



Healthy Patients in a Healthy World

From minimally invasive surgery to
Personalized Medicine and beyond

CONTENTS

2021 actions

4

Letter to Stakeholders

5



1. COMPANY PROFILE

Medacta in brief	8
Sustainability at Medacta	10
#beMedacta Values	12
Our 2022 targets	13



2. INNOVATIVE SOLUTIONS

Patient well-being advances	16
Enabling solutions for healthcare efficiency	18
Personalized medical education program	20



3. CARING FOR PEOPLE

Our People	24
Human resources organization	25
Medacta Academy: structured and effective training	26
Employee well-being	27
Diversity and inclusion	27
Health and safety	27



4. CARING FOR THE ENVIRONMENT

Our environmental commitment	30
Energy	30
Greenhouse gas emissions	31
Mobility and commuting	32
Waste	32
Water	33



5. CARING FOR THE COMMUNITY

Medacta for Life Foundation	36
My School Ticino: support for parenting	37
My Mission: humanitarian initiatives	38
My Giving: philanthropic contributions	39



6. GOVERNANCE AND ECONOMICS

Business ethics and compliance	42
Corporate governance	42
Risk management	43
Supply chain	43
Our economic impact	44

2021 actions

INNOVATIVE SOLUTIONS

- Over 50 new products registered
- Renewed CO₂ neutral certificate for our GMK Efficiency instrumentation
- More than 3,850 surgeons attending our marketing initiatives and education programs
- Integration of the respect of employee human rights and legal and environmentally responsible sourcing of materials in the qualification process of suppliers



CARING FOR THE ENVIRONMENT

- Adoption of an environmental procedure to formalize our commitment
- Elimination of fuel oil in the heating systems of our manufacturing plants
- Purchase agreement for 100% hydroelectric renewable energy in our manufacturing plants
- Signature of a contract for the installation of photovoltaic panels
- Installation of charging stations for electric vehicles



CARING FOR PEOPLE

- COVID-19 health and safety measures to ensure the health and well-being of our employees
- Long-term incentive plan for our Group Executive Management and selected key managers/people (MyLTIP)
- Automated performance review process within our Countries to ensure alignment of objectives and with our #beMedacta values
- Succession plan for key leaders and roles
- Climate survey within our French subsidiary
- Launch of our Group Code of Business Conduct and Ethics



CARING FOR THE COMMUNITY

- 42 organizations and associations supported by Medacta for Life Foundation
- Resume support of international humanitarian initiatives in Madagascar
- 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



Letter to Stakeholders

Welcome to Medacta's Sustainability Report 2021.

In 2021, we continued our path of sustainable growth and made progress in each of our materiality areas, despite the persistent challenges of the pandemic.

We developed new products and solutions with the aim of improving patient well-being and facilitating the work of medical professionals, healthcare administration and logistics staff. In 2021, over 50 new products across our business lines were registered and over 3,850 surgeons attended our marketing initiatives and education programs, both online and in presence.

During the year, we continued to adapt our COVID-19 health and safety measures to ensure the well-being of our employees. A long-term incentive plan for our Group Executive Management and selected key personnel was implemented, providing the eligible employees with an opportunity to become shareholders of the Company and hence align their interests to those of our Shareholders. Moreover, we launched an automated performance review process within our Countries to ensure alignment of objectives and our #beMedacta values.

Actions taken to protect our planet included the complete elimination of fuel oil since March 2021, and the utilization of 100% green energy in our manufacturing plants.

In 2021, the Foundation celebrated its 10-year anniversary and continued to support many charitable and social projects, including initiatives aimed at protecting the rights of children. After the forced break due to the pandemic, the Foundation resumed supporting humanitarian activities in Madagascar at the end of the year.

Looking ahead, we have made further commitments for our contribution to "Healthy Patients in a Healthy World", and we look forward to reporting our progress in the next Sustainability Report.


Francesco Siccardi
Chief Executive Officer



Company Profile

Medacta in brief	8
Sustainability at Medacta	10
#beMedacta Values	12
2022 targets	13

Medacta in brief

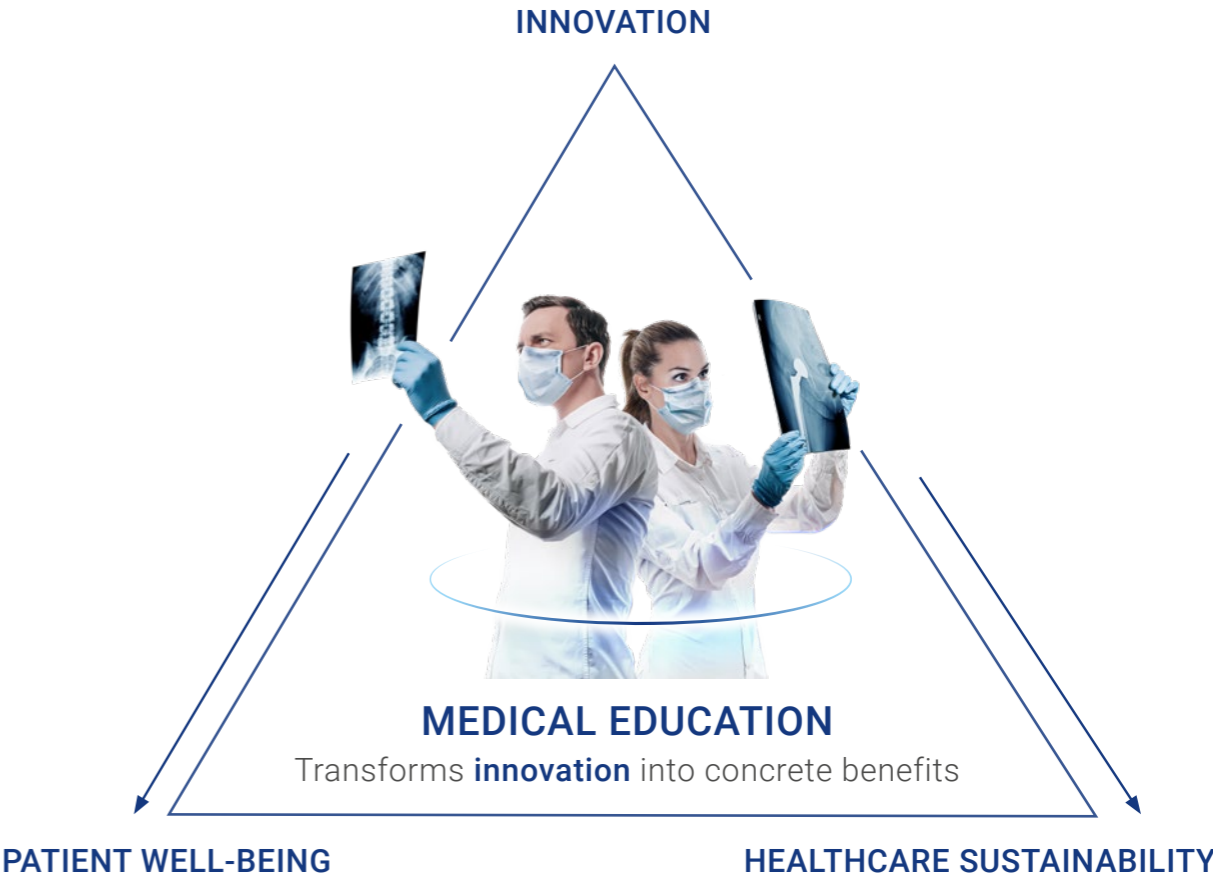
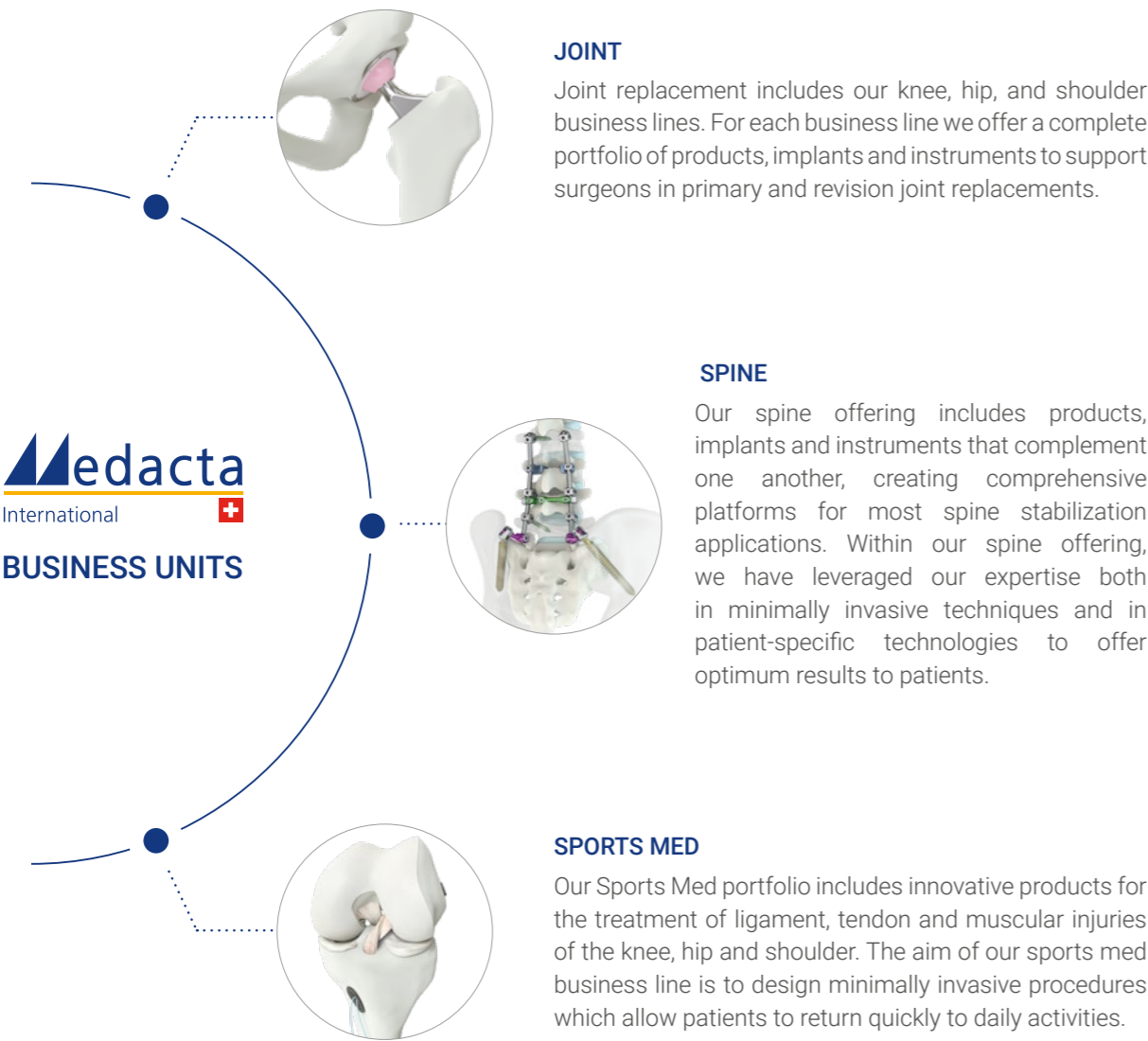
Medacta is an international company specializing in the design, production, and distribution of innovative orthopedic products, as well as in the development of accompanying surgical techniques. Established in 1999 in Switzerland, Medacta is active in joint replacement, spine surgery, and sports medicine.

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 founding

Our company 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 field. Following his desire to improve care for patients and drawing on his own personal with orthopedic procedures, Alberto Siccardi dedicated himself to the development of orthopedic techniques and prostheses. Medacta is a unique company in its field: it was founded by a patient.



Vision

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

Mission

Our mission is to transform the patient experience by developing advanced surgical approaches, 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.



"Our ecosystem of personalized and highly technological solutions aims to bring value at every step throughout the entire treatment journey, while supporting surgeons to improve patient outcomes and maximizing value for the healthcare system."

Francesco Siccardi
Chief Executive Officer

Sustainability at Medacta



"Since our founding in 1999, we have managed our Company with a commitment to innovation, patient focus, respect for the environment, and support for the community. Today, all of these aspects are captured by the word Sustainability. For us, it is simply the way responsible companies should be managed."

Dr. Alberto Siccardi
Chair of the Board of Directors

Our approach to ESG

Medacta is committed to sustainable development. In 2021, the Organizational Regulations¹ were updated to formalize the Board of Directors' responsibility for Corporate Sustainability. Its responsibilities include defining and overseeing the principles or relevant corporate sustainability, strategies, policies, and programs with the support of a dedicated Board Member and an inter-functional corporate responsibility team.

In May 2021, our Board of Directors designated Maria Luisa Siccardi Tonolli as dedicated sustainability Board Member and in July 2021 an inter-functional Corporate Responsibility Team was formally appointed. A Manager in charge of Corporate Sustainability leads the Team that has the task of drawing up Sustainability Reports,

monitoring the achievement of targets, promoting sustainability awareness in the Group, as well as promoting initiatives in this area. In 2021 Corporate Sustainability, including the approval of the 2020 Sustainability Report, was a topic included in the agendas of three Board meetings.

SPI ESG Index and ESG Rating

Since February 2021 Medacta has been part of the new SPI ESG Index of the SIX Swiss Exchange, which includes a selection of Issuers complying with specific criteria and with a positive ESG rating. Medacta is regularly assessed by MSCI on our ESG performance. In 2021, our ESG rating was upgraded to 'AA' from 'A'.

Our Sustainability Commitment

We constantly improve our activities by aligning our goals with Corporate Responsibility and the Sustainable Development Goals ("SDGs") defined, by

the way, by the United Nations. We have identified six SDGs to which we can contribute through our activities.

- 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 excellent 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.

Our Material Sustainability Topics

Our material topics are defined in the following areas: innovative solutions, caring for people, caring for the environment, and caring for the community.

For this Report, we have reassessed these topics, slightly modifying the list that includes our #beMedacta values in caring for people and energy efficiency in caring for the environment.



Stakeholder engagement

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 nine stakeholder groups with whom we routinely engage in our activities.

► Patients Patient website, patient educational material, sponsoring and educational activities, social media	► Healthcare professionals Scientific congresses, learning centers, clinical trials, headquarters visits, fellowship programs, surgeon-to-surgeon interactions, meetings with experts, patient-specific platform (MySolutions), social media, streaming platform, support of humanitarian initiatives	► Employees Engagement events, global and country-based meetings, internal communications, ESG newsletters, sustainability report, training, annual performance review, climate survey, social media
► Shareholders and investors Annual report, sustainability report, annual shareholders meeting, investor releases, bi-annual earnings, roadshows, headquarters visits, social media	► Local communities Bilingual school 0-10, sponsoring various entities and local organizations, philanthropic contributions	► Scientific community Innovative projects, research activities, clinical studies, collaboration with universities, company international symposia
► Institutions, industry associations Periodical meetings	► Suppliers Continuous collaboration, meetings, audits	► Media Information, interviews, press releases, social media, Headquarters events

¹ <https://media.medacta.com/media/medacta-organizational-regulations-19-july-2021.pdf>

#beMedacta Values

We firmly believe that Medacta’s culture is a key for sustainable success, actively contributing to our growth. We want to ensure that all of our employees understand and demonstrate our culture and values, to successfully build and sustain our continuous improvement.

We believe it is of the upmost 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 talent acquisition process, as well as our onboarding activities, Code of Business Conduct and Ethics,² and within our performance and talent management processes.

In 2022 we intend to introduce an Employee Recognition Scheme linked to our #beMedacta values, further reinforcing that connection.

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

”



2022 targets

INNOVATIVE SOLUTIONS

- Inclusion of **sustainability evaluation in the design and development process** of new products and solutions
- Market release of **personalized 3D planning solutions** and **highly advanced execution tools** to potentially improve accuracy and efficiency in joint replacement and spine surgery
- Launch of a **communication pack** to further improve communication with patients



CARING FOR THE ENVIRONMENT

- Beginning of the installation of **photovoltaic panels** on our buildings in Switzerland, after an accurate economic evaluation
- Further improvement of **energy efficiency** in all our departments and processes
- Analyzing optimization of processes to **reduce scrap from raw materials**



CARING FOR PEOPLE

- Launch of employee **Personal Development Plan** process within HQ
- Introduction of an **Employee Recognition Scheme** linked to our #beMedacta values
- Standardization of global human capital metrics** to ensure consistent monitoring and evaluation of key metrics related to our people
- Expansion of our **automated Performance Review** process for all employees globally
- Further development and expansion of **our long-term incentive plan**



CARING FOR THE COMMUNITY

- 20% increase of Medacta’s support and Foundation’s donations**
- Further development of **Local Education Project** for families in need
- Several **initiatives to support Ukrainian refugees** including the collection and the shipping of medical supplies and first aid material, and providing a language school for refugees
- Initiation of the **enlargement of the nursery and primary school** (My Baby and My Kid) to be completed in 2023
- Launch of the **My School scholarships** for families in need
- Continuous support of humanitarian initiatives in emerging countries**



Innovative solutions

Patient well-being advances	16
Enabling solutions for healthcare efficiency	18
Personalized medical education program	20

Patient well-being advances

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. 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.

Minimally invasive techniques

Since our founding, we have recognized that minimally invasive surgery offers a range of benefits for patients, surgeons and healthcare systems, including short hospitalization, reduced postoperative pain, immediate muscle tone preservation, reduced risk of dislocation and shorter rehabilitation time. Hence, we have developed new offerings on the basis of minimally invasive techniques.

For example, we continue to evolve the AMIS (Anterior Minimally Invasive Surgery) 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.

With over 480,000 procedures performed worldwide at the end of 2021, AMIS represents an easily reproducible technique that delivers significant benefits to patient well-being, while optimizing costs and efficiency for the surgeon.

● AMIS

● **480,000+**

AMIS procedures performed worldwide

Sustainability in product development

During the design phase of new products and solutions development we always consider sustainability. In 2022 we intend to formalize this commitment and include an environmental evaluation in the design and development process of our medical devices to further improve efficiency and reduce our environmental footprint. Furthermore, in 2022 we intend to study new processes and controls to reduce scrap from raw materials.

Personalized solutions

Considering that each patient is different and has specific needs and expectations, it is fundamental for us to improve the entire patient experience through a personalized journey. Technological advances have allowed us to develop a high-tech, seamlessly integrated system to empower the surgeon experience, enabling potentially better outcomes for the patients. The MySolutions Personalized Ecosystem, with over 150,000 procedures performed worldwide enables us to offer to surgeons patient-matched surgical guides, advanced planning and verification software, as well as an augmented-reality-based surgical platform that can be used for the different anatomical regions. To improve the patient experience and help them to never feel alone, we have set up a patient optimized pathway tool, and to let surgeons record and measure their clinical outcome we offer a validated web-based archiving and analyzing system. Together with our comprehensive implant portfolio and surgical techniques, MySolutions empowers our holistic approach to personalized medicine.

● MySolutions Personalized Ecosystem

● **150,000+**

MySolutions procedures performed worldwide

Augmented Reality

The crown jewel of MySolutions is NextAR, our Augmented Reality (AR) Surgical Platform. AR is the use of displays, cameras, and sensors to overlay digital information onto the real world. In the surgical sector, augmented reality 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, helping them to improve accuracy and patient outcomes. In 2022 we foresee the introduction of dedicated "communication packs" to support patient information.

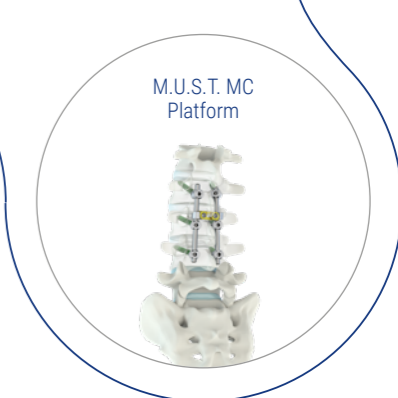
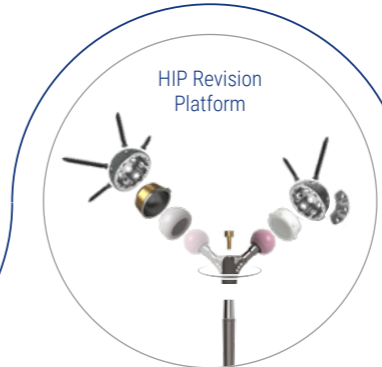
⊕ NextAR - Augmented Reality Surgical Platform



1st NextAR Truck tour in France
Encouraging awareness and practice of our innovative augmented reality platform



2021 PRODUCTS HIGHLIGHTS



Product safety and quality

In Medacta we strictly follow the required standards, fulfilling all the applicable requirements. Our Quality System ensures 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 operations and procedures are developed according to the requirements of ISO 13485:2016 and Medical Device Single Audit Program (MDSAP). For each new product we comply with certifications and registrations in all the countries in which we operate, collaborating with different certification institutes, such as the Food and Drug Administration (FDA) in the United States, the Ministry of Health, Labour and Welfare (MHLW) in Japan, and the Therapeutic Goods Administration (TGA) in Australia. Our M.O.R.E. Excellence Clinical Program enables us to responsibly introduce innovative products into the marketplace ahead of their full release, following the receipt of initial regulatory approvals. 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 the scientific literature. 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. Furthermore, we sponsor, support, and participate in clinical post-market studies conducted by leading international experts to continuously improve our foundation of knowledge.

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.

Intellectual property

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

Enabling solutions for healthcare efficiency

Our products and surgical procedures are designed to improve the patient well-being, facilitate the work of our surgeons and increase the sustainability of the healthcare system by improving efficiency while reducing surgical costs.

The dynamics of the patient journey are experiencing substantial change. Driven by the expectations of younger, more active patients, as well as evolving healthcare economics and advances made in minimally invasive surgical techniques, we have created dedicated programs and initiatives.

AMIS

Our AMIS technique with its dedicated instrumentation, from the AMIS Mobile Leg Positioner to the AMIS MBOOT single-use insert pad, covers every aspect of the procedure with the aim of streamlining, simplifying and facilitating reproducibility of the anterior approach. Our AMIS offering has been further enhanced over the years with new packages that allow surgeons to take the anterior approach to the next level, such as the comprehensive AMIS Bikini offer.

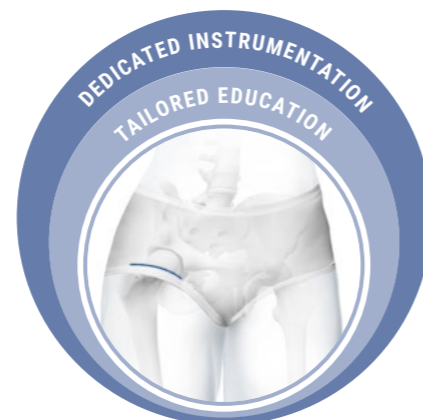
The bikini incision features a short, oblique skin incision within the inguinal skin fold, resulting in an aesthetically pleasing cosmetic scar that can be narrower and lighter in color, and remains hidden when wearing a bikini.^{3,4,5,6} This technique may also help lessen wound healing concerns in obese patients or patients with a large abdomen pannus.^{3,4,5,6}

As part of the AMIS Experience platform, surgeons can experience AMIS Bikini as an advanced technique within our tailored and comprehensive

AMIS Educational Program, taking advantage of the support of a network of world-renowned experts, as well as of a dedicated set of instruments specifically designed to optimize and simplify the bikini approach procedure and facilitate the soft tissue preservation.

AMIS BIKINI

Take your Anterior Approach to the next level



Propel Same Day Surgery Initiatives

This US program provides resources to assist practitioners and administrators with the opportunity to personalize the best outpatient joint program for them. The program features various customizable tracks that allow Ambulatory Surgery Centers (ASCs) and other facilities seeking to implement outpatient options to create programs to best suit their local demands.



³ Menzies-Wilson, Richard & Mahalingham, Karupiah & I, Tamimi & Field, Richard. (2019) "Retrospective cohort study comparing the functional outcomes of direct anterior approach hip arthroplasty. Oblique 'bikini' vs longitudinal skin incision".
⁴ Menzies-Wilson, Richard & Mahalingham, Karupiah & I, Tamimi & Field, Richard. (2019). "Functional Outcomes of direct anterior approach hip arthroplasty: Oblique 'bikini' versus longitudinal skin incision. 10.1177/2210491719890883".
⁵ Leung, Hui-macher, Ricciardi, Impellizzeri, Rüdiger, Naal. (2018) "Skin crease 'bikini' incision for the direct anterior approach in total hip arthroplasty: a two- to four-year comparative study in 964 patients. Bone Joint J".
⁶ Manrique, MD, Paskey, BS a, Tarabichi, MD, Restrepo, MD, Foltz, PhD Hozack, MD. (2019) "Total Hip Arthroplasty Through the Direct Anterior Approach Using a Bikini Incision Can Be Safely Performed in Obese Patients". J Arthroplasty

GMK Efficiency

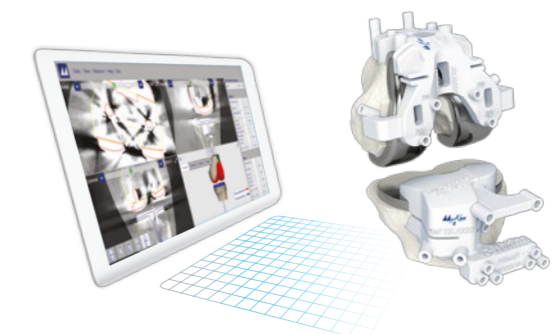
GMK Efficiency single-use instrumentation offers several benefits in terms of logistics and personnel costs to hospitals and, in particular, outpatient surgical centers. The system requires no additional preoperative sterilization, thereby optimizing logistics for the surgeon and the hospital, and eliminating any delays due to unavailable or non-sterile equipment. It also has the potential of reducing infection risks, because of its single-use nature and the fact that it is delivered terminally sterile. The clinical and economical benefits that GMK Efficiency provides to the daily practice of surgeons and hospitals have been evaluated and analyzed in a wide number of published papers.



In 2021, we extended the personalized medicine concept to total knee revision surgeries, unveiling the unique and innovative MyKnee R patient-matched 3D printed solution, the newest addition to our MySolutions Personalized Ecosystem, a game-changing technology to streamline the most challenging total knee revision surgeries.



Since the release of GMK Efficiency in 2016, we have been entirely offsetting the amount of CO₂ related to its lifecycle, from manufacturing to disposal, actively supporting environmental sustainability projects initiated by Swiss Climate, an independent organization focused on assisting companies in setting up holistic climate strategies and sustainable concepts. Furthermore, as there is no need for washing or sterilization, GMK Efficiency can save the use of clean water. More detailed information is available in the Greenhouse Gas Emission and Water section.



Patient-matched technology

Patient-matched technology, which is part of our MySolutions Personalized Ecosystem, facilitates accurate implant positioning and operating room efficiency through patient-specific instruments and personalized 3D preoperative planning, based on CT or MRI images of the patient's anatomy. MySolutions patient-matched instruments (i.e. MyKnee, MyHip, MyShoulder and MySpine) have now more than 10 years of clinical evidence. Since the first MyKnee case in 2010, there are now more than 3,000 surgeons regularly using the Medacta MySolutions patient-matched technology in over 40 countries around the world.



"The medical landscape is changing by the day.

To keep pace with the times and to be able to offer increasingly effective and beneficial solutions to the patients, surgeons, and hospitals, our outpatient initiatives combine the company's innovations with tailored medical education programs and a suite of patient support services, enabling outpatient care and same-day surgery."

Francesco Siccardi
Chief Executive Officer of Medacta

Personalized medical education program

Education is a key pillar for Medacta’s culture and is an indispensable tool for transforming innovation into concrete benefits for patients, surgeons, and healthcare systems. With our M.O.R.E. Institute, the surgeon is never alone when discovering new technologies.

M.O.R.E. Institute

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 with the aim of improving patient outcome and surgical proficiency, leveraging on the collaboration of an international network of expert surgeons.

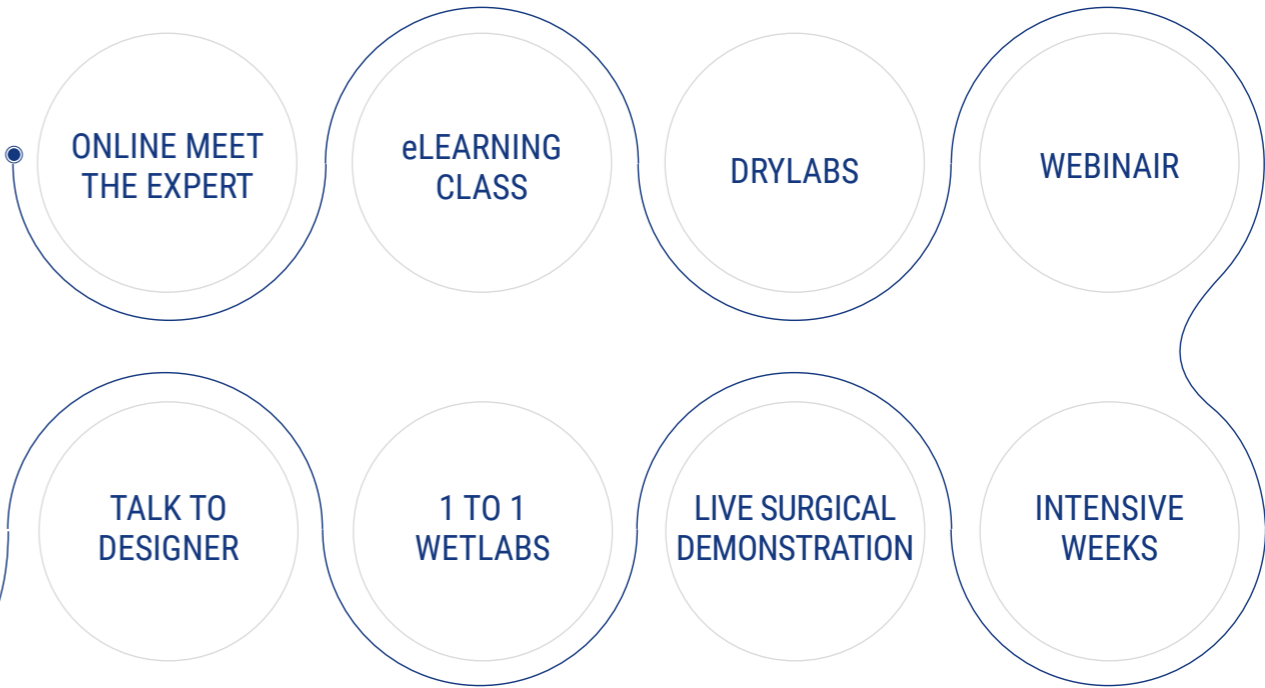
M.O.R.E. INSTITUTE EDUCATION PATH



Our education program counts over 10,000 international participants at the end of 2021, in more than 400 AMIS Learning Centers, 200 Knee Learning Centers, 100 Spine Learning Centers and 70 Shoulder Learning Centers. In 2021, we extended our commitment to online educational activities, introduced the previous year due to pandemic limitations, with over

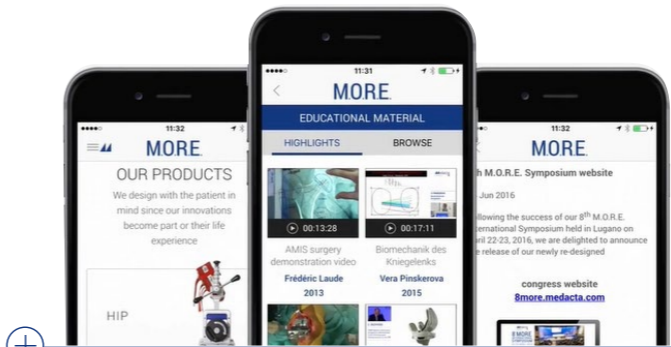
3,850 surgeons attending our marketing initiatives and education programs. In 2021, we were able to organize many in-person events, such as M.O.R.E. Learning Centers and the 1st M.O.R.E. Spinopelvic summit in Australia, highlighting our commitment to bringing the medical community even closer, despite being in a time of physical distancing.

- **10,000+**
International participants to our education program since 2004
- **3,850+**
Surgeons attending our marketing initiatives and education programs



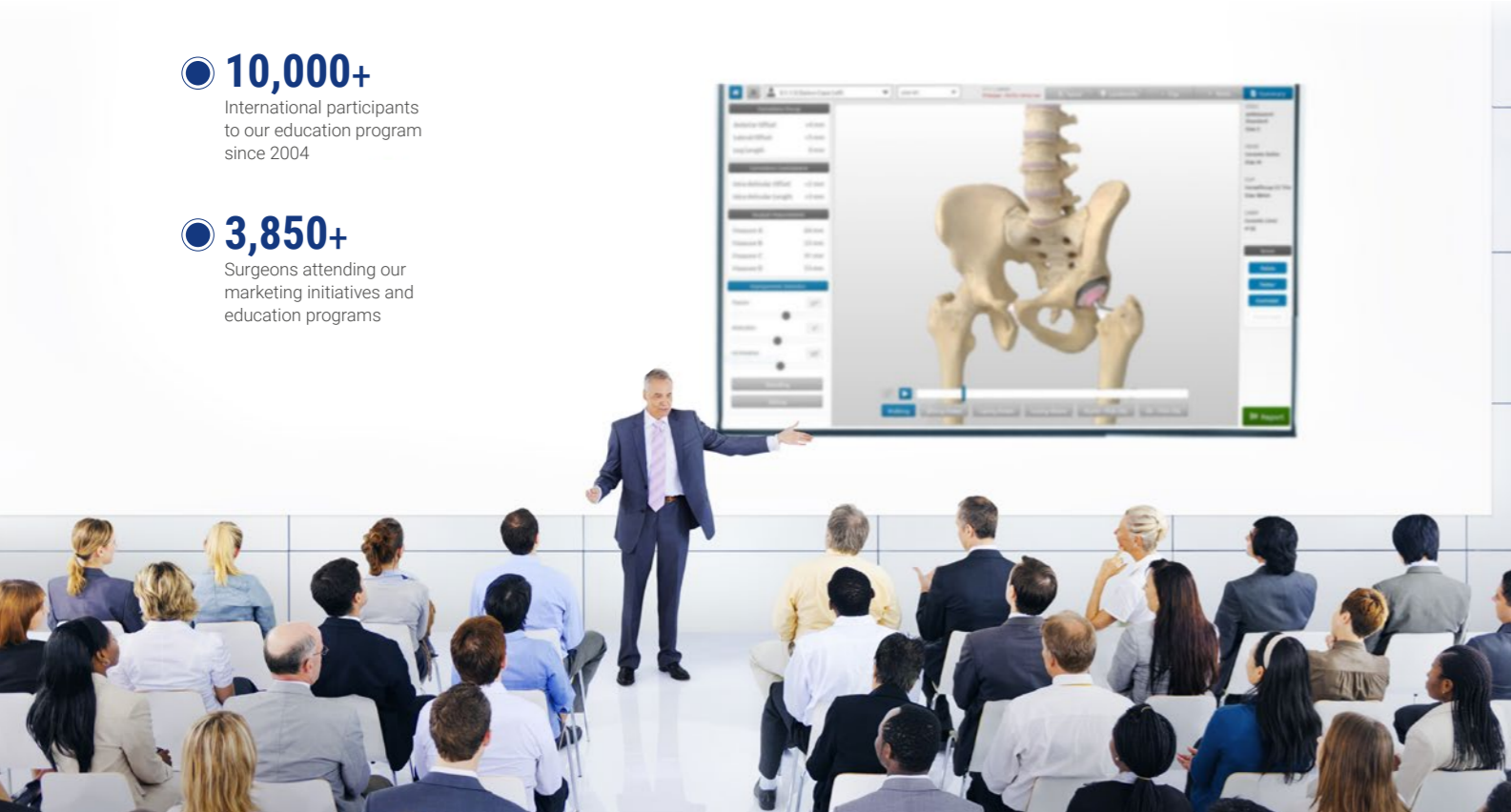
Medacta TV

The M.O.R.E. Institute streaming platform offers many hours of medical education, reinforcing Medacta’s commitment to support the scientific community and to assist surgeons in continuing their work while discussing and developing ideas to move forward the orthopaedic industry.



M.O.R.E. APP

The M.O.R.E. APP is specially designed to integrate digital education content and to enable 24/7 access to the most important information regarding the M.O.R.E. Institute and Medacta events (Congresses, Learning Centers, etc.) from iOS or Android-based tablets or mobile devices, both online and offline.

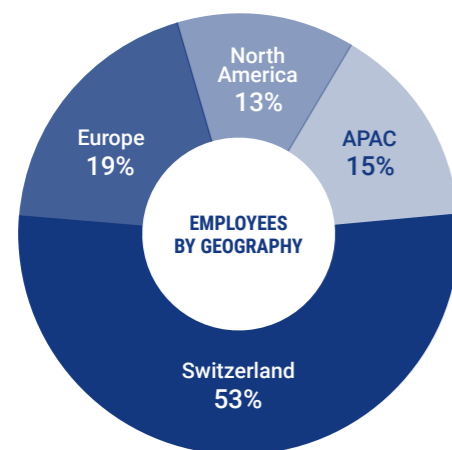


Caring for people

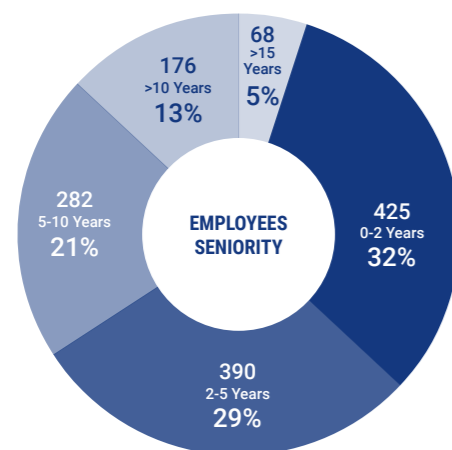
Our people	24
Human resources organization	25
Medacta Academy: structured and effective training	26
Employee well-being	27
Diversity and inclusion	27
Health and safety	27

Our people

Our Group had, as of December 31, 2021, 1,341 employees (including temporary employees) worldwide. Our headquarters, and our state-of-the-art manufacturing facilities are located in Castel San Pietro and Rancate, Switzerland. Our commercial sales and marketing organization is distributed across 12 countries.



In 2021, no restructuring was conducted at Group level, despite the challenging situation caused by the COVID-19 pandemic. We continued to pursue our growth strategy through the hiring of 158 employees across all our geographies. In 2021, our global employee turnover was 10.30% thanks to our continuous proactive approach to employee retention. The average seniority of our employees was 4.9 years at the end of the year.



● **1,341** worldwide employees
 ● **158** new employees worldwide
 ● **4.9** average seniority (number of years)

We maintain a constant dialogue with our employees. The CEO periodically meets our employees worldwide or on a local basis. In 2021, the vast majority of our meetings were conducted virtually and focused on the COVID-19 situation, business updates and Group values.

At Group level, internal communications inform regularly about new hiring, organizational changes, internal promotions, welfare services, etc. In November 2021 the Sustainability Team launched a **Group monthly ESG newsletter** to report on market news and Medacta initiatives on ESG topics.



Our Performance Review process has enabled us to maintain a continuous dialogue through personal meetings between managers and each direct employee. Such meetings provide the opportunity to gather information about our employees' engagement, as well. We monitor our employee satisfaction through climate surveys, when it is relevant, in order to address specific issues and increase team motivation and efficiency. In 2021, we carried out a climate survey within our French subsidiary.

We have an employee 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. 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 of our collective decisions in terms of people.

Human resources organization

Our Corporate Human Resources ("HR") Function is responsible for the centralized control of all global HR policy and process formulation and has developed an HR framework setting out the strategic priorities that will support the business needs today and in the future.

► Employer Value Proposition (EVP)

Developing our employer brand and values and increasing the overall employee experience that will enable us to attract and retain our people

► Total Rewards (TR)

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

► Talent & Performance Management (TPM)

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

► Talent Acquisition (TA)

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

► Learning & Development (L&D)

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

Our Corporate HR Function continues to innovate and is responsible for developing meaningful and sustainable HR practices for our people, including an agenda to streamline and automate processes and systems where possible. In 2022 we intend to standardize global human capital metrics to ensure consistent monitoring and evaluation of key metrics related to our people.

Talent & Performance Management

Our most valuable assets in 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 meeting with each direct employee.

This meeting provides the opportunity to gather information about the employee's engagement as well as discuss and agree on objectives for the year. Each manager and employee is required to have at least one mid-year performance discussion on

objectives and behaviors, so as to ensure continued alignment between actual performance and expectations. At the end of the year, the employee and manager have a formal performance evaluation discussion with the purpose of evaluating results, competencies and behaviors, and engagement and as necessary aligning on personal development objectives too.

In 2021 we launched an automated performance review process within our Countries to ensure alignment of objectives and our #beMedacta values. In 2022 we intend to expand our automated Performance Review process for all employees globally. In 2021 a long-term incentive plan for our Group Executive Management and selected key personnel (MyLTIP) was implemented. The plan provides the eligible employees with an opportunity to become shareholders of the Company and further align their interest to those of our Shareholders. Following its success, we intend to continue the plan into 2022 for our Group Executive Management and selected key managers and employees to enhance and reward loyalty of these employees.

In 2021 we implemented a robust succession plan for our key people and positions and will continuously assess and evaluate its relevance, as well as look to deploy this deeper within our organization over the coming years. In 2022 we intend to launch an employee Personal Development Plan process within our HQ.

Talent Acquisition

We are continually evolving our processes, tools and partnerships to ensure we are optimizing all opportunities to strengthen our talent pipeline. We do this in many ways including:

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

Medacta Academy: structured and effective training

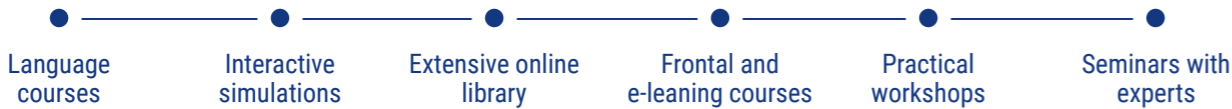
For us, complete and continuous professional training is the basis for a conscious and responsible approach to work. The Medacta Academy, created in 2015 and structured in progressive learning levels, offers the opportunity to consolidate and increase professional and personal skills through tailor-made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

Language courses are an important asset to success for international businesses in order to favor diversity in Medacta. Medacta Academy promotes dedicated courses 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 2021, we have continued to invest in education with 26.1 hours of average training for employee.



Employee well-being

From the beginning, 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 management.

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:

Flexible working hours for office employees

Hours of paid leave for medical visits

Days and hours of paid leave in case of difficult family needs

Wedding bonus

A range of company benefits as well as discounted services with local organizations (including Fitness Centers, Restaurants, etc.)

Company benefits and discounted services with local organizations

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

Diversity and inclusion

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 is recorded in our Group Code of Business Conduct and Ethics.

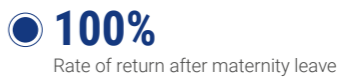
Special attention is given to support motherhood and the return to work after maternity leave.

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. As of December 31, 2021 women made up 29% of our total employee population.

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



Health and safety

The health and safety of our employees, customers and patients have always been our number one priority. Medacta has identified its H&S manager in the person of the Plant and Know How Director. The protection of the health of our employees is an integral part of our quality system. The training of workers (including temporary workers) on safety and health protection is a key part of the Company safety system. In 2021, ten H&S training courses were held. Our Quality Assurance department ensures compliance with the instructions set all our related procedures.

Throughout 2021 we worked diligently to assess and mitigate any health and safety risks, taking all the actions needed to limit the impact of the pandemic. 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 will continue to adapt and evolve our approach in line with industry best practices whenever it relates to the health and safety of our employees, customers and patients.

Caring for the environment

Our environmental commitment	30
Energy	30
Greenhouse gas emissions	31
Mobility and commuting	32
Waste	32
Water	33

Our environmental commitment

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 reducing our environmental impact.

- Replacement of old equipment with highly efficient equipment, including heat pumps

► Automatic sensors and domotic application to avoid waste of energy

► Variable frequency drives on motors of new air conditioning units, both for production areas and offices

► Progressive transition from traditional lights to LED lights
- Studying new process and controls to reduce the scrapes from raw materials

► Compressed air system checks and optimization

► Beginning of installation of photovoltaic panels in our building in Castel San Pietro

► Promotion of smart mobility and technologies to avoid unnecessary travels

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, in 2021 we formalized our environmental management in a procedure of our Quality Management System, and by the end of 2022 we expect to include an environmental evaluation in the design and development process of our medical implants and instruments.

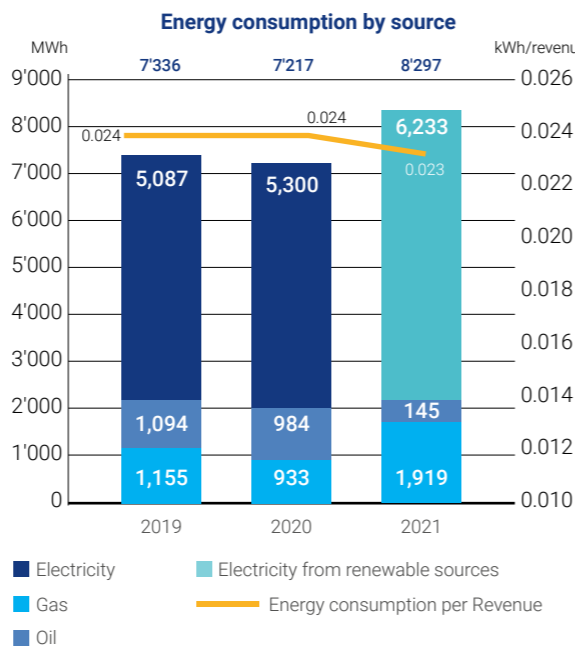
Energy

We favor the use of green energy. In our manufacturing plants, we use condensing boilers (gas powered) and heat pumps (electricity powered) for heating and purchased electricity for the process.

Since January 2021, we have been using 100% of renewable electricity in our manufacturing facilities. In march 2021 we completely eliminated fuel oil in our heating systems.

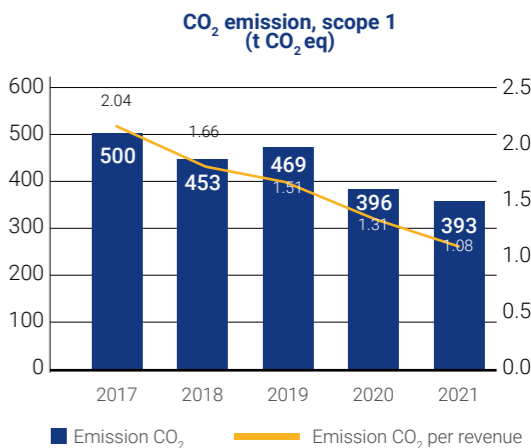
In 2021 the ratio total energy consumption per revenue decreased to 0.023 from 0.024 in 2020.

In 2021, in order to increase the amount of renewable energy on site, we signed the contract for the construction of a photovoltaic system at the Castel San Pietro site.



Greenhouse gas emissions

We are committed to reducing our gas emissions. Since 2017 we have been collecting data of our emissions and, starting from 2019, we signed the "Voluntary commitment to climate protection and energy efficiency" with the Energy Agency of the Swiss Private Sector ("AEnEC"), commissioned by the Swiss Federal Office of Energy and Federal Office for the Environment (FOEN), for reducing the environmental impact of our production plants in Castel San Pietro and Rancate, Switzerland. Metric tons of CO₂ emissions per revenue decreased by 17% from 1.31 in 2020 to 1.08 in 2021⁷. Since January 2021, we have been using 100% of renewable electricity in our manufacturing facilities, therefore scope 2, CO₂ emissions, were zero.



Sponsored environmental sustainability projects

Medacta undertakes to offset the total amount of CO₂ equivalent emissions associated with the production and disposal of GMK Efficiency instruments through the sponsorship of environmental sustainability projects, promoted by Swiss Climate. In 2021, 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.

Cambodia: clean water and climate protection

This project provides the local population with ceramic water filters for treating water. It thereby reduces the use of environmentally harmful fuels and cuts CO₂ emissions by around 90,000 tons per year.

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 for 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, in 2021 we continued the 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.

1,970,125 Km saved in shipping distance⁴

2,893 Kg paper saved⁸

17,316 Kg CO₂ emissions saved⁸

⁷ Data calculated on the basis of Stationary Combustion Emission Factors, EPA

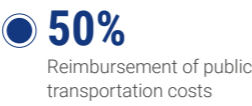
⁸ Source: Gelato AS. Estimated on the basis of the address of the print house used before the start of the local on-demand printing. More details available at: <https://support.gelatoglobe.com/hc/en-us/articles/360010074100-Sustainability-impact-calculator>

Mobility and commuting

Medacta has always promoted sustainable mobility projects and already in 2014, after a thorough evaluation of the feasibility and potential benefits, successfully introduced employee carpooling in Ticino. Since then, our carpooling has allowed for a reduction in the number of cars, respecting the environment and the needs of the company and employees. To encourage the use of public transportation, we pay 50% of the subscription costs to our employees who work in our headquarters and manufacturing plants. In 2021, as part of this initiative, Medacta started to support 50% of the hourly cost of renting electric bicycles on the home-work route.

In 2021, despite the lock-down periods still caused by the COVID-19 pandemic, we estimate that over 0.69 million km⁹ travelled and over 120 t CO₂ eq¹⁰ were saved thanks to our car-pooling system.

In 2021, we installed charging stations for electric vehicles in our sites in Ticino in order to promote the use of electric vehicles.



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 2021, 91% of the waste was recycled or converted to energy. The percentage was unchanged compared to 2020.

We fight the use of plastic: in 2021 we provided all our employees based in Switzerland with a set including glass bottle, cup and lunch box. This complements the free use of filtered non-bottled drinkable water. In 2022 we intend to study new processes and controls to reduce scrap from raw materials.



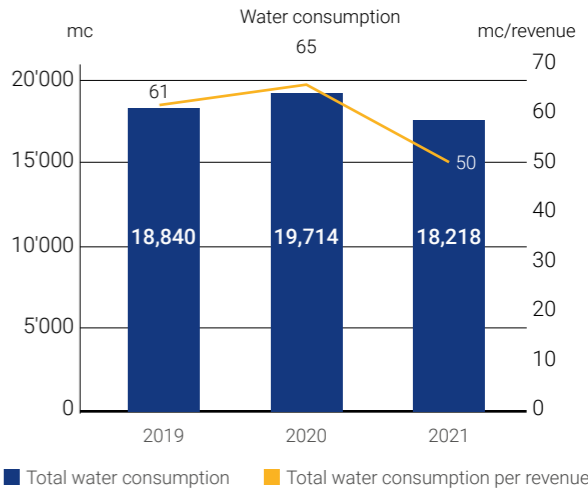
⁹ Data calculated on the basis of an average of 2.5 employees per car and an estimate of 40 km/day per car during 68 days in 2021.
¹⁰ Data estimated assuming 180 grams of CO₂/km based on UK DEFRA passenger vehicles 2021.
¹¹ 30 tons of non-recurring waste generated by construction works of new offices in Rancate were not included.

Water

We are committed to reducing the amount of water used throughout the manufacture process and use of our products.

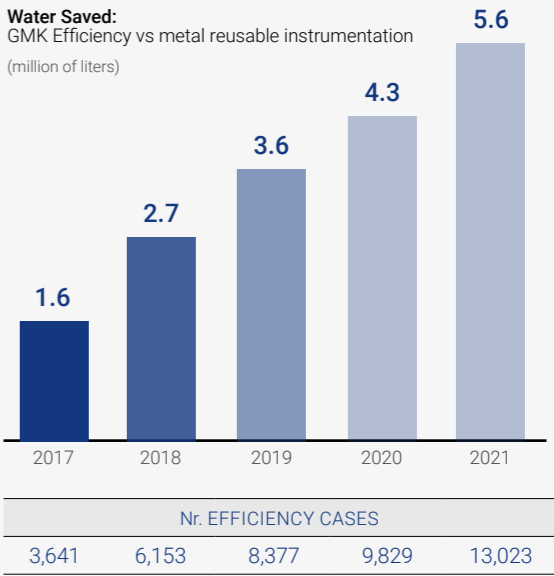
The source of all water is the municipal water supplies. All the water used by our production process is completely treated and discharged to the sewage system with no contamination. This operation is controlled quarterly by the relevant authorities.

In 2021, consumption of water per revenue decreased by 17% compared to 2019. We expect to install a control system in our manufacturing sites to further improve the verification of consumption.



GMK Efficiency single-use instrumentation

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 2021 our GMK Efficiency instruments allowed for savings of more than 5.6 million liters of water.¹²



¹² Estimated on the basis of 435 liters of clear water per knee surgery



"By increasing our operating energy efficiency and continuously enhancing our environmental management systems, we strive to minimize the environmental impact of our work over time."

Alessandro Siccardi
Supply Chain Director

Caring for the community

Medacta for Life Foundation	36
My School Ticino: support for parenting	37
My Mission: humanitarian initiatives	38
My Giving: philanthropic contributions	39

Medacta for Life Foundation

Medacta for Life Foundation ("Foundation") coordinates and contributes to the implementation of projects of social utility at local, national, and worldwide levels through financial support and the transfer of knowledge and skills. In 2021, the Foundation celebrated its 10-year anniversary.



In 2021, Medacta supported the Foundation's activity through a donation of CHF 350,000. In 2022, we intend to increase our support by 20%.



"We are thrilled to celebrate our 10-year anniversary! This is an important milestone! 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

77
Year-end Foundation employees



Fondazione Medacta For Life

www.medactaforlife.com

10
YEAR ANNIVERSARY

My School Ticino: support for parenting

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.

www.myschoolticino.ch

In 2021, My School Ticino continued online teaching during the period of the lock down caused by the COVID-19 pandemic. Live and remote lessons were held, together with virtual meetings with children and their families. Once physical presence was allowed, strict safety procedures were adopted with lessons and outdoor activities for small groups, taking advantage of the green areas surrounding the campus. In 2022 we intend to launch scholarships for needy families and to start the enlargement of the nursery and primary school (My Baby and My Kid) to be completed in 2023.

► My Baby (nursery school)

The Foundation's first project was the My Baby company nursery school, close to the headquarters of Medacta. 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 pedagogical project proposed by the school takes into account the promotion of bilingualism and the approach to child education according to the principles of Montessori and Malaguzzi.

► My Child (pre-school)

Educational services include the pre-school: children aged 3-6 years can find an educational environment and project tailored to their needs.

► My Kid (primary school)

My Kid, the bilingual Primary school with a mixed year 1 and year 2 class, offers 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 2021, Foundation constructed a brand-new wooden playground.

► 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, My Woods, an area next to our campus, allows for activities in the woods for our young learners. The area 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)

The My Languages - Language School offers tailor-made courses for children aged 3 upwards, for teenagers, adults and companies using specific age-appropriate teaching methods. 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, the Foundation opened a second site in Lugano in 2021.

166
Year-end My School children

109
Year-end My Languages students



My Mission: humanitarian initiatives

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

In the last years the Foundation has been supporting Orthopaedics Without Borders (OWB), a humanitarian association dedicated to prosthetic surgeries (knee and hip replacements) in emerging countries such as Laos, Cambodia and Madagascar or where medical intervention is most needed.



After the forced break due to the Covid-19 pandemic, the Foundation restarted to support humanitarian activities in Madagascar at the end of 2021. Malagasy doctors do not implant prostheses because of their unaffordable cost: 2,000 euros per prosthesis, with the average salary being 50 euros per month.



In 2022, in response to the dramatic humanitarian situation created by the conflict in Ukraine, the Foundation took action to support the Ukrainian population with a fundraising and the purchase of a three-probe echograph for pediatric use worth 21,000 euros for the Children's Hospital of Chernivtsi.

Furthermore, on request of Dr. Lysenko, neurosurgeon head of dept. of Surgical Vertebrology Centre at Feofaniya Clinical Hospital in Kiev, the Foundation purchased and sent surgical equipment to the value of approx. Euro 105'000. Supporting the Soroptimist Mendrisiotto organization, the Foundation collected goods for the subsistence of the affected population. Several pallets have been collected, consisting of food, water, care products for adults and children, medical supplies, medicines, oncological drugs and various items of first necessity. Upon specific request, the Foundation bought insulins and thyroid medicaments. Two road convoys, one in March and the second one in June, have travelled from Switzerland to Ukraine via Poland.



My Giving: philanthropic contributions

The Foundation is active in many charitable and social projects, which are mainly based in the local area. In 2021, 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. Some projects were committed to guarantee poor children's right to study, as well as to collect and distribute food to needy families. 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 2021, donations were 173,000. The Foundation intends to increase its donations by 20% in 2022.

42
Organizations/
associations supported

CHF 173,000
Donated

Among our projects and initiatives

"MEETING POINT" AND "FAMILY HOUSE" PROJECTS

The Foundation, in collaboration with ATFA (Ticino Association of Foster Families), supported the "Meeting Point" initiative that has resulted in the creation of neutral locations where parents and children who are separated from each other can meet. The project supports parenting through the maintenance of the child's relationship with the noncustodial parent. Moreover, the parent receives assistance in redefining his or her role and recovering parenting skills encouraging the reconstruction of the sense of parental responsibility.



LOCAL EDUCATION PROJECT

The Foundation financed the project promoted by the local municipalities aimed at offering home-based educational service for families in need that are unable to benefit from institutional care or other protection services. These families with children aged 5 to 10 years old require timely support, lowering the likelihood of turning to more harsh measures in the future, which may include the removal of the kid with great human and financial expenses.



SOLIDARITY BOXES

For the second year the Foundation, in collaboration with ATFA, promoted the collection of charity boxes for 327 children, adolescents, and young people (aged from 0 to 18), housed in child shelter accommodation, to celebrate the Christmas season.



Governance and economics

Business ethics and compliance	42
Corporate governance	42
Risk management	43
Supply chain	43
Our economic impact	44

Governance and Economics

Business ethics and compliance

We are committed to conducting our affairs ethically and lawfully. In 2021 Medacta adopted a Code of Business Conduct and Ethics (the “Code”) at Group level with the aim of globally aligning the principles of compliance. The Code reflects our Vision and Mission and sets out the values and guiding principles that underpin our policies and procedures. The Code defines and formalizes the set of principles and ethical values in which Medacta recognizes itself and which form the basis of the company culture, as well as the standard of behavior required by anyone interacting with Medacta.

Medacta complies with a Corporate Compliance Program that is aimed at meeting the global principles of compliance in the countries where Medacta is present.

A Group Compliance Officer is responsible for developing and maintaining compliance policies, promoting a culture of responsibility, conducting risk analyses, identifying remediation needs, providing training, and taking additional steps to assist the Group in meeting its legal, regulatory, and ethical obligations.

Any compliance concern, question, or potential violation of our Code can be submitted anonymously through a specific form, available in the Compliance Section of our Company website¹³.

Medacta is a member of key medical associations in our main markets.



Corporate governance

Medacta is committed at the highest standard of corporate governance.

Medacta’s corporate governance principles and rules are set out in the Articles of Association, the Organizational Regulations, the Corporate Compliance System including the Group Code of Business Conduct and Ethics and 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.

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. 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.

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.

As of December 31, 2021, 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.

The Group’s corporate governance is described in the Corporate Governance Report¹⁴.

¹³ <https://www.medacta.com/EN/compliance-global-about-us>

¹⁴ The 2021 Corporate Governance Report is available at: <https://media.medacta.com/media/2-corporate-governance-20220310.pdf>

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.

In 2022 we intend to fully include ESG risks in our Enterprise Risk Management.

Cybersecurity

We are committed to maintaining the confidentiality and integrity of our systems, data and products. In 2021, to further strengthen our internal measures, a dedicated project was launched.

The program includes the appointment of a Cybersecurity Manager, vulnerability assessment and penetration testing, together with the creation of a Security Operation Center for H 24 monitoring of cyber events on our IT infrastructure. Regular updates on the program were presented to the Audit and Risk Committee. Starting 2022 periodic training and awareness sessions in the cyber environment have been planned for all our Group employees.



Supply chain

We have a structured qualification and monitoring process of our suppliers in our Quality System. Medacta requires that its suppliers adhere to the Code and the provisions contained therein with the same level of integrity required of Employees and Collaborators.

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

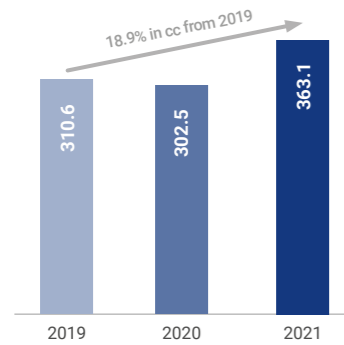
periodic supplier evaluations, determining the type of audit activities needed to evaluate new/existing suppliers.

We are committed to responsibly sourcing the materials that go into our products. In 2021, we further strengthened 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.

REVENUES

EUR 363.1M

21.4% before FX effects from prior year¹
18.9% growth in constant currency from 2019

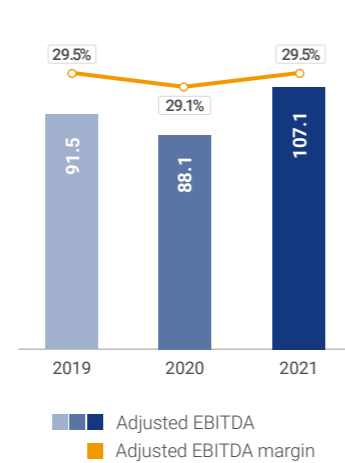


¹¹⁾ Is calculated as the difference between the current and historical period results translated using the current period exchange rates.

ADJUSTED EBITDA²

EUR 107.1M

29.5% Adjusted EBITDA margin³



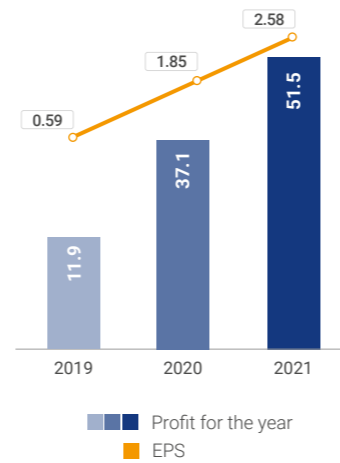
¹²⁾ Is calculated as EBITDA, adjusted for non-recurring items: provisions on litigations and extraordinary legal expenses.

⁽³⁾ Adjusted EBITDA margin, is calculated as adjusted EBITDA as a percentage of Revenue for the period.

PROFIT FOR THE YEAR

EUR 51.5M

EUR 2.58 EPS⁴

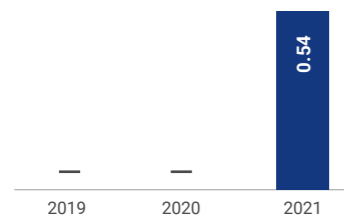


⁽⁴⁾ In the years ended December 31, 2019 and 2020, there is no effect of dilution, and diluted earnings per share equals basic earnings per share.

NOTES

DISTRIBUTION DECLARED PER SHARE⁵

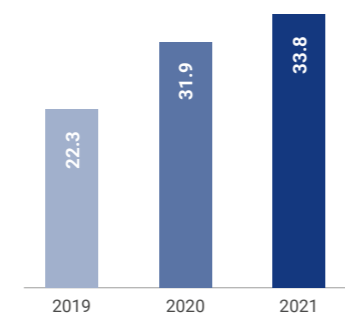
CHF 0.54



⁽⁵⁾ Is calculated by dividing the total distribution declared equal to CHF 10.7M by the number of outstanding ordinary shares.

ADJUSTED FREE CASH FLOW⁶

EUR 33.8M

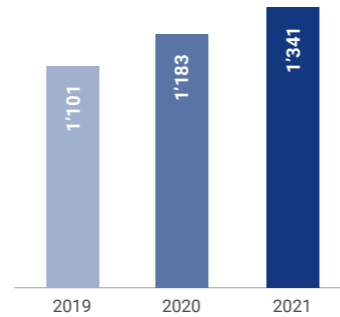


⁽⁴⁾ Adjusted Free Cash Flow is calculated as IFRS cash flow from operating activities plus IFRS cash flow from investing activities and adjusted for certain non-recurring items.

YEAR-END EMPLOYEES TOTAL

1,341

158 new jobs added in 2021



Contacts

Medacta International

Strada Regina, 34
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

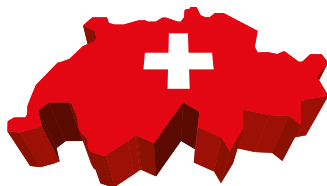
SHOULDER

SPINE

HIP

KNEE





REDEFINING BETTER
IN ORTHOPAEDICS
AND SPINE SURGERY

MEDACTA.COM