics	GRI 3: Material Topics 2021	pp. 119-120	
301-1 Materials used by weight or volume	GRI 301: Materials 2016	p. 122	
301-2 Recycled input materials used		Omitted	Information of acceptable certainty level is not available. The company is investigating possibilities of reporting the disclosure, planning to conclude in the next reporting period, according to CSRD ESRS E5 requirements. Information on recycled content in packaging is provided on p.123.
301-3 Reclaimed products and their packaging materials		p. 120	
Pollution prevention			
3-3 Management of material topics	GRI 3: Material Topics 2021	p. 124	
305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	GRI 305: Emissions 2016	p. 124	Emissions of only ETO are reported. Other emissions metrics (NOx, SOx, POP, etc) are found not material: omission due to inapplicability.

Disclosure	GRI standard /Other source	Location in the report	Omission reason
<b>Sustainable portfolios</b>			
3-3 Management of material topics	GRI 3: Material Topics 2021	pp. 123-124	
LCA portfolio coverage	Own KPI	p. 124, p. 125	
<b>Own workforce – Diversity, equity and inclusion</b>			
3-3 Management of material topics	3-3 Management of material topics	pp. 127-128	
401-1 New employee hires and employee turnover	401-1 New employee hires and employee turnover	pp. 128-129	
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 129	
405-1 Diversity of governance bodies and employees	405-1 Diversity of governance bodies and employees	pp. 58-61, p.128	
405-2 Ratio of basic salary and remuneration of women to men	405-2 Ratio of basic salary and remuneration of women to men	p. 129	
<b>Own workforce – Health, safety, physical security and wellbeing</b>			
3-3 Management of material topics	GRI 3: Material Topics 2021	p. 127, pp. 132-134	
403-1 Occupational health and safety management system	GRI 403: Occupational Health and Safety 2018	p. 133	
403-2 Hazard identification, risk assessment, and incident investigation		pp. 132-133	
403-3 Occupational health services		p. 134	
403-4 Worker participation, consultation, and communication on occupational health and safety		p. 133-134	
403-5 Worker training on occupational health and safety		p. 134	
403-6 Promotion of worker health		pp. 133-134	
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		pp. 133-134	
403-8 Workers covered by an occupational health and safety management system		p. 133	
403-9 Work-related injuries		p. 134	
403-10 Work-related ill health		p. 134	

Disclosure	GRI standard /Other source	Location in the report	Omission reason
Own workforce – Career development and empowerment			
3-3 Management of material topics	GRI 3: Material Topics 2021	p. 127, p. 131	
404-1 Average hours of training per year per employee	GRI 404: Training and Education 2016	p. 132	
404-2 Programmes for upgrading employee skills and transition assistance programs		pp. 131-132	
404-3 Percentage of employees receiving regular performance and career development reviews		p. 131	
Own workforce – Human rights			
3-3 Management of material topics	GRI 3: Material Topics 2021	p. 127, pp. 135-136	
406-1 Incidents of discrimination and corrective actions taken	GRI 406: Non-discrimination 2016	p. 136	
408-1 Operations and suppliers at significant risk for incidents of child labor	GRI 408: Child Labor 2016	p. 135, pp. 141-142	
409-1 Operations and supplier at significant risk for incidents of forced or compulsory labor	GRI 409: Forced or Compulsory Labor 2016	p. 135, pp. 141-142	
Own workforce – Freedom of association			
3-3 Management of material topics	GRI 3: Material Topics 2021	p. 127, p. 130	
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	GRI 407: Freedom of Association and Collective Bargaining 2016	p. 130, pp. 141-142	
Community support			
3-3 Management of material topics	GRI 3: Material Topics 2021	p. 136	
413-1 Operations with local community engagement, impact assessments, and development programmes	GRI 413: Local Communities 2016	p. 27, p. 136	
413-2 Operations with significant actual and potential negative impacts on local communities		p. 136	
Healthcare compliance			
3-3 Management of material topics	GRI 3: Material Topics 2021	pp. 136-137	
417-1 Requirements for product and service information and labeling communications	GRI 417: Marketing and Labeling 2016	p. 137	
417-2 Incidents of non-compliance concerning product and service information and labeling		p. 120	
417-3 Incidents of non-compliance concerning marketing		p. 124	

Disclosure	GRI standard /Other source	Location in the report	Omission reason
Business ethics and culture of integrity			
3-3 Management of material topics	GRI 3: Material Topics 2021	pp. 138-140	
205-1 Operations assessed for risks related to corruption	GRI 205: Anti-Corruption 2016	pp. 139-140	
205-2 Communication and training about anti-corruption policies and procedures		p. 140	
205-3 Confirmed incidents of corruption and actions taken		p. 140	
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	GRI 206: Anti-competitive Behavior 2016	p. 140	
Management of relationships with suppliers			
3-3 Management of material topics	GRI 3: Material Topics 2021	p. 141	
204-1 Proportion of spending on local suppliers	GRI 204: Procurement Practices 2016	p. 142	
308-1 New suppliers that were screened using environmental criteria	GRI 308: Supplier Environmental Assessment 2016	pp. 141-142	
308-2 Negative environmental impacts in the supply chain and actions taken		p. 142	
414-1 New suppliers that were screened using social criteria	GRI 414: Supplier Social Assessment 2016	pp. 141-142	
414-2 Negative social impacts in the supply chain and actions taken		p. 142	
Data and intellectual property			
3-3 Management of material topics	GRI 3: Material Topics 2021	p. 143	
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	GRI 418: Customer Privacy 2016	p. 143	
Strategic and fiscal governance			
3-3 Management of material topics	GRI 3: Material Topics 2021	p. 144	
201-1 Direct economic value generated and distributed	GRI 201: Economic Performance 2016	p. 144	

Disclosure	GRI standard /Other source	Location in the report	Omission reason
<b>Responsible taxation approach</b>			
3-3 Management of material topics	GRI 3: Material Topics 2021	p. 144	
207-1 Approach to tax	GRI 207: Tax 2019	p. 144	
207-2 Tax governance, control, and risk management		p. 144	
207-3 Stakeholder engagement and management of concerns related to tax		p. 104, p. 144	
207-4 Country-by-country reporting		Omitted	Information currently unavailable. To be submitted to the Swedish Tax Office later in 2025.

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