



HC21 Group Sustainable Business Strategy

2023



HC21
Healthcare

Sustainable Business Strategy

Strategic Sustainable Business planning is integral to the business of the Healthcare 21 Group (HC21) which is owned by AddLife PLC. As a Nordic plc, sustainability is a central part of AddLife's vision to improve people's life by being a leading, value-creating player in Life Sciences. Operations from a sustainability perspective include aiming to be a:

- Responsible Producer & Distributor
- Responsible Employer
- Responsible Market Participant

AddLife annually prepares a sustainability report which covers the parent company AddLife AB and its 100 subsidiaries. The purpose of the sustainability report is to provide an overarching description of AddLife's business from the perspective of sustainability and to inform about the sustainability aspects that are necessary to understand the company's development, position and performance, as well as the consequences of its operations.

In 2021, HC21 engaged with an independent Sustainable Business Strategist to analyse, review and develop a Sustainable Business Strategy for the Group to align with the overall AddLife Strategy. This engagement has assisted us to identify current good practices along with opportunities for improvements which are now underway. When we talk about our sustainable business, we are not just articulating our environmental efforts but also how we take care of our people and our business relationships. For this reason, our Sustainable Business Strategy takes a 3 pillar approach:

- Sustainable Solutions
- Sustainable Culture
- Sustainable Growth

HC21 is committed to optimising opportunities to reduce the impact of our activities and business practices at every level throughout our supply chain. We are dedicated to promoting awareness and decisions that contribute to reducing our environmental impact. We will reflect our commitment to delivering sustainability in our business practices through our values and policies. We recognise this to be a continuous process of improvement rather than a steady-state and seek to improve our performance, and that of our suppliers, over time.

Note: Healthcare 21 Group (HC21), incorporating the following group companies:

Primacy Healthcare 21 Ltd, Healthcare 21 (UK) Ltd, Healthcare 21 (DE) GmbH, Tools for Living (Ireland) Ltd
Aquilant Medical (ROI) Ltd, Aquilant Scientific (ROI) Ltd, Aquilant Northern Ireland Ltd, Aquilant Ltd, Aquilant Endoscopy Ltd
Xograph Healthcare Ltd, Xograph Healthcare (Ireland) Ltd
O'Flynn Medical Ltd, O'Flynn Innovation Ltd

Sustainable Business Strategy



SUSTAINABLE SOLUTIONS

Sustainability Management System
Energy Efficiency
Green Car Policy
Waste Minimisation
Circular Economy



SUSTAINABLE CULTURE

Employee Survey
Diversity, Equality & Inclusion
Code of Conduct & Whistleblower
Code of Ethical Business Conduct
Training
Well-Being Programme
Safety Culture



SUSTAINABLE GROWTH

Supplier Management
Ethical Business Trading
Customer Engagement
Acquisitions
Community Engagement

Sustainable Solutions



	Objective	Implemented to Date	Future Focus
Sustainability Management System	Calculate greenhouse gas emissions (from transport fuels, heating fuels and electricity) - Position Green	Completed Position Green annual report on ESG for all HC21 entities	Continued focus
		Annual measuring & monitoring of greenhouse gas emissions (Scope 1, 2 & 3)	Continued focus
		Published Carbon Reduction Plan	Annual Review
Energy Efficiency – Scope 1 & 2	Investigate energy efficient solutions for premises	LED Lighting upgrade complete in Blarney & Annacotty	Investigate and implement further sustainable energy sources
		Investigated LED lighting upgrade in Maryland - not proceeding	Energy Efficiency Audits to be completed in UK premises
		Installation of EV Charging points at all UK sites	Review electricity providers to optimise use of green energy where possible
		Energy Efficiency Audit completed in O'Flynn Medical, Macroom	Work collaboratively with our employees, suppliers and customers to achieve carbon reductions through joint interactions
		Energy Efficiency Audit completed in Blarney	Continued focus on measuring and monitoring our Scope 3 emissions
		Energy Efficiency Audit completed in Annacotty	Ongoing focus on minimising air, train and car business travel
		Hybrid working options for office based staff	Ongoing review of remote/hybrid working arrangements
		Significant reduction in business travel through optimal usage of online meeting platforms	
		Update to Concur to allow us to measure train travel and report same for Position Green	
		Replacement of radiators valves in Maryland to improve control and efficiency of heating system	
	Consider contingency plans in events of energy shortages	Review Business Continuity Plan	Continued focus
		Draft Energy Contingency Plan	Implement Energy Contingency Plan, test and provide training where required
Green Car Policy – Scope 1	Introduce Green Car Policy and upgrade company vehicles to cleaner alternatives where feasible	Green Car Policy implemented across the Group (UK - Oct 21, Ireland – Nov 22)	Continue to convert remaining company vehicles to greener alternatives where feasible
		83% of UK fleet converted to electric or hybrid vehicles	Investigate use of biofuels when electric vehicle not possible
		Installation of EV Charging points at UK sites	Install EV Charging points at Irish sites

Sustainable Solutions



	Objective	Implemented to Date	Future Focus
Waste Minimisation – Scope 1, 2 & 3	Identify waste minimisation, recycling and savings opportunities at all sites	ISO14001 Environmental Management System Standard in place - UK /NI	Work with suppliers to reduce carbon footprint of products supplied
		Secure disposal of Confidential information recycled through secure wastepaper shredding by approved contractors	Review recycling and waste management at all sites – introduce consistent approach
		Environmental disposal of product packaging, wooden pallet, cardboard etc. through approved contractors	Invest in promoting circular economy across all aspects of our business
		Recycle bins located around all sites	Train and educate our employees, suppliers and customers on how best to achieve carbon reduction in our interactions
		Old company mobile phones and laptops recycled through secure waste contractors once the data is formally erased	Continued focus on measurement of Scope 3 emissions
		Limit coffee paper cup waste by actively encouraging multiple cup use and provision of reusable cups	Review of waste management practices of field based in Ireland
		Employees are encouraged to not print documents where possible	Investigate possibly of ISO14001 at all sites
		Annacotty plastic use - 45% reduction in plastic in by moving from 45mu blend to 30mu blend (Super Strength Blend)	Review plastic packaging practices in all sites for outgoing deliveries in line with Annacotty pilot projects
		Annacotty plastic use - 53% reduction in clear plastic by moving to 17mu blend	
		Annacotty plastic use - 50% reduction in black plastic by moving to 20mu plastic	
		Annacotty plastic use - successful pilot project to continue using clear plastic as above but not wrap beds entirely - resulted in less plastic, more efficient packaging and faster delivery times	
		By working collaboratively with suppliers and customers and introducing new technology, our Service, Decontam, Logistics and Storage and Finance departments now handles 37,000 less pages per month	
		Waste Management audit completed with all field based employees across the HC21 Group	Waste Management Audit results to be analysed and identify actions required
		Actively reusing and donating excess office furniture to limit waste to landfill	
	Repak & WasteCare membership		
Plastic Packaging Tax – UK	Completed review of 2022 Plastic Packaging Tax UK	Review plastic packaging practices in all sites for outgoing deliveries	
	Plastic Packaging Tax Annual Submission completed	Monitor plastic packaging waste in line with guidelines and submit accordingly	
Circular Economy – Scope 1 & 3	Assess the circular economy benefits of the asset management, service, repair and decontamination services	Continued collaboration with our major suppliers to return faulty modules which can subsequently be reworked and approved as certified refurbished parts	
		Provide full asset management for customers from the point of purchase to end of life of products including disposal with registered recycling contractors	Complete full circular economy review of Annacotty facility to measure positive impact in carbon emissions reduction through onsite practices
		Environmental disposal of cardboard and plastic waste through approved contractors engaged in circular economy practices	

Sustainable Culture



Employee Survey	Objective	Implemented to Date	Future Focus
Employee Survey	Implement, analyse and report the AddLife Employee Survey results	Annual Employee Survey completed and results analysed	Employee Survey conducted annually & key points circulated
		Annual employee wellbeing programme in place	Annual well being programme implemented
		Introduction of modern working policies (remote working policy, flexible working arrangements, right to disconnect etc.)	Existing policies reviewed and additional policies introduced as required
		Provision of opportunities for training & development & introduction of Sana (business system)	Ongoing focus
		Business process improvements	Ongoing focus
Diversity, Equality & Inclusion	DEI Awareness Initiatives	Developed DEI awareness through annual initiatives (cultural awareness) and training	Continued focus on DEI awareness through annual initiatives
		Unconscious Bias training issued to all employees	Ongoing focus
		DEI training issued to all employees via iHasco	Ongoing focus
	Gender Balance & Gender Pay Gap	Gender Pay Gap Report ROI reviewed and published annually	Establishment of women's network
		Gender Balance 36/64% split	Encourage gender balance within certain divisions
		Use of non gendered language in all policies	
		Diverse interview panels in place	
	Code of Conduct & Whistleblower Policy	Code of Conduct and Whistleblower Policy associated training	HC21 Code of Conduct issued to all employees
AddLife's Code of Conduct training issued to all employees			Combine external whistleblowing service
Protected Disclosure Policy in place			
External whistleblowing service (Health Assured) available to all employees			
Code of Ethical Business Conduct	Create a culture of Code of Ethical Business Conduct training and awareness amongst all employees	Separate Education Committees in place in Ireland and UK to review all sponsorship requests received from Healthcare Professionals	
		Code of Ethical Business Conduct video training created and issued to all Sales Teams initially (training is based on MedTech Europe Code of Ethical Business Conduct)	

Sustainable Culture



Training	Objective	Implemented to Date	Future Focus
Training	Expansion of existing training academy	Reviewed training available across HC21, AddLife & MBA training academies	Review of performance management cycle
		Launched Sana platform to facilitate learning and development within the Group	Ongoing focus
		Continuous training and development opportunities provided to all employees	
		Sustainability Training Completed: Carbon Literacy, Carbon Footprint & Reducing Emission in Healthcare – Mar 2023 HealthTech Ireland Symposium – Enabling Healthcare Transformation Together – May 2023 Repak Member Webinar – June 2023 Evergreen Assessment – NHS England – Supplier Drop In Session – July 2023 ESG Conference – Corporate Sustainability Reporting Directive – Aug 2023	
Well Being Programme	Development and implementation of well being programme	Previous well being initiatives include – DEI, Health Challenge & Summer Socials, International Women’s Day, Healthy Eating, Menopause, Mental Health Day etc. – initiatives reviewed annually	Launch of Healthcare 21 Cares – Community Engagement Programme
		Employee Assistance Programme available to all employees	Investigate WELL (International WELL Building Institute accreditation opportunities for HC21 sites)
		Roll out of community volunteer scheme for all employees – Healthcare 21 Cares	
Safety Culture	Document a baseline for a Health & Safety and Quality Culture and establish action plan based on feedback	Health & Safety and Quality Maturity Assessment launched November 2022 to all employees	Health & Safety and Quality Maturity Assessment to be repeated annually for next 3 years
		Results of Health & Safety and Quality Maturity Assessment reviewed and published and corrective actions commenced	Continue to foster positive Health & Safety and Quality culture, training ongoing training and communications
		Celebrated World Day for Health & Safety at Work – April 2023	

Sustainable Growth



Supplier Management	Objective	Implemented to Date	Future Focus
Supplier Management	Develop a robust supplier onboarding, offboarding and continual assessment programme for Suppliers (product, non product and services) including a risk assessment tool	Supplier Assessment Form reviewed and updated – ESG questionnaire added to Form	Commence Supplier Off Boarding review
		Training of new Supplier Assessment Form provided to relevant employees	Complete recategorisation of existing Suppliers
		Commenced recategorisation of existing Suppliers according to Levels 1-5	Roll out Risk Analysis Matrix
		Supplier Management SOP updated	Continue to work collaboratively with Suppliers to achieve carbon reductions through joint interactions
		Supplier Risk Analysis Matrix developed	
	Supplier Sustainability Evaluation	Created "tender ready" Sustainable Business Strategy document incorporating HC21 Strategy with requirements from key customers (NHS & HSE) to ensure an up to date and consistent approach to tender applications and Supplier questionnaires & requests	Regular communication with Suppliers to keep ahead of proposed questions and update HC21 Sustainable Business Strategy and document as required Review possibility of gathering and evaluating Scope 3 data
Ethical Business Trading	Review and consolidate Ethical Business policies and material		Coherent robust plan to be put in place to identify best practice approach incorporating accreditation and policy review
Customer Engagement	Engage with key customers to understand their <u>future</u> expectations in terms of sustainability. Identify what steps the business can take to meet these expectations	Created "tender ready" Sustainable Business Strategy document incorporating HC21 Strategy with requirements from key customers (NHS & HSE) to ensure an up to date and consistent approach to tender applications and Supplier questionnaires & requests	Regular communication with Customers to keep ahead of proposed questions and update HC21 Sustainable Business Strategy and document as required
		Carbon Reduction Plan published	Continue to work collaboratively with Customers to achieve carbon reductions through joint interactions – consolidation of orders for delivery purposes etc Review possibility of gathering and evaluating Scope 3 data
Acquisitions	Aim to evaluate and prioritise sustainability aspects in acquisition and investment processes	100% of local board investment decisions evaluated according to sustainability aspects	Ongoing focus
Community Engagement	Action Community Engagement Programme initiatives	Ongoing support to local charities – annual Christmas Food Collection, McMillan Cancer Support, Edel House etc.. Actively reusing and donating excess office furniture to limit waste to landfill	
		Roll out of community volunteer scheme for all employees – Healthcare 21 Cares	
	Corporate Sponsorship	Continued corporate sponsorship of Rebel Wheelers including support assistance on match days	

Environmental Sustainability Group Policy



ENVIRONMENTAL SUSTAINABILITY GROUP POLICY

OVERVIEW

Healthcare 21 (hereinafter referred to as the "Company") recognises that businesses can have a negative impact on the environment. As part of the AddLife Group, sustainability is a central part of our vision to improve people's life by being a leading value-creating provider in life sciences.

Human health and well-being are intimately linked to our Sustainable Business Strategy. The Company believes that improvement in the quality of the environment is not a once off activity but rather a journey towards embedding environmentally sound business practices throughout our organisation and developing a commitment to sustainability within our people.

PURPOSE

The Company is committed to optimising opportunities to reduce the impact of its activities and business practices at every level throughout our supply chain. The Company is dedicated to promoting awareness and decisions that contribute to achieving environmentally sustainable development. It aims to reflect the commitment to delivering sustainability in its business practices and through its values and policies. The Company recognises this to be a continuous process of improvement rather than a steady-state and seeks to improve its performance, and that of its suppliers, over time.

SCOPE

The policy applies to all employees and Company facilities

POLICY

The Company will ensure it:

- continues to comply with or exceed applicable legal requirements and other compliance obligations that relate to the environmental aspects of our activities, products and services
- maintains and enhances an environmental management programme for continual improvement by establishing objectives, including regular evaluation and verification of environmental performance
- employs and implements a regularly reviewed Sustainable Business Strategy
- assesses our carbon footprint by reviewing Scope 1, 2 & 3 emissions in line with the Green House Gases Protocol Corporate Standards
- integrates the consideration of internal and external environmental concerns and impacts into all its decision making, business strategies and activities
- uses energy responsibly and efficiently
- protects the environment and prevents pollution through emission minimization, monitoring and control
- promotes environmental awareness among its employees and encourages all work in an environmentally responsible manner to ensure that personnel working for and on our behalf, are aware of this policy and individual obligations



- trains, educates and informs employees about environmental awareness that may affect their work
- reduces waste through re-use and recycling and by purchasing recycled, recyclable or re-furnished products and materials where these alternatives are available, economical and suitable
- promotes efficient use of materials and resources throughout its facility including water, electricity, raw materials and other resources, particularly those that are non-renewable
- avoids unnecessary use of hazardous materials and products, seeks substitutions when feasible, and takes all reasonable steps to protect human health and the environment when such materials must be used, stored and disposed of
- purchases and uses environmentally responsible products accordingly
- where required by legislation or where significant health, safety or environmental hazards exist, develops and maintains appropriate emergency and spill response programmes
- monitors and works to reduce its contribution to environmental emissions from travel undertaken for business purposes
- works collaboratively with our suppliers, customers and third parties to consider the life cycle impacts of their activities, products and services
- strives to continually improve its environmental performance and minimise the social impact and damage of activities by periodically reviewing our environmental policy in light of our current and planned future activities

Nathan Pettitt
CEO