



SUSTAINABILITY REPORT

Corporate social responsibility 2017

Innovation and Education

in Joint Replacement, Spine Surgery and Sports Medicine





The data collected in this report relate to the activities carried out by our group in 2017. The analysis includes the entire perimeter of our business: headquarters, branches, education institutes, logistics centers and foundation.

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CHAIRMAN'S LETTER

*"I'm pleased to introduce this first document with the intention of presenting our company and our vision of the concept of sustainability and social responsibility. For a **family business** like ours, the approach to these issues is natural, because we perform our professional activity with the common sense, values and principles that are a part of our daily life. A company that has the sole purpose of obtaining economic profit would probably be a well-organized and technically flawless enterprise, but it would also be a heartless and soulless enterprise.*

***Passion, courage** and **trust** are the ingredients that can make a company a community dedicated to building a common goal: **market success**, the **well-being of its employees** and the **wealth of its community**.*

*A success that today is increasingly guaranteed not only by the budget figures after the plus sign, but by the reputation, esteem and respect that all stakeholders credit the company and its work. It is with this spirit that Medacta, through this publication, has tried to collect the data of its identity card to make itself better known and **spread its vision to all its collaborators and to all those people** with whom it shares the ambition to make Ticino a place dedicated to hosting qualified, competitive and responsible businesses. This is our goal and we want it to be our future".*

Alberto Siccardi
Founder, President & CEO



THE SUSTAINABILITY PATH

Innovation must be sustainable to be of real **value for everyone**. We want to do everything possible to ensure that sustainability does not remain just an important part of our corporate culture but rather becomes a **value shared** among all the subjects involved in our activities, so that we can actively contribute to the sustainable development policies of the territory and the community to which we belong.



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

"CSR means that companies are responsible for the effects of their activities on society and the environment. The Swiss Confederation understands CSR to be a contribution to sustainable development made by companies."



Commissione Europea

"CSR refers to companies taking responsibility for their impact on society. The European Commission believes that CSR is important for the sustainability, competitiveness, and innovation of EU enterprises and the EU economy. It brings benefits for risk management, cost savings, access to capital, customer relationships, and human resource management."



economiesuisse

"CSR stands for the socially and ecologically responsible actions of businesses geared towards fulfilling the fundamental idea of creating lasting and sustainable economic activity. In the long run economic success can only be achieved in a stable and productive society. Companies see CSR as an opportunity and requirement for economic success."



United Nations
Global Compact

*"Business as a force for good."
"By committing to sustainability, business can take shared responsibility for achieving a better world. We aim to mobilize a global movement of sustainable companies and stakeholders to create the world we want. That's our vision."*

RELATIONS WITH STAKEHOLDERS

We believe in the importance of **dialogue** and **relationship**. Our success also depends on the continuous exchange we have with our stakeholders^[1], with whom we maintain a **direct and transparent dialogue**. Involvement and sharing are the basis of our activities. As a first step we have identified and mapped our stakeholders, from customers to surgeons, collaborators to suppliers, public administration to local associations, schools and universities to our fellow citizens. Then we asked ourselves how we could strengthen their engagement and started to work on a stakeholders' engagement strategy.

MATERIALITY DRIVERS

As part of this first edition, we started our analysis of the possible **KPI (Key Performance Indicators)**^[2], and mentioned, in this text, only those that we deemed most suitable to represent our reality and the development of the contents.

In the next edition, we will carry out the first materiality analysis, which will allow us to identify with greater awareness the most important issues for our company and for our stakeholders. Thanks to this analysis, we will be able to declare our goals for the future and the ways to achieve them to the fullest.

^[1] Stakeholder is generally a subject influential as regards to a society.

^[2] Key Performance Indicator (KPI) is an index that monitors the progress of a business activity.



“ Passion, courage and trust are the ingredients that can make a company a community dedicated to the construction of a common goal: the success, well-being of its collaborators, and the richness of its community ”

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Sustainable growth is a goal that the 193 member states of the United Nations have officially placed at the center of the 2030 Agenda, the global plan aimed at eradicating poverty and promoting economic prosperity, social development and protection of the environment. The **17 Sustainable Development Goals** constitute the vital core and provide a direction that stimulates institutions and companies to seek solutions to face these important challenges.



*“At Medacta we asked ourselves how to connect these goals with our business model and our activities, considering the evolution of our approach to **corporate social responsibility**. No. 3 places the **promotion of health and well-being of people** of all ages at the center of sustainable development and we can say that it is ingrained in our mission: the return of patients to a socially integrated, healthy and active life through the recovery of movement has a high value not only for the patients but also for those with whom they relate and for the entire community.*

*Furthermore, with the activities of our foundation, **Medacta for Life**, we indirectly contribute to the achievement of No. 4 and 8 which address the issues of the **quality of education**, and the **promotion of inclusive and sustainable economic growth, full employment and decent work conditions**. In fact, through the **MyBaby** company nursery, we support parenting and promote the return of women to their professional life after maternity leave. With the **MyMission** program we support various humanitarian organizations with financial contributions and medical devices. Finally, with the **MyGiving** initiative we support numerous beneficial projects and social benefits. The dialogue with the Canton and the Confederation will continue over the next few years and will include increasingly specific and analytical ways to achieve these goals. We believe that it is possible to identify synergies and convergences of value that can lead us to move forward with new and interesting initiatives.”*

Maria Luisa Siccardi Tonolli

Vice President Finance



“ We want to give back to our patients the joy of movement and the ability to return to a healthy and active life ”



1. COMPANY PROFILE

1.1 ABOUT US

1.1.1 VISION

*“Our vision to **improve the care and well-being of orthopaedic and spine surgery patients** around the world stems from both experience and passion. Our surgical innovations and surgeon education programs focus on getting patients back to their healthy, active lifestyles, without forgetting both the environmental and societal impacts of the products we create”.*

Alberto Siccardi

Founder, President & CEO



1.1.2 MISSION

*“Medacta’s mission is to transform the patient experience by **advancing surgical approaches, implants and instruments through responsible innovation and meticulous design**. We follow the experience of my father and our Founder, Alberto Siccardi, whose own journey as a patient convinced him of the importance of **pioneering a new approach to joint replacement**.”*

*Our innovation began with minimally invasive techniques and has evolved into **personalized solutions for every patient**. Today, we employ **cutting-edge technologies such as 3D printing**, invest in **medical education, research and development**, and **collaborate with surgeons and universities worldwide**”.*

Francesco Siccardi
Executive Vice President



“ Medacta is a unique company in its field;
it is the only one founded by a patient ”

1.1.3 VALUES

Innovation

Innovation is of paramount importance at Medacta. It is the foundation of all our projects and the basis of our growth strategy today and tomorrow. Personalized solutions, the primary focus of our innovation, are based on three pillars: **a complete and profound knowledge of human nature, continuous investments in long-term R&D and the use of cutting-edge technologies.** Innovation is expressed in the originality of our surgical techniques and our internationally patented products.

Education

Our philosophy is that education is **an indispensable tool for transforming innovation into concrete benefits for patients, surgeons and healthcare systems.** In addition to medical education through the **M.O.R.E.^[3] Institute**, we offer professional education to our collaborators thanks to the **Medacta Academy**, and support the education of the patients through the **MyPractice Development Plan.**

^[3] Medacta Orthopaedic Research and Education (more.medacta.com)



Quality

The quality of our products is of primary importance; we are committed to providing products that not only comply with all current standards and regulations, but above all offer **a unique special value** to customers all over the world through innovation. Quality is not just a policy at Medacta, it is part of the culture and philosophy that motivates all employees every day. There are no compromises: **“Quality in motion”** is our motto and it drives us each and every day.

Sustainability

We want to change things for a better future. This is the reason why **sustainability** is **a fundamental pillar of our way of doing business**, in both environmental, economic and social terms. This philosophy translates into guidelines and internal regulations that guide our daily decisions and actions.



1.1.4 HISTORY

Our foundation was established in 1958 when Dr. Francesco Siccardi Sr. founded Bieffe Biochimici in Florence, Italy. Featuring state-of-the-art technology complemented by the creation of significant intellectual property, the company built a world-renowned reputation and was eventually acquired by U.S. based Baxter International. Following his desire to **improve care for patients** and considering his personal experience with orthopaedic procedures, Dr. Alberto Siccardi dedicated himself to the development of orthopaedic techniques and prostheses. His **passion** led to the **innovation** and **medical education** platforms that have come to define Medacta today.

“Today we want to continue integrating innovation, education, quality and sustainability into every technique and product we create, to give back to our patients the joy of movement and the ability to return to a healthy and active life. We are looking for sustainable growth that allows us to improve in all areas of our activities, continuing to contribute to the realization of beneficial projects and social benefits in the world”.

Francesco Siccardi
Executive Vice President



“ We are committed to creating innovative techniques and products not only for patients but also for healthcare systems ”

M.O.R.E.
INSTITUTE



20th
ANNIVERSARY

- Bieffe Biochimici Firenze was founded by Dr. Francesco Siccardi Sr.

- MEDACTA INTERNATIONAL WAS FOUNDED

- M.O.R.E. INSTITUTE WAS FOUNDED

- STRATEGIC DECISION TO ENTER SPORTS MED MARKET

- 20th MEDACTA ANNIVERSARY

1958

1999

2004

2015

2019

1997

2000

2009

2016

- Acquisition by Baxter of Bieffe Medital

- NEW HEADQUARTERS IN CASTEL SAN PIETRO

- STRATEGIC DECISION TO ENTER SPINE MARKET

- NEW PLANT IN RANCATE AND STABIO LOGISTIC CENTER



1.2 CODE OF ETHICS & COMPLIANCE

We operate in compliance with the law through honesty, integrity and good faith, respecting our customers, employees, business and financial partners, the territory and the community. **We have developed a compliance program**, a compendium of procedures, to better comply with the compliance principles of the countries in which we operate. These procedures must be strictly followed by all our employees and agents who work with us.

Our compliance program is regularly monitored and updated based on changes in laws, ethical codes, guidelines and results of daily activities. As a European company, our compliance program is based on the code of ethics issued by MedTech Europe, of which we are a member. At a local level, our programs comply with the specific laws and ethical codes of each country, such as the AdvaMed Code and the Physician Financial Transparency Reports (Sunshine Act) in the USA.



For more information see: www.medtecheurope.org - www.advamed.org

1.3 CORPORATE GOVERNANCE

Our company is a family business at its second entrepreneurial generation.

The results obtained worldwide have allowed us to become a leader in our sector and to achieve strong and rapid growth that has led to several changes in our organization in a few years. **We believe that good corporate governance is the basis of a sustainable and successful business**; it is a key element to achieve our goals, to ensure compliance with applicable standards and regulations, to guide us towards ethical and responsible behavior; it is at the center of all relations with our stakeholders.

*"We are proud to have created **a performing, dynamic, creative and multicultural company**. And we are aware that everything we do can be done better. In order to innovate successfully, a continuous comparison with all the people involved is necessary. This is why **listening skills** are always the basis of our every initiative".*

Alessandro Siccardi
Supply Chain Director



“ Medacta is a family company that has become
a world leader within a few years ”

“ We have three divisions focusing on joint, spine and sports medicine ”



2. MEDACTA TODAY

2.1 MEDACTA IN THE WORLD

Founded in 1999, our company is now an international company, active in joint replacement, spine surgery and sports medicine, with about 900 employees in various branches all over the world, more than half of whom are in Ticino. Thanks to a constant growth, our company is ranked as the **5th worldwide manufacturer of hip and knee prostheses**.



IN THE WORLD



~900
EMPLOYEES



+550
SUPPLIERS



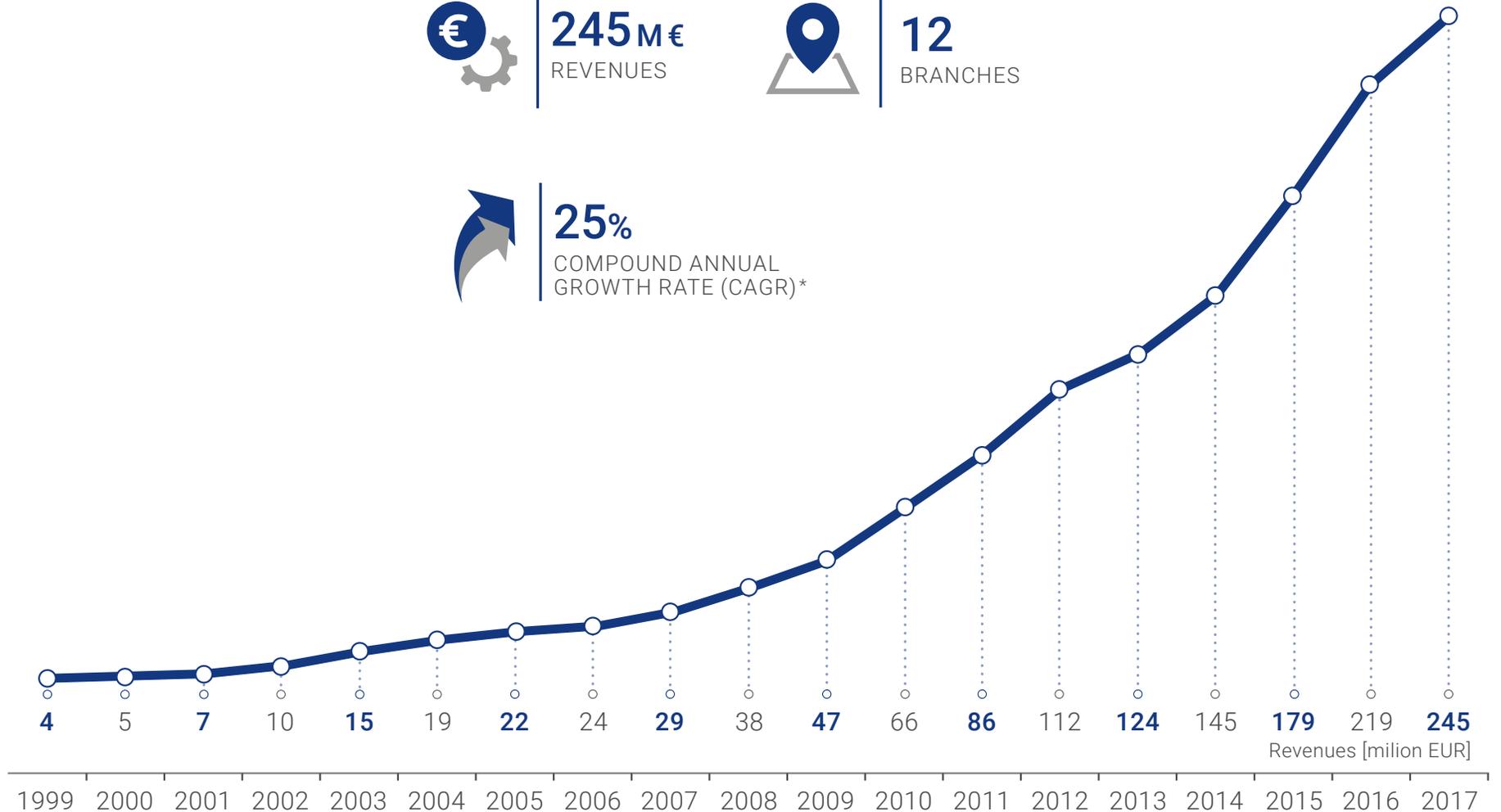
245M€
REVENUES



12
BRANCHES



25%
COMPOUND ANNUAL
GROWTH RATE (CAGR)*



Data collected from 1999 to 2017

2.2 MEDACTA IN SWITZERLAND

Our company is an important organization in Canton Ticino, in Switzerland. Our **historic headquarters in Castel San Pietro**, where the joint and sports medicine divisions are located, has been recently expanded to accommodate new production departments. In addition to the headquarters, the **Rancate plant - where the spine division is located** - and the **logistic center of Stabio** were opened in 2016.



IN SWITZERLAND



+450
EMPLOYEES

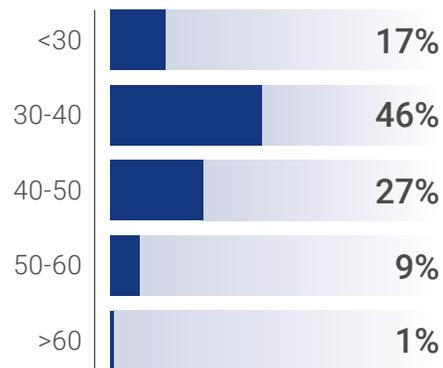


+200
SUPPLIERS



3
PLANTS

AGE GROUP



GENDER



HIRED IN THE LAST 5 YEARS

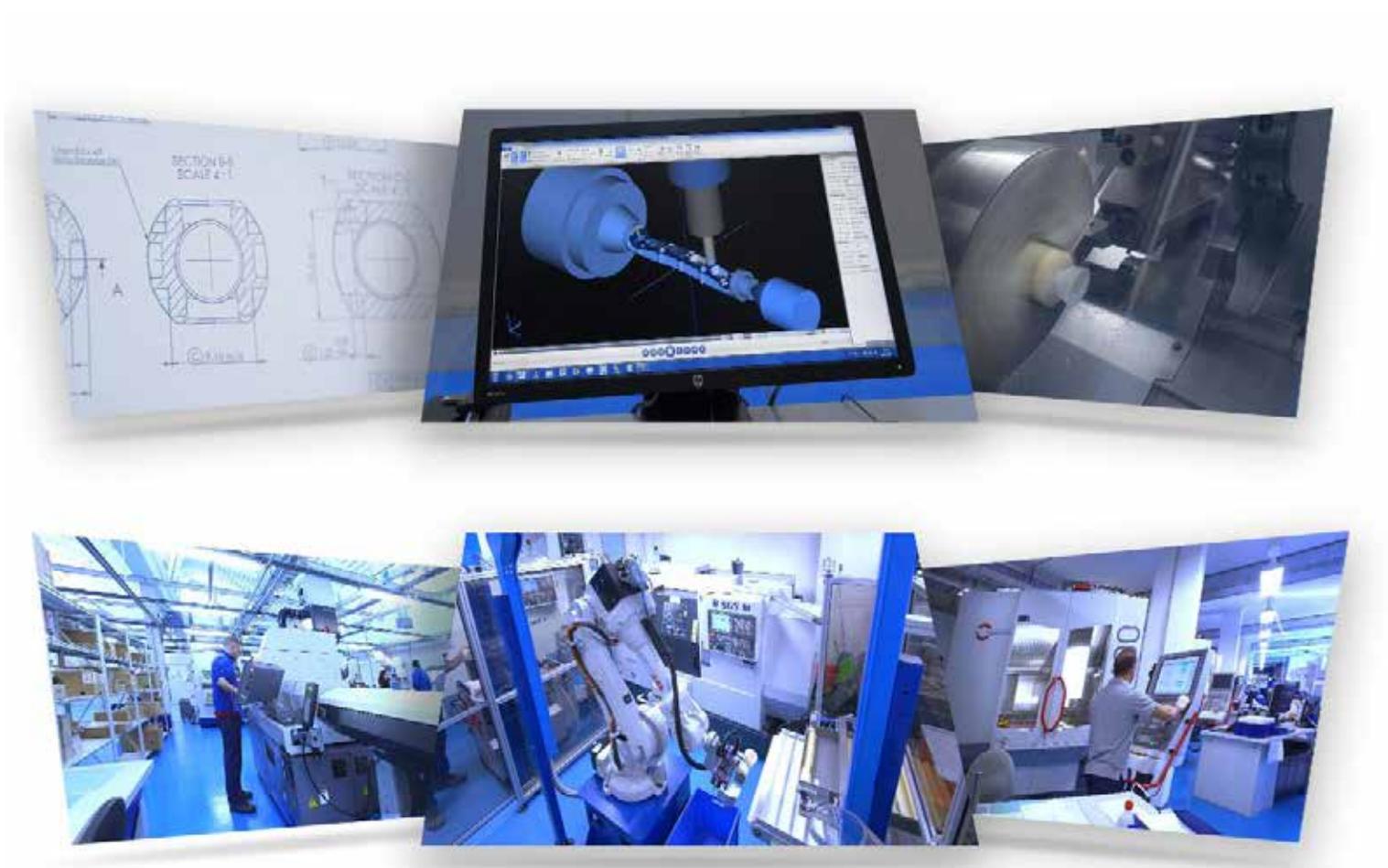


+13 M€
TAXES PAID IN
THE LAST 5 YEARS



2.3 IN-HOUSE TECHNOLOGY

By directly managing two production units, one dedicated to orthopaedics and the other one to spine, we can control all processes and ensure **high standards of quality, flexibility, continuity and efficiency**. Thanks to **in-house production** we can more easily develop our **know-how**, which is a fundamental driver of innovation. Moreover, **in-house production reduces costs and emissions** due to the transport of goods, therefore favoring our sustainable approach.



2.4 2017 MANAGEMENT RESULTS

We achieved important milestones in 2017.

- With the official **launch of the innovative Medacta Shoulder System** after the success of Prof. Dr. med. Ralph Hertel's first intervention in Bern (Switzerland) in December 2016, we officially entered the shoulder market in 2017, expanding the Joint division.
- Thanks to the acquisitions of **Vivamed** in the Austrian market and **Medacare** in the German market, we have further consolidated our presence in Europe.
- The **Efficiency KneePack**, which drastically simplifies the operational flow of hospital logistics, won first prize for innovation during the German congress of DKOU, a point of reference on the European scene.
- With the **250° M.O.R.E.^[4] AMIS^[5] learning center** we have reached and celebrated an important milestone that has allowed us to actively contribute to the training of thousands of surgeons all over the world.
- We successfully organized our second national congress in Japan, the **2nd M.O.R.E. Japanese Symposium**, with over 300 participants and 40 experts.
- We have increased our commitment with the **OREF^[6]** to support and encourage the development of new frontiers in orthopaedic research.

“Promotion of the well-being of the patient through the innovative AMIS technique exemplifies our belief that innovation always requires education”

^[4] Medacta Orthopaedic Research and Education (more.medacta.com)

^[5] Anterior Minimally Invasive Surgery (amis.medacta.com)

^[6] Orthopaedic Research and Education Foundation (www.oref.org)

“ Our commitment to the patient translates into research activity that aims at responsible innovation ”



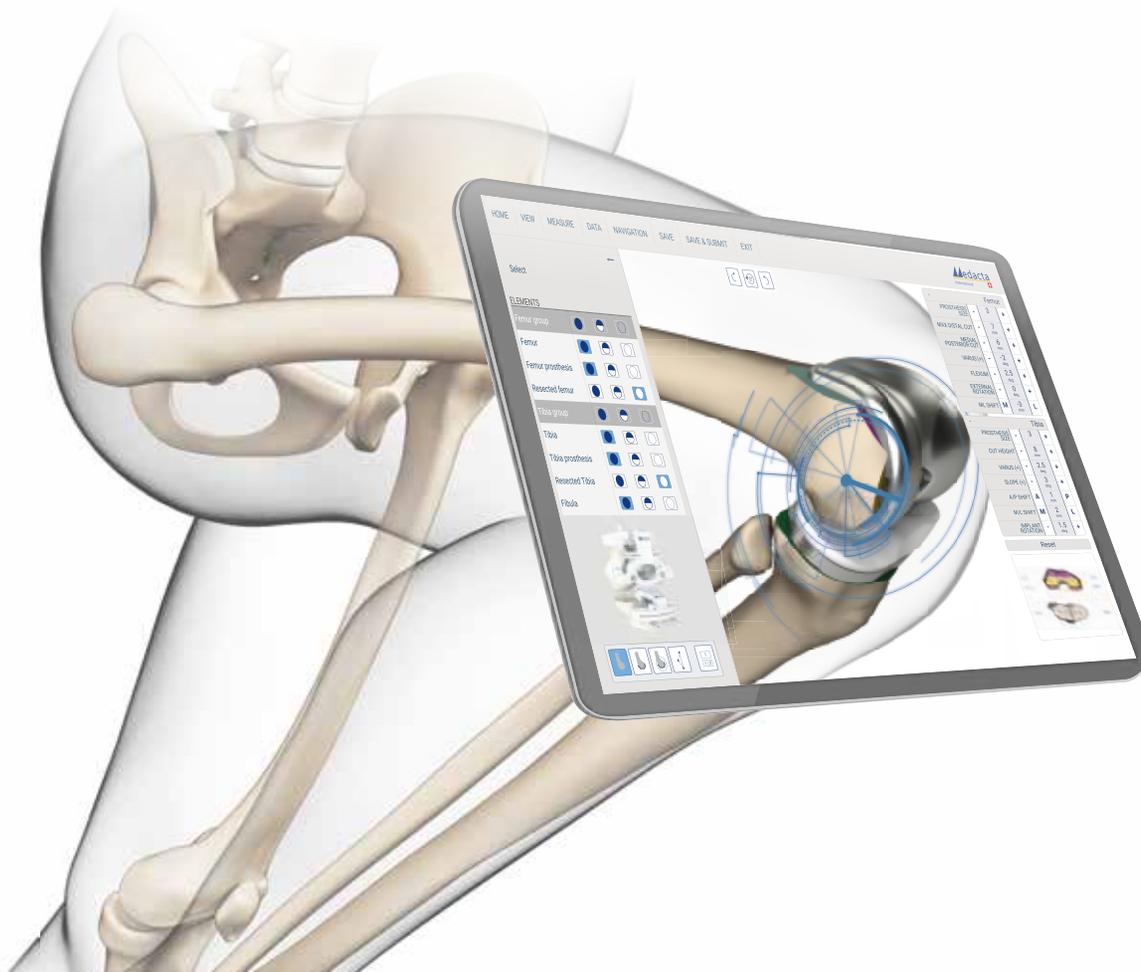
3. THE ASSETS FOR COMPETITION

3.1 INNOVATION

3.1.1 RESEARCH AND DEVELOPMENT

The Research and Development department innovates, optimizes and perfects our range of products and solutions thanks to research, experimentation and application of cutting-edge technologies.

We have also created **a long-term Research and Development department** which allows us to continue to evolve and innovate by defining appropriate strategic plans. This makes it possible for us to enrich our product portfolio every year and encourages our growth and competitiveness.



55
R&D
EMPLOYEES



+10,000
REFERENCES

		2000					2017	
	HIP	APRICOT CONE NATIVE	QUADRA-H QUADRA-S QUADRA-C VERSAFITCUP DM AMIS VERSAFITCUP CC	HIGHCROSS MINIMAX VERSACEM ENDO HEAD VERSAFIT. CC L.	VERSAFIT. CC T. MECTAPLUG QUADRA-R ROMAX AMISTEM	AMISTEM C. MPACT DM MYHIP MPACT P. MAC SYSTEM MPACT RH MPACT MH X-ACTA	AMIS-K DM CONVERTER MASTERLOC SMS AMIS REVISION INSTRUMENTS MECTACEM MIXING SYSTEM MECTAPLUG	KERBOULL CAGES M-VIZION
	KNEE		EVOLIS CINETIQUE EVOLIS R. MNS	MNS OSTEO MNS HIP&DEV iMNS CINETIQUE MIS	GMK UNI GMK PRIMARY GMK REVISION MYKNEE	GMK SPHERE GNK HINGE MYKNEE MIS MYKNEE UNI MYKNEE LBS	GMK UNI ANATOMIC GMK EFFICIENCY	
	SPINE				MECTALIF T. TIPEEK TECHNOLOGY MECTALIF O. MECTALIF P.	MECTA-C M.U.S.T. MECTALIF A. MYSPINE	M.U.S.T. P. M.U.S.T. R. M.U.S.T. F. M.U.S.T. H. MECTA-C PLATE	MYSPINE LP
	SHOULDER						MYSHOULDER REVERSE ANATOMIC	
	SPORTS MED							M-ARS ACL

3.1.2 COLLABORATION WITH UNIVERSITIES

The management of highly innovative projects has led us to collaborate with **leading universities, technology districts and centers of excellence** in Switzerland and around the world.

This encourages the constant development of our company and makes us able to offer important opportunities for students and undergraduates, key factors in terms of competitiveness.



3.1.3 INTELLECTUAL PROPERTY

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



287
PATENTS



614
REGISTERED
TRADEMARKS



63
COUNTRIES WITH
REGISTRATIONS

3.1.4 PRODUCT REGISTRATION

For each new product we comply with **certifications and registrations** in all the countries in which we operate, collaborating with different certification institutes such as the Food and Drug Administration in the United States or the Pharmaceuticals and Medical Devices Agency in Japan.



3.1.5 BUSINESS LINES

Driven by the personal experience of our President and Founder, we are active in three divisions operating in joint replacement, spine surgery and sports medicine, with the aim of **improving care and well-being of patients**. We dedicated ourselves to affirming, standardizing and simplifying **minimally invasive techniques** in collaboration with expert surgeons worldwide. Now we are committed to evolve our techniques to **personalized solutions**.



Joint Division

Since our beginning in 1999, we have been engaged in researching, designing and implementing innovative products and techniques in the field of orthopaedics. **Convinced of the value of the anterior hip approach for improving patient wellbeing**, but at the same time acknowledging the potential challenges, we have collaborated with an international group of expert surgeons to optimize and standardize the anterior approach, to make it more straightforward and enhance its reproducibility. In **2004**, the result of this collaboration led to the origin of the **AMIS (Anterior Minimally Invasive Surgery)** technique and to the development of dedicated instrumentation to facilitate surgery. In 2016, with the same enthusiasm and passion we have always held for improving patient experience, we decided to expand our range of cutting-edge solutions, entering the **shoulder market**.

Spine Division

In **2009** we expanded our range of medical devices with the Spine division. A team of engineers collaborated with expert international surgeons to develop specific and **innovative solutions for the treatment of various vertebral pathologies**, featuring a wide range of products, medical devices and related instruments.

Sports Med Division

To complete our portfolio, in **2016** we made the strategic decision to invest in a new product division: Sports med. A team of engineers developed specific and innovative products **to treat ligament, tendon and muscular injuries of the knee, hip and shoulder**, supported by an international team of surgeons specialized in sports medicine.

3.1.6 M.O.R.E. EXCELLENCE CLINICAL PROGRAM

We have always given priority to the evaluation of clinical performance and have introduced new products, tools and technologies to the market in a controlled and responsible way. We gave a name to this commitment: **M.O.R.E.^[7] Excellence Clinical Program**. This internal policy defines the steps and milestones involved for a Medacta product to reach its full release into the market.

Therefore, the M.O.R.E. Excellence Clinical Program formalizes **our commitment to responsibly introduce innovative products and services** into our daily practice and in the lives of our patients.

We find evidence in several examples, such as the GMK Sphere, an innovative solution that can improve the stability of the joint and limit post-operative pain, favoring the patient well-being. The GMK Sphere was presented on the market in April 2014, following a three-year controlled release program and over 3,000^[8] cases monitored.



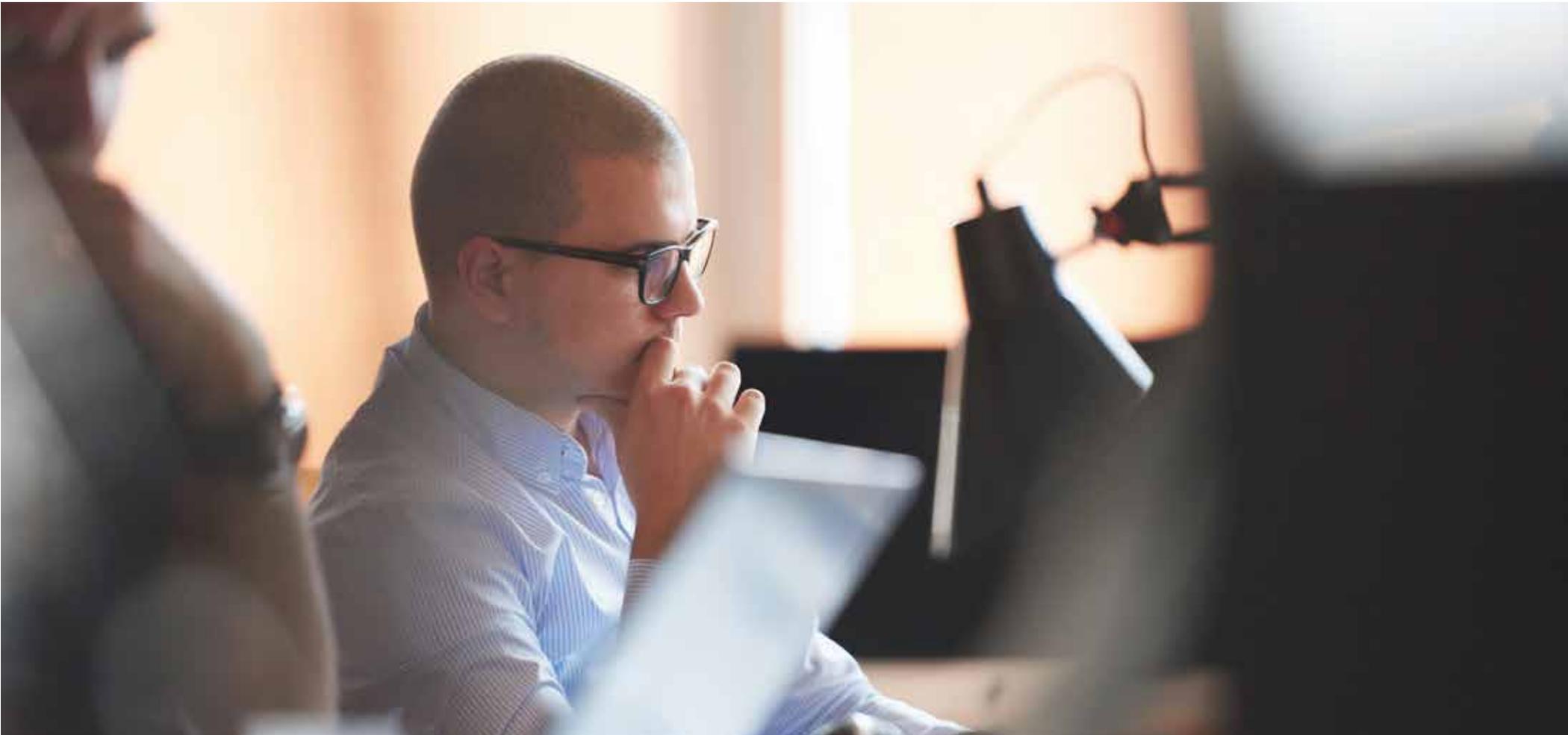
^[7] Medacta Orthopaedic Research and Education (more.medacta.com)

^[8] Data on file Medacta

^[9] Orthopaedic Data Evaluation Panel (<http://www.odep.org.uk/>)

Whenever applicable, we follow the guidelines that exist in different countries, such as the ODEP^[9] criteria or the Beyond Compliance program in the United Kingdom. We continuously monitor the national registries and our Quality System compares the “adverse events/number of implants” ratio with the predictions of the risk analyses.

Once available on the market, each product continues to be monitored throughout its life cycle through a specific post marketing surveillance program.



Innovation requires education



MORE.MEDACTA.COM



ACADEMY.MEDACTA.COM



MYPRACTICE.MD

3.2 EDUCATION

3.2.1 M.O.R.E. INSTITUTE

The mission of the M.O.R.E. (Medacta Orthopaedic Research and Education) Institute is to provide continuous support to Health Care Professionals worldwide **to facilitate the adoption and sharing of knowledge of both innovative surgical techniques and products.**

It has become **a unique and global education platform, tailored to surgeon’s needs:** the courses range from joint to spine and sports medicine.

2017 ACTIVITIES



60
LEARNING
CENTERS



1,200
COURSES
PARTICIPANTS



300
REFERENCE
CENTERS



1,000
SURGEON TO SURGEON
INTERACTIONS

With the M.O.R.E. Institute
the surgeon is never alone

“ Medical education is a pillar of Medacta’s mission ”

The M.O.R.E. Institute relies on Medacta experts and the surgeons community to create networking opportunities and a variety of educational events including: Surgeon to Surgeon visits, proctorship^[10], courses and scientific evenings, international symposia hosting thousands of participants from all over the world.

With a strong focus on young and promising surgeons, the M.O.R.E. Institute also **supports fellowship^[11] programs worldwide.**

^[10] Tutorship activities

^[11] Sponsored educational programs



To promote our business and disseminate our innovative techniques, we organize many **national and international conferences**. In 2016, for example, our event in Lugano (**8th M.O.R.E. International Symposium**) brought together more than 1,200 surgeons from 30 countries worldwide, with a high-level scientific program. This program focused on **maximizing patient satisfaction** by adopting both patient specific solutions and optimized care pathways. The economic impact for the city and for Ticino was huge: over five million francs were invested on this event, two million of which remained in Ticino. In 2017 we organized the second national Symposium in Japan (**2nd M.O.R.E. Japanese Symposium**) with over 300 participants and 40 Japanese experts, exploring different themes such as innovation, education and sustainability of healthcare systems. Moreover, we are organizing the **1st M.O.R.E. Americas Symposium**, that will be held in Montréal in 2018.



3.2.2 MEDACTA ACADEMY

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

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

2017 ACTIVITIES



11,824

HOURS OF CONTINUING TRAINING



7,126

HOURS OF TRAINING FOR NEW EMPLOYEES



101

PROFESSIONAL COURSES



100%

COMPLETION OF COURSES

Structured and **effective training**
for our staff

3.2.3 MYPRACTICE DEVELOPMENT PLAN

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

A **unique** service package
to improve **patient understanding**
and **experience**



3.3 QUALITY

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

We practice this responsibility every day through proactive risk management, validation and rigorous quality controls, with a sustainable approach and the active participation of all the people who are part of our organization. Our culture is based on this responsibility applied to the specificity of our organization. **Quality Assurance is not just something we do, it is a part of who we are.**



QUALITY
IN MOTION

Disciplined, effective and compliant systems

Synergistic product realization

Authentic customer service and care



Complaint management

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



“ We invest in people, the real engine of any successful business, and we firmly believe in the satisfaction of our employees ”



4. CARING FOR PEOPLE

We invest in people, the real engine of any successful business, and **firmly believe in the satisfaction of our employees**. We therefore **promote the continuous improvement of personal and professional well-being** of all the people who work with us.

In addition to this we have created the **Medacta for Life** foundation, which promotes parenting and the return of women to professional life after motherhood.



These data refer only to the headquarters in Castel San Pietro and the Medacta for Life foundation.

Personal and professional well-being for our employees



Work-life balance

We are aware that **reconciling work with family responsibilities** - such as the care of children, but also of the sick and the elderly - is becoming more and more difficult. Reconciling means seeking a **new balance between family life and work life**. In 2011, we opened the MyBaby nursery to welcome the children of our employees, provide support for parenting and promote the return of women to professional life after maternity leave. Flexible working hours, part-time schedule for new mothers and of hours of paid leave for medical visits or assistance to family members highlight our commitment to promote employees' work-life balance.

Health and safety

We are constantly striving to improve working conditions by taking all necessary measures to **increase safety at work and prevent accidents and occupational illnesses**. The presence of an infirmary and the availability of a company doctor are also a tangible sign of the attention to the health of our employees.

Retirement provision and insurance coverage

We care not only for the present but also for the future of our employees. Thanks to **the supplementary pension fund, the LPP benefits and the insurance coverage of salary reimbursement in the event of disability**, exceeding the regulations in force, we want to actively contribute to their serenity.

Support for the employee

Our commitment to employees extends to other initiatives:

- Regular meetings between Management and Department Managers to listen to employees' needs, issues and opinions.
- Guarantee of early return home in case of need or urgency, to complete the car-pooling^[12] company program.
- Provision of spaces for lunch break.
- Agreements with local restaurants and gyms.
- Participation in the costs of season tickets for the use of public transport.

Continuing education

The concept behind our philosophy, alongside innovation, is education. Thanks to the Medacta Academy, all employees take part in **continuous training courses for professional development and growth**. The following is also provided:

- Discounts for training initiatives (participation in costs, special hours, paid days, etc.)
- Language courses in the company
- Apprenticeship training
- Collaborations with schools and universities
- Student discounts: professional internship, preparation of exam projects

^[12] The sharing of car journeys so that more than one person travels in a car

“ We seek maximum efficiency, we comply with current regulations and we are committed to reducing emissions ”



5. CARING FOR THE ENVIRONMENT

5.1 PRODUCTION

We pay great attention to the environmental impact of our activities. Compared to other industrial activities, we have the advantage of operating in a sector that demands constant vigilance over the processes necessary to realize our products. We seek maximum efficiency, we comply with the regulations in force and **we are committed to reducing emissions.** Moreover, we are conducting a feasibility study to introduce solar/photovoltaic panels.

We only use raw materials produced by suppliers that are qualified by our certified quality management system and we are committed to optimizing the use of materials and minimizing process waste in alignment with international standards.



5.2 EFFICIENCY AND INNOVATION

We have submitted **our innovative single-use GMK Efficiency** instrumentation to an environmental impact analysis, in collaboration with Swiss Climate, a consulting company that supports companies in the management of CO₂, sustainability and energy. The results were positive: its introduction leads to a saving in water consumption that was previously necessary to clean and sterilize metal instruments. The results of Swiss Climate have shown that **the environmental impact of GMK Efficiency is neutral**, compared to the average annual CO₂ emission of a hospital using conventional reusable metal instruments^[13]. By eliminating the washing and sterilization, which are mandatory steps to prepare the metal instrumentation for a surgery, **the GMK Efficiency offers a saving of about 435 litres of water for every knee operation**^[14-16].

GMK[®] *Efficiency*

SINGLE USE INSTRUMENTS
IN KNEE REPLACEMENT



^[13]Product Carbon Footprints: Comparative analysis metal vs. single use instrumentation, SwissClimate AG, 2014.

^[14]Getinge 46 Washer Disinfector - Service instructions

^[15]Recommendations for Cleaning, Decontamination and Sterilization of Medacta International Orthopedic Devices.

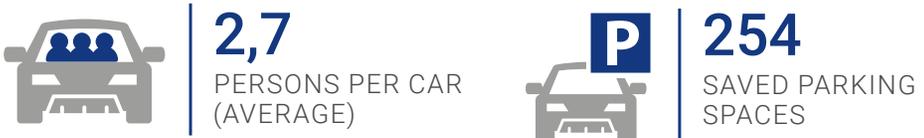
^[16]Priorclave North America Report, 2013.

Every year we also undertake to check the amount of CO₂ connected to the production and disposal of GMK Efficiency and to offset this value **through active support for environmental sustainability projects promoted by Swiss Climate**, such as Kariba Reforestation in Zimbabwe, Forest conservation Santa Maria in Brasil, Water Purification and Cooking Stoves in Kenya, The KronoClimate Project in Russia, in order to equalize these emissions and favor the establishment of a healthier and less polluted environment.



5.3 SUSTAINABLE MOBILITY

In 2014 we successfully introduced car-pooling after analysing a series of data to assess its feasibility and potential benefits. Car-pooling, with an average of 2.7 persons per car, has enabled savings of over 250 parking spaces, in full compliance with the needs of the company, part-time employees and shift workers.



To our employees who go to work using public transport we offer contributions for season tickets (“Arcobaleno” public transport).



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

<p>For the company</p> <ul style="list-style-type: none"> • Costs generated by delays • More tired and stressed workers • Costs of professional travel • Costs of parking areas • Negative corporate image 	<p>For employees</p> <ul style="list-style-type: none"> • Costs related to the use of private vehicles • Costs generated by delays • Stress and negative impact on health • Negative impact on performance • Time wasted in traffic jams • Increase in risk of accidents 	<p>For the community</p> <ul style="list-style-type: none"> • Pollution and time wasted in traffic jams • Increase of health risks • Costs for road maintenance • Costs due to the negative impact on health • Degradation of the landscape and public space • Depreciation of the territory
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Data collected for car-pooling refer only to the headquarters in Castel San Pietro and the Medacta for Life foundation.

“ The passion for our work is not limited to the well-being of our patients but we would like our contribution to be extended to all the subjects we work with ”



6. SUPPORT FOR THE COMMUNITY



6.1 THE MEDACTA FOR LIFE FOUNDATION

The passion for our work is not limited to the well-being of our patients but we would like our contribution to be extended to all the parties we work with. For this reason, in **2011 we founded the Medacta for Life foundation** that coordinates our many and varied projects with the community. **Attention and interest towards the community is expressed in various ways.** Through both financial support and the transfer of knowledge and skills, the Medacta for Life foundation contributes to the implementation of programs and projects of social utility at local, national and worldwide levels. These projects can be grouped around three large areas: **MySchool** for the development of new generations and support for parenting; **MyMission** for the support of medical missions and humanitarian initiatives; **MyGiving** for participation in social projects dedicated to the protection and assistance for children and youth, services for the elderly, scientific research, art and territorial culture.

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

Maria Luisa Siccardi Tonolli
Vice President Finance

A handwritten signature in blue ink, appearing to read "Maria Luisa Siccardi Tonolli".

MEDACTAFORLIFE.COM



6.1.1 MYSCHOOL

The foundation's first project was the **MyBaby company nursery school**, inaugurated in 2011. The structure, initially designed to accommodate the children of employees, was then opened to local families, **with the aim of providing support for parenting and promoting the return of women to professional life after motherhood**. The nursery school, which initially accommodated 23 children from 0-3 years, expanded in space and receptivity in 2013 to accommodate 33 children and received the QualiNido certification from kibesuisse. The building is located in Castel San Pietro, **in a sunny area with little traffic**. It borders the creek and the woods on one side, the garden, orchard and vegetable garden on the other, thus guaranteeing children **easily accessible outdoor spaces**. **The interior spaces are designed and built to support the involvement and promote the well-being of children**: large floor-to-ceiling windows facilitate the child's vision to the outside, onto woodland, animals and seasons changes. The proposed pedagogical project takes into account the **promotion of Italian/English bilingualism** and the approach to child **education according to Montessori and Malaguzzi**. MySchool Ticino accompanies children in their personal and natural attitude towards knowledge, know-how and self-management. This principle makes it possible not only to shape the child and the student, but also the person as a whole and unique.

MYSCHOOLTICINO.CH

In 2015, the educational offer was extended with the **MyChild pre-school** for children aged 3-6 years. The school is open all day 49 weeks a year and organizes extracurricular activities (pre and post school, internal canteen service, MyLabs afternoon workshops). Moreover, the school offers the **MyWeeks** service during school holidays and the **MySummer Camp** service during summer holidays. Recently **MyTown** was added, an outdoor playground even more stimulating for the interaction of children. **In 2017 our project became MySchool: a bilingual school with a wide range of curricular and extracurricular educational proposals.** MySchool can accommodate about a hundred children between 0 and 6 years, offering a quality service to the families of company employees and the surrounding area. In 2018, MyBaby will be authorized to accommodate 50 children aged 0-3 years and MyChild will double in size. Alongside this initiative, **MyKid** will be set up, a primary school for children aged 6 to 10 years which will maintain the bilingual and pedagogical approach that distinguishes MySchool.



The involvement of families in the daily procedures of the school aims to create an educating community, a “shared” place where parents and educators accept and live the responsibility of the educational processes related to teaching/learning and the care of children’s well-being, respecting their mutual abilities. These shared goals translate into several proposals: “a special day”, “afternoons at MyTown”, “continuous training”, informal meetings of “rites of passage”.



6.1.2 MYMISSION

With the MyMission project, Medacta for Life foundation is dedicated to assisting various humanitarian initiatives all over the world, by donating money or orthopaedic implants and instruments. It also supports volunteer surgeons who wish to provide free assistance to communities in disadvantaged countries, improving the life quality of patients in need.



4
PROJECTS
IN THE WORLD

6.1.3 MYGIVING

Medacta for Life foundation is active in many charitable and social projects mainly based in the local area. The foundation has supported about 21 organizations and associations to protect the rights of children and young people, scientific research, sporting bodies and projects dedicated to art and cultural development.



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ORGANIZATIONS/ASSOCIATIONS
SUPPORTED



“ Our vision is set on the future: innovation is of paramount importance, it is the foundation of all our projects and the basis of our growth strategy today and tomorrow ”



7. THE NEXT STEPS

"Our family has been committed to prepare this first report with two main goals.

The first one was the desire to share our daily commitment with all our stakeholders, from customers to surgeons, collaborators to suppliers, public administration to local associations, schools and universities to our fellow citizens. We believe that it is possible to combine growth and development with the well-being of our employees and our country and, with this philosophy, we face our choices and our commitments every day.

The second one stems from the awareness that corporate social responsibility is not only the result of a precise entrepreneurial culture but a fundamental component of the company's processes and organization. Because of this, an internal group is getting certified through a CAS (Certificate of Advanced Studies) in Corporate Social Responsibility at SUPSI, and will be supported by experts in this growth process".

Alberto Siccardi
Founder, President & CEO



Francesco Siccardi
Executive Vice President



Maria Luisa Siccardi Tonolli
Vice President Finance



Alessandro Siccardi
Supply Chain Director







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