



Healthy Patients in a Healthy World

FOREWORD AND METHODOLOGICAL NOTE

This document constitutes the seventh Sustainability Report (hereinafter also the "Report") published by Medacta Group SA (hereinafter the "Group" or "Medacta"). This edition complies with the applicable elements of article 964 of the Swiss Code of Obligations (hereinafter "art. 964"), governing the disclosure/communication of non-financial information.

The Report presents information with respect to human rights, anti-corruption, and bribery, also highlighting a description of due diligence and measures taken to implement the policies related to internal guidelines or strategies of Medacta regarding these topics.

The Report is published by Medacta as a separate document from the 2023 Annual Report.

SCOPE OF THE STATEMENT

The scope of reference of the information contained in the Report coincides with the area of consolidation of the Annual Report as of 31 December 2023 and, therefore, includes the parent company Medacta Group SA and all its consolidated companies on a line-by-line basis. Collected data, unless otherwise indicated, are presented on a consolidated basis.

Data and information presented in the Report refer to the period between 1 January 2023 and 31 December 2023; in some cases, for comparative purposes related to future targets, we provide data and information relating to the year chosen as a reference (baseline).

REPORTING AND APPLICATION OF REPORTING STANDARD PROCESS

The Report was drawn up in accordance with art. 964 (summary table on page 74) and with reference to the Sustainability Reporting Standards published by the Global Reporting Initiative (GRI) currently in force. The GRI Table, with the indication of the standards and the respective indicators applied, can be found on pages 72-73.

The Report was prepared based on a structured reporting process that included:

- the involvement of corporate facilities/ departments that contributed to the identification and evaluation of the material topics, as well as of significant projects/initiatives to be described in the document and to the collection, consolidation, and validation of quantitative data, each insofar as its own area of purview.
- the Report has been approved by the Board of Directors ("BoD") of Medacta Group SA, issued at the meeting on 12 March 2024. The Report was published the day after the BoD approval.

The contents of the Report have been supplemented, as warranted, by other information contained in the Annual Report (Management Report, Corporate Governance Report, Remuneration Report, and Financial Report) and on the Company website, which can be consulted by following the specific references. The Remuneration Report and the Financial Report are both subject to audit opinion.

The Sustainability Report is available on the Company website at: sustainability.medacta.com

The Investor Relations department is the contact point for any question about the report (investor.relations@medacta.ch).

This Report edition has not been subjected to external assurance.

 **READ MORE** [2023 Annual Report*](#)

 **READ MORE** <http://www.medacta.com>

The data collected in this report relate to the activities carried out by our Group in 2023. The analysis includes the entire scope of our business: head-quarters, subsidiaries, educational institutes, logistics centers and Foundation, unless otherwise stated.

*<https://www.medacta.com/EN/financial-reports-and-presentations>



ABOUT THIS REPORT

The Report highlights our continued commitment to sustainability. This marks our inaugural report with reference to the GRI framework— the world’s most widely recognized tool for organizations to communicate and demonstrate accountability for their impacts on the environment, the economy, and people.

We present data of our impacts within the specified material topics, integral to our strategic targets for 2025 (see pages 19-20). These efforts align with our overarching purpose “Healthy patients in a healthy world.”

TRACK-RECORD ON ESG RATINGS AND MAIN INDICES



Since February 2021 Medacta has been included in SPI ESG Index of the SIX Exchange



Since March 2021 Medacta has been rated “AA” by MSCI ESG ratings from “AAA” to “CCC”



Rated as “Medium risk” from “Negligible” to “Severe”, improved over 2022



Rated as an overall grade of “B+” from “A+” to “D-”



MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

This document demonstrates our continuous evolution in terms of information related to sustainability. In recent years, sustainability has changed its *raison d'être*, positioning itself as a necessary prerequisite for contemporary challenges. Through this Report we want to keep track of this evolution, which has seen us begin a journey born with the intention of defining a long-term strategy, as well as our way of being and doing business, which has allowed us, together with our ability of innovation and collaboration, to express ourselves at our best and generate sustainable shared value.

Dr. Alberto Siccardi
Chairman of the Board of Directors

TABLE OF CONTENTS

7

A YEAR IN
REVIEW

53

CARING FOR THE
ENVIRONMENT

21

GOVERNANCE

63

CARING FOR
THE COMMUNITY

33

CARING
FOR PATIENTS

71

APPENDIX

41

CARING
FOR PEOPLE



OUR 2023 ACTIONS

2023 Targets	2023 Actions
CARING FOR PATIENTS	
 Strengthening the proactive integration of environmental sustainability in the design and development process of new products and solutions.	Achieved • In 2023 we updated our Design and Development procedure to enhance emphasis on sustainability in the earliest stages of the process, making environmental considerations an integral aspect of product development from inception.
 Advancement of our personalized solutions through our MySolutions Personalized Ecosystem.	Achieved • A new study confirms the accuracy of NextAR Shoulder. First European and US Peri-Acetabular Osteotomy procedures using the MyPAO Platform. NextAR Spine MIS LT procedure has been developed.
 Definition of a patient communication program to assist physicians in their communication needs and facilitate patient understanding.	Achieved • The patient communication program has been designed and announced in the US to support surgeons during their activities with patients.
CARING FOR PEOPLE	
 Future-proof key HRIS (Human Resource Information Systems) platforms, to support our growth.	Achieved • Significant investment and progress made to enhance our HQ payroll and time and attendance software, including the introduction of an Employee & Manager self-service portal.
 Create a leading-edge learning & development culture.	Achieved • The development of our learning agenda has led to the creation of a blended-learning approach. Including partnering with a world renowned academic institution with the launch of 2 distinctive learning pathways. The launch will be deployed globally in 2024.
 Continue to expand and develop our #beMedacta Values & EVP (Employee Value Proposition) initiatives.	Achieved • We continue to enhance and improve our employee benefits, such as increasing time off with 100% pay for both maternity and paternity above the statutory requirements. Including the introduction of our new employee recognition program.
CARING FOR THE ENVIRONMENT	
 Expansion of photovoltaic panels installation.	Delayed • Contract's signing postponed due to technical reasons.
 Reduction of water consumption in production processes.	Achieved • Reduction of water consumption in production process in Castel San Pietro facility. Added new projects to further improve production processes.
 Conclusion of the analysis optimization of processes to reduce scrap from raw materials.	Achieved • Project activated with optimizations on a specific product line. Additional projects under evaluation.
CARING FOR THE COMMUNITY	
 Encouraging the development of new generations and supporting parenting.	Achieved • New goals achieved during the year, such as the enlargement of the My School Ticino Campus, the creation of a new nursery section (spring section), the creation of a technology classroom (STEM), and much more.
 Dedication to assisting humanitarian initiatives improving the quality of life of patients and people in need worldwide.	Achieved • Contribution to support the Ukrainian population afflicted by the conflict with the donation of instruments for operating rooms, and other humanitarian initiatives.
 Commitment to charitable and social projects mainly focused on the local area.	Achieved • Several projects, both ongoing and recently started, have blossomed over the year. Among the novelties is the support for the requalification of Laveggio Park, Ticino. Ongoing projects include Punto d'Incontro and Famiglia Affidataria Professionale (FAP) project, in cooperation with ATFA, and Territorial Education Project.

A YEAR IN REVIEW

8	Letter to stakeholders
10	Medacta at the glance
12	What we do
13	Value creation strategy
14	Our sustainability approach



LETTER TO STAKEHOLDERS

As we reflect on the journey of 2023, I am delighted to introduce our annual Sustainability Report, an insightful testament to the challenges and actions that shaped our year.

2023 has been extraordinary in terms of growth (+19.5% in constant currency, exceeding the milestone of EUR 500 million), and we have never lost sight of our commitment to sustainable innovation and the principles of Environmental, Social, and Governance (ESG) matters.

In accordance with this approach, we have worked to further reinforce our sustainability key areas throughout the year: Caring for patients, Caring for people, Caring for the environment, and Caring for the community. These four pillars represent the facets that sustainability has in Medacta's specific context,

unveiling how the improvement of the care and well-being of patients and all other stakeholders around the world has been carved into our company culture since the beginning.

I would like to highlight an important enhancement that characterizes this year's Report in considering our material topics, which represent Medacta's most relevant impact themes. As a matter of fact, this document has been compiled around the concept of double materiality, which encompasses both the impacts on our stakeholders and those on our financial performance, as further illustrated. This holistic approach to reporting provides a deeper understanding of how sustainability factors can drive value creation and risk mitigation for our company. Following this materiality analysis, we established a set of key performance indicators to monitor and target the most pertinent topics until 2025, embracing a three-year perspective.

As we strive for sustainable growth, we added 193 new roles to accommodate our ongoing market



penetration, each contributing to the diverse tapestry of our organization, reaching a total of 1'730 employees. Furthermore, we have made strategic investments in our infrastructure while maintaining a keen focus on environmental and social considerations. In November, we announced the expansion of our site in Rancate, Ticino, to meet the high demand for our products. The new facilities are designed to reduce energy use and GHG emissions, with an environmentally sustainable approach.

Recognizing the critical role of a resilient supply chain, we have invested to fortify its strength. These endeavors demonstrate our proactive approach, ensuring that our operations remain robust, responsive, and sustainable in the face of evolving challenges.

In the spirit of unity, we celebrated our first Medacta Family Open Day in April, with our Headquarters' employees and their families. This event emphasized our belief that maintaining a harmonious work-life

balance is vital for the overall well-being of our team. It was also an excellent opportunity to showcase our commitment to the "What we do matters" campaign, which aims to inspire our employees and raise awareness about the significance of their work. The Medacta Family Open Day was held in Ticino with the support of local entities, demonstrating our strong relationship with the community.

As we look towards the future, we are filled with enthusiasm about what 2024 has in store for us. Our primary goal is to continue our growth journey in a responsible and sustainable way. Our focus remains on improving patient outcomes and satisfaction while promoting healthcare sustainability and creating value for our stakeholders.



Francesco Siccardi
Chief Executive Officer

OUR ESG IMPACT IN 2023

ENVIRONMENT

100%* Renewable electricity

0%* Oil

-25%* GHG emissions
(SCOPE 1) since 2019

SOCIAL

1'730 Employees

193 New employees

500K Donations (EUR) to
Medacta for Life
Foundation

ECONOMIC GOVERNANCE

510.8M Revenues (EUR)

56 Countries

19.5% Revenue growth in
constant currency

*Related to Castel San Pietro and Rancate headquarters and facilities



MEDACTA AT A GLANCE

MEDACTA'S UNIQUE HISTORY

Our company was established in 1999 by Alberto Siccardi, our founder, chairman, and former CEO. His journey as a patient convinced him of the importance of pioneering a new approach to joint replacement. Following his desire to improve care for patients and drawing on his own personal experience with orthopedic procedures, Alberto Siccardi dedicated himself to the pursuit of innovation to improve orthopedic techniques and prostheses.

COMPANY PROFILE

Medacta is an international company specializing in the design, production, and distribution of innovative orthopedic products, as well as in the development of accompanying surgical techniques, and is active in joint replacement, sports medicine, and spine surgery.

With an unwavering dedication to enhancing patient outcomes and satisfaction, for us, it is essential to embrace innovation, which is the foundation of all our projects. We drive our innovation by providing minimally invasive techniques and personalized solutions to the unique needs of each individual patient.

We believe that education is an indispensable tool for transforming innovation into tangible benefits for patients, surgeons, and healthcare systems. Through the M.O.R.E. (Medacta Orthopaedic Research and Education) Institute, we support our innovative products, services, and surgical techniques with an extensive and tailored program of medical education.

VISION

Our vision is to improve the care and well-being of orthopedic and spine surgery patients around the world through our experience and passion. With our surgical innovations and medical education programs, we strive to enable a healthy and active lifestyle for every patient, strongly focusing on healthcare sustainability.

MISSION

Our mission is to transform the patient experience by developing advanced surgical approaches and medical devices through sustainable and responsible innovation. With this goal in mind, we focus on increasing our collaboration with surgeons and universities worldwide, constantly investing in medical education, innovative technologies, and personalized solutions.



WHERE WE ARE

Headquarters and production facilities are in Castel San Pietro and Rancate, Switzerland, where we have 905 employees in the aggregate, out of 1'730 in total. Sales organization operates in 12 countries through our local subsidiaries and serves 44 additional countries through stocking distributors. This structure allows the Group to pursue its strategy in the attractive markets of EMEA, North America, Asia Pacific, and Latin America, where it was generated 48%, 30%, 20% and 2% of our revenue, respectively, in 2023.

Entities included in the scope of consolidation are listed in the Appendix (see page 75).

2023 CORPORATE UPDATES

New construction works in Ticino

In November 2023, we announced the start of the expansion of the new facility construction in Rancate. This new construction will complement the one that is already underway in Castel San Pietro, doubling our production capability to support our future growth and to meet the high demand for our products.

“We celebrate another important milestone for Medacta. Built on strong values, our growth confirms our dedication to fostering our international expansion to meet patients, medical professionals, and healthcare systems’ needs and expectations. We are excited to keep making investments in our future here in Switzerland, Ticino, where our company was founded.”

Francesco Siccardi
Chief Executive Officer

In total, Medacta’s plants in Ticino will cover more than 36'800 square meters. These plans will be implemented by maintaining a strong focus on sustainability.

New distribution facilities

We are also investing in our logistics and distribution infrastructure to ensure the efficient delivery of our products to customers worldwide. As part of our expansion plan, in 2023, a new distribution center in Memphis, USA was opened, as Medacta Americas Operations, to serve the US market.



WHAT WE DO

We are active in three business lines: joint replacement, sports medicine, and spine surgery. For each business line, our products and surgical procedures are designed to improve patient well-being, facilitate the work of our surgeons, and increase the sustainability of the healthcare system by improving efficiency while reducing surgical costs.

HIP

Since our founding in 1999, we have been driven to advance the care and the satisfaction of our patients, bringing value throughout their entire orthopedic journey through minimally invasive and personalized solutions. We focused on developing new and improved products, techniques, and technologies for the hip segment of the orthopedic market. We created a comprehensive offering based on three complementary assets: a complete implant portfolio that can be used for primary procedures (i.e., first-time hip replacements), as well as revision procedures (i.e., secondary hip replacements), minimally invasive techniques and personalized technologies.

KNEE

Driven by our vision to advance the care and the satisfaction of our patients, bringing value throughout their entire orthopedic journey through personalized solutions, we focused on developing innovative products, techniques, and technologies for the knee segment of the orthopedic market. We designed a comprehensive and effective platform based on three complementary assets: personalized techniques, with a growing focus on Kinematic Alignment, advanced technologies, such as the NextAR Knee Augmented Reality surgical application, and a complete implant portfolio that can be used for partial procedures (i.e., first-time knee replacements for only one portion of the knee) primary procedures (i.e., first-time complete knee replacements), as well as revision procedures (i.e., secondary knee replacements). The GMK Sphere is at the core of our complete knee offering.

SHOULDER

The shoulder market represents a significant growing component of our success. We created an innovative, complete, and personalized portfolio of implants and cutting-edge technologies designed to support surgeons in improving patient care and satisfaction.

SPINE

Since our introduction into the spine market in 2009, we have leveraged our expertise in both minimally invasive techniques and personalized solutions to improve patients' care and satisfaction. Our innovative, complete, and effective spine offering provides surgeons with implants, instruments, and enabling technologies to perform a full range of procedures, from cervical to degenerative and deformity. Since inception, we have been providing spine implants pre-sterilized and ready for implantation. We strongly believe that pre-sterile implants can increase the efficiency of healthcare systems, reduce the risk of contamination, save time, and reduce costs.

SPORTSMED

Our Sports Medicine business line started in 2016 with the aim of providing minimally invasive personalized procedures, allowing patients to quickly return to their daily activities. Our engineers developed specific and innovative products for the treatment of ligament, tendon, and muscular injuries of the knee, hip, and shoulder, focusing on new product development to expand our offering in the arthroscopic knee, shoulder, and hip surgery.

For an extensive description of our products and related techniques, please make reference to the Management Report section included in the 2023 Annual Report.

Our business lines' solutions are supported by the M.O.R.E. Institute (where M.O.R.E. stands for Medacta Orthopaedic Research and Education, see page 38), which provides tailored high-level educational pathways through an international network of surgeons.

[📖 READ MORE](#) 2023 Annual Report*

*<https://www.medacta.com/EN/financial-reports-and-presentations>

VALUE CREATION STRATEGY

A DIFFERENTIATED APPROACH

With patients’ expectations and technological advancement on the rise, a differentiated approach based on responsible and sustainable innovation can provide significant benefits to surgeons’ practice, the healthcare system, and the entire patients’ journey. We believe our innovation makes a difference by providing minimally invasive techniques and personalized solutions to the unique needs of each individual patient, by enhancing efficiency and reducing surgical costs. Innovative and differentiated approaches often involve a learning curve. With the M.O.R.E. Institute, we provide our existing and new surgeons with ample educational opportunities to develop and refine their skills with our innovative products, techniques, and technologies.

INTEGRATED STRATEGY

At Medacta, our value creation strategy is basically built on three fundamental and deeply integrated assets: responsible and sustainable innovation, medical education, and healthcare sustainability. By combining these assets with a holistic approach to personalized medicine, we can foster long-lasting relationships with surgeons, hospitals, and healthcare providers, and achieve our vision of improving the care and well-being of orthopedic patients worldwide.

Responsible and sustainable innovation

Responsible and sustainable innovation is the foundation of all our projects and the basis of our growth strategy. We drive our innovation by providing minimally invasive techniques and personalized solutions for every patient, with the aim of improving the patient’s well-being and healthcare sustainability.

Medical Education

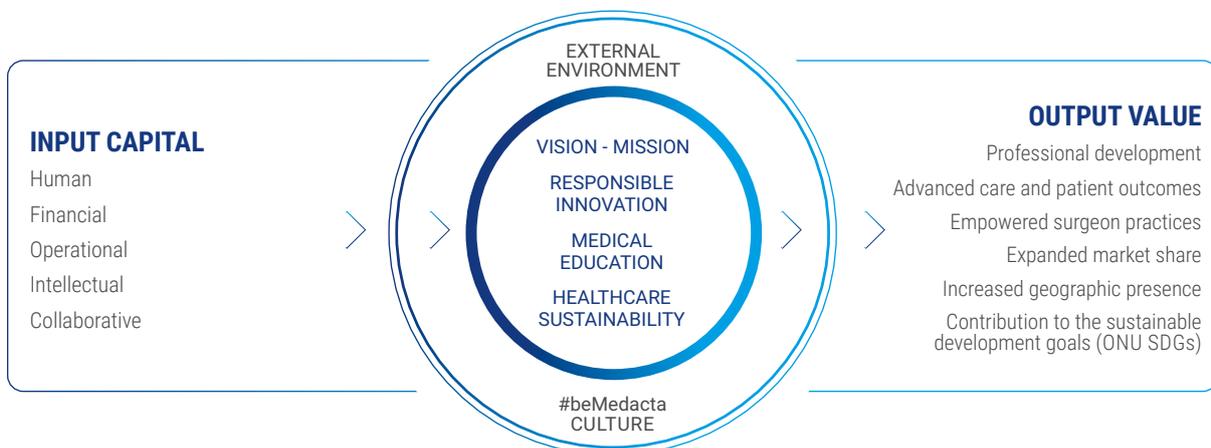
Medical education is an indispensable tool for transforming our innovation into tangible benefits for patient well-being and healthcare system efficiency. We provide our surgeons with personalized, structured, and accessible education programs on our innovative technologies and procedures, to help them expedite the learning curve and become proficient in the use of our products and solutions.

Healthcare Sustainability

Healthcare sustainability is a key element in making our innovation and education programs as accessible as possible. It guides the design of our solutions to make them more efficient, reducing time and costs and complementing operative workflow efficiently.

BUSINESS MODEL

Our business model embodies the way we generate value. We leverage our resources, defined as input capital, and transform them through disciplined processes with the aim of having a positive impact and enhancing value for all our stakeholders over the short, medium, and long term. The external environment, including economic conditions, technological change, and societal and environmental challenges, sets the context within which we operate. Furthermore, diligent governance ensures that all our processes respect the principles we have defined, and which allows us to operate effectively, efficiently, and ethically.



OUR SUSTAINABILITY APPROACH

At Medacta, we are committed to supporting a model that combines economic sustainability with the generation of social and environmental value: this approach finds its support in ethical and sustainable actions that are described in our Caring for the environment and Caring for the community chapters. Through a strong emphasis on innovation, we look continuously to provide better solutions to improve patients' outcomes and healthcare system sustainability, better highlighted in our Caring for patients chapter. All our results would have not been achievable without the full commitment and engagement of our colleagues: we strive to support their personal and professional well-being without forgetting their safety, as described in our Caring for people chapter.

In 2023, we established three-year targets, delineating our plans to intensify our dedication to key areas. This commitment is rooted in our steadfast belief that generating value for all stakeholders is not merely an objective but an inherent responsibility. In adherence to prevailing regulations and our unwavering commitment to transparency, we are pleased to declare our new reporting with reference to the Global Reporting Initiative (GRI) framework. This strategic move not only ensures regulatory compliance but also bolsters our dedication to ethical reporting practices.



“The effort for a more ethical and just society, with special attention to the environment, has always characterized the way we intend and conduct our entrepreneurial activities. Strategic choices in favor of sustainable development are aligned with a value system that belongs to our family before than to our business. An approach that, across the generations, is the very essence of the company, heartfelt and shared by all those who are part of it. To guide our efforts, we have adopted the United Nations' Sustainable Development Goals (SDGs) as a framework for our initiatives. We believe that by incorporating sustainable practices into our lifestyle, we can inspire positive change within our community and beyond.”

Maria Luisa Siccardi Tonoli
Member of the Board of Directors dedicated to Group Corporate Sustainability, Vice President and Member of Medacta for Life Foundation, and Founder of My School Ticino

OUR SUSTAINABILITY COMMITMENT

After the Organizational Regulations underwent significant changes in 2021, the Board of Directors was given the responsibility of overseeing Corporate Sustainability. To manage sustainability-related initiatives more effectively, an inter-functional Corporate Sustainability Team was formed, consisting of executives from various company functions.

The Team regularly arranges meetings to share updates and knowledge, draw up Sustainability Reports, monitor target achievements, and promote sustainability awareness and communication within the Group and initiatives in this area. In 2023, Corporate Sustainability, including the approval of the Sustainability Report, has been a topic included in the agendas of three Board meetings scheduled throughout the year.



SUSTAINABLE DEVELOPMENT GOALS (“SDGs”)

Continuous improvement lies at the core of our organizational ethos, where we are dedicated to refining our activities in alignment with Corporate Responsibility and the globally recognized Sustainable Development Goals (“SDGs”) set by the United Nations. These SDGs represent a blueprint for a more sustainable future, embracing topics ranging from health and education to economic growth, environmental sustainability, climate action, and much more.

Our commitment to these goals is manifested in our sustainability approach, with a particular focus on contributing to SDGs 3 (Good Health and Well-Being),

4 (Quality Education), 7 (Affordable and Clean Energy), 8 (Decent Work and Economic Growth), 9 (Industry, Innovation, and Infrastructure), 13 (Climate Action), and 16 (Peace, Justice, and Strong Institutions).

These goals serve as a compass for our initiatives, ensuring that our endeavors have a significant and positive influence on society, the environment, and the economy. Additionally, we regularly review our approach, keeping abreast of any new challenges that may arise and incorporating fresh perspectives to encourage ongoing enhancement.



Goal 3 Good Health and Well-Being

We want to give back to our patients the joy of movement and the ability to return to a healthy and active life. The promotion of health and well-being of people is at the core of our vision.



Goal 9 Industry, Innovation and Infrastructure

Innovation is a fundamental part of our mission and Research & Development is an important asset of our business model.



Goal 4 Quality Education

Since the beginning, we have been strongly aware of the need for education, one of our strategic pillars. We are committed every day to making our contribution to medical and professional education, as well as to patient education.



Goal 13 Climate Action

We are fully committed to continuously reducing our environmental impact through the improvement of our operational energy efficiency, favoring the use of renewable energy and continuously improving environmental management systems at our manufacturing plants.



Goal 7 Affordable and Clean Energy

In line with our constant commitment, we promote and make investments in clean energy infrastructure and technology.



Goal 16 Peace, Justice, and Strong Institutions

We operate in compliance with the law through honesty, integrity, and good faith. We develop and respect high standards of conduct and choose business activities in line with our reputation for integrity and quality.



Goal 8 Decent Work and Economic Growth

We promote inclusive and sustainable economic growth, fulfilling employment, and excellent work conditions.

PROMOTING SUSTAINABILITY AWARENESS

As part of our continued dedication to Environmental, Social, and Governance (ESG) efforts, we understand the importance of cultivating and fostering a culture of sustainability within our organization. To effectively engage our employees and raise their awareness of these crucial matters, we distribute a monthly ESG newsletter to all our employees worldwide. This communication tool is dedicated to disseminating information about our sustainability activities, highlighting our progress and the impact we are making. In 2023, we enriched the newsletter with the “What We Do Matters” campaign aimed at sharing our patients’ stories with our employees. The campaign seeks to recognize the significance of our work, the quality of what we do, and the positive impact we can have on the lives of hundreds of thousands of patients every year.

The ESG newsletter has proven to be a valuable tool to promote sustainability throughout our organization, as shown by a survey carried out in 2022 (see our 2022 Sustainability Report, page 13). By fostering open dialogue, providing informative content, and encouraging employee involvement, we are cultivating a culture where sustainability is not solely a corporate

responsibility, but a shared value that resonates with everyone at the company.

We will continue to refine our ESG newsletter and expand its reach to ensure that all our employees are well-informed about our sustainable practices and are empowered to contribute to our collective efforts to create a more responsible and environmentally conscious future.

STAKEHOLDER ENGAGEMENT

We believe that open dialogue and meaningful connections are essential for success. That’s why we actively engage with our stakeholders worldwide through direct and transparent discussions, which are the foundation of our collaborative endeavors.

To achieve comprehensive engagement, we have identified and actively involved nine distinct stakeholder groups, acknowledging their unique perspectives and contributions to our shared endeavors: patients, healthcare professionals, employees, shareholders and investors, local communities, scientific communities, institutions and industry associations, suppliers, and media. Through this approach, we strive to deepen understanding, promote mutual growth, and achieve sustainable outcomes.

Stakeholder group	Engagement initiatives and channels
▶ PATIENTS	Patient website, patient educational material, sponsoring and educational activities, social media.
▶ HEALTHCARE PROFESSIONALS	Scientific congresses, learning centers, clinical trials, headquarters visits, fellowship programs, surgeon-to-surgeon interactions, meetings with experts, patient-specific platform (MySolutions), social media, streaming platform, support of humanitarian initiatives.
▶ EMPLOYEES	Engagement events, global and country-based meetings, internal communications, ESG newsletters, sustainability report, training, annual performance review, climate survey, social media.
▶ SHAREHOLDERS AND INVESTORS	Annual report, sustainability report, annual shareholders meeting, investor releases, bi-annual earnings, roadshows, headquarters visits, social media.
▶ LOCAL COMMUNITIES	Bilingual school 0-10, sponsoring various entities and local organizations, philanthropic contributions.
▶ SCIENTIFIC COMMUNITY	Innovative projects, research activities, clinical studies, collaboration with universities, company international symposia.
▶ INSTITUTIONS, INDUSTRY ASSOCIATIONS	Periodical meetings.
▶ SUPPLIERS	Continuous collaboration, meetings, audits.
▶ MEDIA	Information, interviews, press releases, social media, headquarters events.

DOUBLE MATERIALITY

The double materiality matrix serves as a pivotal tool in advancing Environmental, Social, and Governance (ESG) practices by recognizing the reciprocal impacts between a company and its external environment.

Our activities have an impact that goes far beyond economic results. To be successful in the long run, we need to align our business performance with the expectations of our stakeholders and with society at large. To determine the most relevant material topics for Medacta, we conducted a materiality analysis applying a double materiality perspective which accounts for both the financial effect of sustainability matters on the company (financial materiality) and the company's impacts on the broader environment (impact materiality).

By embracing a double-materiality approach, we not only enhance transparency and accountability but also position ourselves to thrive in a rapidly evolving global landscape, where ESG considerations are integral to long-term success fostering a more comprehensive understanding of risk and opportunity and facilitating a proactive and strategic response to emerging sustainability challenges.

In the process, with the support of a third-party expert, we created an initial list of 68 material topics by reviewing the practice of peers and the requirements of national regulations. The Corporate Sustainability Team reduced this initial list to 29 topics by assessing their importance and clustering overlapping topics. These were then evaluated with key people of the main organizational functions in a dedicated workshop. The concept of double materiality was used, considering the topics under different perspectives: positive and negative, actual and potential, and short-term and long-term impacts. The workshop participants were asked to rank the significance of the company's impacts on the environment and people on a scale from 1 to 4. Concerning financial materiality, they were asked to rank the significance of the impacts of sustainability matters on the profitability of Medacta, interpreted as the company's ability to produce products and services, and the demand for its products and services on the market.

In 2024 we plan to revise and integrate our materiality assessment, refining the entire process of monitoring and selecting the main topics and enhancing our stakeholder engagement approach.



As a result, and starting from our original matrix, we developed a new double-materiality matrix which includes the following changes:

- Caring for patients: customer satisfaction and product quality have become part of our materiality matrix and have been evaluated in more detail.

- Caring for people: the topic employee well-being and safety has been split into employee safety and employee engagement, satisfaction, and retention. Cybersecurity and data privacy are now included into the wider Governance section.
- Caring for the environment: the greenhouse gas emissions topic is now part of the climate change one. Renewable energy was added, along with land use and biodiversity.



2025 TARGETS

In line with our continuous improvement approach, we defined some key performance indicators (KPIs) to be monitored and targeted up to 2025 for the first time. Most of them are based on GRI standards and cover basic topics related to the Environment, as well as People and Governance.

Topic	Target description	Metric	Baseline	2023	Target & Expiry	Reference
Climate	Reduce emissions intensity	GHG* / Revenues	2.08 tCO ₂ .eq/€M (2019)	1.25 tCO ₂ .eq/€M	< 1.0 tCO ₂ .eq/€M FY2025	GRI 305-4
Business ethics	Increase of training courses on Code of Ethics (including bribery and corruption matters)	Trained employees / Total number of employees	51% (2022)	75%	85% - 90% FY2025	GRI 205-2
Responsible supply chain	Increase number of new suppliers evaluated with ESG criteria	New suppliers evaluated with ESG indicators / Total new suppliers qualified	30% (2022)	36%	70% FY2025	GRI 308-1 GRI 414-1
Employee health	Increase number of trained employees on Health & Safety matters	Number of employees trained on H&S matters / Total number of employees	94% (2022)	92%	~ 100% FY2025	GRI 403-5
Professional development	Increase in average hours of training per employees	Total number of training hours provided to employees / Total number of employees	21h (2022)	23h	25h FY2025	GRI 404-1
Corporate culture	Work to achieve the completion of Performance Review process for eligible employees	% of eligible employees	91% (2022)	92%	95% - 100% FY2025	Internal indicator

* GHG emissions (Scope 1 + 2) only for Headquarters and facilities in Castel San Pietro and Rancate

LIST OF MATERIAL TOPICS

Material topic	GRI Topic	2025 Target	Caring for patients	Caring for people	Caring for the environment	Caring for the community	SDGs
Biodiversity	304-1				✓		13
Business ethics and compliance	205-1; 205-2; 205-3; 307-1; 408-1; 412-1	✓		✓	✓	✓	8-16
Corporate culture		✓	✓	✓	✓	✓	3-8-16
Customer satisfaction			✓				3-4-16
Climate change	305-1; 305-2; 305-3; 305-4	✓			✓		13
Data protection & cybersecurity	418-1		✓	✓		✓	3-16
Development of new generations	418-1			✓		✓	4-8
Diversity and equal opportunities	2-7; 401-1			✓			3-8
Economic performance			✓	✓	✓	✓	8-13
Employee engagement, satisfaction and retention	2-19; 2-20; 401-3			✓			4-8
Employee safety	403-1; 403-5	✓		✓			3-4-8
Energy	302-1; 302-3				✓		7-13
Healthcare sustainability			✓		✓		3-9
Humanitarian initiatives						✓	3-8
Intellectual property			✓				9
Land use	304-1				✓		13
Local community engagement						✓	3-4
Medical education			✓				4-9
Mobility				✓	✓		13
Patient well-being			✓				3-4
Philanthropic contributions						✓	3-4-8
Product quality	416-1; 416-2		✓				3-4-9
Professional development	404-1	✓		✓			3-8
Renewable energy	302-1; 302-3				✓		7-13
Responsible innovation			✓				3-9
Responsible supply chain	308-1; 414-1	✓		✓	✓		8-16
Talent acquisition			✓	✓			4-8-9
Waste management	306-3				✓		13
Water use	303-5				✓	✓	13

GOVERNANCE

22	Corporate governance
25	Human rights
26	Policy commitments
26	Fight against corruption
27	Corporate compliance program
28	Data privacy and cybersecurity
29	Enterprise risk management
31	Responsible supply chain
32	Economic performance



CORPORATE GOVERNANCE

Medacta Group SA, the ultimate parent company of the Group, is a stock corporation under the laws of Switzerland and is listed on the SIX Swiss Exchange (ISIN: CH0468525222, SIX ticker symbol: MOVE).

The Group Executive Management, based at our headquarters in Switzerland, is responsible for executing the decisions of the Board of Directors ("Board") and implementing the strategy of the Group.

The Board plays a significant role in the strategic guidance of the Group as well as supervising the overall business activities and management. The internal organizational structure of the Board is set forth in the Organizational Regulations of Medacta Group SA, that determines the executive bodies of the Company and the Group, defines their responsibilities and competencies regarding the management of Medacta Group SA and of the Group, and regulates the functioning and cooperation of the various bodies in the Group management. To operate effectively and allow in-depth focus in specific areas, the Board has two standing Board Committees: an Audit and Risk Committee ("ARC") and a "Human Resources & Remuneration Committee" ("HR & RemCo").

The ARC assists the Board in fulfilling its responsibilities defined by law, Articles of Association, Organizational

Regulations¹ with respect to matters involving the financial and risk management aspects of governance of Medacta Group SA and the Group. It consists of at least two board members appointed by the Board of Directors. At least one member, including the Chairman of the ARC, is independent.

The HR & RemCo is to support the Board of Directors in remuneration matters by exercising the duties assigned under the Articles of Association, the Organization Regulations, applicable laws and regulations with respect to matters involving the compensation aspects of Medacta Group SA and the Group. The HR & RemCo Committee consists of at least two members of the Board who are elected individually by the shareholders' meeting. The Chairman, who is independent, is appointed by the Board of Directors.

The Committees have no decision-making authority of their own and the Board remains responsible for the tasks delegated to the Committees by law, the Articles of Association, the Organizational Regulations or other internal regulations.

For further details regarding ARC and HR & RemCo, please make reference to the section "Corporate Governance Report" in the 2023 Annual Report. The composition of the existing Board is the following:



Philippe Weber, Riccardo Braglia, Maria Luisa Siccardi Tonolli, Alberto Siccardi and Victor Balli (from left to right).

Name	Year of Birth	Gender	Position	Committee Membership	Year of appointment
Alberto Siccardi	1944	Male	Chairman	None	2018
Maria Luisa Siccardi Tonolli	1975	Female	Member	ARC	2018
Victor Balli	1957	Male	Member, Lead Independent Director	ARC (Chairman)	2019
Philippe Weber	1965	Male	Independent Director	HR & RemCo (Chairman)	2019
Riccardo Braglia	1960	Male	Independent Director	HR & RemCo	2020

The term of office for a member of the Board is one year, subject to the possibility of re-election. In this context, a year means the time period between one annual shareholders' meeting and the next one or, if a member is elected at an extraordinary shareholders' meeting, between such extraordinary shareholders' meeting and the next annual shareholders' meeting. The Board consists of a minimum of three members. The Chairman of the Board, Mr. Alberto Siccardi, who is the founder and major shareholder of Medacta, chairs the Board with his expertise and in-depth knowledge of orthopedic products. Mr. Alberto Siccardi does not cover a senior executive role within the organization.

Board candidates are carefully selected to ensure that they are qualified and committed members, characterized by a diversity of backgrounds as well as experience and expertise relevant to the specific role they play in the Board. Experiences vary from extensive knowledge about legal and corporate matters to general management, corporate finance, and a strong track record in the Healthcare industry. It is also highly considered an experience in sustainability matters, either on a regulatory or managerial standpoint. In addition, because the current Chairman formerly served as Chief Executive Officer of Medacta International SA until 2018, the Board of Directors also has a Lead Independent Director.

The Board holds the ultimate strategic direction of the Company as well as the oversight of management. This includes determining the strategy of the Group as well as the appointment and dismissal of the Members of the Group Executive Management. Its responsibilities, duties, and competencies and the procedural principles by which it is governed are specified by law, the Articles

of Association, and Organizational Regulations. The Board may make decisions on all matters that are not expressly reserved to the shareholders' meeting or to another corporate body by law, by the Articles of Association or these Organizational Regulations. Save to the extent expressly stated otherwise, the responsibility and authority necessary or appropriate to conduct the day-to-day and operational activities of the Company and the Group is delegated to the Group Executive Management, under the leadership of the CEO. Subject to mandatory law and the Articles of Association, the Board may delegate further responsibilities to the ARC and the HR & RemCo, single Board Members, or the Group Executive Management from time to time. The Board of Directors has various process flows in place to oversee, monitor, and control the implementation of the Group's strategy as well as the execution of the responsibilities delegated to the Group Executive Management. The Group Executive Management reports regularly to the Board of Directors and its Committees. The CEO regularly informs the Board of Directors on the status of current business matters and financial results and presents relevant strategic initiatives as well as major business transactions.

The Committees keep the Chairman informed at least at the occasion of each Board meeting about all important strategic issues, transactions as well as any business situations and/or developments within their scope of responsibilities and duties. The Chairman reports to the Board on information received from the Committees. The Chairman of each Committee provides the full Board of Directors at their meeting with an overview of key topics discussed at the most

recent Committee meeting. Among different activities, the Board of Directors is informed by the management about the evolution of the regulation specifically related to Sustainability Reporting and finally approves the annual Sustainability Report. Starting from 2023, the Sustainability Report was approved by the Annual General Meeting on 7 May 2024. For additional details, please refer to the Corporate Governance Report included in the 2023 Annual Report.

Each Board Member must disclose to the Chairman and the CEO, respectively, any conflict of interest arising or relating to any matter to be discussed at the meeting of the Board as soon as the Board Member becomes aware of its potential existence. The Chairman (or, if applicable, the Lead Independent Director) and the CEO, respectively, may decide upon appropriate measures to avoid any interference of such conflict of interests with the decision-making of the Company. This process is also clearly stated in the "Code of Business Conduct and Ethics" extended to all employees and collaborators. In addition, following the issuance of new rules by SIX Exchange Regulator for Management Transactions, the Board of Directors was informed of during its meeting held in December 2023.

For additional information on this matter, please refer to art. 9.3 of the Organizational Regulations.

For extraordinary matters, including significant unanticipated developments, the CEO is obliged to immediately report to the Chairman according to section 2.1.4 of the Organizational Regulations.

In addition, the Chairman immediately informs the other Board Members of any extraordinary situation regarding the Company or the Group of which the Chairman may become aware. In 2023, there were no critical concerns communicated to Board of Directors.

At least annually, the Board reviews its own performance, as well as the performance of each of the Committees and the Group Executive Management. Such assessment seeks to determine whether the Board, the Committees, and the Group Executive Management function effectively and efficiently. This annual review will be discussed in a dedicated session during the board meeting usually held during the first half of the year.

2023 progress

During 2023, the Board was informed by the management about the change in regulation with reference to Sustainability Reporting, discussing in two separate meetings the proposed changes with reference to 2023 and 2024 reporting activities. During these meetings, the board examined and approved the double materiality matrix and, for the first time, a set of targets up to 2025, as shown on page 19. As a continuous improvement, the ARC, in its last meeting, analyzed and discussed the due diligence on human rights and conflict minerals as a part of the Enterprise Risk Management session. From 2024 onwards, this will be a common practice performed on an annual basis.

[🔗 READ MORE](#) Organizational Regulations*

*<https://www.medacta.com/EN/corporate-governance>

HUMAN RIGHTS

Human rights are universal, inalienable, and indivisible principles that safeguard the inherent dignity and worth of every individual. In the realm of corporate ESG management, the acknowledgment and protection of these rights are vital not only for ethical reasons but also for mitigating risks, enhancing stakeholder relationships, and ensuring long-term business resilience. The focus on human rights is a cornerstone in shaping responsible business practices.

At Medacta, we are strongly dedicated to respecting human rights by conducting appropriate due diligence. We identify with the principles outlined in the UN Guiding Principles for Business and Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

In our materiality analysis, the protection of human rights is included in the "Business Ethics and Compliance" material topic², and it is also highlighted in the Enterprise Risk Management paragraph and in the "Caring for People" chapter (Health and Safety and Training matters).

These topics are mainly treated in our Code of Business Conduct and Ethics. Through it, we repudiate any discrimination based on sex, gender identity, sexual orientation, geographical origin, race, language, personal and social conditions, religious and political beliefs, membership of minorities, marital status, pregnancy, age, health conditions, or disability. We favor a working environment that nurtures the involvement and empowerment of Employees and Collaborators with regard to the specific objectives to be achieved and the ways to pursue them. All employees shall comply with the Group's Code of Business Conduct and Ethics. Read more "Code of Business Conduct and Ethics".

The focus on the protection of human rights also extends to the supply chain and third parties. Contractors, subcontractors, and business partners that act on behalf of the Group, shall comply with the principles and indications contained in the Code of Ethics.

Employees are provided continuous training on the principles contained in these documents and are promptly informed about any updates that occur, as highlighted in the Caring for People section at page 46.

2023 progress

During 2023, we further reinforced our approach to training about these matters by submitting to all employees worldwide a new dedicated course.

Medacta operations are subject to a structured audit process that is conducted by the central Quality Assurance function. A standard and fundamental aspect of this audit process is compliance with the Medacta Quality Manual, which links to the Enterprise Risk Management framework and stipulates the requirement to be in compliance with all local laws and regulations. In 2023, the number of operations that have been subjected to human rights impact assessment were in total 13, covering 92% of the entire Group. Medacta operations outside of Switzerland are primarily established with one operation per country, as the respective operations serve as the central sales distribution hubs for each of the primary countries in which we are active. In the United States there are several operations in place due to the scale and growth factors of the expansive market.

HUMAN RIGHTS

Operations that have been subject to human rights reviews or impact assessment	GRI	UM	2023
Operations that have been subject to human rights reviews or human rights impact assessment	412-1	n. %	13 92
Operations that have been subject to human rights reviews or impact assessments by region			
EMEA	412-1	n.	8
North America	412-1	n.	3
APAC	412-1	n.	2
EMEA	412-1	%	100
North America	412-1	%	75
APAC	412-1	%	100

POLICY COMMITMENTS

Medacta's policy commitments for responsible business conduct, including the commitment to respecting human rights, are supported by the adoption of the Code of Business Conduct and Ethics, formally approved by the Board of Directors on 15 December 2021. The Group Code of Business Conduct and Ethics (the "Code") reflects the company vision and mission (please make reference to page 10 of the Report) and sets out the values and guiding principles that underpin our policies and procedures. The Code defines and formalizes the set of principles and ethical values in which Medacta recognizes itself and which form the basis of the company culture, as well as the standard of behavior required by anyone interacting with Medacta. The extent to which the Code is applied covers the entire activities and business relationship

of Medacta, and it's communicated to all employees through training courses on an annual basis.

The Code and the principles set out in it indicate to all our stakeholders the standards for appropriate and inappropriate conduct, and it also becomes the point of reference when an activity is not governed by specific procedures or instructions. It is clearly stated that Medacta ensures respect for the individual, promoting equal treatment and combating all forms of discrimination. The company's employees operate worldwide and represent a mix of experiences and backgrounds. Medacta believes that this diversity supports innovation and continuous collaboration with surgeons.

[📖 READ MORE](#) Code of Business Conduct*

FIGHT AGAINST CORRUPTION

Medacta maintains business integrity as a fundamental value and considers corruption a serious threat to the development of economic and social stability.

Our approach is "zero tolerance" towards all forms of corruption in our relations with both public and private entities. This implies that all actions, operations, negotiations, and behaviors associated with business practices must be based on the utmost fairness, exclude any corruption, and ensure transparency of information, with respect given to all applicable anti-corruption laws and regulations of the countries in which Medacta operates.

In 2023, there were no identified cases of corruption or violation of our code of business conduct and ethics.

The main rules of conduct for the purposes of preventing corruption are contained in our Code of Business

Conduct and Ethics mentioned above: at paragraph 7 (Fairness and Prevention of Corruption) it is clearly stated that "All the actions and operations carried out and the behavior of Employees, Collaborators and Partners in the performance of their duties or functions are inspired by transparency, correctness, and mutual respect, as well as legitimacy in both form and substance, according to the regulations in force and Medacta's internal procedures, also in order to protect the company's assets and image". For a complete reading of the paragraph, please refer to the Code of Business Conduct on Medacta's website.

Medacta provides annual courses about anti-corruption matters and, in 2023, 1'416 employees successfully completed the training session.

[📖 READ MORE](#) Code of Business Conduct*

*<https://www.medacta.com/EN/code-of-business-conduct>

ANTI-CORRUPTION

Operations assessed for risks related to corruption	GRI	UM	2023
Operations assessed for risks related to corruption	205-1	n.	13
	205-1	%	92
Communication and training about anti-corruption policies and procedures			
Employees that have received training on anticorruption	205-2e	n.	1'416
	205-2e	%	75
Communication and training about anti-corruption policies and procedures - by region			
EMEA	205-2e	n.	1'010
North America	205-2e	n.	171
APAC	205-2e	n.	235
EMEA	205-2e	%	73
North America	205-2e	%	73
APAC	205-2e	%	83
Communication and training about anti-corruption policies and procedures - by category			
Managers	205-2e	n.	161
Associates	205-2e	n.	1'255
Communication and training about anti-corruption policies and procedures - by category			
Managers	205-2e	%	69
Associates	205-2e	%	75
Confirmed incidents of corruption and actions taken			
Confirmed incidents of corruption	205-3a	n.	0
Employees who received disciplinary action (including dismissal) for incidents of corruption	205-3a	n.	0
Measures taken against business partners following confirmed incidents of corruption	205-3a	n.	0
Proceedings against the organisation or employees for incidents of corruption	205-3a	n.	0

CORPORATE COMPLIANCE PROGRAM

Medacta complies with a Corporate Compliance Program that is aimed at meeting the global principles of compliance in the countries where Medacta is present. A Group Compliance Officer is responsible for developing and maintaining compliance policies, promoting a culture of responsibility, conducting risk analyses and periodical assessments, identifying remediation needs, providing training, and taking additional steps to assist the Group in meeting its legal, regulatory, and ethical obligations. Any compliance concern, question, or potential violation of our Code can be submitted anonymously through a specific form, available in the Compliance Section of our company website (i.e. the whistleblowing channel, described in Data Privacy & Cybersecurity paragraph on page 28).

MEMBERSHIP AND INDUSTRY ASSOCIATION

Medacta is a member of some key medical associations in main markets:



DATA PRIVACY AND CYBERSECURITY

DATA PRIVACY

At Medacta, we recognize that protecting data privacy is fundamental to maintaining the trust of our stakeholders and continuing to support the growth of our business.

More in detail, as a Member of MedTech Europe, we are regularly informed about legislative updates, including the General Data Protection Regulation (GDPR) and national privacy laws, to ensure compliance with the most stringent legal requirements and national standards (CNIL for example). In addition, being associated with Federprivacy, the leading Trade Association in Italy concerning Privacy, we continuously monitor the main activities and decisions of the Italian Data Protection Authority. In the US, we act in compliance with the HIPAA (Health Insurance Portability and Accountability Act) Privacy Rules. A dedicated legal and compliance team makes this possible always remaining connected to the Swiss Headquarters, promptly sharing the most up-to-date national standards and guidelines to be followed.

We maintain solid governance of data privacy, reviewing our technical and organizational measures periodically, and ensuring adequate employee training through several procedures both on the main principles of Privacy and on practical rules to be taken. Data Protection is under the governance of the Audit & Risk Committee of the Board of Directors, to which the Data Protection Officer (DPO) maintains direct access to raise issues of concern whenever necessary. At Medacta, we maintain several procedures (Privacy Manual, Data Management, Data Breach Management) and dedicated courses on our training platform. In 2022, we began preparing for the new Swiss Federal Law on Privacy, which came into force in September 2023, filling the small gap between EU GDPR and the new Swiss law. By the end of 2023, our reporting system and website was updated to address all the new requirements foreseen in the EU Directive 2019/1937, broadly referred to as the "Whistleblowing Directive".

Together with the modification of the reporting channel, we are organizing training for employees with dedicated procedures related to this topic.

In 2023, we didn't receive any substantiated complaint concerning breaches of customers' privacy either from outside parties or from regulatory bodies. In addition, we didn't experience any leak, theft, or loss of customer data.

CYBERSECURITY

Malware, viruses, and phishing attempts are getting more sophisticated and represent a major risk to all corporate systems. The increase in cyber threats motivated Medacta to implement several strategies to improve our security posture. In our Security Operation Center, we are equipped with an active 24/7 monitoring system receiving timely reports on the status of incidents detected. In addition, we have introduced awareness campaigns advising our employees on how to reduce risks.

In terms of data protection, we have developed some actions and, among others, the most relevant are:

- removal of administrative permission from all PCs, thus denying the writing of data by malicious code executed, for example, by a phishing email or a virus.
- disabling the use of USB ports for mass peripherals (USB sticks) to avoid the automatic execution of viral code.

In 2023, we made significant progress in implementing new policies and procedures, approving an "Information Security Policy" at the group level, and finalizing a new policy for managing "Business Continuity and Disaster Recovery", that will come into force in 2024. During 2023, we have also equipped our company with tools capable of constantly detecting vulnerabilities in server or client systems, significantly increasing our internal security posture.

ENTERPRISE RISK MANAGEMENT

In 2023, Medacta continued to strengthen the Enterprise Risk Management (ERM) function, adeptly accounting for both short-term security and long-term stability. The Board, and particularly the Audit & Risk Committee, have been consistently engaged in managing the risk profile of the Group, ensuring pragmatic solutions to safeguard the interests of all stakeholders and, above all, the safety of patients treated with Medacta devices. The ERM framework of Medacta is a truly integrated process with tiered sub-systems of monitoring and control that channel relevant and timely information to the enterprise level for comprehensive governance. The cyclical and iterative process comes full circle to review and approval by the full Board of Directors.

Notable risk updates in 2023 have included supply chain and energy reliability, business continuity, increased compliance requirements for non-financial reporting, implementation of policies relating to environmental, social, employee, human rights, and corruption matters, and continuous improvements in the areas of governance and due diligence.

The ERM process is directly incorporated into the Management Review process of the Quality Management System, providing appropriate documentation, audit trails, and management team involvement. This process involves a regimented quarterly review cycle with dashboard metrics to ensure performance goals are achieved in alignment with the strategy, and emerging risks are evaluated and managed proactively to prevent material impact to the organization and associated stakeholders.

ESG risk management has been an area of distinct focus in 2023, with ESG risk exposure thoroughly evaluated by means of our independently coordinated double-materiality matrix. A structured methodology was applied by independent specialists from the University of Applied Sciences and Arts of Southern Switzerland (SUPSI) to refine and rank the most relevant materiality subjects from both the outside-in and inside-out perspectives, accounting for the potential impact Medacta can have on the world in which we operate and the financial affects which Medacta could experience based on changes to the world around us. This double-materiality analysis is put into action with direct incorporation within the Medacta ERM framework to guide the controls, mitigations, and continuous improvements that are pertinent to responsible corporate citizenship.

Through our double materiality analysis (see pages 17-18), we further honed our commitments, with subjects such as patient wellbeing, business ethics and compliance, product quality, healthcare sustainability, and corporate culture being some of the paramount subjects of importance.

Particularly regarding business ethics and compliance, policies have been set for human rights, anti-corruption/bribery, environmental, social, governance, and responsibilities. The following are key policies by which Medacta operates globally:

Medacta ESG Policy

Medacta is committed to supporting social issues in a positive manner, particularly the interrelated issues of safety, respect for human rights, combating corruption, and employee-related issues, which can all impact health and well-being. With a health-focused mission, all social issues are an integral part of our core identity.

Environmental health is foundational for human health, now and in the future. As a multi generational family company, responsible stewardship for preservation of the future is deep within our culture. Flowing from this, Medacta is committed to protecting the environment, compliance to all obligations, and minimizing our impact on all environmental risk factors.

From inception, Medacta has been committed to innovation, safety, respect for the environment, and support for the community. It is part of the ethos firmly set within our Code of Business Conduct and Ethics.

Governance of this policy is ensured by our Board of Directors and Executive Committee for true and effective implementation, with continuous evaluation through our Enterprise Risk Management process.

Medacta Business Continuity Policy

The Business Continuity Policy of Medacta Group is to ensure:

- All our actions are ethical, sustainable, and resilient to disruption, safeguarding our vital mission.
- Objectives are set for the benefit of all stakeholders, a thriving business, and healthy environment.
- Our corporate citizenship is founded on financial stewardship, compliance, and sound governance.
- Risk management leverages the evolving landscape of threats, opportunities, and responsibilities.

Pursuant to our policies and commitments, some of the important steps taken by Medacta to implement our policies and ensure proper effectiveness, include the following:

HUMAN RIGHTS AND CHILD LABOR RISKS

Human rights and child labor risks have been evaluated for the full supply chain, utilizing the UNICEF Child Rights in the Workplace Index³ as a guiding input. The results of the diligence concluded that no areas of concern were present in the Medacta supply chain. This evaluation is now more clearly set within the supplier qualification process and on an annual basis the global due diligence analysis will be conducted to ensure ongoing effectiveness of the controls implemented.

CORRUPTION RISKS

Corruption risks have been evaluated with due diligence conducted for the full distribution network, utilizing the Transparency International Corruption Performance Indicator (CPI) scoring system as a guiding input. The due diligence outputs have been utilized to define a risk-based audit plan to be conducted in 2024 and on an annual basis the global due diligence analysis will be conducted to ensure ongoing effectiveness of the controls implemented.

CONFLICT MINERAL RISKS

Conflict mineral risks were evaluated, and a certificate of analysis was completed with the confirmation that Medacta currently operates below the applicability thresholds with no present risks identified. This certificate of analysis process is now systematically integrated into our annual audit plan risk analysis to ensure ongoing vigilance with escalation and reporting completed if/when applicable.

For continuous improvement, a routine internal audit requirement has been defined in our quality management system with a dedicated checklist for “continuous improvement for anti-corruption and human rights”. This audit will evaluate the effectiveness of current controls and seek to identify ways in which to optimize and strengthen the Medacta program for combating these prevailing risks.

The Management Review process, conducted quarterly, ensures full vigilance of all relevant KPIs, including those applicable to ESG topics, and performance monitoring, ensuring active management for compliance, effectiveness, and full risk mitigation.

RESPONSIBLE SUPPLY CHAIN

Throughout the history of Medacta, supplier screening has always been a vital aspect of our business and has included ethical and compliance-related considerations. The Medacta supplier evaluation process begins with consideration of all third parties to which Medacta can issue a payment or conduct a business transaction. This list is filtered to identify the suppliers that may impact the Medacta Quality System. Suppliers with no impact on the quality system include those with no material impact on environmental or social criteria. Suppliers that are determined to have a potential impact on the quality system, and thus potentially also on environmental or social matters,

are then subject to a more intensive phase of the screening process. The screening process involves a questionnaire to support documented evidence, but the screening further involves a comprehensive evaluation by Quality Assurance to confirm all relevant information to make an informed and responsible decision regarding approval for qualification. The outcome of this process is a determination that the supplier is aligned with Medacta in all relevant respects, particularly including our Code of Business Conduct and Ethics, which delineates our commitments and standards for environmental and social impacts.

New suppliers that were screened using environmental criteria	GRI	UM	2023
New suppliers that were screened using environmental criteria	308-1	%	36
New suppliers that were screened using social criteria			
New suppliers that were screened using social criteria	414-1	%	36

³ The Children's Rights in the Workplace Index measures the extent to which countries eliminate child labour and provide decent work for young workers, parents and caregiver.

ECONOMIC PERFORMANCE

In 2023, Revenue increased 19.5% at constant currency and 16.9% on a reported currency over the prior year, at EUR 510.8 million, through a solid organic growth, with a significant gain of new customers across all geographies and business lines. The Adjusted EBITDA⁴ amounted to EUR 134.2 million (EUR 120.4 million in 2022), corresponding to a margin of 27.9% in constant currency (or 26.3% reported), compared to 27.6% in 2022. Profitability was affected by negative impact of currency developments and a temporary geographic

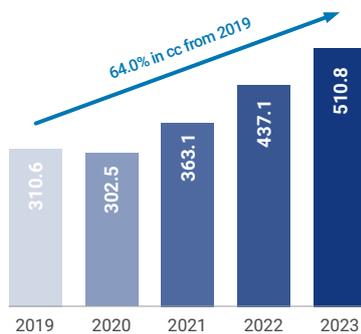
mix caused mainly by higher contribution of EMEA on total volumes, partially compensated by the leverage on fixed costs from higher sales volumes.

Profit for the year was EUR 47.4 million, compared to EUR 46.2 million in 2022. Based on the performance achieved in 2023, the Board of Directors decided to propose to the Annual General Meeting a distribution of CHF 0.55 per share.

REVENUES

EUR 510.8M

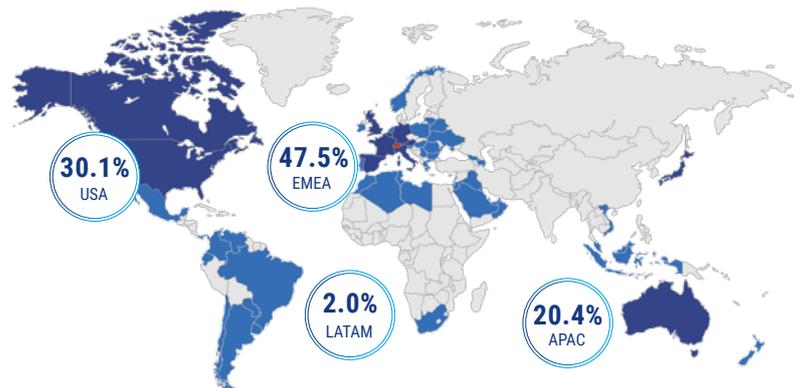
16.9% growth at reported currency (19.5% cc¹)
64.0% growth in constant currency from 2019



COUNTRY PRESENCE

56

3 countries added in 2023



CARING FOR PATIENTS

34	Patient well-being
38	Medical education
40	Healthcare sustainability



PATIENT WELL-BEING

RESPONSIBLE AND SUSTAINABLE INNOVATION

Explanation of the material topic

In today's rapidly evolving technological landscape, the concept of responsible and sustainable innovation has emerged as a crucial principle to navigate the complexities of scientific and technological advancements. It encompasses a holistic approach that integrates environmental sustainability, ethical principles, and stakeholder engagement throughout the innovation process.

Medacta's approach

With an unwavering dedication to enhancing patient outcomes and satisfaction, for us it is essential to embrace innovation. Innovation is the foundation of all our projects and is expressed in the originality of our surgical techniques, products, and solutions. We drive our innovation by providing minimally invasive techniques and personalized solutions to the unique needs of each individual patient.

Through personalized high-level medical education programs, we are committed to transforming our cutting-edge innovation into tangible benefits for patients' well-being and healthcare sustainability. Our approach goes beyond traditional cost-centric measures, embracing a comprehensive patient-centric philosophy that integrates efficiency with quality, safety, and the entire patient experience, ultimately promoting patient satisfaction.

We are staunch advocates of responsible and sustainable innovation. Our dedication to upholding the utmost standards of quality and compliance in the production and distribution of safe, effective products is bolstered by the M.O.R.E. Excellence Clinical Program. It enables us to introduce innovative products responsibly into the market, gradually progressing toward their full release after obtaining regulatory approvals.

MINIMALLY INVASIVE TECHNIQUES

Since our founding, we have recognized that minimally invasive surgery offers a range of benefits for patients, surgeons, and healthcare systems, including short hospitalization, reduced postoperative pain, immediate muscle tone preservation, and shorter rehabilitation time. Hence, we have developed new offerings based on minimally invasive techniques such as AMIS (Anterior Minimally Invasive Surgery), MIS (Minimally Invasive Surgery) MySpine MC, and NextAR Spine MIS LT.

PERSONALIZED SOLUTION

Each patient is different and has specific needs and expectations. Therefore, it is fundamental for us to improve the entire patient experience through a personalized journey, designed for their unique anatomy and expectations. Personalized techniques such as Kinematic Alignment and cutting-edge solutions like those included in the MySolutions Personalized Ecosystem can help surgeons improve patient outcomes and satisfaction.

INNOVATION'S PILLARS

At Medacta, innovation is based on three pillars: a strong and continued collaboration with surgeons, continuous investments in long-term and short-term research and development (R&D), and the adoption of cutting-edge technologies.

Strong collaboration with surgeons

Listening to surgeons, identifying patient requirements, and designing new solutions enable us to respond to unmet clinical needs proactively. We collaborate on a regular basis with internationally recognized surgeons, leading universities, and hospital research institutions on innovative surgical techniques and the evolution of our products and methodologies.

Research and Development

Research and Development (R&D) plays a crucial role in sustaining innovation. Through continuous investments, R&D drives the exploration of novel approaches, surgical techniques, technologies, and product optimizations that enhance patient outcomes and satisfaction. At Medacta, we can rely on a dynamic and rapidly evolving team, allowing for high standards of quality, flexibility, continuity, and efficiency.

Cutting-edge technologies

Our robust product pipeline is undergoing significant advancements through the strategic integration of cutting-edge technologies. At the forefront of our innovation journey is the utilization of big data, the harnessing of the power of state-of-the-art manufacturing techniques, our commitment to smart robotics, Augmented Reality (AR) guidance, and surface technology.

2023 progress

In 2023, we remained dedicated to enhancing our products and solutions to support surgeons in achieving better patient outcomes and satisfaction.

Advances in personalized Total Knee Arthroplasty

After successfully pioneering the Kinematic Alignment technique (KA) in total knee procedures and providing surgeons with the MyKA platform, the most comprehensive solution to safely and reproducibly perform Kinematic Alignment, in 2023, we officially launched GMK SpheriKA, the first knee implant optimized for Kinematic Alignment with the intention to further improve kinematic alignment results and ultimately patient satisfaction.

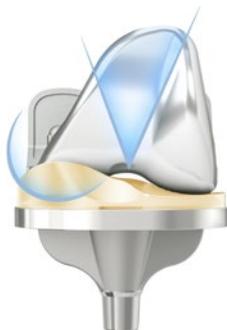
With Kinematic Alignment, the surgeon's goal is to restore the native pre-arthritic knee alignment through anatomic resurfacing, minimizing ligament release, and allowing for a more natural knee movement. This can potentially make recovery from surgery easier and faster, compared to traditional total knee replacement surgery.

GMK SpheriKA

GMK SpheriKA is the first knee implant specifically designed for Kinematic Alignment with the aim of providing patients with optimized stability and a more natural motion that replicates the movement of a healthy knee. GMK SpheriKA knee implant has been developed by a group of expert international knee surgeons to work in harmony with the structures of your knee during everyday activities, such as going up and down stairs, changing position from sitting to standing, getting into a car, and more demanding activities like shopping and gardening.

GMK SPHERIKA

THE FIRST KA-OPTIMIZED IMPLANT



Advances in our MySolutions Personalized Ecosystem

The MySolutions Personalized Ecosystem encompasses the innovation's pillars, offering surgeons unique access to a network of advanced digital solutions to improve patient outcomes and healthcare efficiency.

Leveraging the latest technological advances, we are committed to constantly developing innovative solutions to empower the surgeon's practice, enabling data-driven decisions to provide more personalized, accurate, and efficient procedures aiming at better patient satisfaction and outcomes. This led us to design the MySolutions Personalized Ecosystem which encompasses surgeons' advanced 3D planning, highly accurate execution tools such as patient-matched surgical guides, as well as an augmented-reality-based surgical platform and verification software. To improve the patient experience and support them during the continuum of care we set up a patient-optimized pathway tool. To let surgeons record and measure their clinical outcomes we offer a validated web-based archiving and analyzing system.

In 2023, we have enhanced our MySolutions Personalized Ecosystem even more. We announced the first European and US Peri-Acetabular Osteotomy procedures using the MyPAO Platform, a unique solution for acetabular realignment, and the official launch of the NextAR Spine MIS LT procedure, efficiently complementing operative workflow for spine surgery.



Furthermore, new independent clinical studies have confirmed the accuracy and efficiency of our solutions in shoulder procedures and spine surgeries.



Advances in patient communication

As more medical information moves online, patients are increasingly confused about how this abundance of information relates to their own health⁵. In light of this, presenting treatments, procedures, and solutions to patients in a clear and accessible way is becoming more and more relevant to actively support and engage them in their care pathway.

Our patient communication program has been designed to help surgeons support patients in making informed decisions. The program offers a range of tools to educate and engage patients and communicate effectively online and offline. It includes a variety of patient education materials with the aim of addressing patients' questions and providing them with accessible information about the surgery.

INTELLECTUAL PROPERTY (IP)

Explanation of the material topic

New techniques and products represent intellectual capital, which we commit to protecting as a differentiating factor. To advance new medical

solutions, we have condensed our development efforts on continually pursuing breakthrough advancements in the standard of care.

Medacta's approach

At Medacta, we have a dedicated in-house structure to foster intellectual property (IP), such as patents, trademarks, and copyrights, and this forms part of our strategy to protect and boost innovation and progress in medical science. With hundreds of patents in our portfolio, we have long-standing expertise in bringing new technologies to the market, offering a wide range of benefits for patients, surgeons, and healthcare systems.

To better operate in an international landscape, the IP department collaborates with international firms to prosecute rights, negotiate and manage licenses and agreements, enforce rights, and stay up to date of the latest developments in local and international law and policy. Moreover, we promote and raise awareness of IP among our employees by supporting education and training in the patent and trademark fields.

2023 progress

As part of our constant commitment to professional growth, in 2023, we started a periodic training course of 32 hours to interactively engage R&D engineers and product managers. Some of the key benefits include:

- Increased awareness of IP rights and their importance to the business.
- Reduced risk of IP infringement.
- Improved ability to identify and exploit new IP opportunities.
- Raised understanding of specific compliance requirements.

By reinforcing employee education about IP, we can protect our assets, reduce risk, and gain a competitive advantage.

PRODUCT QUALITY

Explanation of the material topic

The importance of product quality in orthopedics links to the delicate nature of the musculoskeletal system and the critical role that orthopedic products play in supporting the restoration of function and mobility.

The quality of our product is always a top priority, meticulously assured throughout the whole product life cycle.

Medacta's approach

Our Quality System ensures the safety and satisfaction of medical professionals and the patients who benefit from our products. Handling a variety of products and solutions entails the need to effectively manage diverse risks.

As a result, we strictly follow the standards, fulfilling all the applicable requirements, with a commitment to reducing risk to the lowest possible level. We pursue this responsibility every day through proactive risk management, validation, rigorous quality controls, and the active participation of everyone in our organization. Our operations and procedures are in accordance with the requirements of ISO 13485 and the Medical Device Single Audit Program (MDSAP).

For each product, we comply with the requirements of all countries in which we operate, collaborating with competent authorities, such as the Food and Drug Administration (FDA) in the United States, the Ministry of Health, Labour and Welfare (MHLW) in Japan, and the Therapeutic Goods Administration (TGA) in Australia, among many others.



2023 progress

In 2023, we gained approval for numerous new products throughout the world, allowing more surgeons and patients to access advanced technology and surgical procedures. Furthermore, many internal processes have been fortified as part of the continuous improvement of our Quality System.

Assessment of the health and safety impacts of product

All our products and solutions undergo rigorous control procedures and adhere strictly to the criteria outlined by the Quality System, in accordance with current regulations. Each product is accompanied by detailed technical documentation outlining proper preparation and usage guidelines. This documentation includes information on precautions and critical issues that must be meticulously followed. Our guidance is actively updated to incorporate new developments and insights received from healthcare professionals and is always accessible on our website.

[READ MORE](#) Medacta Instructions for Use*

Incidents of non-compliance concerning the health and safety impacts of products and services

In 2023 we had no incidents of non-compliance concerning the health and safety of our products and services.

*resources.medacta.com

MEDICAL EDUCATION

Explanation of the material topic

Recognizing that innovation often comes with a learning curve, we embrace the philosophy that “innovation requires education”. Therefore, we strongly believe that medical education is a fundamental asset of our long-term value-creation strategy and is an indispensable tool for transforming our innovations into tangible benefits for patients’ well-being and enhancing the efficiency of the healthcare system.

Medacta’s approach

Aware of the importance of education, since 2004 we have maintained a global medical education platform, the M.O.R.E. Institute (where M.O.R.E. stands for Medacta Orthopaedic Research and Education) through which we provide our surgeons with personalized and structured education programs and continuous support to facilitate become proficient with our innovative products, techniques, and technologies.

The M.O.R.E. Institute relies on an international network of expert surgeons to create interactive networking opportunities and a variety of educational events, facilitating the learning and sharing of experiences,

including one-to-one visits, online webinars and Meet the Experts, cadaveric workshops, scientific evenings, and international symposia. The M.O.R.E. Institute also supports fellowship programs worldwide, with a strong focus on young and promising surgeons.

“With the M.O.R.E. Institute, the surgeon is never alone when discovering new technologies” is our educational motto. Moreover, our close partnership with surgeons benefits the development and refinement of our products and techniques.

2023 progress

In 2023, we continued our commitment to medical education, further consolidating our standard education programs and increasing our network of expert surgeons worldwide, allowing us to continuously raise the level of our programs. During the year, more than 2’900 surgeons attended our educational activities.

We collaborated with Oxford University to hold an important summit in September, the 2nd European Medacta Kinematic Alignment Summit at Keble College.

2nd European Kinematic Alignment Summit



The event has been designed to explore and share experiences about Kinematic Alignment and its ultimate impact on patient outcomes, immersed in the authentic Keble College’s academic atmosphere. Moreover, this event was the perfect occasion to share initial data on GMK SpheriKA, the first knee implant optimized for Kinematic Alignment, that may further improve Kinematic Alignment results and ultimately patient satisfaction. With more than 100 participants from 11 countries around the world, the event drew the scientific community’s interest and participation.

500th AMIS Learning Centers

In March 2023, we celebrated the completion of the 500th M.O.R.E. AMIS Learning Center. We have been welcoming surgeons from all over the world since 2004, allowing attendees to gain AMIS technique proficiency through a tailored and comprehensive education program. With over 500'000 procedures performed worldwide, AMIS represents a consistently reproducible technique that delivers significant benefits to patients, surgeons, and healthcare systems. This milestone reflects the M.O.R.E. Institute's commitment to medical education, which is one of our cornerstones.

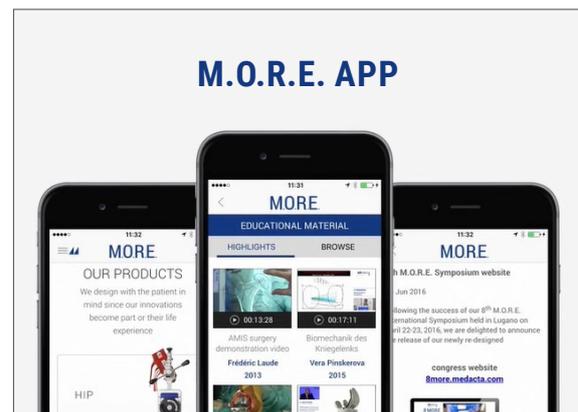
To ensure continuous improvement, every participant fills out an evaluation form upon completing the Learning Center. This form includes details about the educational event's effectiveness, helping us to continually enhance both the lectures and the activities outlined in the program. The Education Board, consisting of highly skilled surgeons with profound expertise in and mastery of surgical techniques, reviews and assesses these suggestions biannually.

NextAR Education Program

Since its official introduction in 2022, NextAR (our Augmented Reality surgical platform) has been successfully used to treat thousands of patients in Europe, the United States, Japan, and Australia. Leveraging the latest advancements in Augmented Reality, to improve accuracy through real-time data patient anatomy data, NextAR is a sustainable and cutting-edge solution in high demand in all our markets. In 2023, based on the same format of the proven and successful AMIS Education Program, we released a comprehensive education program dedicated to NextAR, which allows surgeons to proficiently use this technology and encourages the sharing of knowledge and experiences among the scientific community.

New educational resources

Besides the in-person scientific events, we offer surgeons valuable online resources to deepen their knowledge and discover more about our solutions. As part of our commitment, surgeons can access many hours of on-demand high-level medical education through Medacta TV, our streaming platform, which in 2023 has been further enriched with many new educational resources. Moreover, we have released new improvements to the M.O.R.E. App, which was designed to integrate digital education content and provide access to the most important information regarding the M.O.R.E. Institute and Medacta events (Congresses, Learning Centers, etc.).



HEALTHCARE SUSTAINABILITY

Explanation of the material topic

The increasing demand for healthcare, mainly due to population growth and aging, is putting pressure on healthcare systems around the world to reduce costs while meeting patients' expectations. This is why it is ever more critical to build efficient solutions that address these demands.

Medacta's approach

We are strongly committed to designing products, solutions, and surgical procedures to improve patient well-being and satisfaction, facilitate the work of our surgeons, and increase the sustainability of the healthcare system by improving efficiency while reducing surgical costs. In our constant interactions with hospitals and surgeons, we strive to determine how we might intervene to streamline treatments and provide them with solutions that can positively impact their processes and operations. Furthermore, we are dedicated to continuously improving the R&D process in order to promote integrated sustainability in all of our projects. Minimally invasive techniques, single-use instruments, patient-matched solutions, and cutting-edge technology are surely among the most significant topics.

GMK Efficiency is a complete single-use instrument set developed to optimize instrument management, providing significant clinical, logistical, and economic benefits to hospitals and, in particular, outpatient surgical centers. This solution optimizes perioperative logistics and instrument management by shortening the time required for operating room setup. Furthermore, the risk of instrument-related concerns, such as missing or damaged items or sterilization-related issues, is greatly decreased because GMK Efficiency arrives terminally sterile and ready to use in the operating room. All of these advantages have the ability to minimize stress on hospital staff and optimize the surgical agenda by reducing OR (Operating Room) downtime between surgeries. This holds particular significance, given that the Referral to Treatment (RTT) statistics report (published in 2022 by the NHS in the UK) reveals that over 21'000 surgeries were canceled on short notice due to non-clinical reasons in just three months. Since its market introduction, we have been offsetting the amount of CO₂ related to its lifecycle,

supporting environmental sustainability projects initiated by Swiss Climate (see page 62, further in this document).

2023 progress

In 2023, we renewed our commitment to improving our products and solutions, making them available in all countries where we are present. The increasing interest and satisfaction of the surgeons who work with us is tangible evidence of the effectiveness of our efforts.

Design and development procedure update

We recently updated our design and development procedure for enhanced emphasis on sustainability in the earliest stages of the process, making environmental considerations an integral aspect of product development from inception.

Patient-Matched technology milestones

During 2023, we celebrated many milestones achieved by our surgeons using the MySolutions Personalized Ecosystem, our network of advanced digital solutions designed to improve patient outcomes and healthcare efficiency.

First NextAR surgeries in Japan

After the recent certification in Japan, the NextAR Platform, including applications for knee, shoulder, and spine procedures, further enlarges its worldwide outreach, engaging new surgeons with the aim of achieving better outcomes for patients.

NextAR surgeons' adoption rates

By the end of 2023, specifically trained surgeons had performed more than 2'500 cases. The added value provided by NextAR has been immediate and consistently clear since the launch of the system and continues to gain the support of surgeons worldwide.

CARING FOR PEOPLE

42	Corporate culture
44	Employee safety
45	Professional development
47	Employee engagement, satisfaction and retention
49	Talent acquisition
50	Diversity and equal opportunities



CORPORATE CULTURE

Explanation of the material topic

The definition of “Company Culture” includes shared values, attitudes, behaviors, and standards that make up a work environment. It is about the experience people have at work and how that experience aligns with the external image and messaging of the company. Culture is what creates the day-to-day experience at a company and contributes to strengthening the sense of belonging to an organization.

Medacta’s approach

One of our most valuable assets is human capital. To fully harness its potential, we adopted a people-centered strategy and cultivated an engaging, productive, and rewarding work environment. At Medacta, human capital is made up of an ecosystem of talented people who actively collaborate and rely on each other’s strengths and contributions to sustain the authenticity and competitiveness of our company.



INTEGRITY
Always be honest and upright

We do all our business in an honorable manner, knowing that there is no right way to do the wrong thing



TRUST AND ACCOUNTABILITY
See it, Own it, Solve it, Do it

We believe in people, aware that they are the engine of our success



RESULTS ORIENTATION
Know your goal, focus on it

We work to exceed our goals



TEAM WORK
Leverage collective genius

Great things in business are never done by one person



LOYALTY
Be Medacta

We are proud to be part of Medacta

We are committed to protecting and managing our human capital by maintaining a solid identity, supported by a strong culture. We have identified five key values that shape our company culture, namely integrity, trust and accountability, results orientation, team work, and loyalty. These form the overarching concept we call #beMedacta, which we strive to strengthen as it represents a key to sustainable success, actively contributing to our growth.

As the company expands and hires more people, it is of the utmost importance that these values are kept alive and, above all, transferred to new employees. For this reason, the #beMedacta concept is integrated into our talent acquisition process, as well as our onboarding activities, Code of Business Conduct and Ethics, and our performance review process. This also forms an essential foundation for the effectiveness of our ESG risk management program (see Governance, Enterprise risk management on page 29).

The values of #beMedacta are included in the performance review system, enhanced to support the optimal performance of our employees worldwide. This pathway includes a structured process within which we conduct performance appraisals and feedback processes, at least bi-annually, and is supported by routine interaction between management and staff throughout the year.

This process provides the opportunity to gather information about employee engagement as well as discuss and agree on objectives for the year, so as to ensure continued alignment between actual performance and expectations. It also provides the opportunity to assess and provide feedback on how an employee is demonstrating or living up to our culture and values. We are working to complete the performance review process for eligible employees, tracking it through a percentage: we decided to establish a target by 2025 to cover the highest percentage of the workforce. Starting from a 2022 baseline, we reached, in 2023, 92% of the eligible employees, targeting to reach, in 2025, 95%-100% of the total eligible workforce.

PERFORMANCE REVIEW PROCESS

	UM	2022	2023
Percentage of eligible employees	%	91	92

2023 progress

“What we do matters” campaign

In 2023, we continued to promote the “What we do matters” awareness campaign, with the aim to bring the stories of our patients to the forefront through video testimonials and showcase how our solutions have a positive impact on their lives. If employees see how their daily work can affect people’s health and life quality, they remain inspired and feel more committed. The stories of our patients provide us with a sense of purpose and remind us of the value of our daily work.

Employee recognition program: #beMedacta Award

In 2023 we launched our inaugural employee recognition program within our Headquarters; the purpose is to acknowledge and recognize employees who have gone above and beyond what was expected of them and demonstrated at least one or more of our five values. Our program involves recognizing up to 4 employees each quarter with the award personally presented to the employee by our CEO and Chief Supply Chain Officer.

First Medacta Family Open Day



On Saturday, April 22, 2023, we celebrated the first Medacta Family Open Day, an event dedicated to our local team and their families. The event took place in Riva San Vitale, Ticino. During the Open Day, our athletes competed passionately in several sports tournaments, organized for both adults and kids. In the morning, before starting the full celebration, we opened the doors of our facilities at Castel San Pietro and Rancate, to allow a site visit to our employees and their families. During the day approximately 1'250 participants, including more than 350 children, attended the event, thanks to the support of 5 local associations, with 80 volunteers.



EMPLOYEE SAFETY

Explanation of the material topic

The protection of the physical and psychological well-being of people is a value that distinguishes a corporate culture.

Medacta's approach

The health and safety of our employees, customers, and patients have always been our number one priority. In 2023, we continued our efforts to assess and mitigate any risks in accordance with our safety procedures and training activities.



In line with our commitment, we are among the signatories of Charta, a Safety Charter launched by Suva (the Swiss National Accident Insurance Fund) to ensure that safety rules are observed on working sites. The goal is to preserve the lives and physical integrity of all persons who work in Switzerland.



Additionally, Medacta is a founding member of Forum GSA Ticino, a regional network committed to overseeing well-being and health in the workplace, and Maria Luisa Siccardi Tonolli is a member of the Board of Directors. The Forum's primary objective is to foster the sharing of experiences among companies in Ticino, promoting and spreading best practices that enhance the quality of life for their employees and encouraging a positive, healthy, and proactive work environment.

As a MedTech company compliant with government requirements, our facilities located in Ticino, Switzerland, have always remained operational thanks

to the implementation of specific business continuity measures. We will continue to adapt and evolve our approach in line with the industry's best practices whenever it relates to the health and safety of our employees, customers, and patients.

For employees and other workers actively involved in Medacta's activities at our facilities, we have implemented an occupational health and safety management system through our Quality Management System. The system is based on the legal requirements of the countries within which we work and is governed by our ISO 13485 certification. The system has been implemented based on risk management following ISO 31000 and the COSO Enterprise Risk Management framework. The following is a description of the scope of workers, activities, and workplaces covered by the occupational health and safety management system: "There are no Medacta-related workers, activities, or workplaces that are not covered. We are committed to supporting our employees through several safety and well-being measures, including training programs. Beyond offering a package of benefits aimed at reconciling their work-life management, for us, safety is a top priority."

2023 progress

In 2023, employees in Switzerland at our headquarters and manufacturing facilities in Castel San Pietro and Rancate were trained on generic health and safety matters, reaching 92% of the workforce, almost in line with 2022. In 2024, in a continuous improvement process, we will launch a global training course including all the branches, with the aim to present a consolidated figure on this topic.

WORKER TRAINING ON OCCUPATIONAL HEALTH AND SAFETY

	GRI	UM	2022	2023
Number of employees trained on H&S matters* / Total number of employees*	403-5	%	94	92

*Related to Castel San Pietro and Rancate headquarters and facilities

PROFESSIONAL DEVELOPMENT

Explanation of the material topic

Professional development includes all types of learning opportunities like academic degrees, conferences, and non-formal learning opportunities. There are a number of ways to support professional development, including teaching, sessions, communities of practice, guidance, technical assistance, study lessons, and supervision.

Medacta's approach

Professional development is integral to Medacta's Quality Policy and ESG policy: we promote the professional growth and motivation of our people through the delivery of training courses on a variety of topics and the creation of opportunities for mutual exchange of knowledge and information on their respective work experiences.

For us, complete and continuous professional training is the basis of a conscious and responsible approach to work. The Medacta Academy, created in 2015 and structured in progressive learning levels, offers the opportunity to consolidate and increase professional and personal skills through tailor-made training programs for each employee.

A dedicated procedure, Training Requirements Definition and Activities Management, is part of our Quality Management System. The procedure applies to all the employees of our Group and independent agents. We determine the necessary competencies for our personnel and provide education and training activities to ensure that they are trained to adequately perform their responsibilities.

Training needs for new hires are determined at the beginning of their engagement. For established personnel, training needs are defined continuously

based on the evaluation of effectiveness and developing job responsibilities. Our branch employees and independent agents require dedicated training regarding specific Medacta product lines. Product training for our salesforce is organized by Medacta Academy in collaboration with our HR Department.

Language courses are an important asset to success for international businesses in order to favor diversity in Medacta. Medacta Academy promotes courses in English, French, and German to facilitate communication between different countries and to consolidate the professional skills of our employees. Employees can benefit from private lessons with teachers from all over the world.

2023 progress

Create a leading-edge learning & development culture

The development of our learning agenda has led to the creation of a blended learning approach. Including partnering with a world-renowned academic institution with the launch of two distinctive learning pathways. As well as the launch of a Personal Development Plan process, which will be deployed globally in 2024.

Increase in average hours of training per employee

In 2023, 44'067 hours of training have been provided to 1'895 employees, including leavers during the year. This indicator increased from 2022, our baseline, primarily thanks to new courses for Leadership and Management held by Politecnico di Milano and an increased number of language courses (MyLanguages). As a practical result, there has been an increase in average training hours per trained employee, from 21 to 23.

AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

	GRI	UM	2023
Total hours	404-1 a	n.	44'067
Employees who participated on at least one training course	404-1 a	n.	1'895
Average hours of training per trained employee	404-1 a	n.	23
Average hours of training per employee	404-1 a	n.	25

Employee training on human rights policies or procedures

Basic human rights aspects are already covered as part of our Code of Business Conduct and Ethics training, which is mandatory for all our employees worldwide. As stated in our Code of Business Conduct and Ethics, "the supreme value of the human being is recognized by Medacta, which is committed not only to guaranteeing but also to developing his or her inviolable rights. We operate within the general framework of the Universal Declaration of Human Rights of the United Nations and the fundamental Conventions of the International Labour Organisation (ILO)". To promote greater awareness of the main issues related to human rights covered in the Code of Business Conduct and Ethics, we annually carry out online training for all Group employees.

Employees receiving regular performance and career development review

A significant portion of our employees receives annual goals tailored to their areas of growth as part of our performance review process. This has enabled us to establish ongoing conversations through one-on-one meetings between managers and each direct report. These meetings provide an excellent opportunity to gather information about employees' progress toward their goals and their overall engagement.



EMPLOYEE ENGAGEMENT, SATISFACTION AND RETENTION

Explanation of the material topic

Employee engagement refers to the emotional connection, commitment, and involvement an employee has toward their work and the organization. Employee engagement has a significant impact on retention within an organization. When employees are engaged, they develop a strong connection to their work and feel valued and appreciated. Employee retention is influenced by various factors such as job satisfaction, growth opportunities, work-life balance, compensation, and organizational and company culture.

Medacta's approach

Our Corporate Human Resources (HR) function is responsible for the centralized control of all global HR policy and process formulation and has developed an HR framework setting out the strategic priorities that will support the business needs today and in the future. Below are some of the key focus areas:

Employee Value Proposition

Developing our identity and values as an employer and increasing the overall employee experience will enable us to attract and retain our people.

Talent Acquisition

Enhancing the hiring processes and systems that will enable us to improve the speed, quality, and effectiveness of attracting and hiring people.

Total Rewards

Developing comprehensive and competitive compensation strategies and recognition schemes enabling us to hire and retain.

Talent & Performance Management

Building meaningful, robust processes and tools that will manage our human capital effectively today and in the future.

Learning & Development

Establishing a culture of learning and growth for our people that is aligned with our employees and organizational needs.

Working life management

From the start, we have constantly supported and valued the personal and professional well-being of our employees by offering a package of benefits aimed at reconciling their work-life management. As an effective example, benefits dedicated to our employees in Ticino, Switzerland, are aimed at favoring the management of both personal and work commitments, and supporting their well-being, and include:

- Flexible working hours for office employees extending the duration for office-based employees, up to 120 minutes of break, managing the 8 working hours accordingly
- Employees' children have priority access to My School Ticino, a company school 0-10 years managed by Medacta for Life Foundation (see page 66), with special agreements
- Hours of paid leave for medical visits
- Wedding bonus
- A range of company benefits as well as discounted services with local organizations (including Fitness Centers, Restaurants, etc.)

Company benefits and discounted services with local organizations:

- Regulation and supplementary pension fund
- Insurance coverage in case of disability
- Work permits for foreigners
- Banking packages
- Agreements with medical centers
- Presence of an infirmary, when feasible
- Availability of a company doctor
- Free check-ups for specific health conditions

2023 progress

Continue to expand and develop our #beMedacta Values & EVP (Employee Value Proposition) initiative

We continue to enhance and improve our employee benefits, such as increasing time off with 100% pay for both maternity and paternity above the statutory requirements, and the introduction of our new employee recognition program. We routinely explore any opportunity that will benefit our employees. We

recognize employee retention as an essential part of our risk management program, and retention rates are monitored through the Management Review process of the Quality Management System.

REMUNERATION POLICIES

According to Article 25 of the Articles of Association, the compensation of the Members of the Board of Directors is determined by the Board of Directors based on the proposal of the Human Resources & Remuneration Committee and subject to and within the limits of the aggregate amounts approved by the annual shareholders' meeting. The entire remuneration of the Board in Financial Year 2023 is fixed and does not include any performance-related component.

The remuneration for the Members of the Board of Directors relates to their term of office, which starts with their election at the AGM and ends at the subsequent Annual General Meeting (AGM). The remuneration consists of a fixed annual base fee and fixed fees for membership in Board Committees, reflecting the time commitment as well as the obligations and responsibilities of the roles, paid monthly in twelve equal installments. The individual sum of the annual base fee and, where applicable, fixed fees for membership in Board Committees are paid in cash.

With reference to the remuneration of the Group Executive Management and according to Article 26 of the Articles of Association, the compensation of the Members of the Group Executive Management is determined by the Board of Directors based on the proposal of the Human Resources & Remuneration Committee and subject to and within the limits of the aggregate amounts approved by the annual shareholders' meeting.

Medacta's remuneration landscape is designed to support the Company's strategic plans and to provide a balance between motivating the Members of the Board of Directors and the Group Executive Management to deliver on the near and medium-term objectives of the Group and to strive for future long-term success and prosperity of Medacta at the same time. Medacta's remuneration framework aims to attract, engage, and retain the best talent within the MedTech industry as well as to reward loyalty of the employees and, thus, to enhance the value of the Group for the benefit of shareholders as extensively described in our Code

of Business Conduct and Ethics. The remuneration process is mainly structured by the Remuneration Committee as well as the Board of Directors and approved by the shareholders of Medacta. The Human Resources & Remuneration Committee serves in an advisory capacity for remuneration matters while the Board of Directors retains the ultimate decision authority, all within the limits set by the Annual General Meeting (AGM), which approves the maximum aggregate amounts of remuneration for the Board of Directors and the Group Executive Management at each shareholders' meeting.

As a core responsibility, the Human Resources & Remuneration Committee reviews the compensation packages of the Members of the Group Executive Management and Board of Directors annually (or more often as required) and proposes to the Board of Directors any adjustments to the prior year compensations for proposal to the annual shareholders' meeting. In addition, and with regards to the Group's listing in Switzerland and global scale of business, the Human Resources & Remuneration Committee follows the Swiss governance and compensation landscape while also considering trends across the globe. Conclusively, the aim is to design the remuneration framework taking into account best market practices, alignment with shareholders, and pay-for-performance considerations in order to promote the long-term success of Medacta.

With reference to the results of the votes of shareholders on remuneration policies and proposals please consider the link to the minutes of the last Annual General Meeting: <https://aws-media.medacta.com/media/medacta.pdf>

For additional details please make reference to:

[📄 READ MORE Articles of association*](#)

[📄 READ MORE Remuneration Report**](#)

2023 progress

In 2023, the new Medacta Company Regulations, including the increased number of paid weeks of maternity and paternity leave, were released. We have decided to take an additional step to increase the daily paid allowance from 80% to 100%, going beyond legal requirements.

* <https://aws-media.medacta.com/media/medacta-group-sa-aoa-statuti-new-2023-final-2023-04-27.pdf>

** Remuneration Report: <https://www.medacta.com/handler/media/11152>

TALENT ACQUISITION

Explanation of the material topic

Talent acquisition entails the process of identifying, attracting, and onboarding skilled individuals to fulfill organizational needs. This process plays a pivotal role in shaping the trajectory of a growing company like ours.

Medacta's approach

Talent acquisition is essential to pursue our growth strategy. Our process focuses on identifying individuals who align with Medacta's culture and risk management approach, ensuring that all employees serve as influential participants in the fulfillment of our mission, vision, values, and policies.

We are continually evolving our processes, tools, and partnerships to ensure we are optimizing all opportunities to strengthen our talent pipeline. We do this in many ways, including but not limited to:

- Expanding our third-party collaborations and leveraging our scale
- Working with schools and universities to develop long-term relationships
- Offering tools and technology enabling an effective candidate experience
- A dedicated internal talent acquisition team
- Evolving our processes to ensure they remain relevant and effective

2023 progress

Partnering with POLIMI Graduate School of Management of Politecnico di Milano.

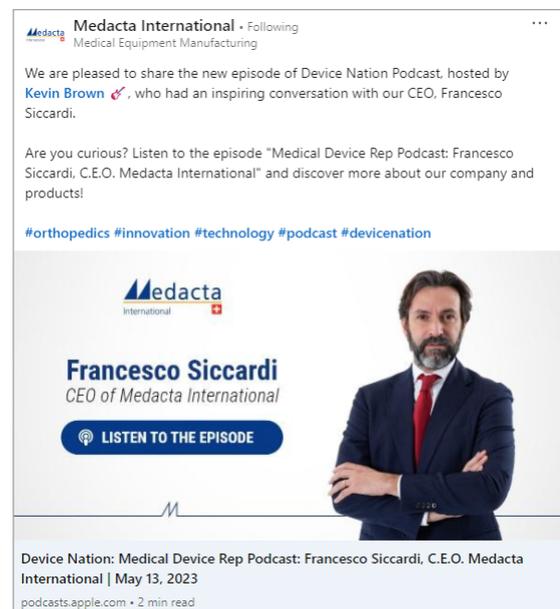
In 2023, we extended the partnership with the Politecnico di Milano in Italy, taking advantage of the network with their professional graduating members to present our company's job opportunities.

"Harness the power of your network" campaign

In 2022, we launched an internal campaign to encourage our employees to play a proactive role in referring potential candidates in line with our values and culture, which are vital to our success. In 2023, after positive results, we expanded this campaign, which has now been launched globally and has become a permanent process of our Talent and Acquisition approach.

Social media campaign

Throughout 2023, we have maintained a strong presence across social media platforms, especially on LinkedIn, to promote and highlight the many opportunities that exist within Medacta at a global level. We released excerpts from a podcast showcasing our CEO, Francesco Siccardi, as he unveils the company's identity and its unique attributes. This concise content has the potential to foster heightened interest and understanding of our organization's strategic path in the medium and long term.



DIVERSITY AND EQUAL OPPORTUNITIES

Explanation of the material topic

Eliminating discrimination and providing equal opportunities to people from all backgrounds and genders empower them to seize the opportunities they deserve, boosting morale and cultivating loyalty.

Medacta's approach

We continue to pursue the objective of placing the individual at the center of the organization to create a sustainable and stimulating environment that respects diversity and is geared toward inclusion. Our employees operate worldwide and represent a mix of experience and backgrounds. We believe this diversity supports our innovation and continuous collaboration with our customers and all stakeholders. We offer

all employees the same opportunities to develop their own skills and capabilities, avoiding any form of discrimination based on race, sex, age, nationality, religion, disability, or personal beliefs.

Parental leave

Special attention is given to supporting motherhood and the return to work after maternity leave. For this reason, we offer various services to our employees at the headquarters and manufacturing plants to support parenthood and accompany every woman before, during, and after her maternity leave. In 2023, we register a 100% rate of return after maternity leave.

PARENTAL LEAVE

	GRI	UM	2023
Return to work rate	401-3 c	%	100
of which male	401-3 c	%	100
of which female	401-3 c	%	100

MySchool Ticino

In 2011, the Medacta for Life Foundation was founded and, the following year, the My Baby 0-3 Nursery school was opened. Its aim was to support the company's employees in balancing their family and professional lives by welcoming their children. Also accessible to the local community, over the years the educational offer expanded. Currently, it includes: My Child 3-6 Pre-school, My Kid 6-10 Primary School, together with additional services such as extra-school service (including pre- and after-school, canteen service, summer camp, and My Week during school holidays) and language courses (see page 66). Employees' children have priority access and special discounts.

2023 progress

Future-proof key HRIS (Human Resource Information Systems) platforms, to support our growth

Significant investment and progress were made to enhance our HQ payroll and time and attendance software, including the introduction of an Employee & Manager self-service portal. The software application is one of Switzerland's leading providers.

Information on employees

We assess and review the statistics of our workforce, tracking progress, particularly in relation to gender and nationality, including the percentage of women and high-growth market nationalities in leadership positions. Turnover is also monitored at Medacta to help us manage the turnover rate, reduce regretted losses, and develop a better understanding of how to retain our people.

Medacta employment has grown sharply following the dynamics of our business expansion. As of the end of December 2023, the Group has 1'730 employees, 73% of whom are employed in the EMEA region, 15% in the APAC region, and 12% in North America. During 2023 there were 358 new hires and 165 resignations, net of intra-group transitions. The new hires met the needs of the business expansion in those countries where we are present. The female population is 31% of the total workforce, and the vast majority is hired on a full-time permanent contract basis.

EMPLOYEES

Information on employees	GRI	UM	2023
Number of employees as at 01/01	2-7 a	n.	1'537
Total new hires	2-7 a	n.	358
Total leavers	2-7 a	n.	165
Total number of employees as at 12/31	2-7 a	n.	1'730
Employees breakdown by gender			
Men	2-7 a	n.	1'196
	2-7 a	%	69
Women	2-7 a	n.	534
	2-7 a	%	31
Employees breakdown by age group			
Under 30 years old		n.	360
30 -50 years old		n.	1'039
Over 50 years old		n.	331

EMPLOYEES

Breakdown of employees by length of employment contract and gender	GRI	UM	2023
Permanent contract	2-7 b	n.	1'707
<i>of which women</i>	2-7 b	n.	528
Temporary contract	2-7 b	n.	23
<i>of which women</i>	2-7 b	n.	6
Breakdown of employees by length of employment contract and region			
Permanent contract	2-7 b	n.	1'707
<i>of which EMEA</i>	2-7 b	n.	1'252
<i>of which North America</i>	2-7 b	n.	203
<i>of which APAC</i>	2-7 b	n.	252
Temporary contract	2-7 b	n.	23
<i>of which in EMEA</i>	2-7 b	n.	19
<i>of which North America</i>	2-7 b	n.	0
<i>of which APAC</i>	2-7 b	n.	4

EMPLOYEES

Breakdown of employees by employment type and gender	GRI	UM	2023
Full time	2-7 b	n.	1'662
<i>of which women</i>	2-7 b	n.	475
Part time	2-7 b	n.	68
<i>of which women</i>	2-7 b	n.	59
Breakdown of employees by employment type and region			
Full time	2-7 b	n.	1'662
<i>of which EMEA</i>	2-7 b	n.	1'210
<i>of which North America</i>	2-7 b	n.	202
<i>of which APAC</i>	2-7 b	n.	250
Part time	2-7 b	n.	68
<i>of which EMEA</i>	2-7 b	n.	61
<i>of which North America</i>	2-7 b	n.	1
<i>of which APAC</i>	2-7 b	n.	6

NEW EMPLOYEE HIRES

Total number and rate of new employee hires	GRI	UM	2023
New employee hires	401-1 a	n.	358
Rate of new hires	401-1 a	%	21
Total number and rate of new employee hires by gender			
Men	401-1 a	n.	227
Women	401-1 a	n.	131
Rate of men's hires	401-1 a	%	63
Rate of women's hires	401-1 a	%	37
New employee hires by age group			
Under 30 years old	401-1 a	n.	140
30 -50 years old	401-1 a	n.	170
Over 50 years old	401-1 a	n.	48
Under 30 years old - rate	401-1 a	%	39
30 -50 years old - rate	401-1 a	%	47
Over 50 years old - rate	401-1 a	%	13
New employee hires by region			
EMEA	401-1 a	n.	260
North America	401-1 a	n.	52
APAC	401-1 a	n.	46
Rate of new hires in EMEA	401-1 a	%	20
Rate of new hires in North America	401-1 a	%	26
Rate of new hires in APAC	401-1 a	%	18

CARING FOR THE ENVIRONMENT

54 Climate change and energy

59 Mobility

60 Waste management

61 Water use

62 Biodiversity and land use



CLIMATE CHANGE AND ENERGY

Explanation of the material topic

Under the United Nations Framework Convention on Climate Change (UNFCCC), climate change is defined as a long-term alteration of temperature and typical weather patterns, particularly arising from human activities. In particular, the combustion of fossil fuels like coal, oil, and gas is a key source of GHG emissions. Energy consumption has important impacts on human health and the environment. Therefore, it is important to promote the efficient use of energy.

Medacta's approach to the environment

We are committed to sustainable and responsible environmental management practices, emphasizing alignment with local and international standards and continual minimization of our collective environmental impact. As a multi-generational family company, responsible stewardship for the preservation of future generations is deep within our culture. We are committed to protecting the environment, in compliance with all obligations, and minimizing our impact on all environmental risk factors. In line with this approach, we set related targets for the benefit of all stakeholders, a thriving business, and a healthy environment. Risk management is applied to leverage the evolving landscape of threats, opportunities, and responsibilities.

Our commitment is embodied in our ESG Policy, as shown in our risk management section (see page 29 of the Report). The guidance of ISO 14001 is referenced as a framework to protect the environment and respond to changing environmental conditions in balance with socio-economic needs. This applies throughout our quality management system, with performance metrics integrated into our official Quality Objectives for routine monitoring and responsive action when needed.

Compliance with environmental laws and regulations

In all the contexts in which we operate, we undertake to act in full respect of laws and regulations in force and aim at the continuous improvement of our environmental performance, through the application of advanced quality systems, risk assessment and management, training, awareness, and involvement of employees, and the application of environmental sustainability criteria in the selection of new suppliers. In 2022, we introduced the environmental criteria for screening new suppliers. In 2023, we reached 36% of suppliers assessed according to these criteria, and we expect to continuously improve this percentage, reaching 70% by the end of 2025 (see page 19).

In 2023 there have been no fines nor non-monetary sanctions for non-compliance with environmental laws and/or regulations. In addition, no cases were brought through dispute resolution mechanisms for non-compliance with environmental laws and/or regulations.

OUR OPERATIONS

Our manufacturing capacity is fully based in Switzerland, namely in Castel San Pietro and Rancate, two hubs of cutting-edge technology. The first corporate headquarters and manufacturing site was established in 2000 in Castel San Pietro, Switzerland. In 2018, we acquired a new site in Rancate, located within the same Swiss district.

In 2023 Medacta as a Group consumed overall 14'300 MWh of energy, of which 68% was from renewable

resources. The energy consumption is mainly concentrated in our production activities located in Switzerland (Castel San Pietro and Rancate) while our branches show a limited impact, mostly related to operating offices. In March 2023 a new distribution facility in Memphis (USA) became operational to support our expansion in North America.

Our energy consumption and upstream/downstream activities lead to the generation of GHG emissions which can affect climate change.

ENERGY CONSUMPTION

	GRI	UM	2023
Total energy consumption (B+C+E)	302-1 e	MWh	14'300
of which from renewable energy sources (A1+D)	302-1 e	MWh	9'665
Breakdown of direct primary energy consumption by source and type			
Direct consumption of primary energy from renewable sources (A1)	302-1 b	MWh	
Direct consumption of primary energy from non-renewable sources (A2)	302-1 a	MWh	4'220
of which natural gas for production sites and warehouses	302-1 a	MWh	1'226
of which gas for heating offices	302-1 a	MWh	768
of which diesel fuel for automotive	302-1 a	MWh	2'226
Total direct energy consumption (B=A1 + A2)	302-1	MWh	4'220
Electricity consumption			
Purchase of electricity (C)	302-1 c	MWh	9'853
for powering production sites and warehouses	302-1 c	MWh	8'690
for operating the offices	302-1 c	MWh	1'163
Share purchased from renewable (D)	302-1 c	MWh	9'438
Self-produced energy consumption (E)	302-1	MWh	227
of which from renewable energy sources (F)	302-1	MWh	227

ENERGY INTENSITY

	GRI	UM	2023
Total energy consumption	302-3	MWh	14'300
Total Revenues	302-3	k€	510'778
Energy consumption per revenue	302-3	MWh/ k€	0.0280

GHG direct emissions (Scope 1)

Scope 1 emissions are direct emissions from sources we own and control and are mainly related to our production facilities.

Scope 1 emissions include:

- Direct emissions from stationary combustion only related to gas combustion for heating.
- Direct fugitive emissions from refrigeration and air conditioning.
- Direct emissions from mobile combustion are limited to vehicles owned by Group companies.

Our commitment to reduce our Scope 1 emissions focuses on increasing the efficiency of our equipment and favoring the use of renewable energy. In recent years we have taken actions to reduce emissions, mostly concentrated on our production facilities, starting from the important decision to abandon fuel oil for heating our sites in Switzerland, in favor of efficient gas boilers and introducing continuous monitoring of temperature settings in new offices.

From 2015, all new construction buildings in Switzerland are heated and cooled by electrically powered multi-purpose heat pumps.

In 2023 we continued working to reduce the environmental impact in our production plants following the "Voluntary commitment to climate protection and energy efficiency" signed in 2019 with the Energy Agency of the Swiss Private Sector (AEnEC), commissioned by the Swiss Federal Office of Energy and Federal Office for the Environment (FOEN).

2023 progress

In 2023, total Scope 1 emissions were 949 tCO₂ equivalent, 49% of which were from production facilities in Switzerland.

In the past year, we implemented two initiatives to reduce Scope 1 emissions:

- Increased efficiency of our system from compressed air production.
- Reduction of natural gas consumption through continuous temperature optimization and the management of our operating system in Rancate and Castel San Pietro facilities.

GHG indirect emissions (Scope 2)

Scope 2 emissions are indirect emissions related to the use of purchased energy as electricity. Indirect emissions due to purchased electricity have been historically calculated for our production sites in Switzerland, and, beginning from 2023, we included our branches worldwide, providing an overall picture at the Group level.

In 2023 we purchased a total of 9'853 MWh, approximately 96% of which from renewable energy sources. Since 2021, we have purchased 100% renewable electricity in our manufacturing facilities in Switzerland, leveraging the availability of renewable energy through European Guarantees of Origin (GoO).

Following the recent installation of photovoltaic panels in our Castel San Pietro facility, our internal production of electricity from renewables reached 227 MWh, covering 4% of the site needs for the year 2023. In the coming years, as a continuous improvement and according to our expansion plans, we intend to double our electricity production from photovoltaic panels at our production facilities in Switzerland.

In 2023, in line with the company's growth and recent expansions, electricity consumption grew in absolute value due to increased activities, including the distribution center in operation since March in the USA. Total indirect emissions related to electricity consumption were 509 tCO₂ equivalent principally attributable to Switzerland (57%).

An important initiative to reduce electricity consumption was the continued replacement of incandescent light bulbs with new LED versions now present in 70% (from 55% in 2022) of the illuminated areas. We expect further improvement in 2024.

Intensity ratio (Scope 1+2)

Starting in 2023, we introduced the GHG emissions intensity indicator related to our facilities in Switzerland. We calculated the indicator by dividing the amount of Scope 1+2 emissions by group revenues at the end of the year. We defined also, as a target by 2025, a ratio calculated with the same process considering a baseline from 2019 (refer to page 19). This target is focused on a sharp reduction of the ratio to underline the effectiveness of the actions under implementation.

Our Supply Chain - (Scope 3)

As we proceed forward to fully capture the composition of our environmental footprint, we are actively assessing the calculation methods for Scope 3 indirect emissions for inclusion in the subsequent Sustainability Report. Within this analysis, we have identified Scope 3 emissions related to our main upstream and downstream activities across the entire value chain, including, but not limited to, the following sources:

- Upstream: purchased goods and services, capital goods, fuel and energy-related activities (not included in Scope 1 and 2), upstream transportation and distribution, business travel, and employees commuting.
- Downstream: downstream transportation and distribution

2023 progress

In 2023, we launched a study for the efficient and economical use of resources (energy and materials) with the support of an external partner certified by the Federal Energy Office and the Federal Environment Office. This partnership includes the reporting of GHG emissions for the entire supply chain with the values to be expressed in accordance with GRI standards.

As an internal practice, the R&D process is set to facilitate sustainable development with the Quality Assurance Department reviewing each product under development, including the environmental sustainability requirements.

Moreover, we put in place some initiatives to reduce the impact of our production process:

- For a finished product component for hip prosthesis, we have started production from forged raw material instead of bar, saving 60% in raw material for each piece.
- For an instrument component for hip surgery, we have started a project for production from forged raw material instead of bar, saving 90% of raw material from each piece.
- Finally, we started a project to scale down packaging materials for finished products to minimize material use, decrease plastic waste, and reduce overall volumes for storage and shipping.

Emissions	GRI	UM	2023
Direct CO ₂ emission - Scope I	305-1 a	tCO ₂ -eq	949
Indirect CO ₂ emissions - Scope II (location based)	305-2 a	tCO ₂ -eq	509
Total CO ₂ emissions (Scope I+II)		tCO ₂ -eq	1'458
Total revenues		M€	511
GHG emission intensity per revenue	305-4	tCO ₂ -eq /M€	2.9
Total CO ₂ emissions (Scope I+II) for CSP + RCT*		tCO ₂ -eq	641
GHG emission intensity per revenue (CSP + RCT*)	305-4	tCO ₂ -eq /M€	1.25

*Related to Castel San Pietro and Rancate headquarters and facilities

INDIRECT CO₂ EMISSIONS - SCOPE II- BREAKDOWN OF INDIRECT CO₂ EMISSIONS SCOPE II BY COUNTRY

	GRI	UM	2023 market based**	2023 location based
Switzerland	305-2	tCO ₂ -eq	35	289
Australia	305-2	tCO ₂ -eq	137	137
Austria	305-2	tCO ₂ -eq		
Belgium	305-2	tCO ₂ -eq		
Canada	305-2	tCO ₂ -eq		
France	305-2	tCO ₂ -eq	4	4
Germany	305-2	tCO ₂ -eq		
Italy	305-2	tCO ₂ -eq	13	13
Japan	305-2	tCO ₂ -eq		
Spain	305-2	tCO ₂ -eq		
UK	305-2	tCO ₂ -eq		
USA	305-2	tCO ₂ -eq	65	65
Total		tCO ₂ -eq	254	509

** For 2023, the purchased electricity mix is only known for the Swiss sites Castel San Pietro and Rancate 100 % hydropower was purchased with a certificate of European origin. For the other locations, the respective national emission factor was also used for the market-based report. It is planned, under a continuous improvement, to add market-based data in the next period.

MOBILITY

Explanation of the material topic

The mobility of people and goods is critical for business operations. However, transportation activities can have negative impacts on the environment. In particular, the commuting of employees generates GHG emissions.

Medacta's approach

To us, Mobility represents a commitment to reduce our impact on the local environment in line with the general attitude of Ticino Canton, where our headquarters are located. We are actively collaborating with the Canton to reduce gas emissions, finding also a common ground with other companies based in the same area to optimize the general impact on the environment. Considering this, we have consistently promoted the importance of sustainable mobility by developing projects and initiatives designed to raise the awareness of our employees and to provide tangible benefits through various initiatives, such as car-pooling and incentives to public transportation.



2023 progress

In 2023 we focused on further development of our initiatives related to carpooling and public transportation.

Carpooling

Since 2014 we have successfully maintained carpooling after analyzing a series of data to assess its feasibility and potential benefits. Since then, our carpooling has allowed for a progressive reduction in the number of commuting cars, respecting the environment and the needs of the company and employees. In 2023 approximately 70% of our workforce in Rancate and Castel San Pietro adopted carpooling.

To monitor carpooling activities, we considered the average daily commuting distances, the average modes of transport, and the average number of commuting days.

In 2023, thanks to the adoption of carpooling, we reduced our emissions by 46% saving more than 657 tons of CO₂⁶.

Public transportation and other initiatives

To encourage the use of public transportation, we contribute 50% of the subscription costs for our employees who work in our headquarters and manufacturing plants. As part of this initiative, we support 50% of the hourly cost of renting electric bicycles on routes between home and work. Furthermore, we installed 4 charging stations for electric vehicles at our headquarters in Castel San Pietro and Rancate sites to encourage employees to consider electric vehicles as a concrete transport alternative.

⁶ Calculation based on kilometers without and with the adoption of carpooling considering 220 working days

WASTE MANAGEMENT

Explanation of the material topic

Managing the waste generated by business activities is becoming an important strategic priority. A responsible approach to sustainable waste management must focus on the entire lifecycle of a product to enable us to help reduce the negative environmental, social, and financial impacts of consumption.

Medacta's approach

Our effort is to minimize all our waste streams. As mentioned above, starting from the design of our product through our production process, we follow the scope to maximize productivity while simultaneously reducing the use of raw materials and waste within our manufacturing operation. The waste is mostly generated in our production facilities in Switzerland, Castel San Pietro and Rancate.

2023 progress

In 2023 we produced 632 tons of waste, 90% of which was non-hazardous waste. The waste produced is managed by a local company to optimize the recycling of our waste respective to our production processes.

Summarizing, in 2023 the destination of the waste generated is the following:

- Recycling: 54%
- Burned for energy generation: 36%
- Sent to landfill: 10%

As shown above, our waste is either incinerated, producing heat to generate energy and reducing the burning of fossil fuels, or recycled by third parties. In 2023, 90% of the waste was converted into energy or recycled.

Concerning hazardous waste, following the successful initiative to recycle the polyamide powder (avoiding the disposal to landfill as hazardous waste), we started a new project to recycle up to 100% of titanium powder scraps generated in the production process. This project will also allow us to avoid the disposal of powder as hazardous waste to the landfill.

WASTE GENERATED

	GRI	UM	2023
Hazardous waste	306-3 a	t	66
Non-hazardous waste	306-3 a	t	566
Total waste produced	306-3 a	t	632

WATER USE

Explanation of the material topic

Water use is fundamental for manufacturing and production processes around the world. Manufacturing and other industries use water during the production process either for creating their products or cooling equipment used in the production process.

Medacta's approach

Water is mainly used throughout the manufacturing and preparation of our products, representing the core of our water consumption. The source of all water usage is municipal water supplies. Approximately 50% of the water withdrawn is used for washing semi-finished and finished products within the entire production cycle. The residual 50% is used by headquarters and offices. In Switzerland, the industrial water, after use, is directly sent to neutralization tanks regulating the pH before being released. The control and certification of the water released is carried out every quarter by SPAAS, the Cantonal Section of air and soil protection.

2023 progress

In 2023, our annual consumption, equal to the difference of water withdrawal and water discharge, is null, due to the characteristics of our industrial processes, essentially focused on washing products' components.

In accordance with the target included in our 2022 report (please see page 6), we conducted trials in connection with changes in production plant parameters that allowed us to save water on a daily basis. In the testing period (from July to November 2023), water used was lowered by 258 cubic meters (equivalent to approximately 258'000 liters) when compared to the same period in 2022. The test was carried out at the Castel San Pietro facility, and in 2024, we will be expanded to our second facility in Rancate.

Even if data are shown on a consolidated basis⁷, most of the water withdrawn and discharged is obviously related to our production facilities in Rancate and Castel San Pietro, representing approximately 76% of the overall amounts.

TOTAL WATER CONSUMPTION

	GRI	UM	2023
Total water withdrawn		m ³	31'252
in areas with water stress		m ³	0
Total water discharge		m ³	31'252
in areas with water stress		m ³	0
Total water consumption	303-5	m ³	0
in areas with water stress	303-5	m ³	0

⁷ Data related to branches are estimated assuming a consumption per capita for employees of each branch

BIODIVERSITY AND LAND USE

Explanation of the material topic

Biodiversity has become an emerging ESG topic due to the unprecedented rate of decline. The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) has found that one in eight million plant and animal species is threatened with extinction.

Land use change has been recognized as a key driver of biodiversity loss. For this reason and for its overall impact on the environment, society and the economy, land use change requires careful consideration.

Medacta's approach

We recognize the need to protect the range of habitats and species on Earth and to safeguard the natural ecological processes and the livelihoods they support.

Medacta owns two operational sites adjacent to or within protected areas in Switzerland. The site of Rancate with an area of 12'000 m² is included in an industrial area and is adjacent to an area designated for protection of the natural landscape (Parco del Laveggio, see pages 68-69) the lowest level of protection in the region. The site of Castel San Pietro, covering an area of 10'000 m² in a wider industrial area, is located within an area of landscape protection and in proximity (less than 500m) to the natural park of "Gole della Breggia". Due to the locations of these sites, we apply careful consideration to the potential impacts of our activities especially in consideration of noise levels and emissions caused by commuting: please make reference to the action put in place related to carpooling (see page 59).



2023 progress

In 2023 we continued our collaboration with Swiss Climate, a consultancy involved in sustainability and climate protection projects, to sponsor some initiatives that can improve the overall environmental sustainability in different countries. A summary of the main projects we sponsored:

Sustainable forest management in Peru

The project aims to reduce deforestation by increasing monitoring in the region as well as benefiting local communities by contributing to the sustainable development of rural producers. The project is located in the region belonging to the Vilacamba – Amoro conservation corridor in the Amazon Peruvian and has been verified in accordance with the Verified Carbon Standard.

Climate protection and sustainable management of Swiss forest

The project guarantees CO₂ storage and sustainable management of 7'279 hectares of forest in the Canton of Schwyz. This protects the climate, preserves Swiss forest biodiversity, and allows for generation of fuel wood for renewable energy production. As a Swiss quality standard for forest projects, it accounts for processes and modalities of the international CCBA standards by the Climate, Community & Biodiversity Alliance. Besides, this forest is FSC and PEFC certified.

CARING FOR THE COMMUNITY

- 64 Medacta's social approach
- 64 Medacta for Life Foundation
- 66 My School Ticino: development of new generations
- 68 My Giving: philanthropic contributions
- 70 My Mission: humanitarian initiatives



MEDACTA'S SOCIAL APPROACH

Social commitment to local areas and communities is rooted in Medacta's DNA around the world, and this vocation is demonstrated through the Medacta for Life Foundation (herein "the Foundation"), which embodies the company's desire to play an active role in the community. The Foundation is dedicated to various activities mainly related to childhood (development, assistance, protection), to supporting and collaborating with domestic organizations on charitable and socially proactive projects, and to aiding humanitarian missions around the world. In addition to these activities, we encourage our branches to develop social programs to benefit local communities.

In 2023, Medacta supported the Foundation's activities through a donation of 500'000 Euros. This was partly allocated to the support of associations and sponsorships (see below "Medacta for Life Foundation"), and partly (together with donations from members of the Siccardi family and from other private donors) to the support of My School Ticino – the Foundation's main project – and related projects (see below).

MEDACTA DONATION

	UM	2022	2023
Amount	Eur (k)	498	500

MEDACTA FOR LIFE FOUNDATION

Established in 2011, the Foundation coordinates and contributes to implementing projects with social utility at local, national, and international levels through financial support and the transfer of knowledge and skills. Historically, its main purpose has been related to the management of the corporate nursery called My Baby 0-3. This was conceived to reconcile professional and private life: a corporate daycare center, also open to local families needing care. The goal is to support parenthood, promote women's re-entry into professional life after maternity leave, and foster work/education/family balance. From here, the statutory purpose of the Foundation expanded naturally

toward wider school services and the realization of socially beneficial projects for the surrounding area in Switzerland and worldwide. The interventions revolve around three major areas:

- New Generation Development: My School Ticino
- Participation in social projects: My Giving
- Medical mission support: My Mission

In 2023, the Foundation supported 35 associations through donations and allocated 22 sponsorships, with a total contribution of more than 340'000 Euros.

MEDACTA FOR LIFE FOUNDATION EMPLOYEES

Breakdown of employees by gender	UM	2022	2023
Employees	n.	85	84
<i>of which women</i>	n.	77	73



Fondazione Medacta For Life

www.medactaforlife.com

MY SCHOOL

Support for parenting



MY GIVING

Philanthropic contributions



MY MYSSION

Humanitarian initiatives



"There is a deep sense of gratitude rooted within all of us. The same actions that we take today through the Foundation are possible thanks to the valuable work that day after day my parents, my brothers Alessandro and Francesco, and all the employees of Medacta have been doing with effort, dedication, and great passion for more than two decades.

The main purpose of the Foundation is historically related to the management of the corporate nursery. From here, the statutory purpose expanded naturally toward school services in general and the realization of socially beneficial projects for the surrounding area in Switzerland and worldwide. The Foundation now operates in support of medical missions (My Mission), social initiatives (My Giving), and early childhood education (My School). A significant commitment has been made to children and young people, the future of society, in an effort to collectively create a better world.

All of our actions are underpinned by a common vision to create value for underprivileged communities, with the same commitment and passion we put into making Medacta grow."

Maria Luisa Siccardi Tonolli

Member of the Board of Directors dedicated to Group Corporate Sustainability, Vice President and Member of Medacta for Life Foundation, and Founder of My School Ticino



MY SCHOOL TICINO: DEVELOPMENT OF NEW GENERATIONS

Explanation of the material topic

Prioritizing responsible practices for the benefit of current and future generations is a fundamental aspect of social responsibility initiatives. Nurturing new generations can help foster a society equipped with conscious individuals and leaders ready to face the challenges of tomorrow.

Foundation's approach

One of the first initiatives of the Foundation has been the creation of a company nursery school that has evolved during the years into My School Ticino, a bilingual school (Italian/English) for children aged 0-10. My School Ticino is the only Montessori-inspired school in Ticino and is aimed at encouraging the development of individuals in a context that promotes their well-being and involvement according to the principles of active pedagogy. Educators and pedagogists who inspired the school philosophy are Maria Montessori, Loris Malaguzzi, John Dewey, Baden Powell, Thomas Gordon, Emmi Pikler, and others. From its beginning, the project has expanded year after year: today, My School Ticino includes a Nursery School, a Preschool, an Elementary School, an Extracurricular Service, and a Language School, located in two sites. This service offering is intended to fulfill the needs of children, families, and the surrounding area.

In 2023, 204 children were enrolled, including children of company employees and local families, grouped into three areas: My Baby 0-3, My Child 3-6, and My Kid 6-10. Moreover, 134 language students enrolled at My Languages – Language School.

My Baby (nursery school)

The Foundation's first project was My Baby 0-3, a company nursery school adjacent to Medacta's headquarters in Castel San Pietro. The structure, initially designed to accommodate the children of the employees, was then opened to local families, to provide support for parenting and promoting the return of women to their professional lives after motherhood.

The educational program is based on a series of pedagogical pillars that influence the daily activities offered to children, according to the approach known as "pedagogical activism" and the "child-centered approach". The Montessori method, the creative approach of Reggio Children, and outdoor learning are all experienced in a full-time bilingual (Ita/ Eng) environment.



My Child (pre-school)

In pursuit of the pedagogical approach already adopted by the nursery, the educational services include the Pre-school, where children aged 3-6 years can find an educational environment and project tailored to their needs. In 2023, the pre-school consisted of two sections with a total of 56 children and will open its third section in September 2024, taking advantage of the new premises of the campus.



My Kid (primary school)

My Kid 6-10, the bilingual Primary school, offers full-day schooling with after-hours care, including various extracurricular activities. During Canton's school holidays and summer holidays, the school's indoor and outdoor facilities are open to children (from 3+, whether attending the school or not) offering a variety of activities. In 2021, we constructed a new wooden playground, and, in 2022, we started the construction site for the expansion of the My Kid facilities. This was completed in 2023 and, in November, was inaugurated with an Open Day to welcome the local community and all interested families. More than 200 people attended the event.



My Woods (outdoor education)

Outdoor Education, a pedagogical orientation that encourages experiences in direct contact with nature, is very much present at My School Ticino. For this purpose, My Woods, a forested area next to the campus, allows for activities in the woods for our young learners. The area is a wide space of woods with a stream, wooden play structures, benches, and natural tables. During the after-school hours, the whole area is open to citizens.

In addition to My Woods, outdoor education is provided through field trips, daily walks in green spaces, mountain week for children aged 4-5, and outdoor activities included in the weekly plan of all sections.

Extracurricular activities

My School's timetable is organized in such a way as to offer a wide variety of activities that support and enrich the school's educational services for children. My School Ticino Extra School service is open to all children from 3 years, whether attending the school or not. The My After Time program is an afternoon service that proposes activities to involve and interest children engagingly. Moreover, My School offers the My Weeks service during school holidays and the My Summer Camp service during summer holidays.

My Languages (school of languages)

The My Languages – Language School offers tailor-made courses for children from 3 years old, teenagers, adults, and companies, using specific age-appropriate teaching methods. Courses are currently offered for French, English, German, and Italian for foreigners. My Languages supports preparation for European Language Certificates and is recognized as a preparation center for the Cambridge English Language exams (the first session was held in May 2023). Following the positive experience of the language school in synergy with the curricular studies of children, in 2021, My Languages opened a second site in Lugano, where a third site was added in the summer of 2023.

2023 progress

We awarded scholarships for 5 underprivileged students for up to 8'000 Euros.

We completed the campus expansion to a total area of more than 3'000 square meters. The campus gained a new activity hall, a STEM classroom, a library, and new classrooms.

We activated an additional nursery section (spring section) in January, filling part of the growing demand for places.

On Saturday, 25 November 2023, the first open day of the entire institute (Open Day 2023 Special Edition) was held, involving all its sections and services. It represented a meaningful opportunity to welcome external people and was attended by more than 200 participants.

MY GIVING: PHILANTHROPIC CONTRIBUTIONS

Explanation of the material topic

Philanthropic contributions can be critical to long-term success and prosperity. Good relations with local communities create the conditions to work together on projects and initiatives to help protect and empower our present and future ecosystems. This is part of our vision to have a positive social and economic impact.

Foundation's approach

The Foundation aims to protect the rights of children and young people, to assist families and parents in their needs, and to encourage sporting activities and projects dedicated to our community and its development.

The process of selecting projects to be supported by a foundation is, first and foremost, based on the Foundation's statutory purpose. A number of factors are generally taken into consideration, including:

- The scope of intervention: whereby local projects are favored, together with projects focused on families, early childhood, and youth.
- The social impact: the foundation assesses the social impact that the project will have on the community. The project must have the potential to solve or alleviate a social problem or promote positive change. It is also very important for the foundation to involve other organizations, cooperate with the public, and initiate projects that can then be subsidized through networking.
- The sustainability contribution: the foundation assesses the sustainability of the project (i.e., its ability to be self-sustaining after the end of the foundation's grant) or to involve other parties who will cooperate in sustaining the project in the future and in the continuation of the good practices initiated.
- Governance and management: the foundation assesses if there are effective structures in place to ensure proper project organization.

In January 2023, the constitutive assembly of ASFESI (Associazione Fondazioni Erogative Svizzera Italiana) was held. This association aims to bring together all Swiss-Italian grant-making foundations focused on local and/or international aid in various sectors, with a systemic perspective. Maria Luisa Siccardi Tonolli and Medacta for Life Foundation are members.

2023 progress

In 2023, the Foundation followed up its support for the projects initiated in previous years, especially in favor of children and fragile families, i.e. projects with ATFA (see below) and with the association ConTatto, created with the aim of carrying out the Territorial Education Project. After the trial phase (2021-2022), the project entered its pilot phase (2022-2025). During 2022, 15 families with a total of 35 minors were taken into care; the numbers have more than doubled in one year: at the end of 2023 there were 35 families and 72 minors taken into care. Thanks to the excellent results and the support of the Canton (public authority) for the co-financing of the project, the current goal is to further increase the number of families and minors supported in their educational and growth path. The Foundation also embraced new important projects for the local area (Laveggio Park) and for youth and sports (SportAcademy). Additionally, it financed the construction of movement playgrounds dedicated to children in the beautiful wooded area of Avra, not far from the campus and accessible to children from the institute accompanied on field trips with their classes, as well as to families from the area.

Punto d'Incontro (Meeting Point) and FAP (Famiglia Affidataria Professionale – Foster Home)

In collaboration with ATFA (Associazione Ticinese Famiglie Affidatarie – Foster Families), the Foundation initiated the project called Famiglia Affidataria Professionale (FAP), the first step toward the reality of Family Homes. The FAP project offers support to those children and minors who, for a certain period and for various reasons, need to be distanced from their homes. They temporarily find hospitality and care either in a foster family or in a foyer or institution. Punto d'Incontro is another project created with ATFA, which fosters safe and neutral maintenance of the child's relationship with the noncustodial parent/s.

Laveggio Park

The Laveggio River flows through part of Mendrisiotto, a district where residential areas, industrial zones, agricultural landscapes, natural areas, and communication corridors coexist. The result is a valley floor with conflicting planning structures, together with areas of naturalistic value with plenty of potential

for livability. Medacta's headquarters are adjacent to this area, and Medacta for Life Foundation supports the project Parco del Laveggio in Mendrisiotto with a donation over two years (2023-2024). During 2023, new pathways have been realized along the Laveggio River to cover areas that are inaccessible today; an educational trail has been implemented along shaded areas, with benches, and signage. The main purpose is to deliver a quality green area for recreation to the residents of the district. Inauguration was held in October 2023. The project also involved Medacta's corporate solidarity initiative, which, through My Volunteering, led to more than 40 company employees volunteering to replant the banks of the river.

SportAcademy

Jointly with other benefactors, the Foundation financed the project to build a new gymnasium for young people and sports associations in the area, the SportAcademy, consisting of a large, covered area with a climbing wall and two separate rooms for gymnastics, martial arts, and other sports. The inauguration took place in October 2023. The employees of the company and the foundation, as well as school students, benefit from conventions and agreements that allow the use of gym spaces.

The Holy Family Hospital in Bethlehem

With the outbreak of the conflict between Israel and Hamas, the situation in Bethlehem plunges. The Foundation supported with a donation the humanitarian cause of the Holy Family Hospital of Bethlehem, located just 1'500 steps from the birthplace of Christ. This Catholic teaching hospital is a state-of-the-art maternity and neonatal critical care center, serving women, infants, and children throughout the Holy Land. The Hospital stands as a beacon of hope for poor and at-risk families in the Bethlehem region, nearby desert villages, and refugee camps. The Hospital and its Mobile Clinic provide quality medical care to all, regardless of religion, ethnicity, or ability to pay.

Charity Initiative "Christmas for every child"

The Foundation and My School Ticino give continuity to the project designed to offer a Christmas thought to the children guests of the CEMs – Juvenile Educational Centers – in Canton Ticino. The CEMs are protected facilities open 365 days a year, 24 hours a day, which welcome children and young people who need to leave temporarily from their family environment due to problems of a social, educational, and/or psychological nature. To them, the Foundation sent a gift for the Christmas holidays.

Medacta direct initiatives



la corsa della speranza

An event dedicated to support the cancer research in Ticino. An occasion to raise awareness and promote mobility, health, and active living.



An afternoon of pure solidarity open to everyone. Participants can run, walk or simply stroll in support of one of the charities taking part in the Charity Programme of the StraLugano event.



SPORTING
CHANCE
FOUNDATION

Medacta Australia is a supporter of the Sporting Chance Foundation. This foundation assists Indigenous Athletes in Australia who require Musculoskeletal medical intervention to keep them on track for professional sporting careers.

MY MISSION: HUMANITARIAN INITIATIVES

Explanation of the material topic

Humanitarian initiatives play an important role in social responsibility, supporting initiatives that address critical situations around the world. This kind of activity can contribute to raising awareness among the employees and their communities.

Foundation's approach

Through My Mission, the Foundation is dedicated to assisting various humanitarian initiatives all over the world by donating money or orthopedic implants and instruments, with the active contribution of Medacta. It also supports volunteer surgeons who wish to provide free assistance to communities in disadvantaged countries, improving the quality of life for patients in need.

In recent years, the Foundation has been supporting, among others, the initiatives of Orthopaedics Without Borders (OWB), a humanitarian association dedicated to prosthetic surgeries (knee and hip replacements) in emerging countries such as Laos, Cambodia, and Madagascar.

In the past two years, since the outbreak of the conflict, the Foundation has been committed to supporting the Ukrainian population through donations, the purchase of medical aids and medicines, as well as through the collection of goods to be stored in warehouses and made available by Medacta. Fondazione Francesca Rava (an Italian organization) and Soroptimist Mendrisiotto (active in Ticino) made a key contribution to the logistics of specific purchases and the organization of transport to the final destination, thanks to their know-how and direct contacts.

Medacta directly supports Afric-Ortho, a humanitarian association founded in 2018 that has been working in Cameroon for 10 years through orthopedic missions. The mission team is made up of surgeons specializing in hip prostheses and dentists for the primary treatment of dental conditions. Within the mission's framework, training related to orthopedic consultations and prevention against paludism and nosocomial infections is provided to local health personnel. Moreover, the Foundation has given financial support to the educational development of children in Ngaoundal (Cameroon). The financial aid enables the

buying of new sewing machines and school equipment for young children.

2023 progress

In January 2023, the Foundation and Medacta answered a request from Dr. Lysenko of the Feofanya Hospital in Kyiv to supply and ship a neuromonitoring system for the operating theatre. The donation was valued at approximately 70'000 Euros.

For the fourth year in a row, Medacta provided prosthetic implants to the hospital in Galagala (Cameroon), to enable people in need to receive vital hip prostheses.

Aware of the effectiveness of the action taken, the Foundation and Medacta have been offering OWB financial support and medical equipment (hip and knee prostheses) for the missions in Madagascar and Cambodia since 2020, under a four-year agreement. While the modalities are being finalized, the Foundation and the company have already guaranteed the continuity of their support for the OWB missions.

Medacta direct initiatives

Thanks to its international network of thousands of surgeons and specialists in the health sector – specifically in orthopedics – Medacta has always been involved in charitable initiatives, with a focus on the direct donation of orthopedic and other medical devices (operating material, medicines, etc.) according to needs. In 2023, Medacta gave its support to the above-mentioned projects in Ukraine, Cameroon, Madagascar, and Cambodia.

APPENDIX

72	GRI table
74	Swiss Code of Obligations - Article 964
75	List of consolidated companies
75	Acronyms' list

GRI table

GRI Disclosure	Indicator Description	Publication Year	Page/Information
GRI 2	General Disclosures	2021	
2-1	Organizational details		3, 11
2-2	Entities included in the organization's sustainability reporting		3, 75
2-3	Reporting period, frequency and contact point		3
2-5	External assurance		3
2-6	Activities, value chain and other business relationships		12-13, 31, 58
2-7	Employees		51-52
2-9	Governance structure and composition		22-23
2-10	Nomination and selection of the highest governance body		22-23
2-11	Chair of the highest governance body		22-23
2-12	Role of the highest governance body in overseeing the management of impacts		22-24
2-13	Delegation of responsibility for managing impacts		23
2-14	Role of the highest governance body in sustainability reporting		23
2-15	Conflicts of interest		24
2-16	Communication of critical concerns		24
2-17	Collective knowledge of the highest governance body		23
2-18	Evaluation of the performance of the highest governance body		24
2-19	Remuneration policies		48
2-20	Process to determine remuneration		48
2-22	Statement on sustainable development strategy		8-9, 14
2-23	Policy commitments		26
2-28	Membership associations		27
2-29	Approach to stakeholder engagement		16
GRI 3	Material Topics	2021	
3-1	Process to determine material topics		17-18
3-2	List of material topics		20
205	Anti-corruption	2016	
205 -1	Operations assessed for risks related to corruption		27
205 -2	Communication and training about anti-corruption policies and procedures		27
205 -3	Confirmed incidents of corruption and actions taken		27
302	Energy	2016	
302 -1	Energy consumption within the organization		55
302 -3	Energy intensity		55
303	Water and Effluents	2016	
303 -5	Water consumption		61
304	Biodiversity	2016	
304 -1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		62

GRI Disclosure	Indicator Description	Publication Year	Page/Information
305	Emissions	2016	
305 -1	Direct (Scope 1) GHG emissions		58
305 -2	Energy indirect (Scope 2) GHG emissions		58
305 -4	GHG emissions intensity		58
306	Waste	2020	
306 -3	Waste generated		60
307	Environmental Compliance	2016	
307 -1	Non-compliance with environmental laws and regulations		54
308	Supplier Environmental Assessment	2016	
308 -1	New suppliers that were screened using environmental criteria		31
401	Employment	2016	
401-1	New employee hires and employee turnover		52
401-3	Parental leave		50
403	Occupational health and safety	2018	
403-1	Occupational health and safety management system		44
403-5	Worker training on occupational health and safety		44
404	Training and Education	2016	
404-1	Average hours of training per year per employee		45
408	Child Labour	2016	
408-1	Operations and suppliers at significant risk for incidents of child labor		31
412	Human Rights Assessment	2016	
412-1	Operations that have been subject to human rights reviews or impact assessments		25
414	Supplier Social Assessment	2016	
414-1	New suppliers that were screened using social criteria		31
416	Customer Health and Safety	2016	
416-1	Assessment of the health and safety impacts of product and service categories		37
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		37
418	Customer Privacy	2016	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		28



Swiss Code of Obligations - Article 964 b,d

Art. 964 content requirement	Paragraph/Chapter	Page
General information required to understand our business	Medacta at a Glance, What we do	10-12
Description of the business model	Value creation strategy, Caring for Patients	13, 33-40
Environmental matters	2025 Targets, Caring for the environment	19, 53-62
Social issues	Caring for the Community	63-70
Employee-related issues	Caring for People	41-52
Respect for Human Rights	Human Rights, Enterprise Risk Management	25, 29-31
Combating Corruption	Fight against corruption, Enterprise Risk Management	26-27, 29-31
Material Risks	Enterprise Risk Management	29-31
Main performance indicators	Our ESG Impact in 2023, Our Economic and Financial performance	6, 32
References to national, European or international regulations	Foreword and methodological note	3
Coverage of Subsidiaries	Scope of the statement	3, 75
Transparency in relation to Minerals	Conflict Mineral Risks	31

Reporting Perimeter

Company	Registered office
Medacta Group SA	Castel San Pietro (CH)
Knnex Health Inc.	Wilmington - Delaware (US)
Medacta Holding SA	Castel San Pietro (CH)
Medacta International SA	Castel San Pietro (CH)
Medacta Americas Operations Inc.	Wilmington - Delaware (US)
Medacta Australia PTY Ltd	Lane Cove (AU)
Medacta Austria GmbH	Eugendorf (AT)
Medacta Belgium S.r.l.	Nivelles (BE)
Medacta Canada Inc.	Kitchener (CA)
Medacta España S.L.	Paterna (ES)
Medacta Europe Operations S.r.l.	Milan (IT)
Medacta France SAS	Nanterre (FR)
Medacta Germany GmbH	Göppingen (DE)
Medacta Italia S.r.l.	Milan (IT)
Medacta Japan Co. Ltd	Tokyo (JP)
Medacta UK Ltd	Hinckley (UK)
Medacta USA Inc.	Wilmington - Delaware (US)

Acronyms List

Art.	Article
APAC	Asia-Pacific
Art.	Article
BoD	Board of Directors
CEO	Chief Executive Officer
CHF	Swiss Franc
CO2	Carbon Dioxide
COSO	Committee of Sponsoring Organizations'
CNIL	Commission Nationale de l'Informatique et des Libertés
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
e.g.	exempli gratia, for example
EMEA	Europe, Middle East and Africa
EU	European Union
FSC	Forest Stewardship Council
HQ	Headquarter
H&S	Health and Safety
i.e.	Id est, for example
IP	Intellectual Property
ISO	International Organization for Standardization
KPI	Key Performance Indicator
LATAM	Latin America
LED	Light Emitting Diode
PEFC	Programme for the Endorsement of Forest Certification
n.a.	not applicable/not available
NHS	National Health Service
SIX	Swiss Infrastructure and Exchange
STEM	Science, Technology, Engineering and Mathematics
UM	Unit of Measurement
UN	United Nations
UNICEF	United Nations Children's Emergency Fund
US/USA	United States of America
USB	Universal Serial Bus





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