



Sustainability Report 2017

Sustainability at Handicare



CONTENTS

- 2 Sustainability at Handicare
- 3 CEO's comments
- 4 Handicare's operations
- 5 Materiality – key sustainability issues in the value chain
- 6 Business model
- 8 Handicare's strategic business units
 - 8 *Accessibility*
 - 8 *Patient Handling*
 - 9 *Puls*
 - 9 *Manufacturing sites*
- 10 Our key sustainability issues
- 11 Customers
 - 12 *Popular transfer training*
- 13 Suppliers
- 14 Environment
 - 14 *Re-use and recycling*
 - 15 *Sustainable materials and chemicals*
 - 16 *Energy, emissions and waste*
 - 17 *Air travel*
- 18 Employees
 - 18 *Diversity and equal treatment*
 - 19 *Work conditions*
 - 19 *Anti-corruption*
- 20 Community
- 23 About the report
- 23 Materiality analysis
- 24 Auditor's statement

Handicare makes everyday life easier for the physically challenged and the elderly. We also facilitate the work of caregivers and relatives.

For financial years starting from 31 December 2016, under Chapter 6 Section 11 of the Swedish Annual Accounts Act, larger companies are required to prepare a sustainability report. The sustainability report should encompass the necessary sustainability disclosures to provide an understanding of the company's development, financial position and performance, and the consequences of the operations, including disclosures on issues related to the environment, societal conditions, personnel, respect for human rights and combating corruption.

This Sustainability Report comprises the Group's Statutory Sustainability Report.

Sustainability is an integrated part of Handicare's way of working. Our products reduce strain injuries among caregivers and our stairlifts make it possible for people to live at home for longer. Our car conversions increase the quality of life for the physically challenged and enable them to live an active life.

We endeavour to make everyday life easier for the people with whom we cooperate throughout our value chain and take responsibility for the environment, societal and economic issues wherever we operate.

Our products and solutions are closely connected with some clear trends in society.

INCREASED PROPORTION OF AGEING POPULATION

The number of people over 60 is expected to increase more than the rest of the population and by 2050, the global population over 60 is projected to more than double in size from 2016, reaching nearly 2.1 billion, according to the United Nations. A higher proportion of elderly will generate an increased demand for the products and solutions that Handicare offers.

INCREASING LIFE EXPECTANCY OF PATIENTS WITH CHRONIC DISEASES

Chronic diseases related to lifestyle, such as diabetes and obesity, are becoming more prevalent in the population, leading to an increased need for Handicare's products. As a result of chronic diseases being diagnosed earlier and receiving more effective treatment, people with chronic diseases are living longer on average. This extends the period of time when they potentially require care services, which is why the need for our types of products and solutions is increasing.

INCREASING PREFERENCE TO STAY AT HOME LONGER

An increasing preference to stay at home, combined with cost-savings requirements for public sector caregivers, are factors increasing the demand and the need for our home care products.

CEO on sustainability

The major demographic trends that impact Handicare are primarily the increasing proportion of elderly who will require more care services. An increasing preference to remain at home longer is another trend that is intensified by cost-savings requirements for public sector caregivers. In both cases, Handicare's products and solutions are needed to improve life quality for the elderly in care homes as patients, and for caregivers in health and elderly care.

Another trend is the increase in digitalisation in care. Physicians' and nurses' roles will change and increasingly high requirements will apply for health-care equipment. We have to ensure that we change and develop our products and solutions in pace with this trend.

Climate change and a lack of care resources mean that all companies have to look after the environment and limit their impact. This applies equally to Handicare and sustainability is therefore a natural part of our operations. We help reduce strain injuries among caregivers and our stairlifts increase independence and make it possible for the elderly to live at home for longer. Our car conversions increase life quality and enhance everyday life for the physically challenged.

DEVELOPMENT DURING THE YEAR

During the past year, we have appointed a sustainability manager and started working on sustainability issues in a more structured fashion. We have also defined the long-term plan for how we will integrate sustainability with our overall strategy.

Our production units posted positive results in terms of reduced energy consumption and emissions. We are only at the start of our environmental efforts but are already seeing favourable results.

In 2017, we also introduced a compliance programme, which will encompass all employees. The programme includes a code of conduct that describes Handicare's position on issues such as: anti-corruption; ethics; labour standards; human rights; and the environment.



Handicare's Code of Conduct has been sent to our direct material suppliers, who have been asked to sign and confirm their adherence to the code.

FUTURE PLANS

One of our long-term goals is to make our products and solutions more sustainable and, by 2030, 80 percent of the material used in our product portfolio should be sustainable. Reaching this goal means we must start to define the criteria we apply for a sustainable product and sustainable material. Another long-term goal for 2030 is for 30 percent of the material used in our products to be recyclable.

We will also be preparing Group-wide policies to promote equal treatment and diversity, so that we can ensure that we are all striving toward the goal of being an inclusive workplace. Therefore, another priority for 2018 is completing a Group-wide employee survey, which will be completed on a yearly basis thereafter.

In environmental terms, we want to continue to reduce our impact and will expand carbon offsetting for air travel to include all of the Group companies.

IN 2017, WE ALSO INTRODUCED A COMPLIANCE PROGRAMME, WHICH WILL ENCOMPASS ALL EMPLOYEES.

Stockholm, April 2018

Asbjørn Eskild
President and CEO

Handicare's operations



Handicare offers solutions and support to increase the independence for physically challenged or elderly people, and to enable them to live an active life – on their terms – and to facilitate for their care providers and family.

The offering encompasses a comprehensive range of curved and straight stairlifts, transfer, lifting and repositioning aids, vehicle conversion products and solutions and medical equipment.

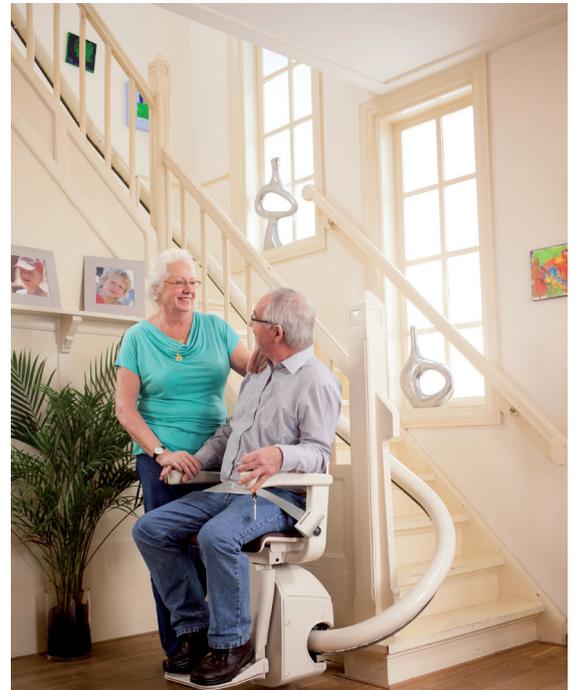
We are a global company with sales in more than 20 countries and are a market leader in this field. The head office is in Stockholm, Sweden and manufacturing is located at six sites distributed across North America, Asia and Europe. We are approximately 1,200 employees. Our operations are managed in three strategic business units (SBUs): Accessibility; Patient Handling; and Puls.

Our sustainability work is an integrated part of the entire operation. Our products contribute to creating a more sustainable working life and increased quality of life for the elderly and physically challenged by improving health and safety, and the home environment of our customers.



Materiality – key sustainability issues in the value chain

	RESEARCH & DEVELOPMENT	PURCHASING	PRODUCTION	LOGISTICS	OFFICES	CUSTOMERS & AFTERMARKET
ENVIRONMENT	<ul style="list-style-type: none"> Sustainable materials Energy 	<ul style="list-style-type: none"> Review of suppliers' environmental conditions 	<ul style="list-style-type: none"> Energy Emissions Waste Chemicals 	<ul style="list-style-type: none"> Energy Emissions Sustainable materials (packaging) 	<ul style="list-style-type: none"> Energy Emissions Waste 	<ul style="list-style-type: none"> Energy Emissions Re-use
SOCIAL CONDITIONS	<ul style="list-style-type: none"> Caregivers' health and safety Customers' health and safety 	<ul style="list-style-type: none"> Review of suppliers' social conditions 	<ul style="list-style-type: none"> Employees' health and safety Diversity and equal treatment 		<ul style="list-style-type: none"> Employees' health and safety Diversity and equal treatment 	<ul style="list-style-type: none"> Caregivers' health and safety Customers' health and safety
FINANCES	<ul style="list-style-type: none"> Anti-corruption and business ethics 					



Business model

MAKING

Through continuous product development, efficient production and distribution, we offer products and solutions that increase the quality of life for the physically challenged, and products and solutions for all types of patient transfers, which significantly improves health and safety for those working in hospital environments, acute care situations, in group care homes and in home environments.

RESOURCES

OPERATIONAL ACTIVITIES

- Carefully selected suppliers
- Local presence in eleven countries
- Six manufacturing and assembly facilities and 17 workshops
- Capital expenditure on product development

FINANCIAL CAPITAL

- MEUR 265.1 in capital employed

HUMAN CAPITAL

- Approximately 1,200 employees
- Specialist competence

RELATIONSHIP CAPITAL

- Close collaboration with suppliers
- Close collaboration with retailers

USER FOCUS

HOME CARE

INSTITUTIONAL SALES

CORE VALUES

INTEGRITY COMMITMENT RESPECT PASSION

EVERYDAY LIFE EASIER



SCALABLE PLATFORM
FOR SUSTAINABLE SOLUTIONS
THAT INCREASE QUALITY OF
LIFE AND IMPROVE
HEALTH AND SAFETY

OPEN TO CHANGE

CREATED VALUE

CUSTOMERS AND END USERS

- Increased quality of life
- Improved health and safety
- Effective solutions
- Short lead times

EMPLOYEES

- Development opportunities
- Stable and attractive employer
- Diversity and equality

SUPPLIERS AND PARTNERS

- Responsible business
- Long-term collaboration

COMMUNITY

- Jobs
- Contribute to increased quality of life for people with disabilities; increased mobility
- Make it possible for people to live at home longer
- Contribute to better health and safety and fewer work-related injuries as a result
- Cost-effective health-care

SHAREHOLDERS

- Long-term, sustainable investment
- Dividends

Handicare's strategic business units

In Handicare, the Accessibility SBU has the largest environmental impact, since we have our own production of stairlifts in Heerhugowaard, Netherlands and Kingswinford, UK, as well as in Xiamen, China, where we assemble straight stairlifts. In the production units, we focus on such issues as reduced emissions, energy consumption and waste management. Most of the production units are ISO 14001-certified.

Accessibility

Handicare is a leading manufacturer and supplier of straight and curved stairlifts. In addition to stairlifts, the Accessibility SBU also offers vehicle adaptation for physically challenged end-users.

Handicare's end-users in stairlifts mainly consist of consumers, but also include long-term care facilities, municipalities and companies related to home care. The primary routes to market for Handicare in stairlifts are through retailers, government, local authorities and direct sales to the end-user. Financing models for purchasing products vary between countries and could either be financed privately by the end user or by the government/ local authority.

In the vehicle accessibility business, vehicle conversions are primarily sold through a public tender process.



REVENUE PER GEOGRAPHY



In the Patient Handling SBU, we contribute to improved, sustainable health and safety for caregivers, as our transfer products contribute to reduced strain injuries. To ensure that our products are used correctly and that strain injuries are reduced, we work proactively with training for caregivers that focuses on practical exercises.

Patient Handling

The Patient Handling SBU offers a comprehensive range of products for all types of patient transfer in hospital environments and rescue situations, group homes and home care. Patient Handling also manufactures devices for bathroom safety.

Handicare's Patient Handling products are primarily sold to hospitals and long-term care facilities, but also for home care and to consumers. Product purchases are financed by the end-users through a combination of public and private financing.



REVENUE PER GEOGRAPHY



Puls

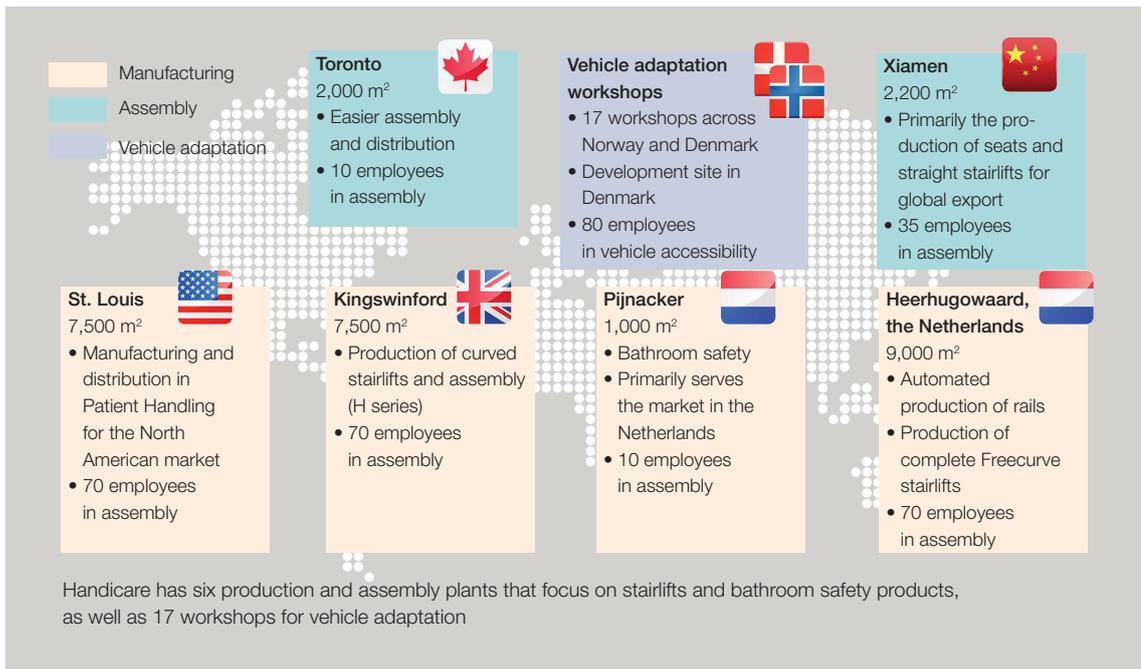
Puls is a distributor of medical devices and consumables in Norway and Denmark and also has an operation for home care, which has a broad portfolio of products for care at home, including bedroom, work and activity room, bathroom and toilet, kitchen, moving aids and other related products.

Puls products are supplied through a combination of sales through NAV (Norwegian Labour and Welfare Administration) and municipalities, wholesalers and directly to hospital or clinics.



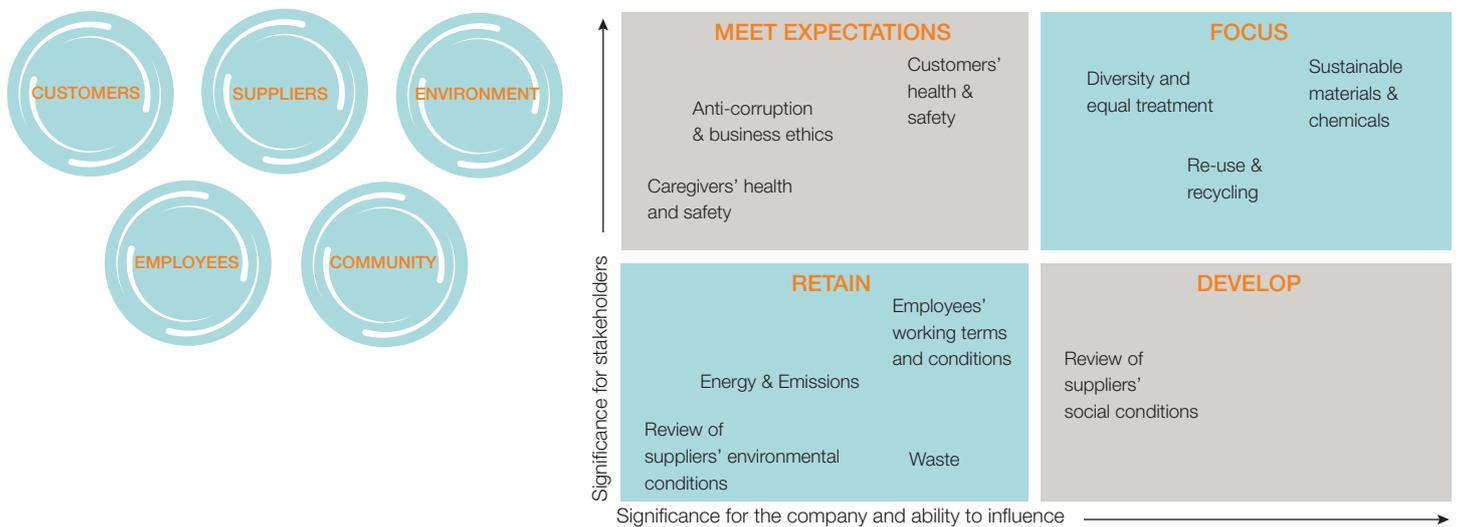
Plants

OVERVIEW OF PRODUCTION AND ASSEMBLY PLANTS



Our key sustainability topics

Handicare’s management team, in consultation with our most important stakeholders — customers, employees and owners, has identified the company’s eleven most significant sustainability topics. We have divided the topics into five areas: employees, customers, the environment, suppliers and the community.



OUR CONTRIBUTION TO THE GLOBAL SUSTAINABILITY GOALS

The world’s leaders have committed to 17 global goals in order to meet four of the earth’s greatest challenges by 2030 — to eradicate extreme poverty, reduce inequalities in the world, resolve the climate crisis and to promote peace and justice. Achievement of these goals requires broad agreement and companies worldwide are being urged to contribute by identifying the goals that are relevant to them and to work towards these.

At Handicare, we have analysed how our business can contribute to the goals and determined that there are primarily four goals that we can impact positively through our twelve target areas:

- 3 Good health and well-being
- 5 Gender equality
- 8 Decent work and economic growth
- 13 Climate action





Customers

CUSTOMERS' HEALTH AND SAFETY

Since our products are used in care by users and care providers, and by the elderly in their homes, safety is of highest priority for us. The products we offer contribute to improving our customers' work and home environments. We are subject to regulation by governmental authorities such as the FDA, the EU, the EEA and other national and/or local governmental authorities in the countries in which the Group manufactures and sells its products. To ensure that we comply with all legislation and requirements, we have

established our management system and processes. The local management at each manufacturing facility is responsible for ensuring compliance with applicable local requirements and industrial standards, and we also have a Group Regulatory Affairs function for the development of the Group's certification strategy. The image below provides an overview of our quality accreditations and compliance with FDA requirements at our production facilities. Compliance with the various requirements under the applicable standards is reviewed by recognised third parties.

CUSTOMERS' HEALTH AND SAFETY

Activities in 2017: ISO certification in Kingswinford and Xiamen, renewal of ISO 14001:2004 at Handicare Sweden.

Goal 2018: ISO certification in Sweden 13485:2016, 9001:2015, 14001:2015.

Long-term goals: Develop the Group's certification strategies.

Manufacturing facility accreditations and FDA compliance						
Pijnacker	Heerhugowaard	Kista	Kingswinford	St Louis & Toronto	Xiamen	
Bathroom safety	Accessibility	Patient Handling	Vehicle adaptation	Kingswinford	St Louis & Toronto	Xiamen
ISO 13485:2012	ISO 13485	ISO 13485:2012	ISO 9001:2015	ISO 13485	ISO 13485:2003	ISO 9001:2015
ISO 9001:2008	ISO 9001:2015	ISO 9001:2008		ISO 9001:2015	QSR/CFR (FDA)	
QSR/CFR (FDA)	ISO 14001:2015	ISO 14001:2004		ISO 18001:2007		
	QSR/CFR (FDA)	QSR/CFR (FDA)		ISO 14001		
				QSR/CFR (FDA)		

ISO 9001 Quality Management System

ISO 13485 Medical Devices — quality management systems, requirements for regulatory purposes

ISO 14001 Environmental Management System, requirements with guidance

OHSAS 18001 Health and Safety Management System

CAREGIVERS' HEALTH AND SAFETY

Strain factors are the most common reason for reported sickness among men and women.

In care and social services, strains and twisted ankles account for 30 percent of all causes of accidents, with 26 percent being the corresponding figure in health and medical care.²⁾

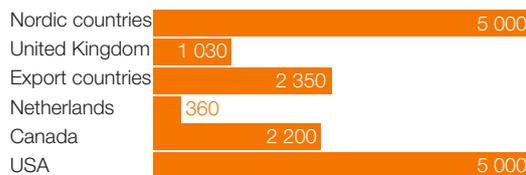
It is in situations in which the patient is to be transferred that the strain is at its heaviest for care staff.

The basis of Handicare's movement and lifting system is a combination of training caregivers, smart solutions for transfer, and activation of the patient. The more strength and the higher the level of function the patient has, the more they can contribute to their own transfer. And the more active the patient is, the easier the transfer for the person assisting.

We work actively on training. Our products facilitate and simplify all conceivable transfer situations, but knowledge is required in how they are to be used correctly to avoid strain injuries and to activate the

patient more. The people we train in every country, in turn train their colleagues in their workplaces. In this manner, we contribute to reducing strain injuries in the care sector, by way of our products and through training in transfer technique.

NUMBER OF PARTICIPANTS IN TRAINING DURING 2017



¹⁾ "Check" is Handicare's tool for systematic health and safety work through the study, evaluation and quality assurance of work methods, training and aids for the transfer of care recipients.

²⁾ Read more at the Swedish Work Environment Authority's website: www.av.se/press/vard-och-omsorgssektorn-granskas-for-att-minska-belastningskador/

CAREGIVERS' HEALTH AND SAFETY

Activities in 2017: Trained 15,940 caregivers.

Goal 2018: Conduct a "Check"¹⁾.

Long-term goals: During the next five years, we will demonstrate the effects of training and products by implementing "Check" in care facilities.



Popular transfer training

A societal trend is the rising number of chronic diseases, such as obesity, but also declining resources in healthcare, with greater pressure and fewer staff as a result. The result is that a caregiver needs more devices and the correct training to be able to do their work without strain injuries.

Handicare offers continuous training and one popular course is Transfers with high care weight. Transfers with high care weight take place daily in the care sector and high care weight does not necessarily mean that the patient weighs a lot, but may be related to other factors, such as the patient being unable to follow instructions, being passive, having restricted movement capacity, being afraid or lacking motivation. The purpose of this training is for the caregiver to feel confident in conducting transfers with a high care weight. Course participants are able to practice position changes in bed and on chairs, sling application in bed and on chairs, lifting up from lying to standing and safe transfers between bed and chair.

“The purpose of these types of problem-oriented courses is to train course participants in how they can work with patient transfers without incurring a risk of injury to patients or employees,” says Martin Öhrn, Handicare Sweden.

“We know that personnel are forced to work in environments with a high level of care weight, which may be attributable to working alone, patient passivity and limitations in the work environment. On Handicare’s courses, participants are trained in device skills that lead to safer transfers and reduced work strain, while the patient’s activity level is increased,” relates Martin Öhrn.



“Participants on the Transfers with high care weight course are mainly occupational therapists, physiotherapists and nurses and the response from the participants has been extremely positive,” says Martin Öhrn. They are often surprised at how much devices can contribute to lifting and transferring and they become inspired to pass this knowledge on to their colleagues. They also feel more confident in receiving patients who are heavy and complicated to transfer.

In Sweden, Handicare trains between 1,800 and 2,000 caregivers each year.

“Now that I have more knowledge, I feel more confident in making transfers that I would not have dared do earlier.”

“I get so enthusiastic about demonstrating this knowledge to my colleagues.”

“We need to become better at using transfer devices more.”

Quotes from participants



Suppliers

SUPPLIER AUDITS

Handicare has a global network of approximately 1,000 suppliers for both direct and indirect materials.

Our purchasing department is striving to build long-term and sustainable relationships with our suppliers. The procurement process complies with our policy on internal control and the Group authorisation policy, which establishes a division between internal roles and areas of responsibility.

All procurement activity is conducted within the framework of Handicare's purchasing policy, which describes our external policy for suppliers. It includes a Supplier Code of Conduct, Handicare's supplier quality standard and general terms and conditions. The Handicare Code of Conduct is based on ethical, societal and environmental topics and describes Handicare's expectations in three general areas: anti-corruption and ethics; labour standards and human rights; and environment.

Handicare has close relations with most of the company's suppliers and our assessment is that the risk of human rights violations among our suppliers is low, but to ensure that the suppliers understand our Supplier Code of Conduct and the importance of our expectations, all direct material suppliers must sign the Supplier Code of Conduct.

Out of 325 direct material suppliers, 48 percent have committed to comply with Handicare's Supplier Code of Conduct, 27 percent have received the code of conduct and the remaining 25 percent will be sent the code of conduct in 2018.

We conduct reviews of new suppliers using a thorough and tested model and the results of the reviews are conveyed to the respective supplier for increased transparency. Breaches of Handicare's Code of Conduct are reported to Group management and we also have an anonymous whistle-blower function.

23 supplier audits were conducted at existing direct material suppliers in 2017.

SUPPLIER AUDITS

Activities in 2017: Prepared a supplier code of conduct. Conducted 23 audits.

Goal 2018: All direct material suppliers should undertake to comply with the supplier code of conduct.

Long-term goals: Establish sustainable relations with suppliers who meet the requirements of the code of conduct.





Environment



We endeavour to conduct our business in an environmentally sustainable manner, for example, in the form of improved efficiency or investments in sustainable products, services and technologies. A general environmental goal is to certify all of our production units in accordance with ISO 14001.



RE-USE & RECYCLING

Activities in 2017: Establish goals, create working groups that can continue to work on the issue.

Goal 2018: Define a product group and see what material can be re-used in the products.

Long-term goals: 30 percent of the material used in our products is to be recyclable.

RE-USE & RECYCLING

By 2030, the goal is for 30 percent of the materials used in our products to be recyclable. To ensure that the goal is achieved, over the next two years, we will identify what material in our products can be recycled and how best this can be done.

To make things easier for our customers, we will include instructions in our product manuals for how products can best be recycled. In addition, we will develop QR codes with a link to the product manuals to enable us to change completely to digital manuals, where the applicable regulations permit it, in January 2020.

For the next two years, we will also investigate how and if our customers, mainly in the Patient Handling SBU, recycle our products. We will also investigate if we ourselves can take back products and re-use

them to a greater extent. At the current time, we have implemented a system for renovating the seats of stairlifts, which are then sold as used in the Dutch market. We will investigate if the same system can be implemented in more countries.

SUSTAINABLE MATERIALS AND CHEMICALS

Our extended goal is to develop long-term sustainable products. In 2018–2019, we will evaluate the materials used in our products today, such as steel, polyester and plastic, and based on this, look at what products can be made more sustainable. We will also implement a new manual for research and development, which will include both sustainable material and a list of material that is not to be used. The goal is for 80 percent of the material used in our products to be sustainable by 2030.

Furthermore, a goal that we want to achieve no later than 2030 is for the next generation of products to use 10 percent less energy in use compared with the 2017 product range. This mainly pertains to our stairlifts, ceiling lift systems and mobile lifts. In 2018, we will select a number of products for life-cycle analysis.

SUSTAINABLE MATERIALS AND CHEMICALS

Activities 2017: Establish goals, create working groups that can continue to work on the issue.

Goal 2018: Produce a new manual for research and development.

Long-term goals: 80 percent of the material used in our products is to be sustainable.

ENERGY, EMISSIONS AND WASTE

For 2017, we reported the Group’s energy consumption for the Handicare companies in the UK and the Netherlands. In the 2018 report, we will also include Handicare in the US, China, Norway and Denmark.

HEERHUGOWAARD, THE NETHERLANDS

ENERGY	2014	2015	2016	2017
Electricity kWh	855,927	875,865	890,501	1,007,618
kWh per rail	24.006	23.87	22.49	20.46
kWh per stairlift	95.30382	94.7639	89.2853	81.84

We have reduced our electricity consumption per stairlift produced in our Dutch factory by 13.6 percent since 2015. Continued focus on better utilisation of our production unit, the installation of LED lighting and other activities contributed a 7.5 percent improvement from 2016 to 2017. We use 100 percent green (wind) generated electricity in Heerhugowaard.

EMISSIONS	2014	2015	2016	2017
Gas m³	109,593	107,797	105,328	108,230
m³ per rail	3.07	2.94	2.66	2.14
m³ per stairlift	12.1879	11.6718	10.5602	8.56

Similarly, our gas consumption improved by 36 percent from 2015 and by 17 percent in 2017 alone.

WASTE	2015	2016	2017
Rail parts, kg	36,687	39,584	41,032
Paper, litres	34,790	45,880	54,850
Wood, kg	14,500	14,760	14,620
Other waste, litres	32,962	32,134	22,420
Aluminium, kg	7,030	10,197	3,538
Metal, kg	82,050	83,573	78,202
Batteries, number	386	628	572

A total of 96,000kg of process related waste was generated in Heerhugowaard in 2017. This represents an improvement of 14.6 percent compared with 2016, and is partly a result of increased factory loading, better material efficiencies, and innovation in critical equipment design to reduce in-process waste. We recycle 100 percent of paper, card, wood and foils; 99 percent of all metals and aluminium as well as 93 percent of batteries. No waste goes to Landfill from Heerhugowaard.

Our Heerhugowaard facility holds ISO 14001 environmental accreditation.

ENERGY AND EMISSIONS

Activities in 2017: ISO 14001 certification in Kingswinford.

Goal 2018: Commence measurement in the US.

Long-term goals: Reduce environmental impact in production.

Heerhugowaard, the Netherlands

9,000 m²

- Automated production of rails
- Production of complete Freecurve stairlifts
- 213 employees



Pijnacker 

1,000 m²

- Bathroom safety
- Primarily serves the market in the Netherlands
- 17 employees

Kingswinford 

7,500 m²

- Production of curved stairlifts and installation (H series)
- 331 employees

PIJNACKER, NETHERLANDS

WASTE	2015	2016	2017
Plastic, kg	21,755	46,288	65,376
Paper, kg	39,629	39,277	41,664
ENERGY	2016		2017
Electricity kWh	111,729	106,018	
Gas m ³	26,082	29,000	

KINGSWINFORD, UK

Our energy programme in the UK has continued to deliver significant environmental and business benefits. Investing in LED lighting for the main warehouse and factory facilities, replacing compressors with variable speed compressors and general improvements in compressed air usage reduced our electricity consumption per lift produced by 37 percent from 2015 to 2017. Of that reduction, 17 percent was realised in 2017. 100 percent of the UK production units' electricity is from low carbon sources.

Measuring gas consumption per lift was introduced in the UK in 2017, giving us a baseline of 11.3m³ per lift produced. Almost all of this relates to production unit and warehouse heating.

ENERGY	2014	2015	2016	2017
Electricity kWh	744,468	807,936	670,129	555,797
kWh per stairlift	12.1879	11.6718	10.5602	8.56

WASTE	2015	2016	2017
Stairlifts, kg	7,090	7,300	8,113
Paper & Card, litres	44,856	33,288	39,996
Wood, kg	n.a.	38,000	n.a.
Other waste, litres	2,520	2,880	2,760
Aluminium, kg	15,400	13,110	13,375
Metal, kg	n.a.	156,610	151,647
Batteries, number	3,540	2,760	2,640

Recycling has formed a key element of the UK waste handling. The significant majority (75 percent of total waste) is directly recycled.

General mixed waste is sent to a Material Recycling Facility, who automatically and manually separate recyclable waste. 50 percent of this total is recycled. Of the remaining 50 percent, half is incinerated in "Energy from waste" facilities, and approximately 3,875 Kg is sent annually to landfill.

The Kingswinford facility in the UK was awarded the ISO 14001 certification late in 2017.

We identified carbon dioxide emissions from our engineers' vehicle fleet as a significant impact for our business.

As such, we have worked with our fleet provider to identify lower emission vehicles during replacement cycles over the past 2 years, resulting in a 6 percent average reduction in carbon dioxide emissions.

EMISSIONS	2015	2016	2017
CO2 per vehicle, g/km (average)	199	191	187

In 2018, we will investigate:

- Reduction in size of vans
- Speed limiters and low rolling resistance tyres
- Capping CO2 level on the purchase of new company cars to 10 g/km

We will also review whether fuel consumption per lift installation would give a better measure of our environmental impact.



Our goal is to hold most internal meetings on Skype or by phone.

AIR TRAVEL

Our goal is to minimise the amount of internal air travel and internal meetings are usually held on Skype or by phone. We paid climate compensation for Handicare Sweden’s air travel and travel using company cars in 2016 and 2017. In 2017, we also paid climate compensation for Group management’s air travel. The goal for 2019 is to pay climate compensation for all of the Group’s air travel.

We have chosen to pay climate compensation through the company Climatecare, which through its Climatecare+care portfolio, supports a number of projects, including Lifestraw carbon for water, in Kenya, which supplies clean water to four million people in Kenya. Another project is Gyapa efficient stoves, a project that supports local entrepreneurs, who manufacture and distribute safe and efficient

kitchen stoves to households in Ghana. Another project that is supported by money from climate compensation is Burn stoves in Kenya. The project manufactures and sells Jikokoa ovens, which reduce coal consumption by 50 percent. The production of stoves also provides 125 jobs in Nairobi, half of which are held by women. Another project is India wind in India, which provides clean energy to remote villages.

EMISSIONS 2017

Group Management	59.50 tonnes CO2
Handicare Sweden	89 tonnes CO2
Handicare UK	54 tonnes CO2



Read more at Climatecare’s website:
www.climatecare.org/our-2017-mixed-portfolio



Employees

DIVERSITY AND EQUAL TREATMENT

Activities in 2017:

Commence measurement, set goals for 2018.

Goal 2018: Investigate pay differences between men and women in the same pay category.

Long-term goals: Handicare is to be an inclusive workplace and provide equal conditions for everyone and have a high percentage of satisfied employees.

DIVERSITY AND EQUAL TREATMENT

Our goal is to be an inclusive workplace. It is important for us to provide the same preconditions irrespective of ethnicity, national origin, skin colour, language, religion or lifestyle. We always take these aspects into consideration in recruitments and in terms of development opportunities and salary setting.

Handicare works actively to achieve an even gender distribution in the Group. Since there is currently a surplus of men among our employees, in new recruitment we will prioritise female applicants if several applicants have the same qualifications. Opportunities for further development, training and careers are gender neutral.

At 31 December 2017, 28 percent of the employees in the Group were women.

Handicare's personnel policy is based on equal pay for equal work, which means that, all other factors being equal, men and women receive the same pay.

In the Group, we have various policies to promote equality and equal treatment in relation to recruitment and remuneration. In 2018, the goal is to develop a joint policy that applies to the entire company, with the addition of any legal requirements in certain countries.

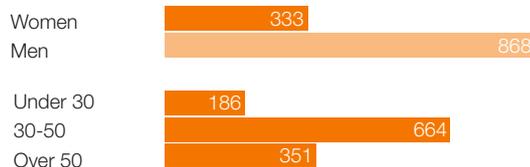
All employees in Handicare are included in the performance coaching review (PCR), where the employee and their manager set goals for the year, which are followed up after six months and at the end of the year. The goals and the past year are discussed and where necessary, Handicare offers training and support. In 2017, 829 employees out of 1,201 participated in PCR.

Handicare's employees are trained continuously and in 2017, the average number of training hours per employee was 13.5.

In 2018, we will conduct an employee survey to gain an overall view of job satisfaction and commitment in the organisation. The employee survey will be conducted annually and after the 2018 survey, we will set goals for the next year. The general goals are a high percentage of satisfied employees, low employee turnover and that we position ourselves as an attractive employer.



NUMBER OF EMPLOYEES 2017



MANAGEMENT TEAM



BOARD OF DIRECTORS

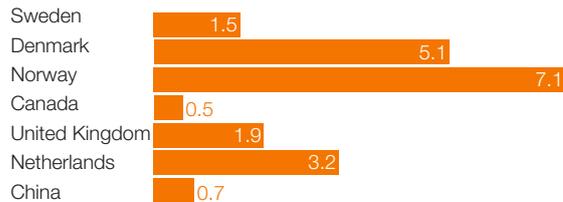


EMPLOYEES' WORKING TERMS AND CONDITIONS

We have a healthy work environment and sickness absence in the Group is low.

In the UK, we are certified in accordance with OHSAS 18001, which is a health and safety management system, under which we can systematically manage, control and develop the organisation's health and safety work. During 2018, we will evaluate whether OHSAS 18001 is a useful management system to be implemented in more of Handicare's operations.

SICK LEAVE PER YEAR, %



EMPLOYEES' WORKING TERMS AND CONDITIONS

Activities in 2017: OHSAS inspection completed and certification renewed in the UK.

Goal 2018: Evaluate whether we should OHSAS certify more companies.

Long-term goals: Annual employee survey.

POLICIES IN THE GROUP

Board of Directors	Group	United Kingdom	Sweden	Canada	US
Diversity policy	Code of Conduct, Whistle-blowing, regulatory compliance for anti-corruption, trade sanctions, data protection and competition	Dignity at Work Policy, Equality Policy, Grievance Policy and Procedure	Equality Policy	Equal Employment Opportunity, Workplace Anti-violence, Harassment and Sexual Harassment	At Will Employment Relationship, Equal Employment, Accommodation of Individuals with Disabilities, Non-Harassment and Sexual Harassment

ANTI-CORRUPTION

A risk analysis conducted in 2017 identified the need for a Group-wide compliance programme. The programme was developed and implemented in autumn 2017 and contains a policy covering whistle-blowing and manuals for trade sanctions, anti-corruption, data protection and competition. We have also appointed a Chief Compliance Officer with overall responsibility and a Compliance Officer for each area.

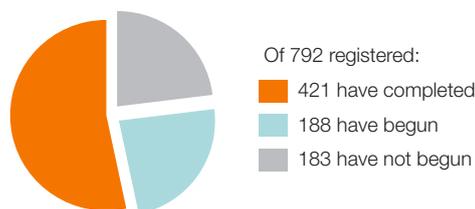
The foundation of our compliance programme is our Code of Conduct, which encompasses anti-corruption, ethics, labour rights and human rights, as well as the environment. It is designed to set a high standard of personal and professional integrity for employees, management and partners. The Code of Conduct is presented in text form, but also as a short film to highlight the most frequent questions in an accessible manner:

There is a whistle-blower function as part of the compliance programme. All employees who discover wrongdoing can report this without the risk of reprisal or discrimination. The intention is to make it possible for them to proactively bring up an issue rather than ignoring a problem or seeking an alternative solution outside

the company. No reports have been received since the whistle-blower system was introduced in 2017.

To ensure that employees are aware of our programme for compliance, we have distributed an online training course for four areas of the programme (anti-corruption, trade sanctions, competition and data protection). The training course contains four videos that explain the manuals and the laws behind them. The goal is for 100 percent of Handicare's salaried employees (about 800) to have completed the training not later than in 2019. In 2017, 78 percent completed or began the training course. A further goal for 2018 is to integrate online training as part of the induction programme for new employees and to distribute the training video to all employees annually.

PARTICIPATING SALARIED EMPLOYEES, ONLINE TRAINING



ANTI-CORRUPTION

Activities in 2017: Risk analysis completed and anti-corruption policy, etc., implemented and training course rolled out.

Goal 2018: Continue roll-out of training course. 100 percent of employees are to have completed or started the training course.

Long-term goals: Integrate anti-corruption training into the induction programme for new employees.



Community

COMMUNITY BENEFIT

Goal 2018: Investigate whether we can strengthen collaboration with an existing support organisation or possibly identify more new organisations where we can contribute knowledge or products.

Activities in 2017:

Support the trainee programme at St Botvids Upper-secondary School, Resources without borders and Prism Patriots.

Long-term goals: Give back to the communities in which we operate, or to organisations closely aligned with our operations and business concept.

COMMUNITY BENEFIT

It is important for us as a company to give back to the community in which we operate. We want to do so locally and therefore allow our individual subsidiaries to decide themselves how they want to contribute. Here are some examples.

ST BOTVIDS UPPER-SECONDARY SCHOOL, SWEDEN

For the past three years, Handicare's head office in Kista has offered internships for students from St Botvids Upper-secondary School through an annual Summer Trainee Programme arranged by Nordic Capital.

As well as offering a stimulating and rewarding experience, we also provide upper-secondary students an insight into working life, open the way for future career opportunities and emphasise the importance of education.



St Botvids Upper-secondary School is located in a suburb of Stockholm, where 60 percent of the inhabitants have a foreign background and more than 58 languages are spoken at the school. Trainee physician Feven Reta worked at Handicare in the summer of 2016 and says:

"I learned so many new things every day and had the opportunity to try things I had never tried before. The best aspect of working at Handicare was getting to see solutions they develop – it was fun and rewarding, especially as I will probably work with their transfer solutions as a physician.

RESOURCES WITHOUT BORDERS, INDIA

Since 2009, Kristina Kindblom and Carina Ursing have worked at the Pravara Institute of Medical Science (PIMS). Since almost no devices were available at the hospital or in training, they saw an urgent need and started up device distribution on a small scale. Since 2010, they have packed a number of devices in their luggage and sat in wheelchairs that have been donated by companies and organisations. Kristina and Carina understood that in the long term, it was not sustainable to distribute devices in this manner. The idea emerged of starting a more organised form of device distribution. "Resources without borders" was launched in the autumn of 2013.

The aim is to distribute devices to enable and facilitate patients' daily activities (ADL-Activity Daily Living) and activities that enhance their quality of life (possibility to make a living, leisure activities that enhance quality of life or similar activities). Adequate training related to this is to be provided so that the devices distributed are used optimally. The



persons trained receive the necessary skills to pass on the knowledge they receive. The re-use of devices is an important environmental and economic aspect.

Handicare supports "Resources without borders" by donating devices as well as contributing money for transport.

PRAVARA INSTITUTE OF MEDICAL SCIENCE



The Pravara Institute of Medical Science (PIMS) is located in Loni in the countryside, 350 kilometres inland from Mumbai/Bombay in the state of Maharashtra in western India. It is one of the largest and most densely populated states in India. Mahrati is spoken here.

The university/hospital has grown successfully since the beginning of the 1900s with its innovative approach. A politician inspired the farmers to grow sugar cane and construct Asia’s first cooperatively owned sugar factory.

The sugar plant generated a school and cottage hospital, which grew into a university, with physicians, dentists, microbiology education, and training in physiotherapy and nursing, all the way up to doctoral level. The cottage hospital is now a hospital with 800 beds. Traffic accidents account for the largest patient group. Few resources are available at the hospital and in the physiotherapy department. Back problems are a major issue for employees and relatives, who need to lift and carry the patients. The lack of resources also leads to the patients becoming passive and their possibility to live an active life diminishes.

US VETERANS, USA



PRISM PATRIOT
Supporting Veterans and their Families

According to estimates, more than 1.2 million military personnel in the US will return to civilian life in the next two years. Naturally, these men and women will be looking for other careers in the private sector and industry. The families of injured and deceased soldiers also require support in the form of educational opportunities.

To meet these important needs, Prism Medical, a Handicare company in the US, holds the annual Prism Patriot Invitational event. The proceeds go to two of the leading organisations for veterans and military families in the US: U.S.VETS and the Patriot Foundation.

Prism Medical USA, Inc. held the first Prism Patriot Invitational in May 2014 at the Log Cabin Club in St. Louis, and collected more than USD 80,000 for veterans and the families of soldiers who had been injured or died in the ongoing global war on terrorism.

Charley Wallace, President and CEO of Prism Medical USA, said at the time that the event would be held annually.

“Our ambition with this event is not only to help veterans and their families through the support programme, but also to identify work opportunities for them at Prism Medical or other veteran-friendly companies.”

For more information on the Prism Patriot Invitational, visit www.prismpatriot.org.

THE MONGOL RALLY – A ROAD TRIP WITH A DIFFERENCE



Over the summer, Handicare helped to foot the fuel bill for “Betty,” a 1971 VW Beetle which was painstakingly restored for the 30,000 km Mongol Rally charity challenge by Heather and Colin Maddox. Heather and Colin run a mobility shop in the North West of the UK, Aline Mobility. They’re raising funds for Claire House Children’s Hospice in the Wirral, which helps seriously and terminally ill children live to the full by creating wonderful experiences and bringing back a sense of normality to family life. One of Betty’s first stopovers was at Handicare in Heerhugowaard, the Netherlands. Congratulations to Heather who was the first woman to finish the rally!

NEW APPRENTICES WORKING IN THE FACTORY

Novices Callum Gilbraith and Hayden Casey are both enjoying their first experience of working in a factory after joining Handicare’s new apprenticeship programme, which aims to attract the best local talent to the business. Both Callum and Hayden will spend one day a week learning business theory at nearby LEMA Academy and the rest of the time getting to know the different roles and departments within the business.

“At Handicare we have identified a need to plan for the future as it is becoming increasingly difficult to recruit skilled staff. We are therefore increasing investment in training, both for existing employees and also new talent,” says UK Operations Director Richard Whitehouse.

“The apprentices fit into this framework as we want to make sure we have a depth of skill available at all levels in the business. Callum and Hayden are very much part of this strategy.”

“We have a planned programme for them that will include assignments within R&D and maintenance functions, while at the moment they’re getting their hands dirty working with the production team to grow both their understanding of the products and the business as a whole,” Richard explains.

“I have no doubt that this is the right thing for Handicare to be doing. As the business continues to grow and develop, we have to ensure we have the right skills and talents for the future.”

About the report

This is Handicare's first sustainability report and it is inspired by the GRI. Our first few years of focusing on sustainability have been a learning process, with a large amount of focus on establishing procedures that enable the gathering of quantifiable data that is relevant and comparable over time.

Materiality analysis

Handicare's stakeholder dialogue comprised a web survey and personal interviews to gather opinions from the company's stakeholder groups (customers, retailers, shareholders, the Board of Directors and employees). A total of 679 persons provided valuable feedback, which then provided the basis of the materiality analysis conducted in August 2017.

The results of the stakeholder dialogue led Handicare's management group to identify the sustainability topics most relevant for

us based on economic, social and environmental impact, as well as the relevance of sustainability topics to the stakeholders' decisions.

STAKEHOLDERS

CUSTOMERS

A web-based survey was sent to customers in Sweden and retailers in the UK. We received a total of 414 responses. The most important sustainability topics raised were: sustainable materials and chemicals, health and safety for customers, and product safety.

EMPLOYEES

A web-based survey was distributed to employees in Sweden, the UK, the US and Canada. We also conducted personal interviews with a number of key individuals in the company: the CEO, VP R&D and Product Development, Product Manager, Quality Manager, Operations Manager and the Customer Service Manager. The most important issues raised were: sustainable

materials, working conditions for employees, recycling and re-use, and health and safety for customers.

SHAREHOLDERS

The majority shareholder's Sustainability Director was interviewed and the material topics raised were anti-corruption and business ethics, energy use, and diversity and equal treatment.

For questions regarding Handicare's sustainability agenda or this report, you are welcome to contact:



Rebecca Karlsson
Communication & Sustainability Director
rebecca.karlsson@handicare.com

The auditor's opinion regarding the statutory sustainability report

To the general meeting of the shareholders of Handicare Group AB (publ), Corp. Reg. No. 556982-7115

ENGAGEMENT AND RESPONSIBILITY

The Board of Directors is responsible for the statutory sustainability report on pages 4-22, and its preparation pursuant to the Annual Accounts Act.

THE SCOPE OF THE AUDIT

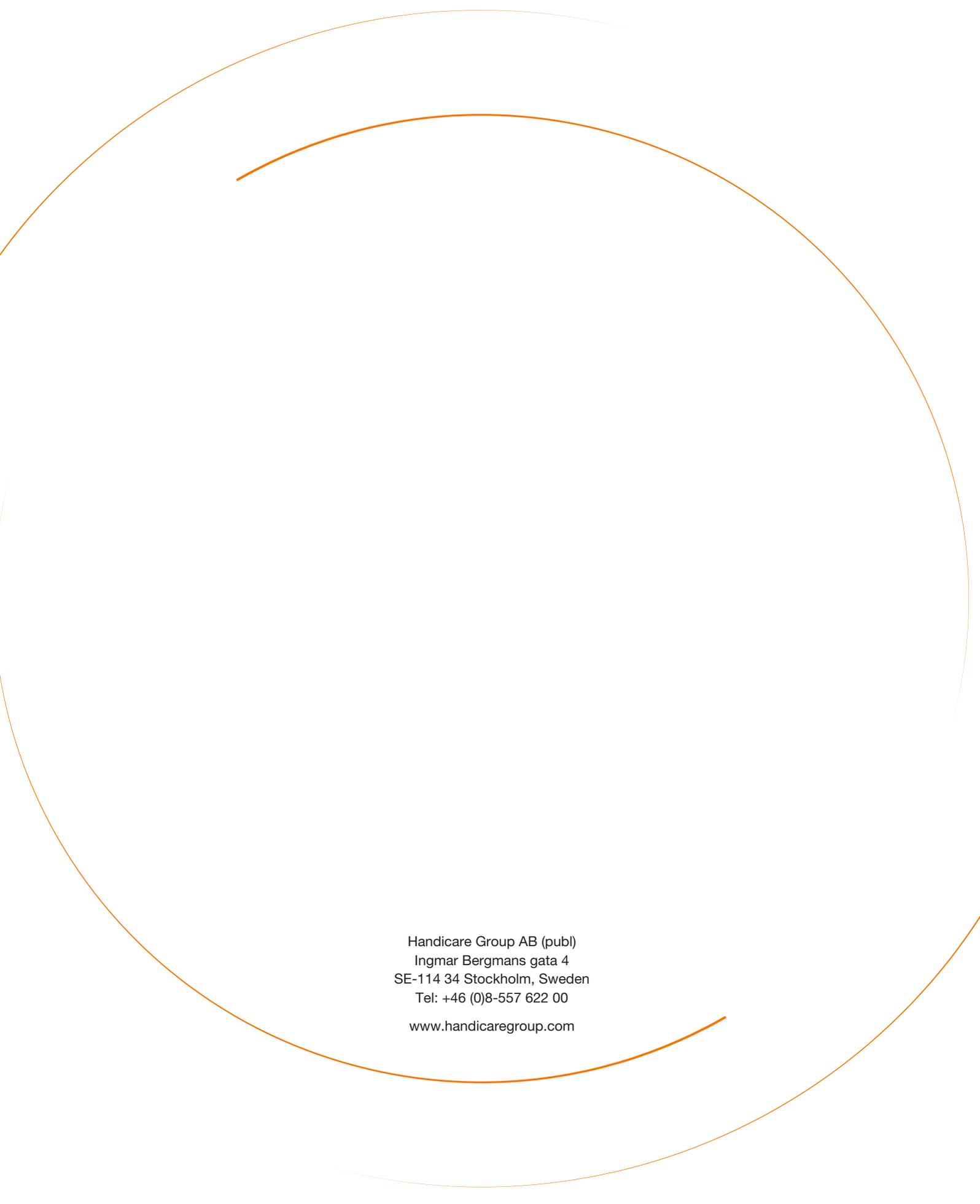
Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

STATEMENT

A statutory sustainability report has been prepared.

Stockholm, 4 April 2018
Ernst & Young AB

Stefan Andersson-Berglund
Authorised Public Accountant

The page features two large, thin orange arcs that curve across the top and bottom of the page, framing the central text.

Handicare Group AB (publ)
Ingmar Bergmans gata 4
SE-114 34 Stockholm, Sweden
Tel: +46 (0)8-557 622 00
www.handicaregroup.com