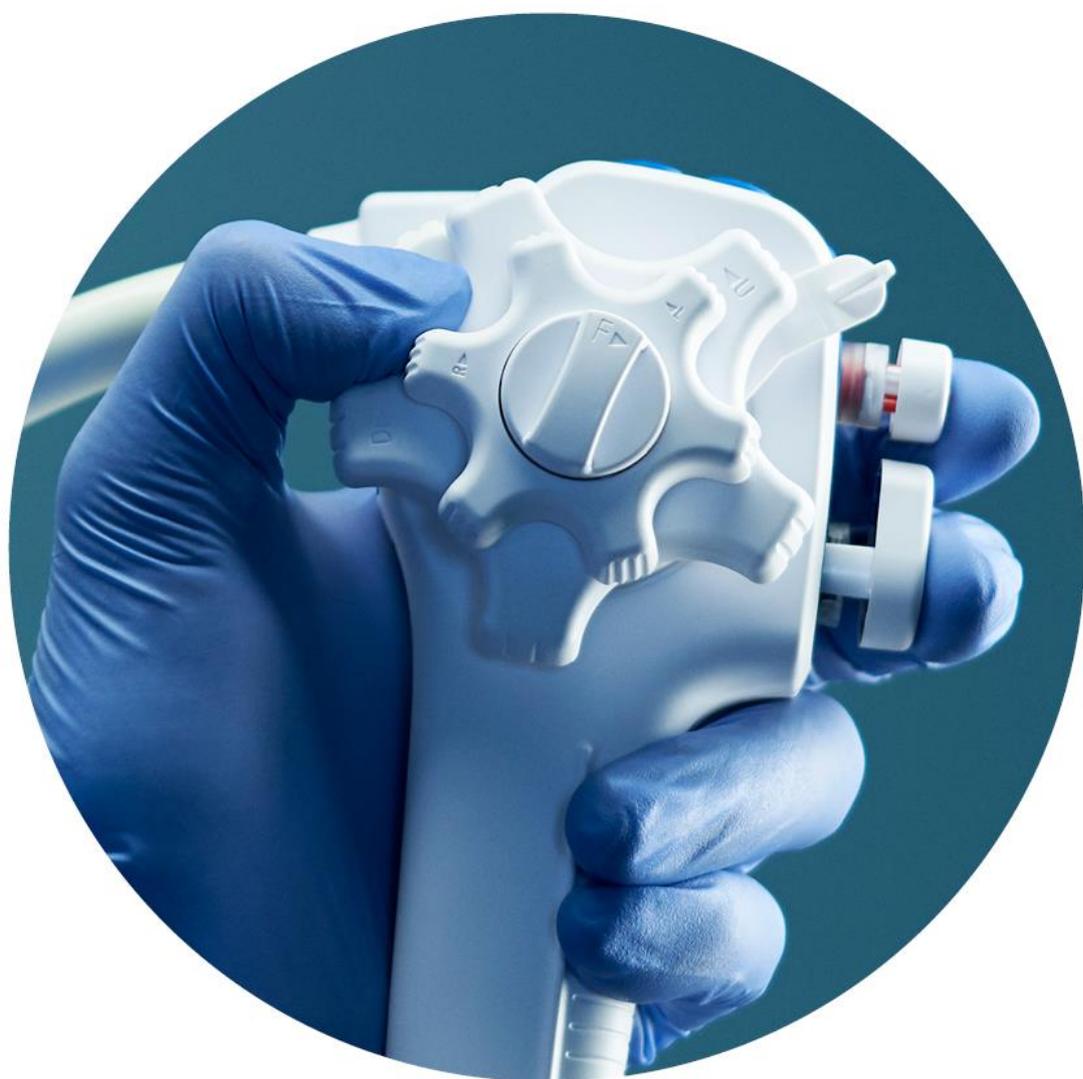


SUSTAINABILITY REPORT

2020/21



November 2021

Ambu

SUSTAINABILITY REPORT 2020/21

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This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

This report constitutes Ambu's compliance with the statutory disclosure on corporate social responsibility pursuant to section 99 a and data ethics pursuant to section 99 d of the Danish Financial Statements Act. Report on the gender composition of management and the Board of Directors (members elected at the annual general meeting), pursuant to section 99 b, and diversity pursuant to section 107 d of the Danish Financial Statements Act can be found in the Annual Report.



INTRODUCTION

CEO statement
Strategy & governance
Who we are and where we are

CEO STATEMENT

Ambu's primary obligation is to improve patient care by bringing innovative devices to healthcare professionals. In this process, we are obliged to act responsibly towards our colleagues, our business partners and the planet on which we all live.

People are the most important element of our business, and any results we achieve are due to the focused efforts of talented people. During the past year, we have significantly increased the number of female executives at top management level, we have reduced the frequency of work-related injuries and we have conducted and documented internal training in our Code of Conduct for 99.7% of Ambu's employees.

Integrity is one of our three company values and an essential part of Ambu's DNA. This is apparent from our work processes and the devices that we supply to hospitals and patients.

We have many ongoing activities – some of which you can read about in this report – and we continue to advance our efforts as a responsible company.

I hereby confirm our commitment to the ten principles of the UN Global Compact as we disclose our progress on sustainability.

Juan Jose Gonzalez
CEO

JUAN JOSE GONZALEZ
CEO



Ambu

In the past year, we have made progress in several areas of sustainability and corporate responsibility. Parallel with our efforts to reduce carbon emissions, we have expanded our data to cover all of our Scope 1 and Scope 2 emissions. We have also committed to aligning our carbon emission target with the ambitious 1.5°C climate goal of the Paris Agreement.

We believe that this is the best way to ensure that the goals we strive for are meaningful and have the most impact.

We have started our journey on the use of renewable electricity and have gone from zero to 4% solar generation of our global electricity consumption.

SUSTAINABILITY PERFORMANCE HIGHLIGHTS

2019/20 → 2020/21



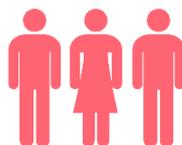
80% →
100%

Scope 1 + 2 covered



0% →
4%

Renewable electricity share



25% →
33%

Women in Ambu's Executive Leadership Team



1.44 →
1.07

Lost-Time Injury frequency and 0 fatalities



0% →
99.7%

Employees trained in our Code of Conduct

STRATEGY & GOVERNANCE

Our strategy

One of the four pillars in our strategy is to 'Grow sustainably for our people and our planet', which is closely aligned with our company values 'Results with Speed', 'Collaboration' and 'Integrity'. Against this background we are moving forward with our efforts within sustainability and ESG (environmental, social and corporate governance).

The rationale behind our sustainability & ESG efforts is to act responsibly. Based on our materiality assessment (found on ambu.com), we group our efforts under four headlines:

- Product governance
- Environment and climate
- Social capital
- Business ethics and compliance

Product governance, product quality and safety, is the foundation for our license to operate. Environment and climate is how we act responsibly in our own operations. Social capital is how we engage with employees to succeed and deliver on our strategy. Business ethics and compliance concerns how we must conduct our business to maintain our licence to operate and safeguard our business.

Our aspiration is to be recognised as a sustainable and responsible company in external ratings such as CDP, MSCI & Sustainalytics. We are continuously developing our sustainability & ESG strategy accordingly.

Stakeholder engagement

Ambu is in ongoing dialogue with its stakeholders via different channels throughout the year.

We are witnessing an increasing focus on environmental, social and corporate governance-related topics among our stakeholders, and in particular from our investors. In 2021, we improved our ratings in both Sustainalytics and MSCI, and reported into CDP for the first time. We will continue to work on improving our performance and engage in dialogue with stakeholders on how we manage ESG at Ambu.

Sustainability & ESG governance

The Sustainability & ESG committee consists of Executive Vice Presidents and Vice Presidents representing Finance, Innovation, Global Operations, Sales, Marketing and Human Resources as well as our Corporate Business Ethics & Compliance Director. The committee meets with the Director of ESG once a month to make sure that material sustainability & ESG issues, activities and targets are anchored and executed across Ambu's functions and operations. Our CEO and CFO approve policies, reporting and selected processes.

Sustainability & ESG activities, target and milestone setting, action plans and data registration and collection are anchored in the respective business areas in which they originate, with the Sustainability & ESG committee member holding overall responsibility. The ESG department facilitates and coordinates all corporate sustainability & ESG activities to ensure compliance and adherence to legislation, commitments and stakeholder expectations

OUR SUSTAINABILITY TARGETS

We have four overarching targets, which we have developed action plans and set milestones for to ensure that we are able to determine if we are on track to succeed with our targets.



We are working towards a 50% reduction of our **carbon emissions** by 2025 compared to 2019 baseline

ON TRACK



100% **recyclable, reusable or compostable** packaging applied by 2025*
*If solutions and/or technology exist

ON TRACK



95% of new products released during and after 2025 to be **PVC-free**

ON TRACK



40% **female managers** in 2023 (managers meaning employees with HR responsibilities)

ON TRACK

UN Sustainable Development Goals

Our targets and activities are directly linked to our contribution to the SDG's.

SDG 3 Good health and well-being and SDG 8 Decent work and economic growth

In general, Ambu products contribute to SDG 3 "Ensure healthy lives and promote well-being for all" by the nature of our products as medical devices. In 2019/20, we completed our efforts to phase out harmful phthalates from our products and we continued our long-term efforts to evaluate substances in our products on the basis of their ability to ensure good product performance, as well as being as harmless as possible to living organisms.

Ambu's contribution to SDG 8 "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all" is directly linked to our company growth ambitions and strategy to Grow sustainably for our people and our planet.

SDG 7 Affordable and clean energy, SDG 12 Responsible consumption and production and SDG 13 Climate action

Through our energy efficiency activities and our engagement with SBTi we will increase our demand for renewable electricity and thereby support SDG 7 "Ensure access to affordable, reliable, sustainable and modern energy for all" and SDG 13 "Take urgent action to combat climate change and its impacts."

We contribute to SDG 12 "Ensure sustainable consumption and production patterns" by monitoring and reducing energy and water consumption, as well as by minimising waste and focusing on sustainable procurement.

SDG 5 Gender equality

Ambu has adopted the United Nations Women's Empowerment Principles (WEPEs) as part of our commitment to promote gender equality and women's empowerment in the workplace. Together with our current activities, training, and development of our people leaders in diversity and inclusion to ensure equal opportunities for men and women and equality at Ambu, we contribute to SDG 5 "Achieve gender equality and empower all women and girls."

Limited assurance

Transparency is very important to us and we believe in the value of working to improve our reporting on sustainability & ESG indicators as we mature in this area. We are thus engaged in the continuous process of establishing and improving our five-year overview of a range of indicators. For some of the indicators we have high-quality data and five years of history are available, while for other indicators the available data only goes back one or a few years. We will work continuously to develop and improve the quality of sustainability & ESG, and by obtaining the limited assurance of our sustainability report this year, we are moving forward.

Achieving limited assurance of our sustainability & ESG data provides evidence to our stakeholders that our data is correct, complete and trustworthy. During the process we have provided documentation for data, statements and stories, and proved that our reporting processes are reliable, strong and repeatable, to ensure data quality at any given time. The independent assurance statement by EY can be found on page 49.

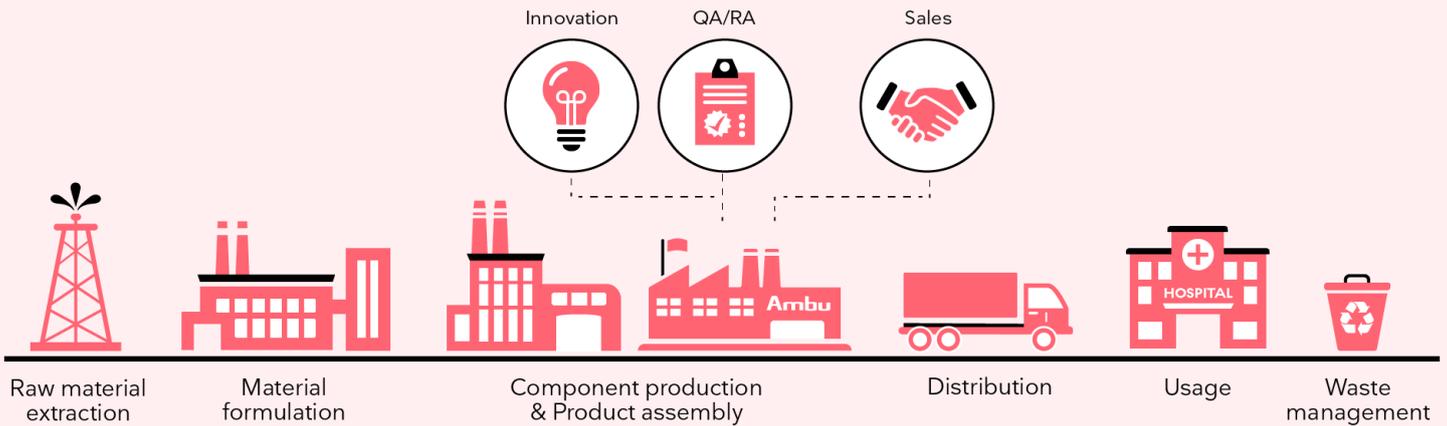
SUSTAINABLE DEVELOPMENT GOALS



WHO WE ARE AND WHERE WE ARE

Ambu develops, produces and sells medical devices to hospitals, clinics and rescue services all over the world.

We are committed to reducing our negative impact throughout our value chain from raw material extraction and sourcing to production and distribution up until usage and waste management of our products.



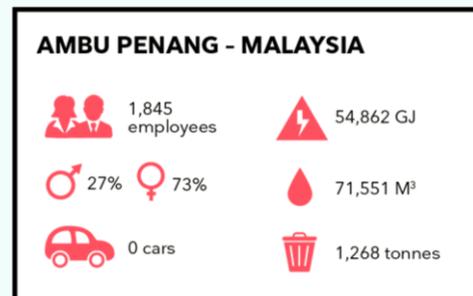
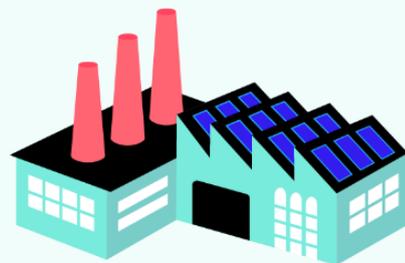
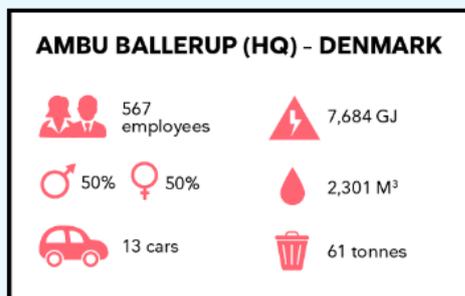
Our locations

Ballerup, Denmark

Ambu was founded in Denmark in 1937 by Holger Hesse. From the very beginning, Ambu's headquarters have been located in Denmark and since 2001, in Ballerup, outside Copenhagen. The headquarters are now the workplace of 567 employees and have been expanded several times to make space for Ambu's rapid people growth. On the roof, solar panels contribute 2% of the electricity needed. The office receives district heating from a major power plant only 6 km away.

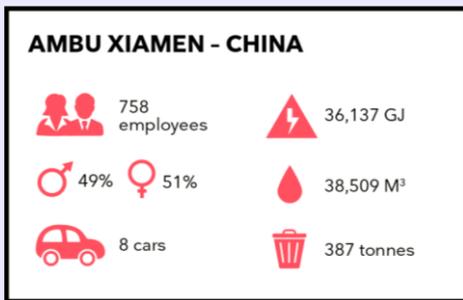
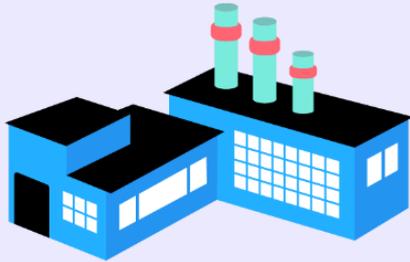
Penang, Malaysia

The production site in Penang, Malaysia was established in 1995. It is the largest of the three Ambu sites, with 1,845 employees. The site is powered by electricity and since September 2020, part of the electricity consumption comes from onsite solar panels, which cover 10% of the electricity used. The site specialises in producing our endoscope portfolio, as well as electrodes for the Patient Monitoring & Diagnostics portfolio.



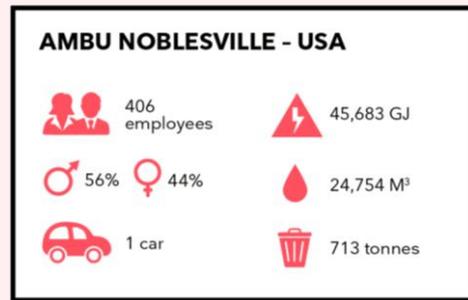
Xiamen, China

In 2000, Ambu started production in Xiamen, China. The site specialises in the production of plastic products specifically for our emergency care and anaesthesia division. The site is not the largest in terms of size or number of employees, but produces the highest tonnage of products. The site is solely powered by electricity.



Noblesville, USA

In 2013, Ambu acquired the company King Systems, including the production site in Noblesville, USA. The site produces many of the medical devices from the former King Systems product portfolio including circuit systems. The site is powered by electricity, but also has high consumption of natural gas that is needed to run specialised equipment.



Offices, warehouses and company cars

As this is the first year in which Ambu discloses energy consumption at offices and warehouses, an introduction is appropriate. We have a total of 11 sales offices located on four continents, and the total footprint amounts to approximately 6,000 m².

In Augsburg, Germany, we have an innovation hub where many of our future healthcare devices are developed.

Finally, we have two warehouses located in Australia and Germany, respectively.

Globally, we have approximately 450 company cars.



Juarez, Mexico

A considerable element of the environmental impact of a building lies in the decisions made during the design phase. It has therefore been a priority for Ambu to set high ambitions for the environmental impact of the upcoming production site in Juarez, Mexico. Ambu has set the target to design the new production site so that the facility can attain Silver certification by the LEED rating system.

What has this meant for the design?

In the LEED rating system for the building design and construction stage, points can be achieved by making concrete design choices. For the facility in Mexico, we have chosen to focus on:

- Energy
- Exterior areas
- Water
- Materials

We have focused on energy-efficient utility equipment and lighting, as well as glazing on windows and insulation of walls and roof to minimise the need for cooling. In the exterior areas, there will only be native vegetation that does not require an irrigation system, while in the parking area there will be dedicated spaces for green vehicles. Most water consumption is for hygiene purposes, by the employees onsite. Focus will therefore be on installing faucets, WCs and urinals with optimised water usage.



Based on current calculations, we anticipate 40% water savings compared to local standards. There has been focus on choosing materials with an Environmental Product Declaration and the use of low-emission materials with a low content of volatile organic compounds, such as paint. Recycling has also been in focus during the construction phase.

What is LEED?

LEED stands for Leadership in Energy and Environmental Design and is a green building rating system developed by the non-profit organisation U.S. Green Building Council.

Projects can be certified at one of four levels (Certified, Silver, Gold or Platinum) by achieving points based on the design choices made.



PRODUCT GOVERNANCE

Providing high-quality healthcare products
Ethical clinical and animal trials
Ethical marketing promotion
Cybersecurity

PRODUCT GOVERNANCE

As a producer of medical devices used by hospitals, clinics and rescue services all over the world, Ambu has a great impact on people's health and safety through our products. During the Covid-19 pandemic the impact and importance of single-use endoscopes has become more evident, since these devices ensure that every patient is treated with a sterile device based on the latest technology, and that the devices are readily available with a minimum of logistic effort.

Ambu must demonstrate excellence within product governance, and ensure that our products and processes live up to all applicable external regulatory requirements and are safe and effective. This is why Ambu has a Global Quality Management System to manage the quality and risk of Ambu's products and processes

3 GOOD HEALTH AND WELL-BEING



3.4
3.6
3.8
3.9

Ambu's quality management system is certified according to ISO 13485, Medical Device Single Audit Program (MDSAP*), the EU Medical Device Regulation (EU MDR) and ISO 9001**

* MDSAP certification covers the requirements of the FDA, the Japanese Ministry of Health, Australia TGA, Health Canada and Brazil ANVISA
** ISO 9001 is only applicable to our Xiamen site and for training devices

Providing high-quality healthcare products

At Ambu, we take great pride in our products which contribute to improving the health and well-being of people all over the world. Upholding quality standards in our systems, processes and products is our licence to operate as a medical device manufacturer.

Why it is important

As a provider of medical devices, it is important that our customers can rely on Ambu's products fulfilling applicable regulations and quality standards. Maintaining a high quality level is not only important for bringing our products to market, but also because it is the right thing to do, since many people around the world rely on our products to ensure patient health and safety.

Our policies and ambitions

Our quality policy applies to all employees and sets out our commitment to maintain the highest level of quality in our solutions and to comply with all applicable regulatory requirements. Our ambition is to have zero FDA warning letters and zero recalls. If we do receive FDA warning letters, or if it becomes necessary to recall products, we will disclose the reason(s) together with preventive and corrective actions.

How we work with it

The Ambu quality management system covers all aspects of our operations including management responsibilities, design control, risk management, process and production controls as well as product surveillance, and ensures that Ambu complies with all applicable regulatory requirements and that our Quality Management System certifications are maintained accordingly.

Product quality

Quarterly meetings are held in the global Quality management review committee. The purpose is to periodically review the suitability, adequacy and effectiveness of the Quality Management System. The review includes assessment of opportunities for improvement and any need for changes to the Quality Management System to ensure the satisfactory performance according to applicable regulatory requirements and defined Quality Policy and Quality Objectives. Participants in Global Quality Management Reviews are members of Ambu's Executive Leadership Team, quality management representatives and other key persons. At least the local quality management representative and one additional member of the local top management for the sites covered in the review must be present.

QUALITY MANAGEMENT REVIEW COMMITTEE



Management reviews are held with each local quality and management representative before each quarterly global management meeting.

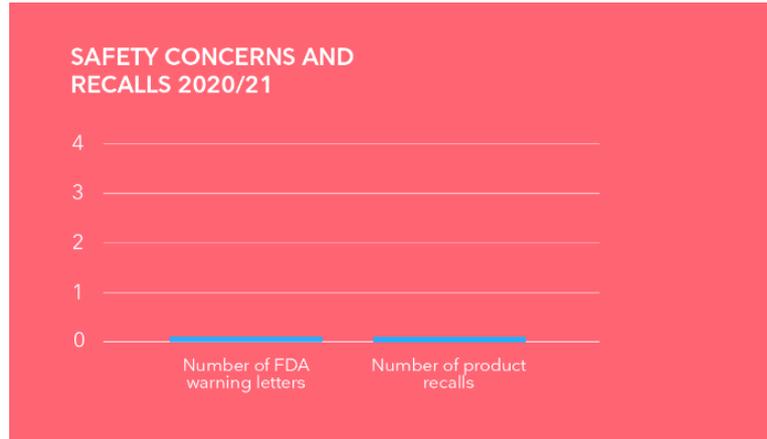
Product safety

At Ambu, we do our utmost to limit the incidence of product safety concerns and recalls, in order to ensure the health and safety of patients who are treated with Ambu medical devices.

Product performance in the market is continuously monitored through post-market surveillance processes. This monitoring may lead to the conclusion that products already distributed have quality defects that could potentially affect the safety of patients or users. Ambu will then initiate voluntary product recall to remove products from the market.

Targets and progress

There were no FDA warning letters and no recalls initiated in 2020/21. Recalls are defined as action taken to remove a product from the market for which it has been concluded that it could potentially affect the safety of patients or users.



The scope of disclosure includes recalls associated with all devices manufactured by Ambu or by its subsidiaries.

Ethical animal testing and clinical trials

Why it is important

For Ambu as a medical device manufacturer, animal testing and clinical trials are an important part of bringing products to the market. Depending on the required outcome, clinical trials can involve manikins, cadavers, animals or humans. The type of trial, the need for testing, and the potential outcome of the trial are all factors which need to be carefully considered to ensure the right testing at the right time during the lifetime of a product.

Our policies and ambitions

Our policy on animal testing and clinical trials provides guidance on the ethical aspects of animal testing and clinical trials.

How we work with it

Prior to initiation of animal testing and all clinical trials, the rationale for the need to test must be reviewed and approved by Ambu’s Internal Ethics Committee. The need for animal testing to fulfil biosafety purposes is described stringently in the legislation, and these studies are not subject to approval by the Ethics Committee. Animal testing for design validation, or similar, and clinical trials must therefore be assessed before initiation. Clinical trials are also subject to approval by the local health

authorities and/or local Ethics Committee/Internal Review Boards (IRBs).

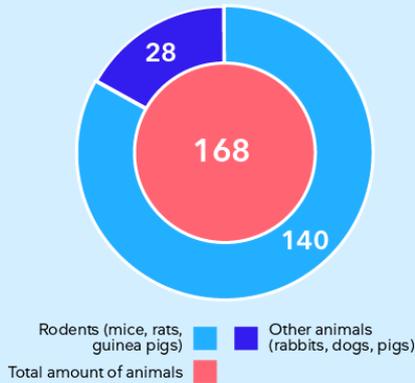


Animal testing

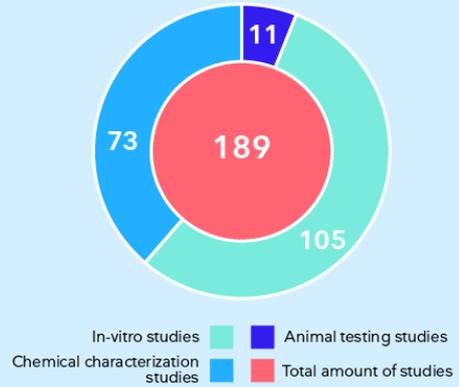
Animal testing is a standard method for documenting the safety of medical devices. Animal testing, in-vitro studies, chemical characterisation studies and other chemical tests are performed to support biocompatibility, pre-clinical safety and regulatory submissions.

When animal testing is required, we follow all applicable laws and regulations. All animal testing used by Ambu is performed by Good Laboratory Practice (GLP)-certified laboratories, and according to current ISO standards – EN ISO 10993-5:2009 and EN ISO 10993-10:2010. Ambu does not use transgenic animals in testing.

ANIMALS USED FOR BIOSAFETY AND DESIGN VALIDATION STUDIES



BIOSAFETY AND DESIGN VALIDATION STUDIES



Other chemical tests beyond the aforementioned purposes are also performed upon customer request. The purpose of the animal testing studies is to predict local acute tissue reactions, acute systemic reactions and/or tissue or skin sensitisation caused by the device.

The animal tests determine the potential of the device to cause irritation and sensitisation – these animal tests are mandatory to support product safety and obtain regulatory approvals.

Ambu is committed to only use animal testing when necessary to fulfil our ethical and legal obligations.

This means that Ambu will *reduce*, *refine* and *replace* animal studies used for biocompatibility testing without compromising patient safety and regulatory requirements.

During 2020/21, 189 biosafety studies and 5 design validation studies were completed, distributed as 54% in-vitro studies, 38% chemical characterisation studies and 8% animal testing studies.

168 animals were used in animal testing studies, distributed as 83% rodents (mice, rats and guinea pigs) and 17% other animals (rabbits, dogs and pigs).

Due to end-of-shelf-life biocompatibility demands for compliance with EU MDR, an extraordinary number of in-vitro cytotoxicity studies were conducted in 2020/21. In-vitro cytotoxicity studies were also conducted as an alternative to animal testing.

Animal testing is still a requirement made by the FDA in the USA, as the FDA does not recognise in-vitro irritation testing as an alternative to animal testing. It will therefore not yet be possible for Ambu to substitute animal trials with in-vitro irritation even though the new ISO 10993-22:2021 allows for the substitution of animal testing with in-vitro irritation testing.

The number of chemical characterisation studies was extraordinarily high in 2020/21. This is due to the implementation of the new ISO 18562 standard series: Biocompatibility evaluation of breathing gas pathways in healthcare applications. Additionally, chemical characterisation analyses have been applied to reduce the number of animal tests.

Ambu's approach to animal testing

- Replace**
Use an alternative to animal testing whenever possible.
- Reduce**
Minimise the number of tested animals.
- Refine**
Evolve experimental procedures to reduce animal suffering or discomfort.

Clinical trials

All Ambu clinical trials are conducted in accordance with our ethical principles and international standards including Good Clinical Practice (GCP) and the World Medical Association Declaration of Helsinki (DOH). Our guidelines apply to all Ambu clinical trials at all locations, irrespective of whether they are conducted by Ambu or on our behalf by external Contract Research Organisations (CROs). We do not conduct clinical trials in countries where we do not intend to pursue registration and make the product available for use, unless there is a strong scientific justification that does not violate our ethical principles.

All clinical trials, both completed and terminated, are registered at clinicaltrials.gov and published within 12 months from the last patient primary endpoint, according to clinicaltrials.gov publication principles.

During 2020/21, two clinical trials were completed, one was terminated due to lack of recruitment. Terminated trials are defined by Ambu as trials terminated prior to planned completion.

Ethical marketing promotion

Why it is important

In our industry, interaction and collaboration with healthcare professionals are often required, to ensure safe and efficient devices that meet the needs of the market. Being directly or indirectly involved in unethical marketing practices can damage a company's brand reputation and also result in fines and penalties.

Our policies and ambitions

It is Ambu's policy to maintain the highest ethical standards and to comply with all applicable laws, rules, regulations and local customary practices. The Ambu Code of Conduct for our employees, as well as for our business partners, sets out the minimum standards for ethical behaviour and for acceptable behaviour when interacting with customers.

How we work with it

Ethical marketing promotion risks are identified as part of our risk assessment framework for enterprise risks, and compliance procedures, as well as approval of marketing material, are being integrated into our internal quality management system. To further increase awareness and ensure alignment in our interactions with our customers and key opinion leaders in the industry, we have developed training and guidelines for interactions with healthcare

professionals, to help our sales and marketing colleagues in their daily work. Internal monitoring, as well as our Whistleblower hotline, help us detect and investigate incidences of non-compliance.

While we rely on the advice and consultation with our stakeholders when developing a product, Ambu has an ethical responsibility to ensure that this is not perceived as an improper inducement for positive evaluation and promotion of our product. To mitigate the risk of improper inducement and conflicts of interest, we do our utmost to ensure openness and transparency and to protect the healthcare professionals with whom we interact.

Targets and progress

During 2020/21, we rolled out an online training course in our Code of Conduct for all our white-collar and indirect blue-collar employees to increase general awareness of our rules and guidelines for ethical business conduct. With a 99.7% completion rate we are very satisfied.

In 2021/22, we will initiate targeted training in ethical marketing promotion for sales and marketing colleagues in selected countries.

Cybersecurity

Why it is important

Cybersecurity is critical for us as a company to stay in operation, safeguard and manage our data, and protect our intellectual property rights. Cybersecurity measures are laid down to avoid business disruption, and that information is lost, stolen or otherwise released into the hands of people for whom it was never intended.

Our policies and ambitions

Our policies and guidelines ensure order, rules and structure to underpin the link between our asset management, our resilience and our operating model. In addition, they ensure our adherence to and compliance with all relevant regulation, e.g. the ISO 13485 standard, the EU General Data Protection Regulation (GDPR) and Section 99d of the Danish Financial Statements Act.

How we work with it

Ambu is continuously improving its measures to monitor and respond to potential data breaches and cyberattacks. Our cybersecurity efforts are aligned with the National Institute of Standards and Technology Cyber Security Framework (NIST CSF) and builds on technical, as well as human behavioural, measures.

On a regular basis, we conduct both internal and external security assessments, including vulnerability assessments, penetration testing and threat hunting.

To ensure the cybersecurity of our endoscopy monitors, we continuously scan for errors or

The cost of cyberattacks

In 2021, the average business cost of a cyberattack is **USD 4.24 million**, with an average of **287 days** to identify and contain the breach.

- Cost of a Data Breach Report 2021 (IBM, 2021)

weaknesses that need to be addressed. Most errors and weaknesses are found to be irrelevant as the monitors are closed to incoming connections and the application level is isolated from the Linux OS. The monitors do not contain sensitive patient information and therefore do not pose a risk of leaking sensitive information.

Targets and progress

During 2020/21, we improved cybersecurity further on two parameters:

- On the technical side, we continued our efforts to upgrade our hardware and software, and to improve our system architecture in line with good industry practices. Most recently, we have strengthened our monitoring and data breach response capabilities via an external expert partnership.
- On the human behavioural side, we are working to further increase the mandatory cybersecurity training for all employees in 2021/22.



ENVIRONMENT & CLIMATE

Carbon emissions and climate change
Developing sustainable products
Plastic
Water management
Waste management

ENVIRONMENT & CLIMATE

Changing from a linear economy to a circular economy is of utmost importance, since Earth Overshoot Day, the date when humanity’s demand for ecological resources and services in a given year exceeds what Earth can regenerate in that year, occurs earlier and earlier each year. Changing the linear economy for medical devices to a circular economy requires several different long-term efforts at different lifecycle stages. As Ambu products are not considered to consume water or energy during use, the relevant focus areas are innovation, production and end of life.

Innovation

To deliver on our commitment to develop sustainable products we have integrated a circular innovation programme to ensure that all new products are as sustainable as the current state of technology, knowledge and pricing allows. In our product innovation process, we prioritise new products over products in the market, since almost every change, how small and sustainable it may be, must be assessed and approved by the licensing authorities, making it very time- and cost-consuming to introduce changes.

Production

During production, we monitor and have activities focused on reducing energy and water consumption,

as well as reducing and upcycling waste, where possible. We have taken on a climate responsibility by committing to setting carbon emission targets aligned with the Science Based Targets initiative.

End of life

The waste hierarchy is universal: reuse, recycle, waste to energy, incineration and landfill, but end-of-life scenarios for Ambu products (and own waste) depend on the national, regional or multinational regulation. There are multiple challenges related to recycling plastic that has been in contact with bodily fluids, due to the risk of infection

At Ambu, we want to challenge the current means of disposal, to promote the recycling of plastic from single-use medical devices by interacting with multiple stakeholders, participating in research projects and undertaking our own pilot projects.

7	AFFORDABLE AND CLEAN ENERGY	7.2 7.3 7.b
12	RESPONSIBLE CONSUMPTION AND PRODUCTION	12.2 12.4 12.5 12.6 12.7 12.8
13	CLIMATE ACTION	13.1 13.2

Carbon emissions & climate change

Why it is important

The latest IPCC report leaves little doubt about the link between the emission of greenhouse gasses and climate change. The report also underlines the urgency of immediate action to keep temperature rises below 1.5°C, to avoid serious negative repercussions for life on Earth.

Our policies and ambitions

Our sustainability engagement policy sets the direction for how we work with sustainability at Ambu, as we strive to minimise our climate and environmental footprint and decouple this from our growth. Our ambition is to reduce our Scope 1 and 2 carbon emissions by 50% in 2024/25, compared to 2018/19 as the baseline year.

How we work with it

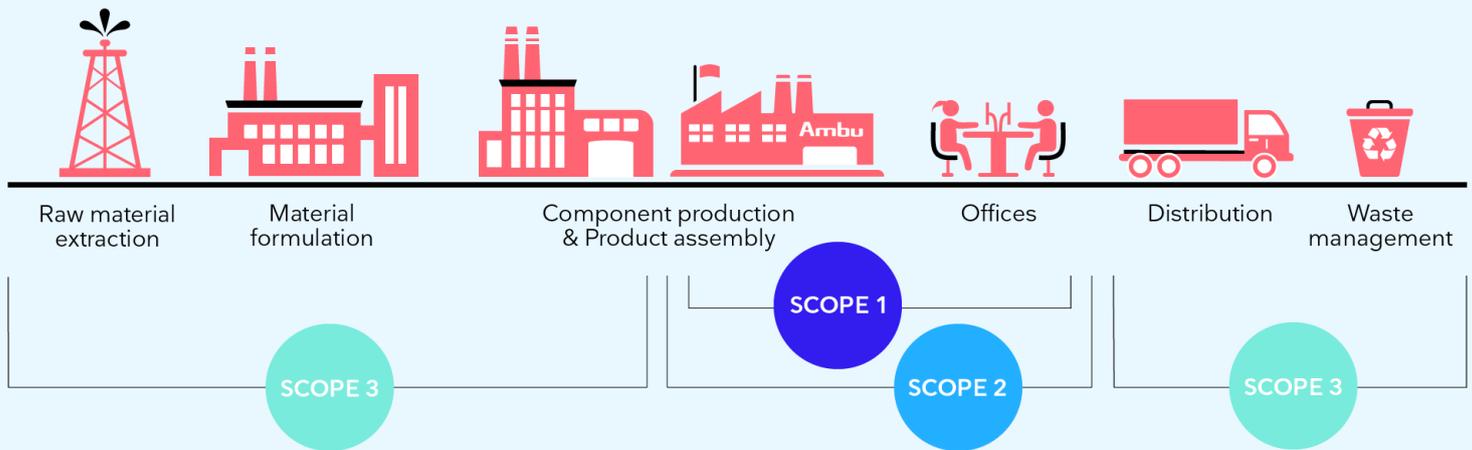
In August 2021, we committed to setting carbon emission reduction targets in line with the Science based Target initiative (SBTI). Despite the projected growth of Ambu as a company, we need to reduce our emissions compared to the status quo. Consequently, in the coming years we must decouple our growth from our carbon emissions.

Targets and progress

We want to reduce 50% of our carbon emissions in 2025 compared to our 2018/19 baseline.

We continuously monitor our energy use and are engaged in improving the energy efficiency of each site.

Where do our emissions come from?



Scope 1 are direct GHG emissions occurring from activities under our direct control in sources that are owned or controlled by Ambu. They include emissions from Ambu company cars, emissions from fuel used at our production sites and fugitive emissions which occur from leakage of cooling agents in air-conditioning units.

Scope 2 are indirect GHG emissions caused by the energy we purchase such as electricity and district heating.

Scope 3 are indirect GHG emissions – not included in Scope 2 – that occur in our value chain, including both upstream and downstream emissions. Currently we do not report on any Scope 3 categories.

In the previous years, we reported our Scope 2 emissions using the location-based method. From this year, we also report our Scope 2 emissions using the market-based method. In order to compare the development of our Scope 2 emissions with 2019/20, all emissions mentioned in this section are calculated using the location-based method.

During 2020/21, we expanded the data collection process in order to get a full picture of our Scope 1 and 2 emissions. In 2019/20, we disclosed emissions from all of our production sites and our headquarters.

In 2020/21 we also disclose:

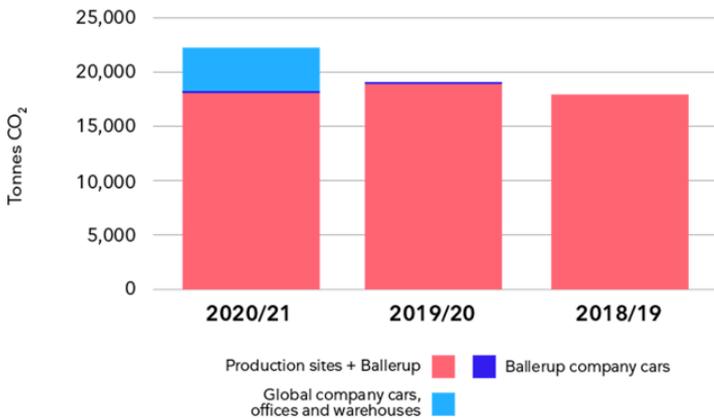
- Electricity used in all Ambu-leased international offices and warehouses
- Fuel consumption in all global leased and owned company cars
- Fugitive emissions from the leakage of refrigerants at our production sites and headquarters

See the 'Included emission sources' table to see the expansion of scope in recent years.

Included emission sources	20/21	19/20	18/19	17/18	16/17
Emissions from Penang	✓	✓	✓	✓	✓
Emissions from Xiamen	✓	✓	✓	✓	✓
Emissions from Noblesville	✓	✓	✓	✓	✓
Emissions from Ballerup	✓	✓	✓		
Emissions from Ballerup company cars	✓	✓			
Emissions from all company cars	✓				
Emissions from offices and warehouses	✓				
Emissions from leakage of refrigerants	✓				

To enable comparison over the last three years, the new emission sources have been summed together and visualised in light blue on top of how emissions were calculated in the previous years.

TOTAL SCOPE 1 + 2 CO₂ EMISSIONS



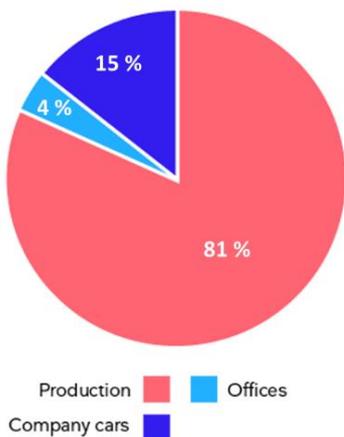
Disregarding the new emission sources, Ambu's Scope 1+2 emissions have decreased by 5% compared to 2019/20. The biggest decrease in emissions is seen in electricity, where we see a decrease of around 1,000 tonnes of CO₂ primarily due to the electricity generated by our solar panels in Penang, which have produced 1,510 MWh and thereby saved 800 tonnes of CO₂ from being emitted.

The three new emission sources included in 2020/21 have a total carbon emission of 4,113 tonnes of CO₂. This is equivalent to 18% of the total carbon emissions in 2020/21.

Our Scope 1+2 emissions for 2020/21 come to a total of 22,356 tonnes of CO₂e. Even though this is significantly higher than 2019/20 and our base year, 2018/19, it is primarily due to the expansion of scope described above.

Looking at the overall carbon emissions, it is evident that the majority, 81%, come from our production.

SOURCES OF CO₂ EMISSIONS



For this reason, external energy consultants have performed energy audits at our three production sites to gain a better understanding of energy consumption and energy efficiency initiatives.

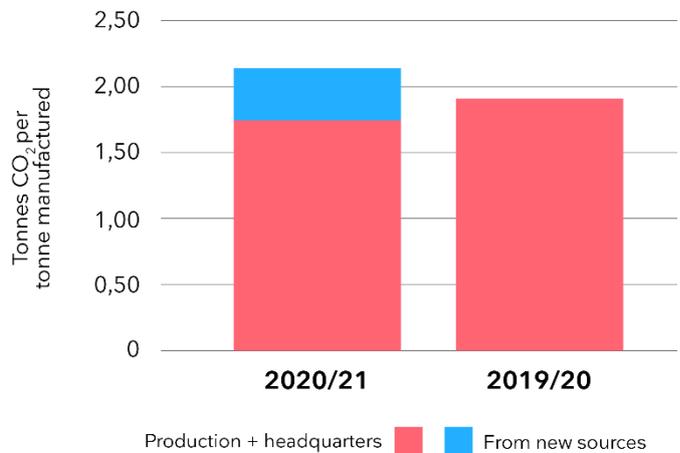
A barrier to energy efficiency improvements at Ambu is that our processes and machinery are part of validated processes. Producing medical devices requires manufacturing processes to be approved by global health authorities, such as the FDA. Any changes in validated processes must be considered carefully, made with caution, and planned with respect for continuous production, as our first priority is to provide high-quality healthcare products for our customers and their patients.

To gain a more nuanced perspective on our emissions, we use two metrics for carbon intensity:

- CO₂ by tonne of manufactured product
- CO₂ by revenue.

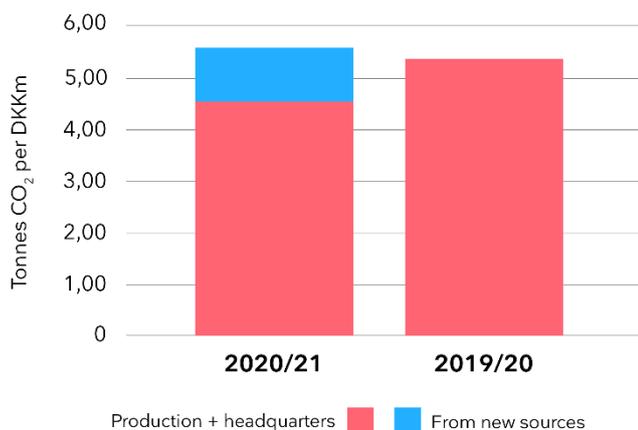
With the inclusion of new sources of carbon emissions, it is difficult to perform a fair comparison with last year's carbon intensity metric. We therefore exempt the new emission sources when comparing performance as follows.

CO₂ EMISSIONS BY MANUFACTURED PRODUCT



When disregarding the new emission sources, the intensity metric of CO₂ per tonne manufactured is 1.75, which is an 8% decrease compared to 2019/20. The decrease is attributable to an increase of 3.5% in our production yield and a decrease in carbon emissions from production sites and headquarters.

CO₂ EMISSIONS BY REVENUE



Disregarding the new emissions, the intensity metric of CO₂ by revenue is 4.55, which is a 16% decrease compared to 2019/20. The decrease is attributable to decreased carbon emissions from production sites and headquarters together with a 13% increase in revenue.

Renewable energy

Since September 2020, the solar panels at our production site in Penang, have supplied renewable energy to the site. This is the first full year in which the panels have been in operation and we can see the full environmental benefit. The solar panels at our production site in Penang, have generated 1,510 MWh renewable energy, equivalent to 10% of the electricity used on-site.

The electricity produced from the solar panels at our headquarters in Ballerup and at our production site

in Penang totalled 1,528 MWh, accounting for 4% of our total electricity consumption at our headquarters, production sites, offices and warehouses.

Science Based Target initiative

In August 2021, we signed a letter of commitment to the Science Based Target initiative which commits Ambu to set carbon emission targets to meet the goals of the Paris Agreement. We will convert our existing carbon emission target of a “50% reduction of carbon emissions in 2025 compared to 2018/19 baseline” to be in line with the guidance from SBTi.

We have chosen to sign up for the most ambitious target of a 1.5°C science-based reduction. In other words, as a company we will have to reduce carbon emissions across our entire value chain, corresponding to what is needed to limit a global temperature rise to 1.5°C above pre-industrial levels.

We will employ a three-step strategy to reduce our CO₂ emissions:

1. Minimise carbon emissions from production sites through energy efficiency measures.
2. Purchase Renewable Energy Certificates (RECs) with focus on new installations and suppliers who offer a degree of additionality. Additionality ensures expansion of renewable energy production sites.
3. Establish Power Purchase Agreements (PPAs) in the countries where we have production facilities, in order to ensure additionality and the expansion of renewable energy production.

We aim to be able to submit and have our targets validated and accepted by the SBTi in 2021/22.

Climate-related Financial Disclosures

The Task Force on Climate-related Financial Disclosures (TCFD) provides recommendations on what companies should disclose about the potential financial impacts that can be caused by climate change. The recommendations are focused on four core areas and include how organisations operate within governance, strategy and risk management, and climate metrics and targets.

In 2021, Ambu submitted the climate change questionnaire to CDP for the first time. The table below provides a summary of key messages in accordance with the TCFD from our 2021 submission.

During 2021/22 we will explore our options for further TCFD-aligned disclosure.

Governance	Strategy	Risk management	Metrics and targets
<p>The Executive Management holds the overall responsibility for climate-related issues and the Board of Directors oversees that all relevant procedures and commitments are in place. Climate-related issues that require the attention of the Board are presented, reviewed and approved as part of Board meetings. Climate data is reviewed on a yearly basis as part of the annual reporting process. Climate-related targets are set, and activities are monitored by the Board.</p> <p>To support the Board, our Sustainability & ESG committee meets monthly to ensure that sustainability & ESG activities and targets are anchored and deployed across Ambu's functions and operations.</p> <p>The CEO and CFO approve policies, reporting and selected processes.</p> <p>In 2020/21, the Board supported the proposal to sign up to the Business Ambition for 1.5°C campaign led by the Science Based Targets initiative in partnership with the United Nations Global Compact and WE MEAN BUSINESS.</p> <p>The Audit Committee (Board) and the Risk Board* assist the Board in overseeing Ambu's management of enterprise risks as well as the implementation of policies and standards for monitoring and mitigating such risks.</p>	<p>Sustainability is anchored as one of the four pillars in our strategy: <i>Grow sustainably, for our people and our planet.</i> We will continue to work on integrating climate change risk scenarios into our processes and frameworks for governance, strategy and risk management.</p> <p>We experience an increasing interest in sustainability from customers and investors, and while we continue our endeavours to advocate single-use products in order to stop cross-contamination of patients, our aim to become the world's most innovative single-use medtech company comes with a responsibility to design medical devices with minimal environmental and climate impacts.</p> <p>Being able to identify climate-related risks is an important element in strategy and planning, as the occurrence of flooding or typhoons has the potential to shut down our operations. Extreme weather conditions also pose a risk to our suppliers and our value chain. Identifying and mitigating these risks is therefore an ongoing process and important to ensuring business continuity.</p>	<p>Climate-related risks are identified as part of our risk management process and are assessed and responded to according to a standardised process for estimating the impact and likelihood of risks in view of their impact on revenue, cost and reputation as well as the related compliance requirements.</p> <p>All risks are captured and classified as either low, medium or high risks. Each business division within Ambu is responsible for identifying and prioritising relevant climate-related risks and opportunities and integrating them into relevant processes to ensure that they are managed appropriately. Risks identified as medium or high are presented and discussed every three months by our Risk Board. The most material or high-level risks are presented and discussed at Audit Committee (Board) meetings every three months.</p> <p>We will continue to work on strengthening our risk management process for climate-related risks even further, including by developing climate change risk scenarios to help us assess potential future risks and ensure business continuity.</p> <p>You can read more about Risk management on page 31 in our Annual report.</p>	<p>Ambu has a target of reducing our Scope 1 and 2 emissions by 50% by 2025 compared to our baseline year 2018/19.</p> <p>In order to strengthen our carbon reduction commitment, Ambu has signed up to the Science Based Targets initiative (SBTi) and will transform our carbon reduction target into science-based targets.</p>

*Consisting of global leaders within the operations, commercial and headquarter organisations in Ambu.

Developing sustainable products

Why it is important

Every day, Ambu manufactures tonnes of products at our production sites. The products have an impact throughout their lifecycle – from raw material extraction until they are disposed of after use. The choices we make when designing new products not only affect our own operations, but also our suppliers and customers. At Ambu, we are therefore focused on improving the sustainability of our products, to minimise the impact on the environment and, if possible, contribute to the circular economy.

Our policies and ambitions

Our sustainability engagement policy sets the direction for how we work with sustainability at Ambu.

How we work with it

In 2019/20, we kickstarted our circular approach to product design. A circular design guide was developed and introduced which sets out six principles to support the innovation projects towards more sustainable processes and outcomes. During 2020/21, we developed a training session for the guide, and some of our innovation employees have taken this training session.

During 2020/21, the main focus has been on understanding our products from a sustainability perspective. We have therefore completed a flow analysis of the materials used in our products. The analysis includes sustainability indicators such as recycled content and ability to recycle. This work will make it possible to take more informed decisions on how to make future innovation more sustainable.

Going forward, sustainability must be an integral part of the innovation process and we have therefore established a governance model. At the start of a project, the project manager must set ambitions for one or more of the six circular design focus areas. In 2021/22, we aim to include a sustainability professional in the concept phase, to provide knowledge and ideas to spark innovation. Our ambition to develop more sustainable products also requires new competences and we have therefore hired a materials specialist who will focus on investigating the area of Green Materials.

Targets & progress

We have two targets within sustainable product development:

- 95% of new products released after 2025 to be PVC-free.
- 100% recyclable, reusable or compostable packaging by 2025, if a suitable solution and/or technology exists.

95% of new products released after 2025 to be PVC free

This target is part of a strategic objective to phase out substances of concern from our new products. Substances of concern can cause harm throughout the materials value chain, and for PVC our aim is to

SUSTAINABLE INNOVATION



HEALTHY SUBSTANCES

Reassure the use of chemicals when choosing materials to avoid exposure to substances of concern and enable safe cycling.



GREEN MATERIALS INNOVATION

Rethink the way we enable cycling of greener materials in our parts and our products.



CIRCULAR PRODUCTS DESIGN

Redefine the product structure to keep the materials at the highest possible value at all times enabling cycling by design.



CIRCULAR PACKAGING & LOGISTICS

Rethink packaging and the way we are shipping our products from suppliers to customers and cycling beyond end-of-life.



MANUFACTURING CASCADES

Reduce and recirculate materials, energy and water from side streams of our processes to make more from less through cascaded use.



SYSTEM INNOVATION

Reconfigure the health- and waste system through pilots and partnerships to achieve actual take-back and recycling in key regional markets.

ensure that our products will not create toxic chemicals if incinerated after use.

To achieve this target, we have a three-step process:

1. PVC-free solutions will be anchored in all modules/functional teams.
2. All projects must set an ambition for *healthy substances*, where PVC is on the “not-preferred” list of materials.
3. If a project cannot eliminate PVC, a rationale must be approved by the sponsor team or gate team.

During 2020/21, we launched two new products, of which one product is PVC-free. We define a new product launch as when a product has obtained its first market clearance. We also exclude products if they are line extension products, software updates, sustaining activities or minor change projects.

2025 target: Packaging

At Ambu, packaging is used to ensure that our products are transported safely to the customer with no risk of being damaged on the way. In view of the large amount of packaging that is used and eventually becomes waste, we have set the target of 100% recyclable, reusable or compostable packaging by 2025, if a suitable solution and/or technology exists.

During 2020/21, we laid the foundation for further advances to reach the target. The first step was to gain a full overview of the packaging used at Ambu. We collected data from our three production sites in a comprehensive data-gathering process. For each variant of packaging, we gathered weight, material and whether it is recyclable, reusable or compostable. Packaging used to send Ambu products from contract manufacturers was not included in the initial baseline work.

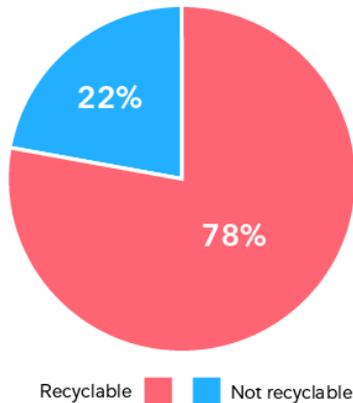
The mapping provided an insight on how far we have come in reaching our 2025 target. A total of 654 packaging variants were used in 2018/19.

Of these, it was possible to acquire sales and weight data for 502 packaging variants, corresponding to 77%. On solely considering fully mapped packaging variants in terms of weight shipped, we see that 78% of shipped packaging is recyclable.

Our non-recyclable pouch packaging is included in the packaging variants that are not fully mapped. As pouches account for a large share of our total packaging use, we expect the percentage of recyclable packaging to decline as we achieve full mapping.

During 2021/22, we will complete our work on the packaging baseline mapping. An analysis based on the initial screening of recyclability has shown that some variants have existing alternatives which are recyclable, reusable or compostable. For other variants, we have categorised them as hotspot packaging, as no alternative currently exists. These packaging variants will require a more focused effort before they can be recycled, reused or composted.

PROGRESS OF PACKAGING TARGET



Plastic

Plastics are a wide range of synthetic or semi-synthetic materials that use polymers as a main ingredient. The plasticity makes it possible for plastics to be moulded, extruded or pressed into solid objects of various shapes, thereby resulting in various uses.

A lot of attention is paid to single-use plastics, primarily due to the EU Directive that is tackling the ten most commonly found single-use plastic items on Europe's beaches. Medical devices are not comprised by the Directive as they are not commonly found on beaches. Medical devices are used in a controlled environment; a hospital or clinic, where waste is handled properly and according to relevant regulation.

Why it is important

Plastic is a fantastic material to use in medical devices as it is easy to work with, both during production and use. It is flexible, soft, lightweight, durable, impermeable, can be transparent, and has low thermal and electrical conductivity.

The flexibility of a medical device made from plastic ensures that the medical device adapts to the human anatomy in a way that is gentle on the patient. There are currently no sustainable substitutes for plastic in medical devices.

Plastic is made from crude oil; a fossil and non-renewable resource that releases CO₂ when incinerated. Plastic should therefore ideally be recycled to avoid the release of CO₂ and preserve the material for further use.

Our policies and ambitions

Our sustainability engagement policy sets the direction for how we work with sustainability at Ambu as we strive to minimise our climate and environmental footprint and decouple this from our growth. Our ambition is to contribute to the circular economy and the development towards recycling of medical devices.

How we work with it

Our plastic strategy concerns the following short-term, mid-term and long-term activities:

1. Partnership with Plastic Bank® to collect ocean-bound plastic waste, incentivise recycling of plastic and improve the lives of vulnerable coastal communities.
2. Implement initiatives to reduce waste from Ambu products by prioritising reduction of unnecessary materials and reduction of material in general.
3. Working towards opportunities to recycle Ambu scopes to ensure the circularity of the product materials and keep them in the global manufacturing supply chain.

Targets and progress

Our initiatives and projects focus on mitigating and/or reducing the impact of our products on the global climate and environment.

At Ambu, we are determined to find solutions for take-back and recycling in our key regional markets.

The reality is, however, that throughout the world hospital waste in general is regulated to minimise the risk of infection among waste-handlers. In the EU, for example, medical devices which come in contact with bodily fluids must be handled as hazardous

Reusing runners from injection moulding processes

At our Xiamen and Noblesville sites, we can reuse runners arising from the injection moulding process. By regrinding the runners and feeding them back into the production machines, we have been able to reuse 352 tonnes of plastic in Xiamen and Noblesville combined.

waste, and the Waste Directive states that it must be burned. This regulation is understandable in view of the risk of spreading infection, but is a major barrier to the recycling of the high-quality materials from which medical devices are made.

Despite the regulatory challenges, we are committed to investigating this further and to find out whether it is possible to make a safe take-back and recycling system.

During 2020/21, we took various initiatives to mature the idea of take-back and recycling. We performed a recyclability analysis of our aScope 4 Broncho. This study showed that, in theory, this single-use endoscope can be safely collected and disassembled, and that more than 85% of its weight can be recycled. In order to ensure economic feasibility and environmental impact mitigation, a financial and environmental business case must be developed in 2021/22.

Ambu's young, certified SDG innovators



Furthermore, four employees based at our headquarters in Ballerup participated in the UN Global Compact Young SDG Innovators Programme.

During the programme, our participants conducted research to understand the challenges and opportunities for recycling of medical devices and came up with a proposal for a business plan. We will continue to work with the area internally, to test the possibilities and integrate them into current processes.

Take-back system

While we work towards recycling, we also strive to get our products away from landfills and towards "waste to energy" incineration that can turn our products from waste to energy, thereby taking a step up the waste hierarchy.

In the US, we have partnered with Sharps Compliance, who facilitate collection containers for Ambu's single-use scopes and all items necessary to properly package containers for DOT (Department of Transportation) compliant shipping. Upon receipt, Sharps Compliance ensures that electronics are recovered and processed by certified recyclers. Plastics are treated in the Sharps Compliance patented waste conversion process, to generate electricity.

In 2020/21, the Ambu endoscopes collected by Sharps generated 12 MWh of electricity. This is equivalent to the annual average energy consumption of almost eight persons. Through the Sharps partnership, we have collected 2.4% of the endoscopes we sold in the US during 2020/21.

Plastic Bank

In March 2021, we entered into a partnership with Plastic Bank. The purpose of the partnership is to

offset the amount of plastic used in the Ambu endoscopes sold in Europe, the Middle East, Africa (EMEA) and Latin America, and to prevent 100 tonnes of plastic from entering the oceans. The partnership encourages collectors in coastal communities of the Philippines and Indonesia to gather the plastic waste which would otherwise end up in the ocean. The collectors receive a premium for the materials they collect, which helps them provide basic family needs such as food, health insurance and education.

Operation Clean Sweep

As our product portfolio production requires significant amounts of plastic, we recognise our responsibility to ensure a proper and careful handling of the plastic pellets used in production. For this reason, Ambu has now become an official partner of the Operation Clean Sweep initiative. Committing to the Operation Clean Sweep programme enables Ambu to be accountable and provides the necessary tools and processes to fulfil our responsibility.

What is Operation Clean Sweep?

Operation Clean Sweep is an international initiative from the plastic industry with the purpose of ensuring that plastic pellets, flakes and powders used in product manufacturing are properly handled and do not end up in nature or watercourses.

What is Plastic Bank ?

Plastic Bank® builds ethical recycling ecosystems in coastal communities and reprocesses plastic waste for reintroduction into the global manufacturing supply chain.

Water management

Why it is important

Water is a critical resource for life on Earth and as water scarcity becomes more widespread, it is important that everyone does their part to limit their water consumption.

Our policies and ambitions

Our sustainability engagement policy sets the direction for how we work with sustainability at Ambu as we seek to minimise our climate and environmental footprint and decouple this from our growth. Our ambition is to monitor and reduce our water consumption where possible.

How we work with it

Ambu production is not water-intensive, yet we still want to ensure sustainable water management at our production sites, where we monitor water consumption and continuously assess the potential for reduction at our three production sites and our headquarters.

Targets and progress

In 2020/21, we experienced an increase of 11% in water usage at our three production sites and headquarters. Three sites have experienced this increase and the reason is a mix of additional employees and an increase in production and output.

What does the data tell us?

Both in Penang and Xiamen we experienced an increase in water consumption. For the two sites combined we saw a 16% increase.

Water is used for hygiene reasons and consumption is therefore related to the number of employees. In combination, these two sites experienced a 10% increase in headcount, which explains the increase in water use.

In Xiamen, we have focused on optimising water use. All toilets will have water tanks installed that will save 0.5 litres of water per flush. All faucets will have sensors installed that will save around 0.1 litres of water per use. For both projects, around 60% of installations have been replaced and we expect this to be reflected in the water consumption data for 2021/22.

In both Xiamen and Penang, leakages in underground water pipes have been detected. In Xiamen, part of the leakage is in the common pipes in the free trade zone area which is outside our control, but it has been possible to negotiate for this leakage to be fixed. In Penang, we are also actively working on mitigating leakages.

At the production site in Noblesville, a new closed-loop water system was installed and activated in the summer of 2019/20. Now, a year later, it is possible to observe a decrease in water usage in Noblesville of 1,079 m³, equivalent to a 4% decrease even though a production increase was observed in the same period, with production to run 24/7.

Waste management

Why it is important

At Ambu, we believe waste is a resource for which no application has yet been found. The amount of waste is a direct reflection of what we have not been able to use. We are therefore focused on minimising the amount of waste we create and upcycling the waste we do create, in order to minimise use of virgin resources and thereby reduce our impact on the environment and climate.

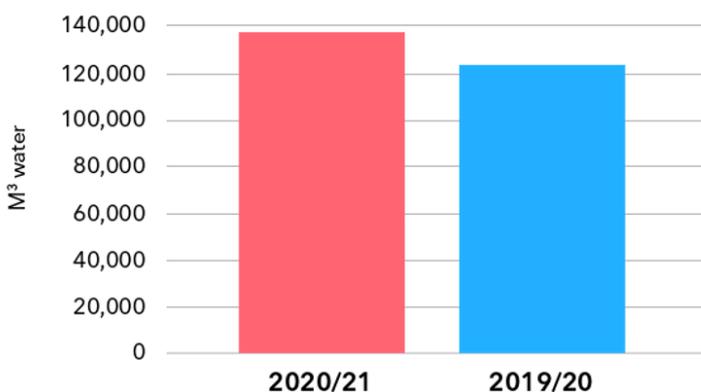
Our policies and ambitions

Our sustainability engagement policy sets the direction for how we work with sustainability at Ambu, as we strive to minimise our climate and environmental footprint and decouple this from our growth.

How we work with it

We monitor the amount of waste at our three production sites and at our headquarters. Our ambition is to reduce waste where possible and to upcycle our waste according to the waste hierarchy: Reuse, recycle, waste to energy, incineration and landfill. By measuring waste amounts, each site gains a better understanding of the waste streams and upcycling possibilities.

WATER USAGE



Targets and progress

We continuously monitor and work to reduce the amount of waste at our sites, while continuing to upcycle the waste which occurs.

During 2020/21, we continued our work to ensure the accuracy and completeness of our waste data, and also continued the roll-out of a clear definition of waste, waste categories and waste handling methods. In 2020/21, we established a process at our site in Xiamen to capture data for non-production waste that is disposed of in the local, commonly available containers.

What does the data tell us?

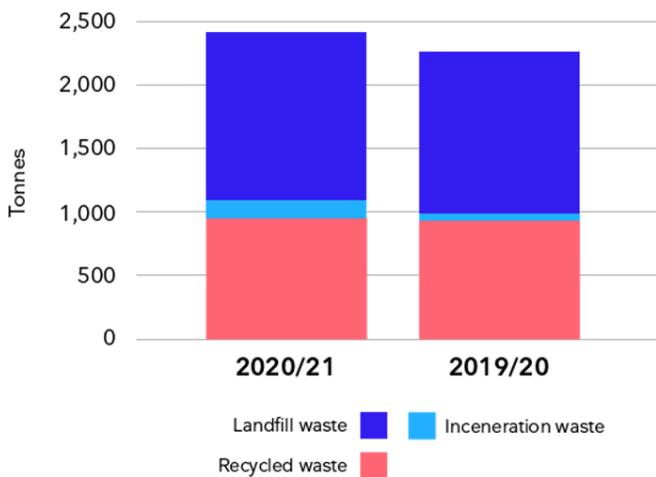
In 2020/21, there was a total of 2,429 tonnes of waste at our three production sites and our headquarters in Ballerup. This is a 7% increase compared to 2019/20. In Xiamen the amount of waste increased by 66 tonnes, resulting in a 21% increase. This is primarily due to the additional reporting of office and canteen waste in 2020/21, which amounts to 72 tonnes.

Focus has been on minimising the amount of waste and diverting waste from landfill to waste-to-energy or recycling. Incineration of waste is a well-known waste treatment method in Europe, but in other parts of the world it is a relatively new technology. All our production sites have seen an increase in the amount of waste that is incinerated. The amount of waste going to incineration has increased from 55 tonnes in 2019/20 to 146 tonnes in 2020/21. This is equivalent to a 167% increase. Half of the increase is due to the inclusion of non-production waste in Xiamen, and the other half is due to upcycling. Of the waste sent for incineration, 93% is sent to facilities with energy recovery.

In Noblesville, focus has been on diverting waste from landfill and increasing the amount that is recycled. During 2020/21, we engaged a new recycling company that can accept waste fractions that it was not previously possible to recycle. We expect to see this reflected in the numbers during 2021/22.

In Xiamen, we focused on aligning visual inspection standards between the injection moulding and assembly teams. The alignment of standards has resulted in a decrease of 27% in the scrap rate for our laryngeal mask family products, when comparing the scrap rate for 2019/20 to 2020/21. The plan is to align the standards for other product types.

WASTE



Partnership with Daka refoods

In 2020/21 there was a total of 6,845 kg of food waste and 335 litres of frying oil in Ballerup.

Through our partner Daka Refoods, all of the food waste is converted into biogas and fertiliser while the frying oil is turned into 2nd generation biodiesel. By burning the biogas, 4,875 kg of CO₂ was saved.

“ By aligning the standards for our laryngeal mask products, we have not only generated less waste, but also saved energy by not producing new components. We have also saved costs for materials, production and waste handling. All in all, a good business case both financially and environmentally.

JAMES ZHAN
Vice president
Ambu Ltd. China



SOCIAL CAPITAL

Social capital management
Working towards diversity & equality
Ensuring a safe and healthy workplace

SOCIAL CAPITAL

Ambu is an innovation-driven company. New ways of thinking, different perspectives and a strong culture that harmonises it all, are key to Ambu's success. We believe that our company survives and prospers because of our people, that our heritage in Ambu and the way we incorporate our company values of Results with Speed, Collaboration and Integrity, while empowering our employees, makes Ambu an attractive workplace, and we want to keep it that way.

Ambu's continued success is dependent on employing the most qualified people, and we are committed to ensuring a safe and healthy working environment, characterised by mutual trust and respect as a workplace where every employee is treated fairly and can prosper.



4,584 employees globally.
Present in more than 20 countries.

Social capital management

Attracting and retaining employees

Why it is important

Like every other company, we rely on our people, and as a medical device company we rely on a wide variety of specialised employees. Our ability to attract and retain talent is therefore crucial to achieving our ambition to be the world's most innovative single-use medtech company.

Our policies and ambitions

Our Code of Conduct sets out the minimum standards for basic employee rights, and we are governed by our Sustainability engagement policy, our Global inclusion and diversity policy and our Human & labour rights policy.

How we work with it

As Ambu grows so does the need for talented employees, and with the continued fight for talent in our industry, it is important that Ambu is perceived as an attractive workplace for current and future employees. At Ambu, we give a lot of emphasis to the onboarding process and the development opportunities we offer our employees throughout their time with Ambu. From the very first day, employees will have regular check-ins and alignment on objectives as well as time for feedback from their manager. We want to ensure that employees have the chance to make themselves heard, develop their skillsets and carry their ambitions forward within Ambu, regardless of their location or position.

While growth often introduces great opportunities for companies and their employees in terms of prosperity and new possibilities, it can also pose challenges in the form of rapid changes and the need to adapt. At Ambu, our company culture and structures have changed drastically over the past few years, and while most people have welcomed

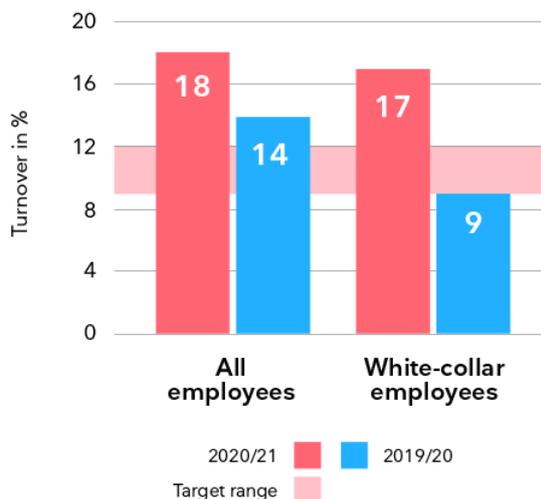
the changes, we have also seen some choose to leave Ambu after many years of employment. We are always sad to see people go, but we also believe that it is important to stay true to oneself and find the path that is right.

Targets and progress

We believe that some staff turnover in an organisation is healthy, as new talent often brings in new ideas. That is why we have a target annual turnover rate of 9-12% for our white-collar employees, as we believe this is appropriate for an organisation of our size and nature. During 2021/22, we will work for a turnover target rate that includes all employees.

During 2020/21, we experienced an increase in employee turnover. A restructuring of our sales organisation in the US, to better reflect the pipeline of products to be launched, has led to an increase in

EMPLOYEE TURNOVER



the employee turnover rate. The increase can also be attributed to Covid-19, in particular at our production sites in Xiamen and Penang where local conditions and the fight for talent have increased the voluntary turnover rate for our employees.

The Covid-19 pandemic has added an extra layer of complexity to onboarding and retaining people at Ambu. With the restrictions at many locations limiting the ability to meet up in person, Ambu has arranged local online events to ensure that both the social and professional needs of our employees are met as far as possible in this situation. One of the global initiatives launched this year is an internal tool called Values at Work, which is a game-based tool that enables teams to work with our values and discuss how the values can guide us in everyday situations. The tool was well-received, and helped employees, both new and old to discuss and evaluate the way we work at Ambu, guided by our Values.

Although we see an increasing turnover rate in 2020/21, in particular in Penang and Xiamen as well as our US Sales organization, new local initiatives have also led to improvement in retention throughout the year.

In Noblesville, we saw a reduction in the employee turnover rate which is partly a result of continuous focus on retention as well as a new focus on acting more proactively to feedback from employees. This is coupled with regular employee appreciation events and greater flexibility for production operators to plan their working week.

In Xiamen, a buddy programme contributed to manpower stability and increased the sense of belonging among employees who participated. Specifically, the programme focuses on customised practical and personal interaction between seniors in the organisation and newcomers, with focus on creating a sense of belonging and a safe space for learning and efficient issue resolution.

In September, Ambu Trading Co. Ltd. in China was recognised as a Great Place to Work. The certificate is a validation of the employee experience we have created for our people and the great workplace culture we have built in the Ambu China commercial organisation.

Human capital development

Why it is important

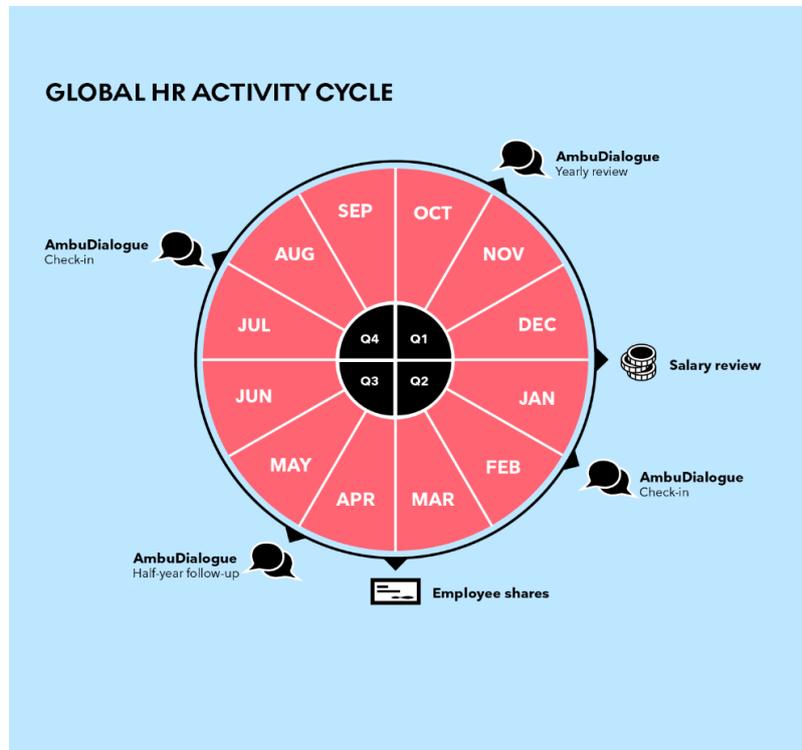
At Ambu we believe that our worth is directly linked to that of our employees. As we grow as a company so do the opportunities for our employees. By ensuring the continuous development of our people, we ensure the continuous growth of Ambu.

Our policies and ambitions

At Ambu we are committed to ensuring the continuous development and growth of our people. We are governed by our Sustainability engagement policy and our Global inclusion and diversity policy.

How we work with it

To ensure the continuous development of our people, Ambu performs talent reviews twice a year, which is a process that entails employee dialogue, as well as an individual assessment and development plan for all employees undertaken by local managers and HR partners. Furthermore, our Executive Leadership Team performs a talent review that focuses on identifying and creating progression plans for our top talent, to ensure that they continue to prosper at Ambu.



Through our internal programmes and initiatives, we want to give our employees the opportunity for personal and professional growth and development.

Since it was initiated three years ago, the Ambu graduate programme has made a great impact on Ambu as it provides a boost to our brand and talent pool, as well as contributing to the development of our company.

Our mentorship programme, available for all employees, provides an opportunity for mentees and mentors to expand their knowledge and capabilities by learning from each other through dialogue and collaboration.

Targets and progress

During 2020/21, we had nine young talents in our global graduate programme, and in September 2021, we welcomed six new graduates. During the programme, they will try out different positions at Ambu and visit our sites. We hope to roll this out to more countries in the near future.

In August 2021, Ambu Limited (UK) was awarded the We Invest in People Silver Award. Receiving this accreditation means that Ambu supports the development of its employees and facilitates a supportive and rewarding work place for all.

Working towards diversity & equality

Why it is important

Several studies have shown that gender diversity correlates with better financial performance. An uneven pattern of pay by gender, or promotion and seniority by gender, can indicate risks related to workplace inequality and thereby an inability to attract female talent.

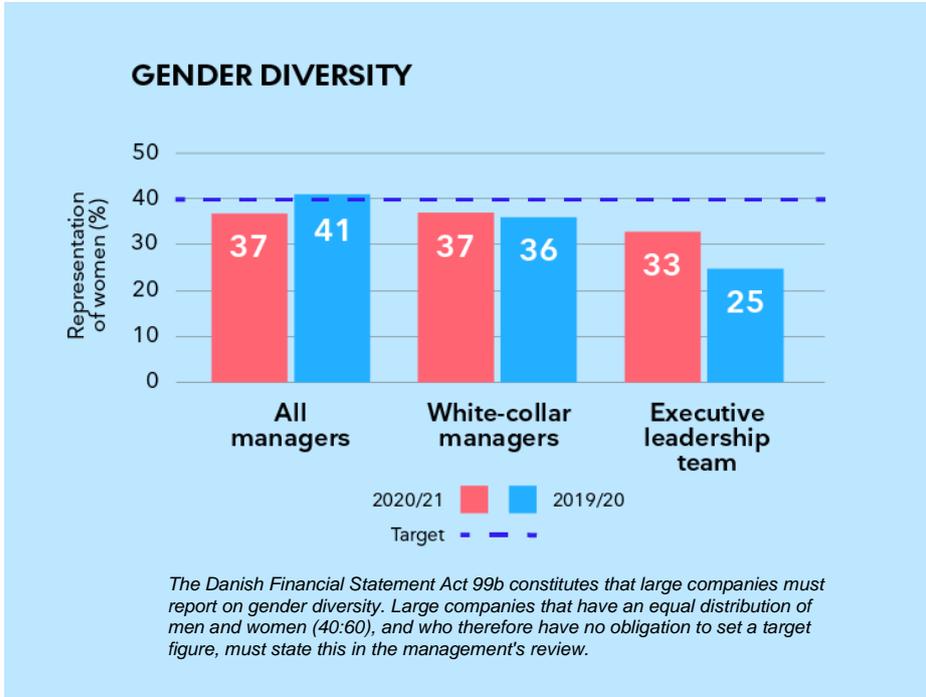
Our policies and ambitions

Our Code of Conduct sets out the minimum standards for basic employee rights, and we are governed by our Sustainability engagement policy, our Global inclusion and diversity policy and our Human & labour rights policy.

How we work with it

At Ambu, we believe that an inclusive, diverse and equitable working environment ensures a sense of belonging that engages our people’s full potential whereby innovation and performance can thrive. We are committed to ensuring a vibrant, welcoming community that enables diversity of thought, as we want to continually be able to attract, develop and retain talent

and believe that there should be equal opportunities for everyone, irrespective of gender, age, race, nationality, ethnicity, sexual orientation, religious beliefs, education, perspective and other diversity factors, but also because this is the right thing to do.



Our values of Collaboration and Integrity are an integral part of this and essential elements to help drive inclusion in our teams and deliver Results with Speed.

To achieve our ambitions, we work actively to implement inclusion in our recruitment and development processes. We perform annual gender pay ratio assessments as part of our annual salary review process, to identify gaps and propose action plans to ensure that no inequality exists at any given location and job level. We believe that gender should not affect pay. We expect our leaders to role-model inclusive leadership by valuing diverse perspectives and creating a space where all employees feel comfortable to speak up and can contribute fully.

Gender pay ratio	2020/21	2019/20	Target
White-collar employees	1.33	1.44	0.80-1.30
Indirect blue-collar employees	1.02	0.97	0.90-1.10
Blue-collar employees	1.09	1.18	0.90-1.10

The gender pay ratio shows the number of times the female median salary can be covered by the male median salary. The figure includes 99.7% of our employees.

future female leaders at Ambu, both internally and on LinkedIn.

Ambu will continue to focus on equal pay (maintaining ratios within internal target range) and will actively use job levels and salary bands to support equal pay throughout the organisation. Since gender pay ratios are reported on a global scale, 100% alignment will be difficult to achieve as pay levels vary across countries and regions.

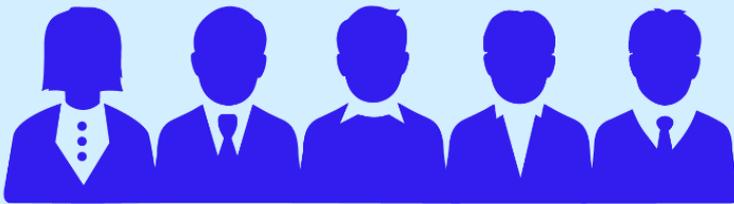
Targets and progress

Currently, Ambu gives particular focus to gender diversity, with our goal of each gender being represented by at least 40% in management by 2023. While some parts of the organisation have reached the target, we continue to work with increasing gender diversity across all of Ambu.

In September, Ambu adopted the United Nations Women’s Empowerment Principles (WEPs), which, through seven principles, offer guidance to businesses on how to promote gender equality and women’s empowerment in the workplace, marketplace and community. Jointly established by the UN Global Compact and UN Women, the WEPs are underpinned by international labour standards and human rights and by the recognition that businesses have an important role in promoting gender equality and women’s empowerment.

We look forward to learning and continuing our work for gender equality as a signatory. We expect that one day soon, we will no longer be talking about diversity and inclusion, as it will be a completely integrated part of our business and society.

BOARD OF DIRECTORS - GENDER COMPOSITION AS AT END 2020/21



In 2020/21, there was a decrease in the proportion of women among all managers. This can be attributed to a decrease in the proportion of women managers across our European locations, as well as in Penang. We still experience that gender diversity is biased towards male leaders as the minority in Penang.

At the end of 2020/21, there was one woman on the Ambu A/S Board of Directors. In August, the Board announced a proposal that Susanne Larsson, CFO at Mölnlycke, and Michael del Prado, former Company Group Chairman of Johnson & Johnson Medical Devices, be elected as new members of the Board of Directors at the annual general meeting on 14 December 2021. Board member Michael Worning will not seek re-election. With the election of the two new members, we will further strengthen the diversity of our Board in terms of both gender and nationality.

To ensure equal opportunities for men and women at Ambu, we continue our training and development of our people leaders in diversity and inclusion through recruitment, leadership and values training. Throughout the past year, we have run a campaign celebrating our female leaders to inspire and provide role models for

The seven Women’s Empowerment Principles:

- 
 High-level Corporate Leadership
- 
 Treat all Women and Men Fairly at Work without Discrimination
- 
 Employee Health, Well-Being and Safety
- 
 Education and Training for Gender Equality
- 
 Enterprise Development, Supply Chain and Marketing practices
- 
 Community Initiatives and Advocacy
- 
 Measurement and Reporting

Ensuring a safe and healthy workplace

Why it is important

Safety at work is not only a basic human right, since working conditions also have a great impact on employees and their families, as well as communities and the business. A disproportionately high level of work-related injuries and sickness absence is costly and is recognised as an indicator of a challenged working environment, e.g. regarding safety or occupational health and safety.

Our policies and ambitions

At Ambu, we consider the health and safety of our employees to be our highest priority. Our Code of Conduct sets out the minimum standards for basic employee rights and our commitment to ensuring the health and safety of our employees. We are further governed by our Sustainability engagement policy, our Global inclusion and diversity policy and our Human & labour rights policy.

How we work with it

At Ambu we are committed to ensuring safe working conditions for all. As we grow with many new colleagues joining each month strong onboarding processes and alignment of requirements and expectations are needed. The health and safety officers appointed at our locations are responsible for systematic training, registration and reporting, and for checking that safety procedures adequately meet the risk level. This is to ensure that safety training is tailored to local needs and allows for flexibility that takes account of local laws and traditions.

Our local health and safety managers do a great job in raising awareness and training employees on safety.

At our production sites, safety is our number one priority, and a lot of focus is on building and maintaining a safety culture to ensure that all of our employees are safe while working at Ambu. While there is great focus on ensuring that we have a sound safety framework, based on policies, guidelines, risk assessments and onboarding training, we also focus on physical training, such as forklift manoeuvring, first aid, emergency response procedures and simulations (e.g. fire and accident drills) as well as targeted training and safety campaigns.

At Ambu we perceive health and safety as including both the physical and mental well-being of our employees. We believe that the purpose-full vision of saving lives and improving patient care, combined with our values and focus on mental well-being, leads to high job satisfaction and thereby low employee turnover. In Noblesville, we have taken extra measures to ensure the well-being of employees through physical therapy, telehealth programmes and mental health programmes.

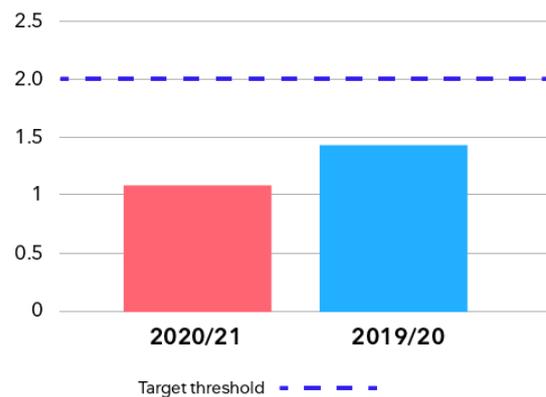
Targets and progress

At Ambu, we monitor the health and safety of our employees through data points for accidents and fatalities, as well as sickness absence.

Currently, we monitor safety at our three production sites in Xiamen (China), Penang (Malaysia) and Noblesville (USA), as well as our headquarters as this is where most of our safety initiatives are focused. We monitor sickness absence globally, and continuously work to improve reporting on our performance.

We work continuously to avoid and mitigate accidents and our current target is to stay below a Lost-Time Injury frequency (LTIF) of 2.0. As of 2021/22, we will start reporting on accidents globally in Ambu.

LOST-TIME INJURY FREQUENCY (LTIF)



The lost-time injury frequency rate corresponds to the number of accidents with lost time per million hours worked.

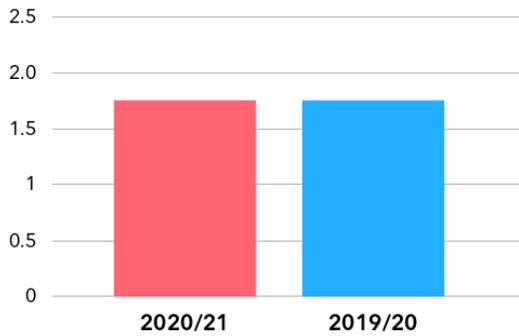
In 2020/21, Ambu had 8 lost-time injuries.

Location	Description
Warehouse	An employee sustained an injury to the head on falling from a forklift.
Production floor	Three individual accidents related to employees suffering musculoskeletal sprain from repetitive motion.
Production floor	An employee suffered contusion after an 18 kg roll of plastic fell on the employee's foot.
Production floor	Three individual accidents related to employees suffering cuts or bruises that required medical attention.

During Covid-19, business continuity whilst maintaining the good health of our colleagues, was one of the highest priorities. Social distancing, face masks and shields, disinfection of workstations and common areas, as well as increased flexibility to allow for testing, have been implemented to protect our business and employees. Thanks to the great local focus on securing the health and well-being of our employees, we have only seen minor local increases in sickness absence rates across the organisation this year.

Overall, sickness absence remained stable throughout 2020/21. However, there were some slight increases locally, due to Covid-19 and staff vaccinations.

SICKNESS ABSENCE

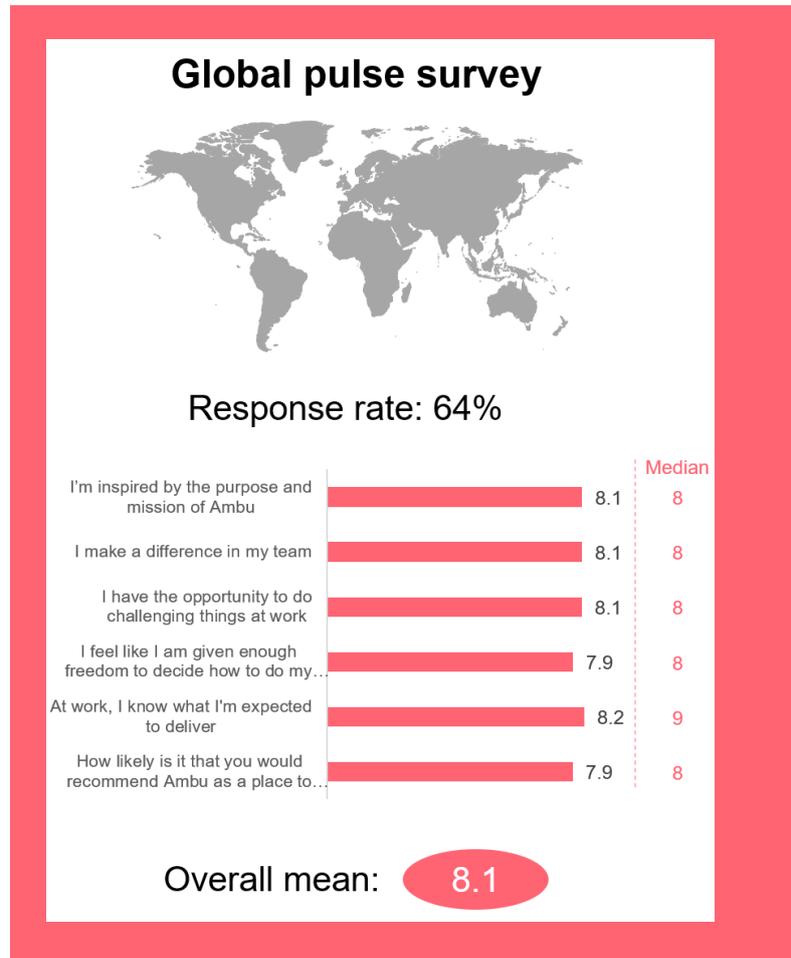


Employee survey

In September 2021, we completed a global mini survey to get an indication of the level of employee engagement and satisfaction. The survey was sent to all white-collar employees, with a response rate of 64%. Given the timing of the survey during end-of-year closing, this is quite a high response rate. Looking at the overall results, we are satisfied to see an average of 8.1 out of 10 for all questions.

Participants were asked to respond 'Yes' or 'No' to whether they had been introduced to the company values of Results with Speed, Collaboration and Integrity. An impressive 99% of all employees have been introduced to our company values.

We will conduct a full global engagement survey during 2021/22, to be able to get more detailed input to identify specific areas of improvement.





BUSINESS ETHICS & COMPLIANCE

Business ethics & compliance
Protection of human and labour rights
Responsible supplier management
Transparent tax management

BUSINESS ETHICS & COMPLIANCE

As a global company with a long history in the medical device industry, we need to ensure that we have our own house in order, promote business ethics and compliance and act with integrity. This is what our stakeholders expect of us, and what is needed for us to retain our licence to operate and safeguard our business. Through our external communication and reporting we aim to provide a high level of transparency, as we believe this is essential for us to maintain our integrity and reputation as Ambu.

At Ambu, we increasingly face growing expectations and requirements for responsible business conduct. Most recently from our customer NHS (National Health Services) in the UK, which specifically set requirements to ensure no violations of Human Rights and Labour Standards in its supply chain. Ambu has taken action to ensure that we live up to the Labour Standards Assurance System (LSAS) developed by the NHS, but also to the expectations and requirements of other stakeholders.

Business ethics & compliance Compliance

Why it is important

Failing to comply with all applicable laws and regulations poses an enormous risk for businesses as they may lose their licence to operate and face big fines and penalties as well as damage to their reputation.

One of our challenges at Ambu is that our business involves engagement with governments and many local suppliers, as well as operations, in countries considered to be high-risk, from a compliance perspective. Navigating the complex landscape of local laws, rules, legislation and customs requires a high level of due diligence and processes to ensure compliance.

Our policies and ambitions

It is Ambu's policy to maintain the highest ethical standards and to comply with all applicable laws, rules, regulations and local customary practices. The Ambu Code of Conduct for our employees and for our business partners guides our behaviour and set out the minimum standards for ethical behaviour

How we work with it

At Ambu, our compliance management system provides a framework for compliant behaviour. This allows us to continuously monitor and evaluate our compliance efforts and ensure that we adhere to all the standards set for us in healthcare systems around the world and that there is consistency and authenticity in the way we work and what we provide.

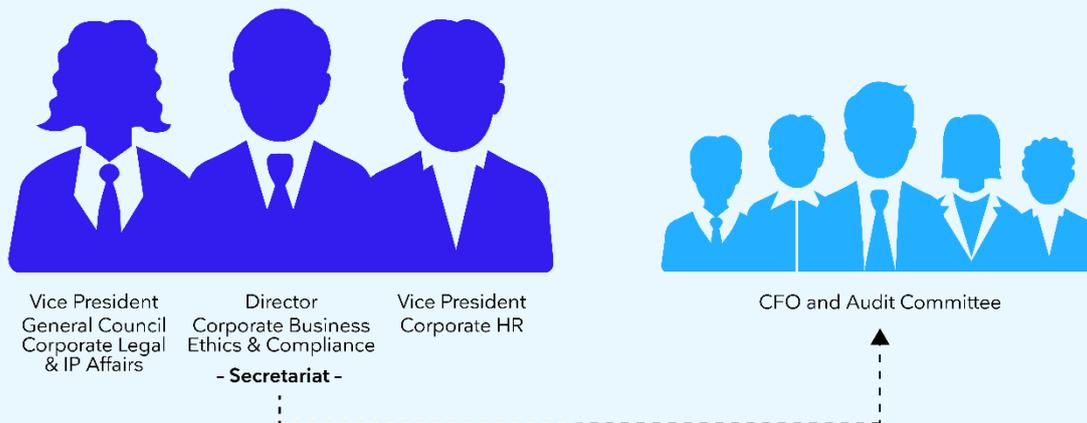
The system is developed in line with the most important national and international guidelines and standards (including ISO 19600, the OECD Guidelines for Multinational Enterprises and A Resource guide to the U.S. Foreign Corrupt Practices Act), and it meets the latest updated requirements of industry-specific enforcement guidelines.

At Ambu, all employees and business partners are strongly encouraged to act promptly when faced with suspicions or concerns about criminal offences, violations of Ambu's Code of Conduct and policies as well as other serious violations of law or regulations that govern Ambu's operations. The Ambu Whistleblower hotline is one of the tools we use to detect and act on potential violations as it encourages and enables all customers, business partners and our own employees to raise serious concerns about misconduct and improper management, including fraud, bribery, serious breaches

THE AMBU COMPLIANCE MANAGEMENT SYSTEM



HOTLINE COMMITTEE



of occupational health and safety standards, and serious issues directed towards an employee, such as discrimination, violence or sexual assault, or serious violations of local policies.

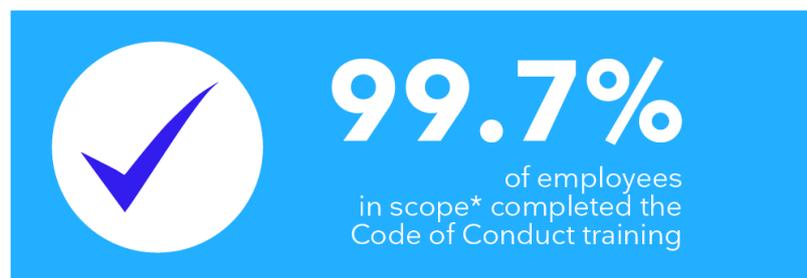
The tool is governed by an internal Hotline Committee who comprise the decision-making body for the Hotline. The Director of Corporate Business Ethics & Compliance acts as the Secretariat of the Hotline Committee and is responsible for reporting to the CFO and Audit Committee (Board).

International studies across different industries show that there may be a reluctance among employees and external partners to report suspected misconduct to the hotline, e.g. due to fear of retaliation and a perception that reports do not lead to action. This is why, during 2020/21, we have initiated a campaign to raise awareness of our business ethics and compliance programmes at Ambu, and to promote the Whistleblower hotline.

Targets and progress

During 2020/21, we have developed mandatory employee training on our Code of Conduct and rolled it out to all white-collar and indirect blue-collar employees. With a succession rate of 99.7% for employees in scope for 2020/21 (all white-collar and indirect employees), we are very satisfied with the dedication and commitment from the organization.

Our target for 2021/22 focuses on the addition of Code of Conduct training for all our blue-collar employees and to run Code of Conduct campaigns across Ambu. Going forward, annual completion of the training will be mandatory for all.



* All white-collar and indirect blue-collar employees in scope for mandatory Code of Conduct training in 2020/21.

Ambu's Whistleblower hotline received 10 reports in 2020/21. All reports fell within the scope of our Code of Conduct and were investigated.

Whistleblower hotline	2020/21	2019/20
Number of reports to the whistleblower hotline	10	5
...number of reports within scope	10	3

Three reports regarded allegations of theft, embezzlement, fraud and falsification of various kinds. Two reports concerned allegations of bribery and corruption, and another two concerned discrimination and harassment. One report was about allegations of violations of laws and regulations, including Ambu policies and procedures, and one was about allegations of human rights violations. Finally, one report was about major health, safety and environmental issues. They were all investigated and dealt with according to our Whistleblower procedure. Only one case (regarding allegations of theft) was substantiated and led to legal actions against a former employee.

Ambu perceives the increase in reports as a positive result of our efforts to sustain a culture of integrity and to raise awareness about the hotline and our policies for ethical business conduct through, for instance, our employee training in our Code of Conduct, as well as internal and external communication about the hotline.

“ In Ambu, our strategy includes winning with integrity - and we want to do that by ensuring that compliance becomes a competitive advantage.

CASPER VENBJERG HANSEN

Director, Corporate Business Ethics & Compliance Officer
Ambu A/S

and to protect the healthcare professionals with whom we interact.

Targets and progress

Targeted training and guidelines on how to handle the risks of bribery and corruption have been developed and rolled out to employees in selected countries who interact with healthcare professionals and our distributors, as this is where our biggest risks lie.

In 2021/22, training in our Code of Conduct will be rolled out to our blue-collar employees and annual completion will be mandatory for all employees.

Data ethics

Report on data ethics pursuant to section 99d of the Danish Financial

Statements Act.

Bribery & anti-corruption

Why it is important

Bribery and corruption are contributing factors for many of the world's biggest conflicts and are a serious problem for political stability. In many parts of the world, for some people even the simplest things, such as going to the doctor, involve bribery. Ambu is exposed to the risk of bribery and corruption in many areas of our business, but we face particular risks in our interactions with distributors and healthcare professionals.

Our policies and ambitions

It is Ambu's policy to maintain the highest ethical standards and to comply with all applicable laws, rules, regulations and local customary practices. The Ambu Code of Conduct for our employees and for our business partners guides our behaviour and sets out the minimum standards for ethical behaviour.

How we work with it

At Ambu we work to eliminate bribery and corruption by raising awareness of the risks and requirements for ethical behaviour, and we require all our employees and business partners to comply with our rules. Our Code of Conduct provides guidelines on ethical practices and standards, including how to mitigate and handle the risks of bribery and corruption.

Ambu has an ethical responsibility to ensure that it is not perceived as an improper inducement to positive evaluations and promotions of our products. To mitigate the risk of improper inducement and conflict of interest, we do our utmost to ensure openness and transparency

Why it is important

As data becomes increasingly important in our connected society, it is more important than ever to establish rules and define guidelines on good practices for data collection, storage and use.

Our policies and ambitions

It is Ambu's policy to maintain the highest ethical standards and to comply with all applicable data and privacy laws and regulations. The area is governed by Ambu's data ethics policy, as well as internal policies and standard operating procedures. Our privacy policy describes how information about individual persons may be collected, used, disclosed, transferred and stored by Ambu.

How we work with it

Ambu wants to ensure a high and adequate level of data protection, as we recognise that privacy is a keystone in gaining and maintaining the trust of employees, customers, suppliers and business partners, thereby ensuring Ambu's business in the future.

While we at Ambu do not process large quantities of personal data, we acknowledge the importance of safeguarding people's personal data. There is also an ethical perspective to data, as the use of AI (artificial intelligence) in our solutions could present some ethical dilemmas that need to be managed appropriately.

Targets and progress

We are committed to complying with all applicable personal data protection laws, including The Danish Financial Statements Act § 99d.

All of our European employees are required to complete annual training on GDPR. In 2020/21, we achieved a completion rate of 95%. While this is below our target of a 100% completion rate, IT issues have resulted in some employees not being registered as having completed the course. We are following up internally and externally with our supplier of the IT solution to ensure that this issue is resolved.

Protection of human and labour rights**Why it is important**

How we treat our employees is fundamental to the way we want to drive our business, and to the results we achieve. We believe that our employees are essential to the success of Ambu, and that proper working conditions create the best workplace, company and products. Ensuring respect for internationally recognised human rights and labour standards is essential.

Our policies and ambitions

It is Ambu's policy to maintain the highest ethical standards and to comply with all applicable laws, rules, regulations, and local customary practices. The Ambu Code of Conduct for our employees and for our business partners set out the minimum standards for ethical behaviour and basic employee rights. Ambu respects freedom of association and the right to collective bargaining for our employees, according to the laws or practices of the countries in which we operate.

Our labour & human rights policy defines the labour and human rights standards to which all Ambu employees are entitled, irrespective of the country in which they work, and communicates our expectations towards our business partners. Our local employee handbooks translate key messages to our employees to ensure awareness of and compliance with the policies.

Ambu is subject to the 2015 Modern Slavery Act and publishes an annual statement according to the requirements. The 2021 UK Modern Slavery Act Statement can be found on Ambu.com.

How we work with it

At Ambu, we believe that our organisational set-up, based on decentralisation and the empowerment of local leaders, contributes to our integrity, as it provides a better foundation for understanding and managing local culture and norms.

Training of our global people managers in our values and our Code of Conduct are important elements to ensure

visibility and awareness of our policies and standards, while ensuring consistency across Ambu. Employee training in our Code of Conduct supports our efforts to increase awareness and alignment across all sites and employees.

As we rely on manpower agencies, especially in Asia, to attract employees for our production, we rely on these companies to comply with all applicable laws and legislations in the area, as well as the guidelines from Ambu. These agencies must sign our Code of Conduct to ensure they are aware of and committed to our standards.

Ambu encourages all employees and business partners to report any potential violations of human rights and labour standards at Ambu via our Whistleblower hotline.

Targets and progress

Our ambition for 2020/21 was to identify and act on the gaps related to the protection of human rights and labour rights in our own operations as well as our supply chain. This included the development of our Responsible Supplier Programme (see next page), as well as an internal review of our employee handbooks to ensure they provide all relevant information and guidance needed to ensure that we comply with all applicable laws, rules, regulations and local customary practices.



4 whistleblower reports

related to violations of human rights and labour standards were received in 2020/21

In 2021/22, we will focus on further cementing our dedication to ensuring the protection of human rights and labour rights by continuing our learning and implementation of the programmes and processes started in 2020/21. We will continue our work to ensure compliance with all external requirements and legislation.

Responsible supplier management

Why it is important

When large multinational companies make purchasing decisions for their operations, these decisions have a major environmental, social and economic impact all over the world. Not only do these decisions have a direct impact on the company itself and its direct suppliers, but they also have great impact on the entire supply chain and the local communities that are sourced from. Being able to monitor and address the impact and risks of these decisions is vital for a business to ensure the integrity and continuity of the company and protect its reputation and business.

Our policies and ambitions

The Ambu Global procurement policy sets the direction for Ambu's global procurement activities, with the purpose of ensuring compliance with principles and applicable rules and regulations, whilst allowing Ambu to meet its business objectives. To ensure that purchases from suppliers consider environmental and social aspects of the total life cycle of the purchase, the policy is supported by our Sustainability engagement policy.

How we work with it

At Ambu, we aim to work with suppliers that share our commitment to sustainability and responsible business practices. Ambu wants to support suppliers who are committed to implementing responsible business practices. Therefore, if a potential issue is identified during the due diligence process, Ambu and the supplier will agree and collaborate on the required improvements, rather than simply terminating the collaboration. We believe that as a big multinational company, we can make a difference in global supply chains.

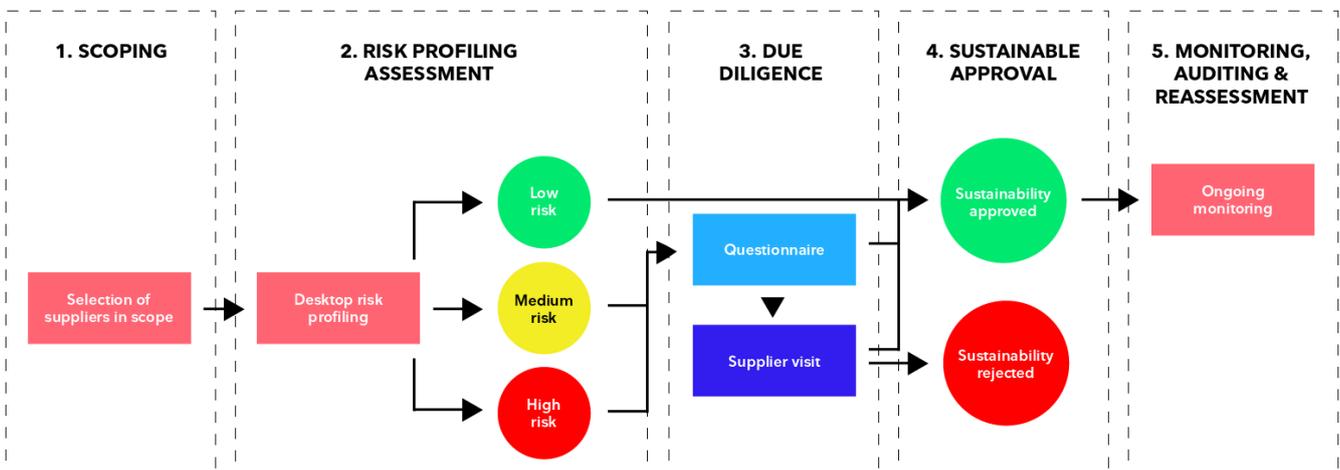
To support our ambition, we have developed a comprehensive Responsible Supplier Programme. Together with our Code of Conduct for Business Partners, the programme is designed to ensure that our suppliers not only address quality and cost requirements, but also a wide range of sustainability and integrity considerations, such as business ethics, labour rights and human rights and environmental impacts. It is developed to meet the growing expectations of our stakeholders and complies with requirements set out in the LSAS developed by NHS UK.



* Suppliers in scope are all A, B or C suppliers, regardless of the spend volume, and D suppliers with a yearly spend above DKK 250,000.

While we already require strategic suppliers to sign the Ambu Code of Conduct, the programme extends our requirements to our Direct Suppliers and Finished Goods Suppliers with spend above DKK 1 million (126 in scope), who will also be individually assessed as part of a due diligence process to ensure that they have implemented responsible business practices.

Supplier due diligence will be conducted on an ongoing basis, with revision and repetition of the exercise every 2-3 years, based on the current risk profile. New suppliers will enter the programme and go through the processes upon onboarding. The programme is designed so that it can be extended to include more and more suppliers and is developed in line with the Ambu Compliance Management System.



RESPONSIBLE SUPPLIER PROGRAM DECISION BOARD



Director
Innovation Project
Management

Vice President
Corporate
QA/RA

Vice President
Corporate
Procurement
- Chairman -

Director
ESG

Director
Corporate Business
Ethics & Compliance
- Secretary -

The governance structure of the responsible supplier programme decision board has been developed to ensure that action is taken, should difficulties with a supplier arise.

Targets and progress

In 2020/21, we developed our Responsible Supplier Programme and initiated the five steps of the programme for all suppliers in scope and reached our targets set for the year.

In 2021/22 we will focus on continuous learning while working with and improving the programme both internally and externally to ensure we live up to external requirements, including upcoming legislation in this area. We will also look into adding more suppliers and parameters for assessment to the programme.

Our targets for 2021/22 are to complete all ongoing and planned due diligence on selected suppliers in scope for 2021/22 and to perform minimum two site visits at selected medium- and high-risk suppliers.

Transparent tax management

Why it is important

Ambu develops, produces and sells medical devices to hospitals and health care professionals around the world. In the conduct of our business, we strive to meet the standard of being a good corporate citizen in all countries where we operate.

Policies and ambitions

The Ambu tax policy presents Ambu's most relevant tax policies and standards of operation within the field of corporate income tax. It is the overall responsibility of our CFO to ensure that Ambu's activities and tax positions are compliant with the tax policy.

How we work with it

Ambu operates a simple transfer pricing setup based on the principal structure and pays corporate income tax in the countries where business is conducted in accordance with the framework of international tax laws and the OECD guidelines on transfer pricing.

RESPONSIBLE SUPPLIER PROGRAM 2020/21 PROGRESS

Risk profiling assessment completed

126

Suppliers selected for due diligence

31

Completed due diligence

29

Ongoing due diligence

2



SUSTAINABILITY & ESG DATA

Performance data table
Sustainability & ESG data collection
Accounting practices
Independent assurance report

SUSTAINABILITY & ESG DATA

Performance data table

See the Ambu sustainability & ESG accounting practices for more information on data definitions and scope.

Product governance indicators

	Target 2022/23	2020/21	2019/20	2018/19	2017/2018	2016/2017
Product safety						
FDA warning letters (number)	0	0	–	–	–	–
Recalls (number)	0-5	0	–	–	–	–
Clinical trials and animal tests						
Total number of biosafety and design validation studies		189	–	–	–	–
Total number of animals used in trials with biosafety purpose initiated		168	–	–	–	–
Completed clinical trials		2	–	–	–	–

Comments on 2020/21 product governance indicators

Due to new regulations and ISO standards, an extraordinary number of studies conducted in 2020/21. Further comments on product governance can be found on pages 11-15.

Governance and compliance indicators

	Target 2023/24	2020/21	2019/20	2018/19	2017/2018	2016/2017
Corporate governance						
CEO pay ratio (times)		12	34	24	16	15
Board meeting attendance rate (%)		100	95	100	97	–
Business ethics & compliance						
White-collar and indirect blue-collar employees trained in Code of Conduct (%)	100	99.7	–	–	–	–
Number of reports through Whistleblower hotline (number)		10	5	0	–	–
...of which within scope (number)		10	3	0	–	–

Comments on 2020/21 governance and compliance indicators

The CEO pay ratio is calculated by applying full-year compensation for CEO Juan Jose Gonzales against the average compensation paid excluding the Executive Management of Ambu A/S. The decrease in the CEO pay ratio from 34 in 2019/20 to 12 in 2020/21 is due to differences in share remuneration. The Ambu Board of Directors held nine meetings during 2020/21. All Board members, during their tenure, attended all meetings. Further comments on remuneration and corporate governance can be found in the 2020/21 Remuneration Report and 2020/21 Annual Report, respectively.

All employees within scope have completed the mandatory Code of Conduct training. The remaining 0.3% is due to a delay for employees who had not completed the training by the cut-off date for the report. Ambu's Whistleblower hotline received ten reports (all within scope) in 2020/21. Ambu perceives the increase in reports as a positive result of our efforts to sustain a culture of integrity and raise awareness about the hotline and our policies for ethical business conduct. Further comments on business ethics & compliance can be found on pages 36-41.

Environmental indicators

	Target 2024/25	2020/21***	2019/20**	2018/19*	2017/2018	2016/2017
CO₂****						
Scope 1 (metric tonnes CO ₂ e)		4,329	957	944	845	842
Emissions from burning of natural gas and LPG (metric tonnes)		2,812	861	-	-	-
Emissions from burning of petrol and diesel (metric tonnes)		1,298	96	-	-	-
Emissions from refrigerants (metric tonnes)		219	-	-	-	-
Scope 2 – location based (metric tonnes CO ₂ e)		18,027	18,249	17,141	13,768	14,899
Scope 2 – market based (metric tonnes CO ₂ e)		18,505	-	-	-	-
Scope 1 + 2 (metric tonnes CO ₂ e)	9,043	22,356	19,206	18,085	14,613	15,741
Scope 1 + 2 by tonne of manufactured products (metric tonnes CO ₂ e /ton)		2.14	1.90	1.96	1.65	1.78
Scope 1 + 2 by revenue (metric tonnes CO ₂ e /DKKm)		5.57	5.38	6.41	5.61	6.68
Energy						
Total energy consumption (GJ)		199,927	138,411	130,849	107,185	113,072
Energy from natural gas and LPG (GJ)		47,634	16,947	-	-	-
Energy from petrol and diesel (GJ)		18,865	1,324	-	-	-
Energy from electricity from grid (GJ)		124,371	116,978	-	-	-
Energy from electricity from solar panels (GJ)		5,501	180	-	-	-
Energy from district heating (GJ)		3,556	2,982	-	-	-
Renewable energy share (%)		2.8	0.13	0.05	-	-
Renewable electricity share (%)		4.2	0.15	-	-	-
Water						
Total water consumption (m3)		137,115	123,115	129,958	101,142	116,233
Waste						
Total waste (metric tonnes)		2,429	2,276	1,661	1,226	1,426
Waste sent to incineration (metric tonnes)		146	55	-	-	-
Waste sent to recycling (metric tonnes)		968	937	868	1,167	12,17
Waste sent to landfill (metric tonnes)		1,315	1,284	-	-	-
Waste recycled (%)		40	41	57	70	65
Hazardous waste (%)		0.6	-	-	-	-

* Includes emissions from our three production sites and headquarters. ** Includes emissions from our three production sites and headquarters (incl. company cars). *** Includes emissions from our three production sites, offices and company cars and fugitive emissions from refrigerants (from production sites and headquarters). **** Ambu is dedicated to reporting all greenhouse gases (carbon dioxide, methane and nitrous oxide) and therefore always seeks to use conversion factors displayed as CO₂e. Of nine conversion factors, two are not available as CO₂e (electricity in China and district heating in HQ).

Comments on 2020/21 environmental indicators

During 2020/21, we expanded the data collection process in order to get a full picture of our Scope 1 and 2 emissions. In 2019/20, we disclosed emissions from all of our production sites and our headquarters. In 2020/21, we also disclose emissions from electricity used in all Ambu-leased international offices and warehouses, fuel consumption in all leased and owned company cars and fugitive emissions from leakage of cooling agents at our production sites and headquarters. This is the main reason for the big increase in our carbon emissions and energy consumption. Please be aware that the company cars included run on a mix of LPG, diesel, petrol and electricity.

We have included Scope 2 emissions calculated using the market-based method.

Even though electricity used in offices and warehouses has been added, a decrease in Scope 2 emissions is observed. This is due to the electricity generation by our solar panels in Penang, which have produced 1,510 MWh and thereby saved 800 tonnes of CO₂ from being emitted. This is also reflected in both the renewable energy share and the renewable electricity share.

The increase in water consumption is due to an increase in the number of employees.

The increased amount of waste is partly due to non-production waste now being reported by Xiamen and an increase in production in Penang.

Social indicators

	Target 2022/23	2020/21	2019/20	2018/19	2017/18	2016/17
Number of full-time employees at year-end		4,584	4,187	3,108	2,795	2,607
Average number of employees		4,437	3,617	2,957	2,712	2,503
Diversity & equality						
Gender – female/total (%)	45-55%	57	60	58	57	57
Gender – female white-collar managers/all white-collar managers (%)	40-45%	37	36	37	37	37
Gender – female managers/all managers (%)	40-45%	37	41	43	42	–
Gender – female executives/Executive Leadership Team (%)	40%	33	25	–	–	–
Gender – female members of the Board of Directors (%)	33.3-66.7%	20	17	0	0	–
Gender pay ratio, white-collar employees (times)	0.80-1.30	1.33	1.44	–	–	–
Gender pay ratio, indirect blue-collar employees (times)	0.90-1.10	1.02	0.97**	–	–	–
Gender pay ratio, blue-collar employees (times)	0.90-1.10	1.09	1.18**	–	–	–
Employee attraction & retention						
Employee turnover rate, white-collar employees (%)	9-12%	17	9*	13	11	–
Employee turnover rate, all employees (%)		18	14*	13	15	–
Voluntary turnover rate, all employees (%)		15	–	–	–	–
Involuntary turnover rate, all employees (%)		3	–	–	–	–
Employee health & safety						
Sickness absence rate (%)		1.76	1.76*	1.51	1.50	–
Fatalities (number)		0	0	0	0	0
Lost-time injury frequency (number of accidents with lost time per million hours worked)	Max. 2.0	1.07	1.44	1.32	–	–

* The employee turnover rate for all employees and white-collar employees and the sickness absence rate for 2019/20 have been restated, as we detected errors in the data reported last year. Years prior to that have not been restated.

** Gender pay ratio for indirect blue-collar and blue-collar employees were switched in 2019/20. This has been corrected.

Comments on 2020/21 social indicators

The decrease in the proportion of women (%), both at management level and across Ambu, can be attributed to more equal gender representation in Penang and a decrease in the proportion of women managers across our European locations. As we continue to focus on equal pay at Ambu, we see a more equal gender pay ratio across all employee groups (white-collar, indirect blue-collar and blue-collar employees) in 2020/21. Further comments on our performance on diversity and equality, along with our targets and progress, can be found on pages 31-32.

The increase in employee turnover both among white-collar employees and across Ambu can be attributed to the restructuring of our US Sales organisation as well as increasing

turnover at our production sites in Penang and Xiamen. Further comments on our performance on employee attraction and retention, along with our targets and progress can be found on page 29-32.

The decrease in Lost-Time Injury frequency (LTIf) is due to a drop in the number of accidents during 2020/21, while the total number of hours worked increased. Particularly Ballerup and Penang saw an increase in hours worked, due to more employees joining. We have not seen any material development in the sickness absence rate this year, despite Covid-19. Further comments on our performance on employee health & safety, along with our targets and progress can be found on pages 33-34.

Sustainability & ESG data collection

We continuously strive to develop our sustainability & ESG data collection and reporting in order to support our business and provide our stakeholders with relevant and transparent sustainability & ESG data.

We are at the beginning of a journey towards ensuring data registration, collection and reporting covering all relevant sustainability & ESG indicators and expect to develop further in the coming years.

Business changes impacting sustainability & ESG data

No mergers or acquisitions impacted sustainability & ESG data for 2020/21.

Detailing of sustainability & ESG indicators

In order to increase data transparency, we have decided to detail some of our sustainability & ESG indicators.

CO₂

Previously only the total amount of CO₂ divided into Scope 1 and 2 emissions was reported. As from 2020/21, we will also divide the total Scope 1 and 2 emissions into fuel or energy type.

Scope 1 (total)

- From natural gas and LPG
- From petrol and diesel
- From refrigerants

Scope 2 (total)

- Market based
- Location based

Energy

Previously, only the total amount of energy was reported. As from 2020/21, we will also divide the total energy consumption into fuel or energy type.

Energy consumption (total)

- From natural gas and LPG
- From petrol and diesel
- From electricity from grid
- From electricity from solar panels
- From district heating

Waste

Previously only the total amount of waste has been reported. From 2020/21, we will also divide the total amount of waste into treatment method.

Waste (total)

- Recycled waste
- Incinerated waste
- Landfilled waste

Recycled waste (%)

Hazardous waste (%)

Employee turnover

Previously only the total turnover for all employees was reported. As from this year, we add a detail layer dividing the total turnover into voluntary and non-voluntary turnover.

New sustainability & ESG indicators

- FDA warning letters (number)
- Number of recalls (number)
- Animal testing (number)
- Clinical trials (number)
- Scope 2 market-based (metric tonnes CO₂e)
- CEO pay ratio (times)
- White-collar and indirect blue-collar employees trained in Code of Conduct (%)
- Number of reports through Whistleblower hotline (number)

Revised sustainability & ESG indicators

Some numbers from previous financial years have been restated to correct errors in previously reported data. If the update has resulted in material changes to the figures, a note to the change and effect is provided.

- Scope 2 emissions are reported as both location- and market-based.
- Gender pay ratio for indirect blue-collar and blue-collar employees were switched by mistake in the 2019/20 reporting. This has been corrected, resulting in less significant development for the two indicators.
- Turnover rates for 2019/20 have been restated, as we discovered errors in the data collected from local sites, giving a significant increase in our total turnover rate last year. The data has been restated according to this year's accounting practice, excluding employees engaged by Ambu for less than eight days. As the error was mainly in the turnover data for blue-collar employees, the turnover rate for white-collar employees has not changed.
- We have expanded our disclosure of turnover data to provide more transparency on the nature of terminations (i.e. voluntary and non-voluntary), as we believe this provides more value to the reader in understanding the nature of our turnover.
- The sickness absence rate for 2019/20 has been restated as we discovered errors in the data collected from local sites. While the restatement has caused a minor increase in the sickness absence rate, it is still at satisfactory levels across the organisation.

Discontinued sustainability & ESG indicators

We have chosen to discontinue our disclosure of sickness days per employee as we believe the sickness absence rate provides a better picture of our performance for sickness absence. We still collect and monitor the data internally.

Accounting practices

Reporting standards

This report complies with the Danish Financial Statements Act §99a and §99d. Key ESG data follows the recommendations in "ESG key figures in annual reporting" prepared by The Danish Finance Society/CFA Society Denmark, FSR – Danish Auditors and Nasdaq Copenhagen with assistance from the Center for ESG Research.

Our materiality assessment, developed on the basis of guidance in The Global Reporting Initiative's (GRI) Reporting Principles, is used to determine report content.

Reporting period

Our reporting period covers our financial year running from 1 October 2020 to 30 September 2021.

Controls

A Sustainability Reporting Manual was developed in 2019/20 as a core element of our annual reporting cycle. It defines the reporting rules, processes and responsibilities for sustainability & ESG reporting at Ambu, including a two-tier control mechanism. Specifically, data owners are requested to include another colleague for control/quality assurance of data. Data owners are also required to provide an explanation for significant developments in the data reported.

Reporting scope

The scope for product governance indicators is defined as part of the indicator descriptions.

The scope for our energy consumption and CO₂ emissions covers our three production sites as well as offices and warehouses owned or leased by Ambu. It also covers all company cars owned or leased by Ambu. The scope for our water consumption and waste solely covers our three production sites and headquarters. Offices and warehouses are not included in the water and waste mapping due to non accessible data.

All social indicators, except for safety (LTIF and fatalities), include all temporary and permanent employees (based on full-time equivalents – FTE) with an Ambu contract. People without an Ambu contract, e.g. interns, consultants and externally hired temps, are excluded. Sickness absence is captured for 98% of our employees. The scope for LTIF and fatalities is our headquarters (HQ) and our three production sites in China, Malaysia and the USA.

The scope for governance and compliance indicators is defined as part of the indicator descriptions.

Product governance indicators

FDA warning letters

The scope of disclosure includes all FDA warning letters received by Ambu or by its subsidiaries.

Number of recalls

Recalls are defined as action taken to remove a product from the market for which it has been concluded that it could potentially affect the safety of patients or users.

The scope of disclosure includes recalls associated with all devices manufactured by Ambu or by its subsidiaries. Recall of products made purely for commercial reason are not in scope for reporting.

Animal testing

The scope covers all animal testing for a biosafety purpose and animal testing performed for innovation purposes (design validation or similar).

Clinical trials

The scope covers all clinical trials. Activities such as surveys performed for safety purposes are not considered to be clinical trials and are not in scope.

Environmental indicators

Greenhouse gas emissions (CO₂e)

Besides accounting for CO₂ emissions, we also include other greenhouse gas emissions. These are all converted to CO₂e using the global warming potential figures from the IPCC Fifth Assessment Report. Greenhouse gas emissions are disclosed according to the Greenhouse Gas Protocol.

Scope 1 covers direct GHG emissions from sources that are controlled by the company.

Ambu has the following sources of Scope 1 emissions:

- Consumption of natural gas and LPG.
- Consumption of fuels both at production sites and in company cars. As it is not possible to collect fuel or driving data from our company cars used by our sales force, emissions are calculated using a standardised yearly driving distance and emission from an average car.
- Leakage of refrigerants from air conditioning and ventilation units.

Scope 2 covers indirect GHG emissions from the generation of purchased electricity or heat used by the company, where the greenhouse gas emissions physically occur at the facility where the electricity or heat is generated. As from 2020/21, Ambu discloses Scope 2 emissions according to both the market- and location-based method. In order to compare Scope 2 figures with data reported in 2019/20, all Scope 2 comparisons are made using the location-based numbers.

Consumption of electricity and district heating at our three production sites and headquarters is based on invoices. Consumption of electricity used at our sales offices and warehouses is based on standardised numbers of kWh per m².

Conversion factors

Energy and refrigerant consumption is converted to CO₂ emissions using acknowledged sources, e.g. US EPA, DEFRA. Ambu is dedicated to reporting all greenhouse gases which are relevant to Ambu. These are carbon dioxide, methane and nitrous oxide. We therefore always seek to use conversion factors displayed as CO₂e. Two conversion factors are not available as CO₂e (electricity in China and district heating in HQ).

Total energy consumption is summarised in GJ. Conversion of units to GJ is based on factors presented by the GHG protocol Cross sector tool, DEFRA conversion factors and other recognised sources.

The renewable energy is generated by solar panels installed at our headquarters and at our factory in Penang. The renewable energy volume from our headquarters is based on a performance calculation, while in Penang it is based on invoices.

Tonnes of manufactured products includes packaging and is based on the number and weight of products shipped from our factories.

Water consumption is the sum of all water consumed. The sum of all water drawn into the boundaries of the company from all sources, including surface water, groundwater, rainwater and any municipal water supply. Water consumption is based on meter readings and invoices. It has only been possible to collect water consumption data from our three production sites and headquarters.

Waste is defined as what is left when production or consumption ends. It is material that must be disposed of so that it does not accumulate to become a nuisance. Waste data is based on invoices from waste collectors and divided into total volumes of waste and the various waste treatment methods. Hazardous waste, as defined in the European Waste Directive, is given as a percentage of the total waste amount. Waste recycled (%) is calculated by dividing the recycled waste amount by the total waste amount. Hazardous waste (%) is calculated by dividing the hazardous waste amount by the total waste amount. It has only been possible to collect waste data from our three production sites and headquarters.

Social indicators

The scope for social indicators is all permanent and temporary Ambu employees (based on full-time equivalents). People without an Ambu contract, e.g. interns, consultants and externally hired temps, are excluded. If another scope is applied, this is stated.

Number of full-time employees at year-end includes all employees with an Ambu contract. Employees can be on full-time, part-time or temporary employment contracts. A full-time employee or full-time equivalent (FTE) is an employee working full time according to national standards.

Average number of employees is the average number of employees throughout the year. It is reported as full-time equivalents (FTEs).

Gender diversity (%) is calculated by comparing the number of women among all employees (as per total number of full-time employees at year-end) and at different management levels (i.e. among white-collar employees, all managers in Ambu, within the Executive Leadership Team and on the Board of Directors). The gender diversity of members of the Board elected by the annual general meeting (AGM) does not include employee-elected members.

Gender pay ratio (times) is calculated on the basis of the full compensation, which includes total cash target, pension and car. The data shows the number of times the female median salary can be covered by the male median salary. The figure includes 99.7% of our employees.

Employee turnover rate (%) is calculated by comparing the total number of both voluntary and non-voluntary leavers (retirees and terminations due to abscondment are considered voluntary leavers) with the number of Ambu employees at year-end (FTE). Blue-collar are reported as headcount; white-collar and indirect blue-collar as FTEs. As from 2020/21, the data shows voluntary and non-voluntary turnover. The turnover rate is only calculated for employees with an Ambu contract. Employees employed for less than eight days or leaving at the end of a fixed-term contract are excluded.

Sickness absence is calculated as a rate (%) that compares the total number of sickness days with the total number of working days in the year (excluding planned leave). Data for sickness absence is collected and reported by HR managers at our local offices and production sites. Working days for our white-collar and indirect blue-collar employees are based on national averages or derived from contractual agreements on the working hours/week. For our blue-collar employees, we use actual working days registered on-site. Some local systems are not yet able to capture the data in the required format. This year's data includes 98% of our employees. In 2019/20, the data included 83% of our employees globally.

Lost-Time Injury frequency (LTIf) is calculated as the number of accidents with lost time per million hours worked. Hours worked are reported for all employees at the sites during the data period. Our production sites in Xiamen, Penang and Noblesville report actual working hours. Our headquarters in Ballerup use an estimate based on contractual agreements (e.g. 37 hours/week). Frequency is calculated for both permanent and temporary employees but does not include contractors or persons not directly employed by Ambu.

Fatalities is the total sum of fatalities reported in 2020/21 at our headquarters and our three production sites in China, Malaysia and the USA. No fatalities were recorded at our remaining sites either.

Governance and compliance indicators

CEO pay ratio is the number of times the average staff salary can be covered by the CEO compensation. It is calculated by dividing total expenses for CEO compensation (including fixed salary and pension contributions) by the average employee salary at Ambu A/S. The average employee salary is calculated by dividing the total staff costs (including employee benefits such as company car, telephone and insurance) by the average number of employees at Ambu A/S during the year. Ambu A/S data is used to calculate the ratio as it provides a more accurate foundation for comparison, without being skewed by differences in local salary levels.

Board meeting attendance rate (%) is calculated only for the members elected at the Annual General Meeting (AGM) on the basis of each member's attendance of each Board meeting during their tenure.

White-collar and indirect blue-collar employees trained in Code of Conduct (%) is calculated by comparing the number of employees who have completed training in our Code of Conduct with the number of employees in scope. For 2020/21, only white-collar and indirect blue-collar employees are in scope.

Whistle-blower reports include both the total number of reports received through the Ambu Whistleblower hotline and those in scope for investigation as per our guidelines

Independent auditor's limited assurance report

To the shareholders of Ambu A/S

We have been engaged by Ambu A/S to perform a 'limited assurance engagement' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Ambu A/S' Sustainability & ESG data (the "Subject Matter") for the period 1 October 2020 to 30 September 2021, which are included on pages 43-46 in Ambu A/S' Sustainability Report 2020/21.

In preparing the Sustainability & ESG data, Ambu A/S applied the accounting practice (Criteria) described on pages 47-48.

Management's responsibilities

Management of Ambu A/S is responsible for selecting the Criteria, and for presenting the Sustainability & ESG data in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject matter, such that it is free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on our procedures and the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000') and additional requirements under Danish audit legislation. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We have maintained our independence and confirm that we have met the requirements of the ethical standards under FSR - Danish Auditors' Code of Ethics for Professional Accountants, which rely on general principles regarding integrity, objectivity, professional competence and due care, confidentiality and professional conduct, and have the required competencies and experience to conduct this assurance engagement. EY Godkendt Revisionspartnerselskab also applies International Standard on Quality Control 1, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Sustainability & ESG data and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Conducted interviews with personnel to understand the business and reporting process
- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the subject matter during the reporting period
- Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria
- Undertook analytical review procedures to support the reasonableness of the data
- Identified and testing assumptions supporting calculations

- Tested, on a sample basis, underlying source information to check the accuracy of the data
- Performed site visits with manufacturing sites

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Sustainability & ESG data from the period 1 October 2020 to 30 September 2021 in order for it to be in accordance with the Criteria described on s 47-48.

Frederiksberg, 9th of November 2021
EY GODKENDT REVISIONSPARTNERSELSKAB
CVR-nr. 30 70 02 28

Søren Skov Larsen
Partner, State authorized accountant
mne26797

Carina Ohm
Partner, Head of Climate Change
and Sustainability Services

SUSTAINABILITY PERFORMANCE HIGHLIGHTS

2019/20 → 2020/21



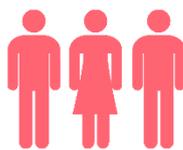
80% →
100%

Scope 1 + 2
covered



0% →
4%

Renewable
electricity share



25% →
33%

Women in
Ambu's Executive
Leadership Team



1.44 →
1.07

Lost-Time Injury
frequency and
0 fatalities



0% →
99.7%

Employees trained
in our Code
of Conduct

Ambu FOREVER
FORWARD