



Sustainability report
2021





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Foreword

Philipp Schulte-Noelle, CEO

Foreword

Dear Readers,

The second consecutive year of the pandemic has once again presented us with challenges as a company, which we have tackled with dedication. In doing so, the best possible care for our users and patients as well as the safety of our employees are our top priorities. In addition to offering tests and vaccinations beyond the minimum legal requirements, we have promoted mobile work and new work.

At the same time, we have defined our leadership with the future vision neXt: We want to be an innovation and experience leader for people. This also shapes our sustainability strategy. After all, it is precisely the social component of ESG that is directly connected with our business and our mission.

True to our spirit of innovation, we have sharpened our sustainability strategy and revised our fields of action. We have defined new governance structures and concrete guidelines that guide us in day-to-day business. For us, this includes science-based climate protection. Within the framework of the Science Based Targets initiative (SBTi), we will commit to significantly reducing our emissions by 2030, making our contribution to achieving the 1.5 degree target of the Paris Agreement. The war in the Ukraine also emphatically reminds us

how important a rapid transition from fossil fuels to renewable energy sources is, and that a sustainable strategic direction of entrepreneurial activity is indispensable.

With future technologies, we enable more and more people to again live their lives the way they want to. Together with our partners and customers, the medical supply companies, we are pushing ahead with the digitalisation of the orthopaedic technology industry. We help treat head deformities in infants with 3D printed helmets. And we have taken decisive steps on the way to our first 3D-printed prosthetic socket.

As a Human Empowerment Company, we address the diverse needs of people everywhere in the world. Whether with family, friends, at work or at the Paralympic Games, participation and visibility are what counts. After successful technical support on site during the games in Tokyo, we have therefore extended our a partnership with the International Paralympic Committee until 2032. Together, we overcome barriers and promote diversity. Recognition instead of discrimination is also the aim of our partnership with the human rights movement #WeThe15, which makes the 15% of the world's population with disabilities visible.

Within the company, we have established our own global Diversity, Equity and Inclusion Council. Having at least 40% women in management positions by 2025 is just one of the targets. We are stepping up our employee development activities at the same time. Here we build on the successful "GOT IT" talent programme, whose first round 150 international talents worked on future-oriented topics and contributed innovative ideas.

We are making decisive progress. This is also shown by a private ESG rating from the agency Sustainalytics. Here we occupy a leading position among 228 rated medical technology companies in Europe. A great result, which continues to inspire us.

Details of the various environmental, social and corporate governance initiatives can be found in this report.

I wish you stimulating reading!

Best regards,



Philipp Schulte-Noelle
Chief Executive Officer

ottobock.

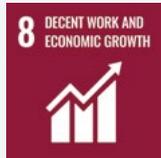
Who we are



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As a global technology leader, we strive to grow sustainably and profitably and to achieve a positive impact on society. With innovative products in all business areas and investments in digitalisation, we create the conditions for secure jobs and good working conditions worldwide.

Ottobock – company profile

We are 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% of Ottobock SE & Co. KGaA. The holding company is wholly owned by the Näder family, and thus the direct descendants of company founder Otto Bock. Since 2017, the Swedish private equity company EQT has held 20% of Ottobock SE & Co. KGaA. EQT helps us continue to grow in a sustainable and profitable manner. This enables us to further expand our leading position in the digitalisation of orthopaedic technology and to fully develop our potential with a view to a possible IPO.

Positive impact on people and society

Changing people's lives and doing good in society has always been at the heart of Ottobock's business model. Our solutions empower people to live: Users regain their freedom and become an active part of society again. When the company was founded, it was the series production of prosthetic components that revolutionised the market and above all treatment. Today it is microprocessor-controlled knee joints such as the C-leg, the computer-controlled leg orthosis C-Brace, the multi-articulating bebionic hand, the Juvo power wheel-

chairs or exoskeletons for ergonomic work. We are now a global technology leader in "Wearable Human Bionics" that expand or replace parts of the human body. In addition, we are doing pioneering work in the digitalisation of the orthopaedic value chain.

We are continually developing our company and perfecting our technology to improve the lives of our users. We invested 7 per cent of our turnover in research and development in 2020. Thus our products add significant social value that clearly surpasses other medical technology products. However,

access to high-quality treatment is still difficult for many users. That is why Ottobock offers many points of access, improves digital offers for individual needs and advocates systematic reimbursement of high-quality solutions ([🔗 Putting users first](#)).

Sustainability as a growth driver

Our dedicated Ottobock team forms the basis for our entrepreneurial success. That is why we want to further improve our attractiveness as an employer. This includes low employee turnover as well as innovative talent management and greater diversity with an increasing proportion of women in management ([🔗 Promotion of our employees](#)). We take responsibility for the environment and work consistently to reduce CO₂ emissions and improve the ecological compatibility of our processes and products ([🔗 Responsibility for the environment and climate](#)). Good corporate governance ensures compliance with standards, laws and internal guidelines, thereby actively protecting ourselves against risks. Our excellent Sustainalytics ESG rating ([🔗 Sustainability at Ottobock](#)) reflects that we are in an ideal position

to enhance sustainable growth and our positive impact on society.

Sustainalytics ESG rating

Sustainability is a process. In order to close gaps and to look at sustainability management more globally, we first submitted to a private ESG rating last year.

Learn more about the result in the [🌐 summary](#).

Our business units and locations

Prosthetics

As a technology and global market leader, we are constantly setting new and better standards for the treatment of people with disabilities with prostheses for the lower and upper limbs.



Patient Care

With around 340 Patient Care clinics around the world, we are close to people and combine high quality products with the best possible treatment.

(As of 31 December 2021)



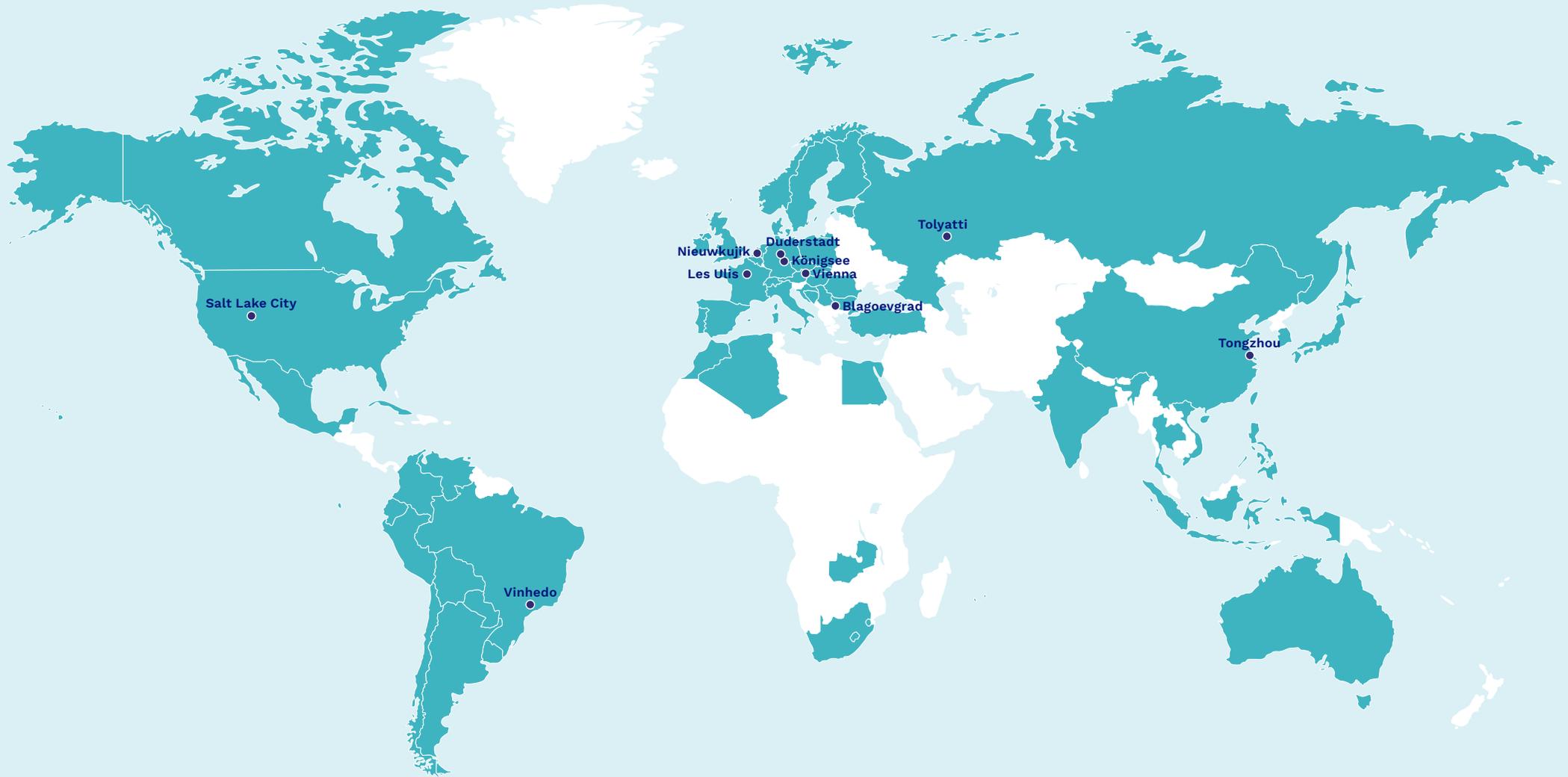
Digital O&P and others

We are digitalising the orthopaedic value chain with digital, data-based business models. With exoskeletons from Ottobock, we support people doing physically demanding work in production, logistics and trades.

NeuroMobility

We bundle fitting solutions for people with neurological indications. The portfolio includes orthoses such as our computer-controlled paralysis orthosis C-Brace and manual as well as power wheelchairs.





We have around 340 [Patient Care clinics](#) 

 Countries with Ottobock locations

 Production site

Promoting the common good: Local, regional and global

#ottobockcares – taking action against the coronavirus pandemic

Under the hashtag #ottobockcares, we continued our efforts in 2021 to protect our employees during the coronavirus pandemic and to keep our business going. Since the beginning of April 2021, we have offered free and voluntary coronavirus tests to all employees at the German locations. At the Duderstadt location, we also made it possible for them to receive the protective coronavirus vaccination via the company doctor.

Christmas commitment for people with disabilities

At Christmas time, Ottobock supported Caritas Südniedersachsen and Aktion Mensch. With the purchase of more than 2,000 lots of Aktion Mensch worth more than 75,000 euros, projects are being financed to improve the living conditions of people with disabilities as well as disadvantaged children and young people. The lots were distributed to the Ottobock employees as a Christmas present. The company also reduced costs and saved a great deal of paper by

switching from printed to electronic Christmas greetings. The 30,000 euros went equally to the Tabalugahaus in Duderstadt and the Ottobock Global Foundation. In addition, Caritas Südniedersachsen was supported with a donation of 5,000 euros and Ottobock towels made in the Blindenwerkstätte Dorsten. This made it possible to give disadvantaged children and seniors in the region the joy of Christmas.

Regaining mobility with wheelchairs

Restoring people's mobility – this mission is shared by Ottobock and the NGO "Motivation – Freedom through Mobility." The company has supported the organisation from Bristol in Great Britain for eight years now and continued its commitment with a donation of 60,000 euros in 2021. With this support, the organisation provides mobility for people with disabilities in small and underdeveloped countries. The work focuses on providing optimally designed wheelchairs that can also be used in rough terrain and rural surroundings. Each wheelchair is individually adapted by a trained professional according to the standards of the World Health Organisation (WHO).

Junior company: Apprentices donate self-generated proceeds

In the reporting period, Ottobock's junior company (Jufi) donated 3,300 euros to the Verein Elternhilfe für das krebskranke Kind e. V. in Göttingen. Jufi generated the funds itself: As a "company within the company" run by apprentices, it generates revenue from sales of its own products, services and a rental service. There are always 20-25 apprentices and cooperative education students running the business for one year before a new class takes over. New projects are launched by creative minds and successfully implemented every year, such as a stainless steel drinking bottle with a personal engraving. The proceeds are used for charitable purposes.

Family entrepreneur with vision and responsibility

Professor Hans Georg Näder continues the idea of the Ottobock founding family, which has shaped the medical technology company since 1919. His vision of improving people's quality of life is not only reflected in everyday work. The Näder family saw and still sees their social responsibility towards people outside the company as well.

Professor Näder has been head of the company since 1990, first as managing director of the GmbH and today as Chairman of the Board. He has systematically networked Ottobock globally, promoted digitalisation and made the company the innovation leader of the

entire industry. With the "Generation Change 4.0" project, he set the course for the future in 2017, involving his two daughters more closely in the operations of Ottobock and in his projects. At the same time, he took a shareholder who is not a member of the family on board for the first time. The Swedish private equity company EQT has held 20% of Ottobock SE & Co. KGaA since 2017. EQT helps the company pursue the path globalisation with sustainable and profitable growth even faster.

Professor Näder is involved in many areas of society and has received several awards for his services.



Protecting schoolchildren from the coronavirus pandemic

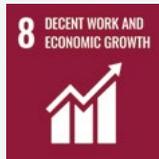
At the beginning of 2021, all 36 schools and day care centres in the urban area of Duderstadt were equipped with 162 Calistair air purifiers with the help of the urban development initiative Duderstadt 2030. The aim is to counteract the difficult teaching conditions during the cold season, making constant ventilation and cold temperatures in classrooms and day-care centres a thing of the past. On the initiative of Professor Hans Georg Näder, 300,000 euros of donations were collected from companies in the Eichsfeld to finance this initiative.

ottobock.

A woman with a prosthetic leg is running on a sandy beach. She is wearing a blue denim jacket, a black t-shirt, blue jeans, and green sneakers. Her prosthetic leg is black and silver. In the background, a man in a dark jacket and light pants is sitting on a log by the water's edge. The scene is outdoors with trees and a body of water.

**What we
stand for**

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We are committed to the respect of human rights along the entire value chain and actively oppose discrimination, forced and child labour, and the denial of labour rights and freedom of association. Laws and standards as well as international frameworks and conventions are our benchmark. Together with our partners in associations, clubs and the Paralympic Movement, we want to strengthen the participation of people with disabilities in the long term.

“Two partners who have found each other”

As a family business, we have stood for innovative products and technologies that create new freedom of movement and a better quality of life for more than 100 years. Our approach has always been to keep developing not only our products, but also the company itself in order to lead it into a good future. With the participation of EQT, we have found the right partner to help us grow profitably and sustainably. The goal of being IPO-ready is an important milestone. At this particular stage of the company's development, we want to hear from people who have a significant influence on these steps.

Georgia Näder

is the youngest daughter of Professor Hans Georg Näder. She became a Supervisory Board member of the Ottobock family business at just 20 years of age. With a friend, she founded the startup Maluwa Superfoods in Berlin, marketing moringa, a plant native to South America, Africa and India. In doing so, Georgia Näder has focused on sustainability in production and the supply chain both inside and outside the Ottobock world, and is aware of how important this topic is for today's generation. Georgia Näder holds a Bachelor's degree in Business Administration from ESADE Business School (Ramon Llull University) and is currently doing her Master's degree at Copenhagen Business School (Innovation and Health Care).



Dr. Andrea Röhm

is Director of the Private Equity Team of EQT Partners in Munich and part of the Healthcare Sector Team. Previously, she was a consultant at The Boston Consulting Group, where she worked mainly on projects in the private equity and corporate development practice areas. After her Bachelor's degree in Business Administration from the University of St. Gallen and an M. Sc. in Finance from the London School of Economics and Political Science, Andrea Röhm received a PhD from the Technical University of Munich.



The questions were asked by Maren Harloff, Senior Manager Global Sustainability.

What impetus does EQT give the Näder family of owners and what role do they play for sustainable business activities?

Georgia Näder: As an entrepreneurial family in the fourth generation, we are not only looking back on our history, but above all looking forward. We want to position Ottobock favourably in the long term and ensure sustainable growth. Here we can clearly benefit from the expertise of EQT as the leading European investor in the medical technology sector. Their participation has helped us become more agile and to adapt efficiently to the requirements that would apply to us as a public company in the future. But it was particularly important for us that EQT shares the values of a family business.

What makes Ottobock special compared to other companies?

Andrea Röhm: I could list many attractive aspects of Ottobock. Among other things, the company is an innovation leader in the field of Human Bionics –

a fast-growing business area with enormous potential due to digitalisation. But for me, what is really special about Ottobock is the positive impact of the business model on users and society. I find the personal reports of users about their journey back into life very moving. Being able to quantify the added value to society – around 50 billion euros in the prosthetics market alone – makes the success story even more credible.

What changes in the company would have been difficult and not so quick to implement without EQT?

Georgia Näder: With the help of EQT, we have redesigned the governance structures and professionalised and significantly accelerated many processes in the company. Without this support, we would not have reached the next level strategically yet in terms of sustainability. In particular, we have learned through this partnership to deal with opportunities and risks early on, and what it means to position ourselves for the future and to focus on the right ambitions.

“
... the quality of life
of our users and patients
is always at the heart
of our actions.”

Georgia Näder

How does EQT ensure that the family's values which have long shaped the company continue to play a central role during the investment phase?

Andrea Röhm: The family remains the heart of the company and its values thus continue to shape Ottobock. There's no reason to change that. On the contrary, it is crucial that we share many values, because EQT has also been shaped by a family of owners – the Wallenbergs. We are united by mutual trust, appreciation and respect. Above all, both partners value openness and the willingness to discuss matters, in which the better argument wins.

Ottobock is positioning itself as a very sustainable company in preparation for a possible IPO. Where do you see the greatest progress in recent years?

Georgia Näder: The S in ESG is already anchored in our DNA – the quality of life of our users and patients is always at the heart of our actions. We are concerned with empowering people to regain their independence, to regain their lives – both professionally and privately – and to regain their self-confidence. One of our major advances recently has been our strategic positioning on the environment and governance. We have defined clear responsibilities, have clear objectives and can track our progress through KPIs.

You have accompanied Ottobock's journey in recent years, supporting the company in its transformation. What progress are you particularly proud of? And where would you like to have gotten further?

Andrea Röhm: The company has advanced to the next level. A key factor in this was certainly the professionalisation of corporate governance and the strengthening of the Supervisory Board and Management Board, for which we have found the best possible staff. In addition, profitability has been increased, making it easier to invest in the right places – for example, in new products and digitalisation. We are delighted that our digital team was able to help drive the transformation forward. And the ESG strategy with clear objectives is a milestone in Ottobock's development. Now it's time to stay the course with focus, but also to learn.

What does sustainability mean for you personally, and which topics are particularly important to you for the future?

Georgia Näder: I'm particularly concerned that more people get access to our products and fitting solutions than before. Worldwide, especially in



developing countries, there is often a lack of care structures and qualified specialists such as O&P professionals. I also want to strengthen diversity in our company, which will be a great advantage in the future as well when it comes to finding and retaining the right talent. We simply need very different perspectives on topics and trends for our success. Every single employee makes a big contribution to our success. That's why we want to be a great employer and create space for our employees to develop their full potential.

As an investor, EQT makes a clear commitment to its ESG responsibility, in particular with regard to climate protection. How does this affect your commitment to Ottobock?

Andrea Röhm: At EQT, we have formulated a clear purpose: "Making companies future-proof and having a positive impact." For us, sustainability and profitability always go hand in hand. At Ottobock, ESG and especially the "S" is at the core of entrepreneurial activity. This was an important criterion in our investment decision. However, ESG responsibility also entails establishing clear objectives, measures and incentives for management and anchoring them in the strategy. This applies not least to climate protection: For example, EQT will oblige its portfolio companies to pursue SBTi-compliant climate targets.

Our values, our culture

Human, reliable, inventive – these are Ottobock's company values. They form the basis of our day-to-day work in the company. Our values drive us.

We are human.

Ottobock is human and accessible. We attach great importance to personal relationships based on trust, and are sustainable, responsible and transparent in everything we do.

Personal relationships: In our interactions, we treat the people who use our products as partners. We are in contact with them every day to find out what they need.

The joy of helping: We help people with limited mobility and want to boost their self-confidence. We value individual diversity and want to remove barriers to mobility.

Honest stories: We let people speak for us – they openly share their experiences with our products and services.

Social and sporting commitment: Our social commitment ranges from the Paralympic Games to regional projects to the promotion of orthopaedic technology.

We are reliable

Our focus is on reliability and mutual trust. We are always there to assist our patients and partners.

Quality management: Our durable products meet the highest demands and offer advantages that can be measured with defined test methods.

Acting responsibly: We make our decisions sustainably in the spirit of sustainable growth. We are committed to the ten principles of the [UN Global Compact](#) and support the [17 UN Sustainable Development Goals](#).

We stay on course: Since our founding in 1919, we have stood for dynamic growth. Economic success and responsible action go hand in hand at Ottobock – worldwide.

Passion and pride: Our dedicated employees are proud to work at Ottobock – in some families for generations.

Partnership: We work together with people from different disciplines and networks. We value their skills and rely on our team spirit.

We are inventive.

We are setting technological milestones on the way to the future. We combine playfulness and inventiveness with courage and tenacity in our research and development.

High tech: Our research and development is integrated in an international network of our own sites and scientific institutions.

Interdisciplinary cooperation: In addition to first-class products, the professional and social cooperation of our employees and partners has a direct impact on the treatment of our users.

A cutting-edge reputation: We put our products and company services to the test in international competitions involving a wide range of industries. The awards our company receives show us that we're on the right path.

 [Space for ideas](#): The Ottobock Future Lab on the Bötzwow site is an interface to the capital's creative scene. There, we are expanding our digital future and making medical technology an experience for everyone.

myottobock – Our initiatives

We are shaping our future together. To this end, we have launched five initiatives as part of myottobock. They combine our strengths and strengthen our community – from guiding principles for leadership and collaboration, to corporate learning, sustainability and responsibility, to our brand and including our corporate strategy.

We inform our employees about the progress of the five initiatives via newsletters, podcasts, the employee magazine and live online events. For special services during the challenging pandemic situation, all employees at German locations received a financial “myottobock premium” in 2021.

#Advancement**We are expanding our knowledge**

Ensuring our company will be viable in future is what drives us. We never stop developing and adapt to new situations. It is only through learning that innovation is born. To this end, we need a learning culture that relies both on traditional continuing education formats such as trainings and courses, and on new formats such as self-organised/self-learning paths with concise content.

#Sustainability**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 on the achievement of our sustainability goals and are a member of the UN Global Compact.

#Brand**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 empower people to live their lives the way they want them to.
#WeEmpowerPeople

#Strategy**We tell our success story**

We stand for sustainable, profitable growth. With neXt, we define our aspiration: We want to be a leader with innovations, experiences and people. We implement this with a variety of strategic projects.

#LeadershipAndCooperation**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 encourage innovation and support each other in unleashing our potential. These are our guiding principles.



“Passion for Paralympics” – commitment to mobility

Restoring or maintaining people's mobility has been our approach for over 100 years. Paraspport is the highest form of this mobility. This is why our partnership with the Paralympic movement has been an integral part of our corporate culture for decades.

Ottobock has been participating in all Paralympic Summer and Winter 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 and, under the motto “Passion for Paralympics”, we are fully committed to their mobility as a partner of the International Paralympic Committee (IPC).

Ottobock is on site at the [Paralympic Games](#) with an international team of technicians. We set up workshops in the

Paralympic Village as well as in selected training and competition venues. Experienced O&P professionals, wheelchair specialists and welders ensure the professional repair and maintenance of equipment – regardless of the athletes' nationality and the brand of their prostheses, orthoses and wheelchairs. Many athletes would not be able to compete in their disciplines without this service. Ottobock is thus directly involved in the successful development of the Paralympic Games.

At the 2021 Paralympic Games in Tokyo, Ottobock as the Official Technical Service Partner served all athletes free of charge. A technical service team of more than 100 people from 24 countries was deployed on site. The technicians carried out almost 2,100 repairs for a total of 1,284 athletes from 131 countries. Particular challenges during the games included adherence to the very high hygiene standards caused by the pandemic and dealing with the strict rules on entry.

We look forward to continuing our unique story at the Paralympic Games. On 5 September 2021, the day of the closing ceremonies in Tokyo, Ottobock signed a new contract with the IOC and IPC. This partnership covers technical service for the winter and summer games up to and including 2032. If possible, the company also intends to assume this responsibility at the Invictus Games 2022 in The Hague, the World Para Athletics Championships 2023 in Paris and the European Para Championships 2023 in Rotterdam.



“Running Clinics” for running enthusiasts

We don't just want to give competitive athletes the opportunity to experience our passion for sports. In collaboration with Heinrich Popow, gold medalist at the Paralympic Games in London 2012 and Rio 2016, we have therefore launched the [Running Clinics](#). Amputee beginners and advanced runners come closer to their personal goals together. To enable even more users to train and practice with sports prosthe-

ses under expert guidance, we will increase the number of coaches worldwide.

Ottobock Talent Days in Leverkusen

Shortly after the end of the Paralympic Games in Tokyo, TSV Bayer 04 Leverkusen gave children and adolescents with leg amputations the chance to test themselves in sprinting and jumping with sports prostheses. Two top athletes, Johannes Floors and Léon Schäfer, who



sprinted and jumped to medals at the Paralympic Games, provided enthusiasm and motivation at the Ottobock Talent Days.

Under the guidance of Paralympic Games winner Heinrich Popow, more than ten young athletes between the ages of two and 22 explored Paralympic sports and the subject of sports prostheses. Parents and O&P professionals were able to exchange ideas with each other and received valuable tips from

experienced Ottobock technicians and the orthopaedic company Lentex Prothesenwerkstatt. Once the sports prostheses had been individually adjusted for each of the participants, they had fun trying them out for the first time together with Heinrich Popow.



“The Valuable 500”: Commitment to diversity

Philipp Schulte-Noelle, CEO of Ottobock, joined the initiative  “The Valuable 500” on behalf 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.



Ottobock supports #WeThe15 campaign

The  #WeThe15 campaign aims to strengthen the voices of 1.2 billion people with disabilities, representing 15% of the world’s population. It is expected to become the world’s largest human rights movement for diversity over the next ten years. Together with international institutions from business, politics, culture and sports, Ottobock is campaigning against discrimination and pushing for changes to ensure equal participation of people with disabilities. Other partners include



the European Commission, UNESCO, UN Human Rights and the World Health Organisation.

At the launch of the campaign on 19 August 2021, 80 important places and buildings around the world, including Niagara Falls in the USA and the Eiffel Tower in France, were illuminated in purple. Purple is the official colour of the movement. Ottobock took part in this campaign and lit up the Science Center and the chimney on the site of the former Bötzwow brewery in Berlin, where the

Ottobock Future Lab is located. The company’s headquarters in Duderstadt shone in purple. The subsequent Paralympic Games in Tokyo became the first driving force for the #WeThe15 movement. The joint goal of the International Paralympic Committee, the Invictus Games Foundation, the Special Olympics and the International Committee for the Deaf: To use the Paralympic Games to draw public attention to the position of people with disabilities in society, and thus improve their quality of life.

Integrity and compliance as the basis for responsible corporate governance

Complex challenges and constantly changing legal and normative frameworks demand clear standards and rules for corporate governance and for our collaboration. These help us effectively meet the diverse requirements of our stakeholders and define the scope for our economic activities.

Compliance management system established

In order to comply with applicable laws, directives, standards and agreements, Ottobock has introduced a [Compliance Management System \(CMS\)](#). The Code of Conduct, the internal directive on the prevention of corruption and the compliance culture based on trust are important cornerstones. We are constantly developing the CMS to meet current legal requirements and general societal values.

Code of Conduct – obligation to follow the rules

This [Code of Conduct](#) is an expression of responsible behaviour by company management. It formulates overarching and generally valid principles of conduct, which constitute a binding guideline for

all employees of Ottobock and the associated companies. This ensures that we treat each other with trust, fairness and respect, and strengthens our foundation of integrity and honesty. The 11 principles of conduct are based on the principles of the UN Global Compact and international standards on human rights, labour standards, environmental protection and the fight against corruption.

We strive to extend the validity of our values and standards to the processes in our supply chain and to limit negative impacts on people, the environment and society. Corresponding specifications and obligations are not only laid down in our Purchase and Delivery Conditions as well as in the essential model contracts, but also in the [Supplier Code of Ethics](#).

Structure of the compliance management system

The CMS provides a uniform framework for organising procedures and structuring all compliance-related topics that harbour significant compliance risks. In the year under review, we focused on these eleven topics:

- Anti-corruption and anti-fraud
- Competition and antitrust law
- Foreign trade law/economic sanctions
- HR compliance
- Finance compliance
- Facility management compliance
- Protection of industrial property
- Copyright
- Copyright for software
- Sales compliance
- Capital market compliance

The design of the Ottobock CMS is based on the auditing standard “IDW PS 980” published by the IDW (Institute of Public Auditors in Germany).

Clear responsibilities defined

The overall responsibility for compliance lies with Ottobock SE & Co. KGaA and, in the subsidiaries, with the respective Executive Boards for their respective legal unit. The Compliance department at Ottobock SE & Co. KGaA is organisationally assigned to the CEO's portfolio and reports directly to him. It is part of Legal & Compliance, which performs compliance tasks for Ottobock SE & Co. KGaA. It consists of the Head of Compliance and the Compliance Officers of the department. In addition, Ottobock SE & Co. KGaA sets standards for group-wide compliance activities.

The Compliance Committee of Ottobock SE & Co. KGaA serves as an advisory body on compliance issues. It includes the CEO as Chairman, the CFO, the Head of Legal & Compliance and the Compliance Officers. The Compliance Committee performs supervisory, planning, coordination, information and decision preparation functions.

In order to ensure the exchange of information, awareness of compliance and the organised penetration of the compliance culture throughout the company, decentralised coordinators are appointed in the departments. These Compliance Coordinators issue compliance policies on their own responsibility and are

responsible for monitoring compliance and, where appropriate, for defined controlling and monitoring actions in the operational departments.

Reporting Office for violations

The  [Reporting Office](#) has been set up to provide all employees, customers and business partners with the opportunity to report breaches of compliance. This allows us to resolve these issues internally and prevent damage to our customers or the company itself in future. Notifications regarding serious violations of laws or our internal provisions regarding fraud, corruption, theft, discrimination, sexual harassment, extortion, breaches of secrecy, export control, accounting irregularities, environmental protection, occupational health and safety and child and forced labour are reported to the Reporting Office.

The Reporting Office consists of two channels. Information can be submitted to Ottobock worldwide anonymously and confidentially via the Reporting Office. A digital whistleblowing portal will be provided to this end. The website also allows encrypted communication in the event of anonymous information. In addition, Ottobock has appointed an external ombudsman. The appointed attorney confidentially examines evidence of infringements and ascertains the facts

as comprehensively as possible. He then forwards his report to the Compliance department at Ottobock.

In 2021, the Reporting Office received five reports in the areas of HR compliance, fraud and corruption prevention and finance compliance. These have been extensively analysed and concluded after appropriate measures were taken.

Ottobock provides separate contact addresses for other topics, such as money laundering or data protection matters.

It is also possible to send notifications directly to the respective supervisor or to the local Compliance Coordinator. Depending on the subject, notification of other bodies in the company can also be considered, for example, the Works Council, Occupational Safety Officer, Representative of Employees with Disabilities or the Executive Board.

Regular risk analyses

Like any company, Ottobock is exposed to various compliance risks that may arise from breaches of statutory provisions and regulations that are binding for Ottobock or related internal company rules and directives in areas relevant for compliance. A compliance risk analysis – as previously carried out for Ottobock

SE & Co. KGaA – is intended to enable the departments to determine their specific compliance risk situation and to take measures to minimise it. On the other hand, it enables the departments to manage their risk situation for individual compliance topics and to inform the Executive Board about Ottobock's overall compliance risk situation. The compliance risk analysis is carried out regularly for all compliance-related topics and, in certain cases, also repeated throughout the year.

Systematic compliance training for employees

In order to identify compliance risks in good time and manage them appropriately, it is essential that all employees are provided with the necessary skills through training. The relevant training at Ottobock includes:

- Basic compliance training for new employees as part the onboarding program
- Training courses on the Code of Conduct, conflict of interest management and anti-corruption
- Specialised training for Compliance Coordinators
- Additional risk-specific compliance training on the various topics relevant for compliance

In 2021, we began to systematically train our employees around the world on the Code of Conduct, anti-corruption and the handling of conflicts of interest. 100% of employees had taken part in the training by the end of 2021. We also conducted a global training course on anti-trust law in 2021. 100% of the relevant employees were trained.

Expansion of the CMS and planned certification

We worked on expanding the CMS and related compliance-relevant topics in 2021. The measures are primarily based on the results of the compliance risk analysis. The CMS is always being further developed and optimised so that we can continuously adapt to current conditions (e.g. entering new markets) and learn from identified weaknesses in order to avoid them in the future.

Our goal is to obtain certification according to audit standard 980 of the Institute of Public Auditors in Germany (IDW PS 980) for the CMS.

Further integrity management policies

In addition to the activities to expand the CMS, Ottobock adopted other policies and made additional commitments in the year under review to ensure good corporate governance in the company and a high level of process integrity. These include:

- Explanatory statement on political activities supplementing the Code of Conduct
- Obligation to guarantee the safety of products/services
- Supplier Code of Ethics
- Declaration on animal testing
- Declaration on future technologies

- ESG governance statement
- Obligation to guarantee ethical marketing promotion

Responsibility for sustainability in the supply chain

Ottobock uses a broad portfolio of purchased parts that are technologically linked to metalworking, electronics, injection moulding, textile production and many other activities of suppliers. This represents a significant portion of the added value in addition to in-house production. In total, close business relationships exist with around 3,600 suppliers worldwide. Our aim is to anchor high sustainability standards in our supply chain and to eliminate risks such as human rights violations. In doing so, we not only want to protect our reputation, but also be a trustworthy and attractive partner for our stakeholders.

We expect our suppliers and business partners to act responsibly as well. Relevant obligations are anchored in the [Supplier Code of Ethics](#), the supplier self-disclosure and our conditions of purchase. Supplier approval at Ottobock is handled by Supplier Quality Engineers (SQEs) in the Global Procurement department.

Code of ethics with clear guidelines for suppliers

With its Supplier Code of Ethics, Ottobock takes into account the universally recognised principles of the United Nations Global Compact and international standards on human rights, labour standards, environmental protection and the fight against corruption.

The provisions of the code are divided into the following areas and related fields of action:

Ethical responsibility	Social responsibility	Ecological responsibility
<ul style="list-style-type: none"> • Compliance with legal requirements • Avoidance of conflicts of interest • Prohibition of corruption • Fair competition • Compliance with sanctions • Prohibition of money laundering and terrorist financing • Handling of sensitive data and intellectual property • IT information security 	<ul style="list-style-type: none"> • Respect for human rights – prohibition of forced and child labour • Equal opportunities and non-discrimination • Safety at work and maximum working hours • Fair compensation and living wages • Freedom of association and right to collective bargaining • Disciplinary measures and prohibition of harassment 	<ul style="list-style-type: none"> • Compliance with legal requirements • Management of non-renewable natural resources • Handling of hazardous substances

We ask our suppliers and business partners to report breaches of the provisions of this Supplier Code of Ethics or other legal requirements by Ottobock employees using the company's anonymous [whistleblower system](#).

Targeted further development of supplier management

We amended the Supplier Questionnaire and the Supplier Code of Ethics in 2021. In the meantime, we have secured the commitment of Ottobock's top 60 suppliers to the revised rules.

For the next two years, we are planning further adaptation measures to take account of the new Supply Chain Due Diligence Act (LkSG) and our value chain from supplier to customer, for example, in risk management. In addition, a process for the verification of business partners is to be developed. Due to the variety and complexity of supplier relationships, we are also considering the introduction of specific software tools to evaluate sustainability criteria.

Until the Supply Chain Due Diligence Act (LkSG) enters into force for Ottobock, we are considering a reasonable extension of our audit catalogue for suppliers.

Ottobock Global Foundation: Global commitment to people with disabilities

OTTOBOCK
GLOBAL
FOUNDATION

The  [Ottobock Global Foundation](#) was founded in 2015 by Professor Hans Georg Näder. His daughter Julia Näder is active on the Board of Management. The foundation provides people in need around the world with prostheses, orthoses and wheelchairs, and is dedicated to improving health care and quality of life for people with physical disabilities – especially for children and adolescents in countries with low and middle incomes. 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.

With the support of regional and international partners, the Ottobock Global Foundation implemented several projects in 2021:

Emergency aid for flood victims

Together with the Näder family, the Ottobock Global Foundation supported around 50 families that were particularly affected by the flood disaster in North Rhine-Westphalia and Rhineland-Palatinate. Here the focus was on families that have relatives with disabilities. They were and continue to be in particular need of help in order to process the disaster and experience more normality in everyday life. The funds were distributed in consultation with Leben-

shilfe e. V. at the federal and state level. Lebenshilfe has been working for people with disabilities and their families for more than 60 years and has been a longstanding partner of Ottobock. In November 2021 the Board of the Ottobock Global Foundation with representatives of Lebenshilfe e. V. visited the Ahr Valley to get a picture of the situation on the ground.

Treatment of children in Uganda

The Ottobock Global Foundation covered the transport costs and supported the logistics for the delivery of 116 wheelchairs and components for the treatment of children to Uganda. The wheelchairs are a donation from the Ottobock production site in Königsee. The project is part of cooperation with Pro

Uganda, a German non-profit organisation based in Hesse, which aims to restore the quality of life of amputees in the East African country by means of a prosthesis. Further cooperation projects in the field of training and continuing education with Pro Uganda and other development partners are being sought by the foundation.

A photograph showing four Ottobock employees standing in front of a mobile trailer. The trailer is white with blue and orange accents and has the word 'ottobock.' printed on it. Behind the employees are several stacks of cardboard boxes, also with the 'ottobock.' logo. In the foreground, two black and silver wheelchairs are visible. The employees are dressed in business casual attire. The scene is set outdoors, likely at a distribution center or a mobile clinic.

Help for Syria

Through the Alliance of International Doctors (AID), the Ottobock Global Foundation continues its assistance in the Syrian-Turkish border area. AID supports people in regions with inadequate healthcare and in disaster areas. At the end of 2021, the Ottobock Global Foundation provided AID with a mobile trailer. The aid organisation uses this to provide assistance to refugees in various parts of Turkey. Project activities include the treatment of injured refugee children with prostheses, orthoses and wheelchairs.

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Sustainability at Ottobock

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Our aim is to work in partnership with our stakeholders at all levels. We maintain a trusting dialogue with them in order to know their expectations of our company and to inform them about our activities. Together with our customers and employees as well as partners from business, politics, civil society and science, we contribute our resources and competencies to achieve sustainable development.

Mainstreaming sustainability

In our company, responsible governance and economic success have gone hand in hand for more than 100 years. Our commitment to sustainability finds its special expression in the positive social impact of our products and value-driven corporate governance by the family of owners. Our actions have and continue to put people first. This attitude is reflected in everything we do. We help people maintain or regain their freedom of movement – we are "The Human Empowerment Company".

One of our most urgent tasks is to meet the growing expectations and information needs of our stakeholders. Applicants are including sustainability factors in their decision-making process in the same way that lenders and investors do. We are taking account of the growing importance of sustainability by making environmental, social and governance aspects more visible internally and externally at Ottobock.

However, the prerequisite for this is to anchor sustainability strategically in our company and to integrate it into the management processes. As early as 2018, we developed a sustainability strategy, created workable structures and established a data base. We took advantage of this learning process and further developed our sustainability strategy and strengthened sustainability management in preparation for a possible IPO in 2021.

Identifying key sustainability issues

An important cornerstone of Ottobock's sustainability strategy is the precise and repeated examination of which key issues should be placed at the centre of corporate responsibility. Since the first materiality analysis was carried out in 2019, not only the external framework conditions have changed, for example, as a result of the coronavirus pandemic and climate change. Entrepreneurial development at Ottobock has also gained momentum and reached significant milestones.

These include, for example, the filling of new management positions with Kathrin Dahnke as Chief Financial Officer and Martin Böhm as Chief Experience Officer, the establishment of the new business unit Bionic Exoskeletons and the acquisition of companies and their integration. This year, we acquired the Swedish start-up Exoneural Network (ENN), which developed the innovative "Expulse Mollii Suit." The suit releases cramped muscles with electrical impulses. This allows people with spasticity to be mobilised, enabling them to live a more independent life. With the complete acquisition, we are expanding our portfolio in the promising field of neuro-orthotics.

At the same time, we invested in the construction of state-of-the-art production facilities and opened the new Ottobock plant in Blagoevgrad, Bulgaria in 2021 – the company's tenth production site. Currently more than 225 employees are working there, with a total of over 300 planned for the future. The focus is on the production of finished products and components.

“

ESG and the capital market have grown together. Financial and non-financial indicators now go hand in hand for the valuation of companies. This is an opportunity for Ottobock, because ESG is already firmly anchored in our company purpose and strategy.”

Kathrin Dahnke, Chief Financial Officer



In the innovation project iFab4.0 at the Duderstadt site, we are focusing entirely on individual patient care using digital processes and 3D printed products. The publicly funded iFab4.0 will connect the company headquarters with all manufacturing sites and enable a completely digital treatment process.

Last but not least, we also provided important impetus in the social sphere: At the 2021 Paralympic Summer Games in Tokyo, we agreed to even more intensive cooperation with the [International Paralympic Committee \(IPC\)](#) until 2032. Ottobock will provide its technical repair and maintenance services to athletes at the next six Paralympic Games – from Paris in 2024 to Brisbane in 2032.

The aforementioned development steps prompted us to carry out an updated materiality analysis based on the results of the year 2019. This includes a [Survey of internal and external stakeholders](#) that we conducted in the autumn of 2021 as an important element.

As a result of the materiality analysis, the evaluations of the existing topics were fundamentally confirmed. Some topics have been assigned to a different field of action or were reworded. In addition, a new priority topic has been identified: Diversity, equity and inclusion.

Strategy and objectives as a basis for action

We have translated the results of the materiality analysis into a consistent sustainability strategy. To this end, we have set ourselves objectives in each field of action along the three dimensions E, S and G, which we want to achieve in the short and medium term. For implementation, initiatives have been defined with appropriate measures and indicators have been established to measure the achievement of objectives.

Sustainability at Ottobock is the responsibility of the entire Executive Board. The initiatives concern all business units and are assigned to the functionally responsible directors.

As a signatory of the [UN Global Compact](#), Ottobock is also committed to the 17 Sustainable Development Goals (SDGs) of the United Nations. We want to contribute to the success of the initiative, and have integrated the SDGs into our sustainability strategy and assigned

them to the fields of action where we can have the greatest possible impact to achieve the objectives.

The following overview shows the building blocks of Ottobock's sustainability strategy:



Ottobock sustainability overview: Fields of action and objectives

Field of action	SDG	Person in charge	Topics	Goal/ambition
Ecological footprint We want to reduce our CO ₂ emissions and have anchored our targets in our own climate strategy. Our activities focus on the use of renewable energy along the entire value chain. In addition, we pay attention to the careful use of natural resources, the efficient use of materials and the avoidance of waste.	12, 13	COO	Scope 1, 2 & 3 CO ₂ emissions	SBTi compliant (1.5 °C until 2030)
			Share of renewable energy	100% by 2023
			Reduction of production scrap	10% YoY
Innovation & research We offer innovative and increasingly digital technology solutions and have an industry-leading product portfolio that we are constantly expanding. To this end, we rely on research and development as well as the expertise of our experts and cooperation with start-ups.	3, 9, 10	CTO	Share of R & D expenditure in turnover	Leader in our industry
			Registered patents	Leader in our industry
			Internal clinical studies	Leader in our industry
Product quality, safety & transparency As a global technology leader, we place great emphasis on responsible business practices as we produce high-quality, reliable and sustainable products. Our quality management standard meets the strictest requirements in keeping with the "Quality for life" principle. Intensive test procedures ensure the safety of our products.	3, 9, 10	COO	Number of product recalls	0 recalls
			Number of field corrective actions	Leader in our industry
			Complaint rate	20% reduction from 2020 to 2025
User experience & customer satisfaction Our products give people back their freedom. We are pioneering new digital treatments and expanding our range of preventive solutions. Our digital ecosystem enables users to better navigate the healthcare system and find the best offers for their mobility needs.	3, 9, 10	CXO	Framework for value-based measurement of results	Implemented by 2028
			Number of "Life Lounge" users	5 million user profiles by 2026
			Social impact of prostheses	Identify the socioeconomic benefits of treatment
			Social impact of exoskeletons	Identify the socioeconomic benefits of treatment

Field of action	SDG	Person in charge	Topics	Goal/ambition
Access & affordability Access to high-quality and affordable treatment remains a major challenge for users. Therefore, we are expanding the number of our Patient Care clinics around the world at an increasing pace. That is where we work to provide the best possible treatment for our users and patients, and make necessary adjustments as efficiently as possible.	3, 9, 10, 17	CSO	NPS score	> 50
			Promotion of reimbursement	Leader in our industry
			Number of Patient Care clinics	Leading global provider (in relation to the countries covered)
			Number of users supported by Global Access projects	Target defined in 2022
			Qualification of O&P professionals (developing countries)	Leading in our industry
			Training & qualification of personell for O&P technology in developing countries	Leading in our industry
Employee recruitment, development & retention Employees are the key factor for our company's success. Recruiting the right employees, fostering them and inspiring their lasting loyalty to the company is a task of the highest strategic relevance. We therefore want to further limit employee turnover, fill a large part of our management positions with internal candidates and measurably increase employee satisfaction.	8	CEO	Employee turnover	< 10% globally
			Employee satisfaction/engagement	Rating of 4/5 for employee engagement
			Internal promotion	> 60%
Diversity, equity & inclusion We create a working environment that is characterised by diversity and integration. One of our priorities is the promotion of women in management positions. As with our products, we pay particular attention to the needs of people with disabilities in the company. With our initiatives, we want to be one of the global pioneers in diversity and inclusion.	5, 8, 10	CFO	Proportion of women in the workforce	Keep the proportion of women above 40%
			Proportion of women in management (N, N-1, N-2)	40% by 2025
			Diversity and inclusion champion	Roll out initiatives globally
Corporate governance/ethics Complex legal and normative requirements require clear standards and rules in corporate governance. Training on topics relevant for compliance as well as dialogue with suppliers and customer representatives contribute to fair business as well as data protection. When it comes to human rights, labour standards, environmental protection and the fight against corruption, we are guided by the principles of the United Nations Global Compact.	17	CEO	Code of Conduct training	100% of employees
			Proportion of processed compliance cases	100%

Establishing efficient sustainability management

In the year under review, Ottobock's sustainability management team contributed to a large number of initiatives and made significant organisational progress. The focus was on revising the sustainability strategy based on the updated materiality analysis, supporting the development of various policies and the specialist departments in dealing with changed requirements, and sustainability reporting. In addition, the implementation of concrete projects was supported, such as the creation of a [Carbon footprint](#) for the company or participation in the [#WeThe15](#) campaign.

Representatives of Sustainability Management also took an active role in meetings of Ottobock's Supervisory Board, Executive Board and North America Board, and informed their members about the development status of the activities.

In view of the rising expectations of stakeholders and the growing role of sustainability in company development, the Management Board decided in 2021

to reestablish sustainability management and equip it with global competencies:

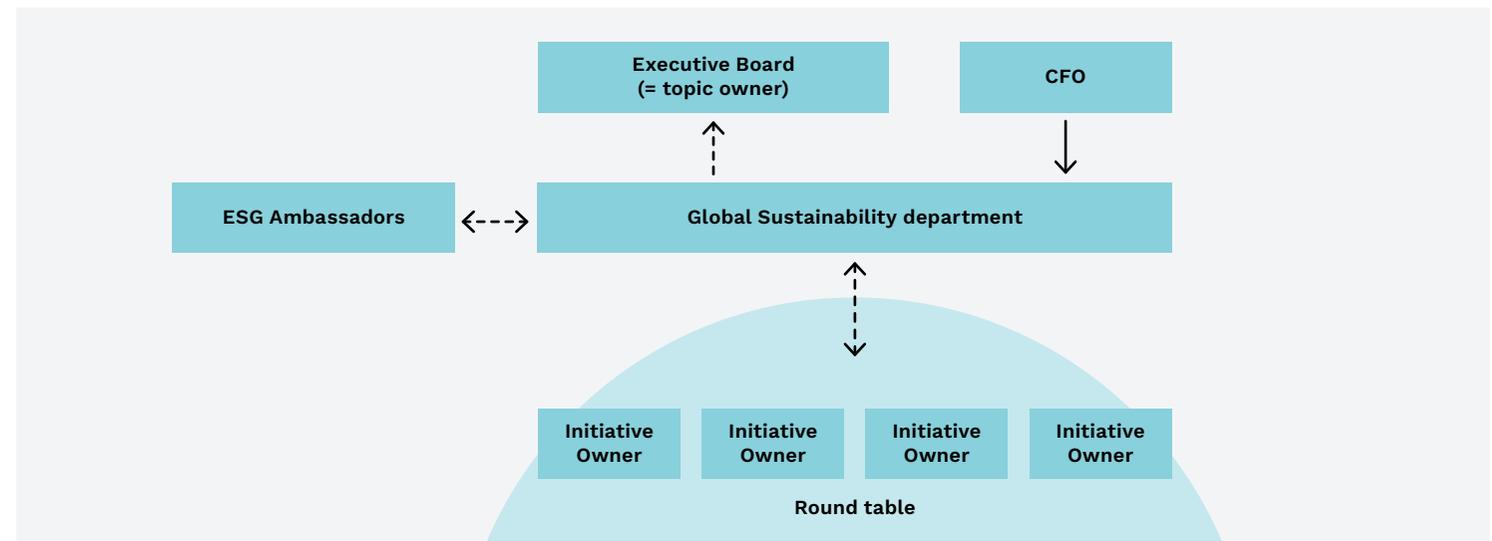
Accordingly, the Executive Board sets the objectives and monitors the sustainability strategy and performance. The members of the Executive Board have global responsibility for a specific sustainability issue and its policies.

The **Chief Financial Officer** assumes responsibility for sustainability throughout the company. The **Global Sustaina-**

bility department specifies the strategy and objectives, including the KPIs. It manages and monitors the implementation of policies and initiatives as well as related training throughout the company. Global Sustainability is also responsible for reporting, communication, ratings and audits in the non-financial field. The department reports quarterly to the Management Board.

So-called **Initiative Owners** are responsible for a specific initiative at the global or local level and its implementation with a focus on KPI compliance, training and evaluations. A **round table** serves to exchange information between all Initiative Owners and the Sustainability department.

The **ESG Ambassadors** at Ottobock promote sustainability and change, and thus support the communication, introduction and implementation of the sustainability strategy in their respective department and/or local unit. The ESG Ambassadors meet quarterly to exchange information and ideas.



In dialogue with our stakeholders

Ottobock maintains an intensive dialogue with many stakeholders. We precisely analyse the information needs of each group to enable a productive exchange. The following overview provides information on the issues that are at the heart of dialogue with the respective stakeholder group.

The coronavirus pandemic allowed few personal contacts and face-to-face events in the year under review. We were able to implement our original plan to develop different formats for dialogue with stakeholders only to a very limited extent. However, in preparation for a possible IPO of Ottobock, we have dealt

intensively with the new stakeholder group of capital market players. We conducted interviews with a total of ten representatives of banks, rating agencies and industry associations about the relevance of sustainability issues in the assessment of Ottobock.

In addition, in order to take a closer look at the inside-out perspective in the updated materiality analysis, we conducted a further 19 interviews with Ottobock's Executive Board and managers representing various functions within the company and regions. The insights gained have been incorporated into the revision of our sustainability strategy.

Stakeholder group	Main interests
Patients/users	<ul style="list-style-type: none"> • Treatment and access • Product quality and service • User safety • Satisfaction and loyalty
Customers and medical personnel	<ul style="list-style-type: none"> • Digitalisation of orthopaedic technology • Qualification of O&P professionals • Training and jobs in developing countries • Product quality and service • User safety • Satisfaction and loyalty
Employees	<ul style="list-style-type: none"> • Purpose (company purpose) • Diversity and equal opportunities • Long-term motivation and enthusiasm for Ottobock • Employer attractiveness
Investors and analysts	<ul style="list-style-type: none"> • Compliance and governance • Product innovations and future viability • Energy, environment and CO₂ footprint
Paying parties and decision makers in politics & industry	<ul style="list-style-type: none"> • Treatment and access • Product quality and service • User safety • Societal impact

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Putting users first

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We help people with limited mobility maintain or regain their freedom of movement. Our innovative solutions improve the quality of life of amputees and those suffering from neurological diseases such as stroke, spinal cord injury and multiple sclerosis. We also strengthen the participation of people with disabilities: High-quality prosthetic and orthotic treatment increases the chances that affected individuals can hold a job and lead an active family life. Our focus is not only on high treatment quality and access to our technologies, which we provide together with our partners for the fitting of devices. We also assume a high degree of responsibility for the quality and safety of our products, which we manufacture from environmentally friendly and low-risk materials.

Innovative and digital high-impact products

For us, people come first. Our products offer quality of life and self-confidence to people whose physical mobility is limited. Meeting this responsibility in the long term also presents challenges. With the increasing “intelligence” and complexity of our products, it becomes more important not only to provide users with a product, but also to offer qualified advice in advance and during use. This includes technical support and the ability to exchange information via digital platforms.

As a provider of orthopaedic technology that is increasingly linked to software solutions and AI technologies, we are confronted with a number of current issues, such as data protection, the design of human-machine interfaces or the use of exceptional material combinations. With the increasing activities in the field of combating neurological limitations – e.g. in stroke or Parkinson's patients – there is a need for us to position ourselves ethically in this field as well.

We are faced with the fact that in many countries a good supply of products is still not available to all people, both because of non-existent or weakly developed supply systems and because of the below-average level of training of skilled workers. Thus there is a risk that good treatment will be seen as a luxury and

not as a human right to adequate support in case of limited mobility. If treatment and consulting on site are insufficient, our products can only function suboptimally and users will not receive the desired benefits. This also poses a risk to the reputation and brand perception of our company.

We always see challenges and risks as an opportunity to further improve and optimise our business model.

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. Thus we achieve the greatest possible impact for the benefit of people and society. Our approach is to make production and treatment processes less costly through innovation, to

make it easier for paying parties to bear the costs and thus to supply more people overall.

Many people would not be able to purchase and use Ottobock products if the costs were not covered by an external paying party. According to statistics collected at our Patient Care clinics, 86% of the costs are borne by the paying parties worldwide, while 14% have to be covered by private sources. However, these quotas vary widely from region to region and show, for example, a high proportion of private payments for Ottobock products in Asia/Pacific and Latin America.

Digitalisation allows us to improve the treatment quality, to produce faster and more accurately, and to reduce resource consumption.

With our own treatment infrastructure, the Patient Care clinics, we are getting closer to users and can thus improve the treatment quality for more and more people. We guarantee high product quality and safety. Not only because the legislator requires it in the approval procedures, but because it is in line with our own values and ethical standards.

Improving the global treatment situation

We advise our users. Currently we provide access to treatment with devices in approximately 340 Patient Care clinics in 32 countries around the world. Thanks to our close proximity to our users, we get a direct response to our products and can incorporate the findings into the improvement of our solutions. At the same time, we find out what moves them and learn about their concerns, needs and interests. We develop new solutions on this basis so they can be even more independent in their day-to-day lives. Our  Patient community “Movao – move as one”, which was launched in 2021 and now operates in four languages, plays an important role in this exchange. In this digital meeting space, amputees and their families can exchange local and global views on similar interests and challenges and receive reliable information about life with amputation – for example, in the areas of therapies, transportation and travel with prostheses or exercise and sports. 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.

We advocate for easier access to affordable treatment as a human right, regardless of whether a patient lives in the global north or south. An example of our commitment in the southern hemisphere is our collaboration with a disability association in Rwanda. To improve access to orthopaedic treatment there, Ottobock and the Rwandan umbrella association UPHLS (The Umbrella of Organisations of Persons with Disabilities in the fight against HIV&AIDS and for Health Promotion) have developed and implemented training courses for rural health centres. The pilot project was supported by the Business Scouts for Development program on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) in cooperation with the German industry association Spectaris and the East African Health Platform.



“

We want to maintain our leading position in clinical research to help people with high-quality products. With high-tech products, innovative manufacturing technologies, digital supply processes and artificial intelligence, we achieve even more favourable results and create a better quality of life for people.”

Andreas Goppelt, Chief Technology Officer

The aim of the project was to increase the knowledge of health service providers about disabilities and orthopaedic treatment services in order to facilitate access to orthopaedic workshops and specialist centres for people with physical disabilities. The six-month project started in August 2021. Fifteen training sessions were conducted for mainly rural health centres. Participants included the management of the centres and health professionals. Ottobock and UPHLS developed the content for the training courses, prepared the materials and provided the instructors.

Product development and responsibility

Ottobock has a central department for  **Research & Development** (R&D) that reports to the Chief Technology Officer. The main R&D locations are located in Germany, Austria and the USA. Here, Ottobock benefits in particular from its proximity to leading international research institutes and universities. New product ideas are designed in Research. Once they have reached a certain maturity, they are handed over to Development, developed to the approval stage with the involvement of key stakeholders – such as the Chief Operations Officer and the Chief Experience Officer – and marketed by the Launch Excellence Team.

For certain product topics (digital applications, Bionic exoskeletons), we have decided for strategic reasons to manage the relevant business units as internal start-ups. However, these start-ups also make use of the central R&D department for important issues, such as development, regulatory affairs and clinical studies. In case of acquired companies, such as Exoneural Network in Sweden, we leave their R&D department in place as a Center of Excellence.

The Chief Digital Officer assumes responsibility for digital issues related to products. The corresponding approach,

including development in the Bionic Exoskeletons business unit, is coordinated with the Chief Experience Officer in the portfolio management process and prioritised according to certain KPIs.

Even though innovations are crucial for our company, we cannot and do not want to do everything that is technically

possible. We address potential negative impacts at a very early stage of development and are committed to preventing them effectively. The certifications of all Ottobock production sites according to ISO 9001 and/or ISO 13485 is an important guarantee for this.

“

An important part of our sustainability strategy is to improve global access to our products. This includes a stronger focus on the treatment structure and the training of skilled workers. Our lasting success demands an integrated approach to healthcare.”

Oliver Jakobi, Chief Sales Officer



Many of our products have already undergone testing involving the highest quality standards at some of the world's leading hospitals and universities. We conduct the most clinical trials compared to our competitors to investigate the effects of products. An overview of study results for individual products can be found on our [Website](#).

Ottobock has undertaken to refrain from animal testing and working with genetically modified organisms unless required by law – for example, when demonstrating biocompatibility, which has to be carried out in accordance with the ISO standard. The principles and guidelines for action are laid down in two [\(Animal Testing Policy and Emerging Technologies Policy\)](#) directives, which were adopted in the year under review under the auspices of the Chief Technology Officer.

We coordinate closely with the market, patients, therapist representatives and producers in product development and monitoring. As a prerequisite for the approval of medical devices, Ottobock is obliged to carefully analyse incidents and complaints, investigate the causes and implement corrective action plans, which may also include product recalls. Four measures were implemented in 2021 as part of corrective action plans. Ottobock's goal is to avoid recalls in any case. This target was reached in 2021 and has also been formulated as a target for 2022.

Digitalisation as a key to innovation

We shape the future and drive the digital transformation – from high-tech manufacturing technology to digital treatment processes to smart sensors and the use of artificial intelligence. The needs of our users, patients and customers drive everything we do.

Ottobock introduced the C-Leg – the world's first leg prosthesis to be controlled by microprocessors – back in 1997. The experiences we gained in the process led to the introduction of the Genium in 2011. This solution simulates a natural, physiological gait almost perfectly with the help of microprocessors and microsensors. This lets users move with maximum safety, even on difficult surfaces.

Combined advances in computer and sensor technology mean that users can now use the prostheses for running, cycling and swimming. Users can simply select the various modes; an app on their smartphone is one way of doing so. This demonstrates how digital transformation is opening up new opportunities.

iFab – Digitalised production at Ottobock

🌐 Digitalisation is increasingly shaping orthopaedic technology. 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 pro-

fessionals to provide fast and tailor-made treatment. Even simulating the success of the fitting will be digital in the future, sparing the patient multiple fittings and trial fittings.

Algorithms and artificial intelligence make it possible.

Thus we support the transformation to a plaster-free workshop and provide medical supply companies and orthopaedic technology operations with the digital tools they need to use Ottobock iFab's worldwide production sites as an extended workbench. This gives O&P professionals more time to work directly with the users.

With the innovation project iFab4.0, Ottobock is developing an end-to-end digital treatment process chain. For the project, the company will receive a grant of up to one million euros from the Innovation Support Program of the federal state of Lower Saxony. The state of Lower Saxony is funding personnel and material costs on a pro rata basis. From the company headquarters in Duder-

stadt, iFab4.0 links national and international digital fabrication sites. The plan is to store data from individual digital fittings and also from the entire digital production chain in a central database in the future. Here, AI and algorithms filter out successful models and methods that can then be used to self-optimize devices and processes. Our vision is to create a seamless, digital fitting chain and 3D printing production chain that grows more intelligent over time to achieve a higher treatment quality.

The five steps of digital fabrication

Scanning

A scanner is used to record images of the relevant body part from all sides (360°). This method is quicker and more comfortable than a plaster cast.

Modifying

By editing the scan in the software, the O&P professional can shape the device according to the treatment goal.

Fabrication with 3D printing

The product is fabricated layer by layer in the 3D printer. This procedure is currently used to fabricate orthoses and helmets. However, it will also be possible to use the technology for prostheses in future.

Alternative: Using a milling robot for fabrication

A foam model is created. This is referred to as a "positive" and is in turn used as a template for fabricating a custom product.

Fabrication

The custom device is produced on the positive model.

Digitalisation of products and treatment

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.

Control via smartphone and app

Our O&P professionals continue to communicate digitally with patients after the fitting. Right from the start, O&P professionals use a special app when fitting and adjusting this type of prosthesis. Afterwards, users can manage and practise controlling the prosthesis themselves on their smartphone. If users consent, it will even be possible to maintain devices via the cloud in the future. The prostheses will then be able to send direct feedback to Ottobock so we can optimise the technology and avoid potential errors before they occur.

Artificial intelligence (AI) for intuitive movements

Thanks to digital processes, hand prostheses are able to extend a finger at the right time and even operate a keyboard. In the past, people with an amputation had to spend considerable time learning to give their prosthesis complex signals via muscle contractions. Today's prostheses are capable of learning: Thanks to electrodes that capture bio-signals in the residual forearm and artificial intelligence, Ottobock prostheses are able to identify how the user wants to move. The prosthesis then automatically assigns these signals to the correct hand movement.

Impact: "What we achieve with our products"

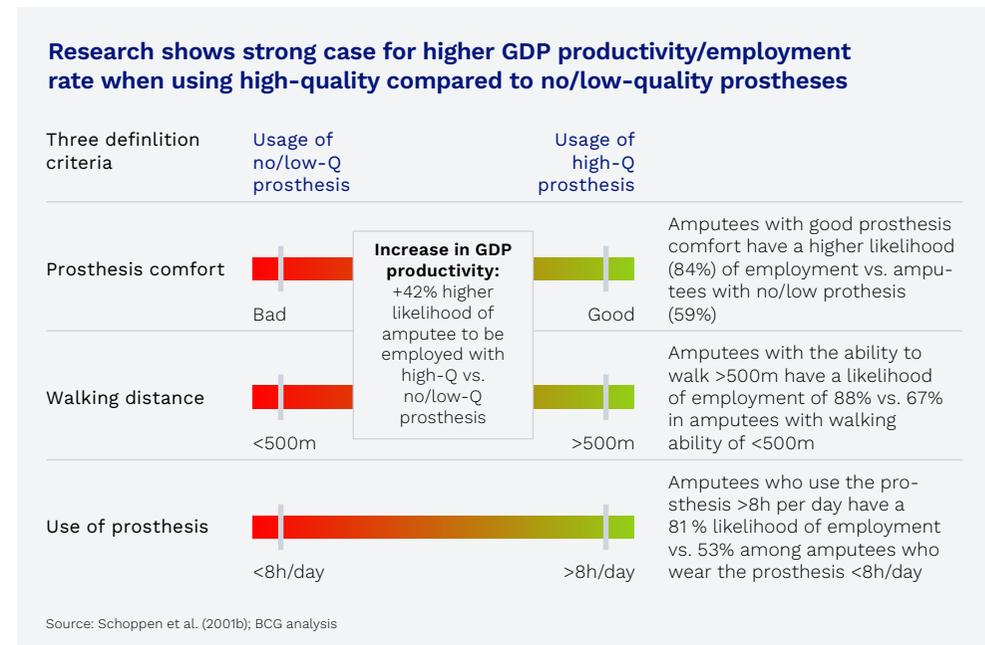
The direct effect of our products is immediately recognisable when the affected individual becomes mobile again and is able to move and run. This gain cannot be sufficiently expressed in material dimensions. It's different when you look at the effect on society. Here are two examples:

High-quality prostheses promote employability

Research shows that higher economic performance and employment rates can be expected from the use of high-quality prostheses compared to no or low-quality prostheses. Amputees with good prosthesis comfort are therefore more likely to be employed (84%) than amputees without a prosthesis or with a low-quality prosthesis (59%). Amputees who are able to walk more than 500 m have an 88% chance of being employed. For amputees with a walking capacity of less than 500 m, this figure is just 67%. Amputees who use the prosthesis for

more than eight hours a day have an 81% chance of being employed. In contrast, this probability is only 53% for amputees who wear the prosthesis for less than eight hours a day.

The bottom line is that an amputee with a high-quality prosthesis is 42% more likely to be employed than a patient without a prosthesis or with a low-quality prosthesis.



Exoskeletons create healthier jobs and relieve healthcare systems

More than one fifth (22.5%) of days of incapacity for work in Germany are due to musculoskeletal diseases (MSDs, 2017). This number grows even larger with the increasing age of employees: Among over 55-year-olds, they already account for more than 35%. According to the Federal Institute of Occupational Safety and Health, the annual cost of lost production due to musculoskeletal disorders in 2017 for Germany alone was EUR 17.2 billion. As a result, musculoskeletal diseases cause significant damage to health and the economy. In view of demographic trends, the WHO estimates that the number of persons affected by bone and joint disorders will double in the next 20 years.

In particular, overhead work or lifting and carrying heavy loads lead to work-related diseases of the musculoskeletal system. Exoskeletons can help reduce physical stress, work-related health hazards, downtime and accidents. Exoskeletons thereby offer an opportunity to improve occupational health and safety. In view of demographic developments, this is a particular priority for many industrial and logistics companies, the retail sector and trades. The rising life expectancy and

decreasing birth rate are leading to an aging workforce and a lack of workers. Consequently, companies will strive to keep as many older employees as possible in the job market. Exoskeletons can be a suitable means of accomplishing this.

In the coming years, we will work intensively to quantify the social benefits of our products even more effectively. In

doing so, we offer even better arguments versus paying parties, for example, in favour of approving payment.

DB Schenker & Ottobock:

Positive test results when using exoskeletons

Starting in 2022, DB Schenker will use exoskeletons for the first time in regular operation in warehouses and goods handling in Germany. Their use was preceded by extensive studies and test phases in different fields of application. Ottobock Bionic Exoskeletons with models of the Paexo series was the first manufacturer to be included in the portfolio of approved equipment for safety and health.

In 2021, practical test series were carried out at different locations in contract logistics, air and sea freight as well as land transport. The focus was on packaging and picking across all sectors. Ottobock provided what are called "Experience Packages" for these tests. These include selected exoskeletons as well as intensive consultation, training, instruction and monitoring of the test on site.

The sensor-based comparative measurements confirmed the significant reduction of ergonomically unhealthy movement patterns by the use of exoskeletons. In addition to this relief, their use was proven to improve the body posture when handling loads.

DB Schenker also anticipates further positive effects of exoskeleton use: Reduced fatigue results in both an increase in productivity and a reduction in quality defects over the course of the shift. Furthermore, the company sees additional opportunities for the inclusion of people with physical impairments in the work process with the support of exoskeletons.

Source: <https://logistik-aktuell.com/2022/02/16/gesundheitschutz-exoskelette/>

Ottobock products: Benefits for people and society

Our products address the challenges of a wide range of diseases afflicting people and affecting their life chances. We develop targeted solutions that give users new freedom and security. This positive effect can be proven in many areas.

MyCRO Band: Designed for the gentle treatment of infants

Challenge

Since the American Academy of Pediatrics published its recommendation to allow infants to sleep in a supine position in the early 1990s, sudden infant death rates have decreased significantly. However, this success in prevention goes hand in hand with reports of an increase in skull deformations in babies, with the clinical picture of a unilateral or even bilateral flattening of the back of the head.

Solution

The Ottobock MyCRO Band is a temporary orthosis that helps to improve the deformed head shape. The orthosis uses contact and growth zones to guide the growth of the head. The contact zones define gentle boundaries for growth, while the growth zones allow space in areas that support the formation of a natural head shape.

Impact

By providing a MyCRO Band orthosis, medical consequences can be avoided. These include delayed motor development, imbalances and asymmetric musculature or difficulties in language acquisition.



Kenevo:**High-tech knee joint for enhanced safety****Challenge**

Mobility and safety are particularly important for people after an amputation in order to gain confidence in the leg prosthesis and thus continue to participate in social life. Preventing falls is a key aspect for people with walking impairments, particularly after an above-knee amputation (transfemoral amputation, TFA) or knee disarticulation (KD).

Solution

Around six years after its initial launch, the new version of the Kenevo microprocessor-controlled knee prosthesis was brought to market in the spring of 2021. It incorporates the experiences of users, O&P professionals and physiotherapists from 40 countries. The Kenevo is the first high-tech knee joint specifically designed for the largest user group: Users with low mobility levels, who mainly move at home, and new amputees, who train to use the prosthesis in order to regain the mobility they are accustomed to.

Impact

The Kenevo offers new functionality to facilitate and enrich everyday life. Users receive more support when walking down ramps and gain additional freedom of movement when putting on the prosthesis – also thanks to convenient charging with a cosmetic cover and the configuration of settings using an app. In addition, there is a separate mode for training with the stationary bicycle ergometer, which helps with rehabilitation. Users report that they are better able to move on uneven ground. The aforementioned advantages of the Kenevo over mechanical prostheses are also proven by [clinical studies: 50% of users never stumbled and 72% never fell.](#)

 [Kenevo](#)



Exopulse Mollii Suit: Electrode suit reduces spasticity and improves mobility

Challenge

Many people suffer from symptoms of neurological diseases such as cerebral palsy, multiple sclerosis or the consequences of strokes. This requires countermeasures aimed at reducing spasticity and activating weak muscles.

Solution

The Exopulse Mollii Suit is the first and so far only neuromodulation suit. It consists of 58 embedded electrodes that can stimulate 40 key muscle groups with an electric impulse. The suit uses a mechanism called reciprocal inhibition to relax spastic muscles while simultaneously activating weak muscles. Thus, the Exopulse Mollii Suit cannot only reduce pain signals but also improve the range of motion, balance, gait and general mobility of patients. Furthermore, the suit only needs to be worn for an hour every other day. The Exopulse Mollii Suit was developed by the startup Exoneural Network (ENN), which has been part of Ottobock since 2021.

Impact

Using the Exopulse Mollii Suit improves mobility and independence. This is of significant socioeconomic benefit to patients suffering from the symptoms of neurological diseases.

 [Exopulse Mollii Suit](#)



Ottobock GreenLine: Safe and ecological use of materials

Challenge

Various high-quality materials from Ottobock have proven themselves for the production of prostheses and orthoses over the years and are used worldwide. However, these materials are traditionally produced from fossil raw materials, also in other industries. This means they cannot be considered environmental friendly.

More and more chemicals are also being classified as being of concern by the ECHA through the REACH regulation. Some of the traditional materials containing such substances may therefore pose potential health risks for users.



“

The satisfaction of our users is particularly important to us. We talk to them directly in order to better understand their needs and adapt fitting solutions accordingly.”

Martin Böhm, Chief Experience Officer



Solution

Ottobock considers itself responsible for people and the environment. With our material expertise, we are working hard on alternatives that are made entirely or partly from renewable raw materials.

Impact

The use of renewable raw materials effectively reduces the CO₂ footprint, which protects the environment and climate. In addition, potential health risks for processors and users are significantly reduced or even completely avoided.

Motus wheelchairs: Enhanced mobility and participation

Challenge

One of the most important prerequisites for optimal seating in a wheelchair is the right adjustment, where every centimetre counts. It is also important to adapt the various configuration options to the individual needs of users. In view of the high complexity of products and the shortage of skilled workers in the healthcare sector, innovative solutions are required.

Solution

Wheelchair models from Ottobock have been optimised based on the experience of users and rehabilitation technicians from more than 50 countries. For example, weight-optimised models have been developed that can be adapted to individual needs. These include, for example, the Motus 2 CS in a compact design with a fixed front frame and single-panel footplate as well as the Motus 2 CV with segmented, removable leg supports. The Motus 2 CV can be individually adapted to the needs of neurological indications, as it is equipped with special options for foot space widening, one-hand operation of the drive wheels, the appropriate knee lever wheel lock and

arm support shells. We offer maximum support to avoid sources of error, starting with the ordering of a wheelchair. For example, we work with digital and intelligent order modules that incorporate timely configuration options based on desired options and specified dimensions.

Impact

Due to the high degree of customisation, tailor-made products are configured and users are allowed a maximum of participation in social life, regardless of the degree of the respective limitations. Rehabilitation technicians' work is facilitated by indication-specific and clearer, easier to understand ordering procedures. In addition, product training can be carried out digitally and thus the exchange of knowledge can be further improved.

 [Motus wheelchairs](#)



Exoskeletons: Relief for muscles and joints

Challenge

Musculoskeletal diseases (MSDs) are the main cause of time missed and long-term injuries of employees who perform hard physical labour. According to the BKK health report, the logistics industry is the leader here. The total cost of musculoskeletal diseases in Germany alone amounts to more than 30 billion euros per year.*

Solution

Ottobock bionic exoskeletons are optimised for the relief of musculoskeletal systems. Smart Energy Harvesting stores the body's own kinetic energy at the moment when it is not needed. It is then released in a targeted manner when stress peaks occur for the spine or shoulders. By dissipating and distributing energy in the body, exoskeletons can also help transfer stress from sensitive parts of the body to robust body regions. In the Ottobock Back exoskeleton, for example, the load is transferred from the upper body to the legs via the external support structure. This reduces the load on the lower back when carrying items weighing up to 25 kilograms.

Impact

The sensor-based [Study at DB Schenker](#) in 2021 demonstrated that individual employees are relieved by 23 tons per week when unloading containers. This weight is equivalent to that of a fully loaded semitrailer truck.

[Exoskeletons](#)



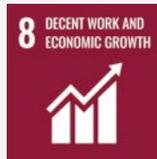
* Source: [BAuA – Musculoskeletal diseases – Federal Institute for Occupational Safety and Health](#)

ottobock.

A woman with glasses and a pink shirt is sitting on the floor, smiling and talking to a young girl in a wheelchair. The girl is holding a purple balloon. There are other balloons (yellow, orange, red) around them. The setting is a kitchen with wooden cabinets and a sink.

Promotion of our employees

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We create an attractive working environment with a wide range of social benefits and offers for work-life balance for our more than 8,000 employees. Occupational safety and health protection is our top priority – especially during a pandemic.

We offer all employees equal opportunities for successful career development and equal pay for work of equal value. We promote female talents on their career path and aim to increase the proportion of women in management positions at Ottobock.

Our goal is to integrate people with disabilities into barrier-free everyday working life.

We do not tolerate discrimination and intolerance anywhere.

Responsibility for our employees

We put people first – our mission is not only directed at the users of our products, for whom we want to enable a life without limitations. It also applies to our more than 8,000 employees worldwide. We need your excellent qualifications and your comprehensive commitment to make our company sustainable, maintaining economic success in the future.

However, demographic trends are making it increasingly difficult to find and retain talent with particularly sought-after qualifications in digital technologies of the future. At the same time, we are facing significant changes in the working environment, including in the attitudes of employees to their daily work. Not everyone has a personal interest in rapid career advancement. The balance of work and private and family life is becoming increasingly important, and flexible models for part-time work or temporary leave are very popular.

Ottobock has dynamically developed into a leading global healthtech company. This leap in development has an impact on many issues related to our employees and our role as an employer: We are faced with the task of bringing different cultures together in the best possible way. This responsibility is grow-

ing in view of the takeover of start-ups, the increasing internationality in day-to-day work and the more intensive exchange among employees with different origins and cultural backgrounds. In addition, recently developed structures at Ottobock have been modified, gradually redesigned and converted into uniform group-wide standards.

These change processes not only offer scope for innovation and efficiency gains, but also lead to a great need for adaptation, with questions and uncertainty among employees. We are aware of this and have reexamined and clarified our People Agenda against this background. In this context, we will focus our activities on two key topics for the coming years:

- Recruiting, development and retention of employees
- Diversity, equity & inclusion

“
We want to find the right candidates to quickly fill vacancies, who as talented people optimally fit our corporate culture and whom we need as specialists for innovative future topics such as IT and digitalisation. To this end, we are establishing transparent, standardised and non-discriminatory application procedures, which enable the fair treatment of applicants and support our commitment to equal opportunities and diversity.”

Bianca Holler, Head of Global HR



In the year under review, we set ambitious targets for both topics and launched initiatives to bring about concrete improvements.

Attracting, developing and recruiting talented employees

Young people in Germany and Austria can choose from various options to start their career at Ottobock. Our offer includes 16 different training courses with technical, industrial or commercial qualifications. In addition, there are eight dual study programmes, which we offer in cooperation with the Göttingen University of Cooperative Education, the University of Applied Sciences and Arts (Göttingen location) and the Private University of Göttingen. Within the framework of German scholarships, we have 12 students in the year under review at the above-mentioned universities as well as TU Clausthal. A total of 112 apprentices and cooperative education students were fostered at Ottobock in Germany and Austria in 2021. As early as 2019, we concluded a company agreement that includes a hiring guarantee after the apprenticeship and thus gives the apprentices security. The hiring guarantee is conditional on actual performance and the examination results. We hired 16 out of 18 graduates in 2021.

Our goal is to keep the global turnover of our employees below 10% per year and thus to take a leading position in the industry. To accomplish this, we will create a global database to identify success

factors across national borders. We also analyse which business areas and regions are particularly affected by turnover and coordinate measures accordingly. Key measures will include the development and implementation of performance-oriented career development plans and the creation of more opportunities for internal promotion. In addition, we will identify turnover risks so we can address individual employees at an early stage and take appropriate corrective action.

We want to achieve a high level of employee satisfaction and aim for a score of 4 out of 5 points in various categories: Goals and aspirations, responsibilities and collaboration, performance management, manager skills and interactions & engagement. For the second half of 2022, we plan to conduct an employee survey to give employees a voice and to build up a data base on global employee engagement. In addition, a global team with local support will develop optimisation measures and drive their implementation forward across the company.

We aim to fill more than 60% of vacancies with internal candidates by 2025. To this end, we will implement career development programs and more intensively market our vacancies internally, as

well as launching a global talent management process. We will also rely on a transparent reporting process for personnel development in the future in order to realise potential for internal promotions.

Social benefits for our employees

An attractive package of benefits associated with employment at Ottobock is one of the key factors for a high level of employee satisfaction. Here we focus above all on different local conditions: In Germany, for example, we concentrate on offers for occupational pensions or possibilities to make personal mobility cheaper, healthier and more environmentally friendly through bicycle leasing or job tickets. We also see it as our responsibility to generate the greatest possible social impact at our locations in countries where government insurance schemes offer little or no risk protection. For example, Ottobock as an employer in the USA bears all or part of the costs of health, accident, life, occupational disability and pension insurance. In China, the company pays a fixed proportion of health, pension and unemployment insurance premiums.

 [Careers](#)

Diversity, equity and inclusion as success factors

As a sustainably oriented medical technology company, Ottobock attaches great importance to diversity, equity and inclusion. For us, diversity is defined along several dimensions, including gender, age, ethnicity, skin colour, religion, ideology, sexual identity, disability and social background.

We see diversity in our teams as a special advantage and bring people with different individual experiences, beliefs and perspectives together. Our products stand for reducing inequality and creating equal opportunities. That is why we as a company strive to be a role model for diversity, equity and inclusion. Our aim is to treat all people equally, fairly and respectfully, and to create a healthy working environment where everyone has the opportunity to contribute to the success of the company and realise their full potential. This is how we succeed in attracting and retaining a qualified and diverse workforce.

In order to strengthen these success factors in our company in the long term, we adopted two strategic goals in 2021: We want to increase the proportion of women in management positions at the first three levels of the company and

position ourselves globally as a leading company for diversity, equity and inclusion.

Basis for company-wide controlling established

In the year under review, we created the conditions at the management level to implement our approach throughout the company and to underpin it with concrete initiatives and measures. The globally oriented Diversity, Equity & Inclusion (DE&I) Council was formed for strategy development and controlling the projects and initiatives. Going forward, it will assume overall responsibility for diversity issues at Ottobock and establish a framework for action for the national companies. It is rooted in the establishment of the DE&I Council at Ottobock in North America. The council has 26 members representing various Ottobock locations around the world. The DE&I Council

also has an eight-member Steering Committee, which includes Georgia Näder, member of Ottobock's Supervisory Board and fourth generation of the owner family.

Adopting a globally valid Diversity Policy designed in the year under review is planned for 2022. This policy will include details on how to deal with the relevant employee groups, the work of the DE&I Council, initiatives to promote a diverse workforce, training and orientation topics, and the council's responsibility to strengthen diversity.

Global approach to strengthening diversity

As a strategic objective, we aim to become a global champion for diversity, equity and inclusion and have launched initiatives to shape the working environment. For example, we will implement educational programmes to raise awareness of diversity and expand networking opportunities for different groups of employees. In May 2021, Ottobock in Germany hosted a so-called Diversity Week, which focused on raising awareness and promoting diversity and inclusion. Through mentoring, we also want to bring employees from different groups together and build supportive relationships across hierarchical levels. In the future, we want to personally recognise

employees who act as role models for promoting diversity and integrative action with awards.

Ottobock as a pioneer in the USA

Politically and culturally, the issue of diversity is much more present in society and the economy of the USA compared to other locations where Ottobock is active. Employees and job applicants have clear expectations of the employer regarding the representation of the interests of different groups in the workforce and respectful interactions. A clear profile of diversity and integration thus becomes a decisive criterion and success factor for the relationship between companies and their employees. This makes it all the more important that the claim of a pioneer in diversity formulated by a company is consistent with actual practice.

Against this background, Ottobock gained early experience in the design and implementation of measures in the USA and Canada, and developed a role model in the company for other subsidiaries. Corresponding activities are based on three pillars:

REPRESENTATION: Building and maintaining a diverse workforce by attracting and retaining talent that represents different communities.

EDUCATION: Continuing education and training to promote awareness of the importance of diversity and the creation of a positive workplace culture with higher productivity.

MENTORSHIP: Support for inexperienced employees from underrepresented groups to navigate through the work environment and successfully shape their career path.

Among Ottobock's first initiatives in the USA is the Mentorship Program, which begins in 2022 and is to be rolled out globally in the company after a six-month start-up phase. Twenty mentors and mentees are involved in this pilot project. The measure of the programme's success is that 90% of the participants consider the project to be effective or very effective.

Promotion of women in management positions

We aim to increase the proportion of women in the first three management levels at Ottobock from currently more than one third to 40% by 2025. Currently, 41% of our global workforce is female. Five out of ten members of the international Supervisory Board are women. With Kathrin Dahnke as CFO, we have a managing director who also sits on the Management Board. Two out of ten

members of the expanded Executive Board are women.

In order to achieve a higher proportion of women in management positions, we launched several initiatives in the year under review. We want to support women in management in developing leadership skills on their career path. We will also step up our efforts to attract female talent through partnerships with universities. In addition, as an employer, we put together attractive benefit packages tailored to the needs of talented managers. We also want to actively address the reasons that led to the departure of qualified women. On the occasion of International Women's Day on 8 March 2021, Ottobock organised its own theme week. The aim was to draw attention to women's rights and equality and to encourage people to work for gender equality – including in the workplace. In addition, Ottobock employees reported on their careers, talked about female leadership and gave tips for more self-acceptance. To further raise awareness of the issue, the company also published a series of interviews on the intranet with female executives and professionals about their experiences and existing challenges.

Integrating people with disabilities in the working environment

We want to empower people with disabilities to participate as fully as possible in everyday life. This applies correspondingly to our employees with disabilities. In doing so, we not only want to assume credible responsibility, but also to avoid the cost risk of compensatory levies if the quota of employees with disabilities in Germany is not reached.

Ottobock acts in accordance with the UN Convention on the Rights of Persons with Disabilities, which entered into force in 2008. We thus promote the fullest possible participation of people in everyday life and within the framework of internally promoting inclusion in working life.

In 2020, Ottobock SE & Co. KGaA and Ottobock HealthCare Deutschland GmbH concluded a company agreement on inclusion with their respective representative bodies for people with disabilities, the Works Council and youth and apprentices' representatives. This is based on the applicable legal requirements and incorporates meeting the quota of employees with disabilities as a minimum target. This is to be achieved by promoting the recruitment and training of people with disabilities, the retention of employees with disabilities and accessibility in the company.

At Ottobock in Germany, it is an inclusion officer's job to monitor that the employer fulfils its legal obligations towards people with disabilities according to the Social Security Code (SGB). In Germany, the representative body for people with disabilities has the task of promoting the integration of people with disabilities into the company or department. Ottobock has decided to make the representative for people with disabilities fully available for this role so they can devote themselves entirely to this important issue.

In the implementation of measures to comply with legal requirements, we are in close contact with the integration offices and specialist integration services.

Inclusion measures in Germany

We encourage the recruitment and training of people with disabilities to help achieve and maintain the 5% quota of employees with disabilities. In the year under review, for example, we changed our job advertisement to highlight the priority given to applicants with disabilities – with the same qualifications – and the importance of diversity.

We pay special attention to accessibility in the company. In doing so, we ensure compliance with DIN standards, especially in case of conversions and new construction, and make full use of government funding opportunities. In 2021, for example, a new barrier-free toilet facility, evacuation aids for wheelchair users and a height-adjustable workbench for employees with disabilities were installed, and doors were converted to an electric function.

In the interest of prevention, a health-promoting design of the working environment is continuously carried out and operational integration management (OIM) is implemented with the participation of the representative body for peo-

ple with disabilities. To protect the jobs of employees with disabilities, ongoing monitoring is in place with regard to potential risks to their employment and the extent to which government subsidies can be used to compensate for reduced performance. Ottobock has a funding volume of more than 100,000 euros available for job security, which is used, among other things, for individual job coaching of the employees.

Against discrimination, for equal opportunities

Ottobock is committed to ensuring that all employees, contractors, business partners, customers and patients are treated with dignity and respect and are protected from discrimination and harassment. In addition, we offer all qualified applicants and employees equal opportunities for their professional development at Ottobock, regardless of their affiliation with a particular group.

With these commitments, we not only comply with legal requirements and the conventions of the International Labour Organisation (ILO).

We have also anchored and further developed the central principles of action in our own directives such as the [Code of Conduct](#), the [Global Anti-Discrimination Policy](#) and the [Equal Opportunity Policy](#).

We do not tolerate breaches of these requirements and ask our employees to report identified misconduct or known or threatened compliance violations. The [digital Reporting Office](#) other reporting channels are available at Ottobock for this purpose. We conduct targeted training to raise awareness of these issues. For example, a mandatory e-learning program for dealing with sexual harassment will be launched in Germany in 2022.

Healthy and safe working environment at our locations

We create a safe working environment for our employees and do everything possible to maintain their health. During the coronavirus pandemic, we proved this by implementing strict hygiene concepts, but also by offering tests and vaccinations for our employees.

In our production processes, we continuously strive to identify, analyse and minimise risks with the help of a broad data base on occupational safety and health indicators and by means of notification systems.

Strengthening and expanding management systems

The plant managers and persons responsible for EHS (Environment, Health & Safety) are tasked with ensuring compliance with local legal and regulatory requirements at the sites. At present, Ottobock does not yet have a global, group-wide management approach for occupational safety and health. A global EHS Policy was adopted by the Executive Board in 2021. In the future, this will serve as the basis for standardised processes at all production sites and for the introduction and certification of management systems that comply with the international ISO 45001 standard. The

certification of the occupational health and safety management system in Duderstadt according to ISO 45001 is planned for 2022. The other production sites are to be certified as well in the following years.

At the Duderstadt location, risks, hazards and opportunities are systematically identified using the management system, for example, by means of planned internal audits and inspections. An IT tool is used to define and document the corresponding core processes. The Occupational Safety Committee, which includes representatives of the Works Council and company management, bears particular responsibility for safe working conditions. The management system encompasses the collection and analysis of accident indicators, the approval procedures for hazardous substances, and information and education campaigns on occupational health and safety. At the

German locations, there is also a regular exchange with the Employers' Liability Insurance Association on occupational safety and health issues. An external company management system is currently being established, which enables the controlling of occupational safety measures for companies and employees working in buildings or on the Ottobock premises as well.

Actively combatting health risks

Ottobock implements the safety-conscious management of hazardous materials, which includes the establishment of an inventory of hazardous substances and risk assessments for all activities involving hazardous substances. In product development, the company also strives to gradually replace hazardous substances with lower-risk, ecological alternatives, for example, in the production of resins for prostheses [➔ Putting users first.](#)

Local and global crisis teams worked at Ottobock in the year under review to contain the coronavirus pandemic. Measures coordinated by them included, for example, the introduction of an addition-

al shift work system to achieve a further reduction of contact among the employees. Ottobock also set up and used its own test centre and carried out a company vaccination campaign.

ottobock.

A man in a dark t-shirt and khaki shorts is walking on a cobblestone path. He is carrying a large, rough-cut log on his right shoulder. He has a black knee brace on his left knee. In the background, there is a white fence and a wooden building. The image is partially obscured by a white circular graphic on the right side of the page.

**Responsibility for
the environment
and climate**

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We want to reduce resource consumption and greenhouse gas emissions in order to protect our planet. Based on our company's carbon footprint, we are developing our own climate strategy with verified CO₂ reduction targets. We use higher energy efficiency and the switch to renewable energy sources as the most important levers in climate protection. We are increasingly focusing our production processes on conserving natural resources, preventing waste, saving water and strengthening the recycling economy.

Protection of the environment and climate

As a company that makes products, we bear responsibility for protecting our planet, particularly with respect to our use of natural raw materials and carbon dioxide emissions. 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.

The scarcity of important resources, the associated price increases and increasing regulation, for example, in the area of climate protection, represent new and constantly stricter requirements for Ottobock. We work to identify the negative impacts of our activities globally, regionally and locally, to prevent them and to mitigate them where possible. In 2021, we reaffirmed our position on the avoidance of environmental impacts in a company-wide directive ([🌐 “Energy, environmental and occupational health and safety policy”](#)). In addition, we have decided to use the relevant standards for environmental (ISO 14001) and energy (ISO 50001) topics to manage the objectives and measures going forward and to monitor target achievement.

The implementation of the aforementioned ISO management systems was continuously advanced under the responsibility of Ottobock's Chief Operating Officer. In 2021, the plant in Tongzhou (China) was the first to be certified according to the ISO 14001 standard. The production plants at the company's headquarters in Duderstadt (Germany) are to follow by the end of 2022.

Strategy to reduce CO₂ emissions

Climate change is one of the key challenges facing humanity. In view of the increasing risks posed by severe weather events, climate-related regional conflicts and refugee movements or the disruption of global supply chains, everyone is urged to contribute and support the political targets to limit global warming. Ottobock has production facilities in nine countries on four continents. We are therefore affected by these developments, but at the same time we have a responsibility to further realise our climate protection potential.

Transparency is a prerequisite for targeted action. We want to know where most greenhouse gas emissions are generated in the value chain and where the greatest leverage for reductions is to be applied. That is why the Ottobock carbon footprint was compiled for the first time in the year under review. According to this, almost 80% of emissions are attributable to Scope 3, meaning upstream and downstream supply chains. Purchased materials and semi-finished products in turn account for about 50% of the Scope 3 emissions. Air freight used to ship the products is one of the

main drivers of CO₂ emissions. Since patients need to be supplied with prostheses and orthoses or spare parts as quickly as possible, air freight is frequently chosen over sea freight, balancing interests in favour of the speed of services and to the detriment of climate protection.

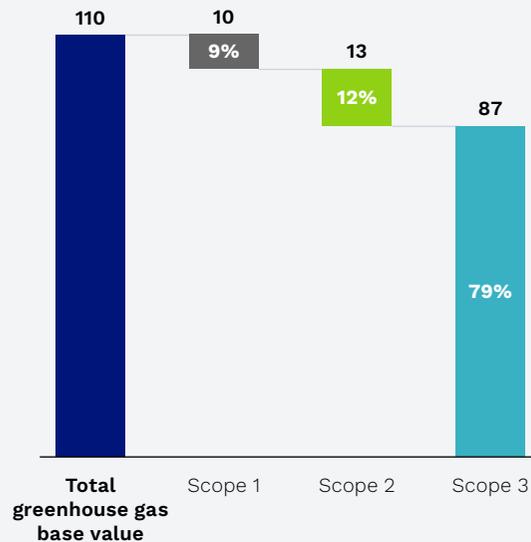
“

Science Based Target (SBT):

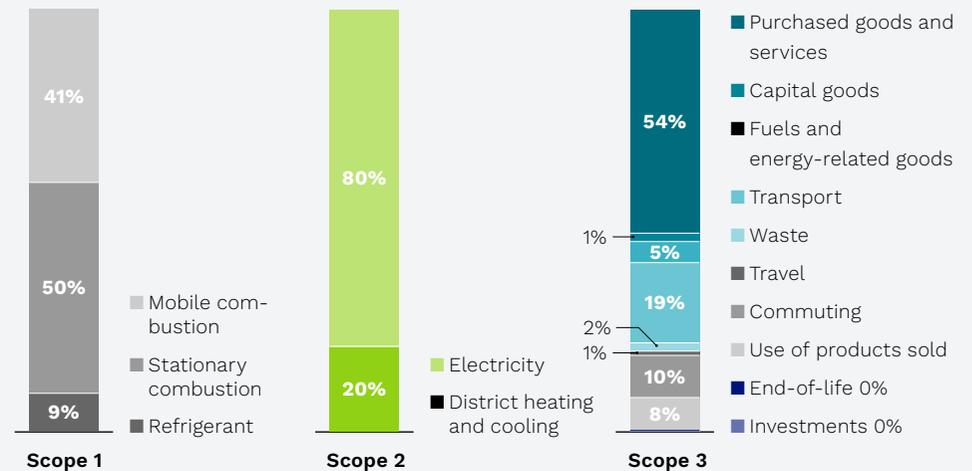
We will set ourselves a science-based target for 2030, committing ourselves to the 1.5 °C pathway.”

Greenhouse gas baseline of ~110 kt CO₂e, predominantly from Scope 3

Ottobock greenhouse gas emissions (GHG) by scope 2020 (kt CO₂e)



Breakdown of emissions by activity 2020 (kt CO₂e)



Ottobock develops climate strategy

In December 2021, Ottobock’s Executive Board decided to set a 2030 climate target for Scope 1 and 2, which will be confirmed by the Science-Based Target Initiative and demonstrably contribute to meeting the 1.5 ° target for limiting global warming. In addition, the emission intensity in Scope 3 is also to be significantly

reduced by 2030 in order to comply with the SBTi guidelines.

Targeted measures to reduce greenhouse gas emissions

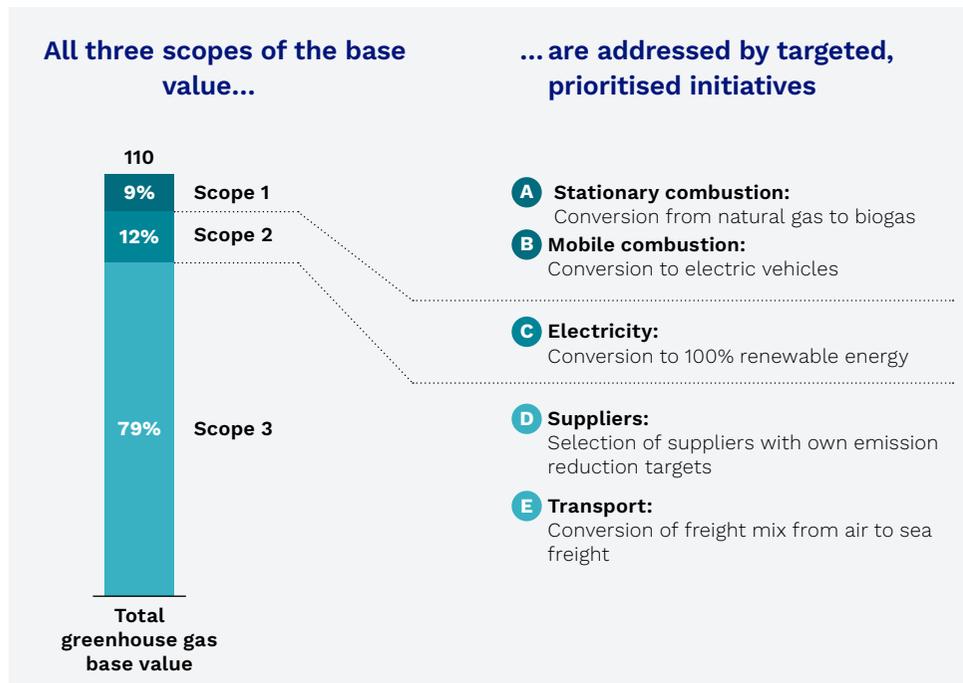
In order to achieve this objective, concrete initiatives to reduce CO₂ emissions were also launched by decision of the Executive Board and uniform accounta-

bility structures were established for this purpose under the responsibility of the COO. The planned measures relate to Scope 1, 2 and 3:

Switching from natural gas to biogas

For the supply of energy, the company is planning on a gradual switch from natural gas to biogas to supply the Ottobock

sites. Changes are made when contracts are renewed and corresponding certificates are acquired as part of the purchasing process. Potentially more than 50% of CO₂ emissions resulting from gas combustion to date can be avoided by 2030.



Since 2007, Ottobock has been using biogas to supply heat and electricity to the Duderstadt site from a plant that is operated on company property in cooperation with Maschinenring Göttingen and several farmers. 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.

100% renewable energy

All national organisations will acquire certificates and completely switch energy procurement to renewable sources by means of contract amendments. The use of Power Purchase Agreements (PPA) as a contractual option and, where appropriate, for the construction and use of photovoltaic systems at Ottobock locations will also be examined. The switch to 100% renewable energy would reduce CO₂ emissions from the electricity supply to zero in 2030 (2020: 10.2 ktCO₂e).

Priority for electric vehicles

Ottobock will switch the fleet of service vehicles from combustion and hybrid technologies to electric drives in all national organisations. Corresponding amendments to directives on the exclusive use of this drive technology will take effect after 2023 and will apply to all types of vehicles, including trucks. 95% of vehicles are to be electrically powered by 2030. To this end, the infrastructure of e-charging stations at all Ottobock locations will be systematically expanded. The switch to e-mobility will reduce CO₂ emissions from cars by about 87% in 2030 compared to 2020.

Committing suppliers to emission targets

Ottobock will demand compliance with clear emission reduction targets from its suppliers. Here the focus is on direct materials, which account for the majority of Scope 3 emissions, and on the top 50 suppliers, which account for around 51% of the emissions from purchased goods and materials. Top suppliers accounting for around 30% of greenhouse gas emissions in purchasing are to set SBTi-compliant targets as well. A procurement policy with a corresponding commitment to reduce emissions will be prepared and approved starting in 2022.

Shifting from air to sea freight

In order to reduce emissions in logistics, Ottobock is continuously evaluating the possible shift of the international freight mix from air to sea freight. This applies to selected routes, which account for around 70% of all emissions. The top routes were identified in 2021. For example, Ottobock has calculated a potential reduction of 560.47 tons of CO₂ for the conversion of approximately 25% of its product portfolio for Australia. The calculation applies to the year 2020. This shift from air to sea freight would result in around 24.5% less CO₂ emissions with regard to Australia and a 3.5% reduction in terms of our total transport emissions.

The potential need to build up stocks at certain destinations is also being examined in order to compensate for the effect of less flexible and longer delivery routes. Ottobock expects a potential shift in favour of sea freight of around 50% by 2030.

Responsibility for resources and material efficiency

We use up to 300 different materials for our products. Therefore, we assume a special responsibility for conserving natural resources, reducing waste and wastewater, and handling critical materials sensitively. In addition to limiting environmental risks, we pay particular attention to a high level of product safety and efficacy, which must be the top priority for our medical devices. The implementation of appropriate management systems aligned with the ISO 9001, 14001 and 13485 standards ensures that Ottobock complies with established standards and ensures a continuous improvement process.

Environmentally sound waste management

Even if our production processes are constantly analysed and improved, waste is generated. Waste handling is governed by legal regulations in all countries in which Ottobock operates. In the EU, for example, the focus is on promoting a circular economy aimed at recycling and reusing materials. Where this is not possible, it is a question of safe and environmentally sound waste disposal. In December 2021, Ottobock's Executive Board adopted the target of production scrap by 10% per year and assigned responsibility to the Chief Operating Officer.

“

We have established clear guidelines to further reduce our impact on the environment. Our global energy, environmental and occupational safety policy provides a framework for our actions and forms the foundation of our commitment to protecting the climate and the natural basis of life.”

Arne Jörn, Chief Operations Officer



Economical use of water

The availability of clean water is a major challenge for societies in many parts of the world, and will become even more critical as a result of climate change. Our production processes are characterised by low water intensity. Ottobock's production facilities are without exception located in areas that are not characterised by so-called water stress. Our products and manufacturing processes also use very little water. Therefore, although we monitor and control the issue of water consumption, we do not consider it material. Nevertheless, we are considering this issue as part of our voluntary

commitment to the UN Global Compact, for example, in the context of our technological innovations. Thus the production of prostheses with scans and 3D printing can replace traditional plaster casting, making the use of water superfluous.

Recycling and reuse

The use of recycled materials instead of virgin materials is increasing in many industries and products. We also optimise the use of materials and search for possible applications for recycled materials. However, large parts of our product portfolio are subject to very strict requirements and need certification and/or official approval before being supplied to users. Thus the use of recycled plastics is not readily possible if safety and/or functionality are affected (Medical Devices Act).

We are increasingly considering the potential recyclability of the materials from which our products are manufactured in our development and design processes, which fall under the responsibility of Ottobock's Chief Technology Officer.

Responsible handling of critical materials

By critical materials, we mean materials that involve environmental risks or may be hazardous to the health of employees at Ottobock, in the Patient Care clinics and for users. Due to special requirements regarding the functionality of our products – such as durability or damping properties – we may have to use production processes that can only be implemented with critical materials.

Ottobock adheres to the applicable laws at the respective site in order to limit the risk. In Germany this includes the Hazardous Substances Ordinance, for example, which obliges the company to check whether a hazardous substance can be replaced by a less hazardous substance. At Ottobock, the implementation of regulatory measures in the area of critical materials is the joint responsibility of the Chief Technology Officers and the Chief Operating Officer.

ottobock.

Appendix



About this report

We have published an annual sustainability report based on the principles of the UN Global Compact since 2016. This year's report expands our coverage. The 2021 report was prepared in accordance with the Core option of the GRI Standards. This report is also based on the ten principles of the UN Global Compact and represents Ottobock's corresponding progress report. In this context, we reviewed the materiality of the topics with the involvement of external stakeholders.

The reporting period is 1 January to 31 December 2021 unless otherwise stated. We published our previous Sustainability Report for the 2020 financial year in May 2021. The next sustainability report for financial year 2022 will be published in the spring of 2023. This report relates to the 2021 financial year of Ottobock SE & Co. KGaA. The editorial deadline for this report was 14 April 2022.

Our data collection includes the relevant companies worldwide that were included in the scope of consolidation for the consolidated financial statements of Ottobock SE & Co. KGaA from 1 January to 31 December 2021. This report is prepared in accordance with the provisions of the German Commercial Code and the International Financial Reporting Standards (IFRS). Aside from Ottobock SE & Co. KGaA, the Ottobock Group includes all material domestic and foreign subsidiaries that are directly or indirectly controlled by Ottobock SE & Co. KGaA. Participation in collaborative projects is included on a pro rata basis. Material associated companies and joint ventures are accounted for using the equity method where significant influence can be exercised. Initial consolidations and deconsolidations are generally performed at the time of acquisition or when the controlling influence is lost.

This report has not been reviewed externally. Ottobock intends to have the report for financial year 2022 audited externally for the first time.

Key figures

Compliance

Confirmed corruption incidents and measures taken (GRI 205–3)

	2021	2020
Total number and type of confirmed corruption incidents	0	0
of which		
Asia Pacific	0	0
EMEA	0	0
Latin America	0	0
North America	0	0
Western Europe	0	0
Total number of confirmed incidents in which employees were dismissed or reprimanded for corruption	0	0
Total number of confirmed incidents where contracts with business partners were terminated or not renewed due to corruption-related offences	0	0
Public corruption-related lawsuits brought against the organisation or its employees during the reporting period and the results of such lawsuits	0	0

The information refers to Ottobock SE & Co. KGaA and all incidents reported to the Compliance department by the Ottobock Group companies.

Training courses on compliance (GRI 205–3)

	2021	2020
Number of companies	109	
Number of companies in which training was carried out	109	n/a

The information relates to all companies with employees in which Ottobock SE & Co. KGaA directly or indirectly holds an interest of more than 50%.

Engagement

Donations and sponsoring (GRI 413-1)

in EUR	2021	2020
Sponsoring	556,000	552,906
Membership fees	11,750	16,150
Grants to higher education institutions	70,000	450,000
Donations	80,000	30,000

Associations were less active in 2021 due to the coronavirus pandemic. This is reflected by the reduction in grants. Due to changes within the funded degree programme, there was also a lower grant here in 2021.

Appendix

Employees

Information about employees and other workers (GRI 102-8)

by employment contract and gender	2021	2020
Male	4929	
Permanent employment contract	4630	
Fixed-term employment contract	299	
Female	3261	
Permanent employment contract	3081	
Fixed-term employment contract	180	n/a
Diverse	4	
Permanent employment contract	4	
Fixed-term employment contract	0	
Not allocated	5	
Total	8199	

The figures provided include members of the Executive Board and apprentices. Interns in Germany and Austria are not included.

"Not allocated" refers to employees who are not assigned to a group (e.g. employees, apprentices, interns, etc.).

The term "diverse" was used for the first time in financial year 2021.

by employment contract and region	2021	2020
Asia Pacific	771	
Permanent employment contract	744	
Fixed-term employment contract	27	
EMEA	873	
Permanent employment contract	855	
Fixed-term employment contract	18	
Latin America	234	
Permanent employment contract	232	
Fixed-term employment contract	2	n/a
North America	1,091	
Permanent employment contract	1,091	
Fixed-term employment contract	0	
Western Europe	5,227	
Permanent employment contract	4,795	
Fixed-term employment contract	432	
Not allocated	3	
Total	8,199	

Appendix

by employment relationship and gender		2021	2020	by gender and age group		2021	2020
Male		4,929		Male		4,929	
Full-time		4,674		up to 30 years old		1,284	
Part-time		121		from 30 to 50 years old		2,500	
Not allocated		134		over 50 years old		1,125	
Female		3,261		not defined		20	
Full-time		2,747		Female		3,261	
Part-time		364		up to 30 years old		1,024	
Not allocated		150		from 30 to 50 years old		1,573	
Diverse		4	n/a	over 50 years old		649	n/a
Full-time		4		not defined		15	
Part-time		0		Diverse		4	
Not allocated		0		up to 30 years old		4	
Not allocated		5		from 30 to 50 years old		0	
Full-time		5		over 50 years old		0	
Part-time		0		not defined		0	
Not allocated		0		Not allocated		5	
Total		8,199		Total		8,199	

by nationality

People from more than 50 countries worked for Ottobock SE & Co. KGaA and its group companies in 2021.

Appendix

New employees by gender and region (GRI 401–1)

	2021			2020		
	Number of new employees	Share of total number of employees	Total number of employees	Number of new employees	Share of total number of employees	Total number of employees
Asia Pacific	73	9.47%	771			
Male	39	14.18%	275			
Female	34	6.85%	496			
EMEA	148	16.95%	873			
Male	67	15.69%	427			
Female	81	18.16%	446			
Latin America	33	14.10%	234			
Male	7	8.54%	82			
Female	26	17.11%	152			
North America	243	22.27%	1091	n/a		
n/a	1	n/a	1			
Diverse	4	n/a	4			
Male	143	25.49%	561			
Female	95	18.10%	525			
Western Europe	503	9.62%	5230			
n/a	4	n/a	4			
Male	207	10.80%	1916			
Female	292	8.82%	3310			
Total	1000	12.20%	8199			

Diversity of managers (GRI 405–1)

Proportion of top managers	2021		2020	
	Absolute	Proportion-ate	Absolute	Proportion-ate
Male	59	80%		
up to 30 years	5	7%		
from 30 to 50 years	35	47%		
over 50 years	19	26%		
Female	15	20%	n/a	
up to 30 years	0	0%		
from 30 to 50 years	8	11%		
over 50 years	7	9%		
Total	74	100%		

Top managers include employees at levels N and N-1.

Proportion of managers at all levels (excluding top managers)	2021		2020	
	Absolute	Proportion-ate	Absolute	Proportion-ate
Male	936	69%		
up to 30 years	174	13%		
from 30 to 50 years	507	38%		
over 50 years	255	19%		
Female	414	31%	n/a	
up to 30 years	107	8%		
from 30 to 50 years	224	17%		
over 50 years	83	6%		
Total	1,350	100%		

Managers include employees at level N-2.

Appendix

Environment

Materials used by weight (GRI 301–1)

Packaging material

Transport packaging in kg	2021	2020
Wood	183,838	164,226
Plastic	56,226	39,879
Paper, paperboard, cardboard (PPC)	522,579	372,268
Absorbent materials	16,077	15,155
Tinplate	59	160

Product packaging in kg	2020	2020
Wood	972	972
Plastic	16,205	10,472
Paper, paperboard, cardboard (PPC)	118,724	72,885
Absorbent materials	428	363
Tinplate	22,905	21,922

The figures for 2021 refer to the packaging materials used in our production plants in Duderstadt and Königsee (DE), Vienna (A), Salt Lake City (US), Tongzhou (CN) and Blagoevgrad (BG). The Blagoevgrad plant was opened in 2021.

Energy consumption (GRI 302–1)

in GJ	2021	2020
Total energy consumption		328,546
Direct energy consumption		150,051
Diesel		41,908
Petrol		15,418
Natural gas		82,812
Biomass		6,500
Biogas		176
Fuel oil	n/a	3,027
Liquefied gas		176
Other		34
Indirect energy consumption		178,495
Electricity from renewable sources		52,044
Electrical energy		78,527
District heating		47,670
District cooling		254

Data collection for the 2021 reporting year could not be completed by the report's editorial deadline.

Appendix

Environment

Preliminary note on the methods and conversion factors used to calculate CO₂ emissions

Greenhouse gas emissions were measured and calculated in accordance with the principles of the greenhouse gas protocol of the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) “A Corporate Accounting and Reporting Standard – Revised Edition” (GHG Protocol) and the complementary “Corporate Value Chain (Scope 3) Accounting and Reporting Standard.”

Calculations refer to the relevant greenhouse gases, namely carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O), and all emissions are expressed in metric tons of CO₂ equivalents (tCO₂e).

Scope 1 & 2 emissions:

- Scope 1 and 2 emissions encompass all relevant emission sources for Ottobock, including electricity, district heating, district cooling, fuels, bioenergy and refrigerants.
- Primary data (e.g. kWh of electricity or kg of refilled refrigerant) were collected for about 60% of all enterprises for electricity, heat and refrigerant consumption and extrapolated to 100% of all enterprises within the inventory limits.
- Primary data (e.g. distances travelled by company cars and litres of petrol consumed) were collected for all eligible companies.
- The emission and conversion factors used to calculate Scope 1 and Scope 2 emissions are provided by the Department for Business, Energy & Industrial Strategy (BEIS), the International Energy Agency (IEA) and the Association of Issuing Bodies (AIB).
- Market-based figures for Scope 2 were used to calculate total emissions.

Scope 3 emissions:

- Scope 3 emissions cover all sources relevant to Ottobock (including purchased goods and services, capital goods, fuel and energy related activities, upstream and downstream transport and distribution, on-site waste, business travel, employee commuting and the use and end-of-life treatment of products sold), with the exception of the processing of products sold due to limited data availability in the reporting year.
- Where activity data for the inventory were missing, projections and estimates were made using a conservative approach based on the GHG Protocol.

Appendix

Greenhouse gas emissions

t CO ₂ e	2021	2020
Total greenhouse gas emissions		108,454
Direct greenhouse gas emissions (GRI 305-1)	n/a	9,084
Indirect energy-related greenhouse gas emissions (GRI 305-2)		12,738
Other indirect greenhouse gas emissions (GRI 305-3)		86,632

As it was not possible to complete the collection of energy consumption data for the reference year 2021 by the editorial deadline of this report, emissions could not be calculated.

Detailed presentation of Scope 3 emissions

	2021	2020
Scope 3 total	n/a	86,632
Cat. 1 – Purchased goods and services		46,866
Cat. 2 – Capital goods		785
Cat. 3 – Fuel and energy related emissions (not included in Scope 1 and 2)		4,569
Cat. 4 – Transport and distribution (upstream)		16,282
Cat. 5 – Waste	n/a	1,837
Cat. 6 – Business travel		468
Cat. 7 – Employee commuting		8,376
Cat. 11 – Use of products sold		7,118
Cat. 12 – Handling of products sold at the end of their life cycle		161
Cat. 15 – Investments		370

As it was not possible to complete the collection of energy consumption data for the reference year 2021 by the editorial deadline of this report, emissions could not be calculated.

Greenhouse gas emissions per employee (GRI 305-4)

t CO ₂ e	2021	2020
Greenhouse gas emissions per employee		13.27

As it was not possible to complete the collection of energy consumption data for the reference year 2021 by the editorial deadline of this report, emissions could not be calculated.

Appendix

Water (GRI 303–3) and wastewater (GRI 303–4)

Fresh water in m³	2021	2020
Public water supply	40.490	39.335

Wastewater in m³	2021	2020
Total quantity	37.490	35.070
Direct discharge	4.380	5.950
public wastewater disposal	33.263	29.120

The data were collected at our production sites. 10 production sites were in operation in 2021. Nine production sites were in operation in 2020. The Blagoevgrad (BG) site was put into operation in the course of 2020. No data were collected at the Tolyatti (RU), and Vinhedo (BR) sites in 2019–2020.

Waste by type (GRI 306–3)

Waste in tons	2021	2020
Total weight of all waste volumes	2.248	2.198
of which hazardous waste	282	274
of which non-hazardous waste	1.965	1.924

Data for 2021 include the values of our 10 production sites that were in operation in the year under review. The figures for 2020 refer to nine production sites, with the Blagoevgrad (BG) plant only commissioned in the course of 2021.

Chapter 830 GRI content index

Relevant SDGs	UNGC principle	GRI standard	Specification	Page	Comment
		General information 2016			
		Organisational profile			
		102-1	Name of the organisation	Legal notice	
	7	102-2	Activities, brands, products and services	8, 38ff Website	
		102-3	Headquarters of the organisation	Legal notice	
		102-4	Operating establishments	10 Website	
		102-5	Ownership and legal form	8, 12 Website	
		102-6	Markets supplied	10 Website	
		102-7	Size of the organisation	8 Website	
8, 10	6	102-8	Information about employees and other workers	53ff, 71-73	A global HR reporting system is under construction. Data could not yet be collected for all reporting units of the group and for all indicators for the year under review.
		102-11	Precautionary approach or precautionary principle	30ff	
		102-12	External initiatives	20-23, 28	
		102-13	Membership in associations and interest groups	70	
		Strategy			
		102-14	Statement by the highest decision maker	Foreword	
		102-15	Significant impacts, risks and opportunities	30ff	

Appendix

Relevant SDGs	UNGC principle	GRI standard	Specification	Page	Comment
		Ethics and integrity			
	1-6, 7, 10	102-16	Values, principles, standards and code of conduct	18-19, 24-26, 27	
	1-6, 7, 10	102-17	Procedures for ethical advice and concerns	24-26	
		Corporate governance			
		102-18	Management structure	Website	
		102-19	Delegation of authority	36	
		102-20	Responsibility at the board level for economic, environmental and social issues	36	
		102-21	Dialogue with stakeholders on economic, environmental and social issues	37	
		102-22	Composition of the highest governing body and its committees	Website	
		102-23	Chairperson of the highest governing body	Website	
		102-24	Nomination and selection procedure for the highest governing body	Website	According to the bylaws of Ottobock SE & Co. KGaA, the Supervisory Board consists of ten members: The four employee representatives are elected by the employee representative bodies, the six shareholder representatives are elected by the Annual General Meeting.
		102-25	Conflicts of interest	Website	The Code of Conduct and the rules of procedure for the Management Board and Supervisory Board determine the procedure.
		102-26	Role of the highest governing body in setting objectives, values and strategies	Website	The rules of procedure of the Management Board determine the procedure.
		102-27	Accumulated knowledge of the highest governing body	Website	
		102-28	Assessment of the performance of the highest governing body		The Supervisory Board conducted an efficiency audit in financial year 2021 to review the effectiveness of its work.

Appendix

Relevant SDGs	UNGC principle	GRI standard	Specification	Page	Comment
		102-29	Identifying and dealing with economic, environmental and social impacts	32-35	
		102-31	Review of economic, environmental and social issues	32-35	
		102-32	Role of the highest governing body in sustainability reporting		The Audit Committee of the Supervisory Board receives the sustainability report for information prior to publication.
Involvement of stakeholders					
		102-40	List of stakeholder groups	37	
8	3	102-41	Collective agreements		Ottobock is not bound by collective agreements.
		102-42	Identification and selection of stakeholders	37	
		102-43	Approach to involving stakeholders	37	
		102-44	Important issues and concerns raised	37	
Approach to reporting					
		102-46	Procedure for determining the content of the report and the delineation of topics	32-35	
		102-47	List of key issues	34-35	
		102-48	Restatement of information	69 Legal notice	
		102-49	Changes in reporting		
		102-50	Reporting period		
		102-51	Date of the last report		
		102-52	Reporting cycle		
		102-53	Contact person for questions about the report		
		102-54	Statement on reporting in accordance with the GRI standards		

Appendix

Relevant SDGs	UNGC principle	GRI standard	Specification	Page	Comment
		102-55	GRI content index	79	
		102-56	External audit	69	
Theme-specific standards					
Economy					
	6, 7, 8, 9, 10	103-1	Explanation of the main topic and its delineation		There is no global approach to date. Responsibility for the topic is local in accordance with the applicable laws.
	6, 7, 8, 9, 10	103-2	Management approach and its elements		
	6, 7, 8, 9, 10	103-3	Assessment of the management approach		
Anti-corruption 2016					
	10	205-2	Communication and training on anti-corruption policies and procedures	24-26, 70	
	10	205-3	Confirmed incidents of corruption and measures taken	70	
Ecology					
	7, 8, 9	103-1	Explanation of the main topic and its delineation	61ff	There is no global approach to date. Responsibility for the topic is local in accordance with the applicable laws.
	7, 8, 9	103-2	Management approach and its elements		
	7, 8, 9	103-3	Assessment of the management approach		
Materials 2016					
8, 12	7, 8,	301-1	Materials used by weight or volume		The information is not available for the reporting period.
8, 12	7, 8,	301-2	Recycled raw materials used		Disclosure is omitted since the use of recycled materials in the medical devices manufactured by us is not possible in accordance with official regulations.
8	7, 8,	301-3	Recycled products and their packaging materials		The information is not available for the reporting period.

Appendix

Relevant SDGs	UNGC principle	GRI standard	Specification	Page	Comment
	7-9	Energy 2016			
	7, 8	302-1	Energy consumption within the organisation	<u>74</u>	
	8, 9	302-4	Reducing energy consumption	<u>34, 63-65</u>	
	8, 9	302-5	Reducing energy demand for products and services	<u>63-65</u>	
		Water and wastewater 2018			
12	7, 8	303-1	Water as a shared resource	<u>67</u>	
	7, 8	303-2	Dealing with the effects of water recirculation	<u>67</u>	
	8	303-3	Water withdrawal	<u>77</u>	
	8	303-4	Water recirculation	<u>77</u>	
	8	303-5	Water consumption	<u>77</u>	
	7-9	Emissions 2016			
3, 12, 13	7, 8	305-1	Direct GHG emissions (Scope 1)	<u>75-76</u>	
3, 12, 13	7, 8	305-2	Indirect energy-related GHG emissions (Scope 2)		
3, 12, 13	7, 8	305-3	Other indirect GHG emissions (Scope 3)		
13	8	305-4	Intensity of GHG emissions		
13	8, 9	305-5	Reducing GHG emissions	<u>63-65</u>	

Appendix

Relevant SDGs	UNGC principle	GRI standard	Specification	Page	Comment
Waste 2020					
3, 12	8	306-1	Waste generated and significant waste-related impacts	66	There is no global approach to date. Responsibility for the topic is local in accordance with the applicable laws
3, 12	8	306-2	Management of significant waste-related impacts		
3, 12	8	306-3	Waste generated	77	
Environmental compliance 2016					
	8	307-1	Non-compliance with environmental protection laws and directives		No infringements were recorded in the year under review.
Social matters					
	1, 2, 3, 4, 5, 6, 7	103-1	Explanation of the main topic and its delineation	18-19, 41-42, 53ff	
		103-2	Management approach and its elements		
		103-3	Assessment of the management approach		
Employment 2016					
8, 10	6	401-1	New employees and employee turnover	73	A global HR reporting system is under construction. Data could not yet be collected for all reporting units of the group and for all indicators for the year under review.
3, 8		401-2	Occupational benefits offered only to full-time employees and not to temporary or part-time employees		
8	6	401-3	Parental leave		

Appendix

Relevant SDGs	UNGC principle	GRI standard	Specification	Page	Comment	
		Occupational safety and health 2018				
8		403-1	Management system for occupational safety and health	<u>60</u>	There is no global approach to date. Responsibility for the topic is local in accordance with the applicable laws	
8		403-2	Hazard identification, risk assessment and incident investigation	<u>60</u>	Applies to Germany	
8		403-3	Occupational health services			
8		403-4	Employee participation, consultation and communication on occupational safety and health			
8		403-5	Employee training on occupational safety and health			
3		403-6	Promoting employee health			
8		403-8	Employees covered by an occupational safety and health management system		Implemented in Germany and a production site in China (Tongzhou). Expansion is planned for 2022.	
3, 8		403-9	Work-related injuries		Disclosure is waived. Data could not yet be collected for all reporting units of the group and for all indicators for the year under review.	
3, 8		403-10	Occupational diseases			

Appendix

Relevant SDGs	UNGC principle	GRI standard	Specification	Page	Comment
Education and training 2016					
8, 10		404-1	Average number of training hours per year		Disclosure is waived. A global HR reporting system is under construction. Data could not yet be collected for all reporting units of the group and for all indicators for the year under review.
8		404-2	Programmes to improve the skills of employees and to provide transitional assistance		
8, 10	6	404-3	Percentage of employees who receive a regular assessment of their performance and career development		
Diversity and equal opportunities 2016					
8	6	405-1	Diversity in governing bodies and among employees	73 Website	
Non-discrimination 2016					
8	6	406-1	Incidents of discrimination and remedial measures taken		No infringements were recorded in the year under review.
Freedom of association and collective bargaining 2016					
8	2.3	407-1	Operating establishments and suppliers where the right to freedom of association and collective bargaining may be threatened		Can be excluded for operating establishments. (Suppliers see 412–1)
Child labour 2016					
8	2, 5	408-1	Operating establishments and suppliers with a significant risk of child labour incidents		Can be excluded for operating establishments. (Suppliers see 412–1)
Forced or compulsory labour 2016					
8	2, 4	409-1	Operating establishments and suppliers with a significant risk of forced and compulsory labour incidents		Can be excluded for operating establishments. (Suppliers see 412–1)
Human rights compliance verification 2016					
	1, 2	412-1	Operating establishments where a human rights audit or human rights impact assessment has been carried out		In 2021, a corresponding project was started in accordance with the German Supply Chain Act. A corresponding item is included in the audit catalogue

Appendix

Relevant SDGs	UNGC principle	GRI standard	Specification	Page	Comment
Social evaluation of suppliers 2016					
8	1-6	414-1	New suppliers screened against social criteria	Website	All new suppliers and our top suppliers have to confirm their compliance with the social criteria in writing. The Supplier Code of Ethics has been expanded accordingly.
Political influence 2016					
		415-1	Party donations	Website	Ottobock does not support any political party and it is forbidden to use corporate resources (including money, premises, working hours, facilities, etc.) to support political campaigns, parties, candidates or organisations.
Customer health and safety 2016					
		416-1	Assessing the impact of different categories of products and services on health and safety	45-46	
16		416-2	Infringements related to the health and safety effects of products and services		No infringements were recorded in the year under review.
Marketing and labeling 2016					
	7	417-1	Requirements for product and service information and labelling		No infringements were recorded in the year under review.
12	7	417-2	Infringements related to product and service information and labelling		
16	7	417-3	Infringements related to marketing and communication		
Protection of customer data 2016					
16		418-1	Justified complaints about breach of protection or loss of customer data		No justified complaints were recorded in the year under review.

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