

Occlutech Communication on Progress (CoP) 2021

Letter from the CEO

2021 was a year both shaped by challenges and opportunities. The Covid-19 pandemic continued to spread, which impacted both our employees' well-being as well as our business. Despite this, Occlutech had a strong annual revenue growth of 8.9 percent to 29,078 thousand EUR, confirming confidence in the company's products and market potential. A completed private placement of shares amounting to 450 million SEK improved the company's ability to accelerate its clinical programs and facilitate Occlutech's growth strategy and enabling us to become a leading specialist provider of cardiac implants that address congenital heart defects, stroke prevention and heart failure.

Sustainability is a key priority for us, as our products have the possibility to improve both the quality of life of patients and health economics in society. Congenital heart defects, stroke and heart failure are life-threatening conditions, affecting the individual's way of life and creating a constant worry for the individual, as well as family and friends. We are therefore extremely happy to be able to improve the medical treatment of these diseases.

To further contribute to society, Occlutech became a signatory member of the UN Global Compact in 2021 and has committed to its ten principles within the areas of human rights, labor rights, the environment and anti-corruption, and will contribute to the UN Sustainable Development Goals (SDG). Initially, we have focused on SDG 3: Good health and well-being, and SDG 5: Gender equality, where we consider having a great opportunity to contribute. We aim to maintain a diverse workforce in terms of age, gender, and ethnicity, creating an innovative and dynamic working environment. I am proud that the company's activities have produced results, and today we have an even gender distribution both in terms of employees and managers at the company, something that also characterizes the composition of our Board. We will continue to develop our sustainability strategy and activities in 2022.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the UN Global Compact and its principles into our business strategy, culture, and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely,

Sabine Bois
CEO

Sustainability at Occlutech

Occlutech's main sustainability target is to improve quality of life for people with heart conditions. To further contribute to society and as proud signatories of the UN Global Compact, we base our sustainability work on the areas outlined in the UN Global Compact: human rights, labor rights, environment, and anti-corruption. This Communication on Progress communicates our actions and outcomes related to each area.

Occlutech also supports Agenda 2030 and we have identified two Sustainable Development Goals (SDG's) that we believe we contribute to: Goal 3: Good health and well-being, which shows our commitment to public health, and Goal 5: Gender Equality, which shows our commitment to strengthening gender equality and diversity among our workforce.

Human rights and labor rights

Occlutech is committed to respecting human rights and labor rights throughout our value chain. In 2021, we adopted new policies to initiate a strengthened governance approach to human rights and labor rights, including a new Code of Conduct. The Code is based on the ten principles of the UN Global Compact and clarifies our commitment to respecting human rights and labor rights in our organization. The Code has been shared with all employees through our intranet and requested to be read and signed by them. In 2021, we also adapted an Equality and Diversity Policy and a Health and Safety Policy, which define the responsibilities of Occlutech towards our employees and workers.

All of Occlutech's policies have been adopted by the Board of Directors. The responsibility to implement and uphold each policy has been appointed to members of the executive management team or other key functions within the company. In 2021, Occlutech also launched an Employee Handbook to provide our employees with further guidance on routines and structures as well as employee benefits.

In 2021, we adopted a Supplier Code of Conduct (SCoC), specifying our expectations on suppliers regarding human rights, labor rights, good environmental practices, and anti-corruption. We aim to implement the SCoC in supplier relations as part of our coming sustainability work. Furthermore, Occlutech has conducted on-site audits of some of our largest suppliers. The focus of the audits has primarily been on quality rather than adherence to the SCoC, however, to continually improve our work on human rights and fair labor practices, we are considering expanding the scope of the audits in the future. Suppliers can make anonymous grievance reports through our whistleblowing channel, provided by an external party. No grievances were reported in 2021.

Diversity and gender equality is an important part on our work on human rights and commitment to SDG 5: Gender Equality. By the end of 2021, the composition of our Boards of Directors was 50 percent female, line managers 50 percent female, and employee's 56 percent female, and we strive to continuously improve the diversity and equality in our

operation. In 2022, we will strategize and structure our sustainability agenda, which will help us to improve our actions, targets, and indicators within human rights and labor rights.

Environment

Occlutech recognizes that there are business-specific environmental impacts and risks associated with the MedTech sector. During 2021, Occlutech adopted an Environmental Policy, which applies to, and is expected to be upheld by, all managers, employees, workers, contracted workers, affiliates, and other contractual partners associated with or representing Occlutech. The Environmental Policy states our commitment to minimize our negative impacts on the environment and limit our contribution to climate change. This includes applying a precautionary approach in business decisions, promoting the development and use of environmentally friendly technologies, and engaging in responsible use of resources and reducing our emissions.

During the year, many ad hoc activities have been conducted within environmental sustainability. We have continued our daily activities such as sorting waste and choosing environmentally friendly means of transportation when possible and feasible. Occlutech has also not recorded any significant breaches of environmental legislations. As a result of our environmental and sustainability commitments, we have set a target to strategize and structure our sustainability agenda by conducting an extensive materiality assessment in 2022. This will help us develop more concrete actions within environmental sustainability and support us in setting the right environmental goals and indicators.

Anti-corruption

Occlutech has zero tolerance for all forms of corruption, as stated in our Anti-Corruption Policy. The policy was adopted in 2021 and is based on the UN Global Compact and its underlying anti-corruption conventions. The policy was adopted by the Board of Directors and the responsibility of it lies with the Chief Financial Officer (CFO). The policy sets out expectations on employees within the following eight areas: contracts and agreements; bribes, including gifts and hospitality; facilitation payments; financial malpractices; nepotism and cronyism; conflict of interests; political involvement; and charitable events.

To ensure that employees and workers in our operation and supply chain, as well as other representatives associated with or representing Occlutech can report grievances anonymously, we have established a whistle-blowing function through an external party. During the year, we have had no confirmed incidents of corruption.

Since the adoption of the Anti-Corruption Policy, it has been launched to existing and new employees through our internal intranet, where they have been requested to read it. In the future, we aim to have a more stringent structure to ensure that employees have read and understood the policy, which will be defined and implemented in the coming years.

Going forward

Sustainability has been at the core of our values and what we want to achieve in society. However, in many ways, we are still at the beginning of our structured and focused sustainability agenda. In 2022, we aim to improve our work within all four sustainability areas by conducting an extensive materiality assessment and establishing a sustainability strategy. The materiality assessment will help us determine our material sustainability aspects by identifying our greatest sustainability impacts, risks, and stakeholder expectations. The results from the materiality assessment will constitute the basis for our coming sustainability strategy and enable further integration of the UN Global Compact's principles into our business and daily operation.