

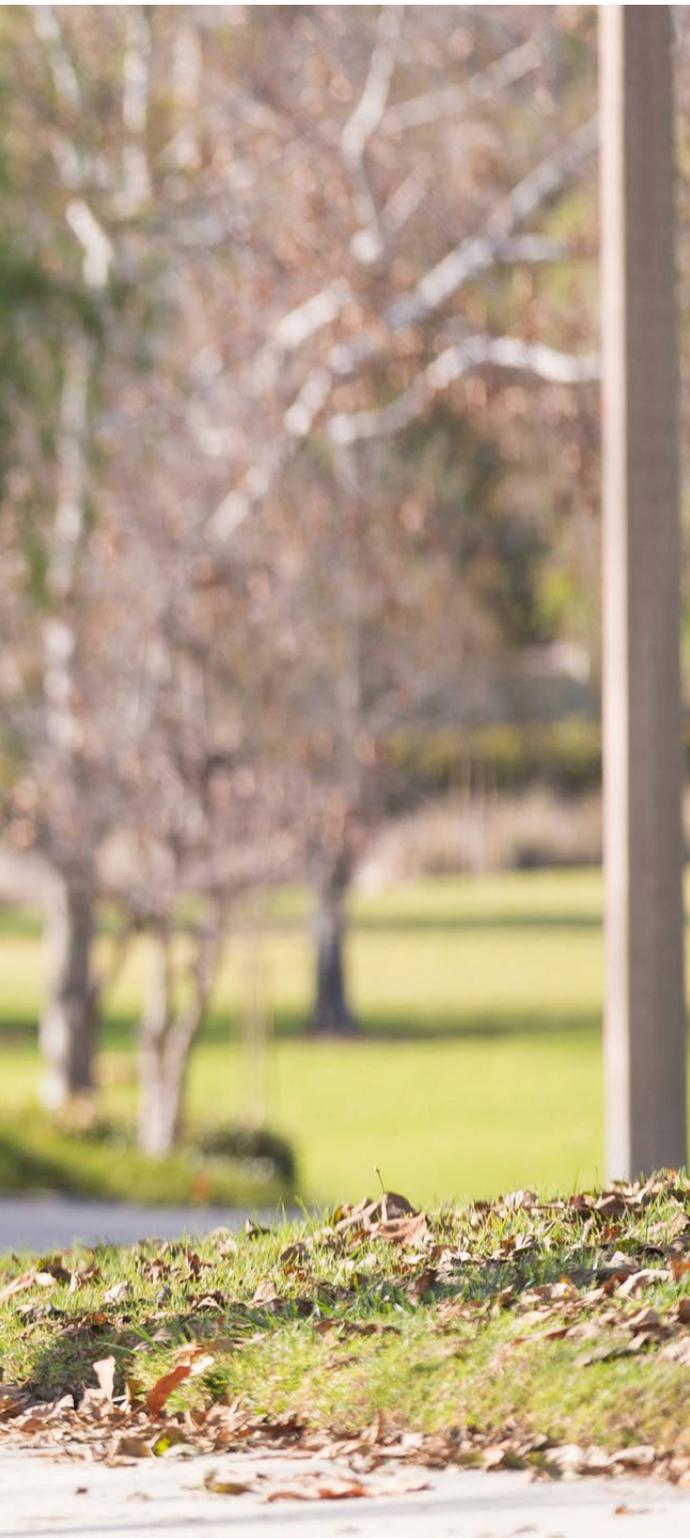


Corporate  
Social Responsibility  
Progress Report

**2020**







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## Letter from the CEO

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The year 2020 will be remembered as no other. A year when words such as unprecedented, self-isolation and social distancing were spoken daily, and the world was impacted in ways that were unimaginable only a year ago. First and foremost, we have been focused on ensuring the safety of our employees while at the same time, making sure that we can support and service our customers. This year has also demonstrated how adaptable we can be when needed and quick to react to challenges. Having employees with skills and knowhow in the healthcare sector allowed us to support our communities by assisting with securing equipment for healthcare authorities. As such we donated test swabs in Iceland, assisted French health authorities with manufacturing of masks and custom manufactured Mobile Patient Isolation Units for the Icelandic health authorities which are used to transport infected patients.

As we shared with you in our last Progress Report, we are formally reporting on our contribution to four of the UN Sustainable Development Goals; Goal 3 on

Good Health and Well Being, Goal 5 on Gender Equality, Goal 12 on Responsible consumption and Goal 13 on Climate Action. As a medical device company our greatest impact is on Goal 3 – Good Health and Well Being and as we have stated, we are focused on improving access and availability of suitable solutions for elderly amputees. We have already launched three products that are specifically designed for the needs of elderly amputees and 30% of our ongoing clinical investigations in 2020 were related to this subject, which will deliver valuable information and insights for us to further understand the need.

On the environmental front we have been actively working towards carbon neutral operations for some time and it pleases me to report that in 2021 Össur will be carbon neutral for energy and fuel consumption, waste generation, business travel and transportation of goods. This is an important milestone for us and to achieve carbon neutrality we have partnered with First Climate, a leading service provider of carbon emissions management.

We signed our commitment to the UN Global Compact initiative in 2011, the Women's Empowerment Principles in 2014 and in 2019 we identified our impact and contribution to the UN Sustainable Development Goals. With this report, we reconfirm our commitment to responsible business conduct promoted by the United Nations Global Compact and the UN Sustainable Development Goals.

A handwritten signature in black ink, appearing to read 'Jon Sigurdsson'. The signature is fluid and cursive, written over a white background.

**Jon Sigurdsson**  
President and CEO

### SUSTAINABILITY AND CSR HIGHLIGHTS



**65%**  
Waste  
recycled



**54% | 46%**  
Gender  
ratio  
Male | Female



**36%**  
Female  
Management  
Female in management  
positions



**0.7**  
Incident Rate  
Incident rate per 100 FTEs



**4.4 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 and in a good position to leverage future growth opportunities. Össur has been listed since 1999, has operations in over 27 countries and more than 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 to 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 2020 we introduced more than 20 new products to the market.

#### Americas

**49%**

USD 307 million

Organic growth: -14%

FTEs: ~1,300

#### EMEA

**42%**

USD 267 million

Organic growth: -9%

FTEs: ~1,500

HQ FTEs: ~500

#### APAC

**9%**

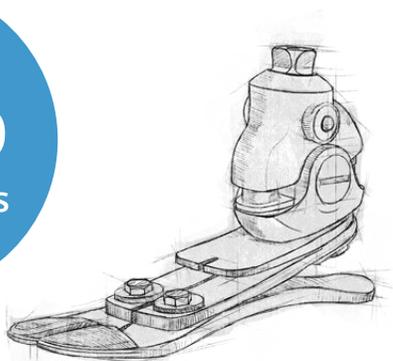
USD 55 million

Organic growth: +2%

FTEs: ~200

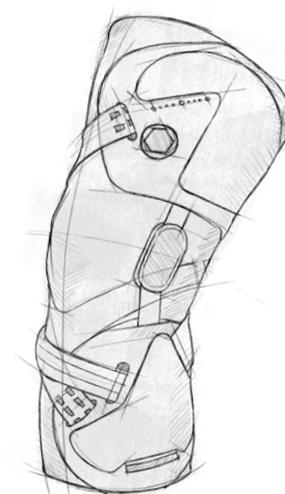
## Our segments

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

*A historic year on many fronts, Össur had many memorable moments in 2020. At the forefront was the close partnership and commitment we enjoy with our customers and end-users around the world.*

January

Team Össur member Stefanie Reid speaks at TEDx London Women – ‘Why accessible design is for everyone’

RHEO KNEE® XC wins the 2019 GOOD DESIGN Award

Össur Ambassador Hunter Woodhall on The Ellen Show



March

IPC President Andrew Parsons visits Össur Head Office

Össur Ambassador Hilmar Snær Örvarsson wins alpine skiing European Cup

Össur Ambassador Hunter Woodhall interviewed by ESPN

i-Limb® on Swiss TV



May

Össur Ambassador Rudy Garcia-Tolson featured in NY Times article

OT Magazine interview with Össur CEO, Jon Sigurdsson

Össur in How Stuff Works – How Prosthetic Limbs Work.

Unloader One® X ft. in Physical Therapy Products magazine and Rehab Management

Össur article in Jyllands-Posten



February

Team Össur athletes featured in Nike's 2020 team uniform unveiling

New Rebound® ACL, Balance™ Foot S / Balance™ Foot S Torsion and Unloader One® X Custom fully launched

Interview with Hugh Gill in O&P Almanac's feature on upper limb prosthetics



April

Össur donates work and components to the Icelandic health authorities by custom manufacturing few Mobile Patient Isolation Units which are used to transport infected patients during Covid-19

Össur Mexico recognized as „one of the best places to work for“ during Covid-19

Össur acquires Scanning and Design Technology from Standard Cyborg

June

Össur Ambassador Mike Coats featured as Ralph Lauren's first amputee model in their "The Beach House" collection

Össur and Nike sign new agreement regarding the co-development of the next generation of Nike Soles for the new sports feet, Cheetah® Xceed, Cheetah® Xcel & Cheetah® Xpanse

Össur acquisition of College Park Industries completed





August

Team Össur members featured in Rising Phoenix, a ground-breaking movie about the Paralympic Movement, premiered in over 190 countries worldwide on Netflix

Össur Ambassador Andrea Lanfri and his friend Massimo Coda on the summit of Mont Blanc

American actor David Duchovny lends his pool to Paralympic swimmer and Össur Ambassador Rudy Garcia-Tolson to train during COVID-19 shutdowns

Össur named one of the top 10 orthopedic device firms by ODT Magazine



October

Össur recognized as one of the financially Strongest Companies in Iceland, for the eleventh consecutive year in a row

KUSI's Good Morning San Diego: Challenged Athlete Foundation (CAF) surprises five amputees in five days with life-changing Össur running prosthetics

Össur Ambassador Andrea Lanfri from Italy reached the top of the volcano Etna



December

Össur Cheetah blades featured in Triathlete article

Össur featured in Dutch How it's Done TV Program

Össur named a Top Workplace of 2020 by The Orange County Register

Össur completed the divestment of entities focused on B&S sales in the US

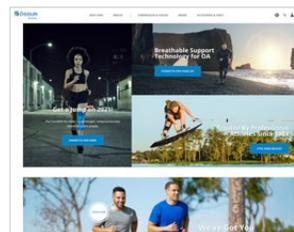
July

Team Össur member Femita Ayanbeku ft. in Runner's World

Össur CEO Jon Sigurdsson interview in Newsweek, in a special country report on Iceland

Team Össur member Daniel Wagner ft. in The Danish National Broadcaster article

Össur's Dr. Anton Johannesson honored by AOPA with Thranhardt Award



September

Össur's new e-commerce store for bracing launched in the US

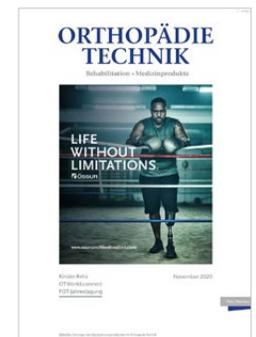
Össur announces establishment of Össur Japan

Össur completes divestment of Gibaud SAS in France

November

Össur Ambassador Sandro Borges featured on the cover of the November edition of OT magazine

Team Össur member Markus Rehm who has been named Germany's Parathlete of the Decade



## About the Report

### Scope of Reporting

The report is published annually and covers the calendar year. This report contains an overview of the company's Corporate Social Responsibility (CSR) activities, as well as key measurements and progress. The report includes data supporting the progress Össur has made during the year and comparison to previous years.

This progress report constitutes as 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 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.

### 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, including 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.ossur.com/CSR](http://www.ossur.com/CSR)

### Nasdaq ESG Guidelines

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

Össur's risk assessment shows there is no material risk of child labor or forced labor associated with its operations. However, Össur recognizes that, in relation to suppliers and other third-party business partners, there might be a risk. To mitigate this risk Össur has screened its business partners in high-risk areas and has external parties conduct audits on product suppliers. In addition, business partners and raw material suppliers working with Össur are evaluated annually. Further details are in the chapter on supply chain and anti-corruption.



### 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

## 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. Consequently, Össur's greatest impact 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.**



## USER STORIES

### Jami Goldman Marseilles

In December 1987, Jami and her good friend Lisa were stranded during a brutal snowstorm in the Arizona desert. Eleven days later, they were found dehydrated and near starving. Both women would fall victim to severe frostbite. For Jami, that would mean battling gangrene and eventual amputation of both legs below the knee. Within a matter of days, Jami's life was up ended as she experienced grief, sadness and loss.

Over the next several years, Jami began an aggressive physical therapy routine, incorporated nutrition and wellness and learned how to walk again with the aid of prosthetics. But that was just the beginning.

"I was watching the 1996 Paralympic Games and decided then to become a professional Paralympic runner," said Jami. From that moment on, she became a runner. Buoyed by a strong family support network and fitted with her now well-recognized prosthetic running blades, she began a rigorous training regime that would ultimately lead her to join the US Paralympic Track and Field team and later compete in several triathlons, marathons and more.

On October 11, 2015 Jami became the first bi-lateral below knee female amputee to finish any marathon (Chicago Marathon), and on April 18, 2016 she became the first bi-lateral below knee female amputee to finish the Boston Marathon.

As a wife, mother, teacher, philanthropist – and now, cancer-survivor – Jami's story serves as a remarkable testament to the power of hope, strength and gratitude.

"Overcoming is living your life full of love, passion and perseverance."



## 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)	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&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.
Employees	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.
End-Users	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.
Society	<p>Össur communicates with the society on its progress in the UN Global Compact progress report, Össur’s Annual Report and other corporate material. Össur works with various organizations and stakeholders within the healthcare industry through initiatives, such as the Össur Academy.</p> <p>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 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	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://www.ossur.com/IR">www.ossur.com/IR</a>

## Environment

Össur aims to minimize the Company's environmental footprint and takes its responsibility seriously. The company focuses on reducing greenhouse gas emissions from both operations and products, reflecting the commitment to contributing to both UN Sustainable Development Goals number 12 and 13.

The main emission sources from Össur's operations are energy consumption, transport of raw materials and finished goods, business travel, and manufacturing. The primary raw materials used in manufacturing processes are metals, silicone, carbon fiber and plastics.



### Goal 12 - Actions and progress

#### Target

#### 2020 Status

Sustainable product design	<ul style="list-style-type: none"> <li>Establish data on carbon footprint of the current product portfolio</li> <li>Identify opportunities for carbon footprint reduction</li> <li>Build internal development processes to act on carbon footprint of future products</li> </ul>	<ul style="list-style-type: none"> <li>Selected products in current product portfolio analyzed with respect to their carbon footprint</li> <li>Opportunities for carbon footprint reduction of selected products identified</li> <li>Internal education and awareness</li> <li>Sustainability Workshops</li> </ul>
	Reduce material in product packaging	<ul style="list-style-type: none"> <li>Eliminate single use plastic</li> <li>Reduce total material consumption</li> </ul>

### Goal 13 - Actions and progress

#### Target

#### 2020 Status

Continuously improve Össur's Greenhouse Gas emission reporting	Establish an overview of Össur's carbon footprint	Emission data added for: <ul style="list-style-type: none"> <li>6 Össur locations</li> <li>Transportation of goods</li> <li>Clinics</li> <li>Car fleet</li> <li>Finished Goods Suppliers electricity consumption</li> </ul>
Source electricity from renewable energy sources	100%	24% of electricity with Guarantee of Origin (GO) certification
Reduce emissions from business travel and freight	-10%	40% reduction, reflecting COVID-19 impacts on business travel (70% reduction)
Carbon Neutral company	Carbon neutral in 2021	<ul style="list-style-type: none"> <li>Partner selected (First Climate)</li> <li>Emissions calculations verified by First Climate</li> </ul>

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



Össur has 5 main focus areas within environmental management, which are Emission to Air and Water, Waste Management, Chemical Product Management, Sustainable Product Design and Employee Participation.

### Emission to Air and Water

Energy and fuel consumption, transportation of raw materials and finished goods, business travel, and waste disposal are all part of the operations of a global manufacturing company, and all result in Greenhouse Gas emission. Össur is committed to reducing these emissions and improving the efficiency of its energy and resource consumption.

Össur believes in a step-by-step approach and is continually improving the emissions monitoring within the Company's value chain. In 2020, a big milestone was reached in improving the overview of the Company's carbon footprint when emissions data was added for:

- Six additional manufacturing and distribution locations,
- Electricity consumption in Össur Clinics,
- All raw material freight, inter-company and finished goods distribution from warehouses to customers,
- Data on fuel consumption of owned and leased cars, and
- Electricity consumption of Finished Goods Suppliers in Asia.

Emissions calculations were reviewed and validated by First Climate<sup>1</sup>, a leading service provider of carbon emissions management.

Energy Usage (MWh)	2019	2020
Electricity (Manufacturing & Distribution sites)	13.200	12.800
Electricity (Clinics)	n.a	5.000
Geothermal energy for heating (Iceland)	5.540	6.900
Gas for heating	2.340	2.230
Fuel of vehicle fleet	n.a.	4.800

<sup>1</sup> Össur has partnered with First Climate, see <https://www.firstclimate.com/en/>

## IN THE SPOTLIGHT

### Össur will be Carbon Neutral in 2021

In recognition of the Company's commitment to sustainable development and to commemorate Össur's 50th anniversary, Össur will be Carbon Neutral in 2021 for energy and fuel consumption, waste generation, business travel and transportation of goods. This represents direct and indirect emissions (Scope 1 and 2) and selected Scope 3 emissions, according to Greenhouse Gas Protocol.<sup>2</sup>

Össur has partnered with First Climate, a leading service provider of carbon emissions management, to achieve carbon neutrality. Össur will reach carbon neutrality by reducing emission and improve energy efficiency, source electricity from renewable energy sources, and offset remaining emissions through VCS and Gold Standard projects to support the UN Sustainable Development Goals.



2. See Greenhouse Gas Protocol website <https://ghgprotocol.org/>

The main changes in emission in 2020, compared to 2019, are the added emission sources which explain the increase in total emissions. Emissions from business travel went down 70%, reflecting COVID-19 impact on global travel.

In 2020, electricity, heating and cooling was monitored in 10 Össur manufacturing and distribution locations, and for the first time in Össur Clinics. More than 1000 employees work at Össur Clinics all around the world. Össur's headquarters in Iceland and main prosthetic manufacturing site run on electricity from 100% renewable energy sources which is now backed up with a Guarantee of Origin certificate for the first time. This represents 24% of all electricity purchased in 2020.

### 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. Waste management is also linked to Össur's focus on sustainable product design and circular economy as decisions on raw material choices and manufacturing methods are taken in the design phase.

Össur aims to continuously reduce waste from operations through various improvement projects, and increase percentage of waste that is recycled and/or recovered. Waste data covers Össur's biggest manufacturing and distribution sites. The Company is participating in an Icelandic project on recycling of plastics in collaboration with Pure North Recycling, and working on an internal project on reducing plastics in inter-company shipments.

	2019	2020
Total waste (tonnes)	1850	1270
Waste intensity (tonnes/USD million)	2,7	2,0
% Recycled and/or Recovered	68%	65%

In 2020, there was a reduction in total waste, mainly reflecting COVID19 impacts through reduced volume manufactured and the fact that office employees have been working from home.

### 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. Chemical product management helps Össur's to substitute hazardous chemical products with less hazardous ones, to improve employee safety and reduce pollution from hazardous waste.

### 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 company such as raw material choice, manufacturing methods, supply chain set-up and the choice of packaging methods and materials.

Within Össur's R&D department, the Product Stewardship project initiated 2019 is ongoing where the aim is to reduce the environmental impacts of Össur's products and packaging. This reflects the Company's commitment to contributing to UN Sustainable Goal 12 on Responsible Consumption and Production.

Össur is working towards establishing data on the carbon footprint of the current product portfolio to be able to identify opportunities for improvements. The aim is to build internal development processes to act on carbon footprint of future products. In 2020, selected products in current product portfolio were analyzed with respect to their carbon footprint and opportunities for carbon footprint

reduction identified. Internal education and awareness is an important part of the Company's success in implementing sustainable product design. Therefore, Össur hosts workshops where best practices are shared by internal and external experts and employees participate in events to further strengthen their skills in sustainable design.



Packaging is an important part of a product. Össur aims to eliminate single use plastic in packaging and reduce total material consumption. The Company is working on a Packaging Catalog for all packaging materials which is necessary to establish a baseline. A milestone was reached in 2020, when the Pro-Flex Foot line packaging was re-designed resulting in total removal of polyurethane plastics, 10% less total material use and 50% recycled material content. In addition, recycling labels were incorporated to guide the end-user on how to dispose of the packaging material in a responsible way.

## Employee Participation

Employee participation is the key to the 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

## ENVIRONMENT

		Connection to frameworks	2019	2020
<b>E-1</b>	<b>GhG Emissions in tonnes CO2 equivalents (tCO2e) *</b>	<b>UNGC P7</b>		
<b>1.1</b>	<b>Scope 1 - Direct emissions, tCO2e</b>		<b>360</b>	<b>1.800</b>
	Gas consumption for heating		360	500
	Fuel consumption in vehicle fleet		n.a.	1.300
<b>1.2</b>	<b>Scope 2 - Indirect emissions, tCO2e</b>		<b>3.600</b>	<b>5.000</b>
	Purchased electricity and heat		3.600	5.000
<b>1.3</b>	<b>Scope 3 - Other relevant indirect emissions, tCO2e</b>		<b>7.090</b>	<b>9.330</b>
	Finished Goods Suppliers electricity consumption		n.a.	2.200
	Transportation of goods		n.a.	4.700
	Waste treatment		190	130
	Business travel		6.900	2.300
<b>E-2</b>	<b>Emissions Intensity</b>	<b>SDG 13, UNGC P7, P8</b>		
<b>2.1</b>	<b>Total GhG emissions per revenue, tCO2e/USD Million</b>		<b>16</b>	<b>26</b>
<b>E - 3</b>	<b>Energy Usage</b>	<b>SDG 12, UNGC P7, P8</b>		
<b>3.1</b>	<b>Total energy directly consumed (MWh)</b>		<b>2.340</b>	<b>7.030</b>
	Gas consumption for heating		2.340	2.230
	Fuel consumption of vehicle fleet		n/a	4.800
<b>E - 4</b>	<b>Energy Intensity</b>	<b>SDG 12, UNGC P7, P8</b>		
	Total energy usage per revenue, MWh/USD Million		3	11
<b>E - 5</b>	<b>Energy Mix</b>			
	% electricity from renewable sources **		n/a	24%
	% electricity from other energy sources		n/a	76%
<b>E - 6</b>	<b>Water Usage</b>			
<b>6.1</b>	Total amount of water consumed (m3) ***		95.400	87.000
<b>E - 7</b>	<b>Environmental operations</b>			
<b>7.1</b>	Does Össur follow a formal Environmental Policy?		Yes	Yes
<b>7.2</b>	Does Össur follow specific waste, water, energy, and/or recycling policies?		<b>Yes</b>	<b>Yes</b>
<b>7.3</b>	Does Össur use a recognized energy management system?		Yes	Yes
<b>E - 8</b>	<b>Climate Oversight / Board</b>			
	Does Össur Board of Directors oversee and/or manage climate-related risks?		No	No
<b>E - 9</b>	<b>Climate Oversight / Management</b>			
	Does Senior Management Team oversee and/or manage climate-related risks?		No	No
<b>E - 10</b>	<b>Climate Oversight / Management</b>	<b>UNGC P9</b>		
	Total amount invested, annually, in climate-related infrastructure, resilience, and product development.		n/a	n/a

\* In 2020, the scope of emission monitoring was extended to include 6 additional Össur locations, Transportation of goods, Clinics, Car fleet and Finished Goods Suppliers. This extension to the monitoring scope explains higher emissions in 2020 compared to 2019.

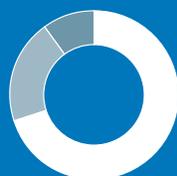
\*\* Electricity consumption in Iceland, Guarantee of origin (GO) certified for the first time.

\*\*\* Includes 7 of 10 M&O operational sites.

## Prosthetic Users

**>750,000**

new lower limb  
amputees per year

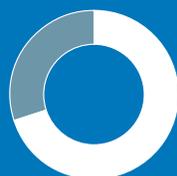


### Lower limb amputations

- Vascular related diseases 70%
- Trauma 20%
- Other 10%

**>25,000**

new upper limb  
amputees per year



### Upper limb amputations

- Trauma 70%
- Other 30%

**30-40%**

of new amputees are fitted  
with prosthetic solutions

**65-70**

is the average age  
of the amputee population

Source: Össur Management Estimates



## Social

### Access to healthcare

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 with 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 70%. 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.

### UN Sustainable Developments Goal 3 - Good Health and Well Being

Össur’s main initiative supporting Goal 3 on Good Health and Well Being is to design products that offer additional benefits for the elderly, increasing their independency and quality of life. At the end of 2020, Össur had already launched three products that are specially designed for this user group, and 30% of ongoing clinical investigations were related to this subject which will deliver valuable

information and insights to further understand the need and potential benefits.

The numbers in the table below show the status at year-end 2020. As this is the first year Össur reports on these initiatives, these results serve as a baseline and next year will demonstrate the progress achieved.

Goal 3 - Actions and progress	Target	2020 Status
New products specially designed for elderly users	4 new products by 2024	3
Ongoing prosthetic studies which will inform developers about the elderly customer group (Percentage of total ongoing studies)		30%
Availability of Products*		44%
Availability of Products and services**		25%

\* Percentage of countries where Össur products are available

\*\* Percentage of countries where Össur provides both products and services (direct sales)



*Examples of products which have been specifically designed for the elderly and low active population.*

## BALANCE KNEE OFM2

Balance Knee OFM2 is a light monocentric knee joint with a brake function and a locking lever, designed for use in the rehabilitation phase and for low active users.

## CONNECT TF

Connect® TF is an adjustable socket indicated for low active users. The open socket donning feature helps ease of donning and doffing while the user is in sitting position. Connect TF can be custom fitted by a certified prosthetist and adjusted throughout the socket lifetime in height, angle and circumference.

## BALANCE FOOT S

Balance™ Foot S is a lightweight, waterproof foot that provides the stability and comfort low active users desire, while incorporating progressive design elements that elevate their experience to the next level.



## Human Capital

Össur employs about 3,500 FTEs working in 30 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.

We measure our employees' motivation once a year and we are proud that our employee satisfaction and motivation is high. Our employees' passion, drive, and capabilities to help our customers are our greatest assets. We have a Competency Framework within Össur that allows us to identify the behaviors that drive successful performance and supports business strategy. Our competencies are collaboration, communication, driving results, customer focus and change. Regular check-ins are encouraged between employees and managers to discuss both performance and development of these competencies which are supported by Össur's Development Guide that lists training and development opportunities for each competency. All employees regardless of their role or location, have access to thousands of online and virtual courses to learn and grow.

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 39% of employee are covered by collective bargaining agreements. 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.

## UN Sustainable Developments Goal 5 – Gender Equality

One of the SDG's Össur supports is Goal 5 on Gender Equality. This is an ongoing commitment and Össur has both measured and published gender split between employees as well as the gender split in management positions for few years. Össur believes in diversity in its broadest sense and the importance of gender equality in the workplace and society as a whole. Gender equality is not only fair, but it also makes economic sense to utilize the skills, strengths and knowledge of all Össur employees equally.



The total number of employees compared to last year is roughly the same, however there have been changes within the organization due to a mixture of divestments and acquisitions that have had material impact on the combination of employees and roles. Due to these changes the portion of women employees has decreased from 49% in 2019 to 46% in 2020. The same is true for women in management positions, which accounted for 38% in 2019 and 36% in 2020. As Össur will continue to grow through acquisitions it can be expected that from time to time, such actions might impact these measurements. However, Össur remains focused on its efforts to increase the number of women managers and maintain the relative even gender split between employees.

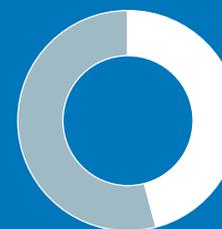
Goal 5- Actions and progress	Target	2020 Status
Gender split among employees	50% (+/- 10%)	46% Female 54% Male
Female Managers (percentage of total number of managers)	YoY increase	36%
Össur's Women's Leadership initiative (ÖWLI) Encourage greater diversity and inclusiveness in the industry	Annual conferences* and webinars	6 webinars

\* Annual ÖWLI Conference postponed 2020 due to COVID19

## Diversity, Equality and Inclusion

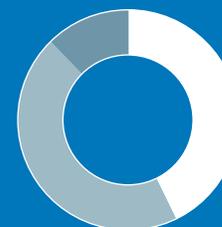
Towards the end of the year it was decided to create a Diversity, Equity & Inclusion Council. This council will promote and work on gender equality matters as well as focusing on diversity in its broadest sense. During 2021 the council will map out current status and start to implement initiatives to further support and reinforce diversity, equity and inclusion within Össur.

## Diversity and Equality



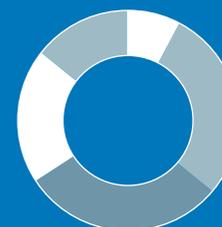
### Gender Ratio

- Male 54%
- Female 46%



### Education

- University Degree 43%
- Other 45%
- Vocational or Technical Training 12%



### Age

- 16-25 8%
- 26-35 28%
- 36-45 30%
- 46-54 20%
- 55+ 14%



## Better together

At Össur we have a passion for helping people pursue a life without limitations. We celebrate different ideas, perspectives and backgrounds. We are committed to creating a culture of acceptance and belonging, while proudly serving a diverse, global community. To make a difference in this world, we embrace differences within the world.

1971-2021  
**50**

**ÖSSUR**  
LIFE WITHOUT LIMITATIONS

## 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.

### 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. Since the beginning all conferences and events have been well attended and well received by the industry. However, last year was challenging due to the pandemic and all events hosted were virtual. Among virtual events in 2020 were six educational webinars, including two with panel presentations to replace the Annual OWLI Conference. In addition, two virtual book club events were held and two online networking events.

In 2021 further online events are planned in addition to an online workshop for Women in O&P which will be the first of its kind.

## 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).

## 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	✓

Further measurements relating to gender split, employee turnover and other related measurements can be found on page 39.

## Occupational Health and Safety

Employee safety is Össur’s first priority. In 2020, Össur was impacted by the COVID-19 pandemic, just like other companies worldwide. All measures were taken to implement and adhere to national and regional rules and regulations on restrictions, with the clear goal of ensuring a safe work place.

Thirteen Össur locations around the world take part in the Safety Program which has the key focus areas Employee Safety, Operational Safety and Employee Participation. The program’s goal is to continually improve the safety management system to ensure a safe and healthy workplace. Within Employee Safety the aim is to identify, prevent and eliminate job related risks through a Job Safety Assessment (JSA) 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) or they were only a near miss. The root cause is analyzed and actions are taken to prevent similar incidents from happening again.

The number of recordable incident in 2020 was 14, the same as in 2019, resulting in Total Recordable Incidents per 100 employees as 0.7 compared to 0.6 in 2019.

Indicator	2016	2017	2018	2019	2020
Recordable Incidents per 100 employees	1.6	1.3	1.1	0.6	0.7
Number of recordable incidents	21	25	23	14	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 2020, internal

fire safety audits were performed quarterly at nineteen locations, both at Össur locations and main suppliers.

Employee Participation is crucial to maintain a culture of continual improvement, and Össur employees are encouraged to submit ideas on to improve the safety of their work area and environmental improvements. The total number of employee ideas implemented in 2020 was around 9.600. 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.



## 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.



## 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 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 employee and operational safety.

## Raw Material Suppliers

Össur has more than 800 active suppliers, of which about 200 are considered critical. Annually all critical suppliers are reviewed and those that have had quality issues are evaluated. Suppliers are either approved, approved with exemption or not approved. When approved with exemption follow up actions are required. 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 year-end 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. Read Össur's Supplier Code in full on [www.ossur.com/CSR](http://www.ossur.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, but in some instances it can be up to a full week. Össur and its partners are instructed

to follow a special code of conduct and all contracts address human rights with special focus on compensation and health and safety. One new product suppliers was on-boarded into Össur's supplier auditing program in 2020. At year-end 2020, Össur had 19 product suppliers in Asia, 11 major product suppliers and 8 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. Due to the COVID-19 pandemic audits during 2020 were not completed for all suppliers, however all suppliers have been scheduled for an audit in 2021. In past years Össur has engaged with its suppliers to improve their property risk profile by hosting property risk and safety seminars, educating and training the Company's strategic product suppliers and improving processes and risk awareness.

## Responsible Sourcing

Össur has an established process for 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, among other 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 non-conformities. 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 European Regulation (EU) 2017/746 that is replacing the Medical Device Directive 93/42/EEC have been implemented and the company will be ready for the new regulation to take effect May 26th 2021.

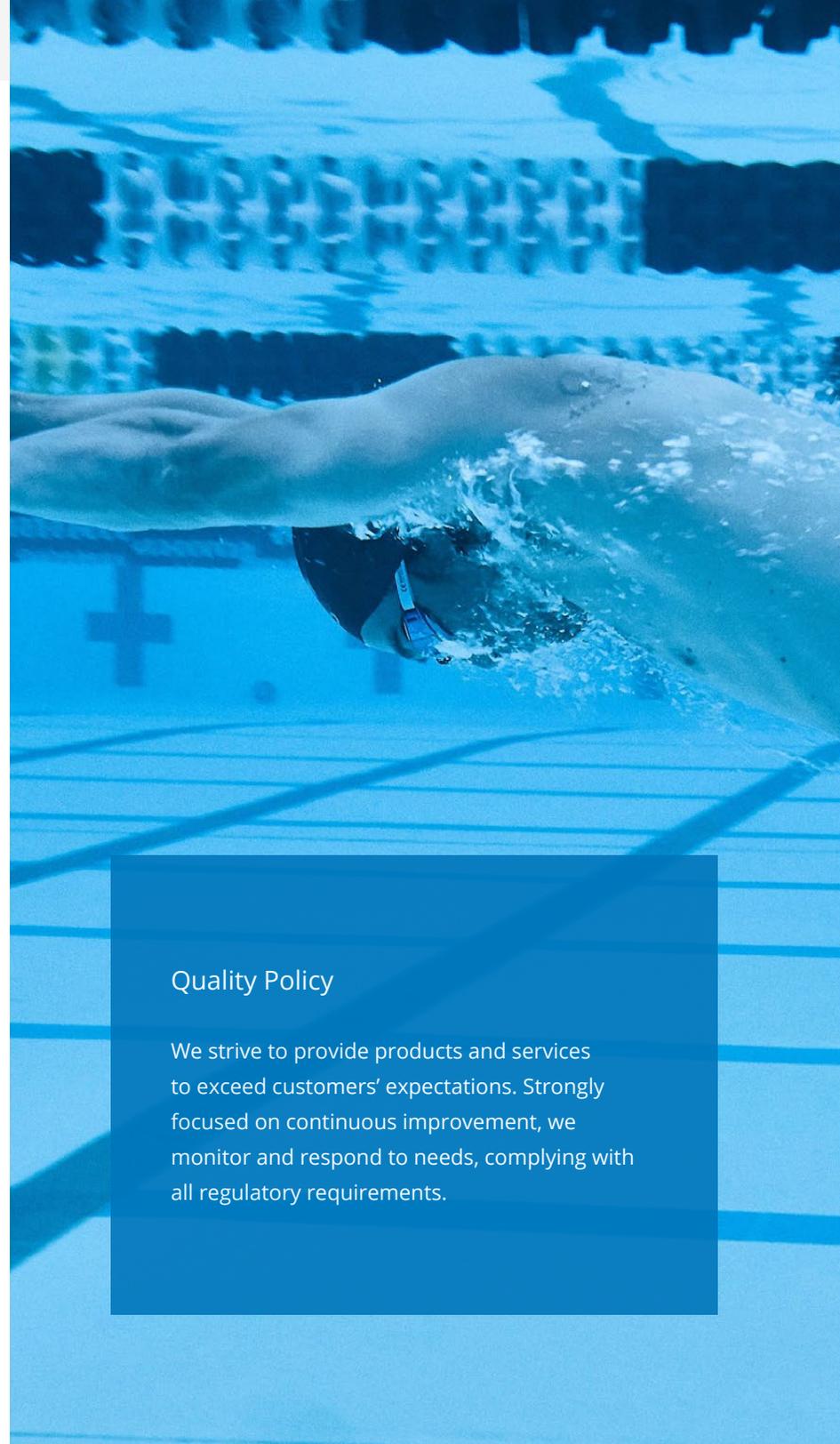
Certifications of Össur sites (total 11 sites)	ISO 9001	ISO 13485	ISO 14001
Reykjavik, Iceland		✓	✓
Eindhoven, Holland		✓	✓
Manchester, UK		✓	
Trevoux, France (Gibaud)*	✓		
St.Etienne, France (Gibaud)*	✓		
Foothill Ranch, California		✓	
Tijuana, Mexico		✓	✓
Albion, Michigan**		✓	
Philadelphia, New Jersey		✓	✓
Bayreuth, Germany		✓	
Touch Bionics, UK		✓	

\* Gibaud divested in the year 2020.

\*\* Albion facility was closed and operations transferred to Mexico

## Quality Policy

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

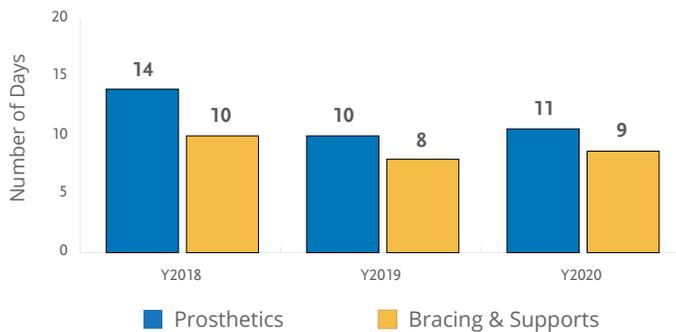


### Customer Feedback

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.

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

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

## USER STORIES

### Sandro Borges

Football (soccer) is the most popular sport in Portugal and the most practiced. With the national team often amongst the higher-rated teams in both Europe and the world, Portuguese children dream of joining the ranks of professional football. With equal parts hard work and natural talent, Sandro Borges would have an opportunity to live his dream and play professionally for his beloved Portugal. Unfortunately, a car accident at age 21 cut this dream short.

His injuries were serious and potentially life threatening. His left leg, damaged beyond repair, required immediate amputation.

“The first reaction was a state of shock...the consequences of what had just happened, knowing that I would never more able to run, walk, go out at night with my friends or pick up my son from school, had a significant impact and shook my confidence in myself.”

Despite his shock and sadness, Sandro promised himself that no matter how difficult, he would recover. He received his first prosthetic shortly after his surgery and began an aggressive rehabilitation effort.

“Above all, I wanted to get my life back and make up for lost time. So, I went back to the gym as often as possible and I concentrated all my efforts on recovery. I wanted to do better every time.”

Today, Sandro is a boxing trainer who uses Pro-Flex XC Torsion because, as he says, “it helps me move the way I want to move.” He continues to push himself in the ring and is an outspoken proponent of physical fitness, sport activities and a life without limitations.

“I lead a perfectly normal life, both personally and professionally. Life has given me the opportunity to try boxing after being a professional football player and I grabbed it, without doubts or hesitations.”



## 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 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 as outlined in Össur's Human Rights Policy.

Össur encourages its employees to report any suspected violation of its policies and has a speak-up line accessible for employees and other stakeholders. 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 [www.ossur.com/CSR](http://www.ossur.com/CSR)

## Society and Education

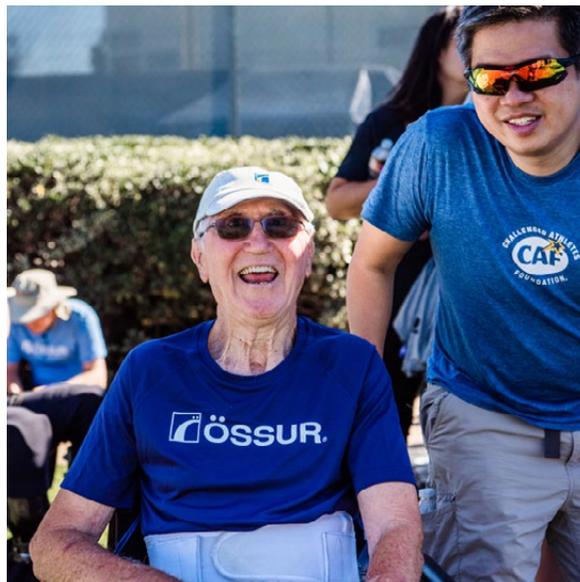
One aspect of the Company's responsibility is to show support for the societies and environment in which the Company operates. Össur believes that it has responsibility towards people of all abilities, not only to provide high quality products, but equally to support third-party initiatives aimed at 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 Paralympians and other role models, 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 two decades, Össur has had an educational program called Össur Academy, which educates prosthetists and orthotists 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 various 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.

### **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.

### **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.

### **International Confederation of Amputee Associations (IC2A)**

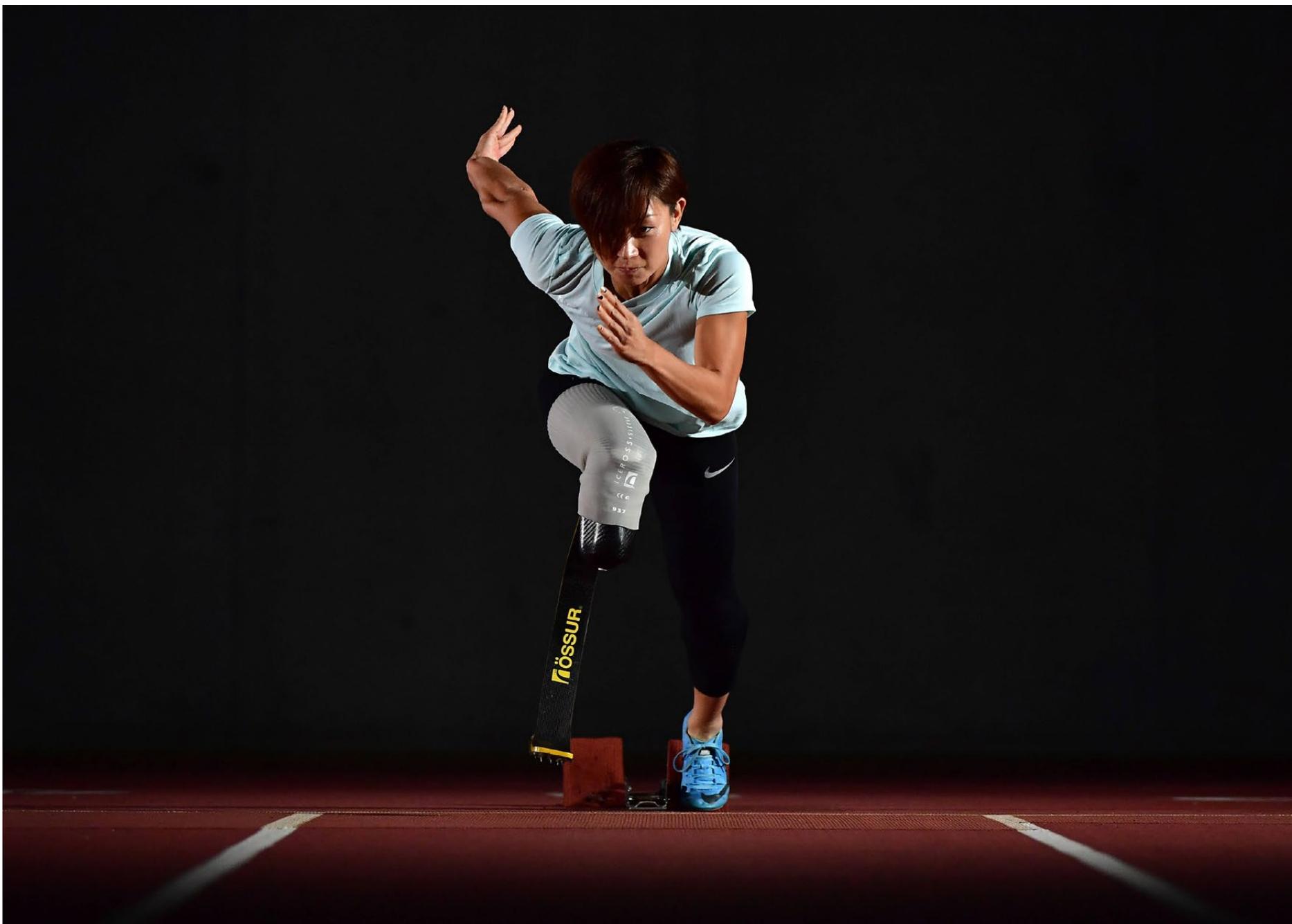
Össur is a corporate member of the International Confederation of Amputee Associations (IC2A); an alliance that shares experiences, knowledge and best practice to inspire improvement in the quality of life of amputees and individuals born with limb deficiency.

### **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.

### **Amputee Coalition of America (ACA)**

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



### Employees engage in community support

Össur encourages employees to participate in community support and each year a 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 four 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 a retirement home for homeless people. In Australia Össur has an agreement with Motivation Australia to provide financial support as well as assistance to improve prosthetic and orthotic service in the Pacific region as well as opportunities for employee involvement by way of volunteering. 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. As an example, employees in the UK participated in a 1-mile open water swim in Manchester to support mental health and wellbeing. Due to the pandemic in 2020 some initiatives have had to be postponed or organized in a different manner.*



## 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 Research 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.

## Media Ethics

Össur markets its product 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’s customers are to a large extent, individuals who are considered to be physically challenged and Össur has for many years strived to change the perception of disabled people. 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 diversity in its media activities.

## Donations

Össur’s strategy is to ensure that monetary donations are meaningful and benefit both the local community and Össur. Össur’s donations are primarily focused on supporting people with disabilities or inequalities through activities that either seek to empower our users, support the local community or engage our employees. Part of Össur’s donations are also in the form of the companies products, services or expertise. Össur does not make donations to political parties or any sort of political activities.

During 2020 Össur participated in various initiatives in relation to the COVID-19 pandemic. Among donations to support local communities was a donation of 20,000 test swabs in Iceland, manufacturing of masks for the French health authorities and to custom manufacture Mobile Patient Isolation Units for the Icelandic health authorities, which are used to transport infected patients.

## Social metrics in accordance with the Nasdaq ESG guidance

SOCIAL METRICS		Connection to frameworks	2018	2019	2020
<b>S - 1</b>	<b>CEO Pay Ratio</b>	<b>UNGC: Principle 6</b>			
1)	CEO total compensation to median FTE total compensation		22	21	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>	<b>UNGC: Principle 6</b>			
	Equal pay audit		Yes	Yes	Yes
<b>S - 3</b>	<b>Employee Turnover</b>	<b>UNGC: Principle 6</b>			
1)	Year-over-year change for full-time employees		15%	10%	17%
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>	<b>UNGC: Principle 6</b>			
1)	Total enterprise headcount held by men and women		M 51%/F 49%	M 51%/F 49%	M 54%/F 46%
2)	Entry- and mid-level positions held by men and women		M64%/F36%	M62%/F38%	M64%/F36%
3)	Senior- and executive-level positions held by men and women		M80%/F20%	M74%/F26%	M76%/F24%
<b>S - 5</b>	<b>Temporary Worker Ratio</b>	<b>UNGC: Principle 6</b>			
1)	Total enterprise headcount held by part-time employees		4%	8%	9%
2)	Total enterprise headcount held by contractors and/or consultants		n/a	124	144
<b>S - 6</b>	<b>Non-Discrimination</b>	<b>UNGC: Principle 6</b>			
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>	<b>SDG 3</b>			
1)	Total Recordable Incident Rate per 100 employees		1,1	0,6	0,7
<b>S - 8</b>	<b>Global Health and Safety</b>	<b>SDG 3</b>			
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>	<b>UNGC: Principle 4,5</b>			
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>	<b>UNGC: Principle 1,2</b>			
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

## USER STORIES

### Rudy Garcia-Tolson

“A brave heart is a powerful weapon, and people should never let their challenges define who they are”

At an age when most children must be reminded to brush their teeth or take out the trash, Rudy Garcia-Tolson was charting his course to Ironman® Triathlon victory and Paralympic gold. Born with multiple birth defects, Rudy endured 15 surgeries by the age of five before telling his parents he would prefer a double leg amputation. Soon after, Rudy began to swim and run, participating in his first triathlon at age 8, as the swimmer in a winning relay team. By age 10, on a visit to Össur in Iceland, he provided product input which became key in the development of the Flex-Run™ prosthetic. Shortly thereafter, Rudy completed the first of many individual triathlons.

Today he is a multi-hyphenate. Rudy is a swimmer, runner, cyclist, triathlete, ESPN's ARETE Courage in Sports Award Winner, ESPY nominee, motivational speaker and four-time paralympian.

On a day-to-day basis, Rudy uses Össur's Rheo Knee® and Pro-Flex® XC. For athletics, he uses Össur's Flex-Run. As a four-time Paralympian (2004, 2008, 2012, 2016) and five-time medalist, Rudy devotes himself to inspiring the younger generation of challenged athletes. Today, he is training in hopes of competing at his fifth Paralympics in Tokyo next year.

“Never let people tell you that you can't do something. Prove them wrong. The only disability in life is a negative attitude.”



## Governance

### Corporate Governance

Össur hf. is an Icelandic company listed on Nasdaq Copenhagen. 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 information on regular basis through quarterly financial statements and other press releases. 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 applies the Danish Recommendations on Corporate Governance. The Recommendations are the best practice guidelines for companies admitted to trading on a regulated market in Denmark. Össur issues annually a Corporate Governance Report and a Remuneration Report, both available on Össur's website [www.ossur.com/IR](http://www.ossur.com/IR)

### Global Compliance Function

Össur has operations in more than 27 countries and distributes its products worldwide. Built on the basis of the Company's values – Honesty, Frugality, Courage – and the Company's Code of Conduct, Össur has various policies in place to guide the employees on compliance and business integrity. The Company sees the benefits of taking a holistic view of the relevant risks and combining efforts in the broad range of compliance activities.

Originally based on a risk assessment performed by external consultants, Össur has prioritized its efforts in building a global compliance function and increasing maturity across different compliance areas. Main focus will be on Third Party Due Diligence, Anti-Corruption and Anti-Bribery, Sanctions, Anti-Money Laundering and Anti-Trust.

The roll out of a comprehensive compliance and security program started in 2020 with the Audit Committee approving the governance framework and the strategy. A Compliance & Security Committee was established to supervise and support the strategy execution. The Compliance & Security Committee is composed of five members, including the CEO and two EVPs.

### Össur Speak-Up Line

In 2020 a whistleblower system was implemented at Össur, called the Össur Speak-up Line. The Össur Speak-Up Line is operated as an independent function. Everyone who makes a report in good faith is guaranteed protection from retaliation and all reports are treated confidentially. The Össur Speak-Up Line is available 24 hours every day of the year. Reports can be filed online or through any mobile browser. The Speak-Up Line is available in local languages and hosted by an independent third party in compliance with local regulations and GDPR.



## Training and Awareness

Training of compliance related matters and policies is twofold. For some training activities employees need to acknowledge policies or procedures and in other instances training is a combination of face-to-face training and online training. This is prioritized based on position and geography. 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. 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 [www.ossur.com/CSR](http://www.ossur.com/CSR)

## 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. To ensure compliance with Data Privacy legislations, Össur has established procedures, updated policies 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 Global Data Protection Officer to head up efforts within the field.

## 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.

## 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.

## 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.

## Governance metrics in accordance with the Nasdaq ESG guidance

GOVERNANCE METRICS		Connection to frameworks	2018	2019	2020
<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) <i>The Board has only one committee, Audit Committee, explaining the uneven gender split.</i>		M 100% / F 0%	M 100% / F 0%	M 100% / F 0%
<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>	<b>UNGC: Principle 3</b>			
1)	Total enterprise headcount covered by collective bargaining agreement(s)		n/a	41%	39%
<b>G - 5</b>	<b>Supplier Code of Conduct</b>	<b>UNGC: Principle 2,3,4,8 SDG 12</b>			
1)	Are your vendors or suppliers required to follow a Code of Conduct? Yes/ N		No	Yes	Yes
2)	If yes, what percentage of your suppliers have formally certified their compliance with the code?		n/a	76%*	76%*
<b>G - 6</b>	<b>Ethics &amp; Anti-Corruption</b>	<b>UNGC: Principle 10</b>			
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%**
<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>	<b>UNGC: Principle 8</b>			
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>	<b>UNGC: Principle 8</b>			
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	Yes	Yes
3)	Does your company set targets and report progress on the UN SDGs? Yes/No		No	Yes	Yes
<b>G - 10</b>	<b>External Assurance</b>	<b>UNGC: Principle 8</b>			
	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 CSR data, further details in the relevant chapters of the CSR report		

\* Percentage of suppliers categorized as critical suppliers

\*\* Percentage of key employees in sales and employees with responsibilities in high risk areas



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