
2022 SUSTAINABILITY REPORT

ABOUT THE SUSTAINABILITY REPORT

This Sustainability Report covers the 2022 fiscal year. The Sustainability Report comprises RaySearch Laboratories AB (publ), hereafter referred to as RaySearch, Corp. Reg. No. 556322-6157 and its underlying subsidiaries. The Sustainability Report has been prepared pursuant to Chapter 6, Sections 10–14 of the Swedish Annual Accounts Act. The statutory Sustainability Report is issued by the Board of RaySearch Laboratories AB (publ). The Sustainability Report of RaySearch Laboratories AB (publ) for the 2022 fiscal year describes the company's material issues from an environmental, social, employee and human rights perspective. The company's business model, strategy, risk mitigation, policy processes, KPIs and performance are described briefly, based on these issues.

Reporting method

This report describes RaySearch's sustainability progress in 2022 and indicates priorities for 2023. The report is based on a materiality assessment conducted in 2018, that was updated in 2022. In this assessment, potentially material issues are identified first. Next, the issues considered material on the basis of their significance for RaySearch's broader stakeholder group and that the company can influence, are defined. Finally, the assessment describes key stakeholder groups, benchmarking and relevant reporting frameworks in the industry.

The reporting is based on three material issues and their sub-sections, and that are integrated into the company's three strategic business priorities:

- Innovative software development
- Strategic partnerships
- Attractive employer

The main objective of the report is to comply with the Swedish Annual Accounts Act. The 2022 Sustainability Report provides the basis for further analysis and projects designed to meet the upcoming requirements of the EU's Corporate Sustainability Reporting Directive (CSRD). It will also provide stakeholders with a transparent view of RaySearch's sustainability progress in addition to the Annual Report, and highlight the link between RaySearch's business and sustainability strategy.

Data compilation

The non-financial information in this report has been obtained from various reporting systems and from each of RaySearch's operating segments. Comments in this report describe whether any data is limited due to, for example, a deficient control environment, IT system or internal documentation.

Responsibility for the report

The Board is responsible for the Sustainability Report.

DESCRIPTION OF RAYSEARCH

RaySearch Laboratories AB (publ) is a medical technology company that develops innovative software solutions for improved cancer treatment. The company was founded in 2000 as a spin-off from the Karolinska Institute in Stockholm and the share has been listed on Nasdaq Stockholm since 2003. The company's vision is a world where cancer is conquered. The mission is to provide innovative software to continuously improve cancer treatment. The value that RaySearch offers is therefore innovative software solutions that improve cancer care through more efficient treatment and improved treatment outcomes.

RaySearch mainly develops and markets four products. Most revenue is generated by the initial license fee that customers pay for the right to use the software, and an annual fee for access to updates and support. The company's software is developed at RaySearch's head office in Stockholm, and distributed and sold by RaySearch's global marketing organization. Products are distributed via licensing agreements with leading medical technology companies. RaySearch's software has been sold to over 900 clinics in more than 40 countries. RaySearch's business model therefore requires a strong focus, and trust is placed in partnerships and innovation in order to achieve growth targets in the market. More information about RaySearch is available at www.raysearchlabs.com

Vision

A world where cancer is conquered.

Mission

To provide innovative software to continuously improve cancer treatment.

Value offering

Cancer radiation therapy is a highly complex treatment modality. RaySearch provides innovative software to improve cancer treatment in terms of both efficiency and treatment outcomes. RaySearch currently has four products: RayStation treatment planning system, RayCare oncology information system, RayIntelligence analytics system and RayCommand treatment delivery system. RayStation is RaySearch's original and still dominant product in terms of sales.

Customers and market

RaySearch's customers comprise cancer centers all over the world and the business is driven by the continuously growing need for cancer treatment. Worldwide, an estimated 19.3 million new cancer cases occurred in

2020. This figure is expected to exceed 30 million by 2040 and the most important factor for this increase is the aging population. RaySearch divides the global market into three geographic regions – Americas, Europe/Africa and Asia-Pacific & Middle East.

Sales channels

To always be able to offer local service in local languages, RaySearch has formed a global organization with offices and distributors in three regions – Americas, Europe/Africa and Asia-Pacific & Middle East. To secure the distribution channels and an ethical supply chain, it is important that RaySearch continues to maintain good relationships with its distributors.

Business partners

RaySearch essentially has two types of partners – industrial and clinical. RaySearch's systems and software products are developed in close collaboration with these partners, comprising several leading cancer centers, research institutes and medical device suppliers.

DESCRIPTION OF MATERIAL SUSTAINABILITY ISSUES

Guidelines and method applied

RaySearch bases its sustainability performance measurement and reporting on a materiality assessment. The materiality assessment was conducted in 2018 and revised in 2022. The assessment included the following steps:

Step 1. Identify impacts

Based on the environment, social conditions, employees, respect for human rights and anti-corruption, RaySearch identified a number of sustainability issues.

Step 2. Analysis and assessment

The issues identified in Step 1 were analyzed on the basis of RaySearch's impact and the relevance of each issue for stakeholders. Based on the results in Step 2, each specific issue was compared with the others. The three issues considered material are innovative software development (section 7.1), strategic partnerships (section 7.2), and attractive employer (section 7.3).

Step 3. Validate relevance

The three most relevant areas were validated with stakeholder groups, benchmarking and relevant frameworks.

Presentation of material issues

RaySearch's material issues are innovative software development, strategic partnerships and attractive employer. Each issue has sub-categories and addresses RaySearch's disclosures of information regarding social conditions, employees, the environment, respect for human rights and anti-corruption.

The table below shows the three material issues. Sub-categories are also presented for each issue. These are considered key aspects of the topic and are explained in more detail.

1. INNOVATIVE SOFTWARE DEVELOPMENT TO CONQUER CANCER

1.1 INNOVATION AND STREAMLINING

1.2 HIGH PATIENT AND PRODUCT SAFETY

1.3 DATA SECURITY

1.4 ENERGY EFFICIENCY

2. STRATEGIC PARTNERSHIPS ARE CRUCIAL

2.1 HIGH BUSINESS ETHICS

3. ATTRACTIVE EMPLOYER

3.1 SKILLS PROVISION

3.2 COMPANY CULTURE

3.3 DIVERSITY

3.4 LEADERSHIP

3.5 WELLBEING

SUMMARY TABLE – OUTCOMES AND PLANS 2022/23

The following table summarizes targets, overall KPIs, outcomes, status, risk mitigation and policies for RaySearch’s material sustainability issues.

Topic 1 – Innovative software development to conquer cancer

Main risks

- Risk of deficiencies in patient safety, product safety and data security: Control system deficiencies may lead to patient harm, contractual losses, brand damage and low business valuation.
- Risk of skills shortage: A skills shortage may impede the innovation process. This could lead to a further loss of skills which could further impede the innovation process and reduce the ability of the company’s solutions to compete with market developments.
- Risk of environmental impact: Risk of not managing and mitigating the negative environmental effects of the company’s activities, products and supply chain effectively, which may lead to non-compliance with legal requirements as well as financial, reputational and environmental damage.

Applicable policies and guidelines:

- Quality assurance system
- Compliance Analysis – data security
- Environmental Management System Policy

Primary KPIs	Target	Outcome 2022	Outcome 2021	Status	Comments
No. of patient safety incidents	0	6	1	X	Target will continue until 2023 with possible adjustments for CSRD requirements.
No. of new product launches	9	5	8	X	In the second-half of 2022, a major restructure of parts of RayStation, RayCare and RayCommand was prioritized, whereby the launches planned for December were postponed until 2023.

Secondary KPIs	Outcome 2022	Outcome 2021	Comments
Granted patents	45	63	In 2022, RaySearch was granted 45 new patents, which is confirmation of the company’s continued innovation capability.
Ongoing patent applications	261	176	In 2022, the number of new patent applications remained unchanged from 2021. However, the total number of applications increased through international patent filing.

Topic 2 – Strategic partnerships

Main risks

- Risk of unethical business relationships due to a negative business culture and unclear rules, which could affect the company's ability to handle corruption and human rights appropriately and result in claims for damages.

Applicable policies and guidelines:

- Anti-corruption policy
- Code of Conduct

Primary KPIs	Target	Outcome 2022	Outcome 2021	Status	Comments
No. of confirmed corruption incidents	0	0	1	✓	Target will continue until 2023 with possible adjustments for CSRD requirements.

Secondary KPIs	Outcome 2022	Outcome 2021
Employees who underwent compliance training	94%	95%

Topic 3 – Attractive employer

Main risks

- Risk of losing key employees due to the company's poor employer brand, which could lead to a lack of talent, poor employee wellbeing and loss of creativity and innovation capability.
- Risk of physical and mental stress due to a heavy workload, which could lead to higher sickness absence and employee turnover, and result in a weaker company culture and growth rate.

Applicable policies and guidelines:

- Code of Conduct
- Health & Safety Policy
- Staff Rehabilitation Policy
- Policy against Discrimination, Harassment and Victimization

Primary KPIs	Target	Outcome 2022	Outcome 2021	Status	Comments
eNPS score	+20	+14	+30	X	Target will continue until 2023 with possible adjustments for CSRD requirements.

Secondary KPIs	Outcome 2022	Outcome 2021
Level of education	91%	96%
No. of PhDs in R&D	16.7%	18.6%
Employee growth rate	-48, -9%	70, +4%
No. of employees at year-end	370	418
Distribution in offices	267 Stockholm, 101 subsidiaries	303 Stockholm, 109 subsidiaries
Gender distribution (total)	Men 66%, women 34%	Men 66%, women 34%
Gender distribution (senior positions in Sweden)	Men 66%, women 34%	Men 64%, women 36%
Gender distribution (Board)	Men 80%, women 20%	Men 60%, women 40%
Gender distribution (senior positions)	Men 74%, women 26%	Men 70%, women 30%
No. of nationalities	29	35
Equal pay	Yes, no official figures	Yes, no official figures
Competence development initiatives	Global knowledge-sharing sessions 2022	Increased, no official figures
No. of managers who underwent leadership training	96%	100%
Sickness absence	2.9%	1.5%
Wellbeing allowance use rate	83.6%	78.8%
Employee turnover	19, 2%	14.6%

STRATEGY AND TARGETS WITH A SUSTAINABILITY FOCUS

The business strategy is linked to RaySearch's three material sustainability issues in order to create value and realize the company's mission. The three strategies that were revised prior to the 2021 financial year remained in place throughout 2022 with continued relevance for 2023.

Overall objectives

- To reduce premature mortality from cancer by one-third by 2030.
- To strengthen our position in the radiation therapy market and thereby give more cancer centers access to more effective radiation therapy.
- To identify and implement strategies to reduce employee turnover to less than 10%.
- To identify and implement strategies to keep sickness absence below 2% and reported work-related injuries and illness at 0%

1. Innovative software development to conquer cancer

To realize the company's mission to provide innovative software, RaySearch needs to invest heavily in R&D. A strong focus on leading functionality, streamlined workflows and broad support for a wide range of treatment modes and types of radiation therapy machines is required. During the 2018-2022 period, average investment in R&D was 34 percent of net sales annually. By following this strategic line, RaySearch can develop software products that are safe and effective for patients from a product, data and clinical perspective, and help to realize the vision of a world where cancer is conquered and thereby, from a social perspective, increase global health and wellbeing.

2. Strategic partnerships are crucial

To realize the company's mission of providing innovative software, RaySearch needs to be able to legitimately promote and bring products to market. This is achieved through strategic partnerships. Therefore, the company will continue to develop collaborations with current and future strategic partners, such as world-leading clinics, research institutes and medical device suppliers. These collaborations should be characterized by good business ethics, which is why measures are taken to prevent corruption and protect human rights.

3. Attractive employer – a pioneer with a clear mission

To realize the company's mission of providing innovative software, RaySearch needs to be an attractive employer. This is achieved by working ambitiously and sustainably to engage and attract employees via upskilling, an innovative company culture, diversity, inclusion, leadership and wellbeing.

Innovative software development to conquer cancer

In 2022, to ensure the continued development and delivery of innovative software solutions that are helping to conquer cancer all over the world, RaySearch focused on enhancing the customer experience in new and existing software, while also strengthening development teams. The customer experience has been improved by integrating customer feedback into the development of the new RayCommand treatment control system. RayCommand is RaySearch's unified treatment control system. To enable the launch, teams predominantly worked in the office to build a strong team spirit and inspire idea generation. New employees were also brought into teams by recruiting students in autumn 2022 via the RayAcademy initiative. RayAcademy provides an accelerated onboarding process for new employees, allowing them to step into their positions and projects faster. Teams are important for continuous innovation, so the loss of key employees and innovation capability would therefore expose the company to significant risk. RaySearch works actively to retain talent through its HR processes and related policies. For more information, refer to section 4.3. One approach is to offer employees the flexibility to work in the teams where they feel they can create the most value.

Another risk is the failure to provide innovative software due to poor patient or product safety, or inadequate data security. RaySearch manages this risk by maintaining a robust quality assurance system that is reviewed annually. Patient safety incidents are also a primary KPI. In 2022, six incidents were reported.

In 2023, the plan is to focus on developing the quality of products by linking them together. Clinics should be able to streamline their cancer treatment by recognizing RaySearch's software environment at any stage of the treatment they are providing.

Innovation via streamlining

For RaySearch, continuous innovation is a prerequisite for success. About half of the company's employees work in R&D. A key element of the development process is to continuously help to improve resource efficiency in cancer care in regard to time, quality, costs and material. The greater the efficiency of work flows and effectiveness of treatment devices in the radio therapy clinics, the more patient lives can be saved and improved. Clinics that want to improve their radiation therapy do not have to upgrade to the latest hardware. They can achieve equally positive outcomes by choosing RayStation for their treatment planning, since this software can optimize the performance and extend the life of their radiation therapy machines. The productivity gains could amount to 25–40 percent, which leads to improved quality of care and the capacity to treat more patients. RaySearch's oncology information system, RayCare, is a powerful tool for automating and streamlining workflows, and for optimizing the resource utilization of cancer centers. This proved particularly important during the COVID-19 pandemic, when efficiency enhancements saved valuable time and resources.

In 2022, there was a major focus on launching RayCommand. The treatment control system serves as a seamless link between the treatment machine and the treatment planning and oncology information systems. In April 2022, MedAustron in Austria started using the product clinically to streamline position controls before, during and after the treatment. Efficient coordination of the body position is crucial for the delivery of safe and effective patient treatments, regardless of the type of treatment machine. RayCommand differs from RaySearch's other products because the system is closely integrated with a wide range of treatment control systems. RayCommand is initially expected to be interesting for new suppliers of radiation therapy machines who can integrate RayCommand instead of developing a completely new treatment control system.

In 2022, the development process that commenced in the Machine Learning Department in 2021 continued. The focus was on the development of machine learning applications for RaySearch's products. Since 2018, machine learning applications have been available in RayStation to automate organ segmentation and treatment plan generation. Substantial time savings have been achieved in patient treatment by using automated organ segmentation. The time saving per patient is 30–45 minutes. This has helped to compensate for the shortage of physicians specialized in radiation therapy, and was particularly valuable during the COVID-19 pandemic.

High patient and product safety

RaySearch's entire operations are impacted by patient and product safety. That patients are not exposed to unnecessary risks when RaySearch's software is used is a prerequisite for maintaining RaySearch's reputation as a leading medical device manufacturer, for broadening the product portfolio and for collaboration with new and existing partners. Not maintaining high patient and product safety would therefore expose the company to a potential risk. RaySearch monitors the number of patient safety incidents and issues Field Safety Notices when necessary. Incidents are also reported to all relevant authorities. RaySearch works pro-actively with patient safety and promptly informs customers about potential risks. Summaries are entered in RaySearch's PSUR (Periodic Safety Update Report) and the area is presented at the annual Management Review. The process is summarized and monitored by RaySearch's Medical Device Safety Officer from the Development Department.

RaySearch complies with all of the relevant regulatory requirements in markets where products are placed. High patient and product safety is ensured by a robust quality management system that is reviewed annually both internally and externally. The quality management system is ISO 13485 certified – the internationally recognized standard of quality and safety for medical device manufacturing – and complies with all relevant ISO/IEC standards. The quality management system is certified by external regulators and, for example, is audited annually by an MDSAP (Medical Device Single Audit Program) recognized Auditing Organization to verify that the medical device manufacturer satisfies the relevant requirements of the regulatory authorities participating in the program. RaySearch

places a major focus on the Quality Department which, together with other relevant departments, is responsible for ensuring that the company's activities comply with the applicable product and patient safety regulations. The Quality and Regulatory Affairs Director is responsible for ensuring that the quality management system meets requirements. The products also implement several industry protocols for medical device connectivity.

Data security

Data security is regulated in the overall quality management system presented in section 1.2. RaySearch thereby integrates data security with its efforts to ensure product and patient safety. Data security can be seen from two main perspectives – the security of products purchased by customers, and RaySearch's own security.

From a customer perspective, RaySearch works hard to ensure that the products cannot be used as an attack vector if the customer is hacked. Measures include not leaving network ports open, ensuring secure structures for the customer's access permissions, and secure transfers of clinical data to the cloud via systems for anonymized patient data.

From RaySearch's own perspective, the company's Development Department assesses every product in the portfolio to ensure cybersecurity compliance, and the IT Security Department maintains the company's overall security. Some of the processes carried out include penetration tests of products and offices. A penetration test is a planned attack on the company's own products, computers or offices with the aim of uncovering any vulnerabilities, whereby the appropriate measures can then be taken.

Energy efficiency

RaySearch is reducing the company's own energy consumption by reducing the power consumption of computers, heating in premises, transport and business travel. A policy has been created for this purpose: Environmental Management System Policy. To cut back on business travel, many meetings have remained virtual. Most of RaySearch's employees work in environmentally certified premises. The energy use of RaySearch's services and the company's own emissions will be mapped in detail when the new European reporting directive (CSRD) comes into force. KPIs linked to CO₂e will then be presented.

Strategic partnerships are crucial

To secure RaySearch's continued ability to develop innovative software solutions, the company maintained and expanded its strategic partnerships in 2022. The main partners are leading medical device suppliers, cancer centers and research institutes.

Understanding and meeting the real needs of clinics is crucial. Innovation and development is therefore carried out in close collaboration with leading cancer centers and research institutes, including the Royal Institute of Technology in Stockholm, the Princess Margaret Cancer Centre in Canada, UMCG in the Netherlands, Heidelberg University Hospital in Germany, and Massachusetts General Hospital and the MD Anderson Cancer

Center in the US. RaySearch also has strategic partnerships with a number of medical device suppliers including IBA, Accuray, Mevion. Our relationships with these partners are close and long-term and employees from the R&D departments engage in continuous dialogue with them.

In 2022, our high demands on business ethics remained unchanged. The measures that are taken to counter corruption and protect human rights are to continuously screen our partners. Since some strategic partnerships exist in countries or areas characterized by corruption and weak legislative protection of human rights, there is a risk that the business culture will not support ethical business relationships, which could harm customers, patients, employees, business partners, society at large and RaySearch. RaySearch manages this risk by implementing the Code of Conduct and Anti-corruption Policy, which support the internationally recognized and rigorous screening process. Progress is tracked using the “No. of confirmed incidents of corruption” KPI, which is measured annually and presented in the table in section 6. No confirmed incidents were identified in 2022.

In 2023, a review of the screening process will continue in order to satisfy the new regulations. In addition, the Finance Department will continue to finalize a purchasing policy as a further step to counter corruption. This will enable RaySearch to ensure regulatory compliance at an additional level of collaboration.

High business ethics

Responsible business is the key to success in all internal and external relationships. Responsible business refers to RaySearch’s ethical and sound business principles that follow local and international regulations and have zero tolerance of corruption, anti-competitive practices or human rights abuse. In order to incorporate this into the operations, responsibility has been spread across the company based on the Anti-corruption Policy, Code of Conduct and a screening process for business relationships within the framework of RaySearch’s trade compliance program.

The responsibility for business ethics lies with each respective department. The company’s Quality Department conducts regular reviews of the company’s policies and processes, while the responsibility for implementation and decision-making lies with each department. The Legal Department assists in drawing up contract templates and offers continuous advice in accordance with applicable laws, rules and ethical codes, such as when new research projects and contracts with health and medical services are initiated. The Legal Department also has overall responsibility for the Code of Conduct, the company’s Anti-corruption Policy and collaboration guidelines, based on the medtech industry’s ethical codes [Global Policy on Interactions with Healthcare Professionals]. The Department is also responsible for training and informing all employees. The Board is regularly informed about matters related to business ethics and regulatory compliance by the CEO and General Counsel.

RaySearch’s Code of Conduct provides a framework for what RaySearch considers responsible and sustainable behavior. No significant changes were made to the Code of Conduct in 2022. The Code of Conduct continues

to define the ethical principles and policies that guide the company’s business operations. The Code of Conduct was adopted by the Board at the end of 2017 and implemented in the quality management system in early 2018. The Code of Conduct has been adapted for RaySearch’s operations and is based on the Universal Declaration of Human Rights, the ILO Conventions, the UN Guiding Principles on Business and Human Rights, the UN Global Compact and the OECD Guidelines for Multinational Enterprises. Part of the Code of Conduct describes RaySearch’s zero tolerance of working conditions similar to modern slavery, internally and by suppliers. As part of these efforts, a Modern Slavery Statement is prepared every year, where the Board presents the measures taken to ensure that modern slavery and trafficking are not taking place in any part of our supply chain. RaySearch’s Modern Slavery Statement for the 2022 fiscal year is available on RaySearch’s external website. The Code of Conduct covers all employees, Board members, independent consultants and other people acting on behalf of RaySearch. The Code of Conduct is available on the intranet and is also highlighted during the induction program for all new employees. The Code of Conduct is also a key element of RaySearch’s Compliance Program Training, which all employees complete every year. In 2022, 94 percent of employees completed this training. RaySearch monitors its business ethics measures by reporting the number of confirmed corruption incidents and actions taken during the year, as well as the number of legal disputes related to anti-competitive practices. In 2022, no confirmed corruption incidents or legal disputes related to anti-competitive practices were reported.

In markets where RaySearch does not have its own sales organization, the company works with external distributors and agents. This business model places high demands on internal strategies and processes to identify and counter corruption risks. RaySearch conducts business activities in several geographic markets where corruption is both a risk and a real obstacle to growth and development. There is also a clear link between countries with widespread corruption and lack of respect for human rights. RaySearch therefore works pro-actively with screening processes to ensure that strategic and ethical collaborations are in place.

RaySearch’s trade compliance program applies effective due diligence using internal and external tools. Screening processes have existed since 2017 but were updated and broadened in 2022 and now include all transactions and intermediaries. The scope of the screening is based on a risk assessment (including the risk of corruption and sanctions) on a case-by-case basis. Other measures include distribution of the Code of Conduct to business partners, especially distributors and agents, together with the requirement to sign RaySearch’s Code of Conduct Compliance Form. The responsibility for screening and monitoring suppliers lies with each respective department.

Attractive employer

During the year, a particular focus was devoted to attracting the right talent, maintaining a strong talent pipeline, and building a ‘we-feeling’ in the workplace culture to promote innovation. The recovery process that commenced after the pandemic in 2021 therefore continued. In 2022, the

initiatives were directly related to proactive management of the risks of losing key employees, poor employee wellbeing and loss of creativity and innovation capability. To manage these risks, efforts are ongoing to implement RaySearch's Code of Conduct, Health & Safety Policy, Staff Rehabilitation Policy and Policy Against Discrimination, Harassment and Victimization, which ensure good working conditions for all employees at RaySearch.

RaySearch conducts annual employee satisfaction surveys for the entire company in order to measure and monitor the results of implemented activities, to identify areas for improvement and to gather feedback from employees. Progress is tracked using the Employer Net Promoter Score (eNPS), and the score for 2022 was +14. In 2022, the strongest drivers for working at RaySearch were leadership, ambitious colleagues, the work climate, teamwork, atmosphere, high level of motivation and stimulating tasks.

For 2023, the focus will lie on areas with lower levels of satisfaction in the employee satisfaction survey. These include business communication, career opportunities, workload and stress management.

Skills provision

Competence development and performance monitoring are key factors for RaySearch since innovation and development are crucial for continued success. To manage the risk that employees no longer develop or feel motivated, several initiatives take place within the company. Skills provision is divided into two categories – attract new employees, and develop existing employees.

RaySearch works in several ways to attract new workers who can meet tomorrow's needs. Employee dialogue has revealed that colleagues, an open culture, training opportunities and flexibility are valued highly by employees. In addition, there is an established process that ensures that every employee has the best conditions to contribute to the company's mission and targets. The basis is regular conversations between managers and employees with a focus on constructive feedback but may also take the form of employees assuming new roles and challenging tasks together with their colleagues, with opportunities to use the latest technologies for software development. Employees are encouraged to take advantage of internal and external training opportunities, and to participate in trade fairs and other external events. RaySearch has a long-term vision to devote more focus to learning and development. In 2021, a learning and training platform was implemented to increase the range and availability of competence development initiatives for employees, and this was presented to employees in 2022. In addition to the learning and training platform, a skills sharing initiative was started in summer 2022 enabling employees to share their experience, new innovations, new research or new standards internally. This spreads knowledge within the company and also means that employees are inspired by the innovations and development opportunities that exist within the company. This initiative will also continue in 2023.

In addition to the ongoing initiatives for existing employees, efforts are also taking place to attract new employees with the skills that are needed

to develop tomorrow's product portfolio. In 2022, efforts continued to shift the employment strategy from a focus on senior competence to attracting younger talent via RayAcademy's ambitious induction programs. To maintain the pace of innovation over time, recruiting people with the right skills as well as a desire to develop is essential. Therefore, RaySearch primarily employs new graduates who want to develop internally. Many of the people who are now RaySearch's leading experts came into the company via that path.

Company culture

RaySearch's shared values are focused on what makes a real difference for cancer patients. During the pandemic, water cooler chat disappeared and the innovative business culture was affected to some degree. To manage this risk, RaySearch worked pro-actively to regain a 'we-feeling' in 2022 through increased collaboration on site in offices. Otherwise, a stable, innovative, engineering-oriented and values-based culture was maintained that encouraged employees to follow unconventional paths. This is important for encouraging employees to stay with the company and creates a more attractive position for RaySearch in recruitment processes. RaySearch's Code of Conduct describes the values that are most important for the company. All employees become acquainted with the Code through both introductory seminars and regular training. RaySearch strives to create a workplace that supports both professional and personal development for employees and that promotes health and wellbeing. Retaining and attracting new and talented employees who match existing and future needs for skills is essential for RaySearch's continued success.

Diversity

The starting point is that diversity helps to create broader perspectives and therefore more innovative software products. Promoting diversity is therefore a way of working towards the company's vision to conquer cancer. The focus was therefore to identify the employees with the greatest ability to understand the technically complex products that the company develops. The process that was initiated in 2021 in competency-based recruitment, implementation of the Policy Against Discrimination, Harassment and Victimization, equal treatment and equality of opportunity for development, continued.

Everyone's knowledge, skills and abilities should be respected and valued regardless of sex, gender identity, ethnicity, religion, disability, sexual orientation or age. No form of discrimination, harassment or victimization is tolerated. RaySearch's Policy Against Discrimination, Harassment and Victimization contains clear guidelines for preventing, managing and monitoring such situations. In addition, continuous and preventive efforts are carried out to ensure equal treatment, which was put to the test during the COVID-19 pandemic when RaySearch as a company managed the special needs that arose in relation to the living situation of employees. A global review and in-depth training program in the area of discrimination and victimization that was carried out at the end of 2021 continued to influence work in 2022. Creating a workplace where all employees are given the

same conditions and opportunities is important, and the company has worked purposefully with a focus on equal treatment and gender equality. Treating each other with respect is a basic requirement of our business. Every individual is encouraged to contribute to their full potential.

During the year, efforts to avoid discrimination in recruitment continued within the framework of our competence-based recruitment process. This is carried out to further intensify the focus on an objective evaluation of competence. In the process to promote equal rights and opportunities, RaySearch also created a new internal recruitment procedure with the aim of promoting opportunities for career development and qualifications-based selection. RaySearch has maintained a high percentage of women compared with the industry average and in 2022, women accounted for 34 percent of the company's global workforce. This proportion is expected to increase in line with the expected increase in the proportion of women who choose a career in technology. RaySearch is therefore adapting its communication to address this change. The annual salary survey indicates that RaySearch's efforts to achieve equal pay have been successful. In 2022, RaySearch still had a few cases of unequal pay but since this is continuously followed up with action plans, any unjustified pay differentials between men and women have gradually decreased, which has also been noted over the past five years. In 2022, the number of nationalities among employees increased from 35 to 29. Having employees with a range of cultural backgrounds and language skills is a strength for RaySearch, particularly in contacts with customers all over the world.

Leadership

In 2022, RaySearch's leadership was focused on recreating a 'we-feeling' after the pandemic and in March 2022, a Back to the Office Policy was established to bring back a sense of community and maintain the company culture. The policy is based on an 'office first' principle, where

employees are encouraged to come in to the office for at least three days a week. The initiative applies for the entire organization and includes all employees, including managers. The policy makes it easier for managers to ensure the health of employees through in-person meetings and allows teams to meet and exchange ideas to facilitate collaboration.

In 2022, leadership teams also adapted the size of teams to enable continuous monitoring with employees and this initiative was supported by internal training for managers. During the year, training for employees in senior-level positions, not only managers, continued. RaySearch has a high level of ambition, with the aim that all of our managers and employees in senior roles will complete leadership training. At the end of the year, 96 percent of managers had completed leadership training. Since RaySearch has appointed many senior roles during the year, such as project managers and team leaders, these leadership initiatives will also continue in 2023. New managers at RaySearch undergo both internal and external management training.

Wellbeing

RaySearch aims to offer employees an excellent physical and psychosocial work environment and opportunities to achieve a healthy work-life balance. In 2022, the focus was on making it easier to work at RaySearch. This involved a continued investment in compensation and benefits that help to make the working day easier. For example, the company will continue to provide a bistro with breakfast. There is also a new gym at the Stockholm office. In 2022, the take-up rate of the wellbeing allowance increased to 83.6 percent. Sickness absence rose slightly to 2.87 percent in 2022, from 1.5 percent in 2021. There is no clear trend at present to explain this increase but in 2023, a focus will be placed on stress and workload, which currently are two areas with lower levels of satisfaction in the employee satisfaction survey.

Stockholm, April 26, 2023

Hans Wigzell
Chairman of the Board

Carl Filip Bergendal
Board member

Johan Löf
CEO and Board member

Britta Wallgren
Board member

Günther Mårder
Board member

AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY STATEMENT

TO THE GENERAL MEETING OF THE SHAREHOLDERS OF RAYSEARCH LABORATORIES AB (PUBL), CORPORATE IDENTITY NUMBER 556322-6157

ENGAGEMENT AND RESPONSIBILITY

It is the Board of Directors who is responsible for the statutory sustainability statement for the year 2022 on pages 10–19 and that it has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT

Our examination has been conducted in accordance with FAR's standard RevR 16 The auditor's opinion regarding the statutory sustainability

statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

OPINIONS

A statutory sustainability statement has been prepared.

Stockholm the day of our electronical signature

Ernst & Young AB

Anna Svanberg
Authorized Public Accountant