



Corporate  
Social Responsibility  
Progress Report

**2019**









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## Letter from the CEO

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We remain steadfast in our commitment to innovation, bringing new products and services to the market which ultimately leads to improved mobility. Everything we do aims at improving the mobility of our customers, contributing to a better quality of life and increased independency. We believe we have a great responsibility towards our customers by providing high quality products and engaging with decision makers in our industry to secure access to these products.

When we were evaluating our contribution to the UN Sustainable Development Goals during 2019 it was very apparent that our greatest impact is on Goal 3 – Good Health and Well Being. We have noticed that only about 30-40% of new lower limb amputees are fitted with a prosthetic solution and that the average age of this underserved user group is above 65 years. We have therefore committed to a focus project supporting Goal 3, which will be to design prosthetic products that provide important functional and clinical support specifically for this user group. Accordingly, we will also engage with industry specialists and other stakeholders to secure access to more functional products for this demographic.

In addition to Goal 3, we are also committed to contributing to Goal 5 on Gender Equality, Goal 12 on Responsible Consumption and Goal 13 on Climate Action. For years we have been working towards identifying our impact in these areas and initiating projects that help us minimize our negative impact as well as maximize our positive impact which we elaborate on in this report.

Every day we are inspired by all the individuals that have overcome hurdles and challenging times in their lives. One of the responsibilities we are proud to accept is to be among the forces that can contribute towards changing the perception of people with disability. Over the past years we have seen such a positive change in mindset, as users are increasingly seen as the true heroes and role models they are. For us this is a great victory. It is equally exciting to see our products, end-users and employees receive global recognition in prestigious media outlets such as BBC, Forbes, TIME Magazine, Nature Medicine and more. At the heart of it all is a simple yet powerful message; Life Without Limitations.

We signed our commitment to the UN Global Compact initiative in 2011, the Women's Empowerment Principles in 2014 and now as we embark on a new decade, we have solidified our contribution to the Sustainable Development Goals. With this report, we reconfirm our understanding and commitment to responsible business conduct promoted by the United Nations Global Compact and the UN Sustainable Development Goals.



A handwritten signature in black ink, which appears to read 'Jon Sigurdsson'. The signature is fluid and cursive.

**Jon Sigurdsson**  
Össur President and CEO



SUSTAINABILITY AND CSR HIGHLIGHTS



**63%**

Waste Recycled



**50%**

Energy Consumed From Renewable Sources



**51% 49%**

Gender Ratio

51% Male  
49% Female



**38%**

Female Management

Female in management positions



**0.6**

Incident Rate

Incident rate per 100 FTEs



**4.5 of 5**

Global Employee Satisfaction



## Össur at a Glance

### We Improve People's Mobility

Össur is a global leader in non-invasive orthopaedics; innovating, producing, and providing advanced technological solutions within the prosthetics and bracing & supports market. Our mission is to improve the mobility of our users, so they can live their Life Without Limitations.

Össur was founded in 1971 and has since grown through a healthy combination of organic development and acquisitions in both prosthetics and bracing & supports. Today, Össur has a strong global position in the industry and key markets, being the second largest player worldwide in both segments and in a good position to leverage future growth opportunities. Össur has been listed since 1999, has operations in over 26 countries and about 3,500 FTEs.

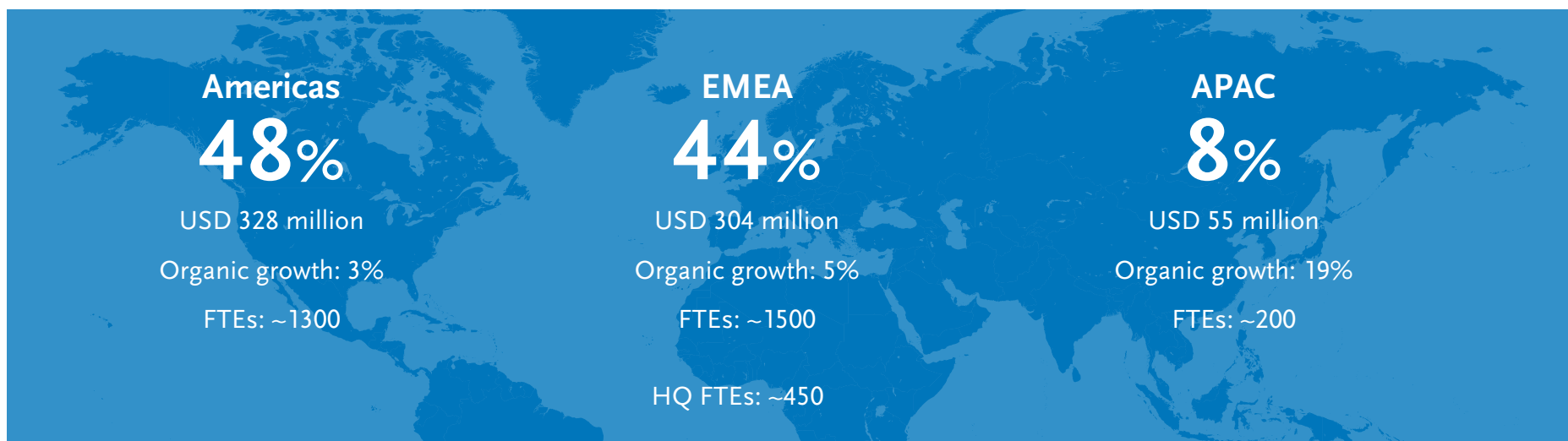
### Our Users Are at the Core of Everything We Do

Individuals can be living with limb loss or limb difference for a variety of reasons. Vascular disease, diabetes, trauma and congenital defects are some of the more common reasons. There are also individuals who develop knee pain, are diagnosed with osteoarthritis in

their joints, incur fractures to their ligaments or injure themselves resulting in movement impairment. For years Össur has helped these individuals focus on new goals rather than limitations by offering comprehensive solutions that are designed with the needs of the user top of mind.

### World Class Innovation Capabilities

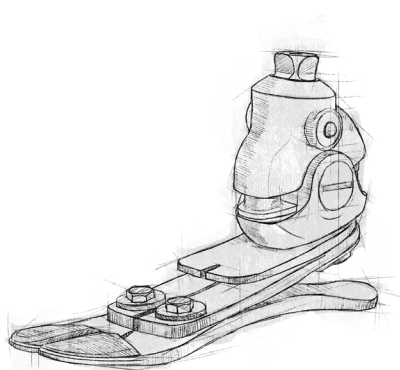
Össur is a pioneer of advanced technology where our brand recognition is based on innovative and scientifically proven solutions that deliver effective clinical outcomes. By listening and understanding people's needs and pushing the boundaries of technology, we continue to create some of the best products and services available in the fields of prosthetics and bracing & supports. Every year Össur invests the equivalent of 5% of sales in R&D efforts to work on new innovative products for the benefit of our users. In 2019 we introduced more than 25 new products to the market.





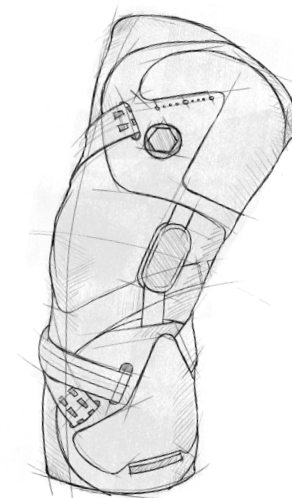
## Product Segments

Össur operates within two market segments of the orthopaedic market: bracing & supports and prosthetics. Prosthetic products include artificial limbs and related products for amputees. Bracing & supports products are primarily used to support joints and other body parts, both for preventive and therapeutic purposes.



### Prosthetics

Sub-segment	User Profile	Improving mobility
Mechanical Products	People living with lower extremity amputation	Broad product offering for lower extremity prosthesis
Bionic Products	People living with lower and upper extremity amputation	Advanced microprocessor controlled feet, knees, hands and fingers



### Bracing & Supports

Sub-segment	User Profile	Improving mobility
Injury Solutions	People recovering from fractures, ligament injuries or need a post operative treatment	Products stabilizing joints and improving healing
OA Solutions	People living with Osteoarthritis (OA)	Non surgical treatment by unloading affected joint with braces



## Year in review



January

Team Össur member Markus Rehm nominated for Laureus World Sportsperson of the Year Award

RHEO KNEE XC wins the 2019 iF Design Award in the Medicine / Health category

New PROPRIO FOOT fully launched

March

New Miami J Select fully launched

RHEO KNEE XC wins the Red Dot Design Award in the Product Design category

Össur Ambassador Jami Goldman Marseilles appears on The Doctors



May

New Team Össur members featured in Japan Times

Life Without Limitations new Össur global brand campaign launched

Össur featured in Outlook Magazine

Dr. Liam Fox, Secretary of State for International Trade in UK and the DIT Trade Commissioner Andrew Michel visit Össur Head Office

Össur Ambassador Lauren Wasser featured on the TODAY Show



February

Team Össur Sarah Reinertsen featured in Nike's 'Dream Crazy' Ad

Össur Formfit featured in Business Trends Magazine



April

Össur and the Danish National Olympic & Paralympic Committee announce partnership agreement

Team Össur Bebe Vio featured on the cover of WIRED Magazine in Italy

Össur Ambassador Dani Molina featured in Men's Health magazine

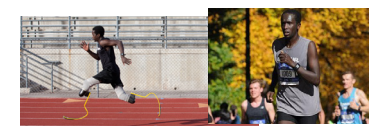
June

i-Limb featured on BBC news

First Ladies of Germany and Iceland visit Össur Head Office

Össur Ambassador Marko Cheseto featured in Runner's World article

Össur featured in THE TIMES feature on prosthetics and rehabilitation





*As pioneers of advanced technology, we believe in "Life Without Limitations" and 2019 was once again a year filled with exciting milestones and achievements.*

July  
Össur Formfit Pro Knee Quest and Össur Formfit Pro Knee Flite introduced

Össur Ambassador Lauren Wasser featured in Women's Health Magazine

Team Össur Bebe Vio featured in global Nike Women campaign

Össur signs an agreement to acquire College Park Industries



September  
Study featuring Össur prosthetics published in Nature Medicine and other scientific journals

Successful Capital Markets Day held in Copenhagen and feature article in Börsen

Team Össur members visit Iceland

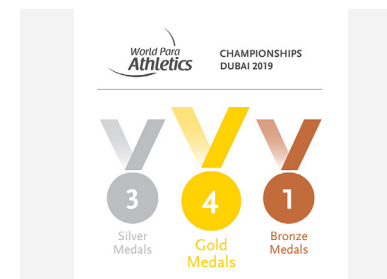
Unloader One X introduced

November  
Össur and Alfred Mann Foundation sign new agreement

Team Össur members excel at 2019 World Para Athletics Championships in Dubai

Össur Ambassador and double below-knee amputee Andrea Lanfri, climbed Putha Hhiumchuli in Nepal (7000m!)

Team Össur member Bebe Vio's Barbie unveiled



August  
Össur featured in Börsen article

Össur Ambassador Giusy Versace from Italy walked the red carpet at the Venice Film Festival

Team Össur Fleur Jong sets a new world record and PB: 100m in 13.16 sec.

FORBES article on Nike's Para-Sport mannequins using Össur products



October  
Össur participates in ISPO World Congress in Kobe, Japan

Össur featured in TIME Magazine

December  
BBC program CLICK airs segment on Össur sports technology

Össur celebrates 20 years as a publicly traded company - Nasdaq closing bell ceremony in New York City's Times Square

Digital Trends – live interview with Jon Sigurdsson, Össur's CEO



## About the Report

### Scope of Reporting

This Corporate Social Responsibility (CSR) report constitutes the statutory report for the Icelandic Financial Statements Act, section 66d regarding social responsibility, environmental matters, human rights and anti-corruption and bribery, and the EU Directive on disclosure of non-financial and diversity information (2014/95/EU).

The report is published annually and covers the calendar year. The report also functions as the Communication on Progress (COP) to the UN Global Compact, Össur's statement under Section 54 of the UK's Modern Slavery Act 2015, and the California Transparency in Supply Chain. Össur also follows the Nasdaq ESG Reporting Guide 2.0, updated 2019. This report contains an overview of the company's CSR activities, as well as key measurements and progress. The report includes data supporting the progress Össur has made addressing CSR.

### Nasdaq ESG Guide

In 2017, Nasdaq launched its first ESG data reporting guide, voluntary guidelines for Environment, Social and Corporate Governance (ESG) disclosure. The first version of this guide was specifically addressed to Nordic and Baltic companies. In 2019 a new version was issued (ESG Reporting Guide 2.0), now covering all Nasdaq Markets. The reporting guide has 30 ESG metrics, 10 in each category. Össur has chosen to report in accordance with these guidelines.

### California Transparency in Supply Chain Act

The California Transparency in Supply Chains Act of 2010 became effective on January 1, 2012. The act declares that slavery and human trafficking are crimes under state, federal, and international law, and requires that retailers and manufacturers doing business in the state of California disclose their efforts to eradicate slavery and human trafficking from their direct supply chain. Össur has an operation in California, conducting sales, marketing and research and development of bracing and support products. As discussed in this report, Össur has systems in place to evaluate and audit its suppliers to ensure slavery and human trafficking do not exist.

### UK's Modern Slavery Act

As stated in Össur's Code of Conduct, the Company complies, both in letter and spirit, with all applicable laws, rules and regulations in conducting its business. In addition, Össur has a Human Rights policy supporting all internationally recognized human rights. This includes labor rights as made operational with the United Nations Guiding Principles on Business & Human Rights in the United Nations Global Compact. This includes preventing slavery and human trafficking occurring in any of the Company's activities. The Code of Conduct and Human Rights policy are available at [www.Össur.com/CSR](http://www.Össur.com/CSR)

### Third Party Assurance

Vast majority of the data in the report is validated by external party. Audits on product suppliers are performed by TÜV in Hong Kong, all environmental data is validated by Klappir, a service provider collecting and processing environmental data. Össur has a certified Environmental Management System and Quality System which is audited by BSI. In addition, BSI audits Össur in accordance with the standard for equal remuneration for equal pay.



### UN Global Compact

The UN Global Compact is the world's largest corporate sustainability initiative. It is a call to companies to align strategies and operations with universal principles on human rights, labor, environment and anti-corruption, and take actions that advance societal goals. By committing to sustainability, businesses can take shared responsibility for achieving a better world.



## UN Global Compact Principles

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### HUMAN RIGHTS

Businesses should support and respect the protection of internationally proclaimed human rights

Businesses should make sure that they are not complicit in human rights abuses

### LABOR

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Businesses should eliminate all forms of forced and compulsory labor

Businesses should abolish all child labor

Businesses should eliminate discrimination in respect of employment and occupation

### ENVIRONMENT

Businesses should support a precautionary approach to environmental challenges

Businesses should undertake initiatives to promote greater environmental responsibility

Businesses should encourage the development and diffusion of environmentally friendly technologies

### ANTI-CORRUPTION

Businesses should work against corruption in all its forms, including extortion and bribery

## SUSTAINABLE DEVELOPMENT GOALS

Össur's sustainability vision is to provide products and services that contribute to good health, using responsible production methods and supporting climate action, while being a sponsor for gender equality.



**SUSTAINABLE  
DEVELOPMENT  
GOALS**



## USER STORIES

### Bertolt Meyer

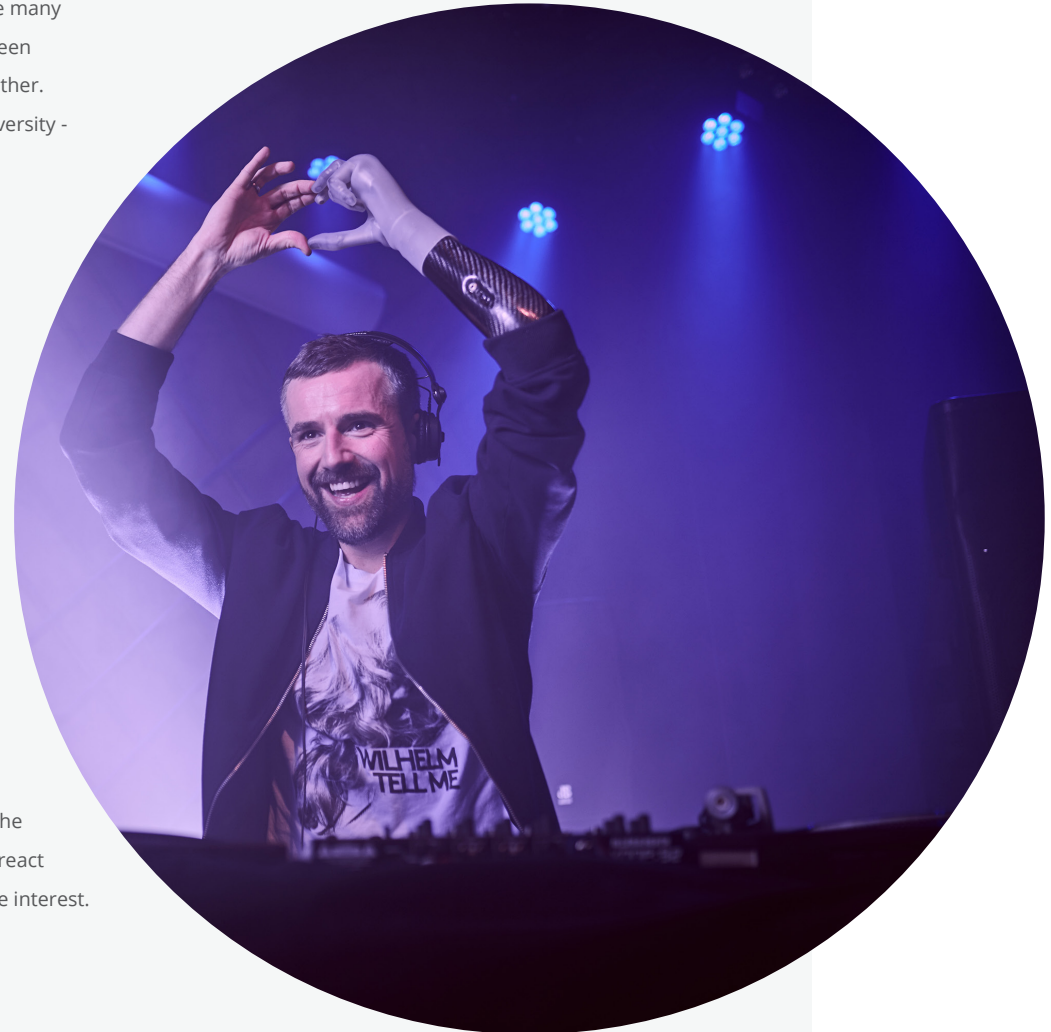
The Musician and the Professor: Passion and Profession. These are just two of the many sides of Prof. Dr. Bertolt Meyer. He lives in Leipzig and seamlessly navigates between the factual world of the university on the one hand and the artistic world on the other. Confident and out of the box, Bertolt Meyer is a performer who loves and lives diversity - whether behind the turntable or the podium.

Recently, Meyer and a colleague published a study which shows how new bionic technology can change the stereotypes towards the disabled. "We can see that people wearing a bionic prosthetic are perceived completely different. Almost exactly like able bodied people. Bionic technology therefore offers a high value both functionally and psychologically."

Prof. Dr. Bertolt Meyer was born without his left forearm due to a rare condition called Dismelia. He uses a bionic hand prosthesis to compensate. His i-Limb Quantum is a multi-articulating prosthesis, which means that it offers five individually powered digits. Electrodes on his forearm register the muscle signals from the muscle he would usually use to bend his wrist and feed them to the prosthesis.

The prosthesis facilitates Bertolt's life, especially the little, everyday things like tying shoelaces, cooking, typing, riding his bicycle and driving his car. However, the psychological benefit is also enormous. "The standard model you receive via the insurance system has a flesh colored plastic glove. You feel ashamed and people react with pity - a stereotype. Ever since I've worn the bionic hand, people show positive interest. This has influenced my own attitude towards my disability in a positive manner."

Life Without Limitations means I can do exactly what I want to do.





### Össur's contribution to the UN Sustainable Development Goals (SDG)

Össur's largest impact on society is through the Company's innovative products, research activities and expertise in the field of prosthetics and bracing and supports. Össur works with individuals, clinicians and diverse communities around the world to support a better quality of life and increase the mobility of millions of people. Consequently, Össur's greatest impact on the SDGs is on Goal 3, Good Health and Well-Being. Additionally, Össur will also contribute to Goal 5 on Gender Equality, Goal 12 on Responsible Consumption and Production and Goal 13 on Climate Action.

Össur's sustainability vision is to provide products and services that contribute to good health, using responsible production methods and supporting climate action, while being a sponsor for gender equality.

### THE UN SUSTAINABLE DEVELOPMENT GOALS (SDG)



## GOAL 3

### *Our Focus Project*

#### Access to health care

Providing products and alternative treatment options Össur believes it has a great responsibility towards people with impaired mobility, not only to design products that improve mobility, but equally to support third party initiatives to improve patient care and support. Proper prosthetic solutions allow amputees to become mobile again and live a life without limitations. Likewise, bracing and supports products provide hospitals and healthcare systems alternative treatments which can postpone surgeries and improve mobility.

#### Improve access to healthcare for amputees

Globally, only 30-40% of new lower limb amputees are fitted with a prosthetic solution. The average age is between 65-70 years and vascular related amputations are above 80%. Statistics demonstrate that if amputees in this age group do not become mobile, life-expectancy is materially reduced. Physical activity and exercise can have immediate and long-term health benefits and more importantly, regular activity can improve quality of life. Össur is adding special focus on designing products that support the needs of this age group.

## 3 GOOD HEALTH AND WELL-BEING



#### Main targets supporting this goal:

- Design and market functional products for the elderly.
- Initiate and/or support clinical investigations focusing on clinical benefits related to more functional products for this user group.
- Engage with industry specialists and decision makers to secure access to more functional products for this demographic.





**GOAL 5*****Our Ongoing Commitment*****Gender Equality**

Össur believes in diversity in its broadest sense. Rooted in our Nordic heritage is the importance of gender equality and women's positive contribution to the workplace and society as a whole. Gender equality is not only fair, it also makes economic sense to utilize the skills, strengths and knowledge of all Össur employees equally.

**Main targets supporting this goal:**

- Maintain an even gender split amongst employees (+/-10%).
- Increase management positions held by women.
- Encourage greater diversity and inclusiveness in the industry.

**GOAL 12*****Our Products*****Reducing the environmental footprint of our products**

Össur is taking a product-centric approach to environmental management and aims to reduce the product's environmental footprint throughout the full lifecycle, from development, through production, use and disposal.

**Main targets supporting this goal:**

- Implement sustainability touch points in product development processes.
- Material choices, recyclable and safe materials.
- Reduce plastics in final product packaging.
- Explore opportunities for circular business models.

**GOAL 13*****Taking Action*****Actively working towards a carbon neutral operation**

Össur is committed to reducing its Greenhouse Gas Emissions and improving the efficiency of the Company's energy and resource consumption, before looking into offsetting options.

**Main targets supporting this goal:**

- Reduce emissions from business travel and freight.
- Improve energy efficiency and aim for renewable energy options.
- Reduce waste and increase recycling.



## Stakeholder Engagement – CSR Report

Össur's main stakeholders are; business partners, customers, employees, end-users, society, shareholders and investors.

Össur communicates with its stakeholders through various platforms and channels.

STAKEHOLDERS	COMMUNICATION PLATFORM
Customers (Healthcare professionals/Medical professionals)	<p>Össur communicates with its customers on a daily basis primarily through our direct sales force and customer service channels. The Össur Academy offers regular product training and ongoing educational support on product and industry-specific topics. Össur also participates in the industry dialog through board seats and involvement in O&amp;P trade associations. Tradeshows, conferences and industry publications are also utilized to meet and communicate with customers, and customer feedback is collected on a regular basis.</p>
Employees	<p>Communication with employees is daily through the Company's intranet. Össur hosts staff meetings quarterly discussing financial results and main developments at each time. Workplace audit is carried out by-annually and motivational index is measured every second year.</p>
End-Users	<p>Össur communicates directly with end-users through social media, targeted publications and events. In addition, we partner with various advocacy groups and associations for training and educational purposes, and often work directly and indirectly with end-users for product testing purposes. Össur also has relationships with end-users who serve as brand ambassadors and conduct community outreach and mentor those seeking advice and support.</p>
Society	<p>Össur communicates with the society on its progress in the UN Global compact progress report. Össur works with various organizations and stakeholders within the healthcare industry through various initiatives, such as the Össur Academy. Össur acknowledges that its operations have both negative and positive impact on the societies it operates in and works towards minimizing the negative impact and maximizing the positive impact. Össur's also supports associations for people with disabilities in most of the countries it operates. Össur strives to maintain high standards of professionalism and transparency.</p>
Shareholders/Investors	<p>Össur Investor Relations facilitates dialogue with shareholders and potential investors regularly through press releases, webcasts, participation in conferences etc. further information on IR activities: <a href="http://ossur.com/ir">ossur.com/ir</a></p>



## USER STORIES

### Markus Rehm

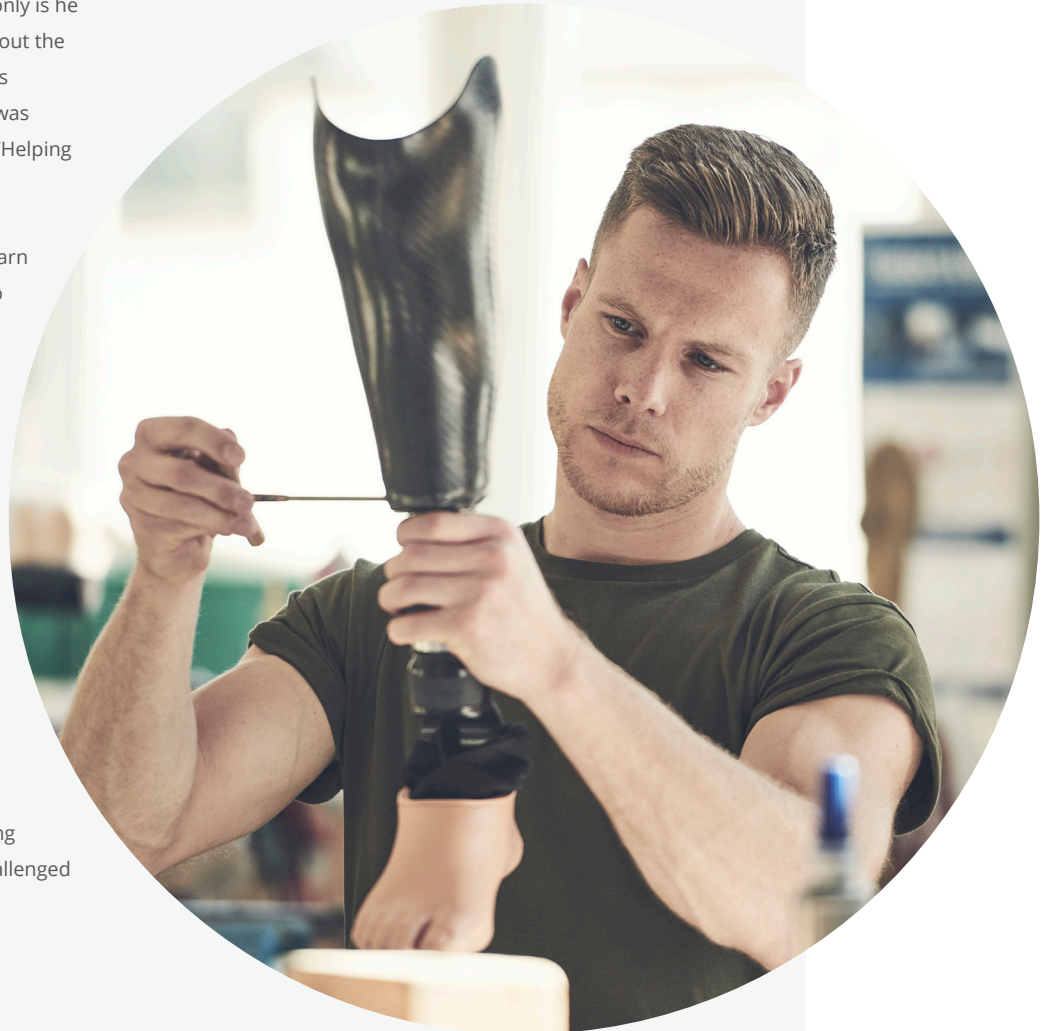
Markus is a 3x Paralympic Champion and World Record holder in long jump. Not only is he a professional athlete but he is also a certified prosthetist. He knows first-hand about the challenges people face following an amputation. He knows the fears of his patients because he has felt them himself. In 2003, he lost his left leg below the knee – he was only 14. He now draws strength from his job, which he pursues with enthusiasm. “Helping people return to mobility is one of my biggest goals.”

Even when he was a child, sport was a big part of Markus Rehm’s life. He had to learn to live with the consequences of a tragic accident at a young age. In 2005, only two years after his accident, he finished second in the German youth championships which set the stage for what became his passion for athletics. Today, he is the undisputed champion in his class (T64 Long Jump). The list of his achievements continues to grow, as he chases his own world record distance of 8.48m.

Markus is also very active in his private life and needs a prosthesis that can keep up with his busy lifestyle. Whether navigating the confined spaces of the workshop, running back and forth between appointments, or training in the weight room, the Pro-Flex XC Torsion from Össur, meets the challenges of his day-to-day activities. For his sport, he has worked closely with Össur in the development of the latest generation of sports blade for long jump, the Cheetah Xpanse.

Eyes on the goal, breaking his own World Record, winning gold medals and bringing the topic of inclusion into the public eye. Markus wants to show the world that challenged athletes are worthy of competing against able-bodied athletes.

Life Without Limitations means to me: Jumping further!



## Environment

Össur aims to minimize and control the Company's environmental footprint. The Company's largest manufacturing and distribution sites have a certified environmental management system according to ISO14001:2015. Össur's environmental compliance obligations are both legal requirements and voluntary initiatives, such as participation in climate projects and the UN Global Compact.

The main environmental aspect from Össur's operations are transport of raw materials and finished goods, business travel, energy consumption and manufacturing. The primary raw materials used in manufacturing processes are metals, silicone, carbon fiber and plastics. The Company's environmental focus areas are Emission to Air and Water, Waste Management, Chemical Product Management, Sustainable Product Design and Employee Participation. In 2019, an improved overview of Össur's environmental aspects was established through implementation of new environmental management system tools. Materiality analysis was conducted which revealed that Össur can add extra focus on Greenhouse Gas Emission reduction and Product Stewardship.

### Emission to Air and Water

Business travel, Energy consumption, Freight and Waste disposal are all part of the operations of a global manufacturing company, and all result in Greenhouse Gas emission. Össur is continuously improving its Greenhouse Gas emission reporting with more extensive data from suppliers and service providers. In 2019, a comprehensive overview of emission from all business travel within the company was established. This explains the increase in Scope 3 emission and Emission Intensity.

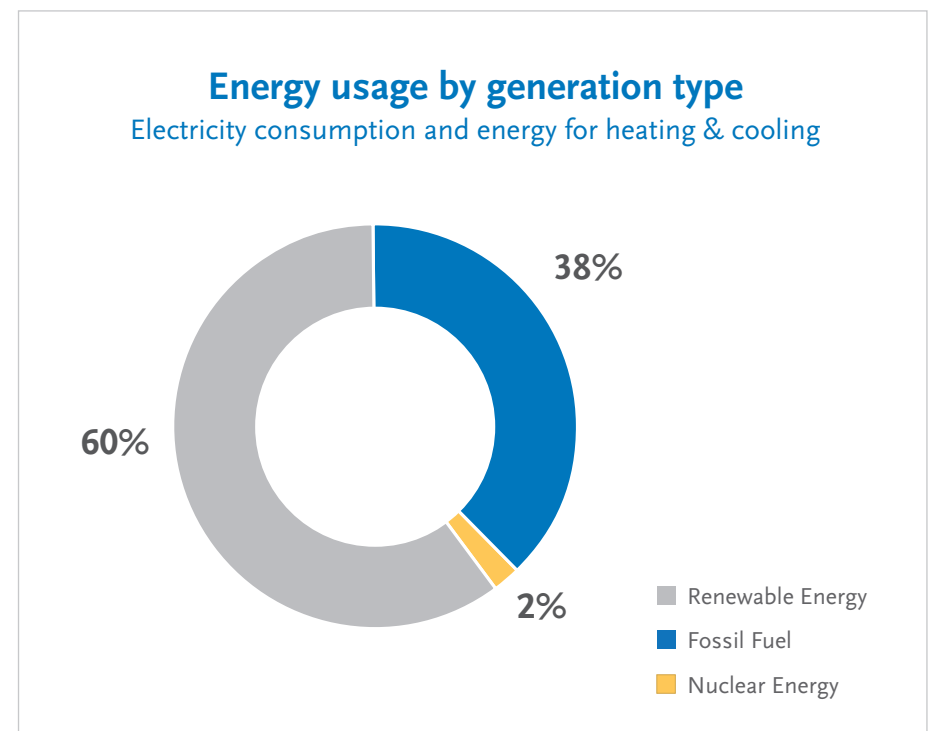
In 2019, 50% of electricity consumed by Össur was from renewable energy sources. When looking at the combined electricity consumption and energy for heating and cooling, 60% was from renewable energy sources compared to 57% in 2018.

In 2019, solar panels installed on the roof of Össur's warehouse in Eindhoven, the Netherlands, generated 37% of all electricity consumed there, and the surplus generated by the solar panels was returned to the grid for others to use.

Össur Headquarters in Iceland consumed 40% of the total electricity and this electricity is

derived from renewable hydro and geothermal energy sources. Össur Iceland is one of more than 100 companies and institutions in Iceland that signed a Declaration on Climate Issues in 2015 and set goals for 2020 for reduced emission in relation to the UN Climate conference in Paris 2015. As part of this commitment, 1000 tonnes of CO<sub>2</sub> emitted from business travel 2019 will be offset by supporting Icelandic forestry.

With an improved overview of emission established in 2019, goals on CO<sub>2</sub> emission reduction are being developed that apply to the whole company. These goals will reflect Össur's commitment to contributing to UN Sustainable Goal 13 on Climate Actions.





## Waste Management

Waste management is an important part of a good business as it includes using raw materials wisely and eliminating waste from processes as much as possible, hence lowering disposal cost and reducing pollution.

Össur aims to continuously reduce waste from the operations through various improvement projects, and increase percentage of waste that is recycled. In 2019, there was an increase in total waste, mainly due to temporary issue that has now been solved successfully. The percentage of recycled waste increased which reflects both improvements in operations and more accurate calculations in the new environmental management tool implemented in 2019.

## Chemical Product Management

Chemical Product Management is an important part of Össur's operations as various chemical products are used in the manufacturing of medical devices. One of Össur's legal obligations is to ensure employee access to Safety Data Sheet (SDS) for chemical products they use or may be exposed to during their work. This improved overview helps Össur's to substitute hazardous chemical products

## Sustainable Product Design

Responsible environmental management does not only apply to manufacturing and logistics, but also to what companies place on the market in the form of products and services. Throughout a product development phase, multiple decisions are taken that can affect the environmental impact of the product such as raw material choice, manufacturing methods, supply chain set-up and the choice of packaging methods and materials.

In 2019, a Product Stewardship project was initiated with the aim to firstly understand and secondly minimize the environmental impact of a product throughout its entire lifecycle. Life Cycle Assessment (LCA) was done on key products to set a baseline and provide information on which stages in the product 's lifecycle have the main environmental impacts. To raise awareness and start an important dialogue, workshops on Sustainable Product Design, LCA and Circular Business Models were organized for R&D employees.

Packaging is an important part of a product and improvements can be implemented faster than on the product itself. In 2019, Össur improved the overview of the Company's packaging portfolio and is now optimizing and improving it. The ambitious target has been set to reduce plastics in final product packaging by 50% in the next two years.

The Product Stewardship project reflects Össur's commitment to contributing to UN Sustainable Goal 13 on Responsible Consumption and Production.

## Employee Participation

Employee Participation is the key to a successful implementation of a management system that focuses on continual improvement. Employees are encouraged to propose improvement ideas in their work areas and effort is made to raise environmental awareness through seminars, awareness campaigns, intranet and by other means.

### Össur's Environmental Policy

Össur aims to minimize its environmental impact by:

- Preventing, reducing, or controlling waste and pollution from our operations
- Meeting all applicable environmental compliance obligations and commitments
- Focusing on continual improvement of the environmental management system by meeting our objectives
- Encouraging employee participation

### Program Strategy

To continually improve environmental performance in a sustainable and effective manner





### Environmental metrics in accordance with the Nasdaq ESG guidance

ENVIRONMENT		Connection to frameworks	2017	2018	2019
<b>E - 1</b>	<b>GhG Emissions</b>	UNGC: Principle 7			
1)	Total amount, in CO <sub>2</sub> equivalents, for Scope 1		43	38	360
2)	Total amount, in CO <sub>2</sub> equivalents, for Scope 2		3,480	3,700	3.600
3)	Total amount, in CO <sub>2</sub> equivalents, for Scope 3		<b>1,280</b>	<b>1,660</b>	<b>7.100</b>
	Emissions neutralized by carbon offset projects		-660	-880	-1000
<b>E - 2</b>	<b>Emissions Intensity</b>	UNGC: Principle 7,8 SDG 13			
1)	Total GhG emissions per revenue (tCO <sub>2</sub> e/USD Million)		4	4	16
<b>E - 3</b>	<b>Energy Usage</b>	UNGC: Principle 7,8 SDG 12			
1)	<b>Total amount of energy directly consumed (MWh)</b>		<b>14.110</b>	<b>15.830</b>	<b>18.550</b>
<b>E - 4</b>	<b>Energy Intensity</b>	UNGC: Principle 7,8 SDG 12			
1)	Total Energy usage per revenue (MWh/USD Million)		-	23	27
<b>E - 5</b>	<b>Energy Mix</b>				
	Energy usage by generation type				
	Fossil Fuel (%)		41%	41%	46%
	Nuclear Energy (%)		0%	1%	4%
	<b>Renewable Energy (%)</b>		<b>59%</b>	<b>57%</b>	<b>50%</b>
<b>E - 6</b>	<b>Water Usage</b>				
1)	Total amount of water consumed (m3)		80.000	94.000	95.400
<b>E - 7</b>	<b>Environmental operations</b>				
1)	Does your company follow a formal Environmental Policy? Yes, No		yes	yes	yes
2)	Does your company follow specific waste, water, energy, and/or recycling polices? Yes/No		yes	yes	yes
3)	Does your company use a recognized energy management system? Yes/No		no	no	yes
<b>E - 8</b>	<b>Climate Oversight / Board</b>				
1)	Does your Board of Directors oversee and/or manage climate-related risks? Yes/No		no	no	no
<b>E - 9</b>	<b>Climate Oversight / Management</b>				
	Does your Senior Management Team oversee and/or manage climate-related risks? Yes/No		no	no	no
<b>E - 10</b>	<b>Climate Oversight / Management</b>	UNGC: Principle 9			
	Total amount invested, annually, in climate-related infrastructure, resilience, and product development.		n/a	n/a	n/a

Footnote: Össur is continuously improving its Greenhouse gas emission reporting with more extensive data from suppliers and service providers.

In 2019, the main changes are:

- Emission from global business travel added. This explains the increase in Scope 3 emission in 2019 and Emission Intensity.
- A new environmental management software solution implemented, providing improved overview of environmental aspects. This explains the increase in Scope 1 emission, reflecting local gas consumption.

## Social

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### Human Capital

Össur employs about 3,500 FTEs working in over 26 countries. While we are a diverse company, we work as one to improve people's mobility. Different ideas and points of view are beneficial to our business, and we believe in creating an environment where diversity, knowledge, skills, and strengths are fully utilized. As individuals, our employees can expect equal treatment and equal opportunities for growth within Össur. Our employees take responsibility, both for their current job and for their career advancement. We offer various learning opportunities, so employees can build lasting and rewarding careers with us.

Due to both the location of Össur's manufacturing units and the skills needed with regards to manufacturing operations at Össur, the Company considers forced labor and child labor a limited risk at the Össur facilities. At Össur, all employees have the freedom of association and the HR department engages in dialogue with employees informing them of their rights on a regular basis. Currently 41% of employee are covered by collective bargaining agreement.

Össur recognizes that this might be different when it comes to the Company's suppliers and runs special audits on product suppliers in Asia which among other aspects audits compliance with local legislation, such as employee and labor rights, see further details in the chapter on the Company's supply chain.

### Diversity

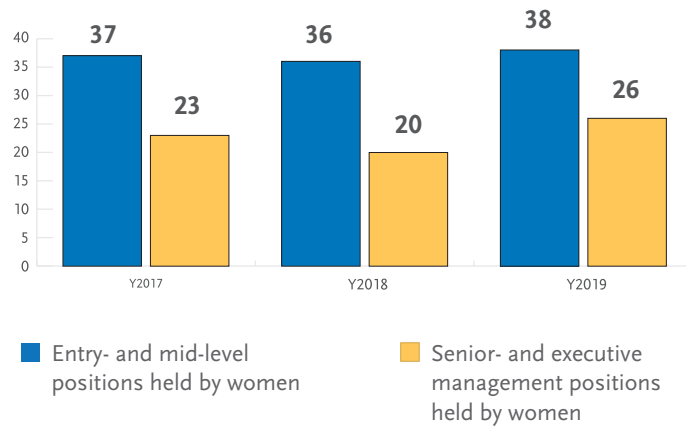
Every day we interact with people from a wide range of cultures and backgrounds. We do business in numerous locations around the world, working and communicating with many different colleagues' customers and other stakeholders in our industry. Diversity and equality are extremely important to us. We believe in creating an environment where knowledge, skills and strengths are fully utilized. As individuals, we can expect equal treatment and equal opportunities for growth within Össur.

Össur has systematically monitored and measured the development of women in management positions for years. Össur will continue to advocate for women in management positions, primarily women in middle management, as they are the potential talent pool for higher positions.

### Gender Equality

Rooted in our Nordic heritage the importance of gender equality and women's positive contribution to the workplace and society as a whole. Gender equality is not only fair, it also makes economic sense to utilize the skills, strengths and knowledge of all Össur employees equally. Össur has had number of initiatives in place to increase the number of women in management positions resulting in an increase of 5 percentage points between years, from 33% in 2018 to 38% in 2019 for entry- and mid-level positions held by women. Women in senior and executive- level positions increased from 20% to 26% between 2018 and 2019.

### Women in management positions by management level



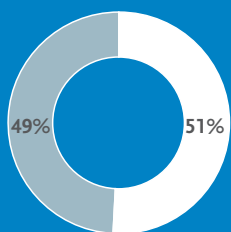
### Audit on equal remuneration

Since 2014, Össur has conducted an external audit on the equal remuneration for equal responsibility. In 2016, Össur decided to follow an Icelandic standard on equal remuneration for equal responsibility, IST 85:2012, which is audited by BSI. Össur had its first audit under the IST 85:2012 in 2017 and was among the first companies in Iceland to be audited in accordance with this standard. In the Americas, salary surveys on all employees are conducted annually as part of standard compensation review procedures and in accordance with the Equal Employment Opportunity Commission (EEOC).



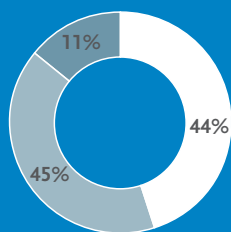


## Diversity and Equality



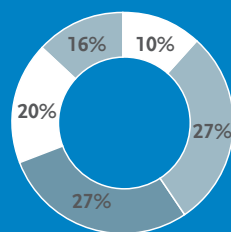
Gender Ratio

- Male 51%
- Female 49%



Education

- University Degree 44%
- Other 45%
- Vocational or Technical Training 11%



Age

- 16-25 10%
- 26-35 27%
- 36-45 27%
- 46-54 20%
- 55+ 16%

### UN Women's Empowerment Principles

The Women's Empowerment Principles are a set of principles for businesses offering guidance on how to empower women in the workplace, marketplace and community. Össur signed the United Nations Women's Empowerment Principles in May 2014.

UN Women's Empowerment Principles	Össur's action items or policies in place
Establish high-level corporate leadership for gender equality	✓
Treat all women and men fairly at work – respect and support human rights and nondiscrimination	✓
Ensure the health, safety and well-being of all employees regardless of gender	✓
Promote education, training and professional development for women	✓
Implement enterprise development, supply chain and marketing practices that empower women	
Promote equality through community initiatives and advocacy	
Measure and publicly report on progress to achieve gender equality	✓

## Össur's Women's Leadership Initiative to Encourage Diversity in the Industry

Since 2014, Össur has been working on a Women's Leadership Initiative (OWLI). The aim of the initiative is to encourage greater diversity and inclusiveness in the Orthotic and Prosthetic (O&P) industry. The program is intended to support O&P practitioners by providing a forum that encourages interaction, community-building and educational opportunities that serve the needs of the growing number of women in the field. Currently, the initiative is focused on the US market, the Company's largest market. Women currently comprise about 20% of all O&P professionals in the US. This number has more than doubled over the past decade, and women now comprise more than half of all students enrolled in graduate-level O&P programs.

### Goals:

- Engage inclusively with both men and women to provide development support to female practitioners
- Bring awareness to gender biases in the workplace and practices that promote diversity
- Create a forum for female practitioners to network and provide support to one another
- Establish a greater number of female role models for future practitioners
- Create a positive and balanced perception of both male and female industry leaders

Annually, Össur hosts conferences supporting this initiative. All conferences have been well attended and well received by the industry. Last year's conference was in Chicago and over 100 O&P professionals in attendance, nearly doubling last year's attendance. Attendees included practitioners, business and practice managers and students. The conference offers both Canadian education credits as well as American. In addition to the annual conference there are various activities during the year, such as regular blogs and educational webinars.





## Occupational Health and Safety

Employee safety is Össur's first priority. Fifteen Össur locations around the world take part in the Safety Program, the key focus areas of which are Employee Safety, Operational Safety and Employee Participation. The program's goal is to continually improve the safety management system to ensure a safe work place. Within Employee Safety the aim is to identify, prevent and eliminate job related risks through a Job Hazard Analysis (JHA) program, where the goal is to prevent incidents from happening. Likewise, Össur monitors any incidents that happen whether they result in days away from work (recordable incident) or they were only a minor incident. The root cause is analyzed with the aim of preventing similar incidents from happening again.

In 2019, Total Recordable Incidents per 100 employees was 0.6 compared to 1.1 in 2018. The number of recordable incident decreased from 23 in 2018 to 14 incidents in 2019. This positive outcome reflects an active safety management system throughout Össur locations.

Indicator	2016	2017	2018	2019
Recordable Incidents per 100 employees	1.6	1.3	1.1	0.6
Number of recordable incidents	21	25	23	14

Operational Safety is an important part of the safety management system. Össur works systematically on raising awareness on property loss control by performing internal fire safety audits quarterly, and external audits every third year at all major manufacturing and warehouse locations. Audit results are used to continually improve the system and thereby sustain business availability. In 2019, internal fire safety audits were performed quarterly at nineteen locations, both at Össur locations in Iceland, EMEA and Americas, and main suppliers in Asia.

Employee Participation is crucial to maintain a culture of continual improvement, and Össur employees are encouraged to submit ideas on how to improve the safety of their work area. The total number of employee ideas implemented in 2019 was around 10.900. Suggestions relating to workplace safety accounted for 6% of ideas, while other suggestions dealt with delivery performance, environment, quality, efficiency, personal development and general improvements of the work environment.

Össur strives to promote the importance of a healthy lifestyle to its employees and end-users. Össur offers employees regular health checks and promotes preventive health measures. Additionally, Össur supports and promotes activities meant to improve employee health, such as running and cycling events that raise money for charity.





## IN THE SPOTLIGHT

### Össur Employees

Össur employees are encouraged to submit ideas on how to improve the working environment in terms of safety, environment and improved processes. The best implemented idea in 2019 in Össur Iceland was awarded to Bryndís Ásta Ólafsdóttir, employee from Feet & Components Manufacturing. Her idea was about getting a machine to process cardboard material in such a way that it can be used as filler material in our export boxes instead of using bubble wrap. The cardboard material is reused from the various inbound shipping boxes. The annual usage of bubble wrap will drop because of this from approximately 81 rolls (680m) to 6 (50m) and cardboard boxes are reused instead of being recycled. Bryndís Ásta was awarded with a stylish Samsung Tablet.

The employee suggestion program is a very powerful tool to gather and process great ideas.



## Supply Chain

Össur manufactures its products in five countries. The two main manufacturing locations are Iceland and Mexico. Smaller locations are in France, the UK and the US. In addition, Össur has product suppliers in Asia, which manufacture bracing and supports products. The vast majority of the Company's prosthetic products are manufactured in Iceland, however some product lines have been transferred to Mexico. Bracing and supports products are manufactured in Mexico, France and by suppliers in Asia. In addition, small manufacturing locations are in the UK and Michigan. The Company's main distribution centers are in The Netherlands and the US. All manufacturing locations and distribution centers have adopted lean manufacturing processes in addition to extensive loss prevention initiatives which are focused on both personal and plant safety.

As part of the Össur Sourcing Process steps (2-4) supplier evaluations include custom criteria scoring, financial viability as well as Corporate Social Responsibility. This is addressed in the supplier analysis as well as in the contracting stage. If suppliers are considered critical or strategic suppliers audits, are completed on a regular basis.

## Raw Material Suppliers

Össur has more than 800 active suppliers, of which about 200 are considered critical. Annually all critical suppliers are evaluated. Suppliers that reach a score of 80 points in the evaluation or more on the scale of 1-100 are considered to show "good results", score in the range of 65-80 is considered acceptable and score below 65 is not acceptable. Following each evaluation, the results are sent to the suppliers along with feedback, as well as opportunities for improvement. Suppliers who do not deliver results in line or above the Company's target are offered the opportunity to adapt accordingly, and in some instances, suppliers are replaced.

In previous years Össur has been working on getting suppliers to sign statements on Human Rights and Anti-Corruption and Bribery and at yearend 2016 90% had signed such statements. In 2018 these statements started to be replaced by a Supplier Code covering

Human Rights, Health & Safety, Working Environment, Environmental Compliance and Anti-Corruption. The code is an appendix to contracts and agreements with suppliers going forward, replacing statements and clauses in previous agreements. At yearend 2019 76% of critical suppliers had confirmed the code. Read Össur's Supplier Code in full on [Össur.com/CSR](http://Össur.com/CSR). Supplier Code in full on [www.össur.com/CSR](http://www.össur.com/CSR)

## Product Suppliers

The Asia manufacturing and sourcing team is responsible for the product suppliers in Asia, i.e. suppliers that fully manufacture products for Össur. The team consists of 11 people. The team works closely with the suppliers, and on average there are one to two Össur employees at each supplier site up to three days every week. Össur and its partners are instructed to follow a special code of conduct and all contracts address human rights clauses with special focus on compensation and health and safety. In 2019, 2 new product suppliers were on-boarded into Össur's supplier auditing program and agreement with one supplier was discontinued. At year-end Össur had 18 product suppliers in Asia, 11 major product suppliers and 7 minor product suppliers. To ensure compliance with Össur's ethical standards, local legislation, labor practices and international treaties, Össur has engaged external auditors to audit the suppliers annually. These audits are in addition to audits performed by Össur employees. To improve the risk profile of the suppliers, Össur has hosted risk and safety seminars, educating and training the Company's strategic product suppliers in order to improve processes and improve risk awareness. Össur uses the results to help suppliers make progress and to develop their operations.

## Responsible Sourcing

In 2016, Össur established a process for the responsible sourcing of suppliers. The process guides the employees in the decision-making process when selecting a new partner, as well as through the regular auditing process for product suppliers in Asia. The process offers guidance on what Össur is willing to accept in terms of performance of social parameters. If a supplier receives an A or B it is considered to be in good order and will be audited again in 12 months. However, if a supplier receives a C or D a follow up audit will be performed in six

months. For suppliers that do not achieve the required grade, Össur has certain criteria for what percentage of non-conformities need to be resolved, including all critical nonconformities. The suppliers will have two chances to fulfill the requirements, and if these requirements are not met Össur will reevaluate possibilities for further cooperation.

### Product Quality & Safety

Össur has had a certified Quality Management system in place since 1993 and it is based on ISO management standards. Össur is currently certified according to ISO13485, ISO14001 and MDSAP, Medical Device Single Audit Program. The Quality Management system also complies with the applicable medical device regulations in the countries that Össur sells to, including but not limited to the requirements of the FDA 21 CFR Part 820, Canadian Medical Device Regulation (SOR/98-282), Medical Device Directive 93/42/EEC, Brazil ANVISA regulations, Australia Therapeutic Goods Regulation and Japan MHLW Ministerial Ordinance No.169. Updates to the Quality Management system according to Regulation (EU) 2017/746 that is replacing the Medical Device Directive 93/42/EEC are in progress.

Certifications of Össur sites (total 11 sites)	ISO 9001	ISO 13485	ISO 14001
Iceland		✓	✓
Eindhoven, The Netherlands		✓	✓
Manchester, UK		✓	
St. Etienne, France	✓		
Trevoux, France	✓		
Foothill Ranch, California		✓	
Tijuana, Mexico		✓	✓
Albion, Michigan		✓	
Philadelphia, New Jersey		✓	✓
Bayreuth, Germany		✓	
Livingston, UK		✓	





## Quality Policy

We strive to provide products and services to exceed customers' expectations. Strongly focused on continuous improvement, we monitor and respond to healthcare needs, complying with all regulatory requirements

## Safety Policy

**Safety is our first priority and part of everything we do.**

Össur operates at all times in accordance with relevant health and safety standards, and all employees are committed to providing a safe and hazard-free workplace. Continuous improvement and preventive measures are the key to our safety program.

## Program Strategy

To continually improve our safety management to ensure a safe work place.

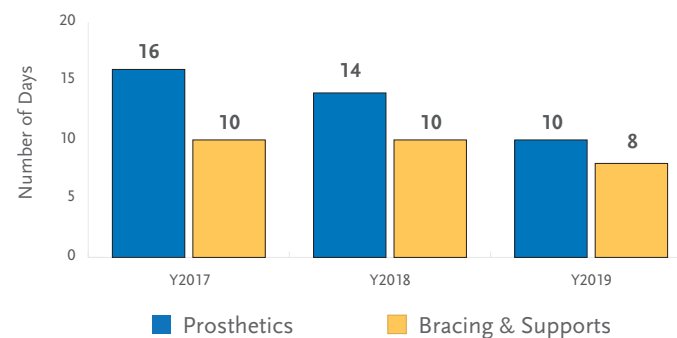
## Customer Feedback

Össur values feedback from its customers in relation to its products and services. Össur regularly conducts surveys among its customers and monitors feedback carefully. All feedback is evaluated and analyzed and on average Össur responds to its customers in less than 30 days. Feedback on products received from customers is used as one of the key attributes when R&D is working on product improvements as well as development of new products.

The quality center for prosthetics is in Iceland and the quality center for bracing & supports is in California. The centers play a key role in coordination and alignment with various departments, allowing Össur to provide quality products and increased safety for users. The quality centers coordinate closure of complaints with main distribution locations, in Philadelphia in the US and in Eindhoven in The Netherlands, as well as other smaller locations. Feedback is registered by over 180 customer service employees and evaluated by about 60 employees in 15 locations.

Össur strives to secure user safety and uses industry standard ISO14971, Risk management Standard for medical devices as main method with support of internal and external test labs to verify quality of the products prior to release to markets. Feedback on devices placed on the market is also used as one of the key attributes in assessment of risk.

## Handling time For Customer Feedback





## The Safety of our Users

Strongly focused on  
**CONTINUOUS IMPROVEMENT**  
we monitor and respond to needs.

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We comply with international  
**MEDICAL DEVICE**  
regulations to ensure user safety.

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We use best practice standards  
to ensure **PRODUCT QUALITY**  
and user safety.

## Human Rights

Össur respects and supports internationally recognized human rights, including labor rights as stated in the UN Guiding Principles on Business and Human Rights, as framed in the first six principles of the UN Global Compact. Össur has a Human Rights policy supporting all internationally recognized human rights, including labor rights. As stated in Össur's Human Rights Policy the Company is committed to comply with all applicable laws, rules and regulations in relation to human rights, which covers areas such as forced labor, slavery, child labor, sex trafficking, human trafficking, workplace abuse or any other form of discrimination.

Össur encourages its employees to report any suspected violation. Össur prohibits any retaliatory actions against good faith reporting of actual or suspected violations. Furthermore, Össur expects its business partners and all other strategic partners to understand and address the Company's expectations related to human rights. Read Össur's Human Rights Policy in full at [ossur.com/CSR](http://ossur.com/CSR)

## Society and Education

One aspect of the Company's responsibility is to support the societies and environment in which the Company operates. Össur believes that it has a responsibility towards people of all abilities, not only to provide high quality products, but equally to support third-party initiatives aimed at better care and support for people with disabilities. The Company believes it is important that the perception of people of varying abilities is positive and together with great athletes participating in the Paralympics, as well as other elite sporting events, the perception of people with a disability has changed for the better. Additionally, Össur believes it has a responsibility in relation to the education of healthcare professionals that work in the field of prosthetics and bracing and supports. In this respect, Össur cooperates with universities in both the US and Europe on research projects, and has, on average, six to 10 interns at any given time.

For over a decade, Össur has had an educational program called Össur Academy, which educates prosthetists all over the world. The Össur Academy is committed to furthering the level of education and quality of prosthetic and orthopaedic knowledge among professionals, end-users and their families. The aim is to enable orthotists, prosthetists and other medical professionals to achieve clinical success through accessible information and the services Össur provides. Össur also has in place a program called "The Össur Orthopaedic Fellowship Program." This is a 12-month academic program designed to enhance the clinical, surgical, and research skills of orthopaedic/musculoskeletal healthcare specialists. Össur offers a research grant program both in the field of prosthetics and bracing and supports. The program is designed to provide funding for scientific research in the areas of lower extremity biomechanics, dynamic/active rehabilitation, ortho biologics, functional bracing, clinical patient outcomes and related healthcare economics.



## Össur Mobility Clinics

Össur regularly offers Mobility Clinics free of charge to amputees in various locations around the world. Amputees learn practical ways to move more quickly and efficiently with their prostheses and gain access to world-renowned gait specialists, Össur athletes and other mentors in a supportive and encouraging environment. Hundreds of amputees attend the many Mobility Clinics held each year in the United States, Australia, South Africa, central Europe and beyond.



## COMMUNITY SUPPORT

Össur supports and partners with a wide range of organizations around the globe. As a leading orthopaedic manufacturer, it is the Company's responsibility and privilege to champion the industry and serve patients and practitioners in every way possible. A few of the Company's larger initiatives are:

### Challenged Athletes Foundation (CAF)

The Challenged Athletes Foundation (CAF) and Össur have partnered together for over 20 years to ensure that individuals with limb difference have access to innovative sports prostheses, expert coaching, and instruction on how to use them.

### Iceland Sport Association for the Disabled & The National Paralympic Committee of Iceland

Össur has been a proud supporter of the Iceland Disabled Sports Association and National Paralympic Committee for over two decades.

### Amputee Coalition of America (ACA)

A national U.S. non-profit formed in 1989 to offer continued education, mentoring, peer support and consumer advocacy.

### International Confederation of Amputee Associations (IC2A)

Össur is a corporate member of the International Confederation of Amputee Associations; an alliance that shares experiences, knowledge and best practice to inspire improvement in the quality of life of amputees and individuals born with limb deficiency.

### Danish National Olympic Committee & Sports Confederation (DIF)

DIF coordinates with 9,000 in-country sports organizations, has a membership of nearly 2 million people, and is dedicated to further developing Danish society by promoting the importance of physical activity as a national priority.

### Team Össur

Team Össur is an accomplished group of elite international athletes and sporting role models. Team Össur includes athletes from world-class triathletes to accomplished track and field athletes. Athletes like these are important for our community to demonstrate to others that they should follow their dreams and not look at their condition as a disability.







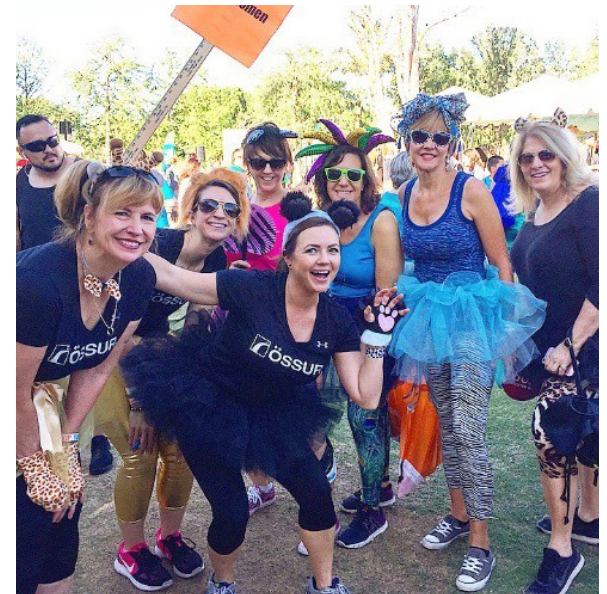
### Employees engage in community support

Össur encourages employees to participate in community support and each year number of initiatives are supported by employees participating in various events. Össur likes to demonstrate that support to your nearest community does not need to be only through direct financial support. As such Össur employees in Iceland have supported Reykjadalur, a Summer Camp for Children with disabilities in Iceland. For the past three years Össur employees have spent one day at the Summer Camp assisting with repairs, painting and cleaning, preparing the camp to open for the summer. In Mexico, employees have bought Christmas presents for children in orphanage homes and brought necessities to retirement home for homeless people. And in South Africa employees have given food to children living in the poor townships close to the office and brought gifts to children in orphanage homes, to name a few.

*In addition, Össur employees participate in numerous events like marathons, cycling events, triathlons and other activities raising money for good causes in their societies.*







### Össur and Motivation Australia Charity Partnership

In October Össur Australia signed an agreement with Motivation Australia, which is an Australian organisation working to improve lives of people in need in the Pacific region, particularly in the area of Prosthetics and Orthotics. They offer valuable assistance in the way of funding and improved services to those most in need by:

- Training and mentoring local in-country personnel to improve services in their local communities
- Supporting local services to deliver into their communities
- Advocating for improved rehabilitation and assistive devices
- Fundraising where possible to continually improve the output of the local services

#### The main objectives of the partnership for Össur Australia are to:

- Provide financial and volunteer support to assist them to improve Prosthetic and Orthotic service provision in the Pacific region
- Provide opportunities for Össur employees to engage in the form of personal donations
- Providing opportunities for employee involvement by way of volunteering.

#### Össur's operational commitments to Motivation Australia include the following:

- Product support by donation of product consistent with Motivation Australia's needs
- Provision of opportunities for employees to undertake volunteer experiences inclusive of in country services and/or office-based consultancy where possible (one fully paid volunteer opportunity per year and other self-funded opportunities when they arise).
- Creation of an employee giving scheme with funds donated by any employee to be matched by Össur Australia



### The Össur and Ottobock Research Trust Fund

In 2016, Össur and its main competitor Ottobock signed an agreement on a joint philanthropic effort to further develop the field of mind-controlled prosthetics. The fund is named “The Össur and Ottobock Research Trust Fund” and will award international grants for scientific research and innovative projects in the field of advanced neural control of prosthetic limbs. The companies' initial combined contribution to the fund was USD 1 million. The establishment of this fund confirms Össur's commitment and belief that advanced technology is one of the greatest benefits for people with disabilities. Advancements in technology will further help people with disabilities achieve lives without physical limitations.

### Marketing Ethics

Össur markets its products primarily to healthcare professionals. Össur respects and understands the boundary between the expertise of the healthcare professionals and Össur's expertise in relation to the Company's products. Össur makes sure that employees in the field as well as employees in customer service receive relevant training. Össur's Medical Office is responsible for all trials and testing of Össur's products and verifies that all claims regarding benefits and function of the products are true and can be backed up by data.

Additionally, Össur believes it is important to make sure that the Company's marketing material reflects its commitment to human rights. Össur's customers are to a large extent individuals that are considered to be physically challenged and Össur has for many years strived to change the perception of people with disabilities. However, the Company takes its responsibility seriously to promote equal opportunities amongst all groups, irrespective of age, race, national origin, gender, religion, disability or any other protected characteristics. Marketing material and media efforts in general are a strong platform to reach out to people and therefore Össur believes it's even more important to display its commitment to human rights in its media activities.



### Social metrics in accordance with the Nasdaq ESG guidance

SOCIAL		Connection to frameworks	2017	2018	2019
<b>S - 1</b>	<b>CEO Pay Ratio</b>	UNGC: Principle 6			
1)	CEO total compensation to median FTE total compensation		25	22	21
2)	Does your company report this metric in regulatory filings? Yes/No		Yes	Yes	Yes
<b>S - 2</b>	<b>Gender pay ratio</b>	UNGC: Principle 6			
	Equal pay audit		Yes	Yes	Yes
<b>S - 3</b>	<b>Employee Turnover</b>	UNGC: Principle 6			
1)	Year-over-year change for full-time employees		13%	15%	10%
2)	Year-over-year change for part-time employees		n/a	n/a	n/a
3)	Year-over-year change for contractors and/or consultants		n/a	n/a	n/a
<b>S - 4</b>	<b>Gender Diversity</b>	UNGC: Principle 6			
1)	Total enterprise headcount held by men and women		M 52%/F 48%	M 51%/F 49%	M 51%/F 49%
2)	Entry- and mid-level positions held by men and women		M 63%/F 37%	M 64%/F 36%	M 62%/F 38%
3)	Senior- and executive-level positions held by men and women		M 77%/F 23%	M 80%/F 20%	M 74%/F 26%
<b>S - 5</b>	<b>Temporary Worker Ratio</b>	UNGC: Principle 6			
1)	Total enterprise headcount held by part-time employees		3%	4%	8%
2)	Total enterprise headcount held by contractors and/or consultants		n/a	n/a	n/a
<b>S - 6</b>	<b>Non-Discrimination</b>	UNGC: Principle 6			
1)	Does your company follow a sexual harassment and/or non-discrimination policy? Yes/No		Yes	Yes	Yes
<b>S - 7</b>	<b>Injury Rate</b>				
1)	Percentage: Frequency of injury events relative to total workforce time		1,7	1,1	0,6
<b>S - 8</b>	<b>Global Health and Safety</b>	SDG 3			
1)	Does your company follow an occupational health and/or global health & safety policy? Yes/No		Yes	Yes	Yes
<b>S - 9</b>	<b>Child &amp; Forced Labor</b>	UNGC: Principle 4,5			
1)	Does your company follow a child and/or forced labor policy? Yes/No		Yes	Yes	Yes
2)	If yes, does your child and/or forced labor policy See also: cover suppliers and vendors? Yes/No		Yes	Yes	Yes
<b>S - 10</b>	<b>Human Rights</b>	UNGC: Principle 1,2			
1)	Does your company follow a human rights policy? Yes/No		Yes	Yes	Yes
2)	If yes, does your human rights policy See also: cover suppliers and vendors? Yes/No		Yes	Yes	Yes

## Governance

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### Corporate Governance

Össur hf. is an Icelandic company listed on Nasdaq Copenhagen. As a listed company, Össur communicates with its shareholders and other stakeholders about the Company's financial and business developments in an open and honest manner. Össur provides investors, analysts and other stakeholders with timely and accurate information. Every year, Össur hosts investor meetings and teleconferences with the CEO and the CFO, following quarterly reports and other key events. As a listed company, Össur complies with all relevant rules and regulations, and follows the Danish Recommendations on Corporate Governance. Össur issues annually a Corporate Governance Report and Remuneration Report, available on Össur's website .

The Company's Corporate Governance statement includes information on the following items:

- A reference to the corporate governance recommendations the Company follows and how the Company addresses the recommendations, including any deviations and explanations thereto.
- A description of the main aspects of the Company's internal controls and risk management systems in connection with the preparation of financial statements.
- A description of the Company's organizational structure and the role of each function.
- A description of the Company's diversity policy relating to the Board of Directors and the CEO, the aim of the policy and its execution.

A complete report on the Company's compliance with each recommendation in the Danish Recommendations on Corporate Governance is available on the Company's website: [ossur.com/investors](http://ossur.com/investors)

### Compliance and Security

Össur has operations in more than 26 countries and distributes its products worldwide. Along with the Company's values – Honesty, Frugality, Courage – Össur has various policies in place such as a Code of Conduct, an Anti-Corruption and Anti-Bribery policy and a Supplier Code, to name a few. These policies and the Company's values serve as guiding principles for the employees. Össur has been building its Anti-Corruption and Anti-Bribery programs, increasing awareness and providing education and training to its employees. In 2019 continued work towards aligning compliance activities took place as well as risk assessment, followed by prioritization of focus areas. A compliance and security governance structure has been established to strengthen the Company's risk management efforts. The Company sees the benefits of taking a holistic view of the relevant risks and combining efforts in these areas. In 2020 a comprehensive compliance and security program will be rolled out where prioritization will be based on results from recent risk assessments.

### Risk Assessment

Össur has performed a risk assessment of its sales and distribution network. The scope of the risk assessment was based on certain minimum thresholds of annual sales and the business partner's territory, and countries with a low score on the Transparency International List on corruption were given priority. The assessment has provided a good overview and understanding of Össur's businesses, primarily businesses that operate in high-risk countries, and revealed potential exposures related to corruption and bribery. Össur monitors selected high-risk markets and is implementing procedures to mitigate the potential risks.

### Overview of Main Initiatives Regarding Anti-Corruption and Anti-Bribery

2014	2015	2016	2017	2018	2019
Writing and implementation of policies	Risk assessment and screening of business partners and contract review	Training and education of management and employees in sales functions	Continued training and education and awareness building	Scoping of compliance in a larger context, aiming at combining all compliance areas in one global function	Risk assessment and prioritizing focus areas. Compliance and security governance structure established.





## Training and Awareness

Training of employees has been prioritized based on position and geography. The training program has two main levels. Some employees go through both face-to-face training and on-line training whereas others receive only on-line training. The main emphasis has been on the continued training of key employees and employees located in high-risk areas, or those responsible for the Company's businesses in high-risk areas, in addition to continued awareness building and education. Össur has policies in place that guide and support employees, such as the Anti-Corruption and Bribery policy and the Supplier Code, which are signed by the Company's business partners. Review a full list of policies at [ossur.com/CSR](http://ossur.com/CSR)

## Whistleblower Policy

Össur provides employees with ways of reporting conduct that they reasonably believe violates applicable laws, regulations or the Company's policies. The Company treats all reports as confidential and any issue will be discussed only with those individuals who have a "need to know." The Company's policy strictly prohibits any retaliatory action against a person reporting actual or potential compliance issues in good faith, whether or not the reports ultimately prove to be well founded.

## Data Privacy

To be able to conduct business and provide service to customers Össur needs to collect and handle personal data. It is Össur's priority to treat data with the utmost respect and confidentiality. Most countries have legislation in place obligating companies to handle personal data securely and in May 2018, the new EU Regulation on Protection of Personal Data (GDPR) entered into effect. To ensure compliance with GDPR, Össur has established and updated policies and procedures and facilitated awareness trainings about data privacy via internal announcements, e-learning, and dedicated intranet site as well as training sessions for relevant employees. Össur has appointed a Data Protection Officer to head up efforts within the field of data privacy.

## Tax Transparency

Össur's core values, honesty, frugality and courage, are a strong foundation for the corporate culture and business strategy. These core values also serve as a strong foundation for Össur's tax strategy. Based on its corporate social responsibility, Össur acts with integrity towards all stakeholders involved directly and indirectly with the company. As a high-profile medical device company, Össur acknowledges that paying tax is an important part of the Company's economic impact and contribution to society as taxes fund social investment.

In 2019 Össur total income tax expense amounted to USD 21 million, with an effective tax rate of 24%. Effective Tax Rate for 2020 is expected to be in the range of 23-24%.

## Tax Strategy

Össur seeks to obtain a competitive tax level in a responsible way and as a general rule, Össur pays corporate taxes in the countries it operates in. This means doing business in a way that meets expectations for good corporate citizenship and, paying taxes where profits are earned in accordance with prevailing national and international tax rules. We manage our tax affairs responsibly and transparently and we only undertake tax planning which aligns with our commercial and economic activities. We will not engage in artificial transactions which have the sole aim of reducing tax. We make fair, accurate and timely disclosure in correspondence and returns, and respond to queries and information requests in a timely manner. We provide all relevant information when requested to do so. If we discover errors in tax returns or correspondence with tax authorities, we disclose and correct them promptly.

### Governance metrics in accordance with the Nasdaq ESG guidance

	GOVERNANCE	Connection to frameworks	2017	2018	2019	Comments
<b>G - 1</b>	<b>Board Diversity</b>					
1)	Percentage: Total board seats occupied by women (as compared to men)		M 60% / F 40%	M 60% / F 40%	M 60% / F 40%	
2)	Percentage: Committee chairs occupied by women (as compared to men)		M 100% / F 0%	M 100% / F 0%	M 100% / F 0%	The Board has only one committee, Audit Committee, explaining the uneven gender split.
<b>G - 2</b>	<b>Board Independence</b>					
1)	Does company prohibit CEO from serving as board chair? Yes/No		Yes	Yes	Yes	
2)	Percentage: Total board seats occupied by independents		D 60% / I 40%	D 60% / I 40%	D 60% / I 40%	
<b>G - 3</b>	<b>Incentivized Pay</b>					
1)	Are executives formally incentivized to perform on sustainability? Yes/No		No	No	No	
<b>G - 4</b>	<b>Collective Bargaining</b>	UNGC: Principle 3				
1)	Total enterprise headcount covered by collective bargaining agreement(s)		n/a	n/a	41%	
<b>G - 5</b>	<b>Supplier Code of Conduct</b>	UNGC: Principle 2,3,4,8 SDG 12				
1)	Are your vendors or suppliers required to follow a Code of Conduct? Yes/ No		No	No	Yes	
2)	If yes, what percentage of your suppliers have formally certified their compliance with the code?		n/a	n/a	76%	76% of suppliers categorized as critical suppliers
<b>G - 6</b>	<b>Ethics &amp; Anti-Corruption</b>	UNGC: Principle 10				
1)	Does your company follow an Ethics and/or Anti-Corruption policy? Yes/No		Yes	Yes	Yes	
2)	If yes, what percentage of your workforce has formally certified its compliance with the policy?		91%	91%	91%	Percentage of key employees in sales and employees with responsibilities in high risk areas
<b>G - 7</b>	<b>Data Privacy</b>					
1)	Does your company follow a Data Privacy policy? Yes/No		Yes	Yes	Yes	
2)	Has your company taken steps to comply with GDPR rules? Yes/No		Yes	Yes	Yes	
<b>G - 8</b>	<b>ESG Reporting</b>	UNGC: Principle 8				
1)	Does your company publish a sustainability report? Yes/No		Yes	Yes	Yes	
2)	Is sustainability data included in your regulatory filings? Yes/No		Yes	Yes	Yes	
<b>G - 9</b>	<b>Disclosure Practices</b>	UNGC: Principle 8				
1)	Does your company provide sustainability data to sustainability reporting frameworks? Yes/No		Yes	Yes	Yes	
2)	Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/ No		No	No	Yes	
3)	Does your company set targets and report progress on the UN SDGs? Yes/No		No	No	Yes	
<b>G - 10</b>	<b>G10. External Assurance</b>	UNGC: Principle 8				
	Are your sustainability disclosures assured or validated by a third party? Yes/No		Third party assurance and third party audits are performed on vast majority of the data published in the report			



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