

ottobock.

Quality for life

Sustainability report 2020

Contents

Foreword	5
1 The Ottobock company	6
Our business units	8
Our global activities	10
#ottobockcares – Necessity is the mother of invention	12
2 Our understanding and our values	14
myOttobock – Our initiatives	16
Compliance	18
Qualification of O&P professionals	19
Engagement in developing countries and emerging markets	20
The Ottobock Global Foundation	21
Passion for Paralympics	22
Running Clinics	22
3 Sustainability at Ottobock	24
Sustainability management at Ottobock	26
Our eight key areas of activity and objectives	28
Our contribution to the Sustainable Development Goals	34
Our stakeholders	36
4 People first	38
Digitalisation of orthopaedic technology	40
Movao user community.....	42
5 Employees	44
Diversity and equal opportunities	46
“The Valuable 500”	46
Women in management positions	47
Performance-based remuneration	47
Employee social engagement	47
6 Integrated climate strategy	48
Energy and environmental management	50
Climate neutrality	50
Use of resource-conserving materials	52
Biogas plant	53
7 UN Global Compact	54



Foreword

Dear Readers,

The year of 2020 was defined by the pandemic. It demanded a great deal of us as a society and in terms of managing our business. We overcame numerous challenges together around the globe. In doing so, our goal was always to continue providing the best possible treatment for our users while protecting our employees. As an employer, we expanded the possibilities for working from home, implemented hygiene and safety measures and advocated for critical infrastructure in our political network. We built up testing and vaccination capacities early on. For our users and customers, we expanded digital contact channels and treatment options, launched a form of remote maintenance and expanded our portfolio of hygiene products to include air purifiers. In this way, we were able to make a contribution to overcoming the pandemic. I want to express my sincere appreciation to all employees around the world for their dedication – whether on site at the company or working from home!

Even though the pandemic defined our day-to-day work, we stayed on course to boost sustainability in 2020.

The fact that the social component in the ESG (environment, social, governance) criteria is of special importance to us is something we not only demonstrate internally but also through our commitment outside the enterprise. In the past year, we supported more students in the South Lower Saxony region with a Deutschlandstipendium scholarship than ever before. We hope this financial contribution will help talented young people weather the crisis.

With best regards,

Philipp Schulte-Noelle
CEO

Our Talent Days, where eight participants aged eight to eighteen learned how to train with our sports prostheses, are an other example. While the Paralympic Games were postponed, we are of course the Official Technical Service Partner for Tokyo 2021, providing the athletes with free maintenance and repair services.

In parallel with all our activities, we are primarily moving our sustainability strategy forwards. We identified our key areas of activity in 2019. In 2020, we established ambitious strategic objectives to measure our progress. One of these is to increase the proportion of women in management positions to 30 per cent.

The Steering Committee, which includes representatives of various departments such as Purchasing, HR and Operations, plays an important role in this. It implements the sustainability strategy, works on its further development and monitors our progress in view of the objectives.

Environmental protection is an important milestone in our sustainability strategy. Climate change is one of the major social challenges of our time. And as an enterprise, we have a responsibility to reduce our CO₂ emissions. Concrete details about our environmental and energy management approach are found in this report.

I hope you enjoy reading about our efforts to be sustainable. Stay healthy!

1 The Ottobock company

Ottobock has been developing innovative products for more than 100 years. The internationally active medical technology company also offers integrated treatment. With its Paexo exoskeletons, Ottobock has also been applying its expertise in biomechanics to applications in manufacturing since 2012.

We are continually developing our company and perfecting our technology to improve the lives of our users. We invested 6 per cent of our turnover in research and development in 2020.

Since 1919, products and technologies from Ottobock have been helping people gain new freedom of movement and avoid potential complications. Initially, the company revolutionised the market – and above all treatment for patients – thanks to the series production of prosthetic components. Today, the focus has turned to microprocessor-controlled knee joints such as the C-Leg (which can be controlled via an app). Other examples include the computer-controlled C-Brace leg orthosis, the multi-articulating bebionic hand, Juvo power wheelchairs and the Paexo exoskeleton range for ergonomic workplaces.

Our single-minded determination to improve quality of life has made us a global leader in technology for wearable human bionics, which enhance or replace parts of the human body.

Family run with a strong market position:

We see ourselves as a dynamic family-owned company that combines a love of progress with values we truly live by. More than 8,000 employees work for Ottobock and generate a turnover that recently exceeded one billion euros. Näder Holding GmbH & Co. KG holds 80 per cent of Ottobock SE & Co. KGaA. Näder Holding, in turn, is wholly owned by the Näder family, who are the direct descendants of Otto Bock, the company founder.

Backed by the right investor:

Swedish private equity firm EQT has held a 20 per cent share in Ottobock SE & Co. KGaA since 2017. EQT helps us continue to grow in a sustainable and profitable manner. This will let us enhance our edge in the digitalisation of orthopaedic technology and tap into our full potential – so we're ready for a potential IPO at some stage in the future. Sustainability is an important performance indicator for EQT, as it is for other investors. Managing environmental, social and governance (ESG) factors forms the basis of business success and strong investment performance. At the same time, a sustainable approach to business makes it possible to deal with new opportunities and risks in a timely manner.

Together with our partner EQT, we strive to raise awareness and aim to uphold and promote sustainability standards. We are committed to reducing the emission of hazardous substances and waste as well as limiting and reducing the consumption of scarce resources, and to maintaining zero tolerance toward child labour, all types of discrimination, corruption and unethical business practices.

Our business units

Prosthetics

Since the day Ottobock was founded, our prostheses for the upper and lower limbs have continued to raise the bar by setting new, improved standards for treating people with disabilities. Today, we are a global market leader at the forefront of prosthetics technology.



Orthotics

Our orthoses – devices such as supports or bars that help to stabilise, relieve and immobilise or align limbs or the torso – are used support the treatment of people around the globe. Our unique paralysis orthoses allow people with partial paralysis of the legs to securely stand and walk again.



Patient Care

Thanks to more than 240 Patient Care clinics, we are close to people around the world. In addition, Ottobock helps to continually optimise processes in orthopaedic technology workshops based on modern services for high-quality patient treatment and professional workshop management.



Industrials

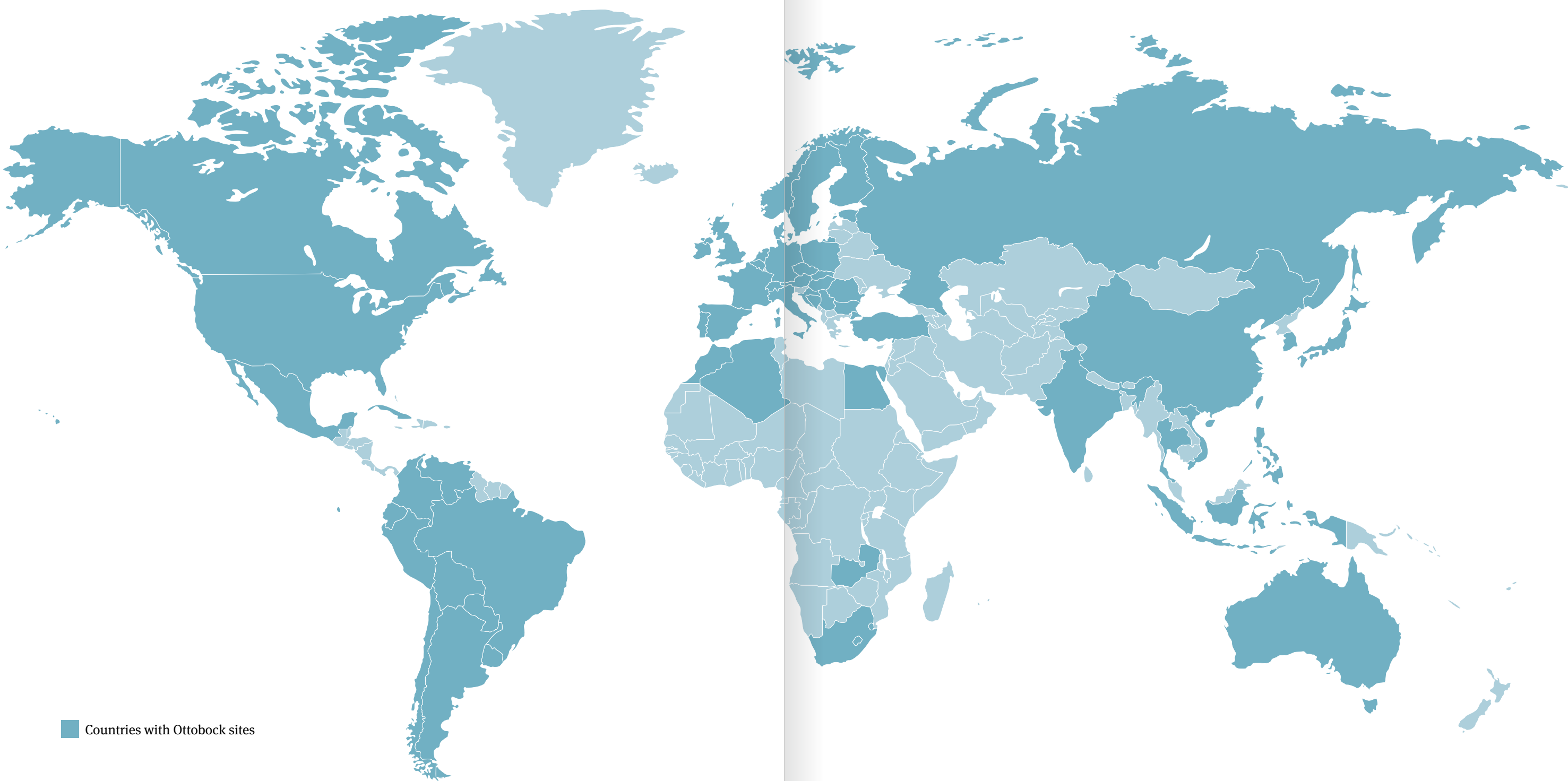
In 2018, we began to channel our biomechanical expertise into a new business segment. Exoskeletons developed by Ottobock now support people who engage in physically demanding tasks at work and prevent health problems. These products are gratefully received by the industrial sector, such as automobile production, the logistics sector and trades.

Human Mobility

Our portfolio in this segment includes manual and power wheelchairs – also for especially active and sporty users – and rehabilitation products such as standing aids or seat cushions. Most of our wheelchairs are manufactured at our Königsee site in Thuringia, closely integrated with development in Berlin.



Our global activities



#ottobockcares – Necessity is the mother of invention

With our initiatives, we take responsibility for protecting our employees during the coronavirus pandemic and keeping our business activities up and running. Our employees formed interdisciplinary teams and demonstrated their expertise by using Ottobock’s infrastructure to quickly manufacture door openers, hygienic handles, community masks and plastic visors.

Outside the enterprise, Professor Hans Georg Näder took the initiative to support children and youths from socially disadvantaged families.

June

- Professor Hans Georg Näder supports employees at the Patient Care clinic in Wuhan and healthcare personnel in India who suffered financial losses during the lockdown.
- Ottobock publishes a video from company headquarters showing how processes are continuing during the coronavirus crisis.
- Ottobock in Vienna produces personal door openers. Employees can open doors with their personal opener, without having to touch the handle.



2020

2021

April

- Professor Hans Georg Näder donates 300 iPads to students and families in Duderstadt.
- At the Duderstadt site, apprentices in Orthopaedics sew “community masks”, primarily using cotton and filter fleece.
- Ottobock iFab fabricates plastic visors and provides them to medical practices and social institutions.
- Professor Hans Georg Näder donates care packages to Ottobock branches, subsidiaries and nonprofit organisations that were especially hard hit by the coronavirus crisis – for example, in Austin, Buenos Aires, Rio and Campinas.

May

- Professor Hans Georg Näder supports young refugees by donating 50 iPads.
- Ottobock in South Africa designs community masks for employees.
- To guard against droplet infection, Ottobock’s Planning & Equipping, Materials division develops a mobile protective screen for employees in Patient Care businesses.
- Ottobock responds to the increased demand for medical equipment in Blagoevgrad, Bulgaria – home to the company’s new production site – with a donation. The medical equipment is intended for intensive care services at the Blagoevgrad city hospital.
- Planning & Equipping, Materials develops a room disinfection unit that protects against pathogens.

July

- Professor Hans Georg Näder donates another 300 iPads to children from underprivileged families so they can participate in digital education.
- Ottobock employees form interdisciplinary teams and demonstrate their expertise by using the medical technology company’s infrastructure to manufacture new products at a rapid pace. Door openers, hygienic handles, community masks and plastic visors all aim to reduce the risk of infection with coronavirus in the workplace.

December

- The company’s home region of Eichsfeld demonstrates its solidarity during the coronavirus crisis. Due to challenging classroom conditions for students during the cold time of the year, Ottobock and other Duderstadt companies and institutions jointly donate 162 professional air purification systems of the Calistair C 300 type to local schools and daycare centres.

2

Our understanding and our values

Professor Hans Georg Näder and his daughters Julia and Georgia Näder place great emphasis on fulfilling their responsibility to employees, customers and users. They carry on the philosophy of company founder Otto Bock to improve the quality of life of people with disabilities and to enable them to live independent everyday lives.

Over the past few years, the company owner has more closely involved his two daughters in the company's business operations and his projects. While Julia Näder is involved in the Ottobock Global Foundation as a member of the board, Georgia Näder became a member of the Supervisory Board for the Ottobock family business at just 20 years of age.

Georgia Näder and a friend founded the startup Maluwa Superfoods, marketing moringa, a plant native to South America, Africa and India. As a result, the founder has also been engaged in sustainable production and supply chains outside of Ottobock. She is therefore aware of how important this topic is for today's generation.

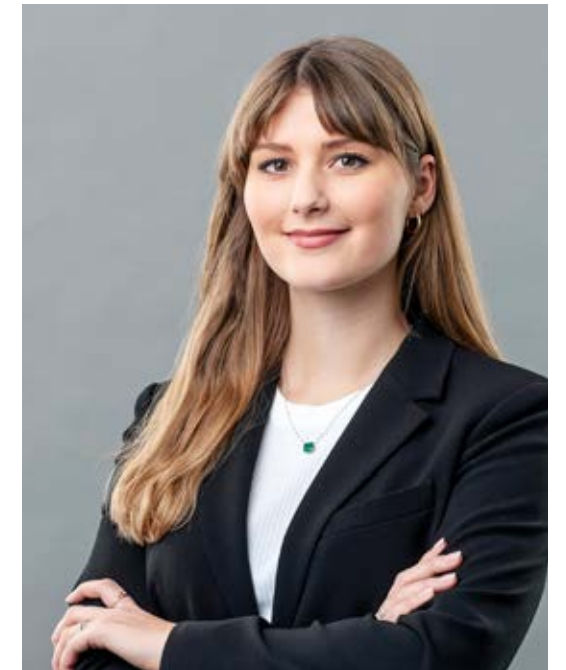
Georgia, you are part of the "Fridays for Future" generation yourself. How important is sustainability for companies today?

The way we live and act today is particularly important to my generation. We have to draw attention to the consequences of climate change. The only way to change things is by rethinking existing processes and investing in technologies that help conserve resources. Companies are part of the sustainability problem we have today, but they are also an important part of the solution.

Through their involvement, they are shaping our future by establishing environmental and social standards and standing up for human rights. The transition to more sustainable business models and practices is creating opportunities for enterprises and innovations while simultaneously reducing negative external impacts on society and the environment.

What are the key issues that companies should be dealing with today?

Globalisation isn't just bringing us closer together, it's also making us aware of things that aren't right. We can see the consequences of the lack of environmental protection, cutting down the rainforest, dire production conditions in the textile industry and poor working conditions at the end of the supply chain. Reconciling economics and



sustainability is the big challenge. But it's up to each of us to make our contribution for the future. That's where I want to make my mark as a member of Ottobock's Supervisory Board!

What is Ottobock doing in terms of sustainability?

Our family business has stood for tradition and progress for more than 100 years. We are aware of our responsibility to our employees, users and customers. With our products, we help people live their day-to-day lives as independently as possible and to take part in social life. My father set the seal on our membership in the UN Global Compact early on to make sure we take a strategic approach to sustainability. A great deal has happened since then. Teams have been formed to review ways of using resources in order to conserve materials. We support Agenda 2030 and have identified topics that are relevant for Ottobock in the context of the United Nations Sustainable Development Goals (SDG) that will enable us to contribute to the greatest possible extent. Since last year, we have been closely examining our carbon footprint and environmental management. The good thing about Ottobock is that the Executive Board and my family are fully committed to this. This is vital to ensuring we can fully integrate sustainability in all areas of the company.

myOttobock – Our initiatives

We are shaping our future together. To this end, we have launched five internal initiatives as part of myOttobock. We regularly communicate news, best practices and progress via various channels, such as a monthly newsletter and podcast as well as a digital employee magazine.

The five initiatives combine strengths from various areas of our company and consolidate our community across departments and countries – from guiding principles for leadership and collaboration to enterprise-wide learning, sustainability and responsibility to our brand, and including a plan for the future.



We expand our knowledge

Ensuring our company will be viable in future is what drives us. We never stop developing and adapt to new situations. This requires a learning culture based on online tools such as LinkedIn Learning. The first pilot projects are underway and are being expanded step by step.



We tell our success story

Economic momentum and decisive action set us apart. We have developed a roadmap for the future called the Full Potential Plan that establishes strategies for products and sales. It also allows us to respond quickly to changes in the market. We are working on our strategy for the period after 2022 alongside this.



We are committed to sustainability

For us, there is no alternative to social, economic and environmental engagement. Developing a sustainable company strategy is our first objective. We report our environmental targets and are a member of the UN Global Compact.



We bring our brand to life

We consistently put people first and demonstrate that our company is ready for the future. We communicate in an emotional, human way. Modern imagery, simple language and digital formats set us apart. We engage in dialogue with our online community under #ottobockcares.



We promote our company culture

We rise to every challenge and pool our strengths. We keep on growing and developing. We make sharing information an active part of our work and cultivate dialogue and feedback. We are true to our word. We spur on innovation and support each other in realising our potential.



Compliance

Complex requirements and continuously changing legal and normative frameworks demand clear standards and rules for corporate governance and for our collaboration. Clear rules and standards help us meet the diverse requirements of our stakeholders in an effective manner and define the scope of our business activities.

In order to comply with applicable laws, directives, standards and agreements, the management of Ottobock has introduced a compliance management system. The Code of Conduct,

the internal anti-corruption guideline and our compliance culture based on trust are important pillars of this system. We continually develop and update the compliance management system to ensure it reflects general social values and complies with the most recent legal requirements.

In 2020, we started providing our employees with systematic training in the Code of Conduct and fighting corruption. Ninety-four per cent of our employees had already completed this training by the end of 2020.

Qualification of O&P professionals

Sharing state-of-the-art specialist expertise, ensuring treatment quality and working to specifically counter the international shortage of skilled workers: With these aims, the Ottobock Global Academy promotes training and continuing education in the fields of orthopaedic and rehabilitation technology. The extensive and differentiated programme is designed for all experts involved in the patient treatment process. It also includes Ottobock employees worldwide to ensure they are qualified to advise and support customers and partners.

407
training
events held

In financial year 2020, the Ottobock Global Academy conducted a total of 407 training events, keeping the number close to the prior-year level (434) despite the impacts of the coronavirus pandemic. The team accomplished this by switching all training to online events. 3,636 training sessions were successfully completed for Ottobock products subject to mandatory certification. O&P professionals must complete this training before treating patients with mechatronic prostheses and orthoses.

3,636

training sessions for
Ottobock products subject
to mandatory certification
in 2020

Our goal is to train personnel who are qualified in orthopaedic technology for developing countries and to create new jobs by expanding our Patient Care organisation. The Ottobock International O&P School has been responsible for this task since 2013. So far, we have trained 60 graduates for our own organisation and external partners such as the International Red Cross and German Federal Armed Forces. The course is certified by the ISPO (International Society for Prosthetics and Orthotics) and takes eleven months. Graduates can use the specialist knowledge they have acquired to improve treatment in their home countries and train new specialists. Our foreign subsidiaries are dedicated to local training and continuing education as well.

Engagement in developing countries and emerging markets

Our vision is to provide access to high quality fitting solutions for people around the world. We share this vision with international partners such as the WHO and ATscale, the Global Partnership for Assistive Technology. Around one billion people are in need of a device. But especially in developing countries and emerging markets, there is often a lack of treatment structures, qualified specialists and a regulatory environment that ensures high-quality treatment. Moreover, devices are often not included in public universal healthcare, which ensures that people do not face financial hardship when they require treatment. The treatment situation has become even more acute since the onset of the coronavirus pandemic. People with disabilities in particular are impacted by its effects, since essential procedures are not carried out or get postponed, extending their stay in hospital and increasing their dependence on care staff.



In a position paper published by the GHA (German Health Alliance), we pointed out the importance of supplying devices during the coronavirus pandemic and spoke up for making devices part of universal healthcare and including service providers at the international level in support measures for healthcare professionals. We therefore work with international partners to improve treatment with prostheses, orthoses and wheelchairs on site. For example, we contribute to research projects set up by the WHO through our worldwide clinical network in order to develop appropriate measures to this end. We also invest in the continuing education of O&P professionals around the world. The best technology is of no use unless O&P professionals are available for the treatment of patients on site.

Within the framework of our sustainability strategy, we have developed a technology concept for countries with weak treatment structures. It enables cost-effective treatment with prosthetics of high quality across the respective country, thereby strengthening the public health system. We plan to implement this concept with other partners at the country level starting in 2021.

Oliver Jakobi
Chief Sales Officer

The Ottobock Global Foundation

The Ottobock Global Foundation was established by Professor Hans Georg Näder in 2015. It supplies prostheses, orthoses and wheelchairs directly to people in need around the world. The Foundation is dedicated to better healthcare and improved quality of life for people with disabilities, in particular children and adolescents in low- and middle-income countries.

Around 150 million children around the globe live with a physical disability. Most of them have amputations or limb differences and limited access to treatment. Because their bodies are still growing, children and adolescents are particularly affected.

In addition to their physical impairment, they often develop complications that could be prevented with specific medical treatment and fittings with devices. Devices also promote the social development and participation of children and adolescents. In many cases, they are a prerequisite for being able to go to school or complete training.

With the support of regional and international partners, the Ottobock Global Foundation was able to carry out various projects last year.



1. Beirut project:
More than 4,000 people were injured in the devastating explosion in Beirut in 2020. Ottobock and the Ottobock Global Foundation provided immediate aid and sent more than 100 wheelchairs to Beirut.



2. Syria project:
The Ottobock Global Foundation is active in the Syrian-Turkish border region, providing injured refugee children with prostheses, orthoses and wheelchairs.



3. A Heart for Children project:
The Ottobock Global Foundation supported A Heart for Children as an active partner by sending an aid shipment to children and adolescents in Morocco and the Ukraine. Twelve children in Kiev were fitted with wheelchairs, and 30 power wheelchairs were made available in Rabat.

Passion for Paralympics

Ottobock has been at every Summer and Winter Paralympic Games since 1988, paving the way for good sportsmanship and fair competition between the athletes. We are proud to be able to support so many athletes with disabilities. In keeping with our motto “Passion for Paralympics”, we do everything we can to promote their mobility as a partner of the International Paralympic Committee (IPC). Ottobock attends the Paralympic Games with an on-site, international team of technicians. We set up Technical Repair Service Centers in the Athletes’ Village and in selected training facilities and venues. We also have a fully equipped mobile Technical Repair Service Center. Experienced O&P professionals, wheelchair specialists and welders ensure that equipment is professionally repaired and maintained – regardless of the athletes’ nationalities or the brands of their prostheses, orthoses and wheelchairs. We’re there to help – even if athletes just need support with their everyday devices.

At the 2016 Paralympic Games in Rio, a team of almost 100 members from 29 countries was on hand to provide technical services. The technicians put in over 10,400 hours of work, completing 2,408 repairs for a total of 1,667 athletes from 134 countries.

The 2020 Olympic and Paralympic Games were to be held in Tokyo. Due to the coronavirus pandemic, the International Olympic Committee (IOC) decided in March 2020 to postpone the Olympic Games by one year. The IPC quickly followed suit. Ottobock will also be there as the Official Technical Service Partner in 2021, providing free service for all athletes. We look forward to continuing our unique story at the Paralympic Games.

Running Clinics

We also want to give people who aren’t professional athletes the opportunity to experience our passion for sports. That’s why we initiated the Running Clinics in cooperation with Heinrich Popow, who won gold at the Paralympic Games in London 2012 and Rio 2016. At the clinics, amputees ranging from beginners to experienced runners work as a team to achieve their personal goals. We are planning to increase the number of international trainers so that even more users can train and practise with sports prostheses under professional instruction.

“I can hardly wait to get to the starting line for the 400 metres in the stadium. The race and the gold medal in Tokyo are my goal and a huge dream for me.

Johannes Floors
Ottobock ambassador



3 Sustainability at Ottobock

In our family business, responsible governance and economic success have gone hand in hand for more than 100 years. We have always put people first. Our goal is to not just meet standards and minimum legal requirements but to continually improve ourselves – to ensure our patients receive the best care and our employees are satisfied.

Over the last few years, we've noticed that the level of interest in our activities as a business and their impact has increased. The world is becoming more complex and dynamic. Expectations on the part of our stakeholders and their need for information are changing. Applicants are including sustainability factors in their decision-making process in the same way that lenders and investors do. We're responding to the increasing importance of sustainability by making environmental, social and governance aspects at Ottobock more visible, both internally and externally.

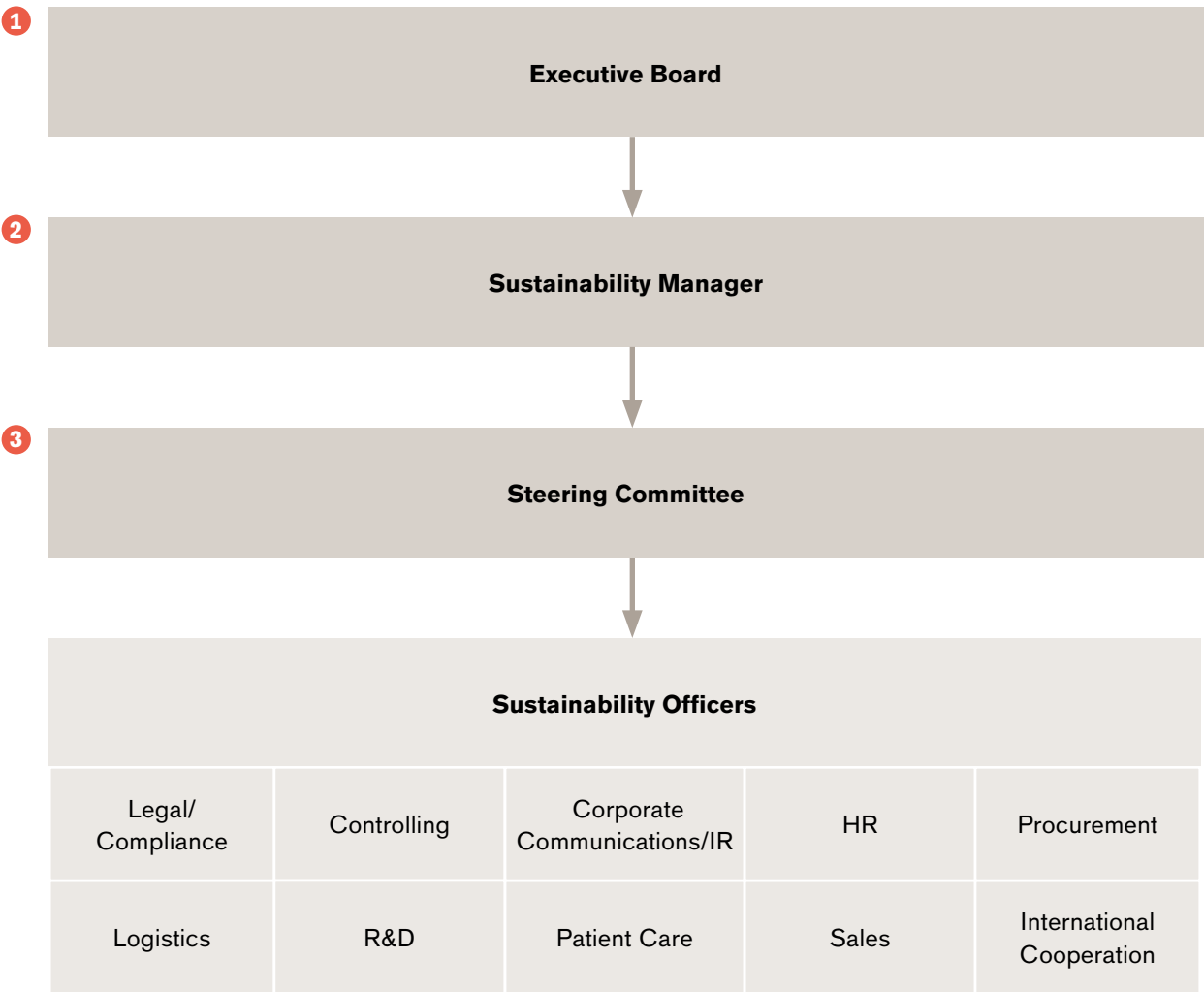
We worked with our specialist departments to put the spotlight on sustainability in 2020. Together, we agreed on objectives and measures until 2025 within the framework of our eight key areas of activity. For us, sustainability is a strategic responsibility for management and part of our company strategy. This helps us examine routines from a critical perspective, spark innovations and ensure our success as a business.



“Sustainability isn't an optional extra anymore. Enterprises are facing growing requirements from all sides. That's why the entire Executive Board is focusing its attention on sustainability and systematically driving our development in this area.

Jörg Wahlers
Chief Financial Officer

Sustainability management at Ottobock



- 1 Executive Board**

Ottobock’s Executive Board bears formal responsibility for sustainability. It establishes the company’s strategy and evaluates issues raised by the cross-departmental Steering Committee and the Sustainability department.
- 2 Sustainability Manager**

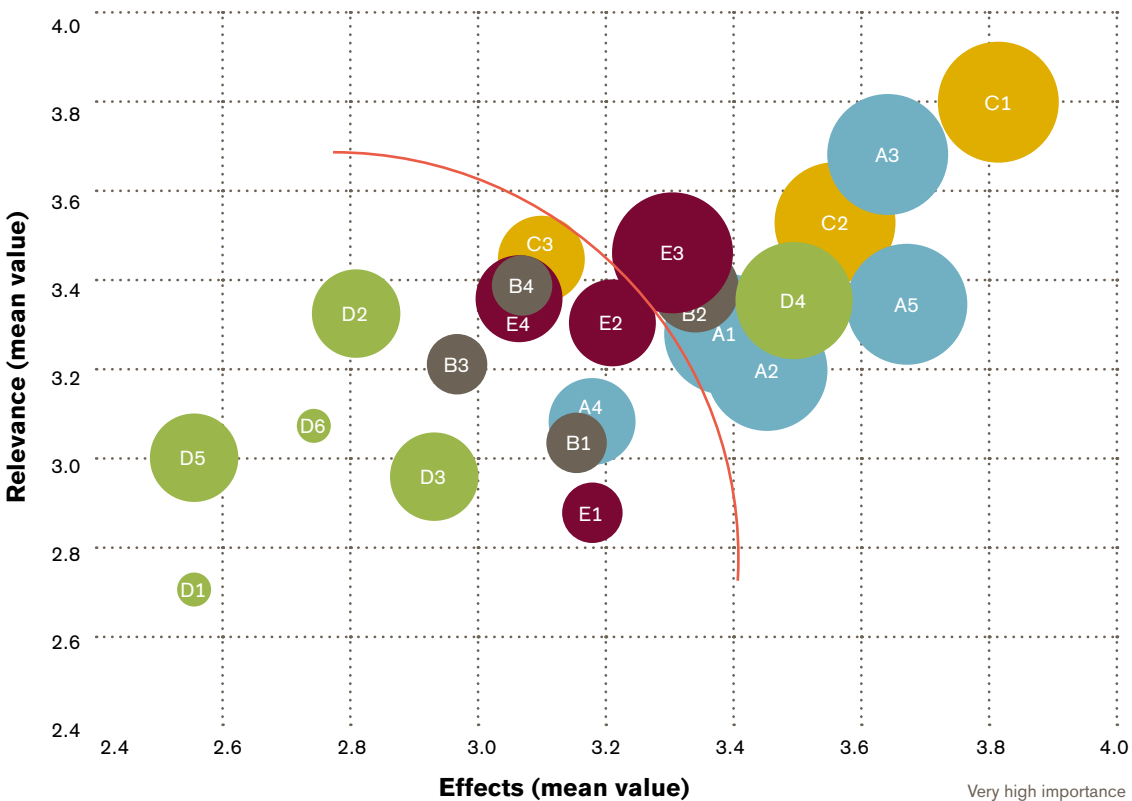
The Sustainability Manager, who is part of Investor Relations & Corporate Communications and reports directly to the Chief Financial Officer, drives the implementation of the sustainability strategy at the operational level, is responsible for annual reporting and heads the Steering Committee.
- 3 Steering Committee with Sustainability Officers**

The members of the Steering Committee met online three times in 2020 and primarily discussed objectives and measures. It is now a matter of continually reviewing the extent to which objectives are achieved and adapting them to current developments if necessary. Steering Committee members also ensure the activities are carried out in the organisation and are responsible for all projects and strategic decisions in their respective remit.

Our eight key areas of activity and objectives

In developing our sustainability strategy, we used a materiality analysis to identify our key environmental, social and economic areas of activity for the first time in 2019. In doing so, we analysed and prioritised numerous topics that are relevant for us according to their significance for our stakeholders, the effects we have and their relevance for our business.

The results showed that eight areas of activity are of paramount importance for Ottobock and our internal as well as external stakeholders. These areas of activity form the basis for managing our sustainability activities. In 2020, we established clear objectives and responsibilities for them in the company.



- A1** Fair business practices
- A2** Compliance
- A3** Product quality
- A4** Suppliers/quality
- A5** Innovation
- B1** Occupational health & safety
- B2** Employees
- B3** Equal opportunities
- B4** Diversity & inclusion
- C1** Patients/users
- C2** Medical personnel
- C3** Financial institutions/insurers

- D1** Climate change
- D2** Emissions
- D3** Energy
- D4** Materials and environment
- D5** Waste and wastewater
- D6** Environmental protection
- E1** Local community
- E2** Involvement in sports
- E3** Partnerships
- E4** Social challenges

1. Patients/users

We work hard every day to improve the quality of life of our patients and users, and to boost their self-confidence. We attach great importance to developing new solutions through innovations in order to master the complex challenges of everyday life together. In our Patient Care clinics around the world, we work to provide the best possible treatment for our patients and users and make necessary adjustments as efficiently as possible. Subsequently, we maintain close contact with them so we can learn about their needs and concerns. This creates a basis of mutual trust, which is essential for the time we share during treatment and often continues beyond that.

Category	Objectives
Treatment success	We make the success of our users' treatment measureable and implement standardised clinical methods of measuring results.
Satisfaction and loyalty	We are measuring the satisfaction of Ottobock users until the end of 2021. We will then set concrete targets for the user satisfaction rate.

2. Product quality

Our single-minded determination to improve quality of life has made us a global technology leader for wearable human bionics, which enhance or replace parts of the human body. In doing so, we place great emphasis on responsible business practices as we produce high-quality, sustainable products. Our focus is on the reliability of our products and the trust of our users. Our quality management standard meets the strictest requirements, in keeping with the motto “Quality for life”. Intensive test procedures ensure that our products are safe.

Category	Objectives
Avoid product recalls	We do not have to recall any products from our customers due to quality and/or safety problems.
User safety	We minimise the number of corrective actions required in the field to rectify functional and in part safety-related failures of our products.
Complaint rate	We reduce the complaint rate for mechatronic prostheses and orthoses by 20 per cent by the year 2025 compared to 2020.

3. Medical personnel

The success of treatment largely depends on its quality. We adopt an integrated approach, providing orthopaedic fitting solutions of high quality in combination with personalised support by the entire rehabilitation team. At our Patient Care sites around the world, certified O&P professionals and therapists provide the best possible care for users’ medical needs. They keep their relevant skills up to date through continuing education and qualification programmes, especially in the digital field.

Category	Objectives
Digitalisation of orthopaedic technology	We drive the digitalisation of orthopaedic technology and increase the utilisation of digital methods such as 3D scans of patients' residual limbs and the digital fabrication of devices (iFab).
Qualification of O&P professionals	We provide our own and external O&P professionals with qualifications for Ottobock products and relevant treatment techniques.
Training and jobs in developing countries	We train personnel who are qualified in orthopaedic technology for developing countries and create new jobs by expanding our Patient Care organisation.

4. Innovations

As the technology leader in our industry, we stand for development activities and innovations, continuously setting standards in the treatment of people with disabilities. This is what pushes us to continue moving our company and products forwards. We believe the success of the Ottobock brand still relies on research and development and make long-term investments in projects coming out of these departments. In our development centres located in Duderstadt, Vienna, Berlin and elsewhere, employees research intelligent solutions for various product segments such as prosthetics for the upper and lower limbs, orthotics and wheelchairs. We have expanded our product portfolio to include cutting-edge exoskeletons. They are increasingly providing support for people in physically demanding jobs today.

Category	Objectives
Research & Development	With our innovations, we help people maintain or regain their freedom of movement.

5. Materials and environment

As a company that makes products, we bear responsibility for protecting our planet, in particular with respect to our use of natural resources and the emission of carbon dioxide. We are continuously working on making our production processes sustainable. This includes the responsible use of natural resources and the development of new procedures to reduce our consumption of materials – particularly plastic, wood and paper – and the associated waste. Other elements of our activities include avoiding hazardous substances, recycling reusable materials and expanding digitalisation processes. In logistics, we focus on protecting the climate when choosing the means of transportation, despite decreasing delivery times.

Category	Objectives
Material in production and logistics	We reduce scrap in production and thereby lower the relative use of materials in proportion to the output. We reduce the amount of packaging (carton and fillers) in proportion to the output (products in tonnes).
Environmentally friendly materials	We continuously review the environmental compatibility of the materials we use and sell and systematically evaluate alternatives that consume less resources and are more environmentally friendly.
Environmental and energy management	We implement an environmental management system according to ISO 14001 and an energy management system according to ISO 50001 by the end of 2022 to systematically improve our environmental and energy balance.
CO ₂	We make our carbon footprint transparent by the end of 2023 (especially in production and logistics) and lay the foundation for the continuous reduction of our CO ₂ emissions.

6. Partnerships

We see ourselves as part of a social structure and want to do our part to ensure sustainable development. In order to fulfil our responsibility, it’s important to know the expectations that those outside the company place on our actions. For this reason, we place great emphasis on regular, open dialogue, transparency and long-term cooperation and partnerships with all our local and global stakeholders. These include employees, business partners, our shareholders and customers as well as society as a whole.

Category	Objectives
Partnership projects in developing countries	We work with partners to promote the public supply of devices (reimbursement systems) in developing countries and emerging markets.
Education and research	We maintain ongoing cooperation with between five and ten partner universities in Germany and Austria to support practice-oriented education, boost interest in medical and orthopaedic technology and attract specialists/managers to Ottobock.
Sports	We promote disability sport through our long-term partnership with the International Paralympic Committee (IPC) and by expanding our Running Clinics to motivate amputees to participate in sports.

7. Employees

Employees are our key success factor. We put great commitment and passion into recruiting employees, supporting their continuing education and inspiring a lasting commitment to our company philosophy. We ensure safe working conditions and provide preventive healthcare. For Ottobock as a family business, balancing work and family life is just as much a part of our philosophy as lifelong and interdisciplinary learning. At Ottobock, developing people as individuals – including both professional and personal development – is closely linked to the company’s development.

Category	Objectives
Employer attractiveness/ employee recruitment	We improve our position in established employer rankings and our recommendation rate on the Kununu and Glassdoor rating platforms. We double the number of website visitors in the career section on ottobock.com by 2025, reaching the target of 750 visits and an average of 15 applications per advertisement by that year. We shorten the application process (time-to-hire) from the time an application is received to a hiring decision from around 103 days (2019) to 60 days (2025).
Employee satisfaction and outlook	We implement a system to regularly measure employee satisfaction by the end of 2022 and improve satisfaction over the long term. We fill 50 per cent of all vacant management positions internally.
Women in management	We increase the proportion of women in management positions at the two levels below the Executive Board to 30 per cent by 2025.
Participation in the company (inclusion)	We promote the hiring and training of people with disabilities. At the same time, we strive to protect jobs and ensure accessibility within the company. As part of “The Valuable 500” initiative, we found an international Inclusion Council comprised of employees from several Ottobock locations.

8. Fair business practices/compliance

As a company on the international stage, we are proud of our different cultures, traditions and unique local characteristics. Our company culture is likewise defined by numerous different players and business activities with a high degree of freedom. The resulting complex challenges and continuously changing legal and normative frameworks demand clear standards and rules as part of our management approach.

Category	Objectives
Compliance training	All employees worldwide are trained in the Ottobock Code of Conduct and fighting corruption.
Supply chain	We improve sustainability in our supply chain by systematically integrating CSR aspects in the course of supplier approval and supplier management, and by boosting awareness within the purchasing organisation.

Our contribution to the Sustainable Development Goals

As a signatory of the UN Global Compact, Ottobock is also committed to the 17 Sustainable Development Goals (SDGs) of the United Nations. The United Nations has created the SDGs as a framework to drive sustainable development at the economic, social and environmental levels, both nationally and internationally, until the year 2030.

At Ottobock, we want to make our contribution to the success of the initiative and have integrated the SDGs into our sustainability strategy. Based on a comprehensive analysis of our key sustainability topics, our values and strategies, we have identified the six SDGs that are of the highest relevance for us. We want to make our contribution to attaining these goals through our business activities.



	Our understanding	Our contribution
SDG 3 Good health and well-being	Health is an essential basis of life for people of all ages. People's well-being is closely linked to their physical and mental health.	We have been helping people with limited mobility maintain or regain their freedom of movement for more than 100 years. Studies prove that we effectively improve the quality of life for amputees and people affected by neurological diseases such as stroke, paraplegia and multiple sclerosis by providing prosthetic and orthotic treatment.
SDG 9 Industry, innovation and infrastructure	A viable economy is closely linked to industry, innovation and infrastructure.	We make our biggest contribution through our innovation activities aimed at expanding the functions of our prostheses, orthoses and wheelchairs, increasing the robustness of our products and finding solutions for orthopaedic technology challenges that have yet to be solved. In doing so, we improve the personal mobility and well-being of our users.
SDG 10 Reduced inequalities	The social, economic and political inclusion of all people must be promoted in order to reduce inequalities.	By designing our solutions to overcome or alleviate mobility restrictions, we help people with disabilities to participate more fully in economic and social life. High-quality prosthetic and orthotic treatment increases the chances that affected individuals can hold a job and lead an active family life.
SDG 12 Responsible consumption and production	Sustainable patterns of consumption and production are of great importance in light of the world's growing population and demographic trends.	The sustainable use of natural resources is crucial for us under consideration of environmental and economic aspects. We are always working on making our production processes sustainable and optimising our material efficiency in production and logistics, among other things by using more environmentally and resource-friendly alternatives.
SDG 13 Climate action	All enterprises and organisations are tasked with taking immediate steps to combat climate change and reduce the impacts of their own activities.	Because we are a company that makes products, we bear special responsibility for protecting the climate. Establishing an environmental and energy management system helps us make our carbon footprint more transparent and implement targeted measures.
SDG 17 Partnerships for the goals	The private sector can make a significant contribution to reaching the sustainability goals. Measures to improve sustainability can be implemented in a more purposeful and efficient manner when companies combine their competencies and resources in partnerships with other players in science, civil society and government.	For a company that operates globally like Ottobock, partnerships have always been an important tool to fulfil our own responsibility on the international stage. We work with international and national multi-sectoral partners to highlight the social, economic and health benefits that come with the provision of high-quality devices and improve access to these devices.

Our stakeholders

Communication with our stakeholders is very important to us. We learn about the issues that concern them and identify important trends for the future together.

We want to develop various formats for 2021 to engage in dialogue with our stakeholders.

	Our statement	Important topics
Patients/users	"We want our products to offer quality of life and self-confidence to people whose physical mobility is limited."	<ul style="list-style-type: none">• Treatment and access• Product quality and service• User safety• Satisfaction and loyalty
Customers and medical personnel	"We drive the digitalisation of orthopaedic technology in cooperation with our partners. Qualification and training play a crucial role for us here."	<ul style="list-style-type: none">• Digitalisation of orthopaedic technology• Qualification of O&P professionals• Training and jobs in developing countries
Employees	"Employees are our key success factor. We actively seek new talent, support the development of our employees and strive to inspire them for our mission over the long term."	<ul style="list-style-type: none">• Diversity and equal opportunities• Long-term motivation and enthusiasm for Ottobock• Outlook• Employer attractiveness
Investors and analysts	"As the technology leader in our industry, we have been striving to develop innovations and continuously set standards in the treatment of people with disabilities for more than 100 years. We place great emphasis on sustainable products and services. As a globally active company, we bear special responsibility for our value chain."	<ul style="list-style-type: none">• Compliance and governance• Product innovations and future viability• Energy, environment and carbon footprint



4 People first

For us, people come first.
Our products offer quality of life and self-confidence
to people whose physical mobility is limited.

Ottobock has developed into an integrated orthopaedic technology provider over the past years. We combine innovative products and individual treatment to create an integrated approach. In this context, we strive to advise and assist our users. We currently provide access to treatment with devices in more than 240 Patient Care clinics around the world. Because we're so close to our users, we receive direct feedback about our products and are able to incorporate the insights into improvements to our solutions. At the same time, we learn about their concerns, needs and interests. Working on this basis, we develop new solutions so they can be even more independent in their day-to-day lives. We place great emphasis on sustainability in the development process, for instance with more efficient energy management systems in mechatronic prostheses and orthoses.



“ We improve the quality of life of our users through innovations – with sensors, microprocessors and artificial intelligence. We’ve been doing this for more than 100 years.”

Dr Andreas Goppelt,
Chief Technology Officer

Investments help us further expand our Patient Care network. Our goal is to strengthen our position as a leading, globally active Patient Care provider. We also want to define the treatment standard and thereby raise the overall level of treatment in prosthetics and orthotics. This gives patients access to the best possible treatment so they can realise their individual mobility potential. Another benefit of our growing Patient Care network is that our specialists transform the collected treatment data into knowledge, thereby substantiating the benefits and effectiveness of our solutions. Based on our AI expertise, we are working on predicting the best individual treatment for patients. This improves the treatment result and reduces the overall costs.

Digitalisation of orthopaedic technology



Digitalisation is shaping the future of orthopaedic technology as well. In iFab, our employees develop additive manufacturing solutions for medical supply companies and orthopaedic technology specialists.

Up to now, providing patients and users with custom treatment has been a time-consuming process. With iFab, we are revolutionising the fitting and manufacturing process in cooperation with our customers. Medical supply companies and orthopaedic technology businesses

capture the amputated limb with a 3D scanner and transmit the digital data to Ottobock via an online platform. Fabrication receives the paperless order directly. There is no need for a conventional plaster cast. With iFab, we enable O&P professionals to produce custom products at rapid speed. We support them as they make the transition to a plaster-free workshop and give them the digital tools they need to use our global Ottobock iFab fabrication sites as their extended workbench. This gives O&P professionals more time for working directly with users.



Bionic Pro is another contribution to digitalisation that adds value for our users. The system for mobile gait analysis helps O&P professionals to quickly document the success of treatment for an individual user. Using seven sensors, a base station and a tablet, Bionic Pro evaluates the patient's gait quickly, easily and digitally. This digital analysis process makes it easier to choose the right device and can also speed up the reimbursement process.

Our O&P technicians continue to communicate digitally with patients after the fitting. A special app is used for the initial adjustment of a prosthesis. After this, users can manage and practise controlling the prosthesis themselves on their smartphone. They are also able to send direct feedback to Ottobock with the app so we can optimise the technology and avoid potential errors before they occur.

Movao user community

The year of 2020 was defined by the coronavirus pandemic and illustrated the importance of social contacts. People miss talking to those around them about topics that matter to them. New amputees in particular have numerous questions. They are inundated with specialised medical terminology, opinions and decisions. Oftentimes, they don't have direct contact with other prosthesis wearers.

In order to change this, Ottobock developed ideas in joint workshops with users and identified needs and requirements for a networking platform. The "Movao – move as one" online community is being launched as a pilot project in the Netherlands in 2021. In this digital meeting place, visitors can find reliable information about living with an amputation. Members have access to interactive offers such as forums and event/group pages. Networking among members is supported by a search function – for example, by location, interests or type of prosthesis.

Our focus is making everyday things attainable and growing as a community. Ottobock ambassador Heinrich Popow supports the community with an international sports group. The heading is:

"Movement is the key to an active life on your own terms."

With the Movao community, we aim to establish a platform where users can motivate each other and network. We plan to expand it to include other countries and product segments.



5 Employees

Employees are our key success factor. We actively seek new talent, support the development of our employees and strive to inspire them for our mission over the long term.

The Ottobock family includes more than 8,000 people worldwide. We are a fast-growing company – thanks to well trained and highly motivated employees.

Recruiting the right employees for Ottobock and inspiring their lasting loyalty to the company is a task of the highest strategic relevance. In order to accomplish this, we create a healthy working environment where employees are valued and effectively support a work/life balance. We offer various development opportunities for managers, professionals with experience and graduates, including both professional and personal development.

24%
women in management positions
on the two levels below the
Executive Board

Number of employees worldwide

Region	Number of employees
Asia Pacific	841
Eastern Europe, Middle East & Africa	773
Latin America	259
North America	975
Western Europe	5,343
Total	8,191

62% male
38% female

87% full time
13% part time

Diversity and equal opportunities

As an international employer, we place special emphasis on multicultural interactions based on respect and trust. We see diversity within the team as an advantage and bring people with different experiences, beliefs and perspectives together. To ensure equal opportunities and shape the social aspect of our international presence, we do not tolerate any employee discrimination based on their age, gender, ethnic background, religion, ideology, sexual identity, disability or social background.

“The Valuable 500”

Philipp Schulte-Noelle, CEO of Ottobock, joined the initiative “The Valuable 500” as a representative of our company in 2020. The initiative combines the influence of the 500 member companies with the goal of increasing participation by people with disabilities in the world of work. This initiative is the world’s largest CEO network dedicated to diversity.

Our commitment:

For more than 100 years, people have come first in everything we do. Our goal is to improve the quality of life of our patients and users, and to enable them to live their everyday lives on their own terms. This includes aspects such as integration and participation in society and the world of work, equal opportunities and equality, and respectful collaboration.

In order to reach this goal, we will place a greater focus on people with disabilities when recruiting employees. In addition, we continue our efforts to improve accessibility within the company. Based on the results of an internal survey, we are currently setting up an international Inclusion Council comprised of employees from several Ottobock locations.

The council will initiate a global inclusion network, and develop and implement further measures. It will also monitor progress.

Beyond that, we have been proactively supporting Paralympic sports for more than three decades. We are continuing this support in 2021 by once again serving as the Official Technical Service Partner at the Paralympic Games in Tokyo, providing free maintenance and repair services for the athletes.

Women in management positions

Ottobock values and actively promotes equal opportunities for our employees. Having a balanced share of women and men in management positions has been shown to make companies more successful. That is why we have set the goal of increasing the proportion of women in management positions on the two levels below the Executive Board to 30 per cent by 2025. In order to accomplish this, we will conduct half of all initial interviews in the recruiting process with women. In addition, we will conduct a thorough analysis of how we address candidates and the process up to hiring, and develop a concept for bringing more women into the company.



“A balanced ratio of women and men as well as generations and cultures in the workforce has a positive impact on employee motivation and is an important part of our company culture.”

Bianca Holler
Head of Global HR

Performance-based remuneration

Fair and transparent remuneration not only contributes to employee satisfaction but also supports the company’s viability in future. Employee compensation at Ottobock has been regulated by fixed salary and wage charts thus far. Since employees and their areas of activity in the workplace are continuously developing, the requirements for a remuneration system change as well. The company has therefore decided to develop a new remuneration structure in Germany. The goal was to improve transparency so that all employees in the same position receive the same remuneration. Deviations between genders or based on other personal characteristics are prevented with the new structure.

Employee social engagement

We have been putting a great deal of work into our sustainability strategy since 2019. At the same time, we strive to take responsibility outside of Ottobock and support the engagement of our employees. In 2020, we launched a campaign asking our employees to submit ideas for social and environmental projects. We were looking for projects in which employees put their expert knowledge to use in order to give a charitable project a professional boost in 2021, and for new sustainability initiatives.

Ottobock supports social and environmental engagement with time off. The company also provides a total of EUR 50,000 for the implementation of ten selected projects.

6 Integrated climate strategy

Expectations regarding sustainable development, transparency and accountability have increased significantly within society. Climate protection is a special emphasis. Increasing requirements in the context of documentation and objective evidence as well as national climate protection plans also affect us as an international company that carries out production for customers worldwide. We use up to 300 different materials for our products. For us, responsibility for the environment means reviewing our production and logistics processes and looking for ways to make them more sustainable with end-to-end energy concepts, the responsible use of natural resources, reducing materials and the amount of waste produced, and more efficient transportation routes.

We expanded our logistics centre at the Duderstadt site by 2,500 square metres in 2020. This is making our logistics more efficient and sustainable. Workflows will be automated and new technologies will be utilised in the building extension. Goods receiving and shipping are separated going forward so that parcel deliveries can be processed more quickly. Shipments are specifically pre-sorted for pickup. This task was previously completed by external transport companies in their own sorting facilities. The new process prevents unnecessary transportation and reduces CO₂ emissions. We also intend to optimise our transportation routes for international shipments and to ensure the right balance between sustainability and the availability of goods. As a first step, we have converted some products sent from Europe to Australia from air freight to ocean freight. We also use ocean freight for some shipments between Europe and the US.

15,000
square metres for the
new production site
in Bulgaria

We are currently constructing a new production site on an area measuring 15,000 square metres in Blagoevgrad, Bulgaria. The new site connects our plants within Europe. It simultaneously allows us to produce some products in Bulgaria that were previously manufactured in Asia, for example. This also reduces transportation and CO₂ emissions.

Sustainability played an important role in the construction of the plant in Bulgaria and the expansion of the logistics centre in Duderstadt. For example, a reflective roofing foil for regulating hot and cold temperatures was installed on the roofs of our production halls in Blagoevgrad. All other heating, cooling and insulation installations were planned and implemented according to the latest standards.

Energy and environmental management

Ottobock decided to implement an integrated management system in 2020 to drive its climate protection efforts. The goal is to introduce an environmental management system according to ISO 14001 and an energy management system according to ISO 50001 for the systematic improvement of our environmental and energy performance by the end of 2022. The management systems create an important framework for defining processes and responsibilities, identifying risks, establishing measures and objectives and measuring performance figures. We are currently preparing for this step by establishing the necessary structures and analysing the environmental and energy aspects that are important for us.



Climate neutrality

We are committed to the goals of the Paris Climate Agreement and are aiming to be climate neutral by 2050. The concrete path to climate neutrality will be defined by our climate strategy. Measuring our carbon footprint is an essential milestone.

In 2020, the Executive Board decided to implement a project that same year which would systematically collect emission and energy performance figures. In doing so, we will refer to scopes 1, 2 and 3 specified by the GHG Protocol. Based on the results, we will derive transparent carbon reports as well as reduction and compensation measures.

A project group of experts from the Sustainability, Energy & Environment and Logistics departments is responsible for the path to climate neutrality. They will continuously report on the project's development to the Executive Board.

“ We not only examine possible environmental impacts because this is required by law. Above all, we strive to critically examine the production processes and initiate measures for specific improvements. Introducing an integrated management systems helps us in this process.

Arne Jörn
Chief Operations Officer





Use of resource-conserving materials

Environmentally friendly materials are trending in orthopaedic technology. A project team from the PEM division (Planning & Equipping, Materials) is currently working on developing a sustainable, environmentally friendly product line called the Green Performance Line. The experts are analysing, testing and evaluating the potential of resins, thermoplastics, fibres and adhesives.

Biogas plant

We teamed up with Maschinenring Göttingen and several farmers in the nearby area to begin operating a biogas plant on the Ottobock property in 2007. Using biogas to produce heat and electricity is an important element of our regenerative energy concept.

Ottobock has been using “green electricity” ever since. The heat that is produced is used for heating and cooling year round. This type of use ensures especially high efficiency and sets the facility apart from other biogas plants in a significant way. The energy costs for heat also remain comparatively stable and are independent of oil and gas price developments.

As the demand for heat in the company increased, the overall capacity of the biogas plant was doubled in 2020 with the construction of four more combined heat and power plants. This expansion represents an investment in the long-term supply of sustainable energy for our Duderstadt site.

7 UN Global Compact

“Assuming responsibility is the basis for our actions! That’s why we are committed to the ten principles of the UN Global Compact and supporting the 17 Sustainable Development Goals.

Prof. Hans Georg Näder
Chairman of the Board
of Ottobock SE & Co. KGaA



Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	Pages 20–21
Principle 2	Businesses should make sure that they are not complicit in human rights abuses.	Page 18
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Pages 45–47
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labour.	Pages 45–47
Principle 5	Businesses should uphold the effective abolition of child labour.	Pages 45–47
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Pages 45–47
Principle 7	Businesses should support a precautionary approach to environmental challenges.	Pages 49–53
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.	Pages 49–53
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	Pages 49–53
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	Page 18

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