

ARTEREX

Sustainability Report

ARTEREX

Leading global designer, developer, and contract manufacturer of high-precision solutions for medical and life science companies.



2023

A woman in a white lab coat is shown in profile, working in a laboratory. She is holding a small, dark, cylindrical object. In the background, there is a piece of scientific equipment with a blue coiled hose and a yellow warning sign. The entire image has a blue overlay. The bottom of the image features a large, stylized graphic consisting of a white triangle pointing down, a blue triangle pointing up, and a black triangle pointing down, all overlapping.

ARTEREX

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A message from **ARTEREX**

Dear Stakeholders,

It is with great pride and responsibility that I present to you ARTEREX's Sustainability Report for 2023. This document represents our steadfast commitment to integrating these principles into every facet of our operations and underscores our dedication to creating a positive impact on the environment and society.

At ARTEREX, sustainability is not just a catchword; it is a pillar of our business strategy. We believe that by embracing sustainable practices, we not only safeguard our planet for future generations but also enhance the resilience and longevity of our business.

In the past year, we have achieved significant milestones on our sustainability journey:

1. **Social Responsibility:** Our commitment to social responsibility is deeply ingrained in everything we do. We prioritize initiatives that benefit our community and environment, striving to create a positive impact through ethical practices and meaningful partnerships. By fostering inclusivity, sustainability, and integrity, we aim to contribute to a better future for all.
2. **Governance and Ethics:** Upholding the highest standards of governance and ethics is non-negotiable for us. We continue to enhance transparency and accountability across our operations to build trust with our stakeholders.

Looking ahead, we recognize that sustainability is a journey, not a destination. We remain dedicated to pushing the boundaries of what is possible, seeking innovative solutions, and collaborating with partners who share our vision for a sustainable future.

I would like to extend my sincere gratitude to our employees, customers, shareholders, and partners who have contributed to our journey. Your support and commitment inspire us to continue raising the bar. Together, we have the power to drive positive change. Let us continue our journey towards a more sustainable and prosperous future.

- Jeff Goble, President & CEO

DISCOVERING ARTEREX

Our Mission & Core Values

ARTEREX is a leading global provider of diversified high-precision manufacturing solutions headquartered in Scottsdale, Arizona. We specialize in the science of compounding, extrusion, injection molding, tooling, mold builds, design, development, and assembly capabilities. This expertise allows us to produce a wide range of medical products, components, and devices for global and regional OEM customers, who are leaders in medical device and life sciences innovation.

We deliver high-quality, innovative solutions from initial design to full-scale production. As a unique one-source solution for medical device manufacturing, we consolidate various aspects of the manufacturing process to streamline production, reduce costs, improve quality, and increase overall efficiency.

Our mission is to enhance global healthcare by providing innovative and reliable manufacturing solutions that empower our customers to deliver life-changing medical technologies. We are committed to excellence, integrity, and sustainability in all our operations. Our values drive us to prioritize quality, foster collaboration, and continuously pursue advancements that improve patient outcomes and support the medical community.

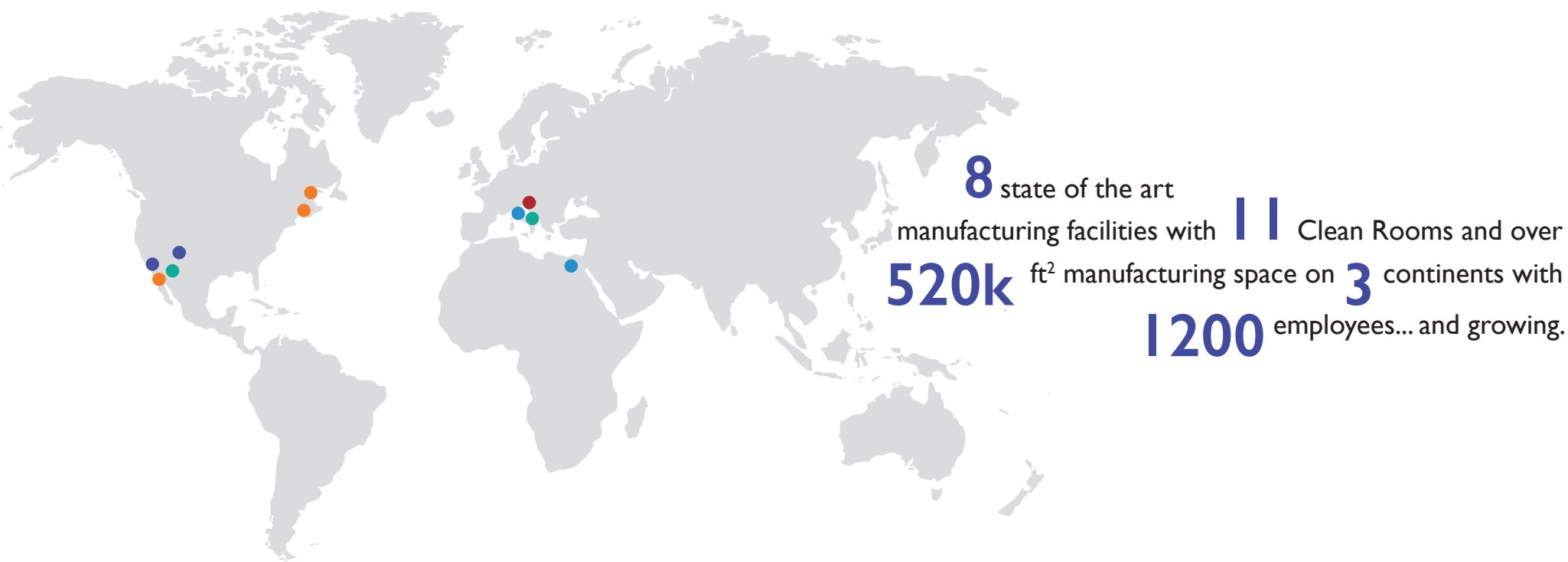
We believe in creating a positive impact on society by upholding ethical standards and investing in the well-being of our employees, customers, and the communities we serve. As a company, we strive to be customer-focused, process-driven, and financially managed.

However, our values go beyond just these principles. We believe in conducting business with strong morals and ethical foundation, guided by our Shared Values. These values shape our interactions with each other, our commitment to sustainability, and our overall impact on society:




- **Respectfulness:**
We value and respect all employees' contributions, inputs, concerns, and aspirations.
- **Collaboration:**
We achieve results through open collaboration where the talents and contributions of each team member enable the greater success of the team while leaving our individual interests behind.
- **Solutions-Oriented:**
We identify problems and opportunities, recommend solutions, and are empowered to execute with excellence.
- **Accountability:**
We willingly take ownership and individual risk in order to deliver quality work on time and at desired costs. We reach agreements and do what we say we are going to do.
- **Resourcefulness:**
We act as business owners and efficiently and effectively manage our resources. We look for better ways to do things every day.
- **Boldness:**
We are decisive. We seek breakthrough improvements, think big, are creative, and proactive.


Global Footprint & Operations


ARTEREX is a global company, providing services to customers in various regions worldwide. Our ARTEREX Companies Offer End-to-End Manufacturing Services & Capabilities as well as a long and varied list of products with capabilities allowing us to provide superior solutions to complex challenges.






Our product portfolio includes:

-  Finished, packaged medical devices, components and subassemblies
-  Sterilization management
-  Complex electromechanical, active implantables and single-use medical devices
 - Class II and Class III devices

-  Components + devices for fluid and airway management
 - Infusion therapy components
 - Medical-grade PVC compounding
 - PVC tubing for a range of applications
 - RF-welded plastic medical procedure bags

-  Precision injection molding/micromolding
 - Mold design + DFM + unsurpassed speed/cost effective tooling build

-  Surgical instruments and other related items
-  Pharmaceutical devices and consumables
-  Diagnostic disposables

ARTEREX Companies

Several specialized companies make up ARTEREX's portfolio. These companies include Formula Plastics, Kabo, Luc & Bel, ModenPlast, and NextPhase Medical Devices, each serving different aspects of the medical and manufacturing sectors.

Kabo develops & manufactures a wide array of medical procedure bags of various materials, sizes and clinical applications. They specialize in bags for medical applications: drainage, enteral, parenteral, urology, and cardioplegia.



An ARTEREX Company

8 buildings (over 240k sq. ft.) with 3 Class 8 clean room molding and micromolding 24/7 operations with ample capacity. Over 110 molding machines and a highly capable in-house Tool Room.



An ARTEREX Company



An ARTEREX Company

LUC & BEL offers a diverse and comprehensive line of fluid management products for infusion (IV Therapy), transfusion, hemodialysis, cardio surgical, enteral & parenteral feeding, and many other types of fluid management for medical applications.



ARTEREX Companies

Over 50 years of certified experience in the medical grade PVC production for extrusion and injection molding. ModenPlast specializes in the extrusion of medical tubing using PVC, DEHP FREE PVC, EVA, TPU, TPE and PE.

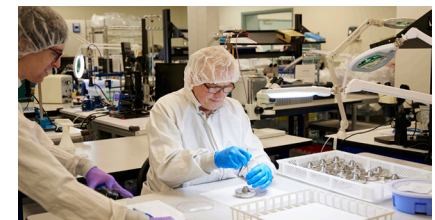
ModenPlast

An ARTEREX Company

NextPhase[®] MEDICAL DEVICES LLC

An ARTEREX Company

Their LEAN focused manufacturing and operational systems in the US and Mexico provide our customers with consistent cost savings across the product life-cycle. We are ISO 13485 certified, have class 7 & 8 cleanrooms, and have FDA registered facilities.



About This Report

We are proud to present ARTEREX's first-ever Annual Sustainability Report, which highlights our commitment to sustainable practices and responsible growth.

This report covers the calendar year (CY) 2023 and includes comprehensive data and insights into our sustainability efforts, achievements, and future goals. Our report encompasses all entities and subsidiaries that fall under the direct or indirect control of ARTEREX. It reflects our dedication to transparency and accountability, providing a detailed overview of how we are addressing sustainability issues across our global operations. In line with the Global Reporting Initiative (GRI) standards, this report ensures that our sustainability performance is measured and communicated with the highest level of integrity and comparability.

At ARTEREX, we believe that sustainability is integral to our mission of enhancing global healthcare by delivering innovative and reliable manufacturing solutions. We are committed to making a positive impact on society and the environment, ensuring that our growth is aligned with the principles of sustainability. This report serves as a testament to our progress and our unwavering commitment to a sustainable future, guided by globally recognized GRI standards.



Responsible Corporate Governance

Our highest governing body, including key senior executives such as the CEO, CFO, and Executive Chairman play a crucial role in aligning strategic decisions with operational insights. This integration ensures that our management and governance are closely aligned, fostering an environment where well-informed decisions are made.

Responsibility for managing our sustainability impacts is delegated through a robust oversight process involving quarterly reports prepared by management and presented to our investor group, who share them with the Board. This ensures transparency and accountability in our sustainability efforts. The CEO, CFO, and Executive Chairman are pivotal in integrating sustainability initiatives into our business strategy, supported by continuous engagement with current publications, our investor group, and the ARTEREX Sustainability team. Evaluations of our governance body's performance, conducted independently and regularly, involve the development of objectives and baselines by the CEO, CFO, Executive Chairman, and VP HR & Sustainability with feedback leading to potential changes in Board composition and organizational practices.

The Board also approves our sustainability strategy and budget, reviewing materiality assessments to ensure alignment with corporate objectives and stakeholder expectations. This structured approach guarantees that our sustainability initiatives are well-supported and effectively integrated into our broader business strategy, enabling us to continuously improve our impact on the economy, environment, and people.

Certifications & Awards





“Driving sustainability excellence isn't just about meeting standards; **it's about setting the standard.**”

Sustainability isn't an option— it's our obligation to future generations and **the cornerstone of our enduring success.**”



– **Holly MacTaggart**
Vice President, Human Resources & Sustainability

At ARTEREX, sustainability is at the heart of our strategic vision. We are committed to integrating responsible practices, addressing environmental challenges, and promoting social responsibility within the healthcare technology sector. Our first materiality assessment, which we conducted in 2023, has identified key sustainability issues relevant to our stakeholders and business. The insights gained have shaped our sustainability strategy, objectives, and targets for the coming years. This demonstrates our top-level commitment to sustainability.

OUR COMMITMENT TO SUSTAINABILITY

Our Sustainability Pillars

Our sustainability efforts are built on three key pillars: Corporate Responsibility, People, and Environment. Each pillar includes specific areas of focus that are critical to our mission of sustainable development. These pillars guide our sustainability initiatives and help us address the most pressing challenges facing our industry and society. By focusing on these areas, we aim to create positive impacts and drive meaningful change for a sustainable future. Our immediate focus is on finalizing and implementing our 2024-2025 sustainability objectives. Our vision is to create long-term value by fostering a responsible and resilient healthcare technology ecosystem.



Corporate Responsibility

Healthcare Access & Affordability:

Ensuring our products and services are accessible and affordable to a broader population.

Product Safety & Quality:

Maintaining the highest standards of safety and quality in all our offerings.

Product Development & Innovation:

Driving innovation to develop cutting-edge healthcare technologies.

Cybersecurity:

Protecting sensitive data and ensuring the security of our systems.

Ethics, Anti-Corruption & Compliance:

Upholding the highest ethical standards and ensuring regulatory compliance.



People

Supply Chain Management & Labor Standards:

Promoting responsible and ethical practices across our supply chain.

Employee Engagement & Well-Being:

Creating a supportive and healthy work environment for our employees.

Diversity & Inclusion:

Advancing diversity and inclusion within our workforce.



Environment

GHG Emissions:

Measuring our greenhouse gas emissions, learning from those baseline findings, and working to minimize our environmental footprint.

ENVIRONMENTAL STEWARDSHIP

The Vital Role of Sustainability in Healthcare

The impact of medical manufacturing and products on sustainability is substantial, making the work of companies like ARTEREX critical to the industry and the global footprint as a whole. The healthcare sector is responsible for nearly 4.6% of global greenhouse gas emissions, with medical manufacturing playing a contributing role to this figure. By focusing on sustainable practices, ARTEREX can help reduce energy consumption, waste, and emissions associated with the production and use of medical devices and technologies. This not only improves environmental outcomes but also sets a standard for innovation and responsibility in the industry.

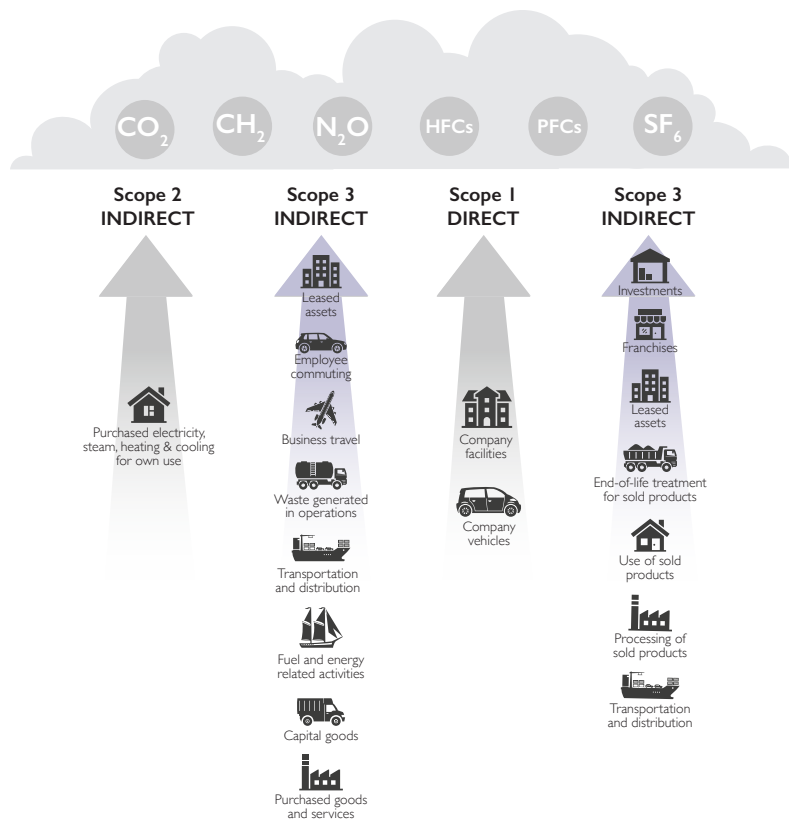
Incorporating sustainability into our operations means adopting energy-efficient manufacturing processes, reducing the use of harmful materials, and improving product lifecycle management. These efforts are essential to decreasing the healthcare sector's overall carbon footprint and promoting a healthier planet. Through our commitment to sustainability, we aim to lead by example, demonstrating how advanced medical technology can coexist with environmental stewardship.



Greenhouse Gas Emissions

ARTEREX is committed to tracking and publishing its environmental footprint, which will enable us to establish clear, actionable targets for reduction. This approach underscores our dedication to transparency, offering stakeholders an accurate insight into our environmental performance and our strides towards meeting our sustainability goals.

In 2023, we completed our inaugural Greenhouse Gas Inventory, measuring both our total Scope 1 and Scope 2 emissions. This inventory followed several GHG accounting standards and guidance documents. Primarily, the inventory followed requirements defined by the World Resource Institutes (WRI) Greenhouse Gas (GHG) Protocol. WRI's GHG Protocol is the most used and respected international standard for how to measure, manage, and report GHG emissions, commonly referred to as a company's carbon footprint. The latest statistics indicate that 92% of Fortune 500 companies that report to the Carbon Disclosure Project (CDP) utilize the WRI GHG Protocol. This standard is global in scope and widely recognized by domestic and international reporting schemes. Utilizing the WRI GHG Protocol is the first step toward a credible inventory.



Emissions Source		2023 Inventory	
		MT CO ₂ e	% of Annual
Scope 1	Stationary Fuel Combustion	521	6.7%
	Vehicle Emissions	175	2.3%
	Fugitive Emissions (Refrigerants)	95	1.2%
	Process Emissions	3	<1%
Scope 2	Electricity (Location-Based)*	6,254	-
	Electricity (Market-Based)**	6,943	89.7%
Total Emissions:		7,738	100%

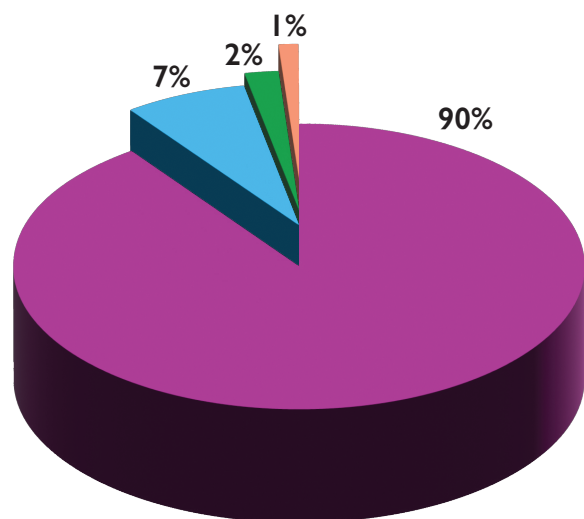
The 2023 inventory provided insight into highly material emission sources or “hot spots” within ARTEREX’s direct operations. For ARTEREX, direct emissions from fuel combustion (Scope 1) totaled 794 MTCO₂e and emissions from the generation of consumed electricity (scope 2) totaled 6,943 MTCO₂e. In evaluating ARTEREX’s total scope 1 and scope 2 emissions, scope 1 accounted for 10% of emissions and scope 2 accounted for 90% of emissions as depicted in Figure X. The largest emission category impact source in either scope 1 or scope 2 was purchased electricity. This is expected as ARTEREX has operations around the globe that utilize electricity as a main energy source. The next largest category in scope 1 or scope 2 is natural gas combustion. Following natural gas, mobile combustion, propane and fugitive emissions from refrigerants were the next three scope 1 emission sources. Process emissions accounted for less than 1% of the total reported inventory.

*Note: Due to rounding, the sum of results presented may not equal the total shown.

**Note: Location-based electricity emissions are not assigned as a percentage or materiality level in the table since this category is considered an alternative calculation methodology to the market-based emissions values. Market-based emissions factors take into account the emissions intensity of local energy providers if known. The location-based emissions factors take into account regional emissions based on the EPA’s eGRID system, AIB, and IEA. Reporting based on both market-based emissions factors and location-based emissions factors is required, and one method is not preferable to the other, though the market-based emissions are used in the totals to be conservative.

2023 GHG results (MT CO₂e)

By 2025, we aim to include a comprehensive Scope 3 inventory in our Report as well. Our focus will remain on enhancing the quality of our data each year to ensure accuracy and transparency in tracking our emissions and progress.



- Scope_1 Process Emissions
- Scope_1 Fugitive Emissions (Refrigerants)
- Scope_1 Mobile Combustion
- Scope_1 Stationary Combustion
- Scope_2 Electricity (Market-Based)

Energy Management

In 2023, our total energy consumption reached 19,688,215 kWh, encompassing various energy sources. We utilized 2,127,304 kWh of natural gas, 299,728 kWh of diesel, 620,611 kWh of propane, 78,656 kWh of gasoline, and 16,541,917 kWh of electricity. These figures underscore our reliance on diverse energy inputs to power our operations. As we move forward, our focus will be on optimizing energy use, increasing efficiency, and exploring renewable energy options to reduce our overall environmental footprint.

Energy	Total [kWh]
Natural Gas	2,127,304
Diesel	299,728
Propane	620,611
Gasoline	78,656
Electricity	16,541,917
TOTAL	19,688,215

Water Conservation

Our company recognizes the critical importance of water conservation, even though we have not yet formalized specific commitments in this area. As we advance our sustainability efforts, we aim to develop robust water conservation strategies and begin measuring recycled water usage where applicable. This will help us identify opportunities for improvement and set actionable goals to reduce our water footprint and enhance our overall environmental performance.

EMPOWERING OUR PEOPLE

Growth through Training & Development

Onboarding Program

At ARTEREX, all new employees participate in a comprehensive onboarding program designed to familiarize them with the company's policies, functions, and operations. This program includes detailed information on the ARTEREX Code of Conduct, benefit programs, leave policies, workplace rules, and individual job responsibilities. The goal of the onboarding process is to ensure that employees are well-acquainted with the company culture and expectations from the start.

Performance Evaluations

ARTEREX places a strong emphasis on regular performance evaluations to foster continuous improvement and development among employees. Employees are encouraged to discuss job performance and set goals regularly with their supervisors. Formal annual performance evaluations provide an opportunity to discuss strengths, identify areas for growth, and set new objectives. This structured feedback mechanism is essential for personal and professional development within the company.

In line with ARTEREX's pay-for-performance philosophy, most regular employees are eligible for annual merit increases. These increases are based on the company's overall performance, the employee's performance rating, and their relative position compared to peers and the external market. This approach ensures that compensation is directly tied to the achievement of established objectives and encourages employees to excel in their roles.

Professional Development

ARTEREX highly encourages ongoing learning and professional development. Employees are provided with various resources and opportunities to enhance their skills and knowledge, supporting both their personal growth and the company's success. This commitment to professional development is reflected in the company's policies and benefit programs. These initiatives demonstrate ARTEREX's dedication to fostering a supportive environment where employees can grow, develop, and achieve their full potential.

“The essence of business is **people**. You can only be successful to the extent that you **value and encourage your people.**”

- Jeff Goble, CEO & President, ARTEREX



Operational Health & Safety

At ARTEREX, ensuring employee safety is paramount. We are committed to maintaining the highest standards of safety and performance, with our management deeply focused on continual improvement in safeguarding our workforce.

Health and Safety Programs

We have implemented several comprehensive programs dedicated to the health, safety, and well-being of our employees. Through rigorous risk management processes, we provide necessary safe work systems and protective equipment to employees exposed to identified hazards. Our operations are consistently monitored to ensure a safe working environment.

Performance Metrics

To gauge our progress in workplace safety, we use the Recordable Accident Rate as a pivotal performance metric, influencing elements of our Incentive Compensation structure.

Mental Health Initiatives

In addition to physical safety, we prioritize mental health awareness throughout our organization. We have introduced a digital platform that empowers employees to adopt proactive measures for mental health and well-being.

Safety Culture

To further foster a robust safety culture, ARTEREX focuses on three key areas:

- **Proactive Safety Management:** Investigating, mitigating, and learning from potential incidents with serious consequences.
- **Visible Leadership:** Engaging the Executive Team to drive safety initiatives.
- **Ongoing Safety Training:** Providing continuous improvement and awareness through training for all employees.

Governance of Health and Safety Program

Our health and safety program are governed through structured procedures that outline clear responsibilities for Operational Leaders. Our approach to identifying and assessing safety risks is integrated into our broader risk management framework. Safety performance is rigorously reviewed during the Monthly Business Reviews. Additionally, the Executive Team and the Sustainability Committee oversees global safety performance, ensuring alignment with our organizational goals and values.

Incident Management and Prevention

ARTEREX has established formal procedures for the notification, investigation, and reporting of all incidents and events. Each incident undergoes a thorough investigation to determine its root causes, considering its severity or potential impact. Actions are then implemented specifically targeting these root causes to effectively minimize the likelihood of recurrence.

In addition to our investigative processes, we utilize a safety alert system to promptly communicate serious or unusual events across our organization. This proactive approach ensures that lessons learned from incidents contribute to continuously enhancing our safety protocols and operational practices.

Addressing Health and Safety Risks

ARTEREX encounters diverse occupational health and safety risks inherent to our operations, which influence our strategic approach. These risks, shared with many manufacturers, include common hazards such as slips, trips, and falls.

Our foremost commitment is ensuring the safety of our personnel, ensuring they depart from work safely each day. To achieve this, we are steadfast in mitigating or eliminating safety risks through ongoing efforts to foster a robust safety culture, enhance safety standards, and promote heightened awareness among our workforce. These proactive measures are integral to maintaining a secure environment where our employees can perform their duties safely and effectively.

Emergency Preparedness and Response

Effective emergency preparedness is a global imperative for ARTEREX. We conduct rigorous risk assessments to identify potential emergencies and implement controls to prevent incidents or minimize their impact if they occur. The complexity and detail of our planning and response increase in proportion to the level of risk involved. For instance, we have established protocols for fire and rescue operations, responses to severe weather events, and procedures for managing the release of hazardous substances from our operations.

Inspections

Inspections form an important part of our management systems, taking many forms, including safety inspections of the workplace by supervisors, employees, or their representatives; regular maintenance inspections of plant and equipment by our maintenance teams; building inspections; operational control inspections to ensure processes are effective; and inspections where specific procedures are checked in the workplace to ensure they are both followed and effective through process confirmations.

Investigation Procedures

Investigation is integral to our management system when addressing incidents. Our operations adhere to relevant legislation in countries where we operate, which mandates reporting of injuries, illnesses, diseases, and specific incidents. Additionally, we maintain a global internal requirement to investigate incidents where there was no injury or illness, but the potential existed. These incidents are regularly reviewed quarterly by senior teams during their meetings. This proactive approach ensures comprehensive oversight and continuous improvement in our safety protocols and operational practices.

Employee Training and Awareness

At ARTEREX, ensuring safety begins with a mandatory health and safety site review for all personnel. Employee training is tailored based on job roles, associated risks, and work locations, considering factors such as experience level, operational processes, and work environment.

We engage employees proactively through communication campaigns throughout the year. These initiatives include general awareness efforts and targeted safety messages, fostering a culture of safety across our organization.



Health & Well-Being

ARTEREX is committed to providing a safe and healthy workplace for all employees. Our Health and Safety Program is designed to assist employees in avoiding potential workplace hazards, thereby minimizing injuries and damage to both ARTEREX's and customers' properties. Employees are encouraged to actively participate in the program by immediately reporting any perceived unsafe conditions or work practices to their supervisors. Safety considerations are prioritized, and no task is considered so urgent that it cannot be performed safely.



Employee Assistance Program (EAP)

ARTEREX offers an Employee Assistance Program (EAP) that provides a broad range of services, including health information with a registered nurse, assistance with personal, work, legal, or financial issues, confidential counseling on drug and alcohol issues, and family-related support such as finding childcare and elder care. The EAP is available to employees and their family members 24/7, offering confidential support and resources to manage personal and professional challenges.

Wellness Policy

Recognizing the direct impact of health and wellness on job performance and overall success, ARTEREX maintains a specific focus on wellness through its policies and benefit programs. The company provides various resources to encourage better health and increased awareness among employees.

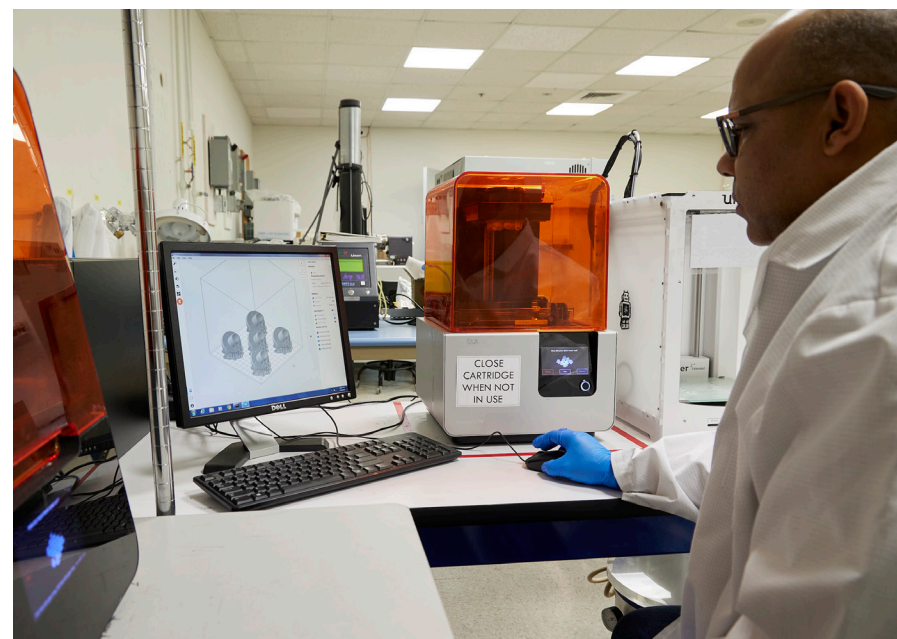
Workers' Compensation

ARTEREX provides a comprehensive workers' compensation insurance program at no cost to employees. This program covers most injuries or illnesses sustained during employment requiring medical, surgical, or hospital treatment. Employees must report work-related injuries or illnesses to their supervisor immediately, regardless of how minor they may appear. The program ensures that employees receive appropriate medical care and compensation for work-related injuries or illnesses.

Counseling and Rehabilitation

Employees who voluntarily seek help for substance abuse by contacting the company will be provided an opportunity to pursue counseling and rehabilitation. The company offers information about available services, and employees can use available vacation, sick leave, or family and medical leave for treatment.

These initiatives demonstrate ARTEREX's dedication to maintaining a safe, healthy, and supportive work environment, ensuring that employees have access to the resources and support they need to thrive both personally and professionally.



Community Engagement

Our commitment to community engagement is integral to our sustainability efforts. We strive to positively impact the communities where we operate through various charitable activities and initiatives. Below are some highlights of our community engagement activities:

Charities and Fundraising:



Earth Day Participation: Every year, we actively participate in Earth Day by engaging with elementary schools to teach children about the benefits of recycling plastics. Our goal is to instill environmentally friendly habits from a young age, ensuring the next generation is aware of the importance of sustainability.



Fundraising Support: We proudly supported a fundraising campaign hosted on JustGiving, contributing to Howard Boocock's bowel cancer treatment. You can learn more about our efforts at <https://www.justgiving.com/fundraising/dugdale-benvic>.



Local Cancer Organization Support: Each Easter, we support a local cancer organization by purchasing chocolates. This small gesture brings joy to those facing challenging times and underscores our commitment to supporting health-related causes.



Locks of Love: We encourage our employees and community members to donate hair to "Locks of Love," a charity that provides hairpieces to financially disadvantaged children suffering from long-term medical hair loss. This initiative not only helps children in need but also fosters a spirit of giving and community support.

Community Engagement Activities in Rochester, NH



United States Marine Corps Toys for Tots Program: Annually, we participate in the Toys for Tots program, collecting and donating toys to ensure that less fortunate children experience the joy of receiving gifts during the holiday season.



Holiday Giving Tree: Each holiday season, we organize a Giving Tree program to provide gifts and necessities to less fortunate families and children in our community. This initiative helps to spread holiday cheer and support those in need.



Canned Food Drive: Our annual canned food drive is aimed at supporting local shelters and families facing food insecurity. By collecting and donating non-perishable food items, we help to ensure that everyone in our community has access to nutritious food.

Scholarship:

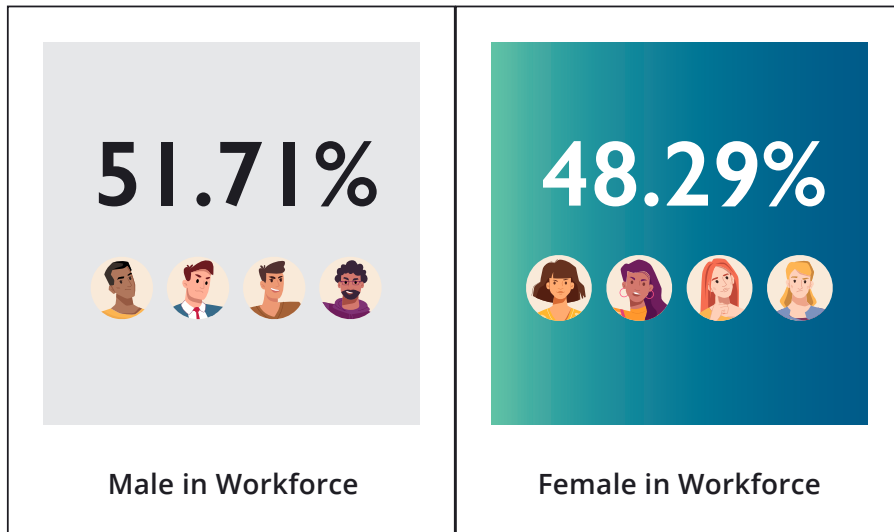
In June 2023, Formula Plastics, in collaboration with Fundación UABC's ALAS, Oportunidades para-Volar program, proudly awarded a comprehensive scholarship to a deserving university student, enabling them to study abroad for a six-month semester. This scholarship covers crucial expenses, including travel, housing, food, and health insurance, allowing the student to focus on their academic and personal development. Additionally, through our partnership with Fundación Elias Mora, we are dedicated to supporting an average of 50 students per year by providing them with essential school supplies, uniforms, and food. These initiatives underscore our ongoing commitment to community engagement and our dedication to fostering educational opportunities for young scholars.

Through these activities, we aim to foster a sense of community, support those in need, and promote sustainable and charitable practices. Our dedication to community engagement reflects our broader commitment to sustainability and social responsibility.



Our Commitment to Diversity & Inclusion

At ARTEREX, we believe that our strength lies in our diverse and inclusive workforce. We are committed to fostering a culture where every employee feels valued, respected, and empowered to contribute fully. Our D&I initiatives are designed to create an environment where all employees can thrive, regardless of their background or identity.



We are dedicated to fostering an inclusive culture where every voice is heard. We believe in maintaining open communication with our employees. Our Voluntary Open-Door Policy encourages employees to communicate their views, suggestions, and complaints without fear of reprisal. This policy helps us identify and address any issues related to discrimination or harassment promptly and effectively.

Policy Against Discrimination and Harassment

ARTEREX is an equal opportunity employer, prohibiting discrimination based on legally protected characteristics such as race, color, religion, sex (including pregnancy, lactation, childbirth, or related medical conditions), national origin, age, disability, veteran status, marital status, sexual orientation, and gender identity. This policy applies to all employment areas, including recruitment, compensation, promotion, training, and development. We also provide an interactive process for individuals with disabilities and disabled veterans who request accommodations.

Religious Accommodation

We provide reasonable accommodations for employees' religious beliefs, observances, and practices, eliminating conflicts with job requirements without causing undue hardship.


Pregnancy Accommodation

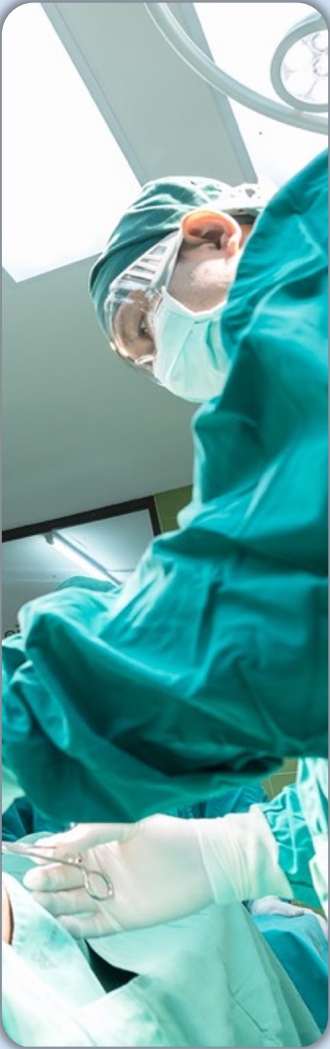

In line with the Pregnant Workers Fairness Act (PWFA), we make reasonable accommodations for known limitations related to pregnancy, childbirth, or related medical conditions, unless it imposes undue hardship.







GLOBAL REPORTING INITIATIVE INDEX


Our report, which is based off 2023 CY Financials, references and incorporates the Global Reporting Initiative (GRI) Standards, using GRI 1: Foundation 2021.

DISCLOSURE	DISCLOSURE TITLE	LOCATION	NOTES
<p>GRI 2: General Disclosure 2021</p> 	2-1 Organizational details	PP.3-6 (Discovering ARTEREX)	
	2-2 Entities included in the organization's sustainability reporting	See Notes	This sustainability report encompasses all entities and subsidiaries that fall under the direct or indirect control of ARTEREX.
	2-3 Reporting period, frequency and contact point	See Notes	i. Reporting period: 2023 calendar year for financials ii. Publication date: August 2024 iii. Point of contact: Holly MacTaggart, Vice President, Human Resources & Sustainability
	2-4 Restatements of information	See Notes	Not applicable, as this is our first sustainability report
	2-5 External assurance	See Notes	External assurance was not conducted for our first sustainability report.
	2-6 Activities, value chain and other business relationships	P.3 (Our Mission & Core Values), P.4 (Product Portfolio), P.10 (Our Commitment to Sustainability)	
	2-7 Employees	P.19 (Our Commitment to D&I); See Notes	Total Number of FTE Employees: 1,109 (Male: 575; Female: 534) Total Number of Permanent Employees (FTE): 1,099 (Male: 570; Female: 529)
	2-8 Workers who are not employees	See Notes	Total Number of Temporary Employees (FTE): 10 (Male: 5; Female: 5)
	2-9 Governance structure and composition	P.8 (Responsible Corporate Governance)	
	2-11 Chair of the highest governing body	P.8 and See Notes	The CEO and Executive Chairman both serve on the Board and are also integral members of the management team.

DISCLOSURE	DISCLOSURE TITLE	LOCATION	NOTES
	2-12 Role of the highest governance body in overseeing the management of impacts	P8 and See Notes (Responsible Corporate Governance)	The CEO, CFO, and Executive Chairman integrate sustainability into our strategy, with support from the VP of HR and Sustainability.
	2-13 Delegation of responsibility for managing impacts	P8 (Responsible Corporate Governance)	
	2-14 Role of the highest governing body in sustainability reporting	P8 (Responsible Corporate Governance)	
	2-15 Conflicts of interest	See Notes 	To prevent conflicts of interest, we require that employees avoid any endeavors that compete with or conflict with their job duties and responsibilities at the Company. If an employee finds they have or are considering the assumption of a financial interest, outside employment relationship, or other activity that might involve a conflict of interest as discussed in this policy, or if an employee is in doubt as to whether any conduct or activity may constitute a conflict of interest, the employee must promptly discuss the matter with Human Resources and refrain from exercising responsibility on the Company's behalf in any manner that might reasonably be considered to be a conflict of interest or affected by any adverse interest. If the matter is deemed to be a conflict of interest, the affected employee shall withdraw from the matter. The Board of Directors is supportive of this policy and is committed to its strict enforcement. Failure to disclose a conflict or potential conflict of interest is a violation of this policy and may lead to disciplinary action up to and including termination of employment.
	2-16 Communication of critical concerns	P.19 and See Notes	Our Voluntary Open-Door Policy encourages employees to communicate their views, suggestions, and complaints without fear of reprisal. Zero employee grievances were reported through appropriate company processes in 2023.

DISCLOSURE	DISCLOSURE TITLE	LOCATION	NOTES
	2-17 Collective knowledge of the highest governing body	P.8 (Responsible Corporate Governance)	
	2-18 Evaluation of the performance of the highest governing body	P.8 and See Notes	Our Executives approved the sustainability strategy and allocated the budget, and they also review and approve the materiality assessment and overall sustainability strategy.
	2-19 Remuneration policies	P.14 (Performance Evaluations) and See Notes	Our remuneration includes competitive wage and salary ranges, annual merit increases based on company and individual performance, and overtime pay for non-exempt employees, along with benefits such as health plans, disability income protection, life insurance, flexible spending accounts, and a 401(k) plan.
	2-20 Process to determine remuneration	P.14 (Performance Evaluations)	
	2-23 Policy commitments	P.19 (Policy Against Discrimination and Harassment)	
	2-24 Embedding policy commitments	See Notes 	ARTEREX is committed to embedding operational frameworks such as Diversity & Inclusion (D&I), anti-harassment, and anti-corruption into its business practices. The company also actively engages in various supplier initiatives to ensure responsible and ethical practices within its supply chain. Emphasizing sustainable and ethical sourcing, we implement Purchasing SOPs that guide its purchasing activities to align with these values. Additionally, we utilize a Supplier Evaluation and Monitoring system to regularly assess supplier compliance with industry standards. However, we do not yet have a formal supplier code of conduct in place and aim to formalize one by the end of 2024.
	2-25 Processes to remediate negative impacts	P.19 (Policy Against Discrimination and Harassment, Religious Accommodation, Pregnancy Accommodation)	

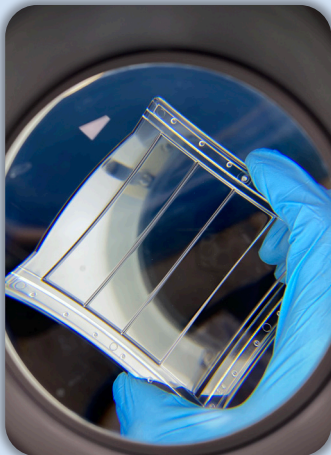
DISCLOSURE	DISCLOSURE TITLE	LOCATION	NOTES
	2-26 Mechanisms for seeking advice and raising concerns	See Notes	For questions, comments or concerns regarding this report, ARTEREX's overall sustainability program, or to request a call with management, please write to hmactaggart@arterexmedical.com .
	2-29 Approach to stakeholder engagement		At ARTEREX, we prioritize engaging with our diverse stakeholders to cultivate beneficial relationships and ensure the sustainability of our operations. We start by identifying key stakeholders, including healthcare professionals, patients, employees, suppliers, local communities, regulatory bodies, and industry associations, through ongoing assessments and feedback collection. Our engagement efforts serve multiple purposes: understanding patient needs and healthcare advancements, collaborating with suppliers, and maintaining positive interactions with regulatory authorities. To ensure effective engagement, we utilize various communication methods such as surveys, focus groups, and meetings, promoting open dialogue, active listening, and responsiveness to stakeholder input. By prioritizing these engagements, ARTEREX aims to build trust, enhance transparency, and continuously improve our practices in developing, producing, and delivering our innovative medical devices.
	2-30 Collective bargaining agreements	See Notes	25% are covered by collective bargaining agreements and for employees not covered by collective bargaining agreements, the organization determines their working conditions and terms of employment independently, without reference to collective bargaining agreements that cover other employees or agreements from other organizations. The company establishes these conditions based on its internal policies, industry standards, legal requirements, and individual employment contracts.


DISCLOSURE	DISCLOSURE TITLE	LOCATION	NOTES
Material Topics			
GRI 3: Material Topics 2021 	3-1 Process to determine material topics	See Notes	For our first sustainability report, we determined the social, governance and environmental issues that are of particular importance to us and our stakeholders primarily using internal data, landscape assessments, and sector-specific material topics.
	3-2 List of material topics	P.10 and See Notes	<ul style="list-style-type: none"> -Supply chain management & labor standards -Employee engagement & well-being -Diversity & Inclusion -Healthcare access & affordability -Product safety & quality -Product development & innovation -Cybersecurity -Ethics, anti-corruption & compliance -Regulation -GHG emissions
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	P.10 (Our Sustainability Pillars)	
GRI 205:Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	See Notes	We address the risks associated with corruption through a clear and established anti-corruption framework.
	205-2 Communication and training about anti-corruption policies and procedures	See Notes	This framework ensures that our subcontractors also adhere to these standards. We communicate these expectations clearly to all subcontractors to guarantee full compliance and transparency in our operations.
	205-3 Confirmed incidents of corruption and actions taken	See Notes	We have no reported incidents related to corruption or business ethics.


DISCLOSURE	DISCLOSURE TITLE	LOCATION	NOTES
Anti-competitive behavior			
GRI 3: Material Topics 2021	3-3 Management of material topics	P.10 (Our Sustainability Pillars)	
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	See Notes	<p>We are committed to maintaining a fair and competitive market environment. We adhere to all relevant anti-trust and competition laws to ensure that our business practices do not unfairly restrict competition.</p> <p>During the reporting period, there were zero legal actions initiated against our company related to anti-competitive behavior, anti-trust, or monopoly practices.</p>
Energy			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	P.13 (Energy Management)	<p>Energy Total [kWh]</p> <p>Natural Gas- 2,127,304</p> <p>Diesel- 299,728</p> <p>Propane- 620,611</p> <p>Gasoline- 78,656</p> <p>Electricity- 16,541,917</p> <p>TOTAL: 19,688,215</p>
Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	P.10 (Our Sustainability Pillars)	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	P.12 (GHG Emissions)	794 MTCO ₂ e
	305-2 Energy indirect (Scope 2) GHG emissions	P.12 (GHG Emissions)	6,943 MTCO ₂ e
	305-3 Other indirect (Scope 3) GHG emissions	P.12 (GHG Emissions)	<p>By 2025, we aim to include a comprehensive Scope 3 inventory in our report as well. Our focus will remain on enhancing the quality of our data each year to ensure accuracy and transparency in tracking our emissions and progress.</p>
	305-5 Reduction of GHG emissions	P.12 (GHG Emissions)	Not applicable as this is our first sustainability report (formulating a baseline)




DISCLOSURE	DISCLOSURE TITLE	LOCATION	NOTES
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	P.10 (Our Sustainability Pillars)	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	See Notes	The total number and rate of new employee hires during the reporting period, categorized by age group, gender, and region, has been completed. Additionally, the total number and rate of employee turnover during the reporting period, also categorized by age group, gender, and region includes a 26% voluntary turnover rate.
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	P.14 (Onboarding Program), P.14 (Professional Development), P.17 (Wellness Policy)	
	401-3 Parental leave	P.19 (Pregnancy Accommodation)	
Occupational Health and Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	P.10 (Our Sustainability Pillars)	We have established health and safety committees in each of our facilities and they are developing tools to manage and mitigate risks.
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	P.16 (Addressing Health and Safety Risks)	
	403-2 Hazard identification, risk assessment, and incident investigation	P.16 (Inspections)	
	403-3 Occupational health services	P.15 (Operational Health and Safety)	
	403-4 Worker participation, consultation, and communication on occupational health and safety	P.16 (Employee Training and Awareness)	
	403-5 Worker training on occupational health and safety	P.16 (Emergency Preparedness and Response)	
	403-6 Promotion of worker health	P.15 (Governance of Health and Safety Program)	



DISCLOSURE	DISCLOSURE TITLE	LOCATION	NOTES
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	See Notes	Our company is committed to ensuring the health and safety of its workforce in its business relationships through rigorous risk management, structured procedures, and proactive safety measures to ensure a secure working environment for all stakeholders.
	403-8 Workers covered by an occupational health and safety management system	P.17 (Workers Compensation, Wellness Policy)	
	403-9 Work-related injuries	See Notes	The total number of recordable work-related accidents and incidents resulting in injuries is 8.
	403-10 Work-related ill health	P.17 (Wellness Policy)	
Training and Education			
GRI 3: Material Topics 2021	3-3 Management of material topics	P.14 (Empowering Our People)	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	See Notes	The total number of hours spent on employee training was 35,663.0, with an average of 32.2 training hours per full-time equivalent (FTE).
	404-2 Programs for upgrading employee skills and transition assistance programs	P.14 (Professional Development)	
	404-3 Percentage of employees receiving regular performance and career development reviews	See Notes	50% of the employees receive regular performance and career development training.
Diversity and Equal Opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	P.10 (Our Sustainability Pillars)	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	P.19 (Our Commitment to D&I)	
Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topics	P.10 (Our Sustainability Pillars)	

DISCLOSURE	DISCLOSURE TITLE	LOCATION	NOTES
<p>GRI 406: Non-discrimination 2016</p> 	406-I Incidents of discrimination and corrective actions taken	See Notes	<p>Our company has reported zero incidents related to incidents of discrimination. Discrimination and harassment complaints, along with their handling procedures, are comprehensively and communicated to the employees through our policy. If an employee feels they are being discriminated against, harassed, or bullied at work for any reason, particularly due to race, religion, gender, or other protected characteristics, they can file a formal complaint with the HR department. The HR department is then obligated to ethically, legally, and responsibly investigate the complaint.</p>
Forced or compulsory labor			
GRI 3: Material Topics 2021	3-3 Management of material topics	See Notes	<p>Our company has established procedures for the assessment and monitoring of suppliers, which includes elements related to labor practices and social compliance.</p>
GRI 409: Forced or Compulsory Labor 2016	409-I Operations and suppliers at significant risk for incidents of forced or compulsory labor	See Notes	<p>Suppliers must meet specified social criteria to be listed on the Approved Supplier List (ASL). This includes adherence to labor standards that prevent forced or compulsory labor.</p>
Security Practices			
GRI 3: Material Topics 2021	3-3 Management of material topics	P.10 (Our Sustainability Pillars)	
GRI 410: Security Practices 2016	410-I Security personnel trained in human rights policies or procedures	See Notes	<p>Our company has specific protocols or training programs to ensure that its security staff is well-versed in human rights, to promote ethical conduct and compliance with legal standards in their operations. Some of our policies include equal opportunity and anti-harassment policies and also includes training in employee conduct expectations, emphasizing the company's commitment to a respectful, compliant, and supportive work environment.</p>

DISCLOSURE	DISCLOSURE TITLE	LOCATION	NOTES
Rights of Indigenous Peoples			
GRI 3: Material Topics 2021	3-3 Management of material topics	P.10 (Our Sustainability Pillars)	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	See Notes	No reported sites are located on or near indigenous land.
Local communities			
GRI 3: Material Topics 2021	3-3 Management of material topics	P.10 (Our Sustainability Pillars)	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	P.18 (Community Engagement)	
	413-2 Operations with significant actual and potential negative impacts on local communities	P.18 (Community Engagement)	
Supplier social assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	See Notes	The Head of Supply Chain or their designate is responsible for the initial screening of new suppliers using input from Engineering, Quality, and Purchasing departments. Each buyer is responsible for executing the evaluation process for their assigned suppliers, ensuring they meet the required social criteria.
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	See Notes	New suppliers are evaluated through a structured Supplier Selection and Approval Process (SOP 06-02A), which includes social criteria such as labor practices, human rights, and ethical business conduct.
	414-2 Negative social impacts in the supply chain and actions taken	See Notes	Class A suppliers are evaluated annually, and Class B suppliers every other year. Suppliers falling below acceptable performance levels are issued a Supplier Corrective Action Report (SCAR) to address identified issues, including social impact. The SCAR process ensures that suppliers with significant negative social impacts take corrective actions to address these issues. Actions include issuing corrective action requests, placing suppliers on probation, or suspending them if they fail to meet required standards

DISCLOSURE	DISCLOSURE TITLE	LOCATION	NOTES
Customer health & safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	P.17 (Health and Well-Being) and See Notes	Our Health and Safety Program is designed to assist employees in avoiding potential workplace hazards, thereby minimizing injuries and damage to our customers' properties.
Customer privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	P.10 (Our Sustainability Pillars)	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	See Notes	No reported incidents of breach of customer privacy and loss of customer data.



Thank you for being an integral part of our sustainability journey!

As we look to the future, we recognize ongoing opportunities to enhance our sustainability efforts and work closely with our stakeholders to tackle global challenges. Our commitment to sustainability goes beyond objectives; it is an ongoing journey of growth and innovation.

We express our heartfelt thanks to everyone who has supported and contributed to our mission— our employees, partners, customers, and communities. Your enthusiasm, insights, and collaboration motivate us to strive for excellence.

As we embark on the next phase, we invite you to join us in creating a better future. Together, we can build a more sustainable and resilient world for future generations.

We hope this report has been both informative and engaging.
We welcome your feedback as we continually seek to improve.



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Questions or comments about our report?

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