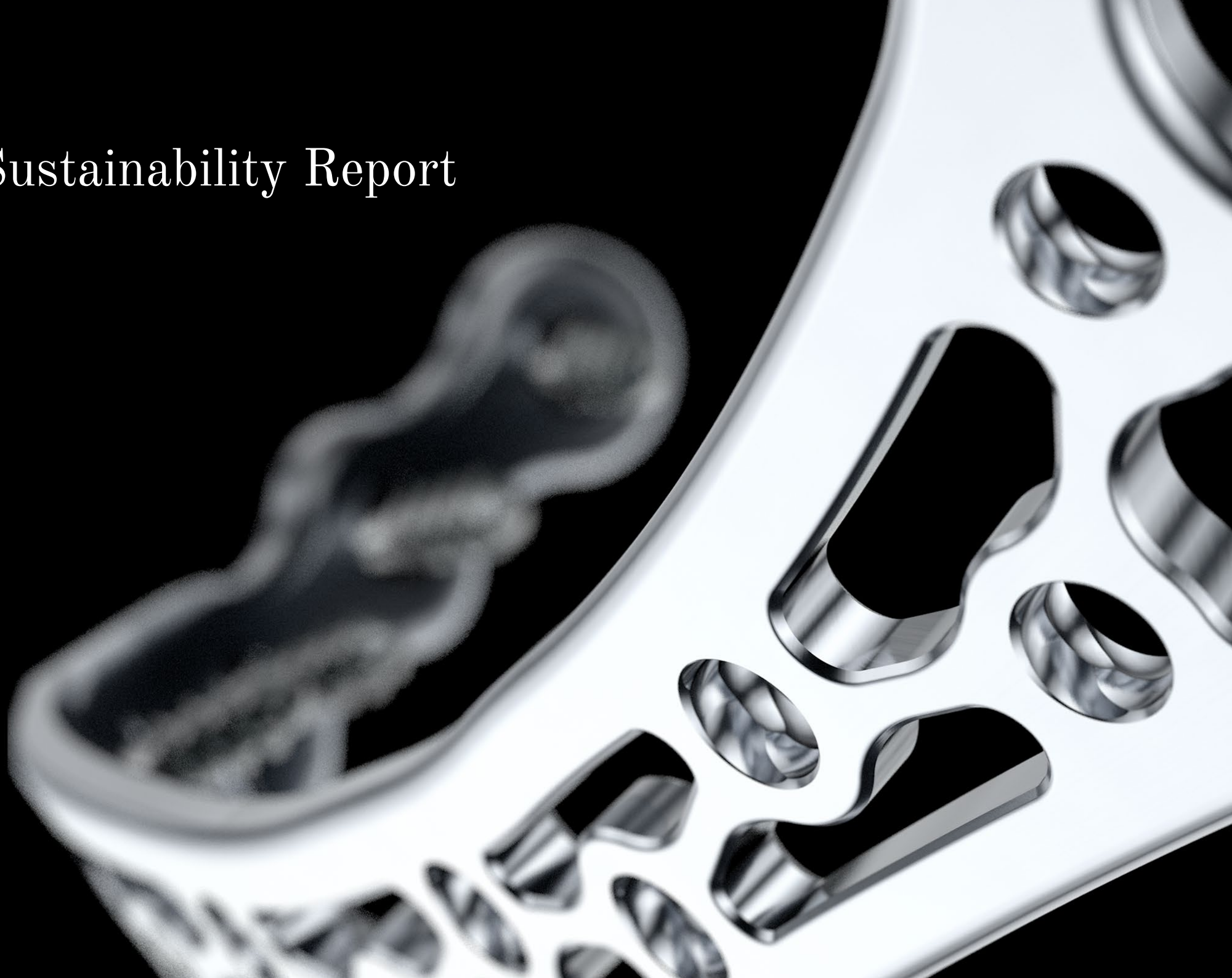


# Sustainability Report



# Sustainability at Medartis

**Medartis is committed to embedding environmental, social and governance (ESG) principles into its core processes and culture in an increasingly interconnected and socially conscious world. These principles are important to identify and mitigate risks, enhance reputation, foster employee engagement, attract capital, and ensure long-term sustainability.**

At a time of heightened global awareness of environmental impact and social responsibility, the field of non-financial/sustainability reporting has undergone transformative change, redefining the standards of corporate accountability. As Switzerland adapts to new reporting regulations, Medartis is paying close attention to assessing and implementing sustainable practices within the medical device industry. For Medartis, sustainability is not just a mandatory programme, but a key differentiator to seize economic opportunities and manage the risks of a changing society.

Over the past three years, Medartis has taken a major step forward in its sustainability journey. Starting with its first sustainability report for the 2021 reporting year, the company outlined key environmental priorities and initiated a comprehensive sustainability analysis. Building on this foundation, Medartis strengthened its commitment to ESG-related matters by establishing a more robust framework in 2022, introducing a Sustainability Supervisory Board and an ESG Committee, and recording detailed Scope 1 and 2 emissions and therefore laying the groundwork for a solid carbon footprint accounting and the subsequent derivation of appropriate measures. As a step towards comprehensive accountability, the company has completed the inventory of Scope 3 emissions and also outlined a comprehensive disclosure of its sustainability policy and performance based on the GRI standard for the 2023 reporting year. With the publication of this

year's Sustainability Report, Medartis is proud to emphasise its commitment to a sustainable business conduct and its dedication to responsible corporate citizenship.

At Medartis, the goal has always been to work closely with surgeons to develop highly accurate and innovative products that make a positive contribution to patient outcomes and quality of life, which is also its overarching purpose. At the same time, Medartis strives to make a positive contribution to society by ensuring that the benefits of its actions exceed the resources it consumes. Since its inception 26 years ago, Medartis has always been on the lookout for ways to reduce its regional footprint and make improvements for its employees and other stakeholders.

Medartis favours a system that relies on accountability and self-initiative. The company will therefore continue to drive its own transparency and monitoring over the coming years and to engage in dialogue with its stakeholders and upstream suppliers in order to achieve systematic improvements along the entire value chain. To meet the increasing requirements, Medartis created a Sustainability Supervisory Board and an ESG Committee as of January 2023. This Board is led by Medartis' Board of Directors under the direction of Nadia Tarolli Schmidt and the Committee consists of three EMB members. Chief Operating Officer Mario Della Casa heads up the new processes while the senior and middle management team is involved in different areas. Axel Maltzen is the operational leader of the ESG programme. The following table shows the allocation of sustainability responsibilities at Board, management and functional levels. The Sustainability Supervisory Board and the ESG Committee ensure that the Board of Directors has the collective knowledge, skills and experience on sustainable development.

<b>Supervisory Board</b> (Board of Directors)	Nadia Tarolli Schmidt	
<b>ESG Committee</b> (EMB)	Mario Della Casa (Lead) Anthony Durieux-Menage Mareike Loch	
<b>Project Core Team</b>	Axel Maltzen (Operational leader)	
	Medartis subsidiaries	Commercial
	Production Basel, CH	Production Warsaw, US
	R&D	Human Resources
	Purchasing	Legal & Compliance
	Project Coordination	Communication / Reporting

## About this Sustainability Report

The Sustainability Report is published each year as part of the Medartis Annual Report and covers all Medartis subsidiaries. The Board of Directors approves this report and recommends it to shareholders for approval at the Annual General Meeting. The following chapters provide detailed information on the Medartis Stakeholder Analysis, Materiality Analysis, Sustainability Strategy and Material Topics, followed by the GRI Index of Content, which links to all relevant information according to the reporting standard.

### Contact:

Medartis AG  
Hochbergerstrasse 60E  
CH-4057 Basel  
Switzerland  
Email: corporate.communication@medartis.com  
Phone: +41 61 633 37 34

# Worldwide presence

## GLOBALLY DIVERSIFIED BUSINESS

### North America (US)

United States of America	<b>24.5%</b> Revenue share
	<b>51.9m</b> CHF
	<b>34.1%</b> Growth in CER

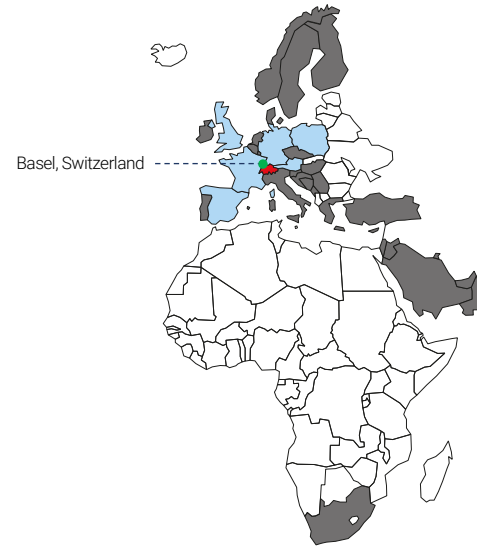


### LATAM

Argentina	<b>10.5%</b> Revenue share
Brasil	
Chile	
Colombia	<b>22.2m</b> CHF
Costa Rica	
Mexico	<b>19.4%</b> Growth in CER



- Headquarters
- 12 subsidiaries
- 40+ countries with distribution partners
- Production



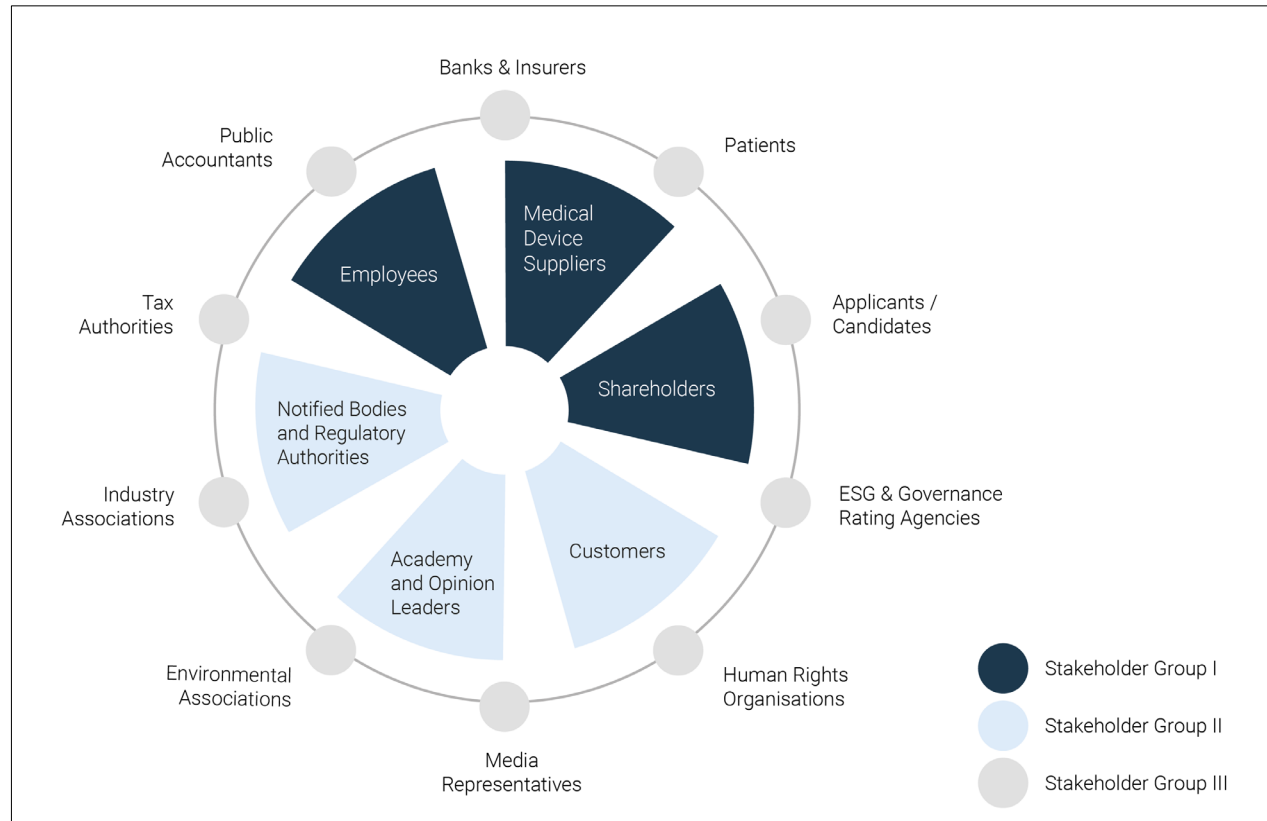
### EMEA

Austria	<b>50.2%</b>
Bahrain	Revenue share
Belgium	<b>106.5m</b>
Bosnia & Herzegovina	CHF
Croatia	<b>19.8%</b>
Cyprus	Growth in CER
Czech Republic	
Denmark	
Finland	
France	
Germany	
Greece	
Hungary	Oman
Ireland	Poland
Israel	Portugal
Italy	Serbia
Jordan	Slovenia
Kingdom of Saudi Arabia	South Africa
Kuwait	Spain
Lebanon	Sweden
Luxembourg	<b>Switzerland</b>
Netherlands	Turkey
Norway	UAE
	<b>UK</b>

### APAC

Australia	<b>14.9%</b>
Hong Kong	Revenue share
Japan	<b>31.5m</b>
Malaysia	CHF
New Zealand	
Singapore	<b>5.6%</b>
South Korea	Growth in CER
Thailand	

# Stakeholder analysis is essential for sustainable success



social conditions within the ecosystem in which we operate must be considered and taken seriously. It is a joint effort. We establish, maintain and develop relationships with our stakeholders based on transparency, accountability, ethical behaviour and trust. In cross-functional teams, we define our key stakeholders, identify their concerns and expectations.

## Stakeholder Group I

In Group I, we represent the stakeholders who have a direct influence on our service delivery:

### a) Employees

- **Relevance:** Our employees are at the heart of everything a company does. Engaged employees tend to be more productive and perform better. When employees feel valued, motivated, and connected to their work and the company's mission, they are more likely to go above and beyond to contribute to the company's success. Investing in their skills and development further enhances their ability to perform at a high level.
- **Stakeholder expectations:** They expect fair pay, a modern and safe workplace, flexible working conditions, targeted support by qualified leaders, further education and a positive working environment free from discrimination and exclusion.
- **Communication:** Intensive and comprehensive communication, in particular through our internal communication APP (m-HUB), townhall and leadership meetings, as well as regular employee surveys and workshops as part of the organisation's Culture Journey, ensure ongoing active interaction with our employees.

*"Excellent organisations meet or exceed the expectations of their stakeholders" (EFQM model)*

For Medartis, the involvement of all key stakeholders is crucial. With our customers, we create and deliver sustainable value propositions with our complete and innovative product portfolio. For our patients and surgeons, we provide products of the highest quality for a successful and fast recovery. In addition, the environmental and

[GRI 2-29]

## b) Medical Device Suppliers

- **Relevance:** Our suppliers are very important to us. Together with our in-house services, they are the most important partners in our medical device manufacturing value stream. Only with them can we guarantee our highest quality standards. We therefore place high demands on the quality and performance of our suppliers and enter into long-term partnerships with them. We attach great importance to regional sourcing, but environmental and climate protection, as well as ethical and legally sound business conduct, are also of vital importance throughout the entire supply chain.
- **Stakeholder expectations:** In return, our suppliers expect clear specifications for their work, fair conditions, predictable orders and communication on an equal footing.
- **Communication:** Through structured supplier evaluations and approvals, joint feasibility studies for new products and processes, regular audits, monthly performance reports and detailed annual meetings with mutual feedback (for key suppliers), we maintain an intensive exchange based on partnership.

## c) Shareholders

- **Relevance:** Shareholders have a direct influence on Medartis' business activities. They are capital providers and owners at the same time. The interest of potential shareholders and the long-term loyalty of our existing shareholders ensure our financial stability.
- **Stakeholder expectations:** Our shareholders expect a fast-growing company that outperforms the market, gains market share, generates cash flow that exceeds its cost of capital and/or returns money to investors in the form of dividends or other means. At the same time, investors expect business activities to fulfil current ESG principles.

- **Communication:** Regular communication with our shareholders is very important. In addition to the publication of business results twice a year, the Annual General Meeting, investor roadshows and participation in conferences are the most important pillars of our active communication with our shareholders. These are supported by detailed information for investors on our website. Ad-hoc and financial news as well as product and company news can be obtained by subscribing to our news distribution service. Our existing as well as prospect shareholders can contact us through the Corporate Communications department. Compliance issues can be reported anonymously through our whistleblower channel.

## Stakeholder Group II

In Group II, we represent stakeholders who have an indirect influence on our service delivery:

### d) Customers

- **Relevance:** Customers are the starting point for all our business activities. They give Medartis its purpose. They enable Medartis' future existence and growth. Our customers provide us with input and inspiration for new products and services. Satisfied customers are the starting point for a sustainable future for Medartis.
- **Stakeholder expectations:** Our customers expect the highest product quality, the best service and expert support. They want a system that guarantees a smooth and efficient surgical procedure and the best possible patient care. At the same time, they expect a fair cost-benefit ratio.
- **Communication:** Close communication with our customers is an essential key to Medartis' success. Doctors are closely involved in the development of our products and services, from the initial idea to final validation. We have also set up an open ideas

channel on our website since October 2023. Every new product idea is evaluated by our Innovation Committee. In the marketplace, our sales people are the most important channel of communication with our customers, as they are in daily contact with them and communicate their concerns internally through structured monthly reports. Customer complaints are an important input for the performance of our products. They are analysed in detail and the results are fed back to the customer as quickly as possible. Service complaints are recorded and processed in a structured manner in order to guarantee Medartis' usual high delivery performance in the long term. In addition to dealing with individual complaints, the overall performance of Medartis products is continuously evaluated through our Post Market Surveillance process. This allows customers to compare us with our competitors. Training our customers on our products is another important component of active communication. It gives us direct feedback and enables the customer to make the best use of our products.

### e) Academy and Opinion Leaders (KOL)

- **Relevance:** The scientific context of our products and services is a very important source of input for the strategic direction and sustainable development of Medartis. Through cooperation with research clinics, scientific universities and, in particular, our partner IBRA, we are actively involved in the constant exchange of the latest developments and work through education and training.
- **Stakeholder expectations:** Scientifically active stakeholders and opinion leaders expect Medartis to provide them with a global opportunity to share their scientific results or practical best practice experiences, providing them with benchmarks and training opportunities. This often involves the formation of networks that make a lasting contribution to ensuring that as many patients as possible around the world receive optimal care.

- Communication: Our main communication channel is our partnership with the International Bone Research Association (IBRA), where we are in constant contact with scientific stakeholders and opinion leaders through publications, congresses, fellowships and targeted training. Our IBRA Institute Bioskills Laboratory (Basel), which opened in 2023, provides direct access to a state-of-the-art facility that demonstrates our commitment to hands-on learning and skills development. It is a place where knowledge is put into practice and where theory and technology merge seamlessly.

#### f) Notified Bodies and Regulatory Authorities

- Relevance: In the regulated area of medical devices, the certification of our management systems, the global market approval of our products and the continuous maintenance of product conformity are central elements of our business activities. Compliance with all legally binding requirements with regard to our products as well as with regard to the environment, social responsibility and compliance/governance is a basic prerequisite for the success of Medartis.
- Stakeholder expectations: 100% compliance with all global regulations
- Communication: There are two main channels of communication: regular audits by notified bodies or authorities as well as communication by Medartis with the relevant authorities in the event of significant changes or new product approvals. Through Medartis' global QM structure, we support local communication with all official bodies through the technical expertise of our global organisation.

## Stakeholder Group III

In Group III, we represent stakeholders who have a social influence on our service delivery:

Main groups:

- Patients
- Applicants/candidates
- ESG & governance rating agencies
- Human rights organisations
- Media representatives
- Environmental associations
- Industry associations
- Public accountants
- Banks, insurance companies
- Tax authorities

Relevance:

- It is perhaps surprising that it is only in this group that we have chosen to include the patient. Of course, the patient's health is at the heart of everything we do, but the patient does not choose our product and often does not even know which product from which manufacturer it has been treated with. As a result, direct contact with patients is rare.
- External candidates are becoming increasingly important in times of skills shortages. With a sustainable corporate culture, we can continue to recruit successfully and thus secure our long-term growth.
- ESG & governance rating agencies, human rights organisations, media representatives, environmental groups and industry associations monitor and evaluate our business behaviour from

the outside. They view us critically, but at best with goodwill and appreciation.

- Public accountants, banks and insurers form the basis of Medartis' financial reporting, but are increasingly including non-financial aspects in their assessments.

Stakeholder expectations:

- Patients want the best and safest products for fast and complete healing.
- External applicants want a modern, socially responsible and long-term successful employer where they can realise their professional development.
- ESG & governance rating agencies, human rights organisations, media representatives, environmental associations, industry associations want transparent, honest communication of Medartis' business activities and a clear commitment to sustainable, future-oriented corporate behaviour.
- Public accountants, banks and insurance companies are particularly interested in the company's financial situation and stable growth. However, non-financial objectives are increasingly coming to the fore. This will be particularly visible with the TCFD.

Communication:

We actively communicate with this stakeholder group through our website, media releases and social media channels. Feedback and questions can be sent directly to Medartis via the Medartis Info Mail, by contacting our Corporate Communications Department or anonymously via our Whistleblower Channel.

# Materiality Analysis – Moving forward with the right focus

In 2023, Medartis fundamentally revised its materiality analysis and has applied the principle of double materiality as a basis. This approach takes into account both the requirements of the Swiss counter-proposal (KVI) and the upcoming requirements of the CSRD.

The European sustainability reporting standards of the CSRD are compatible with the standards of the IFRS Foundation and the GRI. They follow the principle of "double materiality". This involves reporting on sustainability information that is material from a financial perspective (the focus of the IFRS standards) as well as the material impacts of a company on the environment, human rights and other social issues (the focus of the GRI standards). The principle of double materiality represents a rethinking of reporting practice, as it encourages the materiality of sustainability issues to always be considered from two perspectives (double materiality).

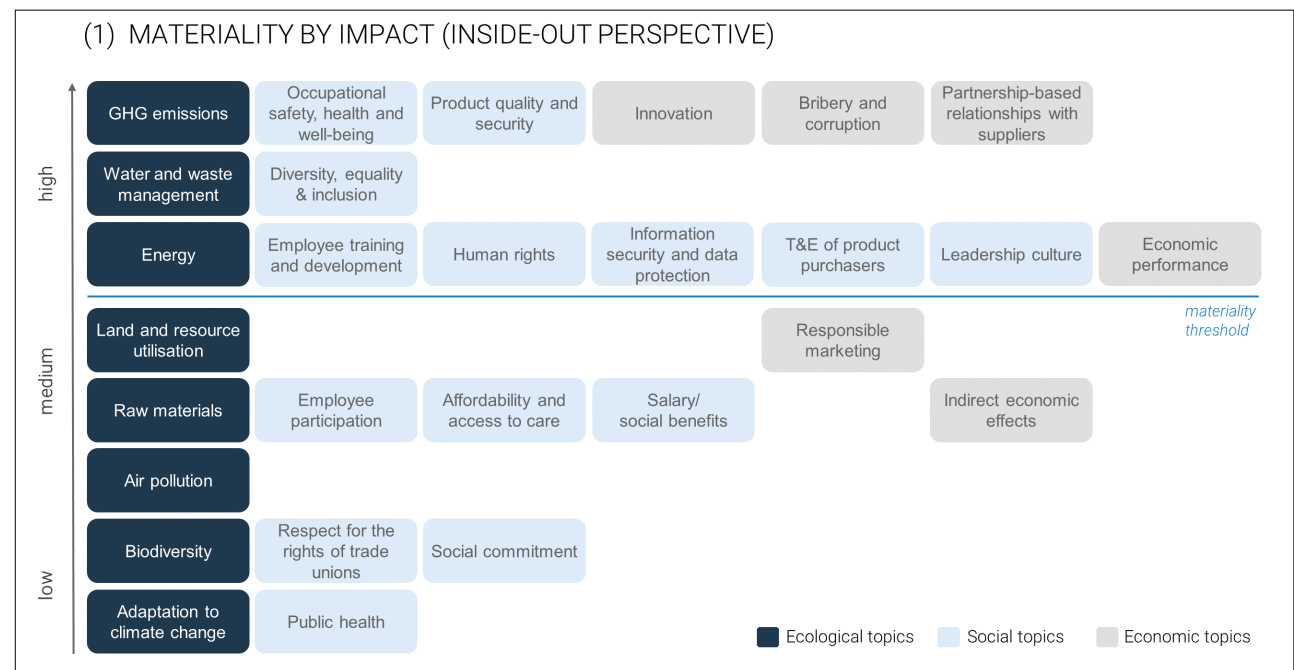
It distinguishes between an **inside-out perspective**, also known as **impact materiality**, in which companies identify the actual and potential positive and negative impacts of their operations on various sustainability issues, and an **outside-in perspective**, also known as **financial materiality**, which considers the opportunities and risks of sustainability issues to a company's financial position and the future viability of its business model.

Both perspectives have been taken into account in the selection of topics that are material to Medartis: An issue is considered material if it either creates risks and opportunities for business success (outside-in perspective) or if it is significant because of the impact of business activities on the environment and people (inside-out perspective).

[GRI 3-1]

The following principles have been considered:

- Intensified analysis and definition of relevant stakeholders and their expectations and impacts (see previous chapter)
- Analysis of the entire Medartis value stream from idea management to waste at our customers
- Analysis of Medartis' business processes based on ISO 13485:2016 process-oriented quality system (business process matrix)
- The Medartis 5 year strategy
- Context analysis and benchmarking on relevant topics in the industry in collaboration with "Swiss Climate" as an external consultant in the field of sustainability
- Results of Medartis' first carbon footprint assessment



Both charts (here and next page) show the topics that are material to Medartis. The blue line marks the materiality threshold. All characteristics above this threshold are highlighted as material and discussed in detail in this Sustainability Report.

The two views of "impact" and "opportunities and risks" were considered separately in the collection of potentially relevant topics, in order to strengthen the focus on each perspective in the selection of possible topics. Sometimes we find different terms in the two materiality matrices. Following the respective materiality classifications, we have combined the aspects from both perspectives and grouped them into topics that are material to Medartis in the context of the KVI, GRI and CSRD.

[GRI 3-2] The combination of both perspectives results in the following key topics for Medartis, which have already been grouped based on CSRD Guidelines:

### Climate change

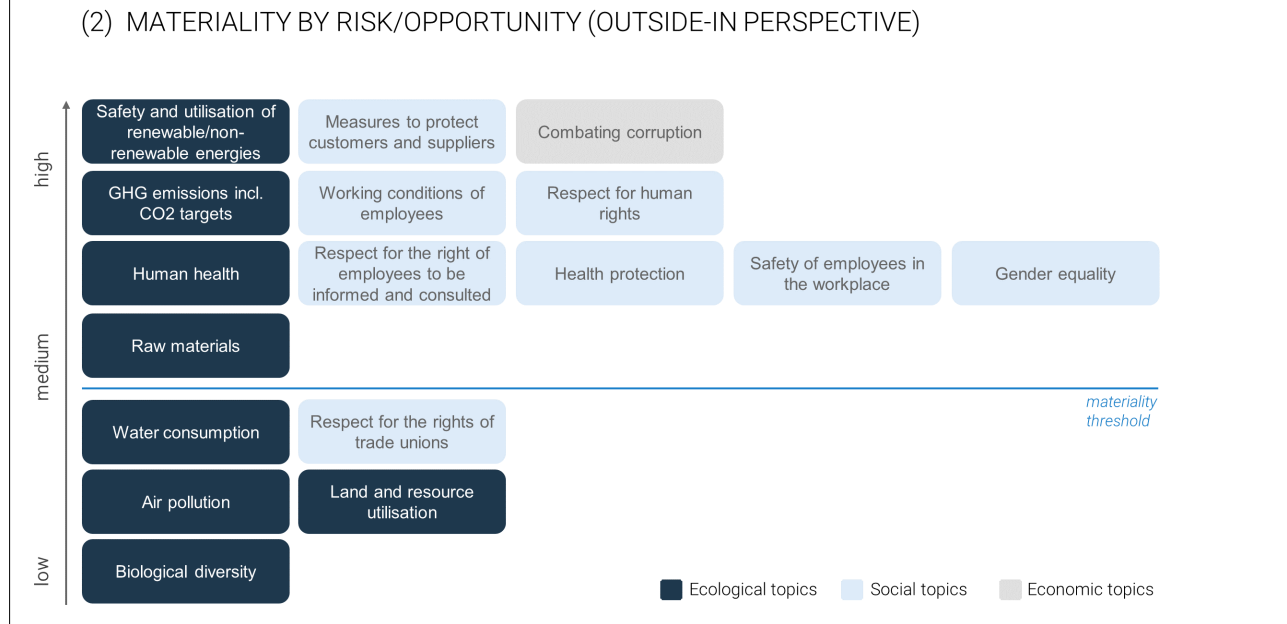
- GHG emissions (impact materiality)
- GHG emissions including carbon footprint targets (finance materiality)

### Resources use and circular economy

- Water and waste management (impact materiality)
- Energy (impact materiality)
- Security and use of renewable and non-renewable energies (financial materiality)
- Raw materials (financial materiality)
- Human health (financial materiality)

### Workforce (own and within the value chain)

- Work safety, health protection and well-being (impact materiality)
- Health protection (financial materiality)
- Safety of employees at work (financial materiality)
- Respect the right of employees to be informed and consulted (financial materiality)



- Diversity, equality and inclusion (impact materiality)
- Gender equality (financial materiality)
- Training and further education of employees (impact materiality)
- Human rights (impact materiality)
- Respect for human rights (financial materiality)
- Management culture and leadership (impact materiality)

### Consumers and end users

- Information security and data protection (impact materiality)
- Training and education of product recipients (impact materiality)
- Product quality and safety (impact materiality)

### Business conduct

- Economic performance (impact materiality)
- Partnership relationship with suppliers (impact materiality)
- Innovation (impact materiality)
- Measures to protect customers and suppliers (financial materiality)
- Bribery and corruption (impact materiality)
- Combating corruption (financial materiality)



The different wording of the individually identified topics emerged directly from the workshops. We deliberately did not adapt them in the matrix in order not to distort the process of creating the essential characteristics.

[GRI 3-3] Each of the five materiality criteria has its own chapter in this Sustainability Report. The concepts and, where relevant, the related due diligence procedures are explained in more detail. This includes:

- A specific description of the impact (inside-out)
- A specific description of the material opportunities and risks (arising from our own operations and, where relevant, from business relationships, products and services (outside-in).
- A description of the measures required to implement the concepts and an assessment of their effectiveness.
- The performance indicators related to the company's activities

## Business model and value chain

Medartis is the global innovation leader in osteosynthesis implants for cranio-maxillofacial, upper and lower extremity surgery. Our products make a significant contribution to the optimal restoration of bone fractures. This shortens the rehabilitation period for patients and significantly improves their quality of life.

We pay close attention to the constantly evolving needs of our users and their patients, and to this end we work in close cooperation with surgeons. Combined with our many years of development expertise, we create optimised implant solutions and expand the range of indications.

The following overarching value stream was an important basis for the development of our stakeholder and materiality analysis:



Testing department, Basel

Value Stream	Description	Stakeholders	Materiality
Product, service idea management	-Market needs -User needs -Strategy -Educated/motivated employees	-Customers -Patients -Academy/Opinion Leaders -Employees -Shareholders	-Resources use -Workforce -Consumers and end users -Business conduct
Production (including procurement, process and product suppliers)	-Lean production -Highest quality -Local supplier -Low material and energy consumption -Educated/motivated employees	-Employees -Suppliers -NB and authorities (ISO 13485) -Environmental and industry associations	-Climate change -Resources use -Workforce -Business conduct
Worldwide approval of medical devices	-Compliance -Market access -Marketing -Globalisation strategy	-Employees -Suppliers -NB and authorities -Shareholders -Rating agencies	-Consumers and end users -Workforce -Business conduct
Distribution of the products to the countries	-Supply chain -Customs and sanctions -Safe and sustainable transport of medical devices	-Employees -Suppliers -Public accountants -Bank, insurers	-Climate change -Resources use -Workforce -Business conduct
Customer generation and support, including training of customers	-Congresses -Marketing -Direct /online communication -Sales education -Scientific publications	-Employees -Customers -Academy/Opinion Leaders -ESG & governance rating agencies	-Workforce -Consumers and end users -Business conduct
Delivering the products to the customers	-Supply chain -Safe and sustainable transport of medical devices -On Time in Full (OTIF) delivery	-Employees -Suppliers -Customers	-Climate change -Resources use -Workforce -Consumers and end users -Business conduct
Using the sets during surgery and implanting the products into the patient	-Well-trained doctors and operating room staff -Problem-free surgery -Best patient outcome -Efficient set use	-Patients -Customers	-Resources use -Consumers and end users
Reprocessing of the sets (instruments, non-sterile implants)	-Smart sterile products -Cleaning and disinfection and reprocessing guideline	-Customers -NB and authorities (IFU)	-Climate change -Resources use -Consumers and end users
Selling the implants	-Customer service -Internal accounting -Customer feedback	-Employees -Customers	-Workforce -Consumers and end users -Business conduct
Disposal of waste (packaging of products)	-Packaging material handling -Waste of sterile products	-Customers -Environmental associations	-Climate change -Resources use -Consumers and end users

Value Stream	Description	Stakeholders	Materiality
Reordering used products	-Close customer communication -Customer service -Internal accounting	-Employees -Customers	-Workforce -Consumers and end users -Business conduct
Customer feedback on service and product quality	-Product complaints -Service complaints -Feedback and new ideas	-Customer -NB and authorities -Employees -Academy/Opinion Leaders -Media representatives	-Workforce -Consumers and end users -Business conduct
Annual Reporting	-Prepare and publish yearly report with all performance on financial and non -financial data	all	all

In accordance with the materiality analysis listed above, we have classified the CSRD standards for "Biodiversity and ecosystems", "Air pollution" and "Water and marine resources" as non-material.

Biodiversity and ecosystems are an important building block in global sustainability management. Medartis' influence is very low due to its business model and the manageability of product manufacturing. We can easily address the points that can be influenced via the key topics of "Climate change" and "Resources use and circular economy".

Air pollution is also an important issue. The emissions in the production of Medartis implants are manageable, with the majority in the area of transport and travel by employees. These issues can easily be addressed through the material topic of "Climate change".

Water and marine resources are an indispensable resource for the Earth's biological balance. Medartis addresses the conservation of these resources by continuously minimising the amount of waste and discharge of wastewater. This topic is covered in the material topic "Resources and Circular economy".



Quality control, Basel

# Our sustainability strategy puts focus on what matters

## OUR DECLARATION OF COMMITMENT

Acting sustainably offers Medartis great economic opportunities and enables us to manage the risks of a changing society. We firmly believe that there is no turning back. Our stakeholders support this journey with their specific requirements:

- Customers want sustainable products and services
- Society is strongly committed to protecting our environment
- Regulators are increasingly demanding sustainable business practices
- Financial flows are increasingly directed towards sustainable purposes
- Employees expect their employer to act sustainably

Therefore, we will not be able to achieve our desired growth without responsible business conduct worldwide. We believe that compliance with legal and regulatory requirements, ethical behaviour and free and fair competition must form the basis of our presence in the market and in society.

Medartis' sustainability strategy is based on its vision, mission and values. Our purpose inspires and unites us. "Restoring quality of life" is the overarching purpose we have formulated for ourselves.

### Our Vision:

With our proven expertise we collaborate with healthcare professionals to develop cutting edge technology for improved surgical outcomes. Together we are setting new standards in patient care.

### Our Mission:

We are committed to the well-being of patients and provide medical specialists with innovative, high-quality and user-friendly solutions to improve surgical outcomes. Committed people are at the heart of our mission. We want to be an exciting company for our employees and partners, act sustainably and deliver value for our stakeholders.

### Our Values:

Our shared core values drive our daily actions and reflect the corporate culture that defines and unites us as a company across all brands and regions. Our values define the way we think and act, both as individuals and as a company.

Taking into account the interests of our stakeholders and the material topics identified, we have defined the following focus areas for our sustainability strategy:

- We improve healthcare for patients worldwide in a targeted and innovative way
- We put people at the centre of our sustainable actions
- Exemplary ethical behaviour is the basis for our long-term success
- We protect our environment by acting responsibly throughout our value chain, from our suppliers to our customers



Our commitment to responsible corporate behaviour is guided throughout by the principles of due diligence, the precautionary principle and the responsibility to respect human rights.

In the following, we take a closer look at our sustainability strategy based on the focus areas we have identified:

## We improve healthcare for patients worldwide in a targeted and innovative way

Innovative medical products and related services are the foundation of our business success. We systematically involve our customers in our development projects. They provide us with the input we need to take account of the requirements of the global market. But even before development projects begin, we actively seek out innovative ideas to help us provide the best possible care to patients around the world. Through congresses, workshops, cadlabs and targeted training for existing and potential customers, we are in close contact and actively receive any input to improve our systems.

To be even more open to external stakeholders, we have set up an idea submission channel on our website, which is open to anyone during this reporting period. Once we have received the idea, we will send the submitter an acknowledgement, the reference number and the Innovation Management contact details in case of any queries. All submitted ideas are evaluated on a monthly basis by an innovation committee for strategy fit, potential for success and feasibility. The committee then decides which ideas to pursue. The decision on the submitted idea is communicated to the submitter in the form of written feedback.

As part of this intensive exchange during the innovation process, our employees always keep the principle of care in mind, considering the potential environmental and social impact of new products from the very first ideas. We avoid the use of minerals and metals from

conflict areas and child labour, and try to minimise waste in accordance with our customers' needs. We offer our customers both sterile products for direct use in the operating theatre and non-sterile products that reprocess unused consumables. We work with our customers to decide which is the best and most sustainable solution based on their processes.

We share our customers' experiences through various media (homepage, YouTube, LinkedIn and others), webinars and insight talks. The focus is not only on discussing the best medical care, but we also often look at people and society. Our goal is to act in a sustainable way and to look ahead. We want to prepare ourselves for the challenges of the future by balancing risks and opportunities.

We take a very responsible approach to our global expansion, setting up new subsidiaries in emerging markets and selecting international distributors with the highest quality and qualifications, always taking into account our proactive sanctions screening.

## We put people at the centre of our sustainable actions

We firmly believe that people are the key to Medartis' sustainable success. This starts with our well-trained and motivated employees who make the difference every day, but the partnership we have with our suppliers is also crucial. Our customers do everything they can to ensure the well-being of their patients, and our aim is to support them reliably every day.

Our strategic focus on people is based on the following 3 pillars:

### 1. Culture Journey

Our goal is to create an organisation where learning and people are key to achieving sustainable high performance in support of our ambitious growth plans, which are in turn based on the strengths of our existing culture.

We want a culture where:

- people respect and trust each other,
- superior results are achieved thanks to clear focus, well thought-out risk taking and quick action, and
- we speak up, challenge the status quo and take responsibility.

### 2. Internal Communication

Effective internal communications foster collaboration, align goals and strengthen a cohesive culture. Transparent channels and active listening build trust between teams, increasing productivity and innovation. In the digital age, the use of multiple mediums - such as intranets, video broadcasting and collaboration platforms - promotes a seamless flow of information that empowers teams to thrive.

The Medartis internal communication platform m-HUB enables employees around the world to share 'best practice' ideas and engage with each other. The platform is used to share targeted information from management, from business areas and its subsidiaries, but also encourages social interaction.

### 3. Medartis Academy – The Medartis Learning Management System

The goal of the Medartis Academy is to provide a fully integrated learning experience, from on-boarding programmes to personalised development plans, to help employees advance their careers and complement them with the necessary soft and hard skills. We partner with various global education leaders to provide both local and international content through eLearning and classroom settings.

Our modern Learning Management System (LMS) offers the following benefits:

- Completion of introductory programmes
- Access to exciting learning opportunities 24/7, anywhere, anytime
- Use of different learning methods that suit individuals and their schedules, whether they are videos or interactive online courses
- Exploration of job-specific learning plans
- Improving social and professional abilities
- Simplified registration, course tracking and reporting

## Exemplary ethical behaviour is the basis for our long-term success

### Corporate Social Responsibility

Corporate Social Responsibility (“CSR”) measures are applied to establish reliable, ethical and mutually beneficial relationships between Medartis and its stakeholders. These stakeholders include shareholders, investors, employees, distributors, suppliers, service providers and other market players with whom Medartis interacts in its business.

This policy defines the corporate social responsibility and labour standards that should be upheld in the business operations and supply chain of Medartis AG and its subsidiaries, which are of the utmost importance. All stakeholders shall commit to and advocate for ethical business practices along the entire supply chain.

The objectives of the Corporate Social Responsibility Policy are to:

- Conduct business with integrity and transparency respecting laws and regulations of the territories in which Medartis operates.
- Maintain work standards in line with the Ethical Trading Initiative Base Code (“ETI Base Code”).

- Promote the understanding and awareness of ethical and good labour practice standards.
- Respect human rights in all decisions and practices.
- Encourage all parties in the supply chain to participate in and develop their labour standards.
- Maintain a sustainable development and continuously improve our labour standards.

### Corporate Compliance

“Precision in fixation” – this is our credo and guiding principle. Medartis places the greatest value on high standards in every respect. Our most valuable asset is an excellent reputation based on best quality in products and services and good relationships to all stakeholders. These relationships are based on legal business practices and integrity, which in turn creates and maintains the trust we need for sustainable and successful activities.

We consider ourselves part of society. We respect human rights and act responsibly with regard to natural resources and the environment. On the one hand, our Corporate Compliance policy is aimed at the employees of Medartis worldwide. Without exception, all employees are obliged to comply with our Code of Conduct in order to act in good faith towards Medartis. On the other hand, this Code of Conduct provides transparent orientation for the community at large as well as an obligatory guideline for all our business partners.

The Code of Conduct incorporates general legal and ethical principles. It represents the minimum standard of expected behaviour and individual issues are specified in more detail in internal instructions. All employees have to comply with the law as a matter of course. If local laws exceed the requirements of the Code of Conduct, then these stricter regulations are to be observed.

Compliance with rules is a prerequisite for the sustainable success of Medartis. Illegal and unethical behaviour can lead to considerable

financial damage, while proper behaviour shows concern for the company’s value and assets and helps maintain its reputation.

### Whistleblower Channel

Medartis has established a reporting platform for combating unethical behaviour and violations of internal guidelines and applicable legal regulations. This platform is directed at compliance violations and can be used by employees, distributors, or interested parties in general. All notifications submitted via this channel will be treated confidentially and the identity of the whistleblower will be duly protected. It is also possible to submit reports anonymously.

All complaints are forwarded to the Medartis Ethics Committee for proper consideration and, if necessary, appropriate action.

## We protect our environment by acting responsibly throughout our value chain, from our suppliers to our customers

We are committed to the climate goals of the United Nations and support the path to climate neutrality by 2050. This year, our entire value chain will be included in the sustainability report for the first time (Scope 1-3), after reporting on Medartis Scope 1-2 for the reporting year 2022. This will allow us to set 2023 as the base year for our climate targets.

On this basis, we will be working out in detail in 2024 how we can become a climate-neutral company. We will base these targets on the Science Based Targets Initiative (SBTi) to ensure they are consistent with climate science to stabilise global warming at 1.5°C. We will optimise our internal operations (Scope 1-2) and analyse our value chain, from raw materials to the use of our products by our customers, in order to take the appropriate measures.

In addition to the goal of achieving climate neutrality, we are focusing on consistent waste minimisation and targeted energy saving measures to conserve our planet's resources. We comply with applicable legislation such as RoHS, REACH and others. This applies to our own products and services, to those of our suppliers and to supporting our customers in their efforts to conserve resources.

To reduce its environmental impact, Medartis has identified the following areas, which relate mainly to a responsible production and supply chain:

- Energy efficiency and substitution of carbon energy
- Reduction of scrap rates
- Traceability and eco-friendly products
- Recycling of used raw materials and reduction of auxiliary materials
- Smart design and packaging
- Further improvements in production efficiency and conversion to paperless processes.

Further information on the above topics can be found in the chapters "Climate change" and "Resources and Circular economy".

Material sustainability issues and actions are reviewed quarterly by the Board's Finance and Audit Committee. The Sustainability Supervisory Board and the ESG Committee ensure that the Board of Directors has the collective knowledge, skills and experience on sustainable development. [GRI 2-17]



Medartis consignment sets

# Material Topic: Resources and Circular economy

A circular economy decouples economic growth from resource depletion by keeping materials, raw materials and products in circulation and avoiding, as far as possible, littering the environment, especially the oceans, and overloading landfills. The transition from a linear economy of “make, use and dispose” to a circular economy based on the principles of “reduce, reuse and recycle” will also help to curb global warming. By using valuable resources efficiently, by-products or waste can be recycled and reused to make new materials and products. This approach has the potential to significantly reduce emissions along the product value chain.

The circular economy and the conscious use of resources are key issues for Medartis. The circular economy supports sustainable development by securing the resources needed by current and future generations. Medartis aims to achieve this by minimising the use of resources as well as waste, emissions and energy losses.

## CONCEPT

Earth’s natural resources are limited, which means that we have to use them carefully. Medartis follows this principle throughout the entire value chain, from the purchase of raw materials to the use of Medartis’ products by the customer. The company therefore differentiates between:

- Inflow: Resource efficiency across all materials that Medartis needs to manufacture its products
- Outflow: Resource efficiency in the use of Medartis’ products, e.g. through circular use or recycling

- Waste and emissions: Resource efficiency through sustainable waste management

The company follows the cascade below wherever possible when using resources to manufacture inflow products and when dealing with waste and emissions:

1. Avoidance
2. Reuse (circular economy)
3. Recycling
4. Disposal

Energy is looked at from two angles. The first is to use renewable energy to continuously reduce the carbon footprint to a climate-neutral balance (see also the Climate Change section). Secondly, energy also has to be used wisely as a natural resource, both non-renewable and renewable.

The use of natural resources and recycling are particularly complex when it comes to medical products. Medartis always focuses on the quality, functionality and user-friendliness of its medical devices to ensure maximum patient safety.

The Medartis concept entails the following requirements for the use of its products by customers:

- Instruments are generally supplied to customers in a reusable form in line with the circular economy and are characterised by a very long service life. It should be noted that surgical instruments must be reprocessed (cleaned and sterilised) before each new use. This reprocessing requires the use of energy and water.

- Implants are designed for single patient use and are available in two versions:

(1) As a sterile packaged product where the sterile packaging per product is waste. Products not used during surgery can be returned to stock.

(2) As a product in non-sterile implant sets that are reprocessed in the clinic. After the operation, the unused implants in the sets are reprocessed. This means less packaging waste but consuming energy and water after each use of a set.

- Both non-sterile and sterile-packaged implants offer benefits to the customer. In addition, there are markets that require the use of sterile products for regulatory reasons. Medartis has therefore decided to offer both options and to continuously improve the sustainability of both product lines.

- Waste minimisation and recycling is a key issue for Medartis and its customers. The waste generated by customers comes from transport and product packaging, as well as from the implants after they have been removed from the patient. Medartis will continue its efforts to minimise and recycle packaging. However, patient safety is key to Medartis and is always taken into account in the design and functionality of packaging and the choice of materials.



## IMPACT MATERIALITY (INSIDE-OUT)

The following risks and opportunities can be addressed by considering the careful use of resources throughout the value chain:

- Failure to meet necessary global climate targets due to excessive resource consumption
- Impairment of biodiversity and water conservation through careless waste management
- Under the polluter pays principle, companies are increasingly obliged to take responsibility for the pollution they cause
- High costs of waste disposal
- Mounting environmental regulations for businesses
- Non-recyclable packaging is losing market acceptance
- Efficient production methods allow the company to increase profitability and minimise the use of natural resources

## FINANCIAL MATERIALITY (OUTSIDE-IN)

Progressive climate change has the potential to increase social inequality and political tensions. As a result, the issue of increasingly scarce natural resources and their responsible use will become more and more important. This could have a direct impact on Medartis' business activities:

- Natural resources are becoming increasingly scarce and therefore more expensive and difficult to obtain
- Raw materials and carbon emissions are taxed more heavily, leading to higher costs and minimising competitiveness
- Capital goods such as equipment and machinery are becoming more expensive and more difficult to obtain due to shortages

- Rising environmental degradation, reduced biodiversity and the pollution of the world's oceans will lead to a dramatic increase in environmental regulation.

## MEASURES AND KPIS

Measures to implement and assessment of their effectiveness:

### From raw materials to customer use

[GRI 301-1/301-2/301-3]

As a responsible company, Medartis wants to regularly monitor and optimise its environmental performance in order to understand the impact of its operations and to identify opportunities to reduce its footprint. Climate protection is a global issue that requires action by all companies and countries. Global warming, emissions from production resources and the economical use of non-renewable resources are global issues that need to be addressed collectively. Medartis is committed to doing its part in bringing about such improvements. This means addressing key issues such as:

- Reducing the carbon footprint
- Using renewable energy throughout the value chain
- Reducing waste
- Optimising packaging (reusable or recyclable)
- Procurement of important materials such as titanium only from reliable sources (e.g. USA and Japan)

### Use of materials

Surgical plates, screws, surgical guides and jig instruments are Medartis' main products. All implants are manufactured from

titanium derivative rods or metal blocks on CNC milling and turning machines. Instruments are made of stainless steel and containers of stainless steel and aluminium. The following raw materials were used in 2023:

Material	Weight (tons)	Comment
Titanium	13.26	Implants, instruments
Stainless steel	15.9	Instruments, containers
Aluminium	1.37	Instruments, containers
Hard metal (carbide)	0.33	Tools
Plastic	10.95	Containers, primary packaging, transport packaging
Paper/cardboard	29.1	Secondary packaging, transport packaging

The vast majority of Medartis implants are explanted after bone regeneration. Due to contamination, they are usually disposed of as hospital waste. Products that are not used during surgery are reprocessed by the customer and can be used in future surgeries. They therefore remain in circulation until they are used for the patient. Surgical instruments and containers used to store implants and instruments have an average lifetime of more than 10 years and are reused repeatedly during this time. At the end of their lifecycle, instruments and containers are reprocessed (cleaned) and can then be recycled.

Medartis is constantly striving to minimise the use of packaging materials, increase the proportion of recycled materials and minimise the use of plastic, while always focusing on safe transport in the interests of patient safety.

The majority of deliveries are made from Medartis' headquarters and subsidiaries to distributors and directly to customers. Used transport packaging is reused by our subsidiaries for local deliveries. Wherever possible, paper and cardboard used for transport packaging is made from recycled materials.

## Systematic efficiency improvements to protect our natural resources

With more than 20 years of manufacturing experience, Medartis is constantly challenging itself to eliminate waste and non-value adding activities. The company is constantly looking for ways to use new technologies to improve product attributes, reduce machine times, reduce raw material use and manual labour, and improve the workplace (lean management). By producing more with the same resources, Medartis is able to minimise its environmental footprint.

With an organic growth profile several times higher than GDP, Medartis focuses on relative energy efficiency rather than absolute energy demand. With this in mind, the company continues to introduce automation and technology into its factory to ensure the precise, time-saving and low-waste production of its screw and plate implants. The introduction of automation enables real-time adjustments for optimal efficiency and helps the company shift responsibility from low-skilled manual labour to monitoring, supervision and validation of equipment. Some examples that Medartis is currently implementing are described below:

### Cleanroom

In 2023, Medartis accelerated the expansion of internal cleanroom utilisation to 70% of all non-sterile products. This provides greater production flexibility and reduces transport and lead times. The new addition to the modern facility in Basel will enable Medartis to reduce the cost of packaging and labelling non-sterile and sterile implants by an average of 20-40%. Production lead times will be reduced by up to five days. The introduction of in-house final cleaning and packaging eliminates the need for daily transport to suppliers and ensures that these production steps are carried out in a carbon-neutral manner. Due to the fear of contaminated surgical instruments, the demand for single-use procedure sets and the decision of hospitals to reduce their sterile room costs, a trend towards sterile single-use sets has developed in recent years, which



Employees from the cleanroom facility, Basel

varies greatly from country to country. In 2023, Medartis has introduced and validated the processes for in-house packaging of sterile products, preparing the ground for the launch of in-house sterile packaging in 2024, reaching a share of 70% by the end of the year.

### Automation

With the introduction of a fully automated measuring cell in screw production, the operations team has been able to reduce measuring times for quality control of its screws by 25%, increase the quality of measurements and introduce non-destructive testing, which has significantly reduced scrap rates. In 2023, Medartis significantly expanded the products that can be measured on this system so that more than 75% of all screws can now be run through the automated testing machine.

### Digitalisation

By digitalising its production processes, Medartis aims to significantly reduce administrative work, improve the quality of documentation and traceability and save valuable paper resources through paperless production. After implementing a paperless warehouse, Medartis focused on the paperless documentation of purchased products and digital packaging/labelling processes in 2023. The company was able to move to paperless incoming inspection of products manufactured by suppliers. All inspections are performed directly in SAP. In addition to the environmental savings resulting from paperless documentation, the process has also become more efficient, with time savings of more than 30% thanks to more automated processes. Now that all data are available electronically, monitoring is improved and actively used to communicate with suppliers. Paperless production in the cleanroom facility will be introduced with the start of sterile production in Q1/2024



Manufacturing facility Warsaw, US

### Manufacturing

The manufacturing process uses water-based emulsions and cutting oil as coolants during the manufacturing process, followed by cleaning, packaging and sterilisation. Other indirect production activities relate to metal instruments and surgical containers used in hospitals or other inbound treatment centres. Medartis currently manufactures its standard portfolio of plates and screws centrally at a single site in Switzerland, which meets high Swiss production standards. With the acquisition of Nextremity Solutions Inc. in May 2022, a second production site was added in the US (Warsaw, Indiana). In order to optimise the distribution of its production volumes and its global production footprint, Medartis will also manufacture some of its traditional plates and screws in the US from 2024 onwards, and will insource the manufacture of instruments from suppliers to this new production facility. Compared to manufacturing companies in other industries, the footprint in terms of energy consumption, material use and emissions is relatively modest. Medartis' core metalworking operations are highly automated, efficient and moving towards 24/7 production.



Screw manufacturing at its headquarters in Basel

### Improving machine efficiency

As part of its efforts to conserve natural resources, Medartis aims to increase the number of production hours per machine. At its implant manufacturing facility in Basel, the main source of value added is the turning and milling of implants. Over the past three years, the company's 24/7 programme has increased output per machine by an average of more than 15%. This not only has economic benefits, but also enables Medartis to achieve growth with fewer additional machines.

Efficient use of plant resources plays a crucial role in minimising material consumption. A 10%-increase in efficiency is currently equivalent to the capacity of five machines, each weighing an average of six tons. Through its ongoing 24/7 programme and commitment to efficiency, the company is actively contributing to the conservation of resources and the reduction of its carbon footprint. Future plans include a continued focus on the 24/7 programme with the aim of securing at least a further 10% increase in production hours from their machines over the next three years.

## Raw materials and child labour

[GRI 2-23]

Medartis does not source any critical raw materials, alloys or auxiliary materials consisting of tin, tungsten, tantalum or gold as defined by the “Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour” (DDTrO). Medartis does not meet the thresholds set by this ordinance for alloys or derivatives. With regard to child labour, Medartis considers the risk to be very low. Medartis does not source its raw materials from countries classified by the UN, ILO or UNICEF as high-risk countries in the relevant area (non-agricultural sectors). The company also requires its suppliers to ensure traceability and the prevention of child labour along the value chain. This survey and the company’s own assessment are repeated regularly.

## Energy efficiency

[GRI 302-1/302-2/302-3]

In 2019, Medartis decided to enter into a target agreement with the Swiss Federal Government to increase energy efficiency with the help of the Energy Agency for Industry (EnAW). This way, Medartis is making a significant contribution to the government’s efforts to use energy efficiently and to reduce greenhouse gas emissions.



Medartis Switzerland receives its district heating from the local energy supplier IWB. It is produced at the waste incineration plant in Basel from the waste incinerated there, mainly domestic waste. This district heating is 100% carbon neutral and is used in both the production and administration areas of the building. The waste heat from the industrial plants is not only used for heating, but also for cooling, thanks to the largest absorption chiller of its kind in Switzerland. The corresponding district heating power box has been certified by TÜV Süd. In addition, Medartis obtains 100% of its electricity from renewable sources, mainly hydroelectric power. This makes Medartis’ headquarters in Basel carbon-neutral.

Intelligent building controls allow Medartis to make efficient use of a wide range of applications. Saving energy without compromising quality – this also applies to the use of electrical energy. LED technology is used consistently in all conversion and renovation work. Whenever possible, the company purchases equipment with the highest energy class. Where appropriate, motion detectors are used for lighting at head office. Recently, much of the lighting at the headquarters has been replaced with LED bulbs, and the entire building will be converted to LED in 2024. Thanks to more efficient warehouse management and increased output per machine hour, Medartis was able to reduce the number of machine hours in 2023 despite the company’s growth. The entire energy management system at the headquarters in Basel was reviewed and optimised in the winter of 2022/2023. Energy consumption at the headquarters has been reduced by 11% in 2023. These measures enabled Medartis to significantly exceed the target path agreed with EnAW.

## Water and waste water

[GRI 303-1/303-2/303-3/303-4/303-5]




Due to the nature of the products and services provided by Medartis, the company has deemed the issue of water consumption to be immaterial. In the interests of the sustainable use of resources, the basic data on water consumption is described below. In addition to domestic water consumption for sanitary facilities, Medartis requires water for production, in particular for the intermediate and final cleaning of manufactured products.

A process based on ultrapure water and ultrasound has been validated for final cleaning before products enter the cleanroom, eliminating the need for chemical detergents and thus improving the environmental footprint. The water used in the cleanroom to wash the implants must be changed frequently, but the waste water can be returned to the normal water cycle.

Medartis continues to systematically increase efficiency with the new intermediate production cleaning system, which was installed in the fourth quarter. The previous systems were operated in a batch system and had to be filled and emptied manually, whereas the new hybrid cleaning system has an automatic filling system that allows cleaning batches to be changed unattended. As a result, the machine can be used 24 hours a day, seven days a week, and the optimum use of machine capacity contributes to saving resources (fewer machines per volume). In addition, a new cleaning technology with a hybrid circulation process is used. This reduces the amount of waste water by a factor of 10. Instead of 100,000 litres, less than 10,000 litres of waste water are produced.

The machines at the Basel plant are water-cooled. The water is drawn from a groundwater well and fed into a nearby river at a controlled temperature. The return temperature is monitored constantly. The cooling water flow rate has increased due to the higher flow temperature of the cooling network. The company is currently working on a technical concept to improve this situation.

Energy, water and compressed air consumption figures for 2023 are shown in the table below:

			HQ and Swiss manufacturing 2022	Total incl. all subsidiaries 2022	HQ and Swiss manufacturing 2023	Total incl. all subsidiaries 2023	
	<b>Energy</b>						
	Electricity	MWh	4'738	6'064	4'229	5'395	
	Heating	MWh	784	784	761	761	
	Natural gas	MWh	-	484	-	465	
	Cooling	MWh	1'289	1'289	1'332		
	Machine hours	Hours	269'443	310'263	247'610	283'218	
	<b>Water</b>						
	Water consumption	m <sup>3</sup>	6'051	8'789 <sup>3</sup>	5'093 <sup>2</sup>	7'273	
	Consumption per day	m <sup>3</sup>	16.5	24.1	14.0		
	Cooling water flow rate	m <sup>3</sup>	169'611	169'611	203'874	203'874	
	Cooling water per machine hour	m <sup>3</sup> /hours	0.76	-	0.82		
	<b>Compressed air</b>						
	Compressed air <sup>1</sup>	m <sup>3</sup>	7'992'273	-	7'497'236	-	
	Energy efficiency <sup>1</sup>	Joules per litre	389.7	-	390.1	-	

<sup>1</sup>Due to the lower number of machine hours, compressed air consumption was also reduced proportionally.

<sup>2</sup>The reduction of 1000 m<sup>3</sup> in water consumption at the Basel headquarters is currently being examined with the water supplier; it cannot be explained by operational activities.

<sup>3</sup>There was a conversion error in the 2022 report for water consumption at the Warsaw site, which has been corrected here.



The new intermediate production cleaning system significantly reduces the amount of waste water.

Water recirculation is carried out in coordination with and under the control of the relevant authorities. Contaminated wastewater is disposed of, not recycled. Treated wastewater is discharged in accordance with legal requirements.


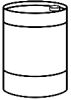


## Waste management

[GRI 306-1/306-2/306-3/306-4/306-5]

Medartis has a sustainable disposal concept for industrial and municipal waste with clear guidelines for the separation and disposal of hazardous waste. Both should help to reduce the overall amount of non-recyclable waste and to fully leverage the opportunities for waste recycling. Material recycling makes sense because the systematic reuse of used materials reduces the burden on public disposal (landfills, incinerators) and conserves valuable resources.

The economic, social and environmental approach determines the optimal and therefore most sustainable disposal method. Waste must be prevented, reduced and recycled. These three principles must be applied consistently to achieve sustainable waste management.

The following table shows the figures for reusable materials, special waste and residential waste in 2023:

			HQ and Swiss manufacturing 2022	Total incl. all subsidiaries 2022	HQ and Swiss manufacturing 2023	Total incl. all subsidiaries 2023
	<b>Recycling / reusable materials</b>					
	Titanium recycled (net)	Tons	16.7	17.6	17.5	19.2
	Steel recycled (net)	Tons	-	6.9	-	9.8
	Brass recycled (net)	Tons	-	0.8	-	1.3
	Paper / cardboard <sup>1</sup>	Tons	24.4	-	15.5	-
	Paper / cardboard per capita	kg/employee	75.8	-	44.3	-
	Office paper consumption <sup>2</sup>	Million sheets	1.7	-	1.3	-
	Office paper per capita	Sheets/employee	5'550	-	3'714	-
	<b>Special waste</b>					
	Aqueous rinsing liquids	Tons	96.0	96.0	119.7	119.7
	Cooling emulsion (for milling machines)	Tons	42.5	42.7	28.1	28.3
	Cutting oil (for CNC machines)	Tons	3.4	3.64	2.8	3.0
	<b>Other controlled waste</b>					
	Electrical appliances (SWICO goods)	Tons	1.7	1.7	0.5	0.5
	Wood	Tons	10.2	10.2	2.1	2.1
	Others	Tons	0.1	0.1	-	-
	<b>Residential waste</b>					
	Sweepings	Tons	33.8	-	24.7	-
	Sweepings per capita	kg/employee	105	-	70.5	-

<sup>1</sup>Paper/cardboard, wood and electrical appliances decreased significantly, mainly following the completion of the clearing of a floor for the construction of a bioskills laboratory in 2022.

<sup>2</sup>In particular, the use of printer paper has been reduced at the Basel headquarters. This has been made possible by digitalisation projects and the responsible use of printed materials. Nevertheless, the number of printed pages is still high and the company will continue to work on reducing it. All printers have been set to print on both sides of the page and in black and white as standard. Detailed evaluations will be carried out in 2024 in order to launch a targeted paper reduction campaign in coordination with the company's printer supplier.

## Supplier management

[GRI 308-1/308-2]

Corporate responsibility issues are reviewed as part of the supplier evaluation, approval and ongoing monitoring process. New suppliers sign a memo confirming that they operate in accordance with the ETI Base Code. Corporate responsibility is treated as a separate item in the approval and monitoring audits of suppliers. No negative environmental impacts were identified in 2023.

### Considering the customer side

Looking at the entire value chain, in addition to production, energy and water are also used to clean Medartis products at the customer's premises. As reprocessing follows a validated process, it is possible to make a good estimate of the amount needed to

reprocess our products worldwide. Based on the global use of our implant kits, we estimate that approximately 2 MWh of electricity and 17,000 m<sup>3</sup> of water are used for reprocessing at our customers' sites. The reprocessing of sets is in line with the principle of circular economy and significantly minimises packaging waste. We have no direct influence on water consumption at this stage of the value chain.

In terms of waste, the customer generates packaging waste from product and transport packaging. Disposal of implants after surgery and, for reusable instruments and containers, disposal at the end of their service life must also be considered.

Medartis' single-use titanium implants are predominantly explanted, with more than 90% disposed of as hospital waste. Unused products are reprocessed by customers for future surgeries and remain in circulation. Surgical instruments and containers, which are often used for 5 years or more, are reprocessed and reused.

At the end of their lifecycle, these instruments and containers are reprocessed (cleaned) and can be recycled.

This results in the following estimated customer-side waste volumes in 2023:

Material	Weight (tons)	Comment
Titanium	0.5	Sterile packaging
Stainless steel	1.6	Instruments, containers
Aluminium	0.1	Instruments, containers
Plastic	3.9	Containers, primary packaging, transport packaging
Paper/cardboard	17.7	Secondary packaging, transport packaging

# Material Topic: Business (Innovation, Performance, Conduct)

Medartis improves healthcare for patients worldwide in a targeted and innovative way. To do this, the company needs solid financial performance, close and high-quality customer contact and suppliers who can keep up with the pace of innovation. All this must be based on impeccable ethical behaviour in compliance with all relevant laws and on the strict exclusion of corruption and bribery.

This chapter provides more detailed information on Medartis' approach, impact, opportunities and risks, as well as measures and goals.

## CONCEPT

The corporate governance principles of the company, as published on the corporate website under the heading "Investors - Corporate Governance", form the basis of the concept: "Medartis relies on efficient cooperation between the Board of Directors and the EMB. We respect the interests of our shareholders and rely on clear rules in addition to open, transparent corporate communication."

Medartis' corporate governance is based on the following main elements:

- Board of Directors
- Independence of the Board of Directors
- Organisational Regulations of Medartis Holding AG
- Finance and Audit Committee Charter of Medartis Holding AG
- Human Resources and Compensation Committee Charter of Medartis Holding AG

- Strategy and Innovation Committee Charter of Medartis Holding AG
- Corporate Compliance Policy
- Corporate Social Responsibility Charter

In addition to this fundamental concept of business conduct, economic performance, partnerships with medical device product and process suppliers and a globally focused innovation pipeline are deemed to be the basis for Medartis' sustainable success.

## IMPACT MATERIALITY (INSIDE-OUT)

Through its operations, Medartis influences all stakeholders it engages with and contributes to sustainable global development within the scope of its possibilities. The company's vision is clear: "With our proven expertise, we work with healthcare professionals to develop cutting-edge technologies for improved surgical outcomes. Together, we set new standards in patient care."

This enables Medartis to be the partner of choice for renowned surgeons worldwide and to secure its financial growth. On this basis, the company continues to work effectively against bribery and corruption and is committed to equality, diversity and inclusion. Medartis sees this as a great opportunity and therefore considers this issue to be material.

On the other hand, customers also expect Medartis to have a sustainable business model. ESG plays an increasingly important role in contract negotiations. Low-waste, climate-friendly products, compliance throughout the supply chain and impeccable ethical

behaviour are specifically requested. This has a direct impact on Medartis' ability to negotiate contracts successfully.

In addition, ESG issues are becoming increasingly important for analysts and potential shareholders. By reporting on its sustainability activities in a targeted and transparent manner, Medartis has a direct influence on its valuation by these stakeholders. In turn, a solid share price enables Medartis to consistently implement its sustainability goals.

## FINANCIAL MATERIALITY (OUTSIDE-IN)

In recent years, sustainability has become a key issue in society, politics and business and among investors. As a listed company, Medartis' long-term success is particularly dependent on the trust of its shareholders, which represents both an opportunity and a risk. The financial market shows that the trend towards sustainable finance is unbroken and that more and more conventional investors are using ESG data in their investment decisions.

Investors are putting companies to the test and are fundamentally interested in the risks and, increasingly, the opportunities arising from the sustainable or non-sustainable activities of their investments. Creditors are also increasingly looking at sustainability opportunities and risks. The Task Force on Climate-Related Financial Disclosures, better known as the TCFD, has set itself the task of helping to identify the information that investors, creditors and insurers need to properly assess and evaluate climate-related risks and opportunities.



In line with the strategy for a sustainable financial market, Switzerland is an official supporter of the TCFD. Reporting in line with the TCFD recommendations will become mandatory for all listed companies in Switzerland. Another important development is the new European CSRD Directive, which will also become mandatory for Medartis as an international company. It is interesting to note that this regulation does not set specific ESG targets, but instead requires companies to disclose comprehensive information. The focus is on transparency rather than binding targets or measures. Requiring companies to disclose specific information not only creates market pressure, but also signals that transparency promotes sustainability. Informed markets favour more sustainable companies, and companies that prioritise sustainable practices will benefit, while those that fall behind risk competitive disadvantage.

The financial success of Medartis, as reflected in the financial report, and a strong development pipeline for new products and services are the basis for shareholders' confidence in Medartis. With a healthy share valuation, the company can continue to invest in its growth, laying the foundation for a sustainable business. On the other hand, failure to meet targets can lead to a loss of confidence and jeopardise the financial basis. Medartis therefore also considers its business performance as part of its sustainability strategy. Without a solid financial basis, the company is not in a position to implement environmental and social goals in a targeted manner. The TCFD recommendations will help to manage these risks in the future.

Political tensions, social disruption and, not least, the global impact of climate change will pose new challenges, particularly for listed companies. In a highly volatile global environment, sound ethical behaviour, in particular the prevention of corruption and bribery, but also proactive work on equality, diversity and inclusion, are important factors in minimising the risks of a changing global society and, in the best-case scenario, turning them into opportunities for sustainable growth.

## MEASURES AND KPIS

Measures to implement and assessment of their effectiveness:

### Business Performance

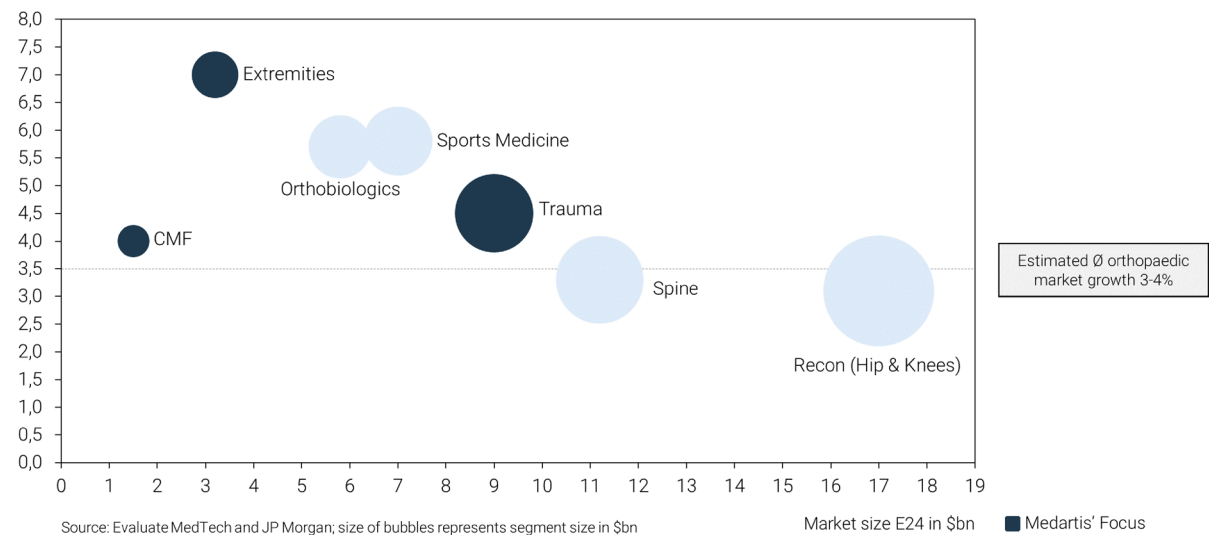
[GRI 2-6]

The orthopaedic medical device market is a significant segment within the broader healthcare industry, with an estimated global value of approximately CHF 50 billion, and includes devices and treatments for injuries and conditions of the upper and lower extremities, including shoulders, elbows, wrists, hands, hips, knees, ankles and feet.

This market is characterised by its diversity, covering a wide range of orthopaedic conditions and procedures. Within this expansive market, Medartis has strategically positioned itself in three attractive sub-segments, namely small joint trauma, degeneration and cranio-maxillofacial (head) surgery. Together, these sub-segments account for approximately a quarter of the overall market. These areas offer attractive opportunities due to their large market shares and growing demand for innovative solutions. Demand for solutions for small joint trauma and degeneration is growing, driven by factors such as an ageing population, increased sports-related injuries and a rise in musculoskeletal disorders and joint arthritis. The fragmented nature of this segment creates opportunities for innovation, allowing companies such as Medartis to introduce novel products and gain market share.

### MEDARTIS FOCUS: SMALL BUT ATTRACTIVE SEGMENTS

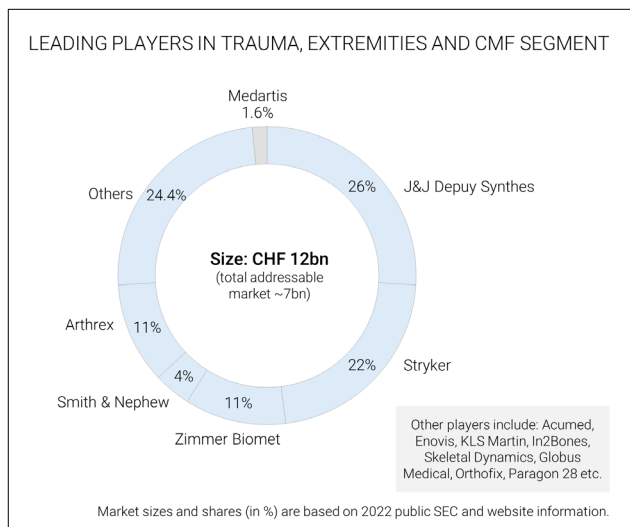
Estimated market growth 2022-2025



Medartis competes in a dynamic market alongside industry giants such as Johnson & Johnson, Zimmer Biomet, Stryker, Smith & Nephew, Arthrex, Acumed and numerous smaller companies. While these competitors pose significant challenges, Medartis is leveraging its product portfolio and focus on innovation to gain a competitive position in the market. Advances in medical technology include the development of minimally invasive surgical techniques, 3D printing for personalised implants and advanced materials for implants and prosthetics. There is a noticeable trend towards outpatient surgery for orthopaedic procedures on the extremities.

With its current portfolio, Medartis is targeting market segments with a total addressable market (TAM) estimated at CHF 7 billion. This reflects the company's strategic focus on specific segments where it can compete effectively and gain market share.

Medartis is pursuing a growth strategy and aims to achieve above-market growth in these attractive segments organically, through partnerships and through acquisitions. In this context, the company acquired a stake in the Geneva-based hand specialist



Keri Medical SA in December 2020 and expanded its influence in several steps. This was followed in May 2022 by the acquisition of Nextremity Solutions Inc., a company with a production facility in the USA and a rich product pipeline in the lower extremities as well as expertise in other areas. In 2023, Medartis also secured the distribution rights to the NX Nail portfolio of the Australian company Field Orthopaedic.

Key performance indicators and comments on the economic performance in the year under review can be found in the Key Financial Figures and the Business Review sections.

## Taxes: Strategy, governance and relevance [GRI 207]

Medartis is a Swiss-based multinational company with headquarters in the canton of Basel-Stadt. Medartis sells its products in more than 50 countries and has its own subsidiaries in 12 countries. All sales subsidiaries are wholly owned by Medartis AG, which was also the sole manufacturer of all Medartis products until 2023. A small volume of so-called "3rd party manufacturing products" is produced in the newly acquired production facility in Warsaw IN, USA.

Medartis' tax obligations include various direct and indirect taxes as well as corporate and employee taxes. The majority of these taxes, together with customs duties, are paid to the countries in which Medartis has its own subsidiaries. As a "good tax citizen", Medartis is committed to tax compliance in all countries in which it operates directly or indirectly. It manages its international sales and services in accordance with all applicable tax regulations and international standards. Responsibility for tax compliance lies with Corporate Tax (part of Global Finance) and Corporate Legal, both based in Switzerland. Global Compliance independently monitors tax compliance and also independently reports to the Board of Directors through its Finance and Audit Committee.

The tax function (reporting to the Global CFO), supported externally by tax experts from Big-4 auditors, coordinates, guides and supervises all accounting staff and controllers of the various Group companies. This ensures that Medartis complies with all local and international tax laws, rules and regulations. The Group Auditors and other local auditors review tax compliance as part of their ongoing audit mandates, not only for the Group but also in countries where statutory audits are required.

In addition to regular audits and an appropriate organisation to ensure tax compliance, Medartis explicitly complies with the spirit and the letter of local laws and regulations in line with and within the framework of internationally recognised standards, such as the OECD-G20 inclusive framework on Base Erosion and Profit Shifting (BEPS and BEPS 2.0) and the European Guidelines (ATAD). This includes the establishment and implementation of a global transfer pricing model that allocates profit to value chains at arm's length. Regular external reviews in line with benchmarking analysis monitor all intercompany transactions and ensure alignment with international standards.

Medartis does not make use of offshore structures (so-called tax havens) or other artificial structures that are disconnected from actual business needs. Medartis does not have any legal entities in tax regimes that are internationally known or categorised (e.g. by the OECD) as tax havens or similar. As a general principle, tax follows business for all Medartis business activities.

As of 31 December 2023, Medartis has not entered into any Advanced Pricing Agreements (APAs) on a worldwide level.

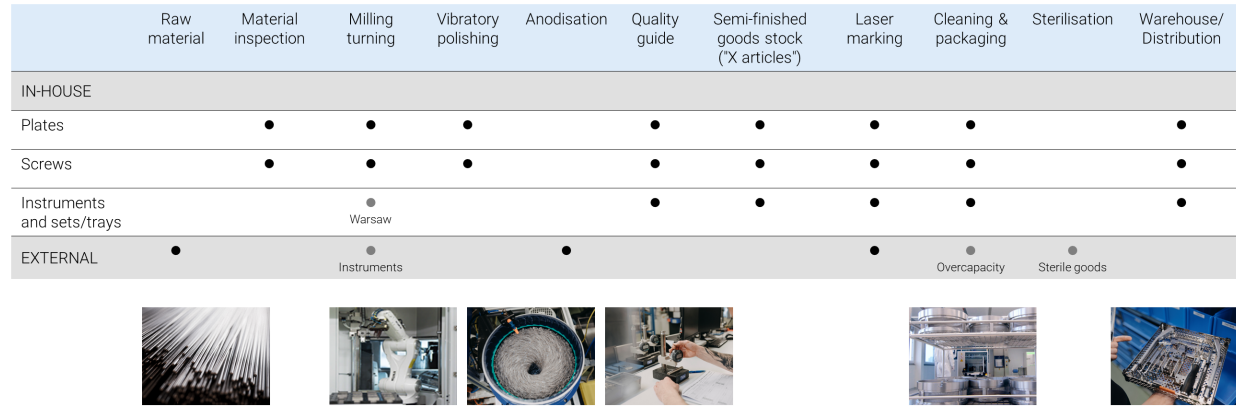
## Customer Relationship

Our relationship with our customers is very important. Trust and partnership are key to addressing new indications and staying at the forefront of innovation. Medartis actively maintains a network of surgeons, healthcare professionals and research and education partners to develop and deliver superior solutions. To this end, Medartis uses a wide range of communication channels and exchange platforms, from congresses and symposia, courses and workshops to hands-on training under life-like conditions, as well as regular, structured and high-quality educational content, expert interviews and exchanges on industry-specific platforms. In particular, the partnership established in 2004 with the International Bone Research Association (IBRA) is proving to be very effective in the further development of scientifically based treatment solutions. The close proximity of the IBRA training center called the "IBRA Institute" and Medartis in Basel fosters direct exchange between experts and opinion leaders in the context of training courses, workshops and seminars.

## Supplier Relationship

The coronavirus crisis has highlighted the importance of good relationships in business. Supply chains are becoming more vulnerable and nervousness in the supply chain is increasing. A good customer-supplier relationship can make a lasting positive contribution to a company's success. Weaknesses in the supply chain can be costly or even critical in an emergency. The selection of the right suppliers in terms of expertise, product quality, contractual conditions, costs and delivery times as well as service quality is always the starting point for Medartis' strategic supplier relationships. The following points form the basis for a sustainable customer-supplier relationship:

### MEDARTIS VALUE CHAIN



- We rely on long-term suppliers who work for us locally wherever possible and with whom we maintain close contact.
- We work with our suppliers to improve our products and use their expertise to achieve the best possible product quality. In turn, we use our experience to help our suppliers improve their processes wherever possible.
- With rolling forecasts and timely payments, we give our suppliers a solid basis for delivering the agreed services on time and with high quality.
- We understand our suppliers' perspective. Knowledge of production processes helps to develop an understanding of deadlines, the impact of specification changes and delivery times.

With a delivery quality of over 99.5% and an on-time delivery rate (OTIF) of over 97% in 2023, we have clearly demonstrated the value of investing in targeted supplier partnerships.

We focus on the development of local suppliers [GRI 204-1]:

- By 2023, more than 90% of all medical device product and process suppliers, with more than 95% of spending, were located within 200 kilometres of the manufacturing sites in Basel and in Warsaw.
- This focus on local suppliers reduces upstream transport and associated emissions, and facilitates a direct exchange and partnership between customer and supplier. Compliance with social and environmental standards can be effectively verified through direct on-site contact in the form of supplier meetings and audits.

As part of our ISO 13485:2016 certified quality management system, we have established specific supplier management processes, from the evaluation of new suppliers to the specific approval of new products and services and the KPI-driven monitoring of approved suppliers. We monitor this system with periodic and, if necessary, ad hoc audits. Based on this management system, we can make the following statements:

- We have not identified any suppliers where the right to freedom of association and collective bargaining may be at risk [GRI 407-1]
- We do not see any suppliers with a significant risk of incidents of child labour [GRI 408-1]
- We have not identified any suppliers with a significant risk of incidents of forced or compulsory labour [GRI 409-1]
- No new suppliers in 2023 requiring special screening for social criteria (ETI base code implemented within supplier evaluation) [GRI 414-1]
- No suppliers with actual or potential negative social impacts identified in 2023 [GRI 414-2]
- No use of conflict materials or child labour throughout the supply chain.

Together with our external partner Swiss Climate, we have reviewed our due diligence and transparency obligations in relation to conflict minerals and child labour. This review has shown that:

- There is no reasonable cause to suspect child labour
- Medartis does not import any conflict minerals (minerals, ores or concentrates) or metals containing tin, tantalum, tungsten or gold from conflict or high-risk areas or process them in Switzerland

## Supplier Communication / Assessment

Supplier evaluations and audits are conducted regularly to ensure product availability, quality levels, compliance and supplier development. Where development potential is identified, appropriate actions are derived from the results of these assessments and agreed with the supplier:

- Delivery reliability is monitored on a weekly basis, with feedback in case of non-conformity.
- Suppliers with a direct influence on the medical device are evaluated on a quarterly basis for delivery reliability and quality. The quarterly results are summarised in a report and sent to the supplier at the latest one month after the end of the quarter. If the required criteria are not met, the results are discussed in a face-to-face meeting with the supplier. The defined actions are entered in a cockpit table and taken into account in the next quarterly assessment.
- Every year, an annual assessment is carried out with the top 10 strategic and technological suppliers. In addition to the quarterly reports, the annual assessment also takes into account other facts such as partnership cooperation, costs, technological development, etc.
- Supplier development strategies are discussed and agreed at quarterly and annual meetings. In addition to quarterly and annual assessments, current and future projects and short-term and long-term requirements are used as a basis for further development.
- Supplier audits, which are carried out periodically according to risk class, systematically check a supplier's or service provider's compliance with regulatory requirements, standards and contractual agreements. Nine supplier audits were carried out during the reporting year. No critical deviations were found during these audits.

## Innovation

Medartis' vision is to be an innovation leader in developing breakthrough solutions that revolutionise the treatment of orthopaedic conditions. To achieve this, the company relies on cutting-edge technologies, personalised approaches and a holistic mindset to push the boundaries of medical care. By developing innovative implants, instruments and digital solutions, Medartis aims to improve patient outcomes, facilitate clinical processes, accelerate the healing process, restore mobility and enhance patients' quality of life.

Through a structured innovation process, Medartis aims to identify solutions to clinical problems, improve the standard of care and thereby actively promote sustainable growth. The company is committed to establishing a culture of innovation in order to remain an innovation leader in orthopaedics. Medartis actively scouts and evaluates ideas based on its innovation strategy and works with partners and surgeons to develop opportunities for innovative solutions for its customers and patients.

Interacting with customers in a variety of ways, such as attending conventions and surgeries and using surveys, interviews and focus groups, is essential to gaining valuable insights that lead to the development of new products and services that meet customers' needs.

Identifying unmet needs and pain points and understanding user behaviour and the market are important in prioritising product development efforts and initiatives to build a sustainable innovation pipeline. In addition, Medartis' expertise in regulatory and clinical affairs helps to create the necessary basis for the successful, safe and effective launch of new products in the respective market.

A new ideas management system, accessible to internal and external stakeholders, was launched in October 2023:

At Medartis, the pursuit of innovation has always been at the heart of our corporate philosophy. We firmly believe that the best ideas can come from anywhere, whether in the office, on the road, or even at home. That's why we have created a new Innovation Form on our website: <https://www.medartis.com/research-education/new-idea-submission/>

This form of innovation is our way of opening the door to creative minds, regardless of position or location. We recognise that innovation is not confined to one department. That is why we encourage all employees and external partners to contribute their ideas and suggestions. We believe that the best innovation happens when everyone can contribute their thoughts.

Of the ideas recorded in 2023, 12.5% will be incorporated into product development and 3% are in the feasibility phase.

An additional set of KPIs has been created for 2024 to measure innovation performance and efficiency in the future.

## Bribery and Corruption

[2-16/2-24/2-25/2-26/2-27/205-1/205-2/205-3/206-1]

Medartis places a strong emphasis on corporate compliance and ethical practices, ensuring transparency, accountability and prevention of misconduct throughout its global operations. The company is committed to fostering a culture of integrity and compliance through various measures and initiatives:

The company has appointed a Global Compliance Manager, as well as designated Compliance Officers in several subsidiaries, who are part of and lead the relevant global or local Ethics Committee.

The company has established a comprehensive compliance programme, including global and local policies on corporate compliance, conflicts of interest, corporate social responsibility, IT cybersecurity, social media and distributor compliance. The global Code of Conduct is currently being updated and an enhanced version of this policy and regular training for all employees, including interactive videos, will be published in early 2024. The Corporate Compliance Policy includes specific chapters on anti-corruption, antitrust compliance, and political contributions and donations. The Medartis Code of Conduct and the contact details of the Global Compliance Manager are publicly available in the Compliance section of the Medartis website: <https://www.medartis.com/company/compliance/>

Compliance training was provided in 2023 to international distributors and sub-distributors in Brazil and Mexico, with a particular focus on anti-corruption and best practices. The standard distributor agreement includes strict compliance rules and obligations, depending on the outcome of a due diligence process that includes an assessment of the distributor's compliance programme and a background check.

The company encourages open reporting through various channels, including email, whistle-blower forms on the website and intranet links. The whistle-blower form can also be used to report complaints anonymously.

When the Compliance Committee deliberates on a compliance case, it discusses and decides on corrective measures for the specific case, as well as preventive measures to avoid similar cases in the future. The Global Compliance Manager regularly updates the Finance and Audit Committee on compliance matters and reports relevant cases to the Board of Directors, in particular those involving high-level individuals or significant financial impact.

[GRI 406-1] A total of 24 complaints, including three from third parties, were reported to the relevant global or local Ethics Committee in 2023, and all allegations were promptly addressed. Of these complaints, ten were investigated and resulted in corrective actions, including training, policy review, compliance guidance and written warnings. One reported incident of discrimination resulted in a formal written warning to the employee concerned, a review and enhancement of company policy and additional training for the entire team of the subsidiary concerned on discrimination, harassment and the relevant legal framework. No concerns were raised regarding human rights violations, no cases of corruption were substantiated, and no legal actions were taken or pending regarding anti-competitive behaviour, antitrust or monopolistic practices. No concerns were raised about payments or contributions to politicians, political parties, associations or other organisations.

## Diversity and Inclusion

In Brazil and Mexico, Medartis Latin America has embarked on its first Diversity & Inclusion initiatives, setting the stage for the formation of dedicated committees in each region. Committed to fostering an inclusive workplace, the organisation has taken significant steps to promote diversity and inclusion. In 2023, Medartis Brazil established a robust D&I Committee, comprising three core team members and a dynamic group of approximately 20 volunteer allies representing diverse backgrounds and expertise from various areas of the organisation. Throughout the first year, the focus was on four key areas: gender equality, LGBTQIAPN+, people with disabilities and ethnic/racial/cultural diversity. Internal efforts focused on improving communication, promoting training and encouraging open dialogue within the organisation.

The initiative got off to a dynamic start with the launch of the programme at the annual kick-off meeting and the implementation of the first census survey. Quarterly events were organised with engaging lectures, team-building activities and discussions featuring both internal testimonials and external guest speakers. Investment was also made in informative m-Hub intranet articles, immersive dynamics and thoughtful gifts. Leaders across the organisation received extensive training on D&I, which was also integrated into the onboarding process for new hires.



Team members of Medartis Brazil

Externally, Medartis actively showcased its commitment to D&I through social media posts, collaborated with the marketing team to host an external event dedicated to women in orthopaedics, participated in external benchmarks and attended industry meetings on diversity and inclusion.

Building on the positive experience in Brazil, Medartis extended its efforts to Mexico, starting with leadership training and a high-impact launch event. The company plans to further strengthen the importance of D&I by reinforcing Medartis' core value "Everyone counts" with additional measures.



# Material Topic: Workforce

As described in the double materiality analysis and in the sustainability strategy, employees are the key to Medartis' sustainable success.

This chapter provides more details on Medartis' concepts, impact, opportunities and risks, as well as actions and goals in relation to employees, both within its own workforce and within the value chain.

## CONCEPT

The Corporate Social Responsibility Policy, which was completely revised in 2023, forms the basis of Medartis' concept. It is publicly available on the company's website in the "Investors" section. The objectives of the Corporate Social Responsibility Policy are

- To conduct business with integrity and transparency, respecting the laws and regulations of the territories in which Medartis operates.
- To maintain labour standards in accordance with the Ethical Trading Initiative Base Code ("ETI Base Code").
- To promote understanding and awareness of ethical standards and good labour practices.
- To respect human rights in all decisions and practices.
- To encourage all parties in the supply chain to participate in and develop their labour standards.
- To maintain sustainable development and continuously improve own labour standards.

A cross-functional committee, including Human Resources with the Chief Human Resources Officer, Legal with the General Counsel and Compliance with the Global Compliance Manager, collectively referred to as the Ethics Committee, has been established by top management to assist in the management of labour standards and is responsible for deliberating on the actions to be taken in the event of violations and non-compliance with this policy or with ethical and labour standards, and for establishing, reviewing and approving LSAS documents and policies.

If employees have any questions regarding the content of this policy or information regarding a possible violation of its provisions, they may contact their local Human Resources representative or report the situation to the Ethics Committee:

- E-mail: [ethics@medartis.com](mailto:ethics@medartis.com)
- Compliance Whistleblower Channel: <https://www.medartis.com/en-us/compliance/>

These communication channels may also be used by external stakeholders. Medartis prohibits retaliation and protects employees who report a possible violation and cooperate in internal investigations. This applies even if the complaint made in good faith turns out to be unfounded.

## IMPACT MATERIALITY (INSIDE-OUT)

Sustainable transformation will only succeed if everyone is involved. The best way to achieve this is to have a sound basic knowledge of big and small interrelationships – and even more importantly, to have fun and be motivated to get involved.

- Informed, well-trained and motivated employees are the greatest opportunity for Medartis to achieve long-term success, because it is the employees who make the difference: their ideas, their openness and their commitment are the engine of innovation and progress for Medartis. It is they who achieve the financial success of the company and thus secure the basis on which Medartis can position itself for the long term.
- Failure to comply with legal standards on social responsibility, paying poor wages and allowing unethical behaviour can fundamentally undermine the success of Medartis and have a negative impact on the share price. Probably the greatest risks are that Medartis is not an attractive employer, that it is unable to recruit and retain the employees it needs, and that the employees it has do not perform to their full potential.

## FINANCIAL MATERIALITY (OUTSIDE-IN)

Today's environmental, economic and social challenges require a major societal shift towards sustainability. Despite some successes in sustainability and environmental policy, progress is far from sufficient to ensure sustainable development in the long term. In order to achieve a societal shift towards sustainability, it is necessary to recognise ecological limits. The framework conditions for more sustainable production and consumption patterns must be improved. Models of sustainable lifestyles and cultural sustainability, as well as concepts of lifelong learning and education for sustainability, need to be further developed and disseminated.

- Environmental and social damage reinforce each other. Environmental degradation contributes to the exacerbation of poverty and hunger, and even to the spread of armed conflict.

Poverty as a social impact can in turn lead to ecological damage, for example through the inefficient use of energy sources or the inappropriate handling of industrial waste and pollutants. This development poses a risk to the long-term prospects of Medartis and must be countered with appropriate measures. As a company, Medartis must make a targeted contribution to minimising the negative impacts of this chain of effects.

- In times of social change, global sourcing entails high financial risks. Products and services purchased cheaply on a global scale will have to be sourced sustainably in the future if they are not currently sustainable – this can lead to considerable additional costs and also to bottlenecks in sustainable sourcing.
- A shortage of skilled workers will inevitably have consequences. This applies not only to the companies concerned, but also to the economy as a whole. Growth and welfare potential, as well as public revenues, are at stake when labour shortages limit production and the range of services that can be provided.
- In contrast to the risks posed by global social change and the increasing shortage of skilled workers, Medartis has considerable opportunities to differentiate itself from the competition and achieve growth above the market average by offering the highest standards of qualified and motivated employees. However, this advantage can only be achieved if the development of an agile and modern employee culture is firmly integrated into the company's organisational development.

## MEASURES AND KPIS

Measures to implement and assessment of their effectiveness:

## Global Workforce

[GRI 2-7/405-1]

At the end of the reporting period on 31 December 2023, the basic information on our employees is as follows. The figures reported are in headcount.

Non-guaranteed hours are not counted in the permanent or temporary categories, only in the non-guaranteed hours section.

	Female	Male	Other	Not disclosed	Total
Total number of employees	342	534	0	0	876
Permanent employees	312	517	0	0	829
Temporary employees	17	13	0	0	30
Non-guaranteed hours	13	4	0	0	17
Full-time employees	265	482	0	0	747
Part-time employees	77	52	0	0	129

Part-time employment is offered in many countries to enable a flexible work-life balance. This is done to support the health and well-being of our employees, as well as to meet some of the specific personal needs of our employees throughout their lives (e.g. childcare, caring for family members, smooth transition to retirement, etc.). Employees with non-guaranteed hours are also counted as part-time as their hours do not correspond to full-time employment.

Temporary employment is offered in cases where we have a situation of low staffing due to, for example, illness or maternity leave. Other cases arise from a temporary increase in workload due to seasonal changes. In many countries we also offer work experience and internships, which are always temporary. This is particularly important for young talent to help them enter the working world.

Globally, Medartis saw an increase in staff turnover in 2023 compared to previous years (only including permanent employees). This is partly due to two small restructurings in Australia and the USA and partly due to the conversion of some direct sales to indirect sales (former employees who have become "agents"). The situation has since stabilised.

At the same time, a new culture is being created that encourages high performance and where new skills and structures need to be built to have a scalable organisation that can support sustained/long-term high growth rates. This evolution is, of course, accompanied by the necessary changes that are reflected in some of the statistics published in this report.

	HQ	EMEA	APAC	LATAM	USA	Total
Total number of employees	350	195	96	97	138	876
Permanent employees	330	180	86	96	137	829
Temporary employees	20	8	0	1	1	30
Non-guaranteed hours	0	7	10	0	0	17
Full-time employees	251	181	82	97	136	747
Part-time employees	99	14	14	0	2	129

## Workers who are not employees

[GRI 2-8]

For Medartis, "workers" are only contractors or agency workers, while apprentices and interns are under contract with Medartis and therefore considered employees. Workers who are not employees are reported below. The workers reported are those who are under contract at the end of the reporting period on 31 December 2023. There are no significant fluctuations to report for 2023 for the workers.

	HQ	EMEA	APAC	LATAM	USA	Total
Total number of workers	5	3	8	19	0	35



54% of workers are in office roles, with the majority in front office and customer service roles. 31% work in clinical support. The remainder are in various departments, including quality and regulatory roles.

## Remuneration

[GRI 2-20/405-2]

As mentioned above, all Medartis employees are paid above the minimum salary levels defined by the relevant local authorities. As of 2023, two major activities have been initiated to determine the fairness and competitiveness of our employees' remuneration:

- The collection of benchmark data in all countries where Medartis has employees
- The implementation of the Medartis "job grading" concept to classify the different roles in the organisation according to the principles of the selected benchmark company

In 2021, Medartis received the results of a mandatory external analysis of the gender pay gap for the Swiss population. On average, women earn 1.6% less than men, taking into account differences in qualifications and job characteristics. This very good result was classified as "no gender gap" according to the criteria defined by the Swiss authorities.

A budget is determined each year to adjust employees' salaries according to various criteria:

- Inflation
- The benchmark for salary increases in the business world and, if possible, in our industry where data is available

This budget is used by managers with the support of the Human Resources teams, taking into account:

- The employee's performance
- The employee's salary position in relation to their peers
- The employee's salary position in relation to the external benchmark
- Where there is room for improvement in terms of gender differences
- The evolution of salaries in case of promotions

## Collective Bargaining Agreement

[GRI 2-30]

Globally, 12.5% of our employees (110 out of 876) are under collective bargaining agreements. For all other employees, there are annual salary processes in which the company takes into account external salary data (benchmarks), inflation data in the respective countries and internal benchmarks within teams and countries to ensure that employees are fairly compensated. This ensures that they are paid at a level that provides a living wage and is consistent with their position and role within the company. Medartis also conducts an annual analysis to ensure that there is no discrimination in pay (age, race, gender).

The following agreements are in place:

Country	Number of employees covered
Medartis (BR)	69 (100%) through 3 different unions, depending on location
Medartis GmbH (AT)	12 (100%)
Medartis S.A.R.L (FR)	29 (100%)

## New employee hires and employee turnover

[GRI 401-1], broken down by gender, region and age group

	Female	Male	Other	Not disclosed	Total
Total number of new hires	71	95	0	0	166
Rate of new hires	8%	11%	0%	0%	19%
Total employee turnover	72	103	0	0	175
Rate of employee turnover	9%	12%	0%	0%	21%

	HQ	EMEA	APAC	LATAM	USA	Total
Total number of new hires	39	42	35	22	28	166
Rate of new hires	12%	24%	41%	22%	15%	19%
Total employee turnover	39	34	31	24	47	175
Rate of employee turnover	12%	19%	36%	36%	34%	21%

	Under 30	30-49	50+
Total number of new hires	48	102	16
Rate of new hires	6%	12%	2%
Total employee turnover	52	89	34
Rate of employee turnover	6%	11%	4%

Figures are reported in headcount and only employees with permanent labour contracts are considered. Formulas for "New hire rate" and "Turnover rate" applied in the tables are based on ISO 30414 and are as follows:

New hire rate = number of new hires during the year / headcount at the beginning of the year

Turnover rate = number of work exits during the year / headcount at year end

**Benefits provided to full-time employees that are not provided to temporary or parttime employees**

[GRI 401-2]

All benefits are granted to all colleagues worldwide, both full-time and part-time employees. In the US, this is also regulated in the Family and Medical Leave Act (FMLA).

**Ratios of standard entry-level wage by gender compared to local minimum wage**

[GRI 202-1]

At all Medartis locations, we ensure that we pay our employees the minimum wage or above.

**Proportion of senior management hired from the local community**

[GRI 202-2]

78% (in FTE) of our senior management are considered local hires.

- Senior management is considered to be the EMB, Heads of Department (for HQ), Country General Managers and Heads of Sales and Operations within the subsidiaries.
- Local is defined as any manager who has not relocated for this role and who commutes to the location of the subsidiary or head office to carry out their work. Having a second home near the location and going home at weekends is not considered local.
- Headquarters and all Medartis subsidiary locations are considered significant locations of operation.



Employee in US production (Warsaw, IN)

## Health and Safety

### Occupational health and safety management system

[GRI 403-1]

At Medartis, occupational health and safety is integrated into the quality management system according to ISO 13485:2016.

There is a particular focus on the production sites in Basel and Warsaw, where we have the largest number of employees and the highest occupational safety risks.

We have described our occupational safety requirements in specific procedural instructions:

- Basel: “Occupational Health and Safety Management” follows the Swiss Labor Act (ArG) with the related Ordinances 1-5 and UVG, VUV, OR
- Warsaw: “Employee Handbook” follows Indiana Code 22-8-1.1 and the Occupational Health & Safety Act of 1974

### Mission statement

The health and safety of our employees and of the employees of other companies and of our customers is of the utmost priority to us. We are committed to observing and complying with the highest standards of health and safety.

### Safety objectives

Occupational health and safety and the general safety of all our employees, employees of other companies and our customers are as important as our other corporate values. They should be addressed with the same energy, effectiveness and sense of responsibility as other areas such as quality, protection of the environment, maintenance and hygiene.

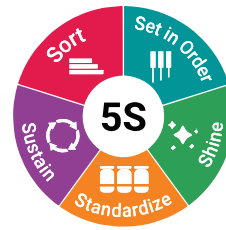
### Hazard identification, risk assessment, and incident investigation

[GRI 403-2]

Hazards can only be controlled if they are known. Identifying hazards in the organisation and assessing the associated risks are central tasks of safety work. In the case of special hazards, as well as for the acceptance of newly constructed and commissioned facilities or new systems (interfaces), the company calls in specialists to assess the risks.

A continuous improvement process (CIP) is used to record and implement ideas for improving daily work processes.

In addition, the 5S method is used in Medartis' operations. The main objectives are tidiness and cleanliness, quality, workplace ergonomics, efficiency, cost effectiveness and work safety. The aim is to create workplaces where products can be manufactured in the best possible quality, in the shortest possible time and with the highest possible level of safety.



At the production sites in Basel and Warsaw, occupational safety is integrated into daily operations, with all absences being recorded and categorised. Near misses are also specifically recorded on the shop floor. All near-misses and accidents are investigated and appropriate action is taken. Occupational health and safety is an integral part of the Medartis Management Review. All relevant issues are reported to senior management and any necessary longer-term or strategic actions are initiated on this basis.

### Occupational health services

[GRI 403-3]

At Medartis' headquarters in Basel, employees have access to a permanent company medical service and trained first-aiders are available on every floor of the headquarters. At the Medartis production site in Warsaw, there are ten trained first aiders. First aid equipment, including automated external defibrillators (AED), is available in Warsaw and Basel. Subsidiaries have country-specific policies, all of which at a minimum comply with local legal requirements. In addition, injured or sick employees can access occupational health services outside the company at any time. If necessary, transport to local clinics is arranged so that employees can be examined and treated. The company complies with applicable country-specific regulations to protect the medical data of its employees.

### Worker participation, consultation and communication on occupational health and safety

[GRI 403-4]

The site-specific safety officers support the measures described with their technical expertise and are the link in the chain of employee participation, consultation and communication on occupational health and safety. In the case of subsidiaries without a specific safety organisation (sales subsidiaries), the managing director of the subsidiary is responsible for implementing the necessary health and safety measures in the workplace.

### Worker training on occupational health and safety

[GRI 403-5]

The safety organisation is also responsible for providing regular safety training. New employees and apprentices also receive special training when they join the company, in some cases directly from the safety officer.

### Eye protection

Under the motto 'Protect your eyes like a pro', a workshop was held at the Basel site with an external SUVA expert, focusing entirely on the important topic of eye protection. This preventive module dealt with the dangers of splinters, dust and liquids as well as the challenges of visual impairment and explained when it is necessary to wear safety glasses.

The experiential course exposed employees to a variety of situations that pose real eye hazards. This hands-on experience sensitised employees and increased the learning effect. They effectively learned how to "wear the right goggles at the right time". As a symbolic commitment, at the end of the workshop, all employees signed a poster with guiding principles describing the use of safety eyewear in the company. These measures are an important contribution to promoting the health and safety of our employees.

### Promotion of worker health

[GRI 403-6]

Medartis undertakes a wide range of activities and develops programmes to promote the health and well-being of its employees and to provide opportunities for preventive healthcare through various offers and campaigns. These include, for example, sports opportunities, health check-ups, lectures on health-related topics and leadership programmes that teach modern and sustainable leadership.

Here are some specific examples from 2023:

- Step Challenge (all of Medartis)
- "Dealing with Stress" Workshop (Basel)
- Life Kinetics and Mental Health Workshop (Basel)
- Free flu vaccination (Basel)
- Better Workplace (Brazil, Mexico)

### Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

[GRI 403-7]

Medartis attaches great importance to the occupational health and safety of its business partners. For example, contractors working at the headquarters receive a safety briefing and are required to comply with these rules. Suppliers also commit to a code of conduct to ensure safe and healthy working conditions in their company and in the supply chain. This is systematically checked during supplier audits.

On the customer side, Medartis ensures that all products are ergonomic and safe to use as part of the design validation process.

At the same time, Medartis assumes its duty of care towards employees involved in operations in clinics. These employees receive specific training on how to behave in the operating room. Hepatitis vaccinations are also mandatory for these employees.

### Workers covered by an occupational health and safety management system

[GRI 403-8]

All direct employees are covered by our health and safety management system. All external staff working on our manufacturing sites must comply with the site's health and safety regulations.

### Work-related injuries, ill health

[GRI 403-9/403-10]

There were 2 accidents at work in the 2023 reporting period; 4 near misses/unsafe situations were recorded and appropriate preventive action was taken. There were no fatalities or recordable cases of work-related illness in 2023.

## Social Responsibility

[GRI 2-23]

The new Medartis Corporate Social Responsibility Policy 2023 was issued to all subsidiaries, translated into all company languages and posted in the Compliance section of the Medartis website and on the internal communication platform m-Hub.

Training is provided on this topic at the Medartis Academy for all employees, and 78% had completed the training by the end of 2023. Specific training on the rules of the ETI Base Code was provided to the subsidiaries in Switzerland, Austria, Germany, the UK and Australia.

The company encourages open reporting through various channels, including email, a whistleblower form on the website and intranet links. The whistleblower form can also be used to report complaints anonymously.

A cross-functional committee was established in 2023 to support the management of labour standards. This committee is responsible for discussing actions to be taken in case of violations of and non-compliance with labour standards rules and the Medartis Corporate Social Responsibility Policy, as well as for establishing, reviewing and approving labour standards documents and policies.

The Steering Committee meets regularly on a quarterly basis and extraordinarily as required, and met seven times during the year. On these occasions, the Committee worked to approve the new version of the company's Corporate Social Responsibility Policy, approved the new version of the ETI Base Code training and discussed cases of non-compliance, including potential situations of harassment and discrimination.

## Culture Journey and engagement

In 2021, Medartis embarked on an internal transformation journey called the Culture Journey, which aims to foster positive change within the organisation. Progress is rigorously evaluated on a semi-annual basis, including a major staff survey using the GLINT methodology. In 2023, an impressive 80% of Medartis' global workforce actively participated in this survey, providing invaluable insights from 1,619 comments. Analysis of the results revealed a strong identification with the company's purpose of "restoring quality of life", demonstrating a strong sense of belonging to the Medartis family. While the overall engagement score remained commendable at 71 out of 100, showing a slight decrease from 76 in 2022, several parameters showed improvement, in particular the strengthening of the "speak-up culture at Medartis".

However, some metrics showed a decline compared to the previous period, such as "personal development", "talent management" and "cross-functional communication". Engagement is assessed through measurements such as eSat (employee satisfaction with working at Medartis) and recommendation (likelihood to recommend Medartis as a place to work). Using these insights, Medartis derived actionable strategies from the survey results, culminating in the development of several dozen initiatives that will be implemented over the next year to further improve organisational engagement and foster a vibrant and motivating workplace that promotes agility and a high-performance culture.

Participation in leadership development programmes and 360° leadership feedback was another important activity during the Culture Journey in 2023. For the first time, a tailor-made leadership programme for senior leaders (consisting of all regional and country leaders as well as global functional heads) was conducted by the Medartis Academy with monthly webinars and peer learning sessions.



The programme also included a two-day in-person training event on "Authentic Leadership" and a 360° leadership feedback for each of the 32 participants as a source of learning.

For the third year, a company-wide "Step Challenge" was organised by the Medartis Culture Champions team and other committed volunteers. In the past, the aim of the challenge was to motivate employees to be physically active and to collect points for a series of sports activities organised in teams, with the side effect of team building. In 2023, for the first time, employees could also earn points for sustainable behaviour such as shopping locally, using public transport or eating vegan food. This was enthusiastically embraced by everyone and was rewarded by the company with an award for the "most sustainable country", which went to Australia. The exercise helped to raise awareness of sustainable behaviour in everyone's daily lives and generated a lot of positive momentum and creativity.

### Better workplace

Medartis Brazil and Medartis Mexico have been certified as great workplaces by "Great Place To Work", an international institution that evaluates and recognises companies that have succeeded in creating a healthy and positive work environment. The certification is based on employee perceptions and an assessment of people management practices. This achievement is a significant milestone in the company's history, as it is the first time that Medartis has participated in the GPTW survey and achieved a positive result in both LATAM countries. This reflects not only the quality of our working environment, but also the commitment and dedication of our team in creating a positive and productive place for everyone on a daily basis.

### Education and training

[GRI 404-1/404-2/404-3]

The Medartis Academy is the global Learning Management System (LMS) for Medartis and has the mission of strengthening training and education with the motto "Engage, Learn, Grow".

The goal of the Medartis Academy is to provide a fully integrated learning experience, from on-boarding programmes to personalised development plans. This ensures that all minimum requirements for the performance of a specific job have been trained and helps employees to enhance their professional growth.

The Medartis Academy outlines all on-boarding programmes and minimum requirements for Medartis on a global basis. The Academy also covers all business process training and product training. The product training required for specific job roles is documented up to the level of distributor personnel. On average, more than 20 learning hours per employee were carried out via the Learning Management System in 2023.

### Good leadership practices

The annual performance management cycle is a mandatory process for all employees, consisting of two main parts – goal-setting and the performance review – with regular touchbase conversations in between. However, successful performance management is not just two or three meetings a year, it is an ongoing and continuous conversation throughout the year. Setting clear goals supports employees in their personal development and contributes to the company's overall 'must wins'.

Leaders play a key role in keeping teams and employees engaged. That's why in 2023 there was a strong focus on upskilling our leaders and training them in good leadership practices, such as performance management and touchbase conversations.



Peer-learning session, Basel

# Material Topic: Climate change

According to the Health Care without Harm NGO, the healthcare sector, including medical technology companies, is responsible for 4.4% of global greenhouse gas (GHG) emissions.

The most relevant environmental aspects of operational activities are direct and indirect carbon emissions. Direct emissions, also known as Scope 1 emissions, result from the combustion of energy sources such as natural gas for heating and fuels for vehicles. The use of electrical energy (Scope 2) also leads to indirect carbon emissions when electricity is generated. Indirect emissions outside our own sites are included in Scope 3: these include emissions from transport, employee travel and the processing of our implant sets at the customer's site.

For simplicity, this report refers to CO<sub>2</sub> emissions only. However, all figures include all Kyoto greenhouse gases (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>) and are reported accordingly in CO<sub>2</sub>e.

## CONCEPT

Our climate protection strategy is derived from the United Nations' climate target of limiting global warming to well below two degrees Celsius. According to scientific findings, this requires a global reduction of net greenhouse gas emissions to zero by 2050. Medartis supports this path and will work towards achieving climate neutrality by 2050.

Energy efficiency and climate protection are key aspects of our sustainability strategy. We are constantly developing measures to reduce energy consumption and greenhouse gas emissions.

The safety and quality of our products and services remain our top priority.

After preparing a Scope 1 and 2 carbon footprint for Medartis for the first time for the 2022 reporting year, this year we are reporting a full Scope 1, 2 and 3 carbon footprint covering the entire value chain. This makes the 2023 reporting year our baseline year for assessing our emissions and the basis for setting and tracking our short and long-term science-based targets (SBTi) and our climate pathway. The Science Based Targets initiative (SBTi) provides companies with a clearly defined pathway to reduce emissions in line with the Paris Agreement goals.

## IMPACT MATERIALITY (INSIDE-OUT)

Global temperatures will only stabilise if we stop adding carbon dioxide to the atmosphere. So to prevent temperatures from rising any further, we must either stop all man-made carbon dioxide emissions or reach a point where all remaining carbon dioxide emissions are offset by activities that permanently remove carbon dioxide and store it for a very long time. This is referred to as net zero carbon emissions.

We have identified the following risks and opportunities for our company-specific approach to climate change:

- Regulatory requirements to address climate change are becoming increasingly stringent, with significant regional differences. If we do not pursue a Medartis-specific global strategy to minimise greenhouse gas emissions, we run the risk

of failing to comply with legal requirements. In extreme cases, this could also have legal consequences.

- High carbon emissions threaten our competitiveness by harming our reputation in the marketplace and jeopardising our long-term growth.
- We position ourselves positively and strengthen our competitiveness with sustainable product and service solutions.
- Technologies that damage the climate are not competitive in the long term. Product development without an ecological design approach and therefore products with a poor carbon footprint are not marketable in the long term.
- Reducing carbon emissions lowers our operating costs. More efficient production and packaging processes save energy and resources.
- Fluctuations in fossil fuel prices threaten our profitability.
- A climate-friendly strategy enhances our attractiveness as a supplier, service provider and business partner.
- Banks and investors are increasingly focusing on climate protection. With a climate-friendly strategy and sustainable practices, we have a better chance of obtaining loans and investments.
- Environmental commitment enhances the positive image of Medartis. In times of a shortage of skilled workers, this is a clear competitive advantage when it comes to recruiting and retaining employees.

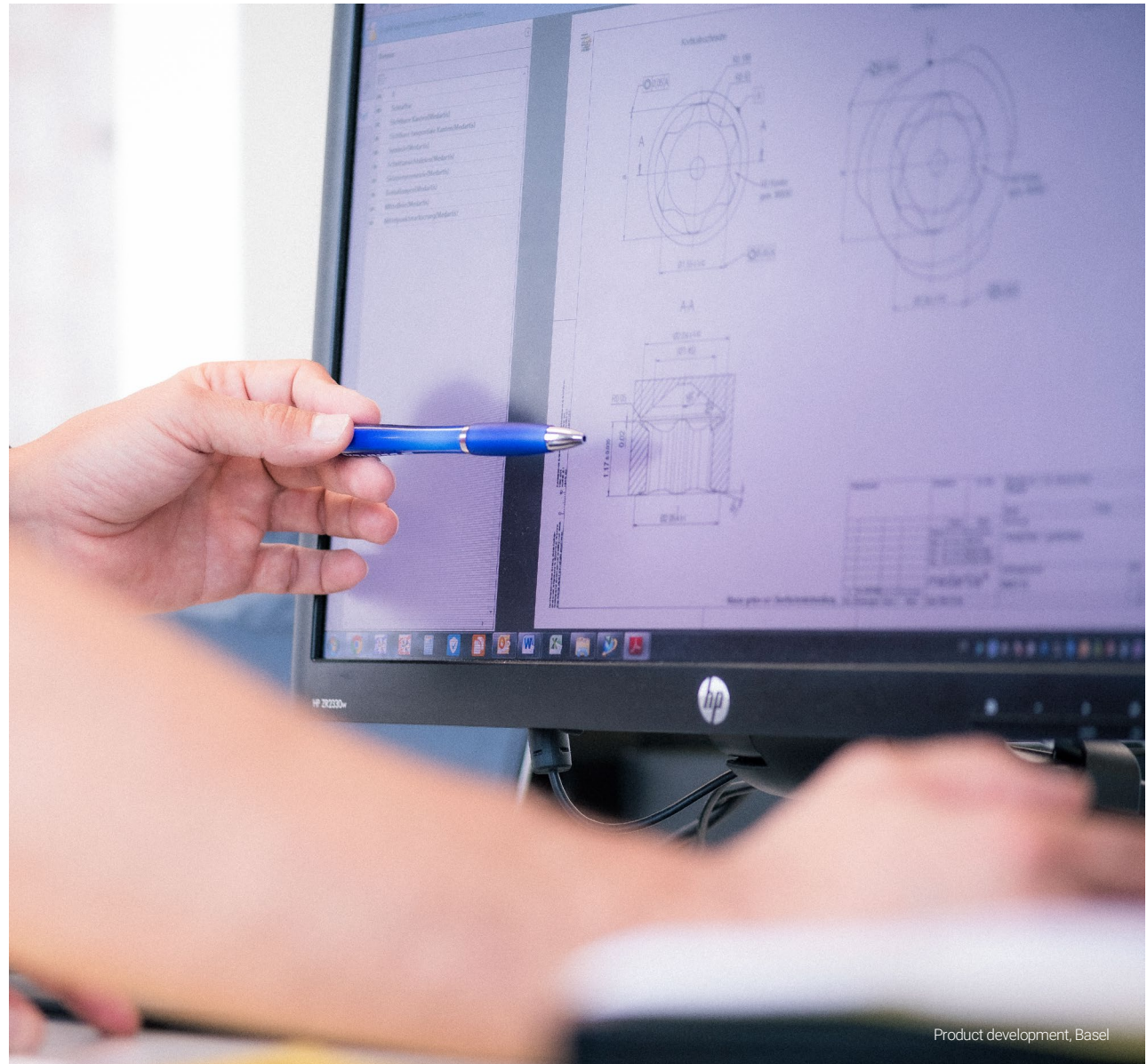
## FINANCIAL MATERIALITY (OUTSIDE-IN)

Physical risks of climate change, i.e. risks arising from the consequences of climate change such as extreme weather events, droughts or rising sea levels, occur not only directly, i.e. in direct connection with the changes, but also increasingly indirectly, e.g. in the form of supply chain disruptions and higher commodity prices.

There are also transitional risks, i.e. risks that arise as a result of the transition to a permanently decarbonised economy. These include risks arising from climate change policies, such as higher allowance prices for greenhouse gas emissions (e.g. due to changes in the European Emissions Trading Scheme), efficiency regulations (e.g. fleet fuel economy requirements), and the potential impact of changing customer and investor behaviour.

The following opportunities and risks appear to be particularly relevant for Medartis:

- The impact of climate change on companies is manifold: On the one hand, it poses traditional business risks such as supply shortages, supply chain disruptions or damage to production facilities due to extreme weather events. On the other hand, it can create new types of business risks as new technologies, markets and regulatory regimes emerge as part of society's response to climate change, creating costs or having a direct impact on existing products, services and assets.
- Global supply chains for raw materials and intermediate products, as well as the inland waterway transport of goods, may be more impacted by the effects of climate change in the future.
- Climate change has a direct impact on how customers, employees and investors perceive and interact with companies
  - the consequences can be so far-reaching that business models need to be reassessed. To ensure sustainable



Product development, Basel



- economic success, companies should not only identify and manage their climate-related risks, but also integrate climate change into their strategic planning.
- Air pollution causes millions of premature deaths and health problems worldwide every year. Climate change and air quality are closely linked because many of the human activities that produce greenhouse gases also emit air pollutants. So when we take action to reduce greenhouse gas emissions, we often also reduce emissions of other substances (such as aerosols) that cause air pollution. Therefore, strong action to mitigate climate change would also improve air quality.
- Investments and subsidies are often linked to sustainability goals.
- Circular actions such as recycling and reprocessing offer the potential to save money by reducing material consumption.
- Reducing energy.
- Cost savings.
- Young talents are more likely to choose sustainable companies as employers.

With the preparation of the Scope 1-3 carbon footprint balance sheet with the base year 2023, we will be able to assess the financial risks specifically for Medartis in 2024, based on the available data, the stakeholder analysis and the double materiality analysis. This specific analysis is based on the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD).

## MEASURES AND KPIS

Measures to implement and assessment of their effectiveness:

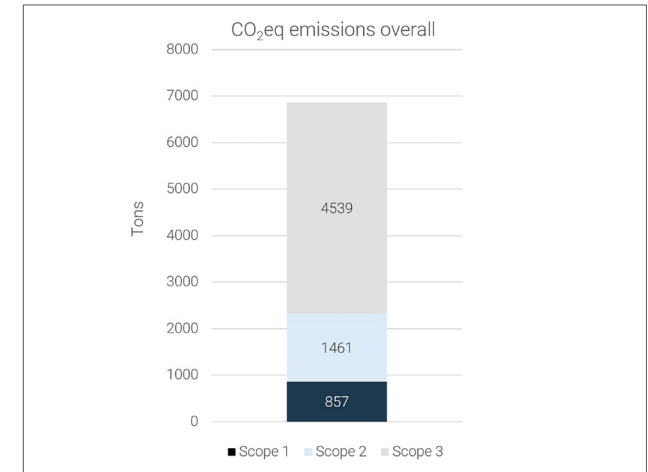
Since 2022, Medartis has been working with Swiss Climate, an agency in the fields of CO<sub>2</sub> management, sustainability, climate projects and energy, to prepare its carbon footprint. This year, we are reporting our first Scope 1, 2 and 3 climate balance, making 2023 our base year for climate reporting.

Our climate reporting follows the Greenhouse Gas Protocol (GHG Protocol), which is also the basis for the EU Directive ESRS E1. This carbon footprint has been prepared in accordance with the International Organization for Standardization (ISO) standard 14064-1: "Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals (2018)". CO<sub>2</sub>e emissions are calculated and reported in accordance with the principles of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (Revised Edition) based on ISO 14064-1.

The GHG Protocol divides greenhouse gas emissions into different scopes:

- Scope 1 emissions are a company's direct greenhouse gas emissions. These are emissions from sources that the company owns or can control.
- Scope 2 - refers to emissions from purchased electricity and heat that is purchased and used by a company.
- Scope 3 - includes all indirect GHG emissions from a company's activities that originate from sources not owned or controlled by the company (both upstream and downstream sources).

The term CO<sub>2</sub> is used synonymously with CO<sub>2</sub>e and refers to the sum of carbon dioxide and other emissions such as methane (CH<sub>4</sub>) or nitrous oxide (N<sub>2</sub>O).



The chart shows Medartis' total emissions of 6857 t CO<sub>2</sub>e, broken down by the three different scope levels.

## Direct (Scope 1) GHG emissions

[GRI 305-1]

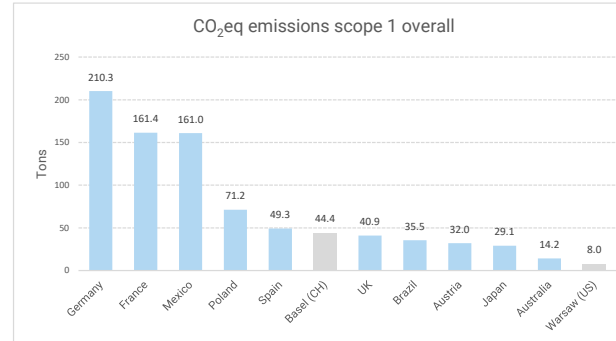
The Scope 1 emissions reported here cover the headquarters in Basel, the production site in the USA, as well as all locations of our subsidiaries and encompass directly produced heating, electricity and business travel with our own vehicles (the main source of Scope 1 emissions at Medartis):

Scope 1 (direct emissions)	
Source	Tons of CO <sub>2</sub>
<b>Heating</b>	
Natural gas	13
Heating oil	32
<b>Subtotal</b>	<b>45</b>
<b>Electricity, own production</b>	
<b>Subtotal</b>	<b>0</b>
<b>Business travel (company-owned vehicles)</b>	
Petrol-powered vehicles	358
Diesel vehicles	424
Gas-powered vehicles	6
Ethanol-powered vehicles	24
<b>Subtotal</b>	<b>812</b>
<b>Total direct emissions</b>	<b>857</b>

Some systems use small amounts of coolant in closed circuits. No coolants had to be refilled in the reporting year.

The sales office in Austria is powered by electricity from a solar system installed on the building.

Business trips are the main source of Scope 1 emissions at Medartis and are mainly caused by the use of company cars by sales employees.



As business travel is the main source of Scope 1 emissions, the difference in Scope 1 emissions between countries is mainly due to differences in the use of company cars.

## Energy indirect (Scope 2) GHG emissions

[GRI 305-2]

The Basel headquarters purchases heat, cooling and electricity from 100% renewable energy sources and therefore over 95% of Medartis production is produced with carbon-neutral energy.

The production site in Warsaw (USA), which was added in 2022, was built in 2021 and therefore has a modern infrastructure. The energy purchased is a mix of renewable and conventional energy sources.

Scope 2 (indirect emissions)	
Source	Tons of CO <sub>2</sub>
<b>Electricity consumption</b>	
Electricity	602
<b>Subtotal</b>	<b>602</b>
<b>Heating</b>	
District heating/cooling	0
<b>Subtotal</b>	<b>0</b>
<b>Business travel</b>	
Electric vehicles	2
<b>Subtotal</b>	<b>2</b>
<b>Total indirect emissions</b>	<b>604</b>
<b>Total emissions (Scope 1 und 2)</b>	<b>1461</b>

The business trips with our own electric vehicles are reported here under Scope 2.

## Other indirect (Scope 3) GHG emissions

[GRI 305-3]

Scope 3 emissions describe greenhouse gas emissions along a company's value chain.

The Scope 3 reporting in this report is based on the following 15 defined Scope 3 categories of the GHG Protocol:

### Upstream:

#### 1. Purchased goods and services

Comprises purchased raw materials for production, materials from purchased products, packaging materials for product and transport packaging and emissions from purchased services, in particular IT services.

#### 2. Capital goods

Comprises emissions from purchased equipment, installations and machines.

#### 3. Fuel- and energy-related activities

Comprises emission from the extraction, production, and transportation of the fuels consumed.

#### 4. Upstream transportation and distribution

Comprises emissions caused by the transportation and distribution of raw materials from suppliers.

#### 5. Waste generated in operations

Comprises the emissions caused by the waste generated by Medartis' activities. Waste from the two Medartis production sites is specifically recorded here.

#### 6. Business travel

Comprises emissions from business travel by non-company transportation, broken down into road, rail and air.

#### 7. Employee commuting

Comprises emissions caused by employees' daily commutes. A survey on commuting behaviour was conducted for this purpose.

#### 8. Upstream leased assets

Is allocated to Scope 1 and 2 based on to the operational control approach.

### Downstream:

#### 9. Downstream transportation and distribution

Comprises emissions from transportation and distribution to subsidiaries, distributors and end customers. The transportation of products sold to distributors to their customers is not included.

#### 10. Processing of sold products

Medartis does not distribute any products that are further processed at the customer's site.

#### 11. Use of sold products

Medartis does not sell any active products that have to be assessed in accordance with the GHG Protocol.

#### 12. End-of-life treatment of sold products

Comprises emissions generated during the disposal and treatment of products after they have reached the end of their life. Here, the customer's waste is assessed; this refers to both packaging waste and waste for the disposal of the products.

#### 13. Downstream leased assets

Does not apply to Medartis products and services.

#### 14. Franchises

Does not apply to Medartis products and services.

#### 15. Investments

No investments with operational influence. This category is not reported.

The following emissions were calculated:

Emissions		[t CO <sub>2</sub> eq]
Scope 1		857
Scope 2		604
Scope 3 -1	Purchased goods and services	2498
Scope 3 -2	Capital goods	246
Scope 3 -3	Fuel- and energy-related activities	315
Scope 3 -4	Upstream transportation and distribution	12
Scope 3 -5	Waste generated in operations	445
Scope 3 -6	Business travel	571
Scope 3 -7	Employee commuting	851
Scope 3 -8	Upstream leased assets	N/A
Scope 3 -9	Downstream transportation and distribution	416
Scope 3 -10	Processing of sold products	N/A
Scope 3 -11	Use of sold products	N/A
Scope 3 -12	End-of-life treatment of sold products	41
Scope 3 -13	Downstream leased assets	N/A
Scope 3 -14	Franchises	N/A
Scope 3 -15	Investments	N/A
<b>Total emissions</b>	<b>Total emissions (Scope 1,2,3)</b>	<b>6857</b>

The focus of Medartis' emissions is clearly on mobility. Upstream and downstream transport, company vehicles, business travel and commuting account for 41% of our emissions.

Energy consumption for production is included in building emissions. Due to carbon-neutral energy procurement at our headquarters, building emissions are already quite low in relation to the performance of the buildings. Due to the nature of our products, we have a small carbon footprint in terms of the materials we use. However, we still see potential for optimisation, particularly in the areas of waste and recycling management.

## GHG emissions intensity

[GRI 305-4]

For better comparability, we calculate the following intensity ratios in addition to the absolute greenhouse gas emissions:

For Scope 1 and 2, we calculate intensity ratios for all operating units, i.e. for our headquarters in Basel and all subsidiaries. We use the number of employees in the operating units as an organisational parameter. It should be noted that energy for production is included at the Basel and Warsaw (USA) sites. We also use turnover as an organisational parameter for our sales & distribution subsidiaries. This does not make sense for Basel and Warsaw (USA) due to production for the global market.

### Scope 1-2:

Operational unit	[t CO <sub>2</sub> eq] / FTE	[t CO <sub>2</sub> eq] / MCHF
Basel (CH)	0.14	N/A
Warsaw (USA)	4.09	N/A
Australia	0.32	0.90
Austria	2.94	1.19
Brazil	0.58	3.47
France	5.99	10.58
Germany	3.03	5.75
Japan	1.79	19.8
Mexico	5.83	26.35
Poland	5.62	17.00
Spain	2.25	8.36
UK	1.91	5.43

### Scope 3:

For Scope 3 emissions, we use the turnover as the organisational parameter.

Operational Unit	[t CO <sub>2</sub> eq] / MCHF
Medartis overall	32.76

### Reduction of GHG emissions

[GRI 305-5]

This Scope 1, 2 and 3 carbon footprint, prepared for the first time this year, lays the foundation for the development of a short to long-term action plan to actively support the United Nations' goal of net-zero carbon emissions by 2050 by pursuing a carbon-neutral business pathway. This path is based on the Science Based Target Initiative (SBTI) and will be communicated in the 2024 reporting year.

Short-term measures, in particular to reduce energy consumption, are already being implemented. Details can be found in the Resources and Circular economy section.

### Emissions of ozone-depleting substances (ODS)

[GRI 305-6]

Medartis only uses ozone-depleting substances in closed systems, primarily in production. In the 2023 reporting period, we did not have to refill the systems and therefore reported no consumption.

### Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions

[GRI 305-7]

Due to the nature of our business activities, this indicator is not relevant for us at this time.

# Material Topic: Consumers and End Users

Medartis is committed to providing its customers with the most innovative solutions for superior treatment outcomes. Medartis' uniqueness comes from working closely with surgeons and healthcare professionals to maximise understanding of their needs and those of their patients. This understanding, combined with its engineering capabilities, forms a core pillar of Medartis' product development process for advanced and efficient implant solutions. Medartis' innovative, Swiss quality and competitively priced fixation system solutions, along with continuous education and service support, have been the cornerstones of its success since the beginning.

## Concept

Customers are key to all of Medartis' business activities. They give the company its purpose and enable the future existence and growth of Medartis. Medartis' customers provide the company with input and inspiration for new products and services. Satisfied customers are the starting point for the sustainable future of Medartis.

The well-being and safety of the patients treated is at the centre of all activities. Medartis maintains an unwavering commitment to ensuring the highest product quality for each individual product.

In turn, offering the customer the best-quality product means minimising all possible risks when using the products and systematically taking into account all input regarding the customer's requirements for Medartis products.

To ensure that these requirements are met, a closed risk cycle is used, starting with the "voice of the customer" for each product, which forms the basis of Medartis' product risk management. By identifying critical functions, attributes, components and processes, Medartis validates all products before they are launched. Its manufacturing records ensure 100% traceability for each product manufactured. A proactive and systematic complaints process and targeted post-marketing surveillance activities ensure that Medartis can continuously evaluate the performance of its products. A structured deviation management system ensures that product non-conformities are identified immediately and that the causes of internal and external defects are systematically resolved. The integrated change management process closes the risk loop and ensures that changes to products already on the market are reintegrated into its development risk management.

In addition to product risks, Medartis also focuses on risks arising from the use of its partners', customers' and patients' data and reduces these risks in accordance with all legal requirements.

## IMPACT MATERIALITY (INSIDE-OUT)

Medartis' products and services and its active presence on the market are the basis for the following inside-out analysis.

The company has identified the following risks and opportunities for its specific approach to consumers and end users:

- Defective products put patients' well-being at risk.
- Incorrect use of products also puts patients' well-being at risk.

- Delivery delays and product shortages affect patient care.
- Limited product performance affects the treatment that surgeons and OR staff can provide, and ultimately the patient.
- High complaint rates and necessary product recalls put patients' health at risk and reduce confidence in Medartis products.
- Violation of the right to protection of personal data can lead to legal consequences and loss of trust.
- Products with reliable availability, highest quality and ease of use for the user are the basis for economic success.
- With the best-trained employees in the market, Medartis is the most competent partner for its customers, enabling them to provide the best possible care for their patients.
- With the input of the best and most renowned surgeons and OR teams as a systematic voice of the customer and supporter of our development projects, Medartis is able to transform global market needs into products for the future.

## FINANCIAL MATERIALITY (OUTSIDE-IN)

[GRI 201-2]

Customer requirements for Medartis' products and services and changes in regulatory requirements in the area of medical devices, but also in other socially relevant areas such as data protection, can have a direct impact on the company's business. However, changes in the global healthcare environment and new scientific findings also have a direct impact on Medartis and lead to the following outside-in view.

The following opportunities and risks appear to be particularly relevant to Medartis:

- Stricter regulatory requirements in the global environment jeopardise approval and thus product availability.
- Findings from scientific publications have an impact on Medartis' products and services.
- Findings from post-marketing surveillance have an impact on Medartis' products and services.
- Changes in society have an impact on the provision of healthcare.

## MEASURES AND KPIS

Measures to implement and assessment of their effectiveness:

### **New QM/ESG/PMO organisation**

In February 2023, Medartis introduced a new global department (Global QM/ESG/PMO) to steer its quality management, sustainability management and coordination of strategic projects. The global alignment of Medartis' QM system will strengthen its subsidiaries in particular. By introducing 30 global business processes in 2023, Medartis has laid the foundation for systematically strengthening and continuously expanding its high Swiss quality standards in all countries in which it operates. The integration of sustainability management into the new organisation underlines the change from a traditional QM organisation to an integrated management system. Medartis' globally established QM organisations play an important role in the rapid global development of its sustainability system. Last but not least, the Project Management Office (PMO) has been integrated into these activities in order to ensure business excellence. In this setup, customers, society and employees form the basis of sustainable business results for Medartis.



Sczew production, Basel

With the new global QM/ESG/PMO organisation, the company has established a global competence network that ensures faster and more direct interaction with customers in the areas of quality management and sustainability management.

### Maximum delivery capability as the basis for a good customer relationship

The coronavirus crisis, as well as political influences such as the war in Ukraine, have shown how vulnerable global supply chains are. When it comes to supplying medical products, Medartis assumes its particular obligation towards customers and patients. For Medartis, maximum supply capability is therefore essential and can certainly set the company apart from its competitors.

Although capital is handled very carefully from a financial perspective and everything possible is done to optimise inventories, product availability is an absolute priority. Medartis therefore continuously measures the percentage of products that are available at least within the safety stock level. With an average of 95% of products having sufficient safety stock, Medartis justified the trust of its customers in 2023 despite major global supply challenges.

### Customer complaints

The company's customer complaint process is a central part of communicating with its customers regarding the performance of medical devices.

This process describes how complaints are recorded, classified, investigated and monitored in compliance with legal requirements, always in interaction and communication with Notified Bodies, authorities and users.

By proactively soliciting customer feedback, Medartis identifies risks in the marketplace, takes immediate action, identifies trends early and provides customers with qualified feedback on each complaint in the shortest possible time.

In 2023, 619 customer complaints were received (compared to 689 in 2022) and 95.3% were closed in less than 45 days. Only 4 complaints remained open for more than 90 days. The lead time is calculated from the point where Medartis first becomes aware of a complaint to the final feedback to the customer.

Regarding the volume of complaints, Medartis counts the number of customer complaints per million products sold (cpm). A reduction of 14% was recorded in 2023. No significant trends have been identified.

### Post-market surveillance

[GRI 416-1/416-2]

Complaint Handling is one of the sources for Post-Market Surveillance (PMS) at Medartis.

PMS covers all areas of Medartis that receive, obtain and generate information/data about medical devices that have already been placed on the market, put into service or made available on the market.

PMS aims to

- Systematically identify possible risks in the practical (as well as intended) use of the product;
- Identify options to improve the usability, performance and safety of the device in the field;
- Identify product defects and undetected safety issues;
- Contribute to post-market surveillance of other devices where relevant;
- Identify and report trends;
- Enable rapid initiation of necessary actions such as recalls; and
- Update the benefit-risk determination.

The table below is an outline of the overall PMS data processing approach across the enterprise.

PMS Source (part of PMS)	Proactive (P) Reactive (R)	Focus	Frequency
Vigilance	R	Receiving, recording, evaluating, investigating and analysing complaints, SI, SAE, FSCA and trends.	yearly / quarterly
Corrective and preventive measures	R	Recording, tracking and documenting of corrective and/or preventive measures.	yearly / quarterly
Clinical evaluation	P / (R)	Assessment and analysis of clinical data, clinical trials and, if applicable or reasonable, other sources such as publications, scientific literature, etc. to verify clinical safety and performance of the device(s) e.g. with regard to scope/field of application or intended use.	yearly / --
PMCF	P / (R)	Proactively collecting and evaluating clinical data from the use in or on humans of a device which bears the CE marking and is placed on the market or put into service within its intended purpose.	yearly / --
Feedback	P / R	Collecting user feedback from the field.	yearly / quarterly
Publication on similar medical devices	P	Database searches on publicly available information such as field safety corrective actions including recalls.	yearly / quarterly

As part of the PMS, these sources systematically and actively collect post-market information by processing information/data and recording, evaluating, analysing and identifying trends based on defined indicators and thresholds in order to draw appropriate conclusions to characterise device performance.

PMS plans and reports are part of Medartis' technical documentation and are updated at least annually.

The data and results obtained on the performance of its products in the marketplace are an important source of communication with existing and potential customers and, in particular, one of the most important sources of input for Notified Bodies and regulatory authorities.

### Global standards for the training of employees within a medical device advisory function

Training and advising existing and potential customers is essential to Medartis' success in the osteosynthesis field. With a newly established global commercial organisation in 2023, the company is placing even greater emphasis on providing outstanding support to its customers. Product-specific training for users is systematically prepared and provided by intensively trained medical device consultants. Medartis' global Medical Device and Sales Education process ensures that employees (direct and indirect) within medical device advisory functions have the necessary product knowledge and skills to independently consult on specific medical devices marketed and/or distributed by Medartis.

In order to be able to perform user consultations independently, employees in a consulting role must complete training in the following areas within three months of their start date:

- Product training depending on function
- Complaint handling training
- Compliance training
- Competencies in the field

Training elements or tasks are defined either globally or locally for application in the specific market in which the employee operates. Examples include the Sunshine Act, country-specific requirements for sponsored business meetings, or specific training required to gain access to a clinical facility.

Product training is created by the Education department in collaboration with the Product Development and Marketing teams when a new product is launched.

The general content structure for Medartis' product training is outlined below:

- Anatomy overview
- Clinical application
- Technology-specific information (e.g. features, benefits)
- Market overview
- Final exam

The final exam for each module must be passed with a score above 80% in order to complete the module.

All training courses are managed and documented through Medartis' global Learning Management System (LMS). Indirect employees of distributors also have access to this LMS and receive intensive support from the Education department.

### Data Protection and ICT Security [GRI 418-1]

The protection of individuals' personal data is not only required by law, but is also of utmost importance to Medartis and its companies. Medartis treats personal data with the utmost care and respect to protect it from manipulation, loss, destruction and unauthorised processing. Data will be processed lawfully, transparently and in good faith. Personal data will only be collected and used for a purpose that has a defined legal basis. Medartis processes and protects personal data, which is by nature highly sensitive with regard to fundamental rights and freedoms, in an appropriate manner.

Medartis' data protection principles and rules are anchored in processes and guidelines. For this purpose, a data protection management system has been implemented and is continuously improved. Medartis takes appropriate measures to meet legal requirements for confidentiality, integrity, availability and resilience. These measures include procedures for regular review, assessment, evaluation, data protection-friendly default settings and order controls.

In the context of the processing activities that will be recorded by law, risk assessments are carried out with regard to the data subjects. External data processors are continuously monitored and legally required contracts are concluded after careful examination. Particular attention is paid to the transfer of data to third countries where, according to the EU Commission, the level of data protection is insufficient. Where a transfer to such a country is unavoidable, the company ensures compliance with legal guarantees, including EU standard contractual clauses. The new EU-U.S. Data Privacy Framework, the Swiss-U.S. Data Privacy Framework and the UK Extension to the EU-U.S. Data Privacy Framework are also taken into account in the process of data transfer.

The Swiss Data Protection Act, which came into force in September 2008 and was revised in 2023, has been taken into account and implemented by Medartis in its processes.

In the year under review, there were no substantiated complaints from authorities or from internal or external data subjects indicating a breach of personal data. In the event of a data breach, Medartis responds within the legally required timeframe and applies an existing procedure to comply with the requirements.

The privacy policy and contact details are available on the Medartis intranet and website. The data protection mailbox [dataprotection@medartis.com](mailto:dataprotection@medartis.com) is checked daily for any concerns. The company continuously develops awareness in the area of data protection. In addition to the annual mandatory general training on



data protection, functionally appropriate, guided data protection procedures are assigned to the relevant departments by means of online training via the Medartis Academy.

Particular attention was paid to averting the consequences of a hacker attack on Medartis at the end of May. In addition to an intensive review of the affected data using an extensive e-discovery process and risk assessments, the focus was on communication with the relevant data protection authorities in the respective countries. All necessary actions were taken and reported. From a data protection perspective, the hacking incident is considered closed.

It is important for Medartis to stay aware of the latest developments in the cybersecurity landscape and to continuously update its security measures to meet new challenges. To this end, the company carefully reviews the services it uses, keeps them up to date through automation and structured testing, and continuously reviews them in accordance with an internal CIP process. For critical situations, Medartis applies state-of-the-art backup approaches with solutions from leading manufacturers. In order to ensure the availability of ICT services at all times, an additional backup data centre has been set up outside the headquarters for redundancy purposes, which can be used to operate all critical systems if necessary. In addition to technical measures, Medartis relies on organisational measures such as regulations, employee training and awareness-raising, and enables further training in the area of security.

# GRI index of content

For the reporting year 2023 from 1 January 2023 to 31 December 2023, Medartis has reported in alignment with the GRI Standards.

Indicator	Page	Remarks
<b>GRI 2: General Disclosures 2021</b>		
Disclosure 2-1 Organizational details	6	
Disclosure 2-2 Entities included in the organization's sustainability reporting	24	Minority shareholdings without operational control are not included.
Disclosure 2-3 Reporting period, frequency and contact point	24	
Disclosure 2-4 Restatements of information		No restatements required.
Disclosure 2-5 External assurance		No external assurance provided.
Disclosure 2-6 Activities, value chain and other business relationships	123	
Disclosure 2-7 Employees	54	
Disclosure 2-8 Workers who are not employees	54	
Disclosure 2-9 Governance structure and composition	78	
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Disclosure 2-14 Role of the highest governance body in sustainability reporting	46	
Disclosure 2-15 Conflicts of interest	90	
Disclosure 2-16 Communication of critical concerns	51	
Disclosure 2-17 Collective knowledge of the highest governance body	37	
Disclosure 2-18 Evaluation of the performance of the highest governance body		Not reported 2023.
Disclosure 2-19 Remuneration policies	100	
Disclosure 2-20 Process to determine remuneration	55	
Disclosure 2-21 Annual total compensation ratio		Not reported 2023.
Disclosure 2-22 Statement on sustainable development strategy	34	
Disclosure 2-23 Policy commitments	42, 58	
Disclosure 2-24 Embedding policy commitments	51	
Disclosure 2-25 Processes to remediate negative impacts	51	
Disclosure 2-26 Mechanisms for seeking advice and raising concerns	51	
Disclosure 2-27 Compliance with laws and regulations	51	
Disclosure 2-28 Membership associations		Medartis is Partner of the International Bone Research Association (IBRA).

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Disclosure 2-29 Approach to stakeholder engagement	26	
Disclosure 2-30 Collective bargaining agreements	55	
<b>GRI 3: Material Topics 2021</b>		
Disclosure 3-1 Process to determine material topics	29	
Disclosure 3-2 List of material topics	30	
Disclosure 3-3 Management of material topics	31	
<b>GRI 201: Economic Performance 2016</b>		
Disclosure 201-1 Direct economic value generated and distributed	4	
Disclosure 201-2 Financial implications and other risks and opportunities due to climate change	67	
Disclosure 201-3 Defined benefit plan obligations and other retirement plans		Not reported 2023.
Disclosure 201-4 Financial assistance received from government		No financial assistance received from government.
<b>GRI 202: Market Presence 2016</b>		
Disclosure 202-1 Ratios of standard entry level wage by gender compared to local minimum wage	56	
Disclosure 202-2 Proportion of senior management hired from the local community	56	
<b>GRI 203: Indirect Economic Impacts 2016</b>		
Disclosure 203-1 Infrastructure investments and services supported		No significant infrastructure investments.
Disclosure 203-2 Significant indirect economic impacts		No significant indirect economic impacts.
<b>GRI 204: Procurement Practices 2016</b>		
Disclosure 204-1 Proportion of spending on local suppliers	49	
<b>GRI 205: Anti-corruption 2016</b>		
Disclosure 205-1 Operations assessed for risks related to corruption	51	
Disclosure 205-2 Communication and training about anti-corruption policies and procedures	51	
Disclosure 205-3 Confirmed incidents of corruption and actions taken	51	
<b>GRI 206: Anti-competitive Behavior 2016</b>		
Disclosure 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	51	
<b>GRI 207: Tax 2019</b>		
Disclosure 207-1 Approach to tax	48	
Disclosure 207-2 Tax governance, control, and risk management	48	
Disclosure 207-3 Stakeholder engagement and management of concerns related to tax	48	
Disclosure 207-4 Country-by-country reporting	48	
<b>GRI 301: Materials 2016</b>		
Disclosure 301-1 Materials used by weight or volume	39	
Disclosure 301-2 Recycled input materials used	39	
Disclosure 301-3 Reclaimed products and their packaging materials	39	
<b>GRI 302: Energy 2016</b>		

Indicator	Page	Remarks
Disclosure 302-1 Energy consumption within the organization	42	
Disclosure 302-2 Energy consumption outside of the organization	42	
Disclosure 302-3 Energy intensity	42	
<b>GRI 303: Water and Effluents 2018</b>		
Disclosure 303-1 Interactions with water as a shared resource	43	
Disclosure 303-2 Management of water discharge-related impacts	43	
Disclosure 303-3 Water withdrawal	43	
Disclosure 303-4 Water discharge	43	
Disclosure 303-5 Water consumption	43	
<b>GRI 304: Biodiversity 2016</b>		
Disclosure 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Not material.
Disclosure 304-2 Significant impacts of activities, products and services on biodiversity		Not material.
Disclosure 304-3 Habitats protected or restored		Not material.
Disclosure 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		Not material.
<b>GRI 305: Emissions 2016</b>		
Disclosure 305-1 Direct (Scope 1) GHG emissions	64	
Disclosure 305-2 Energy indirect (Scope 2) GHG emissions	64	
Disclosure 305-3 Other indirect (Scope 3) GHG emissions	65	
Disclosure 305-4 GHG emissions intensity	66	
Disclosure 305-5 Reduction of GHG emissions	66	
Disclosure 305-6 Emissions of ozone-depleting substances (ODS)	66	
Disclosure 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	66	
<b>GRI 306: Waste 2020</b>		
Disclosure 306-1 Waste generation and significant waste-related impacts	44	
Disclosure 306-2 Management of significant waste-related impacts	44	
Disclosure 306-3 Waste generated	44	
Disclosure 306-4 Waste diverted from disposal	44	
Disclosure 306-5 Waste directed to disposal	44	
<b>GRI 306: Effluents and Waste 2016</b>		
Disclosure 306-3 Significant spills	44	
<b>GRI 308: Supplier Environmental Assessment 2016</b>		
Disclosure 308-1 New suppliers that were screened using environmental criteria	45	
Disclosure 308-2 Negative environmental impacts in the supply chain and actions taken	45	
<b>GRI 401: Employment 2016</b>		

Indicator	Page	Remarks
Disclosure 401-1 New employee hires and employee turnover	55	
Disclosure 401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees	56	
Disclosure 401-3 Parental leave		Not reported 2023.
<b>GRI 402: Labor/Management Relations 2016</b>		
Disclosure 402-1 Minimum notice periods regarding operational changes		Not reported 2023.
<b>GRI 403: Occupational Health and Safety 2016</b>		
Disclosure 403-1 Occupational health and safety management system	57	
Disclosure 403-2 Hazard identification, risk assessment, and incident investigation	57	
Disclosure 403-3 Occupational health services	57	
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Disclosure 403-6 Promotion of worker health	58	
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Disclosure 403-8 Workers covered by an occupational health and safety management system	58	
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<b>GRI 404: Training and Education 2016</b>		
Disclosure 404-1 Average hours of training per year per employee	60	
Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs	60	
Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews	60	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
Disclosure 405-1 Diversity of governance bodies and employees	54	
Disclosure 405-2 Ratio of basic salary and remuneration of women to men	55	
<b>GRI 406: Non-discrimination 2016</b>		
Disclosure 406-1 Incidents of discrimination and corrective actions taken	51	
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>		
Disclosure 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	50	
<b>GRI 408: Child Labor 2016</b>		
Disclosure 408-1 Operations and suppliers at significant risk for incidents of child labor	50	
<b>GRI 409: Forced or Compulsory Labor 2016</b>		
Disclosure 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	50	
<b>GRI 410: Security Practices 2016</b>		
Disclosure 410-1 Security personnel trained in human rights policies or procedures		Not material.
<b>GRI 411: Rights of Indigenous Peoples 2016</b>		

Indicator	Page	Remarks
Disclosure 411-1 Incidents of violations involving rights of indigenous peoples		Not material.
<b>GRI 413: Local Communities 2016</b>		
Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs		Not material.
Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities		Not material.
<b>GRI 414: Supplier Social Assessment 2016</b>		
Disclosure 414-1 New suppliers that were screened using social criteria	50	
Disclosure 414-2 Negative social impacts in the supply chain and actions taken	50	
<b>GRI 415: Public Policy 2016</b>		
Disclosure 415-1 Political contributions		Not material.
<b>GRI 416: Customer Health and Safety 2016</b>		
Disclosure 416-1 Assessment of the health and safety impacts of product and service categories	69	
Disclosure 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	69	
<b>GRI 417: Marketing and Labeling 2016</b>		
Disclosure 417-1 Requirements for product and service information and labeling		Not reported 2023.
Disclosure 417-2 Incidents of non-compliance concerning product and service information and labeling		Not reported 2023.
<b>GRI 418: Customer Privacy 2016</b>		
Disclosure 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	70	