

Healthy Future

SUSTAINABILITY REPORT 2017



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 an international medical device company, we have been developing and producing innovative products that make surgeries as easy on patients as possible for over 40 years. The needs of our customers are always at the center of our efforts. Worldwide leading system providers for medical technology rely on our competence and experience.

FOREWORD

DEAR READERS,
DEAR CUSTOMERS AND EMPLOYEES,

WOM has earned wide acclaim in recent decades in the field of Minimally Invasive Medicine: Our products help doctors and clinics to examine and operate on their patients with minimal intervention.

We are committed to the principles of responsible business practices that have been succinctly formulated by the *United Nations Global Compact* (UNGC). In December 2016, we joined this worldwide network. This first sustainability report is also the first annual report for the implementation of these principles in our Group.

We wish to provide you with an in-depth look at where WOM stands in terms of sustainability management. We will not stop here: The work involved with this stocktaking effort has shown us internally where we can improve in the next few years – our sustainability program gives you an impression of this.

We would like to inform you about the state of progress every year. Your suggestions and opinions are a valuable help in this endeavor, so please let us know what you expect from WOM!

The quality, performance, and safety of our devices are the trademarks of our Group. Our claim, however, goes much further: WOM's goal is also to be one of the most sustainable providers in its sector – not only economically but also socially and ecologically.

DR. CLEMENS SCHOLZ



Managing Director



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MANAGEMENT
BERLIN AND LUDWIGSSTADT

Insights(s)

Our economic success is linked to our commitment to a socially and ecologically sustainable economy.

INSIGHTS(S)

SUSTAINABILITY HISTORY

DECEMBER 2016

Signed UN Global Compact

WOM signed the *United Nations Global Compact* (UNGC), thus committing itself to its ten Principles for Good Governance.



>> See page 16

MARCH 2017

Published sustainability magazine

“Sustainable. Caring. WOM.” This is the name of our brochure providing an overview of our sustainability commitment.

>> See page 46

APRIL 2017

Started Corporate Volunteering Program

In future, all employees of WOM will be entitled to a paid leave of up to two working days per year (Voluntary Time Off) if they are volunteering for charity projects at their location.

>> See page 39

APRIL 2017

Implemented Code of Conduct for Suppliers

Correct business practices and integrity, active commitment to occupational safety

and environmental protection, and the prohibition of forced or child labor: These are some of the demands that WOM places on its suppliers in a Code of Conduct.

>> See page 23

JUNE 2017

Received “TOP 100” Award

WOM is one of the most innovative “TOP 100” companies among SMEs in Germany: We received this coveted award in 2017 for the third time for exceptional innovation and above-average innovation success.

>> See page 22

JULY 2017

Environmental Management System Audit

Our locations in Ludwigsstadt and Berlin have once again passed the annual environmental management system audit according to the international standard ISO 14001:2004, carried out by TÜV Rheinland. Both locations are preparing for certification according to the new standard version ISO 14001:2015.



JULY 2017

Achieved Silver Status

The consulting company *EcoVadis*, which specializes in sustainability assessments for suppliers, took a close look at us on behalf of a customer. The result: WOM achieved 59 out of 100 possible performance points right from the start, and thus reached silver status. Our goal: gold status at the next time of monitoring.

SEPTEMBER 2017

“Received European Innovation Award”

WOM is extremely innovative. This is evidenced, for example, by the “European Innovation Award” in the category “Best Innovation Management in Healthcare,” awarded to us by ideasEurope, a network of innovation experts from companies. The jury praised the clear structuring of our integrated innovation management and the large value added for the further



development of the company. This award is confirmation that we are on the right path by merging our ideas and the innovation management.

OCTOBER 2017

Expanded Cleanroom Facility

In Ludwigsstadt, we celebrated the expansion of our cleanroom facility, which allows us to serve seven additional production lines. The facility, supplied by a combined heat and power plant, is trimmed for energy efficiency. Compared to a conventional cleanroom facility, approx. one-third less CO₂ emissions are generated.

–1/3
CO₂ emissions

OCTOBER 2017

Expanded Compliance Training

We launched enterprise-wide training on work ethics, harassment at work, and bribery.

NOVEMBER 2017

Implemented Whistleblower-Hotline

Our new Whistleblower-Hotline can be contacted anonymously by all our employees worldwide.

DECEMBER 2017

Signed “Diversity Charter”

WOM signed the “Diversity Charter” – this is another commitment to diversity in our company.



>> See page 26

DECEMBER 2017

Conducted Employee Survey

Three out of four employees (77%) who participated in our latest satisfaction survey rated their job at WOM as “very good.”

>> See page 26

DECEMBER 2017

Supported Refugee Project by UN Women

WOM again supports the work of *UN Women* in Jordan with a donation for Christmas: Camp Za’atari provides shelter and work for women and girls who fled Syria.

>> See page 38

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.

INSIGHTS(S)

WOM SUSTAINABILITY GUIDELINES

WOM believes that to act successfully also means to act sustainably. For more than 40 years, WOM's business decisions have been made by accepting responsibility for the future and have turned us into a global leader in the field of Minimally Invasive Medicine. Sustainability and social responsibility are our values and are part of our mission.

We therefore full-heartedly face the challenges that today are grouped under the term corporate social responsibility (CSR). We define CSR as a holistic corporate concept that integrates all sustainability dimensions, which includes all social, environmental, and economic contributions of a company within the scope of voluntary acceptance of social responsibility, including regulatory compliance.

This sustainability guideline describes our position on aspects of corporate social responsibility and are the binding basis for daily business at WOM. Processes, measures, and actions should be aligned along those guidelines, in accordance with our Synchro philosophy of lean production.

SOCIAL RESPONSIBILITY

Social responsibility is part of our DNA as a company in the field of medical technology. We create innovative solutions that



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provide the best treatment possible for patients and improve human well-being. The focus on Minimally Invasive Medicine was an early step in this direction and is continued staunchly by us.

We want to provide our customers with consistent quality and position ourselves as a partner of a clean supply chain. We trust and respect our suppliers and make sure, in the spirit of partnership, that they also operate sustainably. Compliance at WOM is integrated into the entire value chain and is thus an essential factor for the supplier qualification.

As a globally active company, WOM has a social responsibility towards customers, suppliers, business partners, and employees. In this context, we always comply with all applicable laws and regulations, respect ethical principles, and act sustainably. The Code of Conduct defines the binding guidelines and standards of conduct for all employees of WOM.

WOM is actively engaged in charitable, non-profit activities across all locations. Special focus is also on sustainability in the selection of local projects, because we want to provide a significant and vis-

ible contribution to our direct social environment in the long term. *BigShoe e.V.* is a charitable association we are committed to across all locations. This association provides urgent medical aid to needy children.

We support grassroots initiatives and social activities of individual employees or groups of employees by granting up to two days of special leave per year.



ENVIRONMENT

Nature is the basis of our life – we at WOM are committed to the efficient use of natural resources. In this sense, operational environmental management is continuously further developed and improved through appropriate measures.

The *Product Life Cycle Management* and our ongoing activities to reduce emissions reflect our responsible and careful use of natural resources. With our self-imposed objectives, we pursue raising resource efficiency and raw material productivity as well as the use of renewable energies. For this, WOM won the 2015 “Lean & Green Award” and will continue on this path.

WOM AS AN EMPLOYER

We are open, compassionate, and appreciative with and of one another – this is part of our corporate culture. This results in the cultural diversity of our employees. Diversity makes us strong and contributes directly to our global success.

WOM has numerous benefits for its workforce and pays fair wages. Occupational safety and health are a high priority for us. We support the reconciliation of work, family, and personal life with more than 30 working time models.

We established the WOM ACADEMY featuring a continually expanding course program for the professional and structured further education and training of our employees. To increase the ability to innovate, we have established a professional innovation management system, the WOM InnoHub, to ensure our competitiveness and strengthen our profitability.

Berlin, December 19, 2016

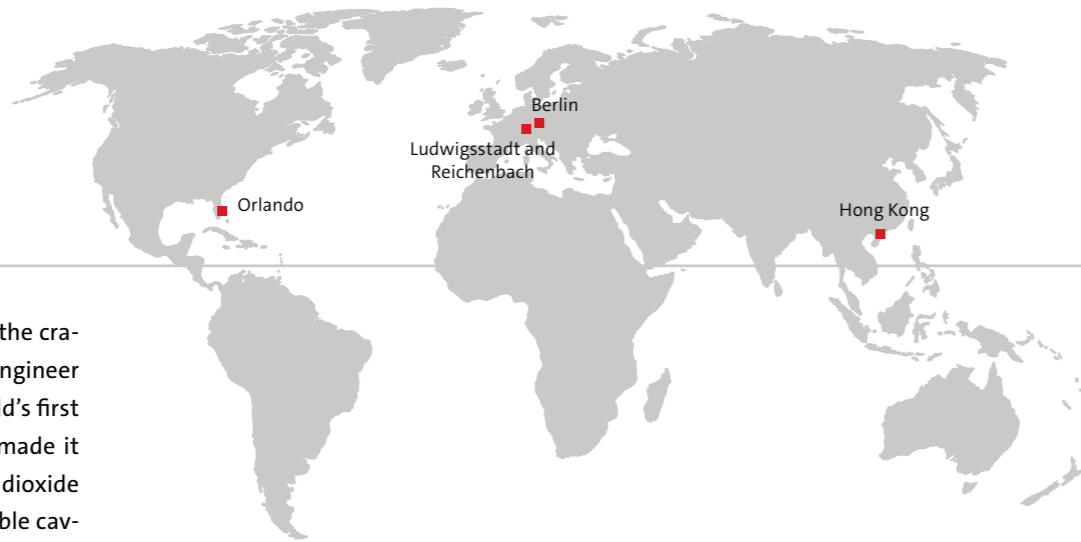


DR. CLEMENS SCHOLZ
MANAGING DIRECTOR

HEALTHY GROWTH

WOM AS A COMPANY

The highest quality in all respects and a great willingness to innovate have made us a market leader in our sector.



WOM AS A COMPANY

A groundbreaking invention was the cradle of our company: In 1972 the engineer Peter P. Wiest developed the world's first hysteroscopic insufflator, which made it possible with the help of carbon dioxide (CO₂) in the uterus to create a stable cavity to bring in an endoscope and surgical instruments. Two years later, with his colleague Hubert Fuchs, he founded a small company in West Berlin for further development and sales. Today, this would be called a start-up.

In 1991, it was transformed 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 OEM (original equipment manufacturer) customers. Today, we design and manufacture cameras, insufflators, medical pumps, and tubing that make diagnosis and therapy easier and safer for patients and doctors.

From 2012 to 2017, WOM was a wholly owned subsidiary of the holding company ATON GmbH (Munich). In June 2017, ATON sold all of its shares in Novanta Inc. (Boston, USA); the company is a leading global provider of advanced technology solutions to OEM customers in the industrial and medical device industries.

WOM has its home office in Berlin. Its wholly owned subsidiaries are 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). Our production sites are in Ludwigsstadt and Reichenbach (Upper Franconia).

Today, the WOM group is one of the world's leading manufacturers of medical technology for the field of Minimally Invasive Medicine. We sell in over 30 countries in Europe, America, and Asia. Our customers are major, leading international system providers for medical technology and specialty retailers – among them Aesculap, Stryker, and Olympus.

At the end of 2017, the WOM group employed over 500 women and men (including trainees). We also remained on a solid growth path in the 2017 financial year, with sales growth in the double-digit percentage range compared to the previous year.

ORGANIZATION

The managing directors of WOM during the reporting period were Dr. Ing. Clemens Scholz and Oliver Kupka.

The head of our department "Global Human Resources & Innovation Management" is also the sustainability officer of the WOM group; he reports directly to the management. The human resources department manager at the Ludwigsstadt production site also takes on a cross-location function (around half of our employees work here). Together with the head of our corporate communications, they form the team "WOM Corporate Sustainability," which coordinates the work in the 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.
- ▶ Maximum limit for gifts to third parties: €25
- ▶ 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. 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 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 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*.

Novanta's Corporate Guidelines and Code of Ethics are available in the "Downloads" section of our website www.wom.group

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 of the state of implementation of the principles. Our sustainability report is also our report for the UNGC.

WOM supported the work of the UNGC in 2016 and 2017 with donations to the *German Global Compact Network*; 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

	2015	2016	Changes 2015-2016	
Total revenue (EUR K)	60,175	71,135	10,960	18.2%
Sales by divisions				
Insufflators & Pumps	21,982	24,824	2,842	12.9%
Disposables	22,636	28,169	5,533	24.4%
Cameras & Photonics	4,717	5,386	669	14.2%
Others	10,840	12,756	1,916	17.7%



ANDREAS LUTZ
GLOBAL RESEARCH AND DEVELOPMENT

HEALTHY PATIENTS

WOM Products

We are one of the world's leading partners for Minimally Invasive Medicine – for the benefit of our customers and patients.

WOM PRODUCTS

WOM provides pioneering medical technology to large customers, so that doctors in Minimally Invasive Medicine can work as safely and reliably as possible. Our products enable surgical teams to treat their patients optimally through gentle procedures and to achieve excellent medical results. We are experts in the field of cameras, insufflators (which deliver CO₂ gas into the patient's body), pump systems, and tube set systems.

As an original equipment manufacturer (OEM), WOM is today a quiet world market leader in its field, a "hidden champion." For example, if an irrigation pump is used in womb surgery, this comes from our company in about two-thirds of the cases.

We offer service to our business partners right from the start, from joint research and development to certification and reliable production "made in Germany." In addition, we offer medical disposable and reusable products, complex assemblies and precision parts in the field of medical contract manufacturing.

Minimally Invasive Medicine has convincing advantages for patients, physicians, and healthcare providers alike: Because only very small incisions are required, patients experience less pain and have a lower risk of infection.

The healing and recovery time is also shorter. The length of stay in the hospital is shortened and financially relieves healthcare systems in general.

WOM products are now being used in thousands of clinics worldwide.

Important areas of application are as follows:

- ▶ **Gynecology:** Hysteroscopies and other procedures
- ▶ **Surgery:** Laparoscopies and other procedures
- ▶ **Orthopedics:** Arthroscopies and other procedures
- ▶ **Urology:** Cystoscopies, ureteroscopies, and other procedures
- ▶ **Oncology:** Localization of sentinel lymph nodes and other procedures
- ▶ **Cardiac Surgery:** Endoscopic vessel harvesting in bypass surgery

OUR CORE COMPETENCES FOR MINIMALLY INVASIVE MEDICINE

▶ Insufflators & Pumps

Insufflators and pumps provide the right pressure conditions for working in body cavities during surgery.

▶ Disposables

Our in-house developed tube sets and filter systems for our devices are produced and packaged in our own clean-room.

▶ Cameras & Photonics

Cameras and light sources ensure optimal visibility and colorfastness during surgery – GammaFinder and laser complete the portfolio.

▶ Cardiac-Thoracic Instruments

Especially for bypass patients, WOM provides an innovative tool for gentle vessel harvesting, thus shortening lengthy healing processes.

▶ Contract Manufacturing

Precision parts and assemblies as well as medical device contract manufacturing.



Since 2004, our production has been characterized by the lean management philosophy "Synchro": Lean and efficient processes ensure that we consistently detect and reduce waste of any kind in the value-recreation process – we want to avoid mistakes from the outset rather than having to fix them.

This applies to the entire process chain. Incoming orders, production, and delivery are synchronized in order to deliver the parts required by the customer in the required quantity and quality at the required time with the least possible use of personnel, material, equipment, and capital.

Synchro is an important building block for WOM to minimize, as far as possible, the risk of insufficient deliverability, for example due to delays in the procurement of components or quality problems. This flexibility and delivery reliability also sets us apart from the competition.

WOM PRODUCTS

RESEARCH AND DEVELOPMENT

In the interest of our customers and their patients, WOM invests heavily in research and development. Almost every fifth employee at WOM works in this area.

Through intensive development activities and close cooperation with renowned reference physicians, university clinics, and OEM customers worldwide, WOM secures market proximity and maintains a high degree of innovation of its own products. We cooperate with over 20 reference clinics, in Berlin, for example, with *Vivantes*, *Helios*, and *Charité*. Their experiences and suggestions flow into our product development.



WOM is one of the most innovative “TOP 100” SME companies in Germany: We received this coveted award for outstanding achievements in innovation management for the third time in 2017 (awarded by *compamedia*).

In development and production, it is our claim to use ecologically harmless materials or to optimize energy and resource requirements.

This also means that we think about the subsequent return of equipment. In order to facilitate recycling, we will expand the specification for all new designs in the year 2018. Components should be clearly marked in the future to identify exactly which materials are included even after many years of use.

We are also working to improve the environmental footprint of non-reusable insufflator tube sets. We want to implement promising opportunities for improvement in the medium term.

WOM products comply with the requirements of the EU Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS) as well as the EU Chemicals Regulation (REACH).

PRODUCT SAFETY

Patient safety comes first at WOM. In particular, we ensure compliance with the demanding legal requirements that medical technology products have to meet by means of certified quality management for medical devices (EN ISO 13485), which also enables us to demon-

strate the conformity of our products with the Medical Devices Directive of the European Union.

The approvals under the respective law of the country in which our product is to be used are obtained either by our customers, by an authorized dealer, or directly by us. At WOM, our Regulatory Affairs department looks after the approvals. In Germany and the European Union, the Medical Devices Act (MPG) and the Medical Devices Directive of the EU must be complied with primarily.

Our WOM ACADEMY trains customers and their service technicians to know how to install and service and, if necessary, repair our equipment. The specially developed learning module “Advanced Plus” makes it possible to get a realistic impression of how our products work in a real operating room.

For our production, we mainly use tubes made of plastics as well as boards and other electronic components. Starting at the latest in 2021, tube products will be manufactured entirely without the plasticizer DEHP.

Animal testing is rarely required to test the safety of our products; there was one test in 2017. We strive to minimize animal testing by conducting product testing in an in vitro environment.

OUR CODE OF CONDUCT FOR SUPPLIERS

WOM acquires more than 5,000 items from around 750 suppliers, most of which are based in Europe. We not only consider the quality, safety, and cost of the goods when selecting our suppliers – the integrity of our partners counts as well.

The code obliges compliance with the country’s law applicable to the supplier, a non-discriminatory working environment, humane working hours, and safe working conditions. The use of child labor, forced labor, bribery, and corruption is prohibited. We are also pleased if suppliers have certified environmental management and if they keep their environmental impact as low as possible.

Our suppliers also have to assure us that their delivered materials or products do not contain so-called “conflict minerals.” This concerns the raw materials tantalum, tin, gold, and tungsten, if the extraction and trading of them contribute to the financing or other support of armed groups in Central Africa.

If a violation of the code is suspected, the suppliers or business partners must assist us in clarifying the facts. In the event of a violation, we reserve the right to reasonable responses that are dependent on the severity of the violation – this can go as far as termination of the contract.

The “WOM Code of Conduct for Suppliers,” which has been in force since April 2017, formulates the central principles for the ethical conduct of suppliers and service providers – in line with the principles of the *UN Global Compact*.



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



BARBARA SCHÖFFEL
HUMAN RESOURCES

HEALTHY EMPLOYEES

People at WOM

We offer people an innovation-friendly working culture with flat hierarchies and a pronounced team spirit.

PEOPLE AT WOM

At the end of 2017, the WOM group had 478 employees at its five locations (excluding managing directors, trainees, and students). This was a 7.4% increase in personnel compared to the previous year.

A satisfaction survey conducted by the *Great Place to Work* institute in 2017 shows that WOM is an attractive employer. Of the employees who participated in the survey, 77% rated their job with us as “very good.”

DIVERSITY

People from around 30 nations work together at our locations in Germany, the USA, and Hong Kong – we see this diversity of cultures as an invaluable human gain. WOM’s “Conduct Guidelines on Non-Discrimination” oblige all workers to never “discriminate” on grounds of racial or ethnic origin, sex, religion or belief, disability, age, or sexual identity and to actively commit themselves to eliminating such disadvantages and/or harassment.” Neither in 2017 nor in 2016 were complaints filed under the “General Equal Treatment Act” (AGG).



The share of men and women working at WOM is almost equal. At the end of 2017, the group had a female quota of 48%. But we still have to catch up in the next few years in order to increase the number of women in executive positions.



With the signing of the “Diversity Charter” in December 2017, WOM has underscored its commitment to a diverse work environment.

WORKING HOURS

We offer a variety of working time models such as part-time work. WOM introduced flexitime as early as 1990. Our current “Flex-time Rule” provides for a weekly standard working time of 39 hours at the German locations (USA and Hong Kong: 40 hours). This makes it possible for our employees to work in the mornings and afternoons in

flexitime. They can use up to twelve days of flexitime a year. If the job and work environment permit, employees also can sometimes work from home offices. WOM will provide the necessary equipment in these cases. And those who have been with us for more than five years can apply for a sabbatical break of three to twelve months, perhaps to take that long-planned trip around the world, for example.

REMUNERATION

Each year, we participate in a benchmark on wages and salaries, the results of which are our basis for remuneration. It is a matter of course for us not to distinguish between the sexes when it comes to wages and salaries. Men and women are not paid differently for equal work (“equal pay”).

TRAINING AND FURTHER EDUCATION

WOM is an accredited training company. At our locations in Germany, we train junior staff in twelve technical and commercial professions – including electronics technician, mechatronics engineer, IT specialist, and industrial clerk. At the end of 2017, 21 young women and men completed training with us, which was a training rate of 4.9% (based on the workforce at the German locations).

WOM has participated since 2002 in the annual “Girls’Day” in Germany. In this way, we want to encourage female students from the 5th grade onward to take a closer look at technical, hitherto male-dominated professions for their future career choice – and to get to know them at this “try-out day” in our company.



We also keep our eyes on upcoming academic talent. In 2017, 27 working students and two dual-study program students were able to work for us, for example, to write their bachelor’s and master’s theses. We also offer internships to students (2017: 4).

WOM supports its employees to constantly expand their professional knowledge and know-how. This starts on the first day at WOM. In the first months of their work, all new colleagues will be assisted by experienced mentors, who will provide their new colleagues with advice and support. For all relevant topics and tasks, our WOM ACADEMY offers a comprehensive range of training courses.

New innovative ideas and projects are designed by our teams in the WOM InnoHub. It is our think tank and idea forge where employees from the most diverse

teams contribute their knowledge and experience in order to jointly develop and implement future-oriented solutions for the entire process chain. In the meantime, we have had good experiences with “Design Thinking” workshops approach – in the interest of our customers.



WORK SAFETY/ HEALTH PROTECTION

We want maximum safety at work for our employees. Safe production facilities in medical technology and ergonomically optimized workplaces are therefore a matter of course for us. Height-adjustable work desks are as important as optimally adjusted monitors and chairs.

According to the legal requirements, safety officers and specialists as well as first responders are designated at the German locations. An occupational safety committee (ASA) coordinates the measures – in 2016/2017, for example, this included the signposting of all locations with the new rescue, warning, and fire protection signs in accordance with the ISO 7010 standard.

For accidents at work, our employees in Germany are insured with the professional association ETEM (Energy Textile Electrical Media Products) or RCI (Raw Materi-

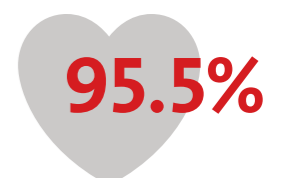
als and Chemical Industry). There were only twelve work and commuting accidents in the whole Group in 2017; luckily none had serious consequences.

As a medical technology company, the topic of health also has significant internal importance. That is why we support our employees to stay healthy and fit with a variety of events. Among others, we offer regular check-ups, flu shots, and consultations at the sites, and organize workshops and health days.

Every month, our employees can be massaged by experienced physiotherapists and there are also regular courses for back exercises and relaxation techniques. If you travel abroad for WOM, you will receive a first-aid kit as well as detailed information on potential health risks in your host country.

WOM teams are active beyond the company premises as well. In company relay races, football tournaments, and cycling races, they have already done very well several times. In Berlin, a team even meets for a jog every week – a good opportunity to get to know each other after work.

A proof of our commitment is the high health rate of 95.5% in 2017.



PEOPLE AT WOM

OUR FRINGE BENEFITS

Because we know that our business success is due to the commitment and knowledge of our employees, we not only create attractive, future-proof jobs and a work environment characterized by mutual respect – WOM offers some voluntary benefits as well.

▶ **Annual Profit Sharing**

When we achieve our set annual targets, our workforce also benefits from a profit bonus, the amount of which is currently based on the positive return on sales for the past financial year. Our trainees receive a bonus as well.

▶ **Employer-funded Pension Scheme**

Because the statutory pension scheme will no longer be sufficient for many people, a pension plan for company-funded pensions has been in existence since 2002. In addition, our employees benefit from a collective benefit fund, to which WOM makes contributions annually after five years with the company. And finally, a part of the gross pay can be converted into a pension insurance, tax-free and social insurance-free; we as an employer make an attractive co-payment as well.

▶ **Subsidies for Childcare**

It is often a great challenge to reconcile professional and family requirements, especially for single parents. WOM supports its employees at its three German locations and participates in the costs for kindergarten or preschool.

▶ **Subsidies for a Move**

If employees have to change their place of residence for professional reasons, whereby the previous one is more than 100 kilometers away from the workplace, we provide a staggered subsidy to the moving costs. This applies to new entrants as well as those changing jobs within the WOM group.

▶ **Special Leave**

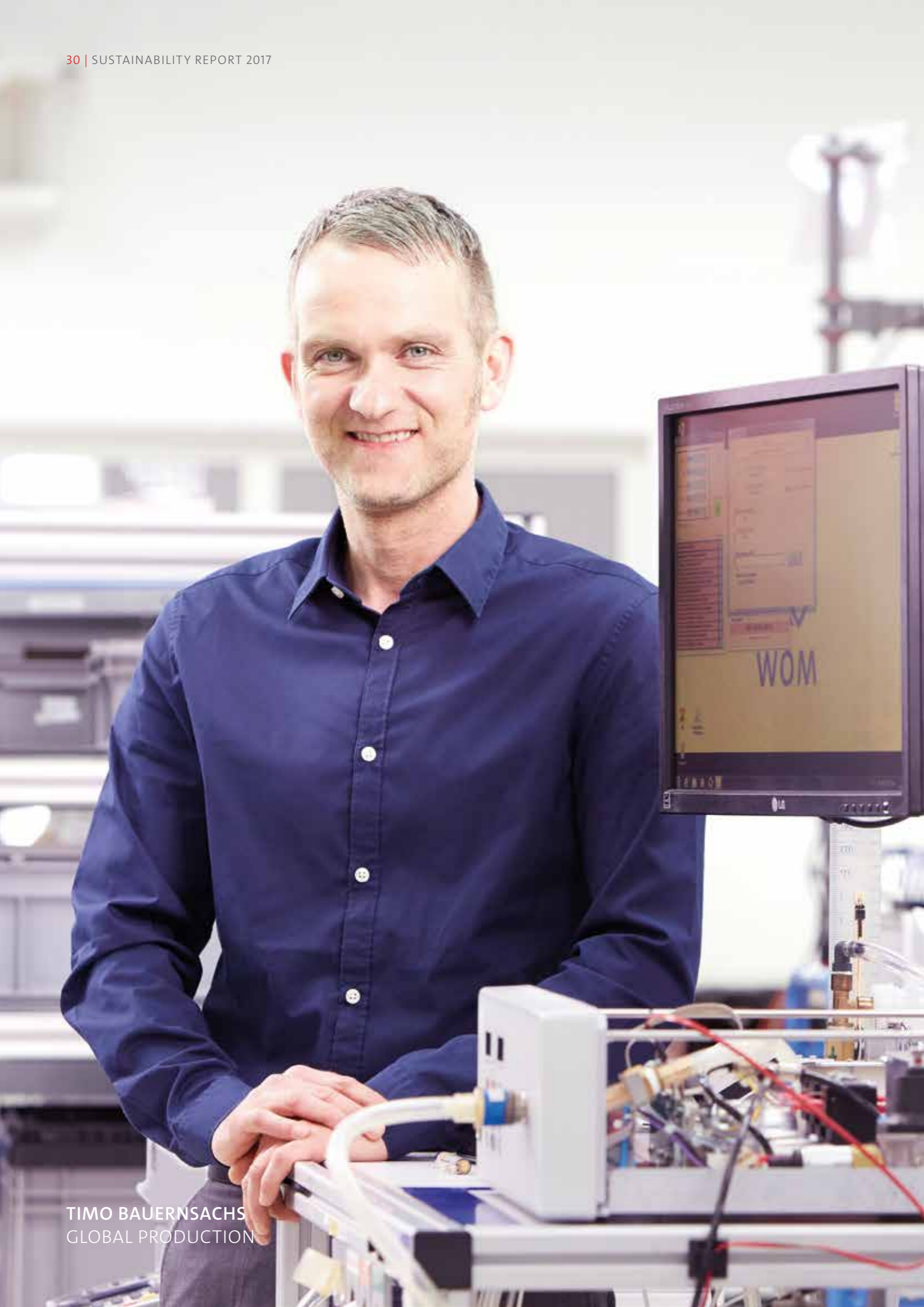
We support our employees with special leave if they marry, become parents, or if there is a death in the family.

And there is no “kitty” for coffee, tea, and mineral water at WOM. These beverages are always free for our teams.

Personnel Figures of the WOM group

	2015	2016	Changes 2015-2016
Workforce (as of 31.12)			
Salaried employees	372	445	73
Trainees	22	20	-2
Management	2	2	-
Students/interns	20	16	-4
Female quota (as of 31.12)	45%	48%	+3% points
Training quota (Germany locations)	6.2%	4.5%	-1.7% points
Turnover quota	4.1%	3.5%	-0.6% points
Average age of employees	39 years	41 years	+2 years
Health quota	96.74%	96.65%	-0.1% points
Work and commuting accidents	8	8	-

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



TIMO BAUERNSACHS
GLOBAL PRODUCTION

HEALTHY ENVIRONMENT

Environmental Protection at WOM

We design production as energy- and resource-consciously as possible.

ENVIRONMENTAL PROTECTION AT WOM

The environmental management system in Berlin and at our production site in Ludwigsstadt in Upper Franconia has been certified according to the international standard ISO 14001:2004 since 2009. Both locations in Germany are currently preparing to pass the 2018 certification according to the new standard version ISO 14001:2015. Environmental goals for the entire Group are set by management at the beginning of the year in consultation with the environmental management officer (see also our sustainability program on page 44).

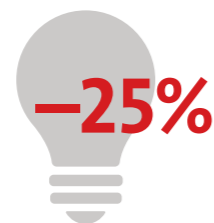
CLIMATE PROTECTION

WOM is strongly committed to climate protection and is making its contribution to gradually reducing greenhouse gas emissions. Our German locations are already climate-neutral in terms of electricity. All three sites use eco-electricity. Unfortunately, in Orlando and Hong Kong, this is not yet possible due to a lack of supply (but their power requirements are low as they are two smaller locations).

Our production location Ludwigsstadt has the largest energy requirement. In 2014, we put into operation an efficient combined heat and power plant (CHP) here that uses natural gas. A small solar thermal system serves as an environmentally conscious heating alternative for the four company apartments.

Two further measures: At the end of 2016, we have resolved detected leaks in the compressed air network, which reduces the electrical energy requirement for compressed air by about 5%. In addition, we have replaced an unregulated air compressor with a regulated one. The improved control, the more even pressure curve, and the waste heat that can be used in the heating circuit reduces the energy requirement by another 6%.

At the same location, we replaced the fluorescent lamps and energy-saving lamps with more efficient LED lamps. This reduces the power requirement for light-



ing by 25%.

For its “outstanding energy improvements,” our Ludwigsstadt site was awarded the 2015 “Lean & Green Management Award” in the category “Manufacturing SME Businesses” by *Growth Consulting Europe and Quadriga Consult*.

The jury praised the efficient energy management in our newly opened cleanroom facility in 2014 and in particular the “high reform capability of the organization,” because at WOM, improvement projects are mainly initiated by employees, who receive fast and unbureaucratic support for implementation from



the management.

At our second, smaller production site in nearby Reichenbach, we have also recently put a regulated air compressor into operation. The conversion from oil to a wood pellet heating system and the installation of new windows with triple glazing were further energy-saving measures.

In 2015, an energy audit in accordance with DIN EN 16247-1 was carried out by EDAG Production Solutions GmbH & Co. KG at the Berlin, Ludwigsstadt, and Reichenbach locations. Selected findings, such as the switch from conventional to LED lighting, have been incorporated into the environmental action plan and implemented step by step. The next energy audit is sched-

uled for 2019.

MOBILITY

For business trips within Germany, for example, when traveling to our customers or locations, we mainly use Deutsche Bahn and its BahnCard – on the long-haul routes we are therefore mobile with eco-electricity. For trips using regional traffic, we book the environmental surcharge to compensate for the CO₂ emissions caused.

WOM has a small fleet of company cars (15 cars) at its German sites. We record the fuel requirement annually and have compensated it since 2017 by acquiring *atmosfair* CO₂ certificates (2017: 111 t CO₂).

By now we are also recording the greenhouse gas emissions resulting from unavoidable air traffic. In the 2017 financial year, this amounted to around 335 tons of CO₂ equivalents, which was almost 5% more than in the previous year (see also our sustainability program 2018/2019, page 44).

We motivate our employees to use public transport as far as possible or to use car-

pooling, if this is possible locally.

PROCUREMENT

The purchase of office supplies and consumables is in the hands of our local sites; they are encouraged, whenever possible, to choose environmentally friendly materials or to reuse materials several times.

▶ At our three locations in Germany, for example, we only purchase copying paper that has either the PEFC or the FSC seal for sustainable forestry. We now use 100% recycled (FSC) paper to print our brochures.

▶ In order to reduce paper consumption, the Berlin location uses replaceable cotton towel rolls instead of disposable paper in its sanitary rooms. However, this would not be economical for the small Hong Kong site; here, disposable recycled paper is in the dispensers.

▶ The social rooms in Ludwigsstadt offer ready-to-use dishes and utensils so our employees can easily dispense with disposable plates and cups during their breaks. Plastic water bottles are also not needed in Orlando. Our team in the US prefers filtered tap water

from a pitcher.

In order to reduce the consumption of resources and cut waste, we print on both sides if possible and use packaging material several times – for example, the returnable packaging sent back by our customers.

WASTE

There is strict waste separation at all sites in order to be able to recycle as much waste as possible. Of particular importance here is the waste at our production site in Ludwigsstadt. In 2016, WOM achieved an overall recycling rate of 85%.



Thanks to careful handling, we did not have any accidents involving the release of hazardous substances in recent years.

ENVIRONMENTAL
PROTECTION AT WOMOUR CONTRIBUTION TO THE
“AGENDA 2030 FOR SUSTAINABLE DEVELOPMENT”

WOM supports the “Agenda 2030 for Sustainable Development” adopted by the United Nations in September 2015. This agenda formulates 17 sustainable development goals that the world community wants to reach by 2030.

We want to contribute to the success of this United Nations Agenda, focusing on three main goals:

▶ **Goal 3 of UN Agenda 2030**

“To ensure a healthy life for all people of all ages and to promote their well-being.”

>> In fact, this is our original company mission. The medical technology from WOM contributes to the gentle treatment of patients and shortens the convalescence period.

▶ **Goal 8 of UN Agenda 2030**

“To promote long-term, inclusive, and sustainable economic growth, productive full employment, and decent work for all.”

>> WOM is on a solid growth path. New, attractive jobs, our investments in the next generation, and a high tax revenue are a contribution to the common good.

▶ **Goal 13 of UN Agenda 2030**

“To immediately take action to combat climate change and its effects.”

>> Within our environmental management, energy conservation and climate protection have a special significance. We want to expand this commitment even further.

In 2018, we want to use the “Agenda 2030 for Sustainable Development” to develop a sustainability strategy for the group, which is to define our priorities and the “roadmap” for the coming years.

Ecological Indicators

	2015	2016	Changes 2015-2016
Eco-electricity requirement in kWh*	1,461,440	1,652,294	13%
Heat requirement (natural gas) in kWh*	910,012	904,498	-1%
Fuel requirement of the fleet in l diesel**	20,012	16,634	-17%
Fuel requirement of the fleet in l gasoline**	4,760	3,343	-30%
Water consumption in m ³ *	2,174	2,947	36%
Office paper requirement in sheets*	1,250,000	1,450,000	16%
Waste volume total in kg*	196,489	158,993	-19%
Waste recycling quota in %*	90.3	84.7	-5.6% points

* Data refers to the production site Ludwigsstadt.

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



HEALTHY FELLOW CITIZENS

WOM's Commitment

With great passion, our teams are committed to their fellow human beings at their respective locations.

WOM'S COMMITMENT

WOM is committed to the common good at all locations. Particular focus in the selection of local projects is on continuity, because we want to make a visible contribution to the local people not just in the short term, but in the long term as well. In order to support the commitment of our employees, we launched our own "Corporate Volunteering" program in April 2017 (see box).

DONATIONS

In fiscal year 2017, WOM spent around €22,000 on donations and sponsorship of charitable initiatives and projects. WOM abstains from any political influence in its business activities. There are no payments, gifts, or donations to parties, politicians, or governments.



GERMANY

Our locations in Germany have been working very closely since 2014 with the association *BigShoe*. In the context of football tournaments, the children's aid project from Wangen (in the Allgäu region) collects donations in "BigShoe Cups", i.e.,



© BigShoe e.V., photographer: Joachim Umbach

money for sick children, especially in developing countries, in order to be able to finance vital surgical procedures for these children. The association has been able to help over 1,200 children since it was founded in 2006. For large sporting events, the club can make a handcrafted large symbolic shoe – in the run-up to the European Football Championship in 2016, WOM hosted the public presentation of this "BigShoe." As a premium partner, we have supported the children's aid project in 2017 with €15,000.

In favor of refugee aid, WOM has for years dispensed with the customary small Christmas presents for customers: Instead, we donated for the third year in a row to a *UN Women* project in 2017 – and called on our partners to follow suit. UN Women has set up three sheltered camps for female refugees in Syria, helping them build a new livelihood.

When it comes to ideas to help needy local people, the trainees of WOM are always particularly resourceful. An example: Our trainees at the Ludwigsstadt location baked around 200 tasty muffins in April 2017 and sold them to other employees. The proceeds of €310 was donated to the *BigShoe* charity.

In the same month, our young colleagues helped the Evangelical-Lutheran Church for the third time to load up relief supplies for transport to the Ukraine. A few weeks later, they supported the kindergarten "Haus für Kinder St. Michael Ludwigsstadt" by moving to a new home, which the kindergarten had to temporarily move into due to a general refurbishment of the main building. Social commitment has a high priority in our training, because it promotes teamwork and the trainees learn to get involved.

OUR CORPORATE VOLUNTEERING PROGRAM

WOM does not only support the social common good through donations. As a medium-sized company, we want to do more than simply donate money. That is why WOM also motivates its employees to become involved in, and volunteer for, social and ecological matters.

Our corporate volunteering program, launched in April 2017, is a visible sign of this. All employees receive up to two days' paid special leave each year if they volunteer during this time. Internally, this program is called "Paid Voluntary Time Off" (VTO); a strong public title for the program is planned during the course of 2018.

For example, there may be volunteers needed in the area of caring for disabled people, child and youth work, help for seniors or refugees, or the protection of nature and the environment.

At the same time, we support personal development with this program. Anyone who comes into direct contact with people in need of help gets to know their diverse problems in everyday life up close and personal rather than from the newspaper, which also provides new insights and perspectives. It also strengthens local social cohesion at the locations. By the end of 2017, we had donated a total of 22 working days to the common good.



WOM'S COMMITMENT

USA

The employees of the WOM branch in Orlando (Florida, USA) are involved in helping local people in need of assistance. An example: In 2016, our staff helped a day nursery in Orlando look after some 170 boys and girls of preschool and kindergarten age with low income parents. Referred by the local volunteer initiative *Hands On Orlando*, WOM helped beautify classrooms and their own vegetable garden.

HONG KONG

Local commitment and medical help also unites our small team in Hong Kong. Since 2016, the local colleagues have been supporting the association *Succeed & Advance Hong Kong* (SAHK). The initiative helps people in the megalopolis who have physical or mental development problems due to neurological disorders. In addition to financial help, our employees look after those in need of help during joint excursions.





STEFAN KÜRBIS
GLOBAL HR & INNOVATION MANAGEMENT – CORPORATE SUSTAINABILITY

Outlook(s)

We want to constantly improve and expand our sustainability management in a targeted manner.

OUTLOOK(S)

WOM SUSTAINABILITY PROGRAM 2018/2019

Company

- ▶ Develop the sustainability strategy
- ▶ Expand the sustainability organization
- ▶ Refine sustainability reporting

Products

- ▶ Expand supplier monitoring
- ▶ Continue DEHP replacement for tube sets

People

- ▶ Developing a beginners' sustainability management course for new employees
- ▶ Subscribe to the "Women's Empowerment Principles" (WEP)
- ▶ Develop a concept for more female executives
- ▶ Sign the "Luxembourg Declaration on Workplace Health Promotion"

Environmental Protection

- ▶ Implement certification according to ISO 14001:2015 at German locations
- ▶ Expand environmental indicator system to all locations
- ▶ Carry out a survey among employees on the choice of transport
- ▶ Purchase e-bikes for small office-related runs (Berlin)
- ▶ Draft a purchasing guideline for office supplies and consumables

Commitment

- ▶ Create a donation balance sheet (money, material, and time donations)
- ▶ Record actions more precisely at the locations

ABOUT THE REPORT & CONTACT

“Sustainable. Caring. WOM.” This was the title of our small CSR magazine, which we published in March 2017 and which provided an initial overview of our sustainability commitment. The first sustainability report presented here builds on this and informs you more comprehensively and according to the classic fields of action about our current status in sustainability management.

An important help to us was the so-called G4 standard of the Global Reporting Initiative (GRI). Nevertheless, we do not (yet) claim to fully fulfill this requirement when it comes to the core option, which is why we have also omitted the “GRI content index.” Rather, we used the work involved in preparing this report to identify where we stand and where we should catch up or strengthen our profile. Corresponding measures are listed in our sustainability program 2018/2019. The report was reviewed and approved by the managing director of WOM.

This sustainability report is also our first “progress announcement” for the UN Global Compact. We plan to release our next report in early 2019.

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Further information is available on our website www.wom.group. Here you can find our sustainability report and our sustainability magazine as well as further documents in the “Downloads” section.

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