

**STILLE**

Sustainability Report  
**2025**



Surgical perfection. For life.

Stille has been working with high-quality surgical products for over 180 years. The company's long history is built on craftsmanship, quality, innovation and responsibility – not only towards surgeons and patients but also towards the community and the environment in which the company operates.

In 2025, the Stille Group continued to expand as a group through the acquisition of Surgical Holdings. This further reinforces the already identified need for a more robust structure and greater harmonization of the Group's sustainability initiatives, including the collection and consolidation of sustainability data across the Group.

Sustainability is important to Stille for several reasons.

### 1. Competitive advantage

Stille operates in the premium segment for surgical instruments and surgical tables. As well as high quality, customers also expect responsible production.

Sustainability gives the company an opportunity to further differentiate its offering and ensure continued leadership in craftsmanship, sustainability and environmental responsibility.

### 2. Long-term resource optimization

Sustainable methods are not only about compliance, they also improve our efficiency. Reducing waste, optimizing energy use and improving supply chain sustainability contribute to long-term cost savings and resilience, especially in a world with increasing resource constraints and unpredictable market conditions. Ensuring access to sustainable raw materials, minimizing our environmental impact and partnering with responsible suppliers is therefore crucial.

### 3. Market expectations

The healthcare sector is undergoing major changes, with stricter environmental regulations, rising customer expectations and new compliance requirements (such as the Corporate Sustainability Reporting Directive (CSRD) and the Medical Device Regulation (MDR)). Hospitals and care providers are actively seeking partners who support their sustainability goals, making this a key factor in procurement decisions.

### 4. Customers, employees and partners

The next generation of engineers, medical experts and business leaders is increasingly prioritizing companies that take sustainability seriously. Similarly, strong sustainability efforts strengthen relationships with hospitals, distributors and industry players who are focused on sustainability in their decision-making.

Stille has a pragmatic and focused approach to sustainability. The company balances a commitment to high-quality manufacturing and regulatory compliance, while continuing to meet the needs of customers, partners and investors.

# Our sustainability journey

The context analysis performed in 2024 showed that sustainability rules and trends will affect Stille's operations, market position and long-term success, especially in the company's key European markets. The three key focus areas that we recognized then and that are still valid as per today, are :

- 1) Transition to a circular economy, emphasizing product lifespan and recycling,
- 2) Social sustainability, focusing on fair working conditions and patient impact, and
- 3) Supply chain transparency and traceability, including reporting.

We continue working on these areas under 2025 and beyond.

Additionally, consumers' growing awareness of sustainability, the shift to renewable energy, and the increasing demand for sustainable supply chain management are shaping market expectations. Procurement processes are increasingly prioritizing the carbon footprint of products, leading to a heightened interest in reuse, repairs, and closed-loop systems in the medical technology sector. Responding to this trend presents both challenges and opportunities for the Group to differentiate itself and strengthen its long-term growth.

## Stakeholder perspectives

Stille is active in several markets, and the priorities of stakeholders vary by region. The stakeholder analysis mainly focused on customers, employees, investors, and local communities. Here are some of the key in-sights:

### Customers

Customers, especially in the Nordic region and the UK, are increasingly requesting sustainability in their purchasing processes. Plans to reduce CO<sub>2</sub> emissions are becoming increasingly common and customers generally welcome Stille's increased focus on sustainability.

### Employees

Social sustainability, especially working conditions, is a top priority for employees. While environmental considerations are deemed relevant, they are not usually a decisive factor for employees in connection with recruitment. There are regional variations however. Employees in Germany, for example, seem to value sustainability more than their Swedish colleagues. While some see room for improvement, the employees generally view Stille's sustainability efforts as positive, especially in regard to internal communication and environmental awareness. A common source of pride is the lifespan of the products and their patient impact.

### Investors

Sustainability has become an important focus for investors, with an emphasis on climate impact, employee well-being and a sustainable supply chain.

### Local communities

In Torshälla, Sweden, where the company's main production facility is located, Stille is recognized as a valued employer. Municipal representatives highlight Stille's contribution to public health through high-quality, sustainable products.



## Double materiality assessment and Sustainability Roadmap

The double materiality assessment that was carried out in autumn 2024 will provide the basis for data collection and reporting during 2025–2026. Although the results have not been fully presented in this report, the materiality assessment has served as the foundation for both the company's Sustainability Roadmap and the assessment of sustainability-related risks. These will be continuously reviewed.

The double materiality assessment is not only a tool for determining what should be reported, but also a control instrument that will eventually be further developed.

The Roadmap identifies five key focus areas for the Group:

- 1. Environment and climate**
- 2. Suppliers** with a focus on reviewing partnerships and identifying risks
- 3. Social sustainability** with a focus on employees
- 4. Governance and anti-corruption**
- 5. Enabling better health** for those who benefit from the Group's products

# Environment and climate

Stille's long history gives insight into what it means to run a sustainable business. Like all manufacturing companies, Stille also has an environmental impact, and there is still work to be done to set better targets and measure them. The data presented below should be viewed as a starting point for measuring and tracking our impact.

Stille has elected to use the Greenhouse Gas (GHG) Protocol as the basis for our climate-related data points. Over time, the company intends to develop additional and more in-depth targets – and data.

In recent years, efforts have been made to improve energy efficiency at various facilities. This has included the installation of solar panels and time-controlled ventilation, for example. Under 2025 we improved and modernized the energy intensive equipment, installed sensors to get a better energy efficiency, and replaced the air purification system. Replacing old compressors lead to savings of approximately 8 MWh annually. We changed where possible our company cars from petrol driven to electricity driven and hybrid cars. Total energy consumption in 2025 amounted to 532,515, of which 465,025 came from renewable energy

sources. Compared with 2024, the share of renewable energy increased, while total energy consumption decreased slightly. This reflects continued efforts to improve energy efficiency and further transition towards renewable energy sources across operations.

## Waste

In 2025, the company's total volume of registered waste amounted to approximately 60 tonnes, compared with 50 tonnes in 2024, reflecting the Group's continued growth. At the same time, the volume of non-recyclable waste decreased significantly, from 19 tonnes in 2024 to 13 tonnes in 2025, indicating improved waste sorting and resource efficiency. Hazardous waste remained at a low and stable level, amounting to 3.1 tonnes in 2025 compared with 3.2 tonnes in 2024. Overall, the development demonstrates strengthened waste management practices despite increased operational activity.

The Group does not generate any revenue from the fossil-fuel sector.

	SCOPE 1 <sup>1</sup>	SCOPE 2 <sup>2</sup>	SCOPE 3 <sup>3</sup>	ENERGY CONSUMPTION (KWH)	HAZARDOUS WASTE <sup>4</sup>	OTHER WASTE
Group	42.3 tCO <sub>2</sub> eq	56 tCO <sub>2</sub> eq	181 tCO <sub>2</sub> eq	465,025 renewable of 532,515 in total (87%)	3.1 tonnes	Approx. 60 tonnes, approx. 13 tonnes for incineration or landfill

<sup>1</sup> Refers to own and leased vehicles. The figure is an estimate and mainly based on activity and fuel-based data and, in some cases, was extrapolated when specific data was unavailable. An emission factor 2.4 kg CO<sub>2</sub>eq per 10 km was used.

<sup>2</sup> Energy and heating/cooling was calculated as location-based. Electric vehicles not charged at workplaces were not included this time, but are assumed to be negligible.

<sup>3</sup> Refers to air travel and hotel stays. Air travel is partially calculated by our travel agent in Sweden. For those cases where we were unable to obtain reliable data from travel agencies, the number and type of flights were estimated, and emissions were calculated using the ICAO methodology and emission factors.

Hotel data is based on registered information for Sweden, which was then extrapolated by the company. Moving forward, there are plans to expand the sources of Scope 3 emissions to include more information about the supply chain and transportation of goods.

<sup>4</sup> Emulsions, e-waste, used oil, solvents and aerosols.

# Social sustainability and human rights

## Well-being in the workplace

Job satisfaction and well-being at work are important. Stille has been carrying out employee satisfaction surveys since 2020. As new acquisitions have been made, new subsidiaries have also been included in the employee satisfaction surveys. However, Surgical Holdings will be included in the Group's employee survey from 2026 onwards, as the company conducted its own employee survey in 2025 prior to becoming part of the Group.

The relatively low attrition rate, combined with what is often described as a strong corporate culture in which employees take pride in the quality of the Group's products, suggests a high level of well-being in the workplace. Employee engagement and workplace advocacy are measured through the Employee Net Promoter Score (eNPS), which is included in the annual employee survey. At Group level, the eNPS improved significantly, increasing from -5 in 2024 to +10 in 2025, reflecting a positive overall development across the Group.

## Diversity and inclusion

The company has a higher proportion of men than women in both production and management, and on the Board. Women make up around 13 percent

of the management team. The change to 2024 is predominantly due to acquisition and a new organizational structure. It is in the company's interest to continuously promote diversity.

The analysis of gender pay gaps currently refers to Stille AB only. Adjusted for the overrepresentation of men in Group management, there is no material pay gap in the company.

## Collective agreements

Stille AB is a member of Teknikarbetsgivarna (Swedish association for employers of engineers) and the Confederation of Swedish Enterprise. Through its membership in Teknikarbetsgivarna, the company is bound by collective agreements between Teknikarbetsgivarna and IF Metall (the Swedish metalworkers union), and collective agreements between Teknikarbetsgivarna and Unionen (the Swedish white-collar trade union), the Swedish Association of Graduate Engineers and the Swedish Association of Management and Professional Staff. Through its membership in the Confede-

Work-related injuries	Three work-related injuries <sup>1</sup> and a total of 4.5 days lost due to injuries. No fatalities.
Gender pay gaps	14.9 % (Stille AB/Sweden only)
Gender breakdown	38% women
Attrition rate	6%
Employee Net Promoter Score (eNPS)	Employee satisfaction surveys have been conducted annually since 2020. The current eNPS is +10 2025

<sup>1</sup> Requiring medical treatment, possible reassignment of duties, sick leave, etc. due to injury. If a "broader definition is used," the number would increase to 11 injuries for the entire Group in 2024.



ration of Swedish Enterprises, the company is bound by mandatory agreements regarding insurance and pension plans. The subsidiaries do not have any collective agreements, but employees are neither prevented nor discouraged from organizing themselves into unions.

Stille's experience is that collective agreements provide structure and therefore facilitate a constructive dialogue in the workplace.

## Supply chain

A systematic sustainability assessment of the company's supply chain has not yet been carried out. However, the company's assessment is that it adheres to the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and the Ten Principles of the UN Global Compact.<sup>1</sup> More efforts are planned to systematically assess and focus on value chain sustainability in the coming years.

## End users

The feedback that the company receives from surgeons and other users is that Stille, Fehling, S&T and Surgical Holdings offer high-quality products that are highly valued. Since the company also provides services for both surgical instruments and surgical tables, it can be concluded that the products that are manufactured are both durable and often used for several decades.

## Governance and anti-corruption

Ensuring that the company's structures and culture uphold high business ethics has always been a priority for us. Stille is committed to maintaining the same business standards across the Group. The whistleblowing system can be used by everyone. There have been no convictions or allegations of corrupt or illegal behavior.

<sup>1</sup> Stille is not a member of the UN Global Compact.

# Sustainability-related risks

When the double materiality assessment was performed in 2024, it became clear that Stille has an impact in eight of the ten ESG topics identified in the European Sustainability Reporting Standards (ESRS). However, the risks associated with the company's negative impacts are relatively manageable. The identified risks can involve both impact mate-

riality ("inside-out" perspective) and financial materiality ("outside-in" perspective) in relation to the risk of increased energy prices and risks in the value chain. The latter applies primarily to sub-suppliers (such as raw material suppliers or potential workers in the value chain). This issue is associated with limited knowledge and is not therefore a confirmed risk.

# Materiality

The results of the double materiality assessment conducted in 2024 indicate that Stille's impacts offer considerable potential, deriving from the positive effects on patients due to high-quality instruments and devices as well as the durability of the products,

enabling instruments to be repaired and thereby become part of a circular business model. Stille's most material "negative impacts" are related to climate change, its own workforce, water and workers in the value chain.