

ONWARD[®]
MEDICAL



Sustainability
Summary
2023

ONWARD
Medical N.V.

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Welcome to ONWARD Medical's 2023 sustainability summary, published 5 June 2024, which describes our priorities, approach and performance for the year ended 31 December 2023. This summary covers our full business, including more than 100 employees spread across our headquarters in Eindhoven, the Netherlands; our science and engineering center in Lausanne, Switzerland; and our US office in Boston, Massachusetts.

In producing this summary, we reviewed relevant external reporting standards with a view to applying such standards in future.



A Message from our CEO

Dear Stakeholders,

ONWARD Medical is a business with a clear and positive purpose: we exist to help improve the lives of people with spinal cord injury (SCI) and other movement disabilities. Our vision is that empowered by movement, people with spinal cord injury will enjoy life in the ways that matter to them.

While what we are seeking to do is incredibly meaningful, how we do it is just as important. Our challenge is to integrate responsible and sustainable practices into the design, development, manufacture and sale of our devices and therapies at every step.

We have made significant progress in developing and seeking regulatory approval for our investigational technology platforms, and we expect to commercialize and make our first solution (ARC^{EX}) broadly available starting in the second half of 2024 in the United States, and then in Europe. As a result, our social and environmental footprint is still small and our influence over conditions in our supply chain, for example, is limited.

Even so, we are determined to make sustainability a key consideration from the start. In the last year we strengthened our policies, procedures and resources in several important areas, including product quality and safety; diversity, equity and inclusion; and supplier management. We are at the early stages of our life as a company and have much work to do, but I'm proud that we are starting as we mean to go on.

It is a privilege to lead people who care so greatly about their work and the impact it has. I am certain that our focus on sustainable long-term value creation will make us a stronger, more resilient company and reduce our exposure to regulatory and reputational risk, while

A Message from our CEO

continuing to attract diverse and talented people into our business to drive innovation for people living with spinal cord injury and those who care for them.

We have ambitious goals for 2024 and beyond for our business, and plan to supplement these with sustainability goals as our company evolves. Please sign up for updates on our website at www.onwd.com or follow ONWARD Medical on social media to stay informed of our progress.



Dave Marver, Chief Executive Officer

Our Impact

Founded in 2015, ONWARD Medical seeks to solve a significant unmet medical need by creating therapies to restore movement, function, and independence in people with spinal cord injuries (SCI) and other movement disabilities.

Spinal cord injury is estimated to affect 7 million people worldwide, primarily as a result of accidents and falls, and disproportionately affecting young men. While most people associate SCI with paralysis and loss of sensation, there are often accompanying challenges such as infection, incontinence, blood pressure instability, and loss of sexual function. As a result, quality of life following spinal cord injury can be poor for injured people and their caregivers. SCI is also expensive due to healthcare costs, loss of earnings, and the need for outside assistance to support activities of daily living.

ONWARD ARC Therapy™ applies targeted, programmed electrical stimulation of the spinal cord to restore movement and function after SCI. The stimulation can be delivered by an implantable platform, called ARC™, or an external platform, called ARC^{EX}®.

Our focus to date has been on completing successful clinical trials and seeking regulatory approval for our devices. In 2023 we had no commercial operations, and we expect to make our first commercial sale in the second half of 2024 with ARC^{EX}®.

Please read our **Annual Report** for more details of our platforms, business model, strategy and impact available. This sustainability summary focuses on our efforts to integrate good social, environmental and governance practices throughout our company.

Sustainability Governance

Our Leadership Team is accountable for ensuring the development and implementation of sustainable practices into our operations, with oversight from our Board of Directors.

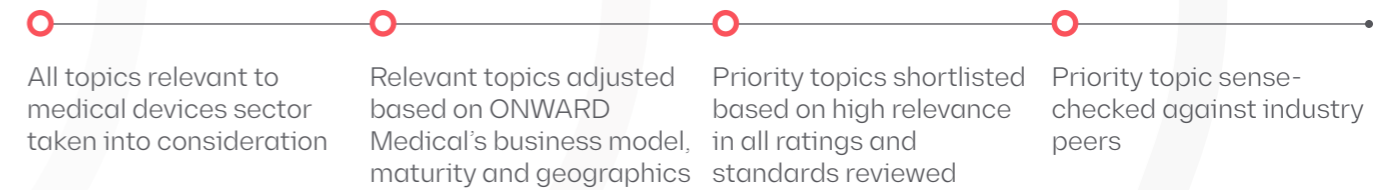
As our company continues to grow and its impact increases, we will consider putting in place more formal and focused sustainability committees at the Board of Directors and management levels. From 2024, sustainability performance is integrated into ONWARD Medical's Executive Director performance and incentive plans.

ONWARD Medical achieved a bronze medal from EcoVadis in 2023, placing the company in the top 40% in the industry for its sustainability performance.



Our Sustainability Priorities










We have assessed our sustainability priorities to make sure we focus our time and resources on the areas where we can make the greatest difference for our stakeholders. We built on sustainability assessments from external agencies and the Sustainability Accounting Standards Board Medical Equipment and Supplies Standard. All inputs were tailored to the medical devices sector, giving us a clear indication of topics of focus, as well as our areas of strength and opportunities to improve:



We identified relevant topics for ONWARD Medical and shortlisted priority topics based on those given highest importance in the aforementioned inputs. We sense-checked our priority topics against those reported by healthcare sector peers, from similar sized companies to sector leaders, and found them to be consistent.



Our Sustainability Priorities

	Social	Environmental	Supply Chain	Governance
Our Principles	Innovating for the underserved Attracting & retaining top talent	Minimizing our environmental footprint	Maintaining high ethical standards	Partnering with patient groups
Our Priorities	<ul style="list-style-type: none"> Access & affordability Product & customer safety Career management Diversity, equity & inclusion 	<ul style="list-style-type: none"> Environmental management GHG emission reductions Product design & lifecycle 	<ul style="list-style-type: none"> Supplier risk management Critical materials 	<ul style="list-style-type: none"> Anti-bribery & corruption Responsible marketing Privacy and information security
Our support for the Sustainable Development Goals	  	 	  	

This sustainability summary covers all our priority topics. The results of our assessment are also helping us develop a sustainability roadmap to improve our performance and reporting.

In the future, we intend to conduct a more comprehensive assessment to reflect the growth of our impact and incorporate the views of our growing community of stakeholders:

- People living with SCI and their caregivers
- Patient advocacy groups
- Regulators in the U.S. and Europe, our key markets
- Healthcare payors
- Rehabilitation centers and other healthcare providers
- Current and future employees
- Suppliers and people working in our supply chain
- Investors and ratings agencies

We are committed to engaging in meaningful stakeholder dialogue, and have introduced a **Stakeholder Dialogue policy** to ensure our activities in this area are open, transparent and inclusive.



2023 Performance Summary

We have established performance indicators to set a baseline for measuring progress against each priority topic. The following pages of this summary provide further explanation of our performance.

Social

- 0** product recalls
- 13** average hours of mandatory training per employee
- 75%** participation rate in employee survey
- 20** nationalities represented in our workforce

At year-end, women at ONWARD Medical represented:

- **39%** of our workforce
- **45%** of supervisors and managers
- **29%** of the Leadership Team
- **25%** of Board members
- **50%** of the top **20%** of earners

0 lost-time work-related injuries

Environmental

- 88%** of purchased electricity from renewable sources
- 0** environmental non-compliances

Supply Chain

100% of new suppliers have answered sustainability questions in our pre-qualification questionnaire since it was introduced in October 2023

Governance

- 0** cases of bribery or corruption confirmed or suspected within the company
- 0** monetary losses as a result of legal proceedings associated with false marketing claims
- 0** confirmed data privacy breaches during the year
- 0** confirmed information security breaches during the year



Our Social Impact

We innovate to help people with spinal cord injury enjoy life in every way that matters to them. In bringing our products to market, we will work with our partners to make our platforms broadly available and to apply the highest standards of quality and safety throughout manufacturing and clinical trials.

Access & Affordability

Everyone deserves access to healthcare, regardless of their location or situation. Our intention is to make our platforms broadly available starting in the second half of 2024 in the United States, and then in Europe, starting with markets that have the rehabilitation and/or reimbursement infrastructure to support commercialization of ARC Therapy. Our long-term strategy is to expand into other regions with the goal of reaching as many of the 7 million people worldwide with spinal cord injury as possible.

Our devices are designed so they can be set up by a clinician and then used at home, which we expect to increase access for people who live in remote areas and cannot regularly attend a rehab center. We are seeking out reimbursement pathways for people to buy their own device for home use. We will explore partnerships and programs that can increase access to our devices.

Product & Customer Safety

Making sure our devices meet the highest levels of quality and safety is the most fundamental requirement of our business. We want people with SCI, their caregivers and healthcare providers to have the utmost confidence in ONWARD Medical's ARC Therapy.

The development, manufacture, and marketing of ARC Therapy is subject to government regulation. ONWARD partners with regulatory authorities globally to ensure that clinical trials are designed and executed in accordance with their requirements. For more information on ONWARD Medical's clinical and regulatory team and requirements, please refer to the operational review in our **Annual Report**.

Policies & Measures

Our global quality system complies with applicable regulations and standards related to the medical devices industry in the EU and USA. We have clear and strict procedures in place to ensure quality and safety at every step, including design and development, product identification and traceability, post-market surveillance, complaints handling, vigilance reporting, handling of adverse events, and product recalls. Our quality management system is ISO 13485 certified.

Performance

Our ISO 13485-certified quality management system passed its most recent independent audit in late 2023. ONWARD Medical continued to strengthen its quality function by hiring additional qualified leadership and staff, bringing competencies in medical software, supplier quality management, design control, and risk management.



Devices were recalled during the year (all ONWARD Medical devices in the field are currently in use in clinical trials).



Our Social Impact

Fulfilling Careers

We work at the cutting edge of our field. We seek the sharpest minds, coupled with creativity and diverse thinking to achieve true breakthroughs rather than incremental gains. Our compelling vision, highly innovative technology and competitive rewards make us an attractive employer, and we strive to create an inclusive and rewarding culture that promotes well-being and encourages our people to stay.

Policies & Measures

Our in-house recruiters manage the hiring process and leverage our professional network and partnerships with academic institutions to attract talent. Our employee referral program incentivizes employees to use their own networks to bring in people who are a good fit. We offer competitive compensation and benefits, including a stock option plan for all employees that acts as a long-term incentive.

The ONWARD Medical Code reinforces continuous learning, feedback, and development, encouraging people to enhance their skills and careers. We have career pathways for key functions including R&D, clinical, regulatory, and quality to provide a clear route from entry level to senior positions.

Our annual people cycle includes a talent review guide, development conversation guide, and objective-setting guide to support employees and their line managers through the process. Our managers calibrate their team's performance to ensure a fair and consistent approach.

Performance

In 2023, we implemented new measures including a check-in survey after 90 days of employment, employee interviews, and offboarding interviews. These initiatives collect valuable insights at every point in the employment lifecycle. In addition, our employee pulse survey takes place at least annually and had a 75% participation rate in 2023. The results showed that collaboration is one of our greatest strengths. We provided mandatory training tailored to people's roles, and additional training linked to people's development plans, such as coaching and access to LinkedIn Learning.

13

Average hours of mandatory training per employee

75%

Participation rate in employee survey

Diversity, Equity & Inclusion

Diverse backgrounds bring different perspectives, which help foster innovation and generate better business outcomes. Providing equitable and inclusive workplaces and policies increases our ability to attract the best people regardless of age, gender, race, ethnicity, nationality, sexual orientation, and other important cultural differences, whether visible or invisible.

Policies & Measures

Our **diversity policy** commits us to broad representation at all levels of the company, from the Board of Directors down. To put our policy into action, our Diversity, Equity and Inclusion Charter aims to create an environment where everyone feels accepted, valued and fairly treated. The charter includes concrete actions such as a pay gap assessment and steps to promote the hiring and inclusion of people with disabilities and from different cultures and ethnicities. To increase the number of women at all levels of our company, we aim for 50% of interviewees to be female, and are developing a sponsorship program for high-potential women at ONWARD Medical.

Performance

Our company is geographically diverse, with 20 nationalities represented in our workforce in 2023. At year-end, 39% of our workforce were women, 45%¹ of supervisors and managers were women, and 29%² of our Leadership Team. In our employee pulse survey, for the first time this year we asked employees whether they think their team is inclusive and differences are respected.



Our Social Impact

20

Nationalities represented in our workforce

At year-end, women at ONWARD Medical represented:

- 39% of our workforce
- 45% of supervisors and managers¹
- 29% of the Leadership Team²
- 25% of Board members
- 50% of the top 20% of earners

Health, Safety & Working Conditions

We want to generate a culture of safety and respect, so that our employees enjoy coming to work and are ambassadors for our company.

Policies & Measures

Our employee handbook provides all our people with details of our vision and culture, as well as operational policies in important areas such as non-harassment, accidents and injuries, compensation and benefits, paid time off, and standards of conduct. Our Environment, Health and Safety (EHS) Concept includes controls related to lab access, working with high voltage equipment and hazardous chemicals, and emergency response.

Child & Forced Labor

Our workforce is composed of highly skilled people with advanced degrees or training, many with graduate or post-graduate educations, and operates in geographies at low risk of child and forced labor (the Netherlands, Switzerland and the USA). With regard to suppliers, contractors and other third parties, in 2024 we introduced a global third-party

code of conduct (see sustainable supply chain section), which includes a section on child and forced labor. We will continue to monitor these topics as the business evolves and put in place measures as appropriate.

Performance

In 2023, we offered workshops and other activities centered on mental health and well-being. In addition, employees benefit from more flexible, hybrid ways of working where possible, unless their work requires access to specialized equipment and facilities. There were no lost-time work-related injuries.

Also this year, we developed training on the emergency response procedure for our science and engineering center in Lausanne, which covered the topics in our EHS Concept.

0

Lost-time work-related injuries

¹Defined as employees with one or more direct reports

²Defined as full-time roles within the Company's Leadership Team



Environmental Management

ONWARD Medical has a limited environmental footprint. We did not run any manufacturing operations in 2023 – the devices used in clinical trials to date were made by suppliers on our behalf (see next page). Suppliers will continue to be the primary manufacturers. All the same, our aim is to build resource efficiency into the way we operate, so that our business maintains minimal environmental impacts as it grows.

Policies & Measures

Despite our small footprint, we strive to reduce greenhouse gas emissions by replacing air travel with videoconferencing except for the most pressing business needs, and by encouraging hybrid working that reduces commuting. Our environment, health and safety (EHS) quality plan sets out responsibilities for managing different waste streams in our science and engineering center in Lausanne, with general, chemical, and biological waste already accounted for and a plan in development for handling electrical waste.

In 2024, we published an updated **environmental policy** on our website that confirms our commitment to assess and address our environmental impacts as our business evolves.

Performance

In 2023, we consumed 63.9 MWh of purchased electricity, of which 56.0 MWh (88%) was from renewable sources. Our electricity usage roughly halved from 2022 after our Netherlands headquarters moved to smaller premises. This change also led to a drop from 99% renewable electricity sourced in 2022. We plan to develop more detailed carbon accounting and emissions reporting as part of our new sustainability roadmap.

We have experienced no non-compliances with environmental legislation to date.

88%

Purchased electricity from renewable sources

0

Environmental non-compliances

Product Design & Lifecycle Management

Safety and efficacy are our first considerations and the focus of our device design and development procedure, published in 2023. The procedure describes the governance, phases, reviews and documentation of our design and development process. We prioritize efficient manufacturing processes, and recyclability in our product and packaging design, aiming for minimal environmental impact. We intend to incorporate circular economy principles where we can, to extend product lifespans through repair, refurbishment, and recycling initiatives. Our dedication to sustainability principles not only aligns with regulatory requirements but also reflects our responsibility to safeguard the environment while delivering innovative healthcare solutions.

All of our devices comply with Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulation and the Restriction of Hazardous Substances Directive (RoHS).



Sustainable Supply Chain

As our devices are primarily manufactured by suppliers, much of our social and environmental impact occurs in our supply chain. Setting clear standards for suppliers and collaborating with them on continuous improvement will be key to reducing risks to our business and the people in our value chain, especially in relation to critical materials such as gold.

Policies & Measures

We are updating our supplier relationship management process to include environmental, social and governance considerations during supplier selection, evaluation, approval and monitoring. Our goal is to prioritize suppliers that meet all our requirements on quality, price and sustainability.

We already assess new suppliers on sustainability via a pre-qualification questionnaire, and in the future plan to provide feedback to help improve their practices. We also plan to integrate specific criteria relating to the sourcing of critical materials including gold, where conflict and child labor may exist in our supply chain. Though we source very small amounts and our influence is limited, we may consider, for example, joining existing industry efforts to address these concerns.

In 2024, we introduced a comprehensive **code of conduct for third parties**, including suppliers and contractors, to set standards and responsibilities in areas including legal compliance, ethical business practices, human rights and labor practices, environmental responsibility, and reporting.

Performance

In 2023, we began updating the supplier selection, relationship management and monitoring procedures mentioned above, a process we aim to complete in 2024.

100%

of new suppliers have answered sustainability questions in our pre-qualification questionnaire since it was introduced in October 2023



Governance

Good governance underpins everything we do. Our priorities are anti-bribery and corruption, responsible marketing and relationships, and information security.

Anti-Bribery & Corruption

Acting with openness and integrity and to high ethical standards is essential for earning stakeholder trust and protecting our business from regulatory and reputational risk.

Policies & Measures

ONWARD Medical's **Code of Conduct** sets out our expectations for anyone acting on behalf of our company in areas such as anti-bribery and corruption, anti-money laundering, government relations and political affairs, international business practices, and whistleblowing. It prohibits employees from participating in any form of illegal bribery or money laundering, or from offering or accepting valuable gifts from anyone outside the company. In 2024, we will roll out a fresh policy on whistleblower protection, bolstering our Code of Conduct as part of ongoing efforts to enhance accountability and support for ethical practices.

Performance

There were no incidents of bribery or corruption confirmed or suspected within the company in 2023. In early 2024, we performed an initial corruption risk assessment of our countries of operation (the Netherlands, Switzerland and the USA) against the Transparency International Corruption Perceptions Index and determined that none presents a high risk.



Incidents of bribery or corruption confirmed or suspected within the company

Responsible Marketing & Relationships

Ethical and transparent relationships with payors, healthcare providers and patient organizations build trust and foster innovation, improving our ability to innovate and make a greater difference for people with spinal cord injuries.

Policies & Measures

We are committed to complying with all legislation governing our relationships with payors and healthcare providers in all countries where we operate, and to building long-standing relationships with high-profile patient organizations. Our marketing will start by focusing on clinicians managing SCI patients in rehabilitation clinics. These include rehabilitation physicians as well as physical and occupational therapists who provide post-injury rehabilitation and ongoing support to those who are chronically injured. In the future, as our implantable therapies become commercially available, implanting surgeons will become an additional focus of our marketing efforts.

Our Marketing Code of Conduct for Interactions with Healthcare Professionals guides relevant employees on appropriate and compliant engagement with healthcare professionals during consulting relationships, sales and promotional activities such



Governance

as external conference attendance, and training on ONWARD Medical technologies. We compensate healthcare professionals and opinion leaders providing consultancy to ONWARD Medical at fair market value and in strict compliance with the applicable regulations and standards.

Performance

In July 2023, we introduced the Marketing Code of Conduct described above, along with mandatory training on field interactions for all relevant employees, to instill good practices before entering the commercial phase of our business. In 2024, we are introducing templates for consultancy agreements with healthcare professionals to ensure they are compliant with the code.



Monetary losses as a result of legal proceedings associated with false marketing claims

Privacy & Information Security

Our devices capture personal data, including health and medical information, and we have a responsibility to keep this information safe. The collection and processing of medical information is based on the individual's informed written consent. We aim to seek and obtain consent, the 'gold standard' of data privacy, even when not strictly required by law. When we collect health data, it is with the sole purpose of continually improving the efficiency and safety of our therapies. ONWARD Medical is committed to ensuring that data security and confidentiality are built into our devices and throughout our business processes.

Policies & Measures

Our Global Data Privacy Policy, introduced in July 2023, is designed to comply with the European General Data Protection Regulation, one of the world's most demanding and protective data privacy law frameworks. It also complies with all other applicable laws where we operate, and commits us to protecting all data collected in the course of our

business, including from clinical study participants and their caregivers; patients; healthcare professionals and researchers; users of our products and services, including website users; contractors, vendors and business partners; representatives of the scientific community; employees and job applicants. Our **Annual Report** provides more details on privacy and data governance. Our cybersecurity procedure describes our measures for ensuring our devices and their components remain secure throughout the product lifecycle.

To protect our business systems and information, our IT security awareness program trains users on best practices to create a culture of security as the best defense against threats. An expert third-party provides us with 24/7 security monitoring and incident response capabilities.

Performance

We strengthened data governance in 2023 by appointing an experienced external Data Protection Officer, by establishing data protection audits and an internal Data Privacy Committee that meets biweekly, and by publishing the Global Data Protection Policy outlined above. We are continuously improving our data protection based on a comprehensive Compliance Action Plan.

As part of our security awareness program, we ran periodic phishing simulations and mandatory cybersecurity training for all employees. In 2024, we plan to publish a suite of IT policies and a disaster recovery plan to increase our resilience.



Confirmed data privacy breaches during the year

Confirmed information security breaches during the year

