

SUSTAINABILITY REPORT 2020

LOOK BEYOND THE ORDINARY



AUGMENTED REALITY SURGICAL PLATFORM

SHOULDER

SPINE

HIP

KNEE

SHOULDER

SPINE

HIP

KNEE



From minimally invasive surgery to
Personalized Medicine and beyond

TABLE OF CONTENTS

MESSAGE FROM THE CHAIR OF THE BOARD OF DIRECTORS	5
LETTER TO STAKEHOLDERS	6
1. COMPANY PROFILE	9
1.1 MEDACTA GROUP IN BRIEF	10
1.1.1 VISION	11
1.1.2 MISSION	11
1.1.3 #BEMEDACTA, OUR VALUES	12
1.1.4 OUR PRODUCT PORTFOLIO	13
1.1.5 BUSINESS ETHICS AND COMPLIANCE	13
1.1.6 HISTORY	14
1.2 FINANCIAL HIGHLIGHTS	16
1.3 GOVERNANCE	18
1.3.1 ASSOCIATION MEMBERSHIP	21
1.3.2 ACCESS TO HEALTHCARE	21
1.4 OUR APPROACH TO CORPORATE RESPONSIBILITY	22
1.4.1 STAKEHOLDERS	23
1.4.2 MATERIALITY	24
1.4.3 OUR TARGETS	25
2. INNOVATIVE SOLUTIONS	27
2.1 INNOVATION	28
2.2 INTELLECTUAL PROPERTY	38
2.3 PRODUCT REGISTRATION	38
2.4 COMPLAINT MANAGEMENT	38
2.5 QUALITY	38
2.6 SUPPLY CHAIN MANAGEMENT	39
2.7 EDUCATION	40
2.8 HEALTHCARE SUSTAINABILITY	43
3. CARING FOR PEOPLE	45
3.1 OUR EMPLOYEES	46
3.2 HUMAN RESOURCES ORGANIZATION	47
3.3 CAREER DEVELOPMENT	48
3.4 EMPLOYEE WELL-BEING	50
3.5 DIVERSITY AND EQUAL OPPORTUNITIES	51
3.6 HEALTH AND SAFETY	51
4. CARING FOR THE ENVIRONMENT	53
4.1 ENERGY	55
4.2 GREENHOUSE GAS EMISSIONS	56
4.3 WASTE	58
4.4 WATER	59
4.5 MOBILITY AND COMMUTING	59
5. CARING FOR THE COMMUNITY	61
5.1 LOCAL COMMUNITY ENGAGEMENT	63
5.2 PHILANTHROPIC CONTRIBUTIONS	65
5.3 HUMANITARIAN INITIATIVES	65

2020 HIGHLIGHTS

New products registered

+ 30



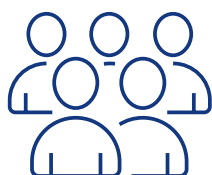
Surgeons attending our marketing initiatives and education programs

+ 2,900



New jobs added across all geographies

+ 80

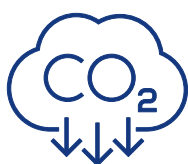


Extension of our #beMedacta campaign worldwide and update of the Group Performance Review system according to our values

#beMedacta

Reduction of CO₂ emissions (scope 1) in our manufacturing plants

- 20%



% of waste to recycling, including waste to energy

91%



A new building dedicated to My Kid, the Primary School, by Medacta for Life Foundation



Organizations/associations supported by Medacta for Life Foundation

~ 40



MESSAGE FROM THE CHAIR OF THE BOARD OF DIRECTORS

“

The long-term sustainable growth, along with our attention for all our Stakeholders, has always been the basis of our Company's culture. In such a challenging year, our focus has continued to be our employees and customers.

We have continued to provide the best possible service to healthcare professionals and patients, to prioritize the health and safety of our people and to advance surgical approaches, implants, and instruments through responsible innovation.

We did not forget our community, and our Foundation participated in several initiatives in favor of people in a distressful situation aggravated by the COVID-19 pandemic. Along with our Board, I am very proud of how we have been able to face this difficult situation together.

”

Dr. Alberto Siccardi, Chair of the Board of Directors



LETTER TO STAKEHOLDERS

Welcome to Medacta's Sustainability Report 2020.

In 2020, despite the challenging conditions caused by the COVID-19 pandemic, we remained committed to our path of a sustainable growth, aimed at creating value for all our Stakeholders.

We continued to develop new products and solutions with the aim of improving patient wellbeing and facilitating the work of medical professionals, healthcare administration and logistics staff. In 2020 over 30 new products across our business lines were cleared. Among them I would like to mention NextAR, our Augmented Reality-Based Surgical Platform with its first application for Total Knee Replacement. This surgical platform perfectly fits with our strategy to allow potential benefits for both Patients and the Healthcare systems thanks to NextAR surgical accuracy and limited upfront capital investment and reduced cost per case compared with other technologies.

During the year, we significantly expanded our online educational activities through the launch of the M.O.R.E. in Touch program, a series of webcasts and web-based events discussing current topics in orthopedics. This program allowed to connect expert physicians from all over the world, making top-level medical education available everywhere and at any time.

We continued to maintain a constant dialogue with our employees, who continued to show a high level of commitment and dedication to manage the crises generated by the pandemic and to execute our strategy. We firmly believe that Medacta's culture is a key for sustainable success, actively contributing to our growth. Therefore, our #beMedcata campaign was expanded worldwide and subsequently we updated our Group Performance Review system according to our values. A long-term incentive plan for our Group Executive Management and selected key managers and employees will enhance and reward loyalty of our people. The plan will provide the eligible employees with an opportunity to become shareholders of the Company and hence align their interest to those of our existing Shareholders. Furthermore, we intend to adopt a succession plan for our key people and key positions worldwide in 2021.

“

I am very satisfied with the way we were able to protect our business and employees while continuing to serve our customers, advance innovations and prepare for our future growth, hoping to quickly overcome the pandemic.

”

Francesco Siccardi,
Chief Executive Officer

Our initiatives to protect the environment include a reduction of CO₂ emissions, a continued replacement of traditional lights by LED lights, a further improvement of efficiency in the heating systems of our production facilities and the complete elimination of fuel oil at the end of the year. Our initiatives aimed at protecting the environment include the utilization of 100% green energy in our manufacturing plants since 2021.

Furthermore, our Foundation supported many charitable and social projects, including initiatives aimed at protecting the rights of children and young people and helping people in a distressful situation. In 2021 we will continue our engagement on the social community through our Foundation, including our support to humanitarian initiatives worldwide, as soon as the pandemic conditions will allow for it.

We look forward to reporting our progress in the next Sustainability Report.



Francesco Siccardi

Chief Executive Officer



1. COMPANY PROFILE

1.1 MEDACTA GROUP IN BRIEF

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. Established in 1999 in Switzerland, Medacta is active in joint replacement, spine surgery, and sports medicine.

Medacta is committed to improving the care and well-being of patients and maintains a strong focus on healthcare sustainability. Medacta's innovation, forged by close collaboration with surgeon leaders globally, began with minimally invasive surgical techniques and has evolved into personalized solutions for every patient.

Medacta believes that education is an indispensable tool for transforming innovation into concrete benefits for patients, surgeons and healthcare systems. Through the M.O.R.E. Institute, the Company supports its innovative products, services and surgical techniques with an extensive and tailored program of medical education.

Our Group is composed of 1,183 employees worldwide, as of December 31, 2020. Our headquarters and well-invested and high-quality manufacturing facilities are in Castel San Pietro and Rancate, Switzerland, where we have a total of approximately 620 employees as of December 31, 2020. Our sales organization is distributed over 12 branches, and we serve through Stocking Distributors 32 additional countries, with an international sales reach that extends to the attractive markets of Europe, North America, and Asia Pacific. Our experienced salesforce is instrumental in achieving international acceptance and adoption of our products and techniques.



1.1.1 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.

1.1.2 MISSION

Our mission is to transform the patient experience by developing advanced surgical approaches, implants, and instruments through 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.



1.1.3 #BEMEDACTA, OUR VALUES

We firmly believe that Medacta's culture is a key for sustainable success, actively contributing to our growth. It is our quest to make sure that every single one of our employees understands and endorses our culture and values, to successfully build and sustain our continuous improvement.

#beMedacta

MEDACTA CULTURE: A KEY FOR SUSTAINABLE SUCCESS

INTEGRITY



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

TRUST AND ACCOUNTABILITY



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

RESULTS ORIENTATION



“
We work to exceed our goals
”

TEAM WORK



“
Great things in business are never done by one person
”

LOYALTY



“
We are proud to be part of Medacta
”

We believe it is of the uttermost importance that these values are kept alive and, above all, transferred to all the people who have entered and will enter our company in the years to come.

Our values and their evaluation are integrated in our recruiting process, in the onboarding activities and in the performance review.



1.1.4 OUR PRODUCT PORTFOLIO

We are specializing in the design, production, and distribution of innovative orthopedic products for joint replacement, spine surgery, and sports medicine.

The first sector in which we specialized was joint replacement, which now includes our knee, hip, and shoulder business lines. For all these business lines we offer a complete portfolio of products, implants and instruments to support surgeons in primary and revision joint replacements.

Our spine offering includes products, implants and instruments that complement one another, creating comprehensive platforms for most spine stabilization applications. Within our spine offering, we have leveraged our expertise both in minimally invasive techniques and in patient-specific technologies to offer optimum results to patients.

Finally, our sportsmed portfolio includes innovative products for the treatment of ligament, tendon and muscular injuries of the knee, hip and shoulder. The aim of our sportsmed business line is to design minimally invasive procedures which allow patients to return quickly to daily activities.

1.1.5 BUSINESS ETHICS AND COMPLIANCE

We are committed to conducting our affairs ethically and lawfully. Medacta has developed a Corporate Compliance Program ("Compliance Program") that is aimed at fulfilling global principles of compliance in the countries where the Group conducts business. Our policies and procedures are comprehensive and expected to be strictly followed by all Medacta employees and independent agents.

Our Compliance Program is based on the MedTech Europe Code of Ethics¹. Country-specific codes or laws, such as the AdvaMed Code and Physician Financial Transparency Reports (Sunshine Act) in the U.S.A., govern Medacta's Compliance Policies locally. Furthermore, Medacta USA has adopted a specific Code of Conduct². Where no country-specific codes are present, the MedTech Europe Code is the standard to follow.

A Group Compliance Officer, reporting to the CEO, is responsible for developing and maintaining compliance policies, promoting a culture of responsibility, conducting risk analyses, identifying remediation needs, providing training, and taking additional steps to assist the Group in meeting its legal, regulatory and ethical obligations. Medacta has instituted a Compliance Committee to assist the Compliance Officer with decisions aimed at respecting the Compliance Program guidelines. In each market, Medacta has appointed a designated person to manage compliance activities and, if necessary, implement country specific policies and procedures overseen by the Compliance Committee.

Any compliance concern, question, or potential violation of our Code can be submitted anonymously through a specific form³, available in the Compliance Section of our Company website.

Medacta intends to adopt a specific Code of Business Conduct and Ethics at Group level with the aim of globally aligning the principles of compliance by the end of 2021.

¹ MedTech Europe Industry Code of Conduct is available at: <https://www.medtecheurope.org/wp-content/uploads/2017/06/medtech-europe-code-of-ethical-business-practice-qa-dg.pdf>

² Medacta USA Code of Conduct is available at: <https://media.medacta.com/media/medacta-usa-code-of-conduct.pdf>

³ Any compliance issue can be reported at: <https://www.medacta.com/EN/compliance-global-about-us>

1.1.6 HISTORY

Our foundation was established in 1999 after Alberto Siccardi, our founder and president, identified an opportunity to improve on incumbent technologies and techniques in the hip replacement market. Following his desire to improve care for patients and drawing on his personal experience with orthopedic procedures, Alberto Siccardi dedicated himself to the development of orthopedic techniques and prostheses. **Medacta is a unique company in its field: it is founded by a patient.**

In 2000, we established our headquarters, manufacturing facility and research and development site at Castel San Pietro, Switzerland. During the early years, we primarily sold total knee and total hip replacement implants in selected European markets. The first hip replacement procedure using our innovative Anterior Minimally Invasive Surgery ("AMIS") technique was carried out in 2004, and it has since been performed in over 430,000 cases. In 2004 we created the M.O.R.E. Institute with the purpose of educating and engaging with our customer surgeons, initially with a focus on how to optimally employ the AMIS technique.

Following the initial success of our hip business line, the first knee replacement using our GMK Primary System was performed in 2006. Subsequently, we expanded our efforts to the development of personalized patient solutions, and the first knee surgery using our patient-specific MySolutions technology took place in 2009. A few years later, we launched our GMK Sphere, a total knee implant designed to deliver maximum functional stability, which has since been implanted in approximately 100,000 cases.

“

My vision was to create a Company that delivers products and services that enhance the patient experience for people needing joint replacement. Our vision and passion resulted from my own experience and a desire to improve care and return patients to the life they once lived - free from pain and disability. Medacta's mission today is to continue to excel in all fields the Company has expanded in, with our commitment to provide the best possible quality of care.

”

Alberto Siccardi, Chair of the Board of Directors



• MEDACTA
• INTERNATIONAL
• WAS FOUNDED

1999

• M.O.R.E.
• INSTITUTE
• WAS FOUNDED

2004

2000

• NEW HEADQUARTERS
• IN CASTEL SAN
• PIETRO

2009

• STRATEGIC DECISION
• TO ENTER SPINE
• MARKET

In 2009, we expanded into the spine segment of the orthopedics market. Our team of engineers collaborated with expert international surgeons to develop specific and innovative solutions for the treatment of various degenerative spine conditions and spine deformities. In 2010, the first of our spine products was implanted in the U.S.A.

To complete our portfolio, in 2016 we took the strategic decision to invest in a new Sportsmed business line, with our team of engineers working together with expert international surgeons specialized in sports medicine to develop specific and innovative products for the treatment of ligament, tendon and muscular injuries of the knee, hip and shoulder.

In April 2019, the year of our 20th anniversary, we became a publicly listed company, officially entering the SIX Swiss Exchange (SIX:MOVE). The 9th M.O.R.E. International Symposium that we held in Lugano, Switzerland, was the perfect occasion to celebrate these milestones.

Since February 2021 Medacta has been part of the new SPI ESG Index of the SIX Swiss Exchange, including a selection of Issuers complying with specific criteria and with a positive ESG rating.



COVID-19

A TIMELY AND EFFECTIVE RESPONSE

In 2020, Medacta was able to navigate through the COVID-19 crisis, providing the best possible service for healthcare professionals and patients, continuing to innovate, protecting jobs, launching new key products, and redesigning our marketing and medical education programs.

The health and safety of our employees, customers and patients have always been our number one priority and throughout 2020 we worked very hard to assess and mitigate any risks, taking all the actions needed to limit the impact of the pandemic. We have adopted remote working in the headquarters and in most branches, we have respected all Government guidance and implemented further safety measures, including social distancing, use of hand sanitizer, daily temperature measurement and masks, among others. As a MedTech company compliant with Government requirements, and thanks to the swift countermeasures taken by Management, our facilities in Ticino, Switzerland, have always remained operational.

- STRATEGIC DECISION
- TO ENTER SPORTS MED
- MARKET

2015

- 1ST
- SUSTAINABILITY
- REPORT

2017

2016

- NEW PLANT IN RANCATE
- AND STABIO LOGISTIC
- CENTER

2019

- 20th MEDACTA
- ANNIVERSARY
- IPO

1.2 FINANCIAL HIGHLIGHTS

In 2020, our performance was impacted by the COVID-19 pandemic; nevertheless, the Group was able to gain market share and protect its profitability.

The unprecedented measures adopted by governments and health care authorities in response to the pandemic caused the deferral of elective procedures and social contact restrictions which had, in the first semester, a significant negative impact on Medacta's operations and financial results. However, in the following months, the recovery of the backlog and continued acquisition of new customers allowed Medacta to largely compensate for the first half sales decrease, although this recovery was somewhat limited by further restrictions from the pandemic resurgence starting at the end of October. As a result, our 2020 net sales declined by 2.6% when compared to the prior year (2.1% in constant currency).

“

Despite the challenging market conditions, in 2020, we were able to maintain a good profitability, largely in line with prior period. At year-end Medacta's balance sheet remains robust, with an equity ratio further increased compared to the previous year. The positive Free Cash Flow was generated after significant investments in new instruments and research and development to sustain the future growth of Medacta

”

Corrado Farsetta, Chief Financial Officer



To respond to the pandemic and soften the financial impact in our business, Management has taken prudent discretionary initiatives in cost containment, which, together with savings generated by the COVID-19 restrictions, allowed the Group to maintain a high level of profitability, with 29.1% of Adjusted EBITDA margin, and an adequate financial profile, having improved our Adjusted Free Cash Flow to Euro 31.9 million.

Medacta's balance sheet remained robust, with total assets increasing to EUR 441.9 million and an equity ratio of 37.3% at the end of 2020 (29.9% in the previous year).

KEY FINANCIAL FIGURES

(Million Euro)	31.12.2020	31.12.2019
Revenues	302.5	310.6
Gross Profit	214.3	223.7
Profit for the year	37.1	11.9

Alternative Performance Measures:

EBITDA	86.5	53.3
Adjusted EBITDA*	88.1	91.5
Adjusted EBITDA margin*	29.1%	29.5%
Free Cash Flow	25.4	0.6
Adjusted Free Cash Flow**	31.9	22.3
Total Assets	441.9	412.6
Total Equity	164.7	123.2
Equity Ratio	37.3%	29.9%
Number of employees	1,183	1,101

* Adjusted for provisions on litigations (Euro 0.7 million), extraordinary legal expenses (Euro 3.1 million) and gains realized through the release of prior years provisions (Euro 2.1 million). The reconciliation is provided in the "Alternative Performance Measures" section of the Annual Report.

** Adjusted for extraordinary legal expenses (Euro 3.1 million) and non-recurring investments (Euro 3.4 million). Please see the "Alternative Performance Measures" section of the Annual Report.

1.3 GOVERNANCE

Medacta is committed to building value and trust with all the stakeholders. Good corporate governance is an essential element of Medacta's values.

Medacta's corporate governance principles and rules are set out in the Articles of Association, the Organizational Regulations⁴, the Corporate Compliance System including the MedTech Europe Industry Code of Conduct, the Charters of the Board Committees and internal policies on quality, IT, privacy as well as employee regulations. Furthermore, we take into account the recommendations of the Swiss Code of Best Practice for Corporate Governance.

Medacta's Board of Directors is committed to sustainable development and is entirely responsible for Corporate Sustainability. To further strengthen our governance on sustainability, in May 2021, our Board of Directors designed a dedicated sustainability Board Member. Furthermore, in July 2021 an inter-functional Corporate Responsibility Team was formally appointed. The Team oversees the preparation of the Sustainability Report and promotes sustainability initiatives.

The Group's corporate governance is described in the Corporate Governance Report⁵, which is an integral part of the Annual Report.

“

We are committed to delivering positive results for our employees, customers, community and the environment. Along with our Board, we have set targets for 2021 and we will monitor and report our progress in the next Report.

”

Maria Luisa Siccardi Tonolli, Member of the Board of the Directors, dedicated to Group Corporate Sustainability, Vice President and Member of Medacta For Life Foundation



⁴ Medacta's Articles of Association and the Organizational Regulations (including the charters of the Board Committees) are available at: [www.medacta.com/ EN/corporate-governance?goto=organizational-regulations](https://www.medacta.com/EN/corporate-governance?goto=organizational-regulations)

⁵ The 2020 Corporate Governance Report is available at: <https://media.medacta.com/media/2020-corporate-governance.pdf>

STRUCTURE

The Board of Directors plays a central role in the strategic guidance of the Group, as well as in the supervision of the overall business activities and 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.

Board candidates are carefully selected to ensure that they are qualified and committed members, characterized by diversity of backgrounds, as well as experience and expertise relevant for the specific role they play on the Board of Directors. As of December 31, 2020, the Board of Directors consisted of five Members, all of whom are non-executive Directors. Three Members are independent Directors, including a Lead Independent Director.

To operate effectively and allow in-depth focus in specific areas, the Board of Directors has two standing Board Committees: an Audit and Risk Committee and a Remuneration Committee. The Audit and Risk Committee assists the Board of Directors in fulfilling its responsibilities as defined by applicable law, the Articles of Association, the Organizational Regulations and the Audit and Risk Committee Charter with respect to matters involving the financial and risk management aspects of governance of the Company and the Group. The Remuneration Committee supports the Board of Directors in remuneration matters by exercising the duties assigned to it under the Articles of Association, the Organization Regulations and the Remuneration Committee Charter with respect to matters involving the compensation aspects of the Company and the Group.

“

The Committee's primary objective is to assist the Board with its responsibilities for the assessment of the adequacy and effectiveness of the Group's internal and prudential systems and controls in respect of both financial and non-financial risks, the Group's compliance with legal obligations, workplace health and safety, environmental, insurance and other regulatory requirements and relevant compliance matters.

Victor Balli, Chair of the Audit and Risk Committee

”



The Board of Directors has delegated the day-to-day and operational activities of the Company and the Group as a whole to the Group Executive Management under the leadership of the CEO. The Group Executive Management is directly supervised by the Board of Directors and its Committees.

More detailed information is available in the Corporate Governance Report.

REMUNERATION

The Remuneration Report⁶ describes the remuneration principles, system and key components, with reference to the Board of Directors and the Group Executive Management. It is an integral part of the Annual Report. Medacta complies with the Swiss Ordinance Against Excessive Compensation in Publicly Listed Companies.

RISK MANAGEMENT

Risk management across the entire enterprise is fundamental to sustainable fulfillment of the Medacta mission, and, as part of governance, leadership, and culture, it is integral to how Medacta operates at all levels, particularly through the Quality Management System. The risk management activities of the organization consider ISO 31000 and the COSO Enterprise Risk Management—Integrated Framework for enterprise risk management, ISO 14971 for technical device risks, and the overall Quality System to ensure business continuity. The effectiveness of the process is monitored by the Board of Directors and the Management Review process as defined by a specific set of procedures. With consideration of the guidance provided by ISO 31000, Medacta applies risk management to support creating and protecting value in the organization by managing risks, making risk-based decisions, setting and achieving related objectives and continuously improving performance to minimize risk and optimize results.



“

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 our Stakeholders.

”

Philip Weber, Member of the Board of Directors and Chairman of the Remuneration Committee

⁶ The 2020 Remuneration Report is available at:
<https://media.medacta.com/media/2020-remuneration-report.pdf>

1.3.1 ASSOCIATION MEMBERSHIP

Medacta is a member of the MedTech Europe and the Swiss Medtech, the European and Swiss trade association for the medical technology industry, including diagnostics, medical devices and digital health. Our Medacta USA branch has certified adoption of the AdvaMed Code of Ethics and is listed as a Code Certifying Company on the AdvaMed website. Finally, our Medacta Australia branch is a member of the Medical Technology Association of Australia (MTAA).



1.3.2 ACCESS TO HEALTHCARE

We are focused on improving the care and well-being of orthopedic and spine surgery patients around the world. With our surgical innovations and medical education programs, we strive to enable a healthy and active lifestyle for every patient. In developed countries we strongly focus on healthcare sustainability.

We have developed new offerings on the basis of minimally invasive techniques which offer a range of benefits for patients, surgeons and healthcare systems, including short hospitalization, reduced post-operative pain, immediate post-operative muscle tone preservation, reduced risk of dislocation and short rehabilitation time.

In developing countries through our Foundation, Medacta For Life Foundation, we assist humanitarian initiatives all over the world, supporting volunteer surgeons who wish to provide free assistance to communities in disadvantaged countries, improving the life quality of patients in need.



1.4 OUR APPROACH TO CORPORATE RESPONSIBILITY

We constantly improve our activities by aligning our goals with Corporate Responsibility and the 17 Sustainable Development Goals ("SDGs") defined by the United Nations. Our objective is to do everything possible to ensure that sustainability does not remain just an important part of our corporate culture and a fundamental component of our long-term business strategy but rather becomes a value shared among all people involved in our activities, so that we can actively contribute to the sustainable development policies of the territory and the community to which we belong.



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 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 8 DECENT WORK AND ECONOMIC GROWTH

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



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 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.

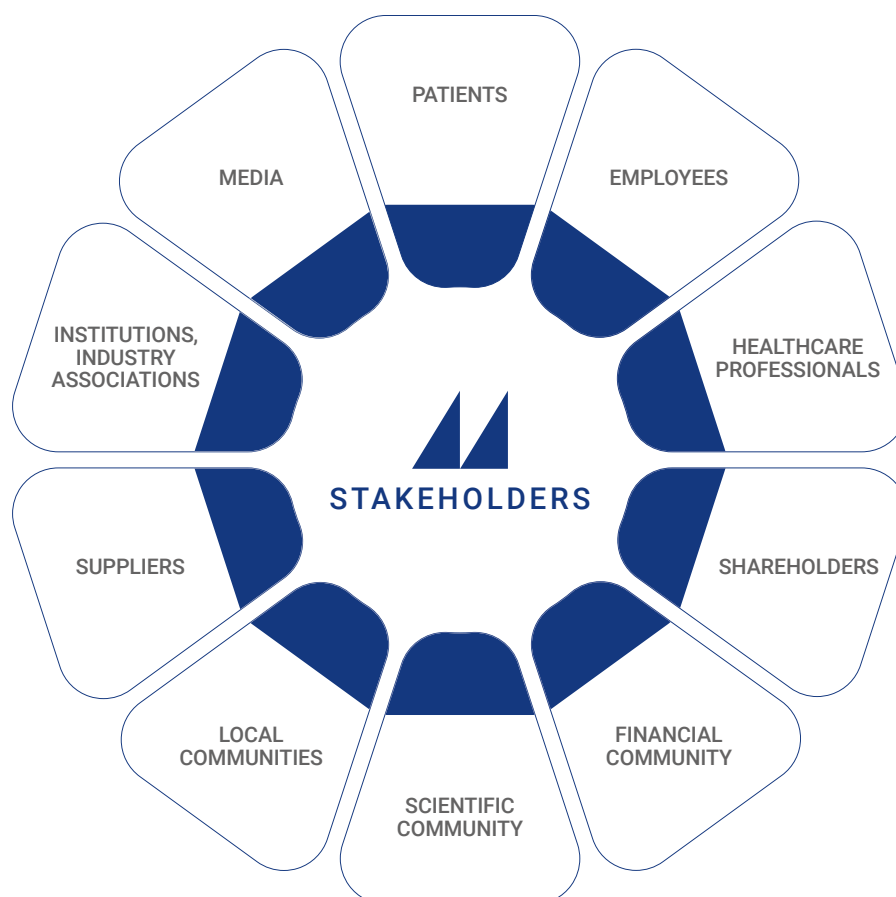


GOAL 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

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.

1.4.1 STAKEHOLDERS

We believe in the importance of dialogue and relationship. Our success also depends on the continuous exchange we have with our stakeholders worldwide, with whom we maintain a direct and transparent dialogue. Involvement and sharing are the basis for our activities. We have identified 10 stakeholder groups with whom we routinely engage in our activities.



PATIENTS:	Patient website, patient educational material, sponsoring and educational activities
EMPLOYEES:	Engagement events, global and country-based meetings, internal communications
HEALTHCARE PROFESSIONALS:	M.O.R.E. in Touch program, M.O.R.E. TV, M.O.R.E. congresses, learning centers, meet the experts, publications, clinical trials, headquarters visits, fellowship programs, surgeon-to-surgeon interactions, meetings with experts, online Talk to the Expert, eLearning Class and eLearning Center, 3D patient-specific platform (MySolutions)
SHAREHOLDERS:	Annual report, sustainability report, annual shareholders meeting, investor releases, bi-annual earnings, roadshows
FINANCIAL COMMUNITY:	Annual shareholders meeting, investor releases, bi-annual earnings, roadshows
SCIENTIFIC COMMUNITY:	Innovative projects, research activities, clinical studies, and collaboration with universities
LOCAL COMMUNITIES:	Bilingual school 0-10, sponsoring various entities and local organizations, philanthropic contributions
SUPPLIERS:	Continuous collaboration, meetings
INSTITUTIONS, INDUSTRY ASSOCIATIONS:	Periodical meetings
MEDIA:	Information, interviews, press releases

1.4.2 MATERIALITY

The matrix of materiality defines the relevant issues in the following areas: innovative solutions, caring for people, caring for the environment, and caring for the community.

INNOVATIVE SOLUTIONS

Innovation, Education, Healthcare sustainability

CARING FOR PEOPLE

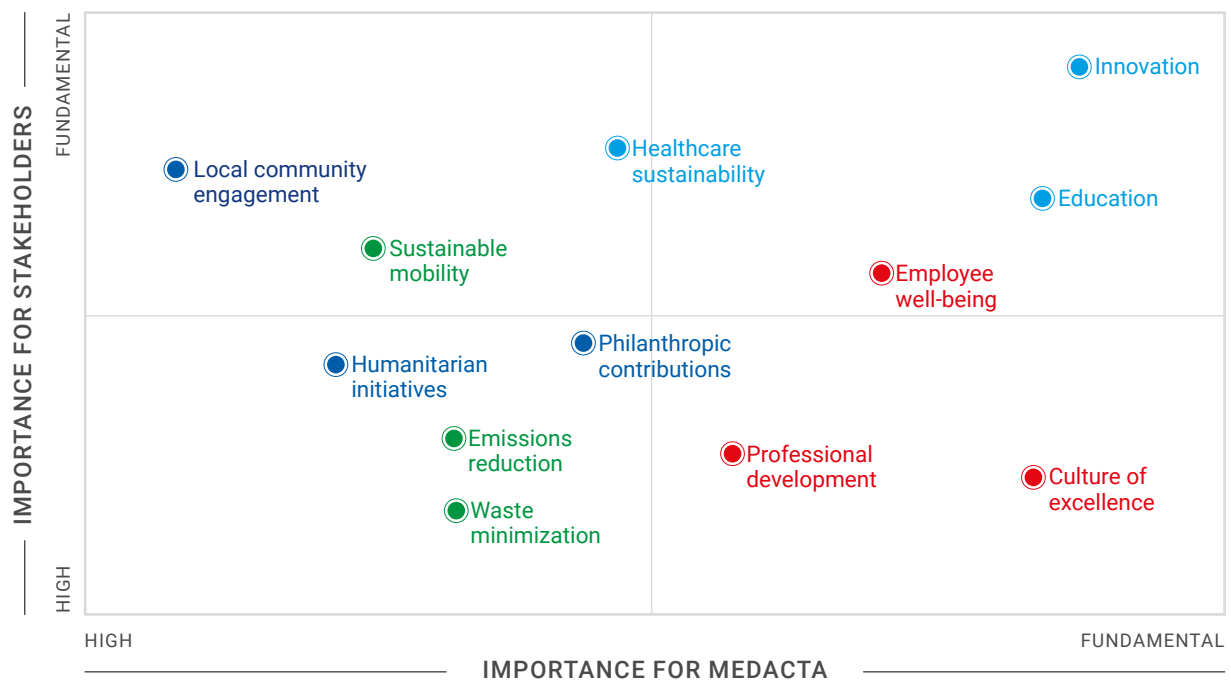
Employee well-being, Culture of excellence, Professional development

CARING FOR THE ENVIRONMENT

Emissions reduction, Sustainable mobility, Waste minimization

CARING FOR THE COMMUNITY

Local community engagement, Philanthropic contributions, Humanitarian initiatives



1.4.3 OUR TARGETS

INNOVATIVE SOLUTIONS



2021 TARGETS

- Further strengthening of our suppliers' qualification process through the integration of the respect of employee human rights.
- Inclusion of legal and environmentally responsible sourcing of materials throughout the supply chain in the qualification process.



2020 ACTIONS/RESULTS

- Over 30 new products cleared.
- CO₂ neutral certificate for our GMK Efficiency instrumentation.
- Launch of the M.O.R.E. in Touch program, a series of webcasts and web-based events with the aim of supporting the medical community during the global pandemic.



CARING FOR PEOPLE



2021 TARGETS

- Long-term incentive plan for our Group Executive Management and selected key managers and employees.
- Succession plan for key employees and key roles within the Group.
- Adoption of a Group Code of Business Conduct and Ethics.
- Climate survey in a European branch



2020 ACTIONS/RESULTS

- Anti-COVID-19 health and safety initiatives.
- Extension of our #beMedacta campaign worldwide.
- Update of the Group Performance Review system according to our values.
- Implementation of a Human Capital management system



CARING FOR THE ENVIRONMENT



2021 TARGETS

- Adoption of a dedicated Environmental policy that will formalize the Company's environmental management
- Purchase agreement for 100% hydroelectric renewable energy in our manufacturing plants.
- Elimination of fuel oil in the heating systems of our manufacturing plants.
- Beginning of the installation of photovoltaic panels on our buildings in Switzerland
- Installation of charging stations for electric vehicles.



2020 ACTIONS/RESULTS

- 20% reduction of CO₂ emissions (scope 1) in our manufacturing plants.
- Improved efficiency in the heating systems of production facilities.
- Continued replacement of traditional lights by LED lights.



CARING FOR THE COMMUNITY



2021 TARGETS

- Resume support of international humanitarian initiatives as soon as the pandemic conditions will allow for it.
- Construction of a brand-new wooden playground dedicated to the primary school pupils.
- Opening of a second site of My Languages, Language School, in Lugano, Switzerland.



2020 ACTIONS/RESULTS

- 39 organizations or associations supported by Medacta for Life Foundation.
- Implementation of online teaching from nursery school to elementary school by My School Ticino.
- A new building dedicated to My Kid, the primary school, became operational.



2. INNOVATIVE SOLUTIONS

2.1 INNOVATION

Innovation is of paramount importance at Medacta and is expressed in the originality of our surgical techniques, products and technologies. Innovation is the foundation of all our projects and the basis of our strategy of growth. Our innovation began with minimally invasive techniques and has evolved into personalized solutions for every patient. We firmly believe in a responsible innovation, which is guaranteed by our M.O.R.E. Excellence Clinical Program, enabling us to responsibly introduce innovative products into the market. Our focus on innovation makes it possible for us to enrich our product portfolio every year and encourages our growth and competitiveness.

PILLARS

For us, 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 AND CONTINUED COLLABORATION WITH SURGEONS

Listening to surgeons, identifying patient requirements, and designing new solutions enables us to proactively respond to unmet clinical needs. We constantly collaborate 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

Our R&D team is divided into three business units: Joint, Spine and Sportsmed. We have a range of research resources available in-house, including the MyBody database, 3D printing capabilities and facilities for prototype development. We have also created a long-term R&D department, which allows us to continue to evolve and innovate by defining appropriate strategic plans. To reduce infection and patient remittance rates, we have expanded our research and development focus to surface technology with the development of antibacterial treatment for our implant portfolio. Furthermore, we carry out research on specific projects in collaboration with selected international university centers.



CUTTING-EDGE TECHNOLOGIES

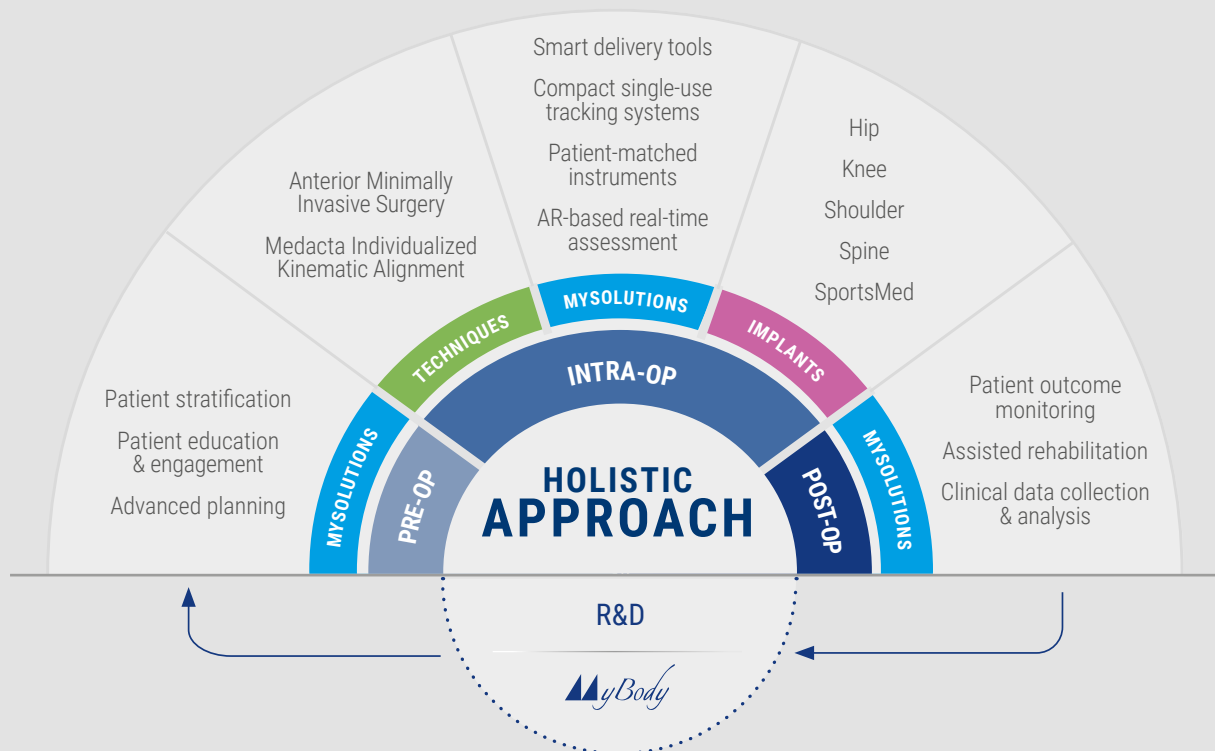
The development of our product pipeline is further supported by our research and development of big data, cutting-edge manufacturing, smart robotics, navigation, and surface technology, which together are characterizing our new generation of product offerings. We have developed a three-dimensional advanced structure, 3D Metal, for use in our knee, hip, and shoulder implants. We are also further developing our manufacturing capabilities through the use of 3D printing, which facilitates implant fixation and increases production speed and efficiency at lower costs.

HOLISTIC APPROACH TO PERSONALIZED MEDICINE

Our personalized medicine offering is represented by our MySolutions ecosystem. Together with our comprehensive implant portfolio and surgical techniques, MySolutions empowers our holistic approach to personalized medicine, aiming at bringing value at every step throughout the entire patient journey.

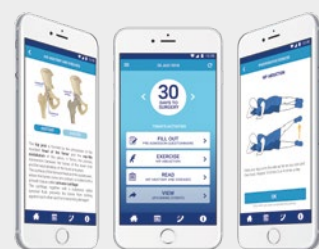
For the pre-operative phase, we offer several tools for patient stratification, education, and

engagement, as well as advanced planning and analysis. In the intra-operative phase, we can provide great added value with innovative techniques, clinically proven implants and cutting-edge technologies, such as compact single-use tracking systems, patient-matched guides and augmented reality based real-time assessment. In the post-operative phase, we collect clinical feedback, and effectively monitor the postoperative course.



PATIENT OPTIMIZED PATHWAY (POP)

Our POP digital healthcare solution supports healthcare professionals in the delivery of patient education, information, preparation, rehabilitation, follow-up, and monitoring. This application is an excellent tool to communicate with patients in a simple and personalized way. Through this application, patients are followed in their postoperative course and can communicate with healthcare professionals, providing information about their health status in a coded and scientifically measurable way. All these aspects contribute to improving the patient's overall health status and their personal impression of the therapeutic experience as a whole.



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 post-operative pain, immediate post-operative muscle tone preservation, reduced risk of dislocation and short rehabilitation time. Hence, we have developed new offerings based on minimally invasive techniques.

For example, we have introduced the AMIS technique for hip replacements, which – together with our range of targeted AMIS education initiatives, dedicated implants and instruments, and complementary services and tools – offers a holistic approach to hip procedures and improved patient outcomes.



We also offer MIS MySpine MC, which is a patient-specific 3D printed solution for surgeries that use the midline cortical approach. It allows for posterior lumbar fusion to be carried out in a minimally invasive, muscle-sparing way, resulting in shorter operating times and a substantial reduction of both radiation exposure and cost.

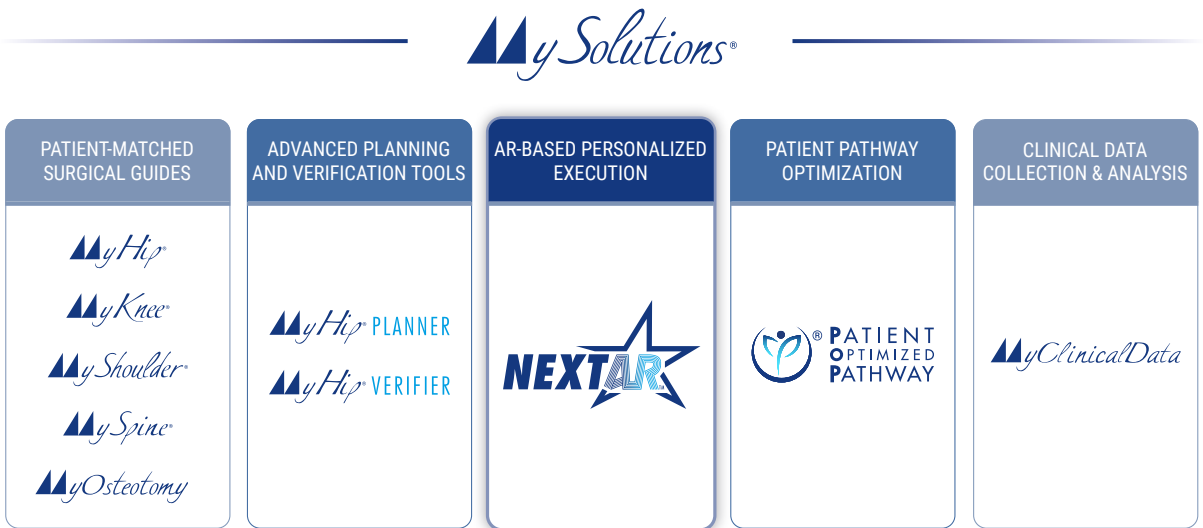


PERSONALIZED SOLUTIONS

Our sophisticated MySolutions ecosystem represents our personalized medicine offering and enables us to offer surgeons patient-matched surgical guides, advanced planning and verification tools, augmented reality-based personalized execution, patient pathway optimization and clinical data collection and analysis.

Originally introduced as MyKnee to address an unmet need for better implant positioning in the total knee replacement market, MySolutions can now also be used in hip (MyHip, MyHip Planner, MyHip Verifier), shoulder (MyShoulder) and spine (MySpine) procedures.

It also includes our augmented reality surgical platform NextAR, our POP – Patient Optimized Pathway and MyClinical Data for clinical data collection and analysis. Our MySolutions technology has resulted in significant advantages for the patient and has been widely adopted by our surgeon customers. For example, MyKnee procedures accounted for approximately 49% of total knee replacement procedures carried out using Medacta products in 2020.



AUGMENTED REALITY

Augmented Reality ("AR") is the core of our innovative proprietary NextAR Surgical Platform. AR is the use of displays, cameras, and sensors to overlay digital information onto the real world. In the surgical sector, AR can project three-dimensional representations of the patient's anatomy and surgical plan into the surgeon's field of view and guide them to reach the target for each surgical step, which is likely to improve accuracy and patient outcomes. NextAR is designed with the goal of improving efficiency and precision and delivering advanced personalized planning. It is a compact solution that eliminates the need for a bulky external detection platform, translating into greater efficiency in the operating room ("OR").

Our NextAR Knee is the first FDA-cleared augmented reality surgical application for knee surgery. In 2021 the platform was extended to shoulder and spine procedures, and it is the first platform to offer Augmented Reality solutions for both spine and joint replacement procedures. The platform will be expanded to hip, too. With low upfront capital investment required by clinics and hospitals, as well as economic benefits to the healthcare system through OR efficiency, this platform will be an optimal solution, particularly for U.S. Ambulatory Surgery Centers ("ASCs").

“

Patients and surgeons are attracted by improved outcomes and innovation, the NextAR™ Platform is one Medacta answer to the current race in orthopaedic technology and I am very excited about this milestone achievement. Requiring a very limited investment in capital equipment, the NextAR™ Platform perfectly represents Medacta's commitment to develop solutions that are able to improve patient outcomes and healthcare system sustainability.

Francesco Siccardi, Chief Executive Officer



”



NextAR TS, a compact and single-use proprietary tracking system.



NextAR Smart Glasses, an AR-based tool that allows for the visualization of surgical actions superimposed onto the operative field.



LOOK BEYOND THE ORDINARY

A single platform for all your procedures



2020 INNOVATION HIGHLIGHTS

In 2020 we continued to develop new products and solutions with the aim of improving patient wellbeing and facilitating the work of medical professionals, healthcare administration and logistics staff. In 2020 over 30 new products across our business lines received clearance (CE or FDA).

HIP

One of the main innovations in our hip replacement offering that we launched in 2020 is our P-Family Hip System, a comprehensive system of tapered rectangular stems, which includes Quadra-P, AMiStem-P and SMS. These represent the evolution of successful and proven femoral stem concepts and are based on the remarkable clinical heritage of Quadra-H and AMiStem-H. While preserving the features that are important to the success of existing systems, the P-Family of stems were developed incorporating innovative key features, aiming to bring solid clinical performance to the current landscape of total hip arthroplasty.

In 2020, we expanded our offering in hip revision arthroplasty, with the registration of our extension range for M-Vizion Femoral Modular Revision System, which is intended to be used in revision cases and in demanding primary procedures. To further complete and strengthen our hip revision portfolio, we are currently developing other hip revision devices, some of which will be launched in 2021, with the goal of developing a revision portfolio which will be able to cover all the indications at both femoral and acetabular level.

Besides the MyHip patient-specific guides, our MySolutions offering in hip replacement was expanded through the launch of MyHip Planner and MyHip Verifier in 2020. MyHip Planner is a surgeon-operated CT-based software that can simulate the effects of different implant choices and positioning options on the patient's hip joint biomechanics, show them to the surgeon and hence enrich the basis for a decision on surgical strategies. MyHip Verifier is an easy-to-use, non-invasive surgical platform that uses intra-operative C-arm images to assist the surgeon in verifying patient-specific implant positioning by providing a real-time numerical evaluation of the actual influence of implant positioning on the patient's anatomy.

P-FAMILY

HIP SYSTEM

A **comprehensive system** of **rectangular tapered stems**



DISCOVER
MORE

hip.medacta.com



MECTAGRIP
COATING



SMS

AMiStem-P

QUADRA-P

KNEE

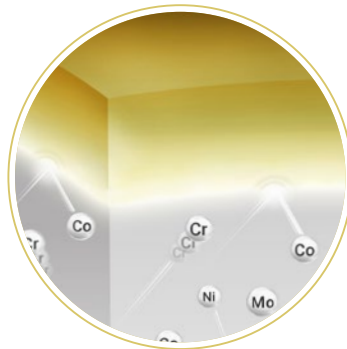
We have developed a comprehensive solution to achieve personalized implant positioning for total knee replacement, the Medacta Individualized Kinematic Alignment ("MIKA") platform, which includes a particularly suitable implant for restoring individual alignment, our GMK Sphere, supported by dedicated technologies and a dedicated M.O.R.E. Education Program.

In 2020, our commitment to developing highly innovative solutions led us to receive FDA-clearance for our NextAR Knee, the first FDA-cleared augmented reality surgical platform for total knee replacement. It is designed with the goal of improving efficiency and precision in total knee replacement and delivering advanced personalized planning. With low upfront capital investment required by clinics and hospitals, as well as economic benefits to the healthcare system through OR efficiency, this platform will be an optimal solution particularly for U.S. ASCs.

In 2020, we further expanded our knee revision portfolio with 3D Metal Femoral Cones and our SensiTiN hypoallergenic coating. 3D Metal is an advanced structure, manufactured utilizing 3D printing technology, designed to mimic the bone structure and improve the long-term stability of our implants. Developed upon the clinical success of 3D Metal Tibial Cones, the Femoral Cones can be used for structural support in areas of bone deficiencies that may compromise revision implant fixation. Our SensiTiN coating for low metal ion release had already been introduced for the primary implants and since 2020 has been available also for revision implants. With the SensiTiN-coated knee implants, the Medacta knee system is now even more complete, allowing for treatment of a larger number of patients, from primary to complex revision cases.

SensiTiN™

Enhanced coating to
reduce metal ion release



Surgeons' preferred choice
to treat patients with metal
hypersensitivity



GMK SPHERE



GMK PRIMARY



GMK REVISION



GMK HINGE

SHOULDER

In 2020, we added two new options to our shoulder portfolio: the Long Humeral Diaphysis and the Stemless Humeral Metaphysis. The Stemless Humeral Metaphysis, which is CE-marked, is intended for use in anatomic configuration. Featuring Medacta's 3D Metal technology, it enables a minimally invasive approach at the humeral level, preserving the humeral canal. The Long Humeral Diaphysis, FDA-cleared and CE-marked, can help surgeons manage complex cases of shoulder replacement, particularly when there is a need for primary fixation in the distal part of the humerus.

MEDACTA SHOULDER SYSTEM





**DISCOVER
MORE**

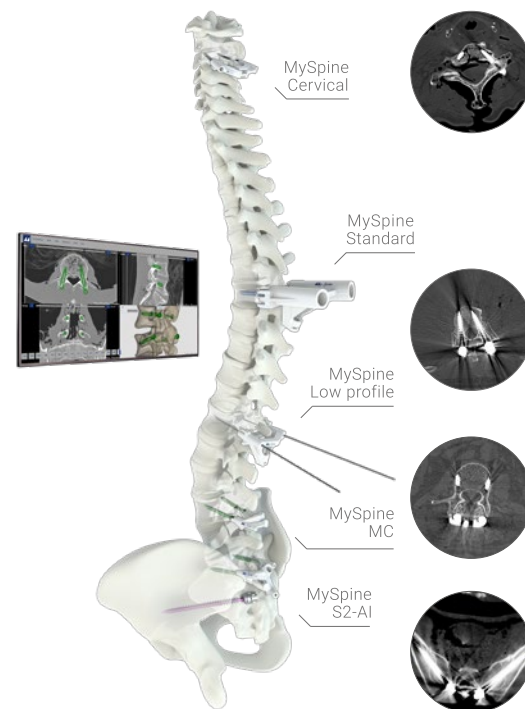



SPINE

In 2020, we expanded our MySpine platform with the launch of MySpine S2AI and MySpine Cervical. The MySpine platform is now a complete and comprehensive system of 3D printed patient-matched guidance and pre-operative planning that allows for posterior spine fixation from cervicothoracic to lumbosacral and pelvic fixation. We also launched our Mecta-C Stand Alone platform for anterior cervical discectomy and fusion procedures. Mecta-C Stand Alone is indicated for use from C2 to T1 in skeletally mature patients suffering from degenerative disc disease. The platform incorporates the benefits of a modular cage-plate system with versatile screws, thus requiring no additional fixation. It is an indication-specific interbody fusion device, which enriches the suite of 360° cervical solutions to provide a treatment for numerous cervical spine disorders. To simplify the procedure and provide robust instruments in open surgery when treating degenerative spine pathologies, in 2020 we released the M.U.S.T. 2.0 instrumentation. The new M.U.S.T. instruments incorporate an upgraded geometrical design to support every single step of the surgery. The M.U.S.T. 2.0 instrumentation is used to implant the Medacta M.U.S.T. (Medacta Universal Screw Technology) pedicle screw system, a universal polyaxial screw, rod, and connector system applicable to degenerative, deformity and trauma cases.

MySpine®

PATIENT MATCHED TECHNOLOGY
IN SPINE SURGERY





**DISCOVER
MORE**

spine.medacta.com

SPORTSMED

In 2020 we continued our expansion in the Sportsmed market with the introduction of many different products, such as our anchor portfolio in Titanium and PEEK, three additional implant options for cruciate ligament fixation and the FastShuttle suture shuttling device for rotator cuff repair. We also introduced into the market our first rotator cuff anchors (MectaLock TI and MectaTap) and MectaQTH instruments to facilitate quadriceps tendon graft harvesting. The replacement of a torn graft with a quadriceps tendon has recently enjoyed increasing popularity. We obtained registrations for a resorbable Interference Screw for ligament reconstruction, an All-Suture Anchor indicated for hip and shoulder labral repair, as well as rotator cuff and biceps tendon repair, a suture passing device for hip capsular closure and our new PowerSuture product family with more than 40 new suture, tape, and suture loop offerings.



The advertisement for MectaQTH features the company logo and the text "QUAD TENDON HARVESTING". It includes a QR code with the text "DISCOVER MORE" and the website "sportsmed.medacta.com". The central image shows a surgical instrument with a blue handle and a silver shaft, labeled "PATENT PENDING". Below it are two smaller images of the instrument, labeled "HORIZONTAL" and "VERTICAL". To the right is a detailed anatomical illustration of a human leg, showing the quadriceps tendon and the knee joint.

M.O.R.E. Excellence CLINICAL PROGRAM

The M.O.R.E. Excellence Clinical Program enables us to responsibly introduce innovative products into the marketplace by defining the steps and milestones applicable to Medacta products ahead of their full release, following the receipt of initial regulatory approvals (e.g., receipt of the CE mark in Europe). Within this program, we typically release new products on a restricted basis to conduct voluntary clinical programs in order to further document their efficacy. Driven by an internal risk analysis, the duration and scope of each of our clinical programs can vary depending on several factors, including the degree of innovation behind the relevant product, the specific indications of the device and the possible adverse events described in scientific literature. To the fullest extent possible, our clinical programs follow the guidelines recommended by independent organizations, such as the Orthopedic Data Evaluation Panel or the Beyond Compliance Program.

Following the full market release of our products, we continuously monitor and assess the performance of our implants by way of our post-market surveillance program, which channels all data to a dedicated group of internal experts. These experts, in consultation with other internal or external experts and resources (as needed), assess the data and issue a specific report with a comprehensive analysis to ensure the system performance is fully understood and the risks carefully evaluated. Furthermore, we sponsor, support and participate in clinical post-market studies conducted by leading international experts to continuously improve our foundation of knowledge.

2.2 INTELLECTUAL PROPERTY

New techniques and new products represent an intellectual capital that we are committed to protecting as a differentiating factor. We have therefore created a dedicated in-house structure which collaborates with experts in dealing with patents, brands and designs.

2.3 PRODUCT REGISTRATION

For each new product we comply with certifications and registrations in every country in which we operate, collaborating with various competent authorities such as the Food and Drug Administration in the U.S.A., the Pharmaceuticals and Medical Devices Agency in Japan and the Therapeutic Goods Administration in Australia.



2.4 COMPLAINT MANAGEMENT

We have a team dedicated to the management of every claim that we receive from the market regarding our products. We manage the analysis of each event in collaboration with all other company functions, respecting time schedules and rules provided by the competent authorities of the countries in which we operate.

2.5 QUALITY

In Medacta we strictly follow the required standards, fulfilling all the applicable requirements. We understand and embrace the real intent of these requirements, exploiting the strength of our Quality System to ensure the safety and satisfaction of professionals working in the medical field and of patients who benefit from our products.

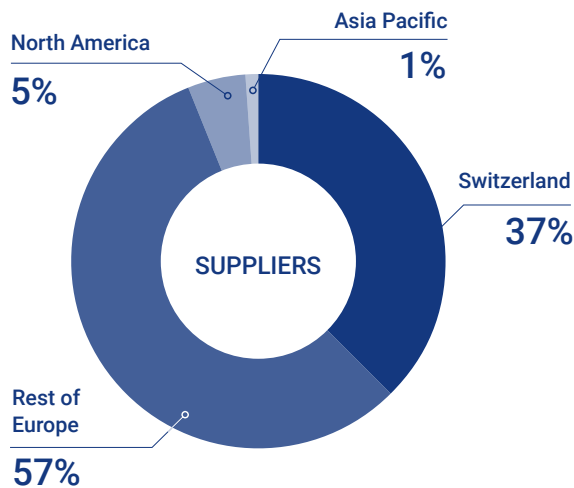
We practice this responsibility every day through proactive risk management, validation, and rigorous quality controls, with a sustainable approach and the active participation of all the people who are part of our organization. Our culture is based on this responsibility applied to the specificity of our organization.

The Quality Director, who reports to the CEO, heads the Group's quality control and assurance team responsible for setting, reviewing, monitoring, revising, and implementing the Group's quality management and control systems and programs to meet the relevant medical device industry standards and ensure high quality products, processes, and related customer support.



2.6 SUPPLY CHAIN MANAGEMENT

We have a structured qualification and monitoring process of our suppliers in our Quality System. At the end of 2020, our suppliers were 673, 37% of which based in Switzerland.



All suppliers with the potential to affect the quality system are qualified, based on their initial scope of product/service. Any expansion of a supplier's scope, involving an increased risk level, may require a subsequent qualification.

The Quality Assurance Department is the owner of the Supplier Qualification and Monitoring Processes and is responsible for managing the qualification and monitoring processes, assisting suppliers with the development of corrective action plans, developing and implementing supplier qualification plans, qualification reports, and exit plans, performing periodic supplier evaluations, determining the type of audit activities needed to evaluate new/existing suppliers.

We are committed to responsibly sourcing the materials that go into our products. In 2021, we are further strengthening our qualification process regarding legal and environmentally responsible sourcing throughout our supply chain. This includes evaluating respect for human rights and safe working conditions and hours in our standard qualification process.

“

We pay great attention to our suppliers with a structured qualification and monitoring process. We are committed to further strengthen our corporate responsibility through our supply chain.

Alessandro Siccardi, Supply Chain Director

”



2.7 EDUCATION

We believe that education is an indispensable tool for transforming innovation into concrete benefits for patients, surgeons, and healthcare systems. With our M.O.R.E. Institute, we have introduced a range of training and technical support initiatives to surgeons. Since its founding in 2004, the M.O.R.E. Institute has become a global education platform tailored to the needs of the individual surgeon, with courses addressing each of our business lines.

We provide our surgeons with personalized, structured, and accessible education on our technologies and procedures, which ensures that our offerings are used to the best advantage of the patient and the surgeon. We also provide our surgeons with ongoing support and proctoring as they master the use of our technologies and procedures, and create an interactive and supportive community in which they can learn and share experiences.

In 2020 we rapidly expanded our online educational activities with the aim of supporting the medical community during the global pandemic. In April 2020, we launched the M.O.R.E. in Touch program, a series of webcasts and web-based events discussing current topics in orthopedics. This program, which was facilitated by the M.O.R.E. Institute, allowed to connect expert physicians from all over the world. All webinars are available on Medacta TV, Medacta's streaming platform providing access to many hours of medical education. Despite the COVID-19 restrictions, education continued through redesigned online marketing and medical education programs, with over 2,900 surgeons attending our marketing initiatives and education programs in 2020.

From the positive experience of the M.O.R.E. in Touch program, we have launched further online activities, such as online Meetings with Experts, online Talk to the Expert, eLearning Class and eLearning Center.



FELLOWSHIPS AND COLLABORATIONS

We support various fellowships and clinical research projects, and undertake collaborations with leading universities, technology districts and centers of excellence around the world.



40

HOSTING
CENTERS



49

FELLOWSHIPS
CENTERS

MEDACTA TV

Medacta TV is the M.O.R.E. Institute streaming platform that provides access to thousands of hours of medical education.

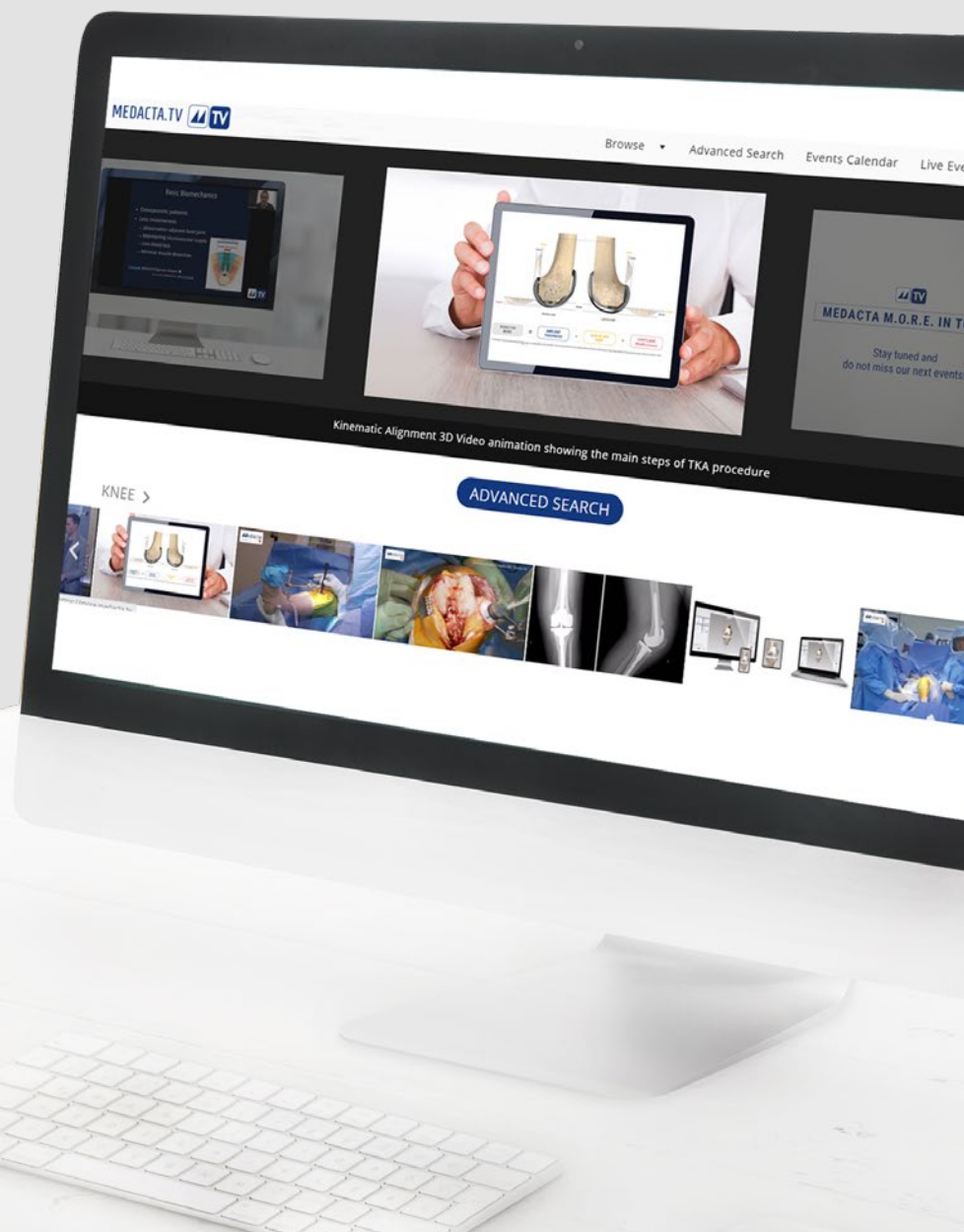
On **Medacta TV** surgeons can search for their favorite topic and get in contact with expert surgeons, as well as relive the Medacta M.O.R.E. scientific events through the comprehensive on demand video library. Medacta TV also offers the opportunity to book Q&A live sessions with the speakers, to attend round table discussions and to join our full HD broadcast and interact with the faculty on live.medacta.com.

Moreover, the M.O.R.E. in Touch program is a series of continuing education webcasts available on Medacta TV discussing current topics in orthopaedics. Through this program we provide surgeons the opportunity to tune-in and engage with esteemed faculty concerning a variety of timely topics.



**DISCOVER
MORE**

more.medacta.tv

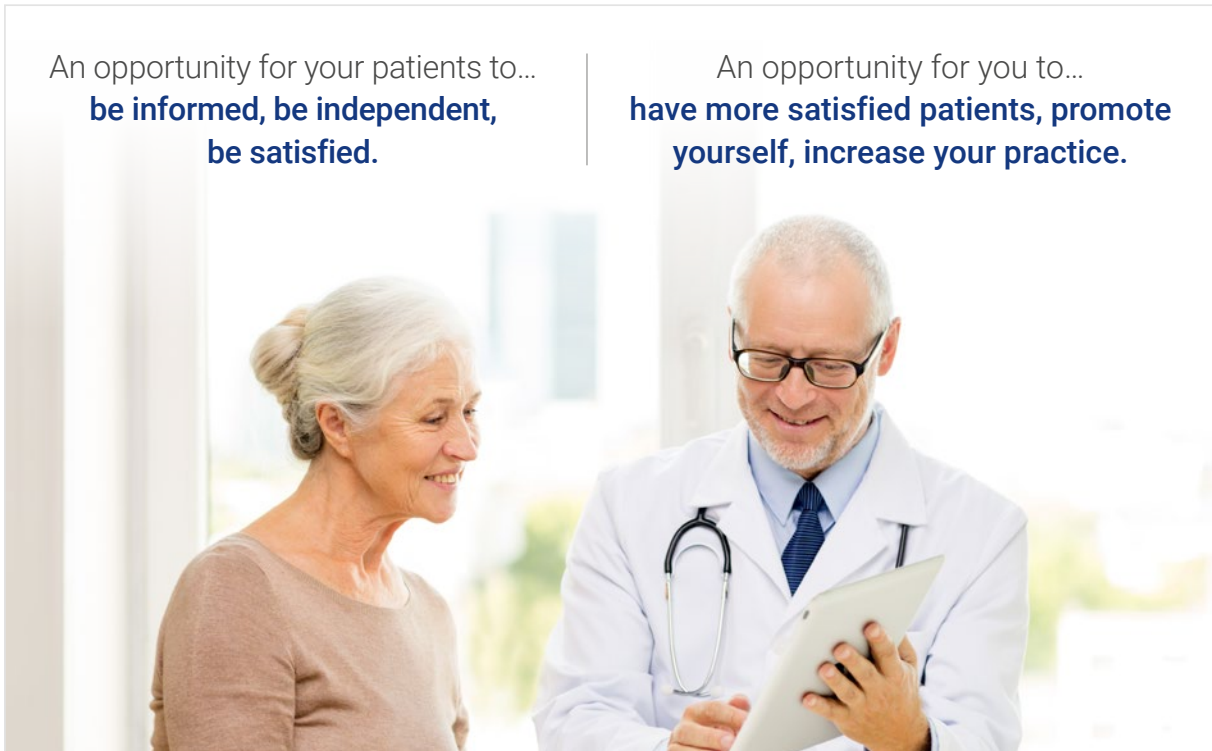


MYPRACTICE DEVELOPMENT PLAN: EDUCATION ALSO FOR THE PATIENT

The MyPractice Development Plan is based on many years of experience in managing thousands of patient information events. We have created this unique and special package of services to help surgeons organize training sessions with patients, primary care physicians and nurses. Thanks to the MyPractice Development Plan, doctors are supported in promoting their activities and training patients through a series of customizable marketing tools.

An opportunity for your patients to...
**be informed, be independent,
be satisfied.**

An opportunity for you to...
**have more satisfied patients, promote
yourself, increase your practice.**



“

In times of physical distancing, the M.O.R.E. in Touch program allowed the connection of expert physicians from all over the world, making top-level medical education available everywhere and at any time. This program allowed surgeons to share their experience and expertise with a few clicks. With the new Medacta TV platform we gave our contribution to the scientific community and assisted expert surgeons in continuing their work, while discussing and developing ideas in order to move the orthopedic industry forward.



”

Francesco Siccardi, Chief Executive Officer

2.8 HEALTHCARE SUSTAINABILITY

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.

Our AMIS technique with its dedicated instrumentation, such as the AMIS Mobile Leg Positioner, is meant to streamline, simplify, and facilitate reproducibility of the anterior approach. MyKnee, our first offering using our MySolutions technology, allows for the execution of the pre-operative 3D planning based on CT or MRI images of the patient's knee, with potential benefits both for the surgeon and the patient. Moreover, we have developed single-use instrumentation for total knee implants (i.e., the GMK Efficiency system), which offers several benefits in terms of infrastructure and personnel costs to hospitals and, particularly, outpatient surgical settings.

GMK EFFICIENCY

Our GMK Efficiency system is a complete set of single-use instruments for use with GMK Sphere and GMK Primary implants. The GMK Efficiency system requires no additional pre-operative sterilization, optimizing logistics for the surgeon and the hospital, and eliminating any delays due to unavailable or non-sterile equipment. It also has the potential of reducing infection risk, because of its single-use nature and the fact that it is delivered terminally sterile. For continual environmental responsibility, we completely offset the total amount of CO₂ connected to GMK Efficiency. Through active support for environmental sustainability projects initiated by Swiss Climate, the Medacta GMK Efficiency instrumentation was awarded the "CO₂ neutral" certificate. Furthermore, as there is no need for washing or sterilization, GMK Efficiency can save more than 400 litres^{7,8,9} of clean water for each total knee arthroplasty performed. More detailed information is available in the Greenhouse Gas Emission and Water paragraphs.



The GMK Efficiency system is also available as part of our Efficiency KneePack, which contains all the components needed to implant the GMK Sphere and GMK Primary using a patient-specific single-use instrument set, which is delivered sterile in a single, lightweight box. This solution has been particularly suitable during the COVID-19 pandemic, when elective orthopedic surgeries were suspended in many parts of the world, resulting in long waiting lists. With OR efficiency proving to be paramount for the return to a more normal practice, procedures that combine patient-specific instrumentation with single-use instrumentation have proved to save time in the OR and simplify the OR scheduling.

⁷ Getinge 46 Washer Disinfector – Service instructions;

⁸ Recommendations for Cleaning, Decontamination and Sterilization of Medacta International Orthopedic Devices

⁹ Priorclave North America Report, 2013

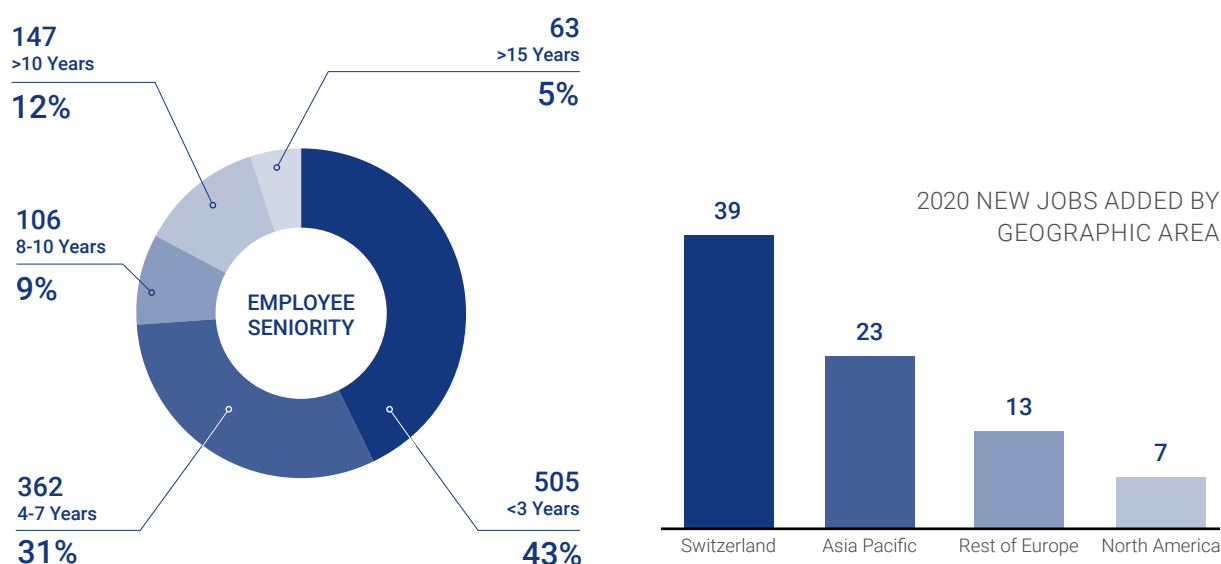
3. CARING FOR PEOPLE

3.1 OUR EMPLOYEES

Our Group had 1,183 employees worldwide as of December 31, 2020. Our headquarters, and well-invested and high-quality manufacturing facilities are located in Castel San Pietro and Rancate, Switzerland. Our sales organization is distributed over 12 branches.



In 2020, no restructuring was conducted at Group level and we retained 100% of the workforce, despite the challenging situation caused by the COVID-19 pandemic. We continued to pursue our growth strategy through the hiring of 82 employees across all geographies. In 2020, our global employee turnover was 9.4%¹⁰ thanks to our continuous proactive approach to employee retention. The average seniority of our employees was 4.8 years at the end of the year.



We maintain a constant dialogue with our employees. The Group Executive Management periodically meets our Group employees worldwide or on a local basis. In 2020, meetings were conducted virtually and focused on the COVID-19 situation, business updates, sustainability initiatives and Group values. Furthermore, our Performance Review system allows for a continuous dialogue through personal interviews between managers and each direct employee. Such meetings provide the opportunity to gather information about our employees' satisfaction, as well. At Group level internal communications inform periodically about new hiring, organizational changes, internal promotions, welfare services, etc. We intend to monitor our employee satisfaction through climate surveys, when it is relevant, in order to address specific issues and increase team motivation and efficiency. A survey is already scheduled to take place in a European branch in 2021 and in Australia in 2022. We have a handbook that specifies the minimum and maximum working hours and disciplinary practices in all Countries where we operate. We conduct audits that ensure compliance with our internal regulations, when relevant. In 2020, as an example, we introduced a digital control in Japan to prevent excessive overtime of our employees, in compliance with local laws. We comply with all relevant rules in terms of freedom of association for employees and dialogues with labor unions, when present, in order to inform and involve social third parties in our collective decisions in terms of people.

¹⁰ The employee turnover rate is the percentage of the employees who left Medacta during the year

3.2 HUMAN RESOURCES ORGANIZATION

Our Corporate Human Resources ("HR") Department is in charge of centralized control of all HR processes, including the following:



Our Corporate HR Department is also responsible for innovating its processes. In 2020, it launched and implemented MyHRSystem, a Human Capital Management system. The new HR system will allow Medacta to manage worldwide:

- Registry data (hiring date, seniority, compensation);
- Performance review and people satisfaction information;
- On/Off Boarding;
- and other modules which will be implemented in 2021 and 2022 to complete the HR tool-box.

3.3 CAREER DEVELOPMENT

Our most valuable assets to our continuing success are represented by People and the #beMedacta culture.

We have adopted a Performance Review system to evaluate the performance of our employees worldwide. The process includes regular performance appraisals and feedback processes. At the beginning of the year, managers have a personal interview with each direct employee. This meeting provides the opportunity to gather information about the employee's satisfaction; furthermore, through a specific form, the manager shares the employee's objectives for the year. Each manager and employee are requested to have at least one mid-year performance discussion on objectives and behaviors, so as to ensure continued alignment between actual performance and expectations. After the end of the year, the employee and manager have a formal performance evaluation discussion with the purpose of commenting results, competencies and behaviors, people's satisfaction, and if appropriate setting some development objectives.

In 2020, we continued our #beMedacta campaign through the extension of our values to our branches worldwide. To support and nurture this culture, we consider it essential that our compensation system reflect and reward similar values. Therefore, in 2020 we updated our Performance Review system, by including a multiplier for each employee's total score based on our values, in order to reinforce the strategic importance of the knowledge and the ability of our employees to live those values in their daily lives.

After the end of the year, in March 2021 our Board of Directors approved a long-term incentive plan for our Group Executive Management and selected key managers and employees to enhance and reward loyalty of the employees. The plan will provide the eligible employees with an opportunity to become shareholders of the Company and hence align their interest to those of our Shareholders.

We believe that our success also depends on our people's growth. In order to give concreteness to this idea, we are building a model to create a succession plan for all our key people and key positions worldwide. We expect to adopt this model by the end of 2021.

“

We invest in people. We firmly believe in the importance of our employees, the real engine of our success. We constantly support the well-being and professional development of our employees.



”

Francesco Siccardi, Chief Executive Officer

MEDACTA ACADEMY: STRUCTURED AND EFFECTIVE TRAINING

For us, a 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 competences for our personnel and provide education and training activities to ensure that they are trained to adequately perform their responsibilities. Training needs for the new hires are determined at the beginning of their activity. For internal personnel, training needs are defined on a yearly basis. 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.

- Frontal and e-learning courses
- Language courses
- Practical workshops
- Interactive simulations
- In-depth seminars with experts
- Extensive online library

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 mother tongue teachers from all over the world.

In 2020, despite the COVID-19 pandemic, we have continued to invest in education:



~10,300

HOURS OF TRAINING DEDICATED TO NEW EMPLOYEES WORLDWIDE



~18,000

HOURS OF CONTINUOUS TRAINING FOR OUR EMPLOYEES



~1,400

HOURS OF LANGUAGE COURSE FOR OUR HEADQUARTERS EMPLOYEES



228

PROFESSIONAL COURSES



3.4 EMPLOYEE WELL-BEING

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

- Flexible working hours for office employees
- Hours of paid leave for medical visits
- Days and hours of paid leave in case of difficult family situations
- Wedding bonus
- Agreements with local gyms, food delivery companies and other services

SUPPORT FOR THE EMPLOYEE

Medacta offers benefits related to the workplace and professional life, in terms of insurance coverage and job security, and rewards the loyalty of its employees, through:

	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 in case of specific health conditions
	Availability of dedicated rooms to have lunch in the company		

3.5 DIVERSITY AND EQUAL OPPORTUNITIES

Our employees operate worldwide and represent a mix of experience and backgrounds. We believe this diversity supports our innovation and continuous collaboration with surgeons. 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. Our commitment to this is recorded in our Code of Conduct Policy adopted by Medacta USA and is binding for our employees and independent agents. We intend to formalize our commitment at Group level through the adoption of a Group Code of Business Conduct and Ethics by the end of 2021.

Special attention is given to support 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 to accompany every woman before, during and after her maternity leave:

- Special agreements with My School Ticino, the Company school
- Maternity bonus
- Part-time hours for new mothers, balancing the needs of the organization and personal needs



3.6 HEALTH AND SAFETY

The health and safety of our employees, customers and patients have always been our number one priority and throughout 2020 we worked very hard to assess and mitigate any risks, taking all the actions needed to limit the impact of the pandemic.











We have adopted remote working in the headquarters and in most branches, and we have respected all Government guidance and more, including social distancing, use of hand sanitizer, daily temperature measurement and masks, amongst others. As a MedTech company compliant with Government requirements, our facilities in Ticino, Switzerland, have always remained operational thanks to all the countermeasures that we have taken. We suspended travel and distributed work-from-home guidance.

¹¹ Data related to employees at the Headquarters, manufacturing plants and Medacta for Life Foundation

4. CARING FOR THE ENVIRONMENT

We pay great attention to the environmental impact of our activities. In accordance with our Quality Management System, from raw material supply to the efficient use of resources across all stages of the production and delivery of finished goods to the market, we are fully committed to continuously reduce our environmental impact.

We seek maximum efficiency and we are committed to reducing CO₂ emissions, by adopting the following measures:

 <p>The phasing out of heating oil combustibles in favour of gas/boiler and/or high-efficiency heat pumps</p>	 <p>Replacement of old, inefficient equipment with highly-efficient upgrades</p>
 <p>Energy management and control for maximum efficiency and use of time zones and different seasonal setpoints</p>	 <p>Variable frequency drives on motors of all our utility equipment, both for production areas and offices</p>
 <p>Progressive transition from traditional lights to LED lights</p>	 <p>Light sensors to avoid waste of energy</p>
 <p>Compressed air system checks and optimization</p>	 <p>Beginning of the installation of photovoltaic panels on our buildings in Switzerland</p>
 <p>Promotion of technologies to avoid unnecessary travels</p>	 <p>Promotion of smart mobility to reduce pollution</p>

We collect information on an annual basis regarding:

- Industrial water use and waste report for Federal Section of the air and soil protection (SPAAS);
- Industrial Costs for Environmental Protection (Statistic Federal Office);
- Industrial Use of Energy (Federal Office of Energy).

To further strengthen our commitment, are developing a specific procedure that will formalize the Company's environmental management by the end of 2021.

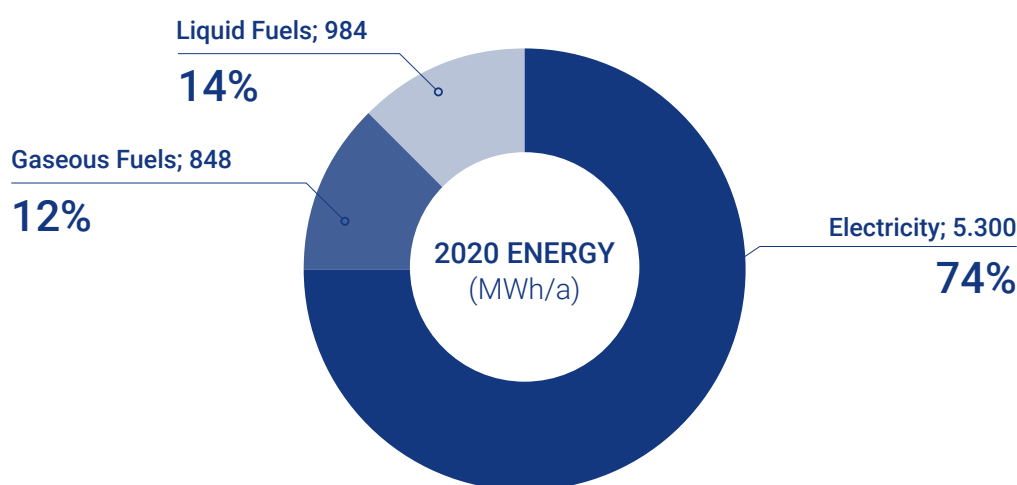
4.1 ENERGY

We favor the use of green energy.

In 2020, the COVID-19 pandemic affected our internal use of energy. Smart working in our Swiss sites, during the lock down period, determined a reduction in cooling, heating and electricity consumption in our offices. On the other hand, our energy consumption increased in all departments that continued to work on site, because of the increased ventilation to reduce the risks related to COVID-19 transmission.

In 2021, we signed a renewable energy power purchase agreement for 100% of hydroelectric renewable energy for our manufacturing facilities in Switzerland, effective from January 2021.

In 2021, we are planning to begin the installation of a photovoltaic system in our manufacturing sites.



“

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.



”

Francesco Siccardi, Chief Executive Officer

4.2 GREENHOUSE GAS EMISSIONS

We are committed to reducing our gas emissions. In 2019, we signed the “Voluntary commitment to climate protection and energy efficiency” with the Energy Agency of the Swiss Private Sector (“AEnEC”), commissioned by Swiss Federal Office of Energy and Federal Office for the Environment (FOEN), for reducing the environmental impact of our production plants in Castel San Pietro and Rancate, Switzerland.

The agreement had foreseen a reduction of CO₂ emissions (scope 1) equal to 7% in 2020 compared to 2019. The effective reduction was 20% in 2020, which was partly due to the reduction of activities caused by the COVID-19 pandemic. Metric tons of CO₂ emissions per revenue¹² decreased by 17.7% from 1.59 in 2019 to 1.31 in 2020.

Action plan activities and solutions are discussed with and monitored by Aenec.

We were committed to completely phasing out heating oil combustibles in favour of gas/boiler or high-efficiency heat pumps. At the end of 2020 we reached our goal and since 2021 no oil heating systems are active in our plants.

In 2020, we adopted waste bucket compactors in our manufacturing plants that permitted us to reduce significantly the number of transports from our manufacturing site to landfill.

In 2020, employee travel was strongly reduced because of the pandemic restrictions. In 2020, we further increased our commitment to the use of modern technology, such as videoconference calls, to avoid unnecessary travel.



¹² Calculated as metric tons of CO₂ equivalent divided by Revenues (Euro million)

Medacta undertakes to offset the total amount of CO₂ equivalent emissions associated with the production and disposal of **GMK Efficiency** through the sponsorship of environmental sustainability projects, promoted by Swiss Climate. The aim of these projects is to reduce the CO₂ equivalent emissions and encourage the establishment of a healthier and less polluted environment. In 2020, the following projects were carried out:

- **Switzerland: Climate Protection and Sustainable Management of Swiss Forests**
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 the regeneration of wood fuel for renewable energy production.
- **India: Energy Efficient Cooking Stoves**
Due to innovative, more energy efficient cooking stoves, Indian families can reduce their demand for firewood. Thus, rapid deforestation is stopped and at the same time respiratory illnesses can be prevented.
- **Zimbabwe: Forest Conservation**
This forest conservation project in Northern Zimbabwe reduces deforestation and forest degradation through a range of different activities. Hence, it provides sustainable livelihood opportunities for poor communities in a region which is still heavily suffering from deforestation, poverty, and drought.
- **Peru: Sustainable Forest Management**
The project takes place in a region covering an area that makes up 15% of the Peruvian Amazon, one of the world's biodiversity hotspots. This project aims at reducing deforestation by increasing monitoring in the region as well as benefiting local communities by contributing to the sustainable development of rural producers.



LOCAL ON-DEMAND PRINTING

Consistent with our approach to making sustainable choices that have a positive impact on the environment, at the beginning of 2020 we started a collaboration with an international company that provides a global on-demand print platform. Through this partnership, we not only moved away from overproduction, but we can also offer local production as close as possible to the end-customer, reducing transportation distances and carbon emissions on a global scale. Additionally, we primarily use responsibly sourced, FSC certified paper and materials.



~1,360,000
KM SAVED IN SHIPPING
DISTANCE¹³



~2,790
KG PAPER
SAVED¹³



~17,350
KG CO₂ EMISSIONS
SAVED¹³

¹³ Source: Gelato AS. Estimated on the basis of the address of the print house used before the start of the local on-demand printing. More details available at: <https://support.gelatoglobe.com/hc/en-us/articles/360010074100-Sustainability-impact-calculator>

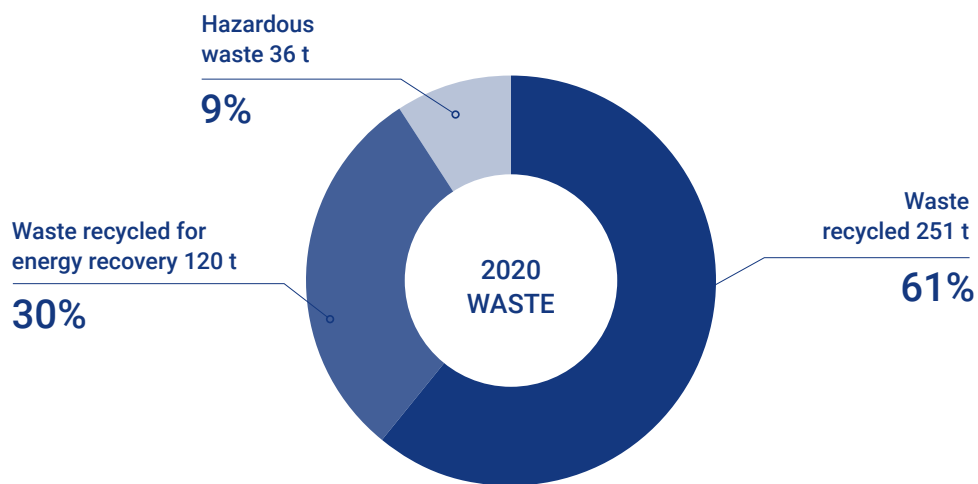
4.3 WASTE

We are committed to minimizing all our waste streams, especially at our manufacturing facilities.

We have a partnership with one of the biggest waste disposal companies in the region to optimize the recycling of our waste by increasing the recycling during our production cycle. A part of our waste is incinerated at the waste facilities that reuse the heat to generate energy, instead of burning fossil fuels. In 2020, 91% of the waste was recycled, including waste to energy.

We fight the use of plastic and we have introduced, both in our manufacturing plants and headquarters, the free use of drinkable water for all our employees, thus reducing to zero the need to dispose of plastic bottles.

In 2020 we participated in a Swiss Federal survey aimed at reducing the dispersion of microplastic in the environment. The results of our technical analysis allowed us to further improve our precision in treating microplastic scraps from our production and thereby their dispersion in the environment.



4.4 WATER

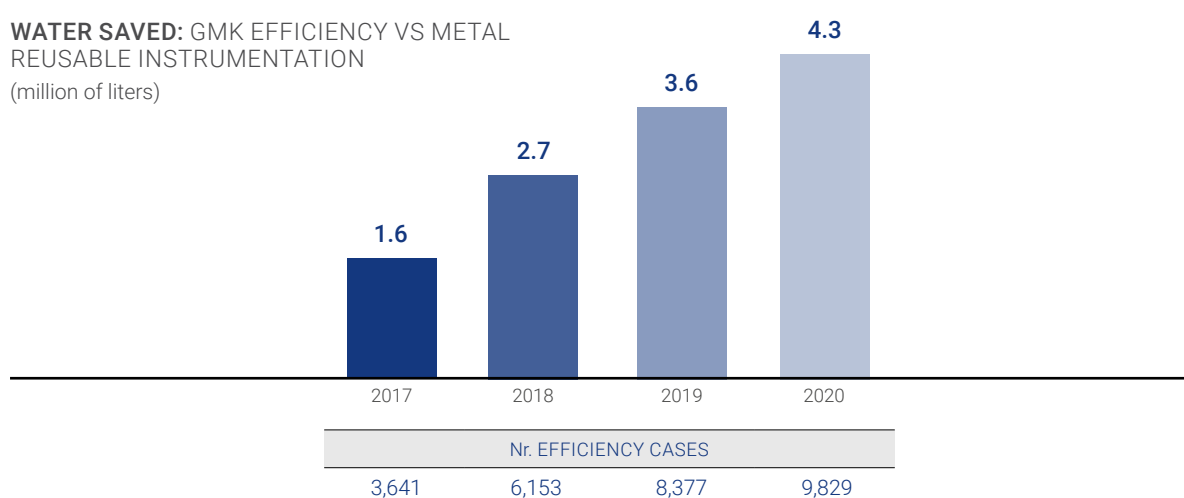
Our manufacturing processes do not require significant amounts of water; however, we aim at reducing the amount of water used throughout the manufacture process and use of our products.

The source of all water is the municipal water supplies. All the water used by our production process is completely treated and discharged to the sewage system with no contamination. This operation is quarterly controlled by the relevant authorities.

Our GMK Efficiency single-use instrumentation is delivered to the operating room in terminally sterile packs that include ready-to-use surgical instruments. Since there is no need for washing or sterilization, GMK Efficiency can save more than 400 litres of clean water for each surgery. We estimate that in 2020 our GMK Efficiency instruments allowed for savings of more than 4 million liters of water¹⁴.

WATER SAVED: GMK EFFICIENCY VS METAL REUSABLE INSTRUMENTATION

(million of liters)



4.5 MOBILITY AND COMMUTING

Traffic is universally recognized as a problem: individuals, employees, companies, communities, and the economic system suffer from it, while also being the main cause of the problem. Therefore, the first step towards change is to admit the existence of the problem. There are numerous good reasons to review our current mobility habits, as well as the many disadvantages, not only of economic nature, generated by unsustainable strategic directions.

To encourage the use of public transportation, we pay 50% of subscription costs to our employees who work in our headquarters and manufacturing plants.

In 2014, we successfully introduced car-pooling for our employees, after analyzing a series of data to assess its feasibility and potential benefits. Since then, our car-pooling system has enabled savings of cars in full compliance with the needs of the company, part-time employees and shift workers. In 2020, despite the lock-down periods caused by the COVID-19 pandemic, we estimate that over 1 million km¹⁵ travelled and over 10,000 t CO₂eq¹⁶ were saved thanks to our car-pooling system.

We are planning on installing charging stations for electric vehicles in Castel San Pietro and Rancate in 2021.

¹⁴ Estimated on the basis of 435 liters of clear water per knee surgery

¹⁵ Data calculated on the basis of an average of 2.6 employees per car and an estimate of 40 km/day per car during 103 days in 2020.

¹⁶ Data estimated assuming 100 grams of CO₂/km.

5. CARING FOR THE COMMUNITY



The passion for our work is not limited to the well-being of our patients, but we would like to extend our contribution to all parties with whom we work. For this reason, in 2011 the Medacta for Life Foundation ("Foundation") was founded to coordinate our many and varied projects with the community.

Attention and interest towards the community is expressed in various ways. Through financial support and the transfer of knowledge and skills, the Foundation contributes to the implementation of programs and projects of social utility at local, national, and worldwide levels. These projects can be grouped in three large areas: My School for the development of new generations and support for parenting; MyMission for the support of medical missions and humanitarian initiatives; MyGiving for participation in social projects dedicated to the protection and assistance for children and youth, services for the elderly, scientific research, art and territorial culture. In 2020 Medacta supported the Foundation's activity through a donation of CHF 350,000.

Discover more at <http://www.medactaforlife.com>

Fondazione Medacta For Life

Strada Regina
6874 Castel San Pietro - Switzerland
Phone: +41 91 696 60 60
Fax: +41 91 696 60 10



Discover more
www.medactaforlife.com



59

YEAR-END FOUNDATION
EMPLOYEES

“

Over the years our foundation has spent time, resources and energy to promote and realize projects of social utility, always looking to the future, an expression of our values and our philosophy.



Maria Luisa Siccardi Tonolli, Member of the Board of the Directors, dedicated to Group Corporate Sustainability, Vice President and Member of Medacta For Life Foundation

”

5.1 LOCAL COMMUNITY ENGAGEMENT

MY SCHOOL TICINO

My School Ticino is a bilingual school (Italian/English) for children aged 0–10 years and was founded on the initiative of the Foundation. The school aims at encouraging the development of new generations in a context that promotes their well-being and interaction. My School Ticino is divided into three areas: My Baby, My Child, and My Kid. Discover more at <http://www.myschoolticino.ch>.

In 2020, My School Ticino implemented online teaching from the very first weeks of the lock down caused by the COVID-19 pandemic. An online platform was regularly used to upload study materials, insights, videos, didactic cards, games to play at home and stories told for our children. Live and remote lessons were held, together with virtual meetings with children and their families. The contents, times and formats of these mediated modalities were chosen and targeted for the different stages of children's development: the tool used allowed the Institute to be close to all our children, from nursery school to elementary school. Once physical presence was allowed, strict safety procedures were implemented with lessons and outdoor activities for small groups, taking advantage of the green areas surrounding the campus. Furthermore, in the course of 2020, a school bus service, to and from the institute, started.



138

YEAR-END MY SCHOOL
CHILDREN

“

The joy and happiness of my children every morning when they go to My School make me relaxed and serene every day.

The quality of the service and the flexibility that distinguishes it, gives me the opportunity to reconcile family and work, in the best possible way.

”

Luciana Crespan, Medacta International employee and My School Ticino parent



MY BABY (NURSERY SCHOOL)

The Foundation's first project was the My Baby company nursery school, inaugurated in 2011. The structure, initially designed to accommodate the children of the employees, was then opened to local families, with the aim of providing support for parenting and promoting the return of women to professional life after motherhood. The nursery school, which initially accommodated 23 children from 0-3 years of age, expanded in space and receptivity in 2013 to accommodate 33 children and received the QualiNido certification from kibesuisse. The building is located in Castel San Pietro, in a sunny area with little traffic. It borders a creek and the woods on one side, the garden, an orchard and a vegetable garden on the other, thus guaranteeing children easily accessible outdoor spaces. The interior spaces are designed and built to support the involvement of the children and to promote their well-being: large floor-to-ceiling windows facilitate the child's view on the outside, woodland, animals and changes of season. This proposed pedagogical project takes into account the promotion of bilingualism and the approach to child education according to the principles of Montessori and Malaguzzi. The My Baby further expanded in 2018 and can now accommodate up to 50 children.

MY CHILD (PRE-SCHOOL)

In 2015, the Foundation extended its educational services with the pre-school: children aged 3-6 years can find an educational environment and project tailored to their needs. In 2018, My Child was authorized by the canton authorities (DECS) to double in size with the addition of a second section.

MY KID (PRIMARY SCHOOL)

In 2018, My Kid Primary school opened with a mixed year 1 and year 2 class. My Kid is a bilingual school offering a full day with out-of-hours care, including various extracurricular activities. During canton school holidays and the summer period, the school's indoor and outdoor facilities are open to the children and offer with a variety of activities. In 2020, a new building dedicated to the Primary School became operational. The new pavilion houses the whole school and further enriches the campus by providing new areas for laboratories, specialist classrooms etc. In 2021 we intend to construct a brand-new wooden playground, dedicated to My Kid pupils.

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. To this extent, in 2019, an area next to our campus, My Woods, was redeveloped to allow for activities in the woods for our young learners. This important intervention was made possible due to the collaboration with the town of Castel San Pietro. The new area that has been created is a wide space of wood with a stream, wooden play structures, benches, and natural tables; after school hours the whole area is open to citizens of the town.

EXTRACURRICULAR ACTIVITIES

The 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. The My After Time program is an afternoon service that proposes activities to involve and interest children in an active way. Moreover, My School offers the My Weeks service during the school holidays and the My Summer Camp service during the summer holidays.

MY LANGUAGES (SCHOOL OF LANGUAGES)

In 2019, the My Languages - Language School was opened. Using specific age-appropriate teaching methods, My Languages offers tailor-made courses for children aged 3 upwards, for teenagers, adults and companies. Courses are currently offered for French, English, German and Italian for foreigners. My Languages guarantees the preparation for European Language Certificates and is recognized as a preparation centre for the Cambridge English Language exams. Considering the positive experience of the language school in synergy with the curricular studies of children, we intend to open a second site in Lugano in 2021.



5.2 PHILANTHROPIC CONTRIBUTIONS

Our Foundation is active in many charitable and social projects, which are mainly based in the local area. In 2020, the Foundation supported organizations and associations to protect the rights of children and young people, scientific research, sporting bodies and projects dedicated to art and cultural development.

Several initiatives were in favour of people in a distressed situation aggravated by the COVID-19 pandemic. Some projects were committed to guarantee poor children's right to study, as well as to collect and distribute food to needy families. Additionally, our Foundation promoted a project to collect charity boxes for approximately 360 children and teenagers (age from 0 to 18), housed in child shelter accommodations, to celebrate the Christmas season. The initiative was started in collaboration with ATFA (Ticino Foster Family Association).

“

We have welcomed the Medacta Foundation's praiseworthy initiative: a charity box is an act of generosity to bring a smile to those children, who, during this difficult time, are in a distressful situation. Thanks to this generous gesture, these young people could celebrate the Christmas season with a friendly surprise under the Christmas tree

”

Andrea Milio, Coordinator at ATFA

Further projects were dedicated to supporting minors with problems in foster care and to supporting young people in completing schooling and in pursuing a career.

In 2020, the Foundation supported an international project aimed at guaranteeing a cure for the less well-off in hospitals in Syria. The project was promoted by AVAID (Volunteers Association for Development Aid), an ONG which has been active for 20 years in international cooperation interventions.



39

ORGANIZATIONS/ASSOCIATIONS
SUPPORTED



CHF 180,000

DONATED

5.3 HUMANITARIAN INITIATIVES

With the My Mission project, our Foundation is dedicated to assisting various humanitarian initiatives all over the world, supporting volunteer surgeons who wish to provide free assistance to communities in disadvantaged countries, improving the life quality of patients in need.

In 2020, the Covid-19 pandemic did not allow for any medical missions to take place. The only initiative taken was support of surgeries in Cambodia and Madagascar. We intend to restart our support activities for humanitarian initiatives as soon as the pandemic conditions will allow for it.

CONTACTS

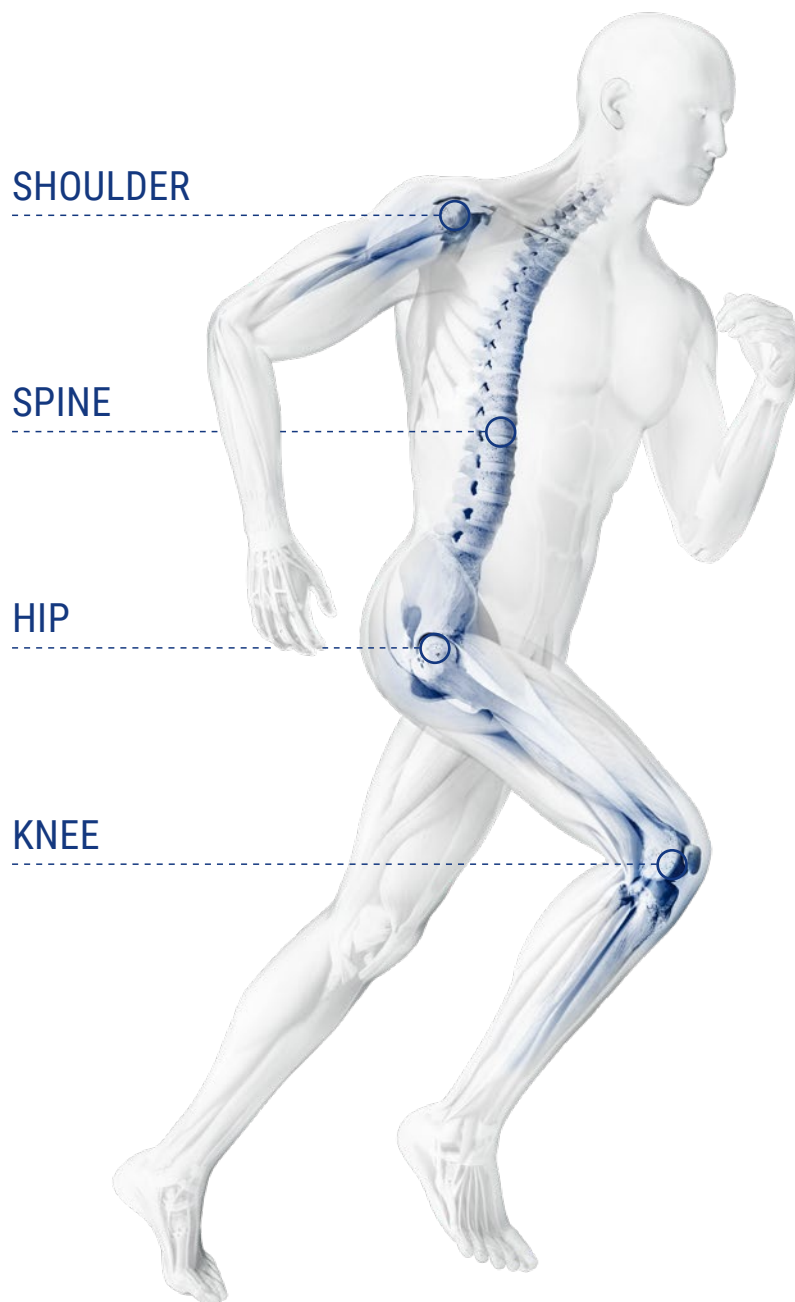
Medacta International

Strada Regina
6874 Castel San Pietro - Switzerland

Phone: +41 91 696 60 60
Fax: +41 91 696 60 66
Mail: sustainability@medacta.ch



Discover more
www.medacta.com



OUR SUSTAINABILITY KPIs

COMPANY PROFILE

Revenues	EUR 302.5M
Adjusted EBITDA margin	29.1%
Adjusted Free Cash Flow (EUR/M)	31.9
Equity Ratio	37.3%

INNOVATIVE SOLUTIONS

New products registered	+30
Year-end Employees in Quality Assurance	13
Year-end Employees in Quality Control	32
Suppliers	673
Surgeons attending our marketing initiatives and education programs	+2,900
Hosting Centers	40
Fellowships Centers	49

CARING FOR PEOPLE

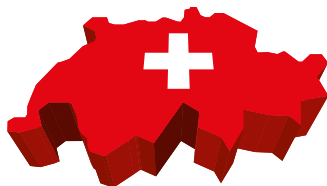
Year-end Group employees	1,183
New jobs added	82
Hours of training dedicated to new employees	~10,300
Total Hours of training	~18,000
Hours of language course for our Headquarters employees	~1,400
Professional courses	228
Rate of return after maternity leave	100%

CARING FOR THE ENVIRONMENT

Energy (MWh/a)	7,132
Reduction of CO ₂ emissions (scope 1) in our manufacturing plants	-20%
Paper saved thanks to local on-demand printing (Kg)	~2,790
CO ₂ emissions saved thanks to local on-demand printing (Kg)	~17,350
Waste (t)	407
% of waste to recycling, including waste to energy	91%
Water saved with GMK Efficiency vs metal reusable instrumentation (Million of liters)	4.3
CO ₂ saved thanks to our car-pooling system (t eq)	+10,000

CARING FOR THE COMMUNITY

Year-end Foundation employees	59
Year-end My School children	138
Organizations/Associations supported	39
Donations	CHF 180,000



REDEFINING BETTER
IN ORTHOPAEDICS
AND SPINE SURGERY

[MEDACTA.COM](https://www.medacta.com)