

Strategically Positioned

SUSTAINABILITY REPORT 2018



WOM

A Novanta Company

Our Company

W.O.M. WORLD OF MEDICINE GmbH (WOM) is a pioneer and global leader in the field of Minimally Invasive Medicine. As part of Novanta Group, we have been developing and producing innovative products that enable surgeons to perform operations requiring only small incisions for more than 45 years – contributing to the well-being and faster recovery of patients. Our customers are worldwide leaders as system providers for medical technology, and together we constantly search for new solutions for the medicine of tomorrow.

FOREWORD

DEAR READERS,



For more than 45 years, WOM has been successful in the field of Minimally Invasive Medicine and has continued to develop unceasingly by pursuing a strategically farsighted corporate policy. Our products help physicians around the world to operate on their patients using minimally invasive techniques. The reliability of our innovation strength and the quality of our products has made us the world market leader in the field of insufflation and pump technology, a position we have held for decades.

We take a strategic approach to the topic of sustainability as well, which has been one of our values and a part of our mission for many years. As set forth in the targets we defined for ourselves for 2018, we developed a sustainability strategy that we will describe to you in this report. Our objective is to come ever closer to our goal of being an especially sustainable provider in our industry, not only an especially successful one.

WOM supports the United Nations “Agenda 2030 for Sustainable Development” and is committed to the principles of responsible business practices. Specifically, we want to achieve an improvement in the CO₂ balance of our products by 2024 despite the limitations of our heavily regulated market. Moreover, we will set up a sustainable procurement management system and resolutely expand the scope of our environmental management during this period. In 2018, we once again obtained certification in accordance with the international standard ISO 14001. In this age of demographic and digital transformation, our HR policies emphasize, in particular, the advancement of women as well as advanced training programs for digital transformation.

As we move forward on this journey of increasingly sustainable action, we are dependent on the feedback and support of our customers, suppliers, and employees. We would be delighted if this sustainability report prompts a response from you. Your comments are more than welcome!

DR. CLEMENS SCHOLZ

Managing Director

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SUSTAINABILITY HISTORY

JANUARY 2018

Communication of Values Throughout the Entire Group

As the member companies of the Novanta Group grow more closely together, we reconcile, adopt, and communicate the values throughout the Group, working to create a common culture in keeping with the slogan “Innovations that matter.”



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MARCH 2018

First Sustainability Report Released

WOM reports on its sustainability activities in its first sustainability report, which is oriented to the reporting standards of the Global Reporting Initiative (GRI).



APRIL 2018

Participation in Activities of the UN Global Compact Germany

WOM employees take part in the conference “Corporations 2030: Future of Work” and share their ideas and experiences with people from other companies regarding opportunities and risks of digitalization, robotization, and artificial intelligence for our everyday work.

APRIL 2018

Focus on Key Competence

WOM launches the focus on its core business, the manufacture of medical equipment and consumables from the cleanroom facility for Minimally Invasive Medicine (MIM) at the Ludwigsstadt production site, and becomes the competence center within the Novanta Group.

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JUNE 2018

Successful Completion of the Audit ISO 14001:2015

The environmental management audit ISO 14001, conducted by TÜV Rheinland on the basis of the revised standard of 2015, is successfully concluded with the certification of the Berlin and Ludwigsstadt sites.

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JULY 2018

Research Work Recognized

The Foundation Promoting Companies Doing Research awards WOM the seal “Innovative Through Research.” The award recognizes the special contributions that we as a company make to our nation and society.



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AUGUST 2018

First Works Council Elected in Berlin

The first works council election at WOM takes place at the Berlin site in August. The workforce of 183 employees are called upon to cast their votes; 78% take part and elect seven works council members and seven alternates.

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SEPTEMBER 2018

EHS Implemented – Environment | Health | Safety

Our environmental, health, and safety work is becoming more professional and has been concentrated in the unit EHS. EHS has set itself the goals of preventing and reducing accidents, emergencies, and health problems at work, as well as environmental pollution that can be caused by work practices, and of continuously improving occupational safety.



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SEPTEMBER 2018

Compliance Training Programs Expanded

We conducted company-wide training programs for all employees on the subjects of work ethics, harassment at work, and bribery.

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OCTOBER 2018

Survey of “Company Health” Conducted

Novanta, our parent company, launches a Group-wide survey on the development of the organization (OHI – Organizational Health Index), which sees 75% of the WOM employees taking part.

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OCTOBER 2018

Gender-sensitive Style Guideline Implemented

As we are one of the companies signing the Diversity Charter, we prepared a guideline on gender-sensitive writing style and communicated it throughout the company.



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DECEMBER 2018

Continued Support of Refugee Project of UN Women

For the third consecutive year, WOM supports the ongoing rebuilding work of UN Women in Jordan with a donation at Christmas; women and girls who have fled from Syria find protection and work in Camp Za’atari.

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WOM VISION

- ▶ Worldwide OEM supplier of high-quality solutions for the field of Minimally Invasive Medicine.
- ▶ Attractive employer in the medical industry.

WOM MISSION

- ▶ Thanks to our profitability and sustainable investments, we create healthy workplaces together.
- ▶ We meet the global requirements with proximity to customers and are committed to Germany as a company location.
- ▶ We are committed to the patient and the customer.
- ▶ We are committed to the environment and future generations.
- ▶ We create innovative solutions for customers, from development to production and logistics to after-sales service.

OUR STRATEGY 2019–2024

OUR EFFORT 2018

WOM as a Company

“Be not simply good –
be good for something.”

HENRY DAVID THOREAU

ABOUT US



WOM AS A COMPANY

“I clearly remember...” It was a very special moment when in 1972 engineer Peter P. Wiest developed the world’s first hysteroscopic insufflator, which made it possible with the aid of carbon dioxide (CO₂) to create a stable cavity in the uterus for the insertion of an endoscope and surgical instruments. Two years later, he and his colleague Hubert Fuchs founded a small company in Berlin-Kreuzberg for further development and sales, and it would become the cradle of our company.

Today, WOM Group is one of the world’s leading manufacturers of medical technology for Minimally Invasive Medicine. We are the leaders on the world market in the sectors of insufflation and pumps for hysteroscopy. We sell our products in 30 countries in Europe, America, and Asia. Our customers are large, internationally leading system providers for medical technology and specialist distributors, and our WOM ACADEMY offers intensive application training programs to their employees.

WOM headquarters are in Berlin. W.O.M. WORLD OF MEDICINE Produktions-GmbH (Reichenbach) and the sales and service companies W.O.M. WORLD OF MEDICINE USA, Inc. (Orlando, USA) and W.O.M. WORLD OF MEDICINE ASIA, Ltd. (Hong Kong) are wholly owned subsidiaries.

Our production facilities are located in Ludwigsstadt and Reichenbach (Upper Franconia).

In 1991, the company was converted into W.O.M. WORLD OF MEDICINE GmbH (WOM), which made a name for itself worldwide in the development of Minimally Invasive Medicine (MIM) devices for globally active OEM (original equipment manufacturer) customers. We develop and manufacture medical camera technology, insufflators, pumps, and accessories for these devices, all of which enable physicians to perform surgery with only small incisions.

From 2012 to 2017, WOM was a wholly owned subsidiary of the holding company ATON GmbH (Munich). In June 2017, Novanta, Inc. (Boston, USA) acquired all the shares. Novanta is a leading global provider of highly developed technological solutions for OEM customers and has a structure of two divisions, one for industrial technology and one for medical technology. WOM, together with the affiliate NDS Surgical Imaging, LLC, makes up this important pillar with its promising future. NDS is a specialist in the development and manufacture of medical visualization, video processing, and wireless imaging solution.

As of the end of 2018, WOM Group employed 530 men and women (including vocational apprentices). We continued on a solid growth path in fiscal year 2018; growth in revenues was in the upper single-digit percentage range in comparison with the previous year.

Organization

The managing directors of WOM during the reporting period were Dr. Clemens Scholz and Robert Buckley. The head of our department “Global Human Resources & Innovation Management” was simultaneously the sustainability officer of WOM Group; he reports directly to executive management. A cross-location function is carried out by the Head of Human Resources at the Ludwigsstadt production site (where about half of our employees work). Together with the head of our corporate communications, they form the team “WOM Corporate Sustainability,” which coordinates the work in the Group. During the first quarter of 2019, the sustainability officer of the WOM Group was appointed to the position of sustainability officer for the entire Novanta Group.



Compliance

Our key values and principles were initially defined by the “WOM Code of Conduct,” the first version of which came into force in March 2013. As a result of the takeover by Novanta Inc., the Code of Ethics has been in force since October 2017; our rules for dealing with gifts and gratuities continue to apply:

- ▶ No acceptance of gifts, gratuities, donations, etc., with a value exceeding 25 EUR.
- ▶ Maximum limit for gifts to third parties: 25 EUR
- ▶ No gifts, gratuities, donations, etc., to public officials.
- ▶ Providing meals to public officials is generally not permitted unless there is a written approval of the employer beforehand. In individual cases and after prior consultation with the legal department, WOM may approve a socially adequate meal.
- ▶ In the context of medical training and events, meals and entertainment must be subordinate in relation to the duration of the event and may not represent the main attraction of the event.

These guidelines are a binding guideline for ethically and legally sound conduct in everyday work for all employees. The Code of Conduct also governs our collaboration with our healthcare customers.

WOM does not tolerate any form of corruption, bribery, corruptibility, or any other unlawful granting of advantages. Our employees may not accept gifts or other compensation exceeding reasonable limits in connection with their business activities; the acceptance of occasional gifts is only permitted up to a value of 25 EUR. Gifts with a higher value, which cannot be rejected in view of the business relationship, must be transferred to the company. We auction them off in an internal raffle and donate the proceeds to charitable causes.

When awarding gifts and other donations (e.g., events without direct business relationship) to business partners (suppliers, service providers, or customers), WOM acts extremely restrictively. Their financial framework must be such that their acceptance by the recipient does not have to be concealed and does not put him or her in a binding dependency; here too, a maximum limit of 25 EUR applies. The award of higher-value gifts is only allowed in special cases and must be approved by our legal department.

Gifts or donations of any kind by employees of WOM to public officials, which include, for example, all doctors employed in the public sector, are only permitted if written authorization of the employer is available. Only in exceptional cases can a socially adequate gift or donation be released after prior consultation with our legal department.

And for payments of studies or observational studies, WOM has the following rules: In such cases, we provide these directly to the medical institution or to a third-party funding account of the institution – not to the doctors entrusted with the implementation.

Memberships

WOM is a compulsory member of the Berlin Chamber of Commerce and Industry. We also belong to the German Healthcare Export Group (GHEG) and are participants in the United Nations Global Compact.

ABOUT US

WOM AS A COMPANY

OUR COMMITMENT TO THE UN GLOBAL COMPACT

A commitment to sustainable corporate governance by WOM is reflected by our participation in the United Nations Global Compact (UNGC) since December 2016. By joining, we have committed ourselves to the ten fundamental principles of the Global Compact (see below). The UNGC is the world's largest network of companies dedicated to the vision of sustainable development. The Global Compact was launched in 2000 by then-Secretary General of the United Nations, Kofi Annan.

Participants are required to publish an annual progress notice informing on the state of implementation of the principles. Our sustainability report is also our report for the UNGC.

WOM supported the work of the UNGC between 2016 and 2018 with donations to the German Global Compact Network Foundation; the purpose of the foundation is to finance the German Global Compact Network (DGCN), which unites the German participants and supports them with webinars, network meetings, and hands-on guidelines. WOM intends to use these services for the further development of its sustainability management.

PRINCIPLES OF THE UN GLOBAL COMPACT

Human rights –
Companies are to ...

- 01** support and respect the protection of international human rights.
- 02** make sure that they are not complicit in human rights abuses.

Labor standards –
Companies are to ...

- 03** preserve the freedom of association and effective recognition of the right to collective bargaining.
- 04** support the elimination of all forms of forced labor.
- 05** support the abolition of child labor.
- 06** support the elimination of discrimination in hiring and employment.

Environment –
Companies are to ...

- 07** follow the precautionary principle when dealing with environmental problems.
- 08** implement initiatives to promote greater environmental awareness.
- 09** accelerate the development and diffusion of environmentally friendly technologies.

Corruption prevention –
Companies are to ...

- 10** advocate against all types of corruption, including blackmail and bribery.



Additional information about the UN Global Compact is available at www.unglobalcompact.org and www.globalcompact.de

Economic Indicators of W.O.M. WORLD OF MEDICINE GmbH

	2016	2017	Changes 2016–2017	
Revenue (€ k)	71,135	78,663	7,528	10.6 %
Sales by division				
Insufflators & Pumps	24,824	28,165	3,341	13.5 %
Disposables	28,169	31,158	2,989	10.6 %
Cameras & Photonics	5,386	5,182	–204	–3.8 %
Others	12,756	14,158	1,402	11.0 %

OUR STRATEGY 2019–2024

WOM AS A COMPANY

THE CHALLENGES

At the end of the second decade of the new millennium, the company is caught up in constant and, above all, very rapid transformation. Globalization, demographics, climate, digitalization, justice – the topics and challenges are immense. Corporate acquisitions and mergers are taking place across continental boundaries, individuals as employees must demonstrate previously unimagined flexibility.

In its position as a new subsidiary of the listed American Novanta Group, WOM experiences the challenges as well as the opportunities of transformation firsthand. Subjects such as integration into the global Group, corporate growth in the “war for talent,” digitalization of processes in the company and for our products, the advancement of women in technical professions, and increased demands for sustainability from our customers on a regulated market concern us and are joined by our own aspiration to make an increasingly large contribution to a sustainable society.

WOM Tackles These Challenges with Its Goals.

OUR GOALS

To be a trendsetter in the field of sustainable development within our sector of Minimally Invasive Medicine

Our responsibility for future generations has been firmly anchored as a value in our company for many years. Our aspiration is never to diminish our efforts, but to continuously search for the best technical, economic, social, and ecological solutions in collaboration with our teams and our OEM customers.



We want potential new employees and customers to decide to join us from the perspective of sustainability as well as from other key factors.

Constant compliance with SDG 3, 8, and 13

In 2015, the community of nations adopted Agenda 2030 as a large-scale guiding principle for sustainable development. It is a contract for the world’s future, and its 17 Sustainable Development Goals (SDG) provides orientation to both industrialized and developing countries and admonishes companies to observe sustainability principles in their business operations.

The following SDGs are especially relevant for us and we dedicate special effort to their achievement.

SDG 3: “Ensure healthy lives and promote well-being for all at all ages”

SDG 8: “Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.”

SDG 13: “Take urgent action to combat climate change and its impacts.”

OUR ACTIONS

Communication

Leadership guidelines. All managers must be committed to sustainability. We will update the current management guidelines and broaden them by the addition of aspects of sustainability. The new management guidelines are scheduled for issue and training by the end of 2019.

Sustainability guidelines. We will also update our sustainability guidelines and supplement them with the newly adopted strategy. All current employees and all new hirings will receive the new sustainability guidelines by the end of 2019 for their acknowledgment and to gain their active collaboration in following them.

Sustainability Organization

Broader basis. We will further increase the size of the Corporate Sustainability team and strengthen its membership with employees from all departments by 2020. By doing so, we want to lay an even broader foundation for the acceptance and sensitization for sustainability topics. All members of the team take part in training sessions on sustainability topics every year.

Go for Gold. We want everyone to work together so that we achieve excellent performance in all of the points required by the rating agency EcoVadis and obtain Gold status in 2020.

Group-wide responsibility. The entire Novanta Group wants to dedicate even greater efforts to sustainable business practices. The move of employees from WOM to the Group level in spring 2019 is a first step. The goal is to have corporate sustainability teams at the parent company as well as the subsidiaries by 2021.



Budget

In 2019, we want to define a sustainability budget for the period up to 2024 for the achievement of our goals, so that we have planning security for long-term actions.

OUR EFFORT 2018

WOM AS A COMPANY

OUR ACTIVITIES

Organisation

As we had planned, we were able to expand our sustainability organization in 2018. In addition to the three-person core team, employees from the units Research and Development, Procurement, Production, EHS, and Marketing and Sales were recruited.

Strategy

Our activities in 2018 focused on the analysis of our current status and on the drafting of a sustainability strategy for the time from now to 2024. There were numerous working meetings and a sustainability workshop with the extended sustainability team and external support for this purpose.

Change process

Communication. We supported the change process relating to the integration into the Novanta Group through numerous communications measures. The common values were communicated and trained, language courses for all interested persons were offered, and training programs on intercultural communication were conducted.



Personal interaction in business groups (HR, Procurement, Research and Development, Marketing and Sales) was actively supported, and collaboration software rolled out throughout the group is improving the work processes.

Business health survey. A group-wide survey on organizational development (OHI – Organizational Health Index) was conducted in the fall to uncover potential for improvement. The questions concerned both the group as a whole and the individual subsidiaries. At WOM, 75% of the workforce took part in the survey. The results will be analyzed during the first half of 2019 and the conclusions will be

announced to all employees. Improvement measures have been drafted and are to be implemented by the end of 2019.

Compliance

We ensure the adherence to compliance principles jointly with the parent company by conducting annual training sessions for the entire workforce, including tests. We utilize e-learning programs for all computer access workplaces and training sessions in classroom format for the production employees.



OUR STRATEGY 2019–2024

OUR EFFORT 2018

The Products of WOM

“There is no future that could make up
for what you miss out on in the present.”

ALBERT SCHWEITZER

OUR STRATEGY 2019–2024

THE PRODUCTS OF WOM

THE CHALLENGES

The public has increasingly higher expectations of companies regarding corporate sustainability along their global production chains, requiring issues of societal relevance to be duly considered alongside legal obligations and business-economic exigencies. Manufacturers of medical devices are furthermore subject to particular ethics requirements.

Other factors to consider are that more than 40 million people worldwide are living in conditions of modern slavery, according to the International Labour Organization, and more than 150 million children are forced to work. Corruption remains a major problem, especially in emerging and developing countries, but is still not uncommon as a type of white-collar crime in Germany, the US, and other functioning states and advanced economies where the rule of law is well ensconced.

Many industrialized nations will miss their 2030 climate targets, including Germany according to a recent study by the German Institute for Economic Research. Having mineral resources like gold and tin that are used in manufacturing electronic equipment can open the door to prosperity for the producing countries, but can also lead to violent conflicts over their mining and sale as exhaustible resources.

National governments and businesses alike are confronted with product development and global supply chain challenges. The UN Agenda 2030 for Sustainable Development points the way forward.

WOM Tackles These Challenges with Its Goals.



OUR GOALS

Protect public health, reduce the CO₂ footprint and realize optimization potential in product development

For WOM, product and environmental responsibility – including the environmentally proper disposal of devices and accessories – starts in the development phase. Our quality assurance system ensures compliance with applicable laws. Additionally, we have set goals for introducing product safety and environmental improvements where such are not required by regulators.

And we take responsibility for the environmentally compatible production and shipping of our products. Several projects have been launched for reducing the CO₂ footprint of our products.

Promote human rights and environmental protection by aligning procurement management for sustainably

As a medical device manufacturer, WOM is aware of its special obligations in the areas of human rights and the environment with regard to the quality and reliability of products that help people recover from surgery more quickly, including the raw material used for their production. Accordingly, we will be progressively



implementing sustainability criteria in our procurement management between now and the year 2024.

Move forward on sustainability, promote awareness among business partners

WOM has an excellent network of scientific and industry contacts and is known worldwide as the market leader in specific areas of minimally invasive medicine. We intend to leverage this status to heighten awareness of sustainability considerations among physicians and in the medical devices industry.

OUR STRATEGY 2019–2024

THE PRODUCTS OF WOM

OUR ACTIONS

Promote innovation and communication

Design. Design policies for all reusable tubing sets, revised in 2018 and early 2019, will also incorporate provisions for resource conservation and reducing CO₂ footprint starting in 2021. We will also be enhancing our product life cycle management to take all environmental impacts occurring during production, usage, and disposal into account.



Forums. We intend to make greater use of our specialist forums in order to better meet sustainability challenges in the medical devices industry. WOM remains in close dialogue with reference physicians for our products to find out about their experiences and obtain their opinions. The WOMFORUM is an annual presentation event we organize to bring product managers and product users from the Berlin-Brandenburg area together for interaction in a framework outside the demanding realities of day-to-day hospital operation. Each forum has a specific topical focus, and sustainability

issues will be included starting in 2020, when at least one presentation will be devoted to ecological and social responsibility considerations connected with the respective topic.

DEHP replacement. PVC (polyvinyl chloride) plastic is indispensable for our tubing sets that connect insufflators or pumps to the patient, as this type of plastic alone can reliably fulfill the required performance characteristics. Until now, DEHP has been used (di-2-ethylhexyl phthalate) as a softening agent to make this plastic supple. DEHP is liposoluble, and thus can enter the human body. There has been suspicion for several years now that the substance can be hormone-disrupting (endocrine). Medical device manufacturers are thus called upon to find alternatives to avoid potential health risks. WOM is committed to using safe softening agents, and current sets produced with TOTM (trioctyl trimellitate) have been DEHP-free since 2010 already. DEHT (dioctyl terephthalate) is also usable for converting older sets, in addition to TOTM. In 2019, we will commence preparations for the conversion, and all tubing sets will be DEHP-free by the statutory deadline of July 22, 2021.

Sterilization. Packaged tubing sets must be sterilized before shipment. The boxes and their contents are thus sterilized via

chemical process in a sealed vacuum chamber using the oxidizing agent ethylene oxide (EO/EtO). By the end of 2019, WOM will have developed a new sterilization cycle that will reduce EO usage by roughly 30%, which means a reduction of 0.84 tons versus the current annual usage of 2.8 tons. The cycle is to be cut in half as well, reducing heating energy consumption by 50%.

Goods shipment. We will be adopting packaging policies for our disposables by the end of 2019 aimed at making product shipment more ecologically sustainable. The goals are to reduce packaging material usage and find more environmentally friendly alternatives while improving the CO₂ balance for shipment. Truck capacity utilization is to be optimized to realize savings from an approximate 20% reduction in truck mileage for deliveries to our customers starting in 2020.

Plans are also in place to achieve climate-neutral deliveries from our suppliers to Ludwigsstadt and Reichenbach where we have production and warehouse facilities starting in 2021.



Structure supply chains for sustainability

Evaluation method. WOM works with some 750 suppliers of intermediate products and components for our production (not including service providers). By mid-2020 we will have developed a plan for incorporating ecological and social criteria into our supplier management.

These will reflect the EU regulation on raw materials' supply chain due diligence (Regulation 2017/821) and the National Action Plan on Business and Human Rights (NAP) adopted by the German Federal Government in 2016, which complies with the United Nations Guiding Principles on Business and Human Rights adopted in 2011.

We will have a rating system for initial supplier evaluation in place by the end of 2020. Starting in 2022 we will be collecting sustainability management data on suppliers, including disclosures of whether they have a certified management system in place for workplace health and safety and corporate environmental protection, whether they participate in climate protection and other industry initiatives, and whether they are in compliance with statutory minimum wage requirements. Based on these voluntary disclosures, WOM will be progressively evaluating the sustainability performance of all of the company's suppliers.

New contracts are signed with suppliers every year, in which we will be requiring a binding declaration of compliance with the WOM Supplier Code of Conduct starting in 2020. Current suppliers will be subject to this obligation starting in 2021.

Products. In the course of 2020 we will be preparing a comprehensive supply chain analysis report on the top ten products in every category of goods we purchase in which we look at ecological and social responsibility considerations (i.e., human rights) pertinent to every link in the upstream value creation chain, from mining and raw materials extraction down to parts manufacturing. In a second phase, the direct suppliers of these top ten products will be required to declare their compliance with our WOM Supplier Code of Conduct, by the end of 2020. Two years after that (in 2022), WOM will only be selecting suppliers for our most important products that have earned either an A rating (very high degree of fulfillment/minimal risk) or a B rating (high degree of fulfillment/low risk) according to our rating scheme.

OUR EFFORT 2018

THE PRODUCTS OF WOM

OUR ACTIVITIES

We are experts for medical cameras, pump systems, insufflators and the respective accessories. Insufflators are devices that create an operating space in the body by introducing CO₂ into a patient's abdominal cavity. They are a core product for keyhole surgery. WOM is a "hidden champion" as an original equipment manufacturer (OEM). We manufacture products as designed by major customers, who then distribute them to thousands of hospitals around the world. When a rinse pump is used in a uterine operation, for example, two out of three times in 2018 the pump was made by us.



Major R&D investment. Research and development are of crucial importance for WOM as an enterprise. We invest significantly in this area in order to better meet the needs of our customers and their patients, as indicated by the fact that 18% of our employees work in R&D. WOM is one of Germany's most innovative mid-market firms, and in 2018 our research activities received the Innovativ durch Forschung quality seal from Stifterverband, a donors' association for the promotion of science and the humanities in Germany.



New design policies. In development and production we are committed to using ecologically safe materials and optimizing energy and resource utilization. This means, in part, having processes in place for returning devices. The design policies were expanded in 2018 to include all new designs to facilitate recycling, so that going forward components will be clearly marked to allow traceability of the materials they contain.

DEHP replacement. All new reusable WOM tubing sets are DEHP-free, and we are working on replacement raw materials for older products – see previous chapter regarding the measures being taken.

RoHS 3. Our products comply with the requirements as per the EU Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS 2) and the EU Chemicals Regulation (REACH). In 2018, we formed a working group to ensure compliance with the new RoHS 3 requirements. Initial results from the group's work are expected by the end of 2019.

Paper-saving document management. As a medical device manufacturer, we are subject to compliance with a host of regulations. A working group called Electronic File was formed to prepare for the implementation of paperless documentation. Proposals should be ready by 2020.

Animal testing. We keep animal testing to a minimum, by conducting product testing in an in vitro environment, for example. Accordingly, in 2018 we did not conduct any testing on animals.

WOM Supplier Code of Conduct. WOM purchases more than 5,000 items from roughly 750 suppliers, the majority of which are based in Europe at this time although the proportion of Asian suppliers is rising. In selecting suppliers we consider the quality, safety, and cost of their goods, but also their integrity as a business partner. The Code of Conduct for Suppliers, adopted in April 2017, outlines the core principles for ethical conduct on the part of suppliers and service providers, in line with the UN Global Compact. The supplier code of conduct of parent company Novanta has furthermore also been applicable since 2018.

Conflict minerals. As part of its supplier management, parent company Novanta requires suppliers to disclose the origin of conflict minerals, such as tin, tantalum, gold, and tungsten, for the information of all group companies. Mining and trading in these minerals is prohibited if this contributes to the financing of, or otherwise supports, armed groups in Central Africa. Unwillingness to provide such disclosures may cause the contract with the supplier in question to be terminated.

The text of the Code of Conduct for Suppliers is available on our website www.wom.group in the "Downloads" section.

OUR STRATEGY 2019–2024

OUR EFFORT 2018

The People at WOM

“Gender equality is critical to the development and peace of every nation.”

KOFI ANNAN

OUR STRATEGY 2019–2024

THE PEOPLE AT WOM

THE CHALLENGES

We live in an age of fundamental transformation, a time when companies are undergoing change at a rapid pace:

The demographic transformation that is causing the numbers of new workers entering the labor market to decline is forcing companies to compete for the talented people they require. Even today, it is becoming increasingly difficult to fill positions in key technical professions adequately. Rural exodus represents a huge hurdle for companies located in rural areas, and WOM is experiencing this phenomenon firsthand because of its production sites in Ludwigsstadt and Reichenbach in Upper Franconia. The revolution in relationships between men and women requires employers to take into consideration the needs of parents in the working world.

The mega-topic of digitalization demands the highest degree of flexibility and ability to change on the part of companies and all employees so that they can handle the constantly changing technologies and the opportunities and risks accompanying these changes. The aim of digitalization at WOM is to drive our advancement and secure both growth and prosperity.



Every single one of these topics represents a major challenge, and the effect is reinforced by their combination. Companies have no choice but to develop objectives and strategies so that employees can look ahead to the future with confidence in a world that is becoming ever more confusing. The goals of the “UN Agenda 2030 for Sustained Development” are signposts pointing out the direction that must be taken.

WOM Tackles These Challenges with Its Goals.

OUR GOALS

**Manage the Future –
Shape Digital Transformation**

WOM wants to take advantage of the opportunities presented by digitalization to secure the company’s position for the future. We see our target for the next five years as being the translation of this strategic management decision into a digital and simultaneously humane corporate culture. We want to give all employees the skills required to participate in digital processes and to enjoy the concomitant benefits by 2022.

**Keep Pace with Demographic
Transformation – Promote Diversity**

We want to be an attractive company for all generations, including Generation Z, and in view of an average employee age of 41, we have evidently been successful. Nevertheless, we do not intend to rest on our laurels, but want to open up even more opportunities for young employees. Moreover, we will invest especially in programs for the advancement of women and promote more women to management positions by 2024.

**Assure Good Health –
Implement Vision Zero**

The same principle that applies to patients who have surgery using our technology obviously applies to our workforce as well: good health and safety are the top priorities. Every employee should leave his or her workplace at the end of the day as healthy as when he or she came to work. We do not tolerate accidents at the workplace.



OUR STRATEGY 2019–2024

THE PEOPLE AT WOM

OUR ACTIONS

Shape Digital Transformation

Digital Transformation. “Digitalization” and “Industry 4.0” will cause profound changes in production and the working world in the next few years and well beyond; they affect all procedures, processes, and professional profiles. Just as is true of sustainability, this is a transformation process for business and society – which is why WOM uses the term “digital transformation” for this.

This process will have a pronounced impact on human resources management in the coming years. The decisive question for us is how to shape the ongoing transformation humanely – our philosophy is that technology and processes dominated by technology must always serve people, not the other way around.

Still, we face more questions in this respect than can be answered simply or even reliably. That is why we want to create a concept “Digital Transformation” in 2020 that will encompass all relevant players and activity profiles.

Advanced Training. The ongoing training of our employees is of key importance in this concept. All newly hired employees at WOM take part in a broad range of orientation courses at the WOM ACADEMY during the first six months after com-

mencement of their employment, so that they can quickly become familiar with the products structure, and working methods of the company. We will supplement these courses with a required module for all employees called “WOM and Digital Transformation” as of 2020; it will provide colleagues with an initial overview of which tasks may, or are likely to, change in the coming years – we will provide them with the comprehensive training they require for the acquisition of new skills.

Demographics and Diversity

Demographics. Analyses of the demographic development for Germany assume that workers will have to work to a significantly higher age if the social security system is to be maintained. “Lifelong learning,” the unceasing professional adaptation to a working world that is constantly and rapidly changing, will play an increasingly important role in the future. Taking into consideration the broad range of attitudes in society will be equally inescapable.

So far, the age pyramid of the workforce at WOM is well balanced. The average age of our employees is 41 – so the problem that many of our employees will be leaving our company in just a few years



because they have reached retirement age is not an issue at WOM.

Nevertheless, it will become even more important in the next few years to secure the loyalty of our employees by maintaining a high level of attractiveness as an employer as well as to recruit committed young workers – young people whose values and demands on employers will differ substantially from those of the older generations. For Generation Z, non-material aspects in particular, not only a secure job, play a major role – the meaningfulness of their own work and their “work-life balance” are just as important to them as material and financial aspects.

That is why we want to conduct a dialog with employees that will lead to new models for employer attractiveness. It is important for us to pick and choose and to realize the points that are a good fit with our company, e.g., from Work 4.0.

Women Managers. The proportion of women and men in the overall workforce is balanced at WOM. This is not the case at the managerial level: only 18% of these positions were held by women in 2018. We want to increase this share by 2023.

The executive management has, in the meantime, adopted a comprehensive program for the advancement of women aimed at achieving this target. The most important elements of this program:

- ▶ Applicant management will enhance orientation in the direction of women managers
- ▶ Gender-anonymous profiles will be used in the recruiting process
- ▶ Preparatory management training for young talented people with equal numbers of men and women
- ▶ Further expansion of part-time work for managers
- ▶ Parental leave management, including maintaining the flow of information and specific advanced training during parental leave

WEP. By signing the Women’s Empowerment Principles (WEP) from UN Women in 2019, WOM will underscore its support for the seven WEP principles and integrate them into our program for the advancement of women.

Fair Company. WOM deals respectfully and fairly with its interns and working students. That is why we joined the “Fair Company” initiative in 2019 and accepted the six points set forth in its body of rules.

Occupational Safety and Health Protection

Vision Zero. WOM shares the “Vision Zero” of the International Social Security Association (ISSA): zero occupational accidents are also the target of our company’s occupational safety and health protection policies. We will therefore integrate the “7 Golden Rules – for Healthy Work Without Accidents” into our EHS (Environment, Health, Safety) management in 2020 and use the guidelines drawn up by ISSA for our annual monitoring.

Luxembourg Declaration. Since WOM shares the principles of the “Luxembourg Declaration on Workplace Health Promotion,” it will formally sign this declaration in 2019. We want to expand the Workplace Health Promotion (BGF) at our Orlando and Hong Kong sites over the next few years.

Health Days. WOM has been holding an action day on the subject of health on the job at the Germany sites at least once a year for several years – as a rule, the programs revolve around the subject of prevention. As of 2020, there will be a company-wide EHS day at all five sites; we intend to issue a common annual slogan for these actions in the future and will schedule the event on or near the “World Day for Safety and Health at Work” (April 28).

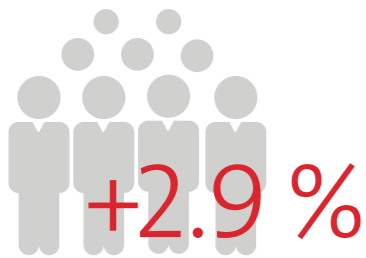


OUR EFFORT 2018

THE PEOPLE AT WOM

OUR ACTIVITIES

WOM offers a work culture emphasizing innovation and featuring flat hierarchies and a pronounced team spirit. As of the end of 2018, the WOM group employed a workforce of 492 men and women at its five sites (excluding managing directors, apprentices, and students). This represented growth in personnel of 2.9% over the previous year (478).



There was a change in the metalworking sector (CNC production) located at the Ludwigsstadt site in 2018: it was transferred to the Novanta subsidiary Westwind Air Bearings (UK), which is the competence center for CNC activities within the Novanta group. This strategic measure made it possible for WOM to take over and, in the meantime, monitor the production of NDS Surgical Imaging (also a member of the Novanta group). This has turned the two WOM sites in Upper Franconia (Ludwigsstadt and Reichenbach) into the competence center for the production of medical equipment and consumables for Minimally Invasive Medicine within the entire Novanta group.

This restructuring affected 25 employees whose employment we regrettably had to terminate. We found ways to shape the changes for the affected colleagues, to whom we are deeply grateful for their many years of service and professionalism, that were as fair and socially compatible as possible.

In 2018, we issued an “Employer Promise” (see box page 35) to communicate to our current employees and potential new colleagues a concise picture of WOM as an employer. This promise has been embedded in the corporate policies of the Novanta group.

Communication. An analysis conducted in 2018 revealed that many employees would like to have more intensive internal information and communication. In response, the WOM Management Board has substantially expanded the scope of information it disseminates via the intranet. Moreover, we have added to the formats for personal interchange between managers and the workforce.

▶ **Town Hall Meetings:** Every twelve weeks, the Managing Director and/or the Group President Minimally Invasive Surgery at Novanta describe the strategy and the course of business to the full staff.

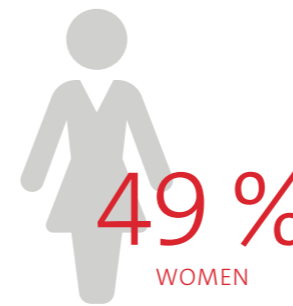
▶ **Skip Level Meetings:** At regular intervals, six to eight employees are invited to join a discussion with the CEO, the head of HR, and the Group President Minimal Invasive Surgery from Novanta along with the WOM Managing Director.

▶ **Leaders Meet Management Board:** There are quarterly meetings of the members from upper management with members from middle and lower management levels.

▶ **Meet and Greet:** All new employees meet with the WOM Managing Director during their probationary period so that they can all get to know one another.

▶ **Meet and Eat:** Six to eight employees from all departments and hierarchy levels are chosen at random every three months to have lunch together.

The WOM Management Board maintains the close sharing of ideas in an atmosphere of trust with the elected works council members. The Berlin site elected a seven-member works council (five women, two men) for the first time in August 2018.



Diversity. Men and women are represented in virtually equal proportions in the workforce as a whole; at the end of 2018, the proportion of women in the WOM group was 49% (2017: 48%). We have work to do in the coming years with respect to the proportion of women managers. As in the years before, there were no complaints relating to the “General Equal Treatment Act” (AGG) in 2018. In October 2018, we issued a guideline for a gender-sensitive writing style to help all employees in the preparation of texts that are gender-neutral. We are adapting our printed materials and the Internet texts successively.

People from about 30 countries work at our sites in Germany, the USA, and Hong Kong—we view this diversity of cultures as a priceless resource of human wealth. The “Code of Conduct for Personal Dealings Free of Discrimination” at WOM requires all employees “to desist from any discrimination based on race or ethnic origin, a person’s sex, religion, or beliefs, disabilities, age, or sexual identity and to make an active commitment to preventing any such discrimination and/or harassment.”

Remuneration and Working Hours. We consider it to be a self-evident principle that we do not distinguish between men and women in setting the levels of wages and salaries; men and women doing the same work receive the same remuneration (“equal pay”). Moreover, WOM offers attractive company benefits (see the section “Career” on our website).

We offer a broad range of working hours models such as part-time work. Our “flexitime regulation” currently in effect at the German sites provides for a regular work week of 39 hours (USA and Hong Kong: 40 hours). Our employees are able to work on flexible schedules in the mornings and afternoons. They may take up to twelve flexi days a year. Insofar as the job and the working environment permit, employees can also work in part on a mobile basis. Anyone who has been working for us for more than five years may apply for a sabbatical break of three to twelve months.

Training and Advanced Training. We offer apprenticeships for young people in twelve technical and commercial professions at our sites in Germany, including electronics technician, mechatronics technician, IT specialist, and industrial merchant. At the end of 2018, 18 young people were participating in apprenticeship programs at our company; in terms of the

workforce at the German sites, this corresponds to a training quota of 3.8% (2017: 4.9%).

WOM participated in the annual “Girls’ Day” in Germany in 2018 as well. Our objective in doing so is to encourage girl students in the fifth grade and higher to consider technical professions previously dominated by men when they later make a decision about their future profession—and to learn about these professions during a “tryout day” in our company. We also have an eye on young academics: in 2018, we employed 22 working students, among them bachelor’s and master’s degree candidates writing their theses. In addition, we offer internships or working student positions to students.



WOM supports its employees during the constant expansion of their knowledge and know-how. This begins on the first day of work, when all new colleagues receive a dedicated orientation schedule and an experienced mentor is assigned to them for the first few months who supports them individually with advice and help.

OUR EFFORT 2018

THE PEOPLE AT WOM

Our WOM ACADEMY offers an extensive program of training courses relating to all topics and tasks that are relevant for us. Besides the many training programs in classroom format, we have developed and implemented digital learning formats.

We draft new ideas and projects across all divisions in the WOM InnoHub. This is our idea foundry in which teams from many different areas contribute their knowledge and experience to the joint development and implementation of groundbreaking solutions along the full length of the process chain. In 2018, we assigned “innovation ambassadors” to assist our full-time innovation managers with the objective of enhancing the impact of our innovation management; these ambassadors come from various departments and sites and have taken part in special method training programs.

Occupational Safety and Health Protection. In 2018, WOM introduced an integrated management for company environment, work, and health protection (EHS – Environment, Health, Safety) at its sites in Germany. One focal point in 2018 was the preparation of risk assessments



at all German sites and for all activities under the direction of the safety officer.

There were only 13 occupational and commuting accidents in 2018 in the entire WOM group (2017: 12); fortunately, none of them had serious consequences. A new set of plant regulations for third-party companies working for us at our sites have been in effect since September 2018. These regulations are intended to ensure friction-free operations with the greatest possible level of safety for all internal and external employees.

WOM supports the efforts of its employees to stay fit by providing a broad range of services. They include (among others) offers of regular preventive care examinations, flu vaccinations, and consultations at the sites, and we conduct workshops and health days. Our employees can have a massage from experienced physiotherapists once a month, and there are regular courses on exercises for back care and relaxation techniques.

WOM teams are active outside the company as well; many of them have been highly successful on a number of occasions during company relay races, soccer tournaments, and bicycle races. Our commitment is documented by the high health quota of 94.3% in 2018 (2017: 95.5%).



In October 2018, Novanta, Inc. conducted a holding-wide survey on the topic of organizational health in which 75% of the employees at WOM took part (the analysis of the results had not been completed by the editorial deadline).

HR Figures of the WOM Group

	2016	2017	Changes 2016–2017
Workforce (as of 12/31)			
Employees	445	478	33
Apprentices	20	21	1
Management	2	2	0
Students/Interns	16	19	3
Proportion of Women (as of 12/31)	48 %	48 %	0
Apprenticeship Quota (sites in Germany)	4.5 %	4.6 %	0.10 % points
Fluctuation Rate	3.5 %	10.26 %	6.76 % points
Average Age of Employees	41 years	41 years	0
Health Quota	96.65 %	95.50 %	–1.15 % points
Occupational and Commuting Accidents	8	12	4

Additional information about WOM as an employer is available on our website www.wom.group in the “Careers” section.

OUR EMPLOYER PROMISE

Together at WOM – for the well-being of patients

Approximately 500 employees from 30 nations work at five locations worldwide for people’s health and mutual success. We value the individual contribution of every single person at WOM.

As part of the international Novanta Group, WOM offers an inspiring work environment in which quality awareness meets innovation, and passion for mutability and team spirit meet respect and trust.

In order to live up to our vision of being an attractive employer in medical technology, WOM ensures the development opportunities of its employees through continuous training, many flexible working time models, and a comprehensive range of services.

Our mission is responsibility and sustainability awareness: of the workforce and products as well as the environment and society.

OUR STRATEGY 2019–2024

OUR EFFORT 2018

Environmental Protection at WOM

“Anything that is contrary
to nature cannot long endure.”

CHARLES DARWIN

OUR STRATEGY 2019–2024

ENVIRONMENTAL PROTECTION AT WOM

THE CHALLENGES

Climate protection is one of the biggest challenges facing humanity, not only in the decades to come, but already today. With the “Paris Agreement” of December, 2015, the global community set itself the goal of holding the increase in the global average temperature to “well below” 2 °C above pre-industrial levels by the end of this century – in order to keep the negative impacts for ecosystems and thus for humanity within the bounds of relative manageability. Already now, human activity has caused warming by about 1 °C.

It is becoming increasingly clear that climate change will have far-reaching consequences in the decades to come, as vividly shown by the reports of the Intergovernmental Panel on Climate Change (IPCC) – ecological, economic, social, and political consequences.

To mitigate the negative consequences, greenhouse gas emissions must drop dramatically already in the next decade. “Climate-neutral” economic activity and consumer behavior should be the aim, whether through accelerated energy conservation or the use of regenerative energy sources.



A significant reduction in resource consumption is also imperative to avoid further overstressing of our ecosystems, our “natural capital” – especially with a further increasing world population: The pro-capita consumption of resources of the industrialized nations wouldn’t be transferable to the whole of humanity; it would require an additional earth to produce the resources.

The global environmental outlook “Healthy Planet – Healthy People,” presented by the United Nations Environment Program (UNEP) in 2019, demonstrates the link between an intact environment and human health and well-being.

It will take the combined efforts of countries, companies, and private citizens to meet these ecological challenges. The goals of the “UN Agenda 2030 for Sustainable Development” point the way.

WOM Tackles These Challenges with Its Goals.

OUR GOALS

Expand eco-management – integrate employees

When it comes to accepting the ecological challenges, seriously pursued eco-management is indispensable. In addition to the existing certification in accordance with ISO 14001:2015, in 2019, our three German locations are participating in the eco-management audit according to the European Union’s EMAS Regulation. In addition, we want to expand eco-management at our locations in the USA and Hong Kong.

In future, we will integrate our employees even more intensely in all locations. Eco-management depends on well-informed and motivated employees who are able to contribute their ideas.

Limit climate change – reduce energy consumption

WOM is committed to the goals of the December, 2015 “Paris Agreement” on climate protection and is doing its part to breathe life into this agreement. We will intensify our efforts in the coming years: By the end of 2022, we intend to attain the “climate neutrality” of our own locations, while simultaneously reducing pro-capita electricity consumption in office workplaces by 10 % compared with 2018.

Cut resource consumption – promote circular economy

Apart from production, office supplies and consumables account for the biggest share of our resource consumption. With a procurement directive, in 2019, WOM will set ecological and social (minimum) requirements for products in order to lighten our “ecological backpack” substantially.

We aim to have a nearly paperless office by 2024. This is intended to contribute to an additional goal: by the end of 2022, WOM intends to attain a verifiable minimum 10% reduction in per-capita waste generated at its Ludwigsstadt, Reichenbach, and Orlando locations in comparison with 2018; non-recyclable waste is intended to drop below 10 % within the same period. In Berlin and Hong Kong, we will use the same efforts to reduce our waste. Here, however, percentage verification is impossible because we are one of numerous tenants in these buildings, and the amount of waste produced cannot be determined precisely.

Improve biodiversity – reduce water usage

Climate neutrality and conservation of resources help to preserve our “natural capital.” At our Ludwigsstadt production location, we additionally intend to upgrade the outdoor facilities and green areas in terms of ecology in order to improve the diversity of flora and fauna. We will assess the remaining water conservation potential in all locations by 2022.



OUR STRATEGY 2019–2024

ENVIRONMENTAL PROTECTION AT WOM

OUR ACTIONS

Expand eco-management – integrate employees

Management. Eco-management at our German locations is certified in accordance with ISO 14001:2015. In addition, in 2019, our Berlin, Ludwigsstadt, and Reichenbach locations will participate in the European Union’s “Eco-Management and Audit Scheme” (EMAS) – the world’s most demanding system for operational eco-management.

In 2019, our Ludwigsstadt location will join the “Bavarian Environmental Pact” and thus make its regional commitment more visible.

Beginning in 2020, we will also integrate our Orlando (USA) and Hong Kong branches in the eco-controlling system – so far we only compile eco-indicators for the German locations. In future, this will enable WOM to report indicators for all locations with regard to

- ▶ Energy consumption (power, heat)
- ▶ Water consumption
- ▶ Paper consumption (copier paper)
- ▶ Waste generation (at a minimum, separately for recyclable paper and plastic as well as non-recyclable waste)

We continue to compile supplementary, location-specific eco-indicators for the German locations.



Motivation. We cannot attain our ecological sustainability goals unless all employees at all locations act in concert. Therefore, WOM will inform its teams in detail about the company’s ecological goals and give them diverse opportunities to contribute ideas and suggestions for improvement. We will use our existing offerings and programs (WOM ACADEMY, WOM InnoHub, Intranet, etc.) to do this.

WOM has already long employed the “design thinking” approach in workshops. In 2020, our team in Berlin will begin testing the method “Design Thinking for Sustainability” (DTN) and verify its internal transferability.

The executives or team leaders play a special role in employee motivation as multipliers. Beginning in 2020, we will also take environmental commitment into account in annual reviews with executives.

In 2019, WOM will, for the first time, hold internal campaign days about environmental, health and safety (EHS days) at its Berlin and Ludwigsstadt locations to raise employee awareness. In future, we will assign our apprentices the task of implementing a location-related project on these days, under their own supervision, which takes up the ecological goals of our sustainability strategy (for example, energy conservation or waste prevention).

Our teams in Orlando and Hong Kong are called on to hold a comparable day each year or participate in local initiatives; WOM supports this through its Corporate Volunteering program.

Limit climate change – reduce energy consumption

Climate neutrality. WOM aims to make its locations (Germany, USA, Hong Kong) “climate-neutral” by the end of 2022: Wherever possible, we further reduce our energy demand through technical and organizational improvements or use regenerative energy sources; where this is not (yet) possible, we offset the inevitably resulting greenhouse gas (GHG) emissions by purchasing CO₂ reduction certificates.

This voluntary obligation refers to the following emissions sectors:

- ▶ Energy production. Our Ludwigsstadt and Reichenbach locations have been operating on green electricity since 2017, and Berlin since 2018. In Orlando and Hong Kong, this has proven impossible thus far for lack of sufficient regenerative energy production in those

locations. Commencing in 2021, therefore, WOM will offset the GHG emissions of these locations by means of reduction certificates. We will also offset the greenhouse gas emissions resulting from heating consumption (natural gas) beginning in 2021.

- ▶ Business travel. WOM has already been offsetting necessary business travel by car annually since 2017 (→ see also the certificates on our website). WOM will make air travel climate-neutral starting in 2021.
- ▶ Transport of goods. We will contract with our suppliers for climate-neutral deliveries to Ludwigsstadt and Reichenbach beginning in 2021.

Furthermore, WOM will continue to produce its printed matter – for example, its sustainability report – in a climate-neutral manner.

Our voluntary obligation thus extends to the so-called “Scopes” 1 and 2 of the “Greenhouse Gas Protocol,” the international standard for offsetting GHG emissions. Where up- and downstream business activities are concerned (Scope 3), we must limit ourselves to selected categories for the time being (e.g., business travel, printed matter), since reliable data collection for additional ones would be

difficult at best or even impossible. In order nevertheless to contribute to climate protection in the other areas as well, we will integrate ecological requirements in our procurement system.

In the projects supported by CO₂ certificates, we focus even more sharply on those that also have a robust social connection to development and contribute to preserving human health; this is a contribution to Goal 3 of the “UN Agenda 2030 for Sustainable Development.”

We will underscore our voluntary commitment to climate neutrality by joining the “Alliance for Development and Climate,” which was created in December 2018 by the German Federal Ministry of Economic Cooperation and Development, before this year 2019 is out.

OUR STRATEGY 2019–2024

ENVIRONMENTAL PROTECTION AT WOM

Energy conservation. In terms of economy and ecology, the most useful contribution to climate protection is to reduce energy demand. WOM has already made great strides in this connection over the past few years (in this regard, see our first sustainability report). In the coming years, we want to leverage additional savings potential to further reduce electricity consumption and thus cut unnecessary costs:

- ▶ **Lighting.** By the end of 2022, WOM will replace all of the energy-saving and halogen lamps still in use in Germany with (even) more efficient LED lamps (the conversion is already very nearly completed in Ludwigsstadt); for our locations in the USA and Hong Kong, we are setting ourselves the target year of 2021.
- ▶ **IT hardware.** For new procurement of computers, printers, and monitors, our purchasing directive, which is currently being prepared, will establish minimum standards for the (efficient) electricity consumption of the devices. An inventory planned for 2020 should indicate whether we are currently still using more equipment than necessary – that may be the case where printers are concerned. We will unplug unneeded devices and keep them in reserve as replacement units – that also makes good economic sense.



- ▶ **Electrical appliances.** For the new purchasing of other electrical appliances such as refrigerators and coffeemakers, we will also establish minimum standards – for example, compliance with the EU energy label level “A.” Moreover, we will check device settings for savings potential.
- ▶ **User behavior.** When it comes to avoiding unnecessary energy consumption by lamps and devices, the behavior of employees at their workplaces is also a decisive factor. Therefore, in the coming years, WOM will use diverse means to inform and motivate its team at all locations when it comes to ecologically responsible behavior at work – whether through the internal employee magazine, posters, competitions, or training sessions. In our company idea management program, we call on our teams to make additional suggestions for improvement.

With these actions, we want to attain a reduction in pro-capita power consumption at office workplaces of at least 10 % by the end of 2022 in comparison with 2018 (Berlin, Orlando, and Hong Kong locations).

This does not include electricity demand for our manufacturing operation at the Ludwigsstadt location: production increases may lead to increased energy demand, therefore we hold declaration of a quantitative goal for dubious; we are also choosing to refrain from setting a specific goal (energy demand in manufacturing per product unit) for the time being because insufflator production and tube set production are not comparable with regard to electricity demand.

Green IT. In 2019, we ordered our IT department to produce a concept by 2020 regarding how – above and beyond procurement – the power demand of our entire IT landscape can be reduced. This is intended as an initial step toward also integrating sustainability in our information technology.

Mobility. In Germany, WOM maintains a small fleet of passenger vehicles for business travel (2018: 15 vehicles). We would like to replace these gradually with E-models, but have thus far been unable to set a goal for this because of the still

low range of the vehicles and the inadequate charging station infrastructure – a reliable journey with an electric car from Berlin to Ludwigsstadt and back would be an adventure. Nevertheless, we are optimistic that the situation will improve substantially in the coming years.

At least for inner-city trips in Berlin, we will buy or lease a small E-car by 2021.



Moreover, in 2019, we want to examine whether we can establish charging stations in the parking lots at our Berlin, Ludwigsstadt, and Orlando locations.

We may, however, be able to reduce our vehicle fleet and thus also the cost of maintaining it: In 2020, WOM will test car sharing services on various routes within Germany – if the experiences are positive, we could reduce or at least avoid increasing our own fleet of vehicles.

Commuter traffic by our employees between home and the workplace is one of the indirect sources of greenhouse gas emissions. A personal car is indispensable for many because the state of development of local public transit (LPT) varies widely at our locations.

In Berlin, most employees already use buses and trains, as indicated by our internal survey conducted in 2018. That is possible for only a few of the colleagues in Ludwigsstadt: in this rural region (Upper Franconia), the availability of LPT is limited. At this location, WOM will encourage colleagues to form car pools – this also lowers fuel costs and bolsters social interaction.

In 2020, WOM will conclude a general agreement with a bike-sharing service provider for our employees in Berlin, so that employees can easily borrow a bicycle before and after work.

Cut resource consumption – promote circular economy

Procurement. In 2020, WOM will compile a procurement directive for purchasing office supplies and consumables that sets (minimum) ecological and social requirements for products and how they are produced. Whenever possible, we will procure the materials for our locations in Germany and the USA from sustainability-oriented mail-order companies.

At our locations in Germany, up to now we have used only copier paper that bears either the PEFC or FSC seal for sustainable forestry. In the interest of climate protec-

tion and nature conservation, we are going a step further. From 2020 on, we will procure only 100 % recycling paper that has been awarded the “Blue Angel” – the angel places significantly more stringent requirements on paper production, thus making it a “premium” ecolabel. Therefore, WOM will also participate in the campaign “CEOs show their colors – with recycling paper for resource protection.” Our locations in the USA and Hong Kong are urged to also procure recycling paper from regional suppliers.

Beginning in 2020, the toilet paper bought for the German locations will also bear the Blue Angel.

Ecologically, what is even more useful than procuring recycling paper is saving paper – especially because copier paper is frequently unnecessary in the age of electronic communications. On the office side, therefore, WOM is setting an enterprise-wide goal to eliminate the use of copier paper as far as possible by the end of 2024. Exempted from this is documentation that we must still archive in paper form for legal reasons (e.g., for supervisory authorities).

In this way, we want to reduce our consumption of office paper by at least 25 % by 2022.

OUR STRATEGY 2019–2024

ENVIRONMENTAL PROTECTION AT WOM

The less paper we need, the lower also our need for countless other office supplies and consumables – toner, folders, and accessories. The ecological and economic advantages in this regard go hand in hand; what is more, we expect the reduction in paper to also result in less time spent on purchasing and distribution of materials and shredding documents in compliance with data protection laws.

Even in future, plastics will remain indispensable for medical technology products – our customers and the patients benefit from it. The situation is different when it comes to short-lived office supplies such as transparent sleeves and similar utensils: for these, there are alternatives made of renewable raw materials. In this regard, WOM will strive to give such products preferential treatment whenever possible by the end of 2022 – our aim is a (largely) plastic-free office workplace.

Waste prevention. The lower the consumption of paper and other office supplies, the less waste that has to be disposed of – which also reduces the cost of commercial waste disposal. By the end of 2022, WOM intends to reduce the waste produced per capita at the Ludwigsstadt and Orlando locations by a minimum of 10% (compared to 2018) – and cut the rate of non-recyclable waste to less than 10%.



In Berlin, too, an early morning “coffee to go” is highly coveted on the way to the work. The paper and plastic cups, however, are a huge waste of resources and often land next to the wastepaper baskets in green areas. In 2020, we want to persuade our headquarters team of the advantages of reusable cups with a campaign – perhaps by handing out cups in our own design.

Our procurement directive will also define sustainability criteria for catering at corporate events such as staff parties. We want to emphasize healthy, regional (organic) food. To avoid food waste, from now on, plans call for edible leftovers to find their way not into the garbage, but instead into a “leftovers box,” which employees can take home.

Improve biodiversity – reduce water usage

Biodiversity. At the moment, we do not see any appreciable opportunities to contribute to biodiversity at our Berlin, Reichen-

bach, Orlando, and Hong Kong locations. The situation is different at our Ludwigsstadt production site: the business premises here include 12,700 square meters (nearly 3.14 acres) of outdoor and green areas. We want to improve biodiversity by 2022. Possible actions could include creating flowering meadows, planting new shrubs and hedges, and insect-friendly outside lighting. We want to integrate local staff in these actions (e.g., through group planting activities). At a minimum, we want to fulfill the requirements of the Bavarian “Blühender Betrieb” (“Blossoming Business”) award.

In April, lawns damaged by heat and construction work were reseeded.



Most of the remaining areas that have not been sealed over are covered with shrubs, trees, and occasional rosebushes.

Water conservation. By the end of 2020, we will examine whether further reduction of water demand is possible in the sanitary areas and kitchens at our locations. In the process, we also want to determine whether efficient, water-saving faucets, which limit water flow to a maximum of six liters per minute, are installed in all washbasins and sinks.

Detergent residue in wastewater is frequently harmful to the environment. Until now, cleaning products for cleaning our office workplaces were not chosen according to strict ecological sustainability criteria. That will change in 2019, as our procurement directive will establish minimum criteria. Whenever possible, from now on, products should consist solely of renewable raw materials or bear the “Blue Angel” ecolabel.

Special detergents and disinfectants for our manufacturing operation are an exception, since they must comply with much more stringent requirements than for office cleaning.

OUR EFFORT 2018

ENVIRONMENTAL PROTECTION AT WOM

OUR ACTIVITIES

In June, WOM passed certification in accordance with ISO 14001:2015 by the testing organization TÜV Rheinland. The environmental management system for the GmbH, i.e., the Ludwigsstadt and Berlin locations, has already been certified in accordance with the international standard ISO 14001:2004 since 2009. The requirements increased again with the 2015 amendment, so the preparations for the audit were intensive and extensive. To this end, the eco-management officers responsible for this area dealt with all 19 points from the previous audit.

The documents stored in collaboration software at WOM were convincing in their consistent application as well as their clarity, transparency, and manageability. Moreover, as an innovation, facility management in Ludwigsstadt developed a way to use the software to monitor machines and equipment and thus avoid the acquisition of separate software.

To raise awareness among staff, in 2018, we trained both new and long-time employees on environmental topics nearly every month.

In January, water damage occurred in the clean room production facility. Production was able to continue in the unaffected subareas; complete production re-

sumed in March. During the period of reduced production, the affected clean room employees were able to remain at home without financial consequences.

Mobility

For business travel within Germany to customers or between our locations, we mainly use the German railway company Deutsche Bahn and its BahnCard rail card – thus on long-distance routes, we are mobile with green electricity. For trips on regional transport, we book the environmental surcharge to offset the CO₂ emissions caused.

In 2018, we saved 2.1 tons of CO₂ through railway travel in comparison with a passenger car.

WOM has a small fleet of company cars (15 passenger cars) at the German locations. We record the fuel consumption annually and offset it by purchasing CO₂ certificates from atmosfair. In 2018, this amounted to 128.9 tons of CO₂.

-131
TONS
CO₂

We also keep track of greenhouse gas emissions caused by unavoidable air travel. During the 2018 business year, this amounted to a CO₂ equivalent of roughly 335 tons, an increase of just under 5% over the previous year.

In 2018, WOM expanded its technical service at the Orlando and Hong Kong locations. This eliminated the shipping of some 2,500 devices from North America and Asia to Europe and our Ludwigsstadt location.

A reduction in travel resulted from our setting up additional videoconference rooms in 2018 and equipping all computer workstations with video software in the course of a software rollout throughout the holding company.

Procurement

To reduce paper consumption, all printers were configured to default to “duplex printing.” From 2017 to 2018, we were already able to reduce consumption at the German locations by 250,000 to 900,000 pages in this way. We offer additional tips about saving paper on our Intranet.

Ecological Indicators

	2016	2017	Changes 2016–2017
Eco-electricity requirement in kWh*	1,652,294	1,732,210	4.84 %
Heat requirement (natural gas) in kWh*	904,498	1,139,074	25.9 %
Fuel requirement of the fleet in l diesel**	16,634	18,538	11.4 %
Fuel requirement of the fleet in l gasoline**	3,343	1,778	-46.8 %
Water consumption in m ³ *	2,947	2,941	-0.2 %
Office paper requirement in sheets**	1,450,000	1,428,000	-1.5 %
Waste volume total in kg*	158,993	199,071	25.2 %
Waste recycling quota in %*	84.7	79.6	-5.1% points

* Data refers to the production site Ludwigsstadt.

** Data refers to the production sites Ludwigsstadt and Berlin.

[OUR STRATEGY 2019–2024](#)[OUR EFFORT 2018](#)

WOM's Commitment

“Those who look upon adversity and wait until they are asked to help are every bit as evil as if they had refused in the first place.”

DANTE ALIGHIERI

OUR STRATEGY 2019–2024

WOM'S COMMITMENT

THE CHALLENGES

Global trade, which has expanded rapidly in the past few decades, succeeded in significantly reducing the number of people living in extreme poverty around the world. Nevertheless, an estimated 780 million people still live below the poverty line and more than 800 million are malnourished, as recorded in the 2018 United Nations report “Sustainable Development Goals.”

Many health problems are closely intertwined with social and ecological problems. According to the 2019 United Nations World Water Development Report, for example, three out of ten people lack access to sufficient clean drinking water, and six out of ten lack access to safe sanitary facilities – although both of these are acknowledged human rights.



In the past two decades, the world community has made significant inroads in reducing the rates of maternal mortality and infant mortality under the age of five. Successes are also evident in combating many infectious diseases – today, however, the risk of global pandemics is on the rise due to commercial and tourist traffic. New challenges in the field of global health are posed by increasing antibiotic resistance, lifestyle diseases, and stress-related disorders, among other things.

It will take the combined efforts of countries, companies, and private citizens to meet these challenges. The goals of the “UN Agenda 2030 for Sustainable Development” point the way.

WOM Tackles These Challenges with Its Goals.

OUR GOALS

Expand regional commitment – strengthen voluntary service

Since 2017, WOM has had a corporate volunteering program that enables all employees to take up to two days of paid special vacation for local volunteer work. Starting in mid-2019, we will call this program the “WOM Cares Day”.

By 2022, WOM wants to attain participation in this program by more than one third of employees each year. For internal motivation of colleagues, WOM will appoint ambassadors at all locations in 2020.



Step up donations – establish an aid fund

WOM will step up its donations to health projects in the coming years.

Starting in 2021, an aid fund should enable the teams at our locations to provide support in the form of donations to urgent health projects run by small local or regional relief organizations. The local teams should decide for themselves which projects are to be supported.



OUR STRATEGY 2019–2024

WOM'S COMMITMENT

OUR ACTIONS

Expand regional commitment – strengthen voluntary service

Voluntary service. All WOM employees can obtain up to two days of paid special vacation a year if they spend these days volunteering for the public good locally. We launched this corporate volunteering program in 2017 under the rather technical title “Paid Voluntary Time Off” (VTO). Starting in mid-2019, we will use a catchier name that is also easy for the public to understand:

WOM Cares Day – The Voluntary Service of WOM

We will provide our employees with appropriately printed T-shirts that they can wear when volunteering.

Boost participation. To boost the rate of participation, by the end of 2019, we will conduct an Intranet survey of our employees to find out about their experiences up until now when volunteering and any suggestions for improvement they may have. Depending on the results, we will revise the internal directive that regulates participation.

By 2022, WOM wants to attain participation by more than one third of employees for one day each year within the framework of our program for the public good.

Appoint ambassadors. For internal motivation, WOM will appoint ambassadors at all locations in 2020: they are intended to be motivators for their local colleagues, coordinate possible volunteer efforts, serve as a contact for local initiatives, and provide information about the commitment on the WOM Intranet.

Bundling. Corporate volunteering efforts are possible for our employees all year round. In the interest of optimum impact and in order to build bridges in commitment between the locations, beginning in 2019, WOM will internally promote increasingly carrying out such efforts on or in the context of international campaign days.

The following seem sensible

- ▶ **World Health Day**, April 7
- ▶ **World Environment Day**, June 5
- ▶ **International Patient Safety Day**, September 17
- ▶ **International Volunteer Day**, December 5

Several weeks before a campaign day, we will post a reminder on our Intranet and motivate the teams at the locations to volunteer for the public good on this day.

Enter into partnerships – support emergency relief

Partnerships. WOM is a business-to-business company that does not have direct contact with patients – yet their well-being is the mainspring of our day-to-day activities.



Clinic partnerships. In 2020, we will draw the attention of our reference clinics in Germany to Initiative Klinikpartnerschaften (Clinic Partnerships Initiative). This program supports the cooperation of medical professionals from Germany with colleagues from low- and middle-income countries.

Worldwide Health Hub Germany. At the initiative of the German Federal Ministry of Health, the kickoff event for Global Health Hub Germany (GHHG) was held in February 2019. The hub, a network of political, scientific, business, and civic figures, intends to initiate partnerships and projects that serve the goals of the “Agenda 2030” in the health sector – for example, in the fight against tropical diseases,

cancer, and antibiotics resistance or when it comes to digitalization in healthcare. WOM will follow the development of the GHHG carefully and investigate whether WOM's participation would have an added value for the network.

Emergency relief. In 2020, WOM wants to enter into a partnership with an acknowledged, globally active relief organization in the field of (emergency) medical care. It would be desirable for this organization to be represented in all three countries in which we are located (Germany, the USA, Hong Kong) so we can optimally integrate our teams at the locations in this partnership. We will inform our staff and the public about the partnership through our internal and external channels (Intranet, blog).

Step up donations – establish an aid fund

Donations. These partnerships are supplemented by donations to relief projects that WOM has already been supporting for several years (e.g., BigShoes, UN Women). Furthermore, we intend to account for all voluntary charitable contributions in a charity balance sheet.



Relief fund. In addition, in 2021, WOM will establish a small relief fund (working title: “WOM Emergency Fund”): for each employee (converted into full-time equivalents), we want to provide an annual budget to the locations, which they can donate to small local or regional relief organizations for urgent health projects on behalf of local people. The local teams will vote on which projects are to be supported. The details will be determined by an internal directive.

OUR EFFORT 2018

WOM'S COMMITMENT

OUR ACTIVITIES

WOM is committed to the public good at all of its locations. When it comes to choosing projects, the focus is especially on continuity, because we want to have not only a short-term impact, but make a visible, long-term contribution and attain optimally positive developments.

Voluntary service. To support the individual commitment of our employees, we launched our own “corporate volunteering” program in April 2017. In 2018, WOM “donated” a total of 23 working days (2017: 22); we have set ourselves the goal of boosting participation significantly in the next few years.

Donations. During the 2018 business year, WOM spent some 27,350 EUR on donations to, and sponsorship of, charitable initiatives and projects. WOM refrains from exerting any political influence whatsoever in the course of its business activity. We do not make donations or other contributions to parties, politicians, or governments.

For years now, we have dispensed with the customary small Christmas presents to customers. In 2018, WOM instead contributed for the fourth time in a row to a project run by UN Women – and simultaneously called on our partners to follow our example. In Jordan, UN Women has established three secure locations for female refugees from Syria and is assisting them locally in building new lives.

Commitment in Germany. Since 2014, our locations in Germany have maintained especially close cooperation with the organization BigShoe. At soccer tournaments, the “BigShoe Cups,” this children’s charity based in Wangen (Allgäu) collects donations for sick children, primarily in developing countries, in order to finance vital operations for them (which are performed by volunteer physicians). In 2018, WOM supported BigShoes with 15,000 EUR. Employees have also made personal donations to the initiative. Since its founding in 2006, the organization has already helped more than 1,600 children.

We are especially proud of our apprentices’ commitment to charitable causes. In 2018, they were again at work on behalf of people in need, as for the fourth time now, the young colleagues at our Ludwigsstadt location assisted the congregation of the Lutheran church in loading relief supplies for transport to the Ukraine.

Commitment in den USA. The employees at the WOM branch in Orlando (Florida, USA) are also involved in helping local people in need. For example, in 2018, they participated in the campaign “Building Bikes for Kids in Need.” In this project, corporate teams assemble bicycles that are then donated to children in need. The WOM team built six bicycles in one day, had them undergo a technical check, and ultimately handed them over to a foundation for foster children.

Commitment in Hongkong. Our small team in Hong Kong unites local commitment and medical assistance. For the third year in a row, it provided local support to the organization Succeed & Advance Hong Kong (SAHK). The initiative helps people who have physical or mental development issues due to neurological disorders. The support includes both donations and joint excursions with persons in need.

商界展關懷
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© BigShoe e.V., Photographer: Joachim Umbach

Further information about our commitment is available from the WOMBlog at <https://blog.wom.group/blog>

27,350 €
DONATIONS AND SPONSORING

Outlook

WOM'S SUSTAINABILITY PROGRAM 2019

Company

- ▶ Update and communicate sustainability guidelines
- ▶ Revise management guidelines and conduct related training sessions
- ▶ Increase the size of the sustainability team
- ▶ Set the sustainability budget for the period from 2019 to 2024

Products

- ▶ Prepare packaging guidelines for Disposables
- ▶ Draft plan for implementation of RoHS 3
- ▶ Initiate a concept for sustainable supplier management

People

- ▶ Sign "Women's Empowerment Principles" from UN Women
- ▶ Join the "Fair Company" initiative
- ▶ Sign "Luxembourg Declaration on Workplace Health Promotion"

Environmental protection

- ▶ Prepare procurement guidelines for office materials and consumables
- ▶ Join the "Environment Pact Bavaria" with the Ludwigsstadt site
- ▶ Organize an EHS Day
- ▶ Join "Alliance for Development and Climate"
- ▶ Review installation of power charging stations

Commitment

- ▶ Encourage voluntary service and conduct an employee survey
- ▶ Review possible participation in "Global Health Hub Germany"

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