



Elcam Medical ESG Highlights & Updates 2024



Letter from the CEO

I am pleased to share that in 2024, Elcam Medical continued to reinforce its commitment to Environmental, Social, and Governance (ESG) principles. Our decision to prioritize ESG goes beyond compliance. It stems from our core belief that responsible business practices are essential for a company that takes pride in the quality and safety of its products.

With over 55 years of experience, Elcam Medical has earned a reputation as a world-class manufacturer of disposable medical devices. We offer a diverse product portfolio supported by a strong global presence. Our manufacturing operations in Israel (Elcam Medical Israel) and Italy (EMIT), along with offices in the United States, China, and Japan, enable us to serve patients and healthcare providers around the world. We continue to differentiate ourselves through our dedication to innovation, customer satisfaction, and product safety, while delivering value at every stage of the product lifecycle.

In 2024, we prioritized employee well-being across all regions. In Israel, we made a concerted effort to create a supportive work environment that respects individual needs and promotes a healthy work-life balance. We also introduced automation tools to enable employees to focus on more meaningful, higher-value tasks, enhancing job satisfaction, and implemented artificial intelligence (AI)-based solutions to support improved decision-making and organizational efficiency.

Our commitment to environmental sustainability remained a focus area throughout the year. We continued to reduce our environmental footprint through energy-efficient measures and maintaining a strong recycling programs. In 2024, we also transitioned to paperless operations. Collectively, these efforts contributed to a Silver Medal sustainability rating from EcoVadis in 2024, placing us in the top 15% of our industry.

Additionally, we began construction of a new manufacturing facility in the Dominican Republic, which is expected to be operational by 2027. This expansion is a key component of Elcam Medical’s strategic growth plan, aimed at enhancing service capabilities for our North American customers, reducing our transportation-related emissions, and improving our overall supply chain resilience.

I would like to express my thanks for the continued support of our partners, employees and customers as we still navigate these dynamic times.



Best Regards
Igal Kohn
CEO Elcam Medical



“ Looking ahead, we are committed globally in all Elcam Medical sites to focusing on growth—personal growth, community growth, and Elcam Medical’s growth. Initiatives such as our digital transformation process, the establishment of a new production facility, and the introduction of new products will pave the way for a prosperous year ahead. Together, we will continue to build on our shared values and achieve success. ”

Igal Kohn, CEO Elcam Medical

Environment

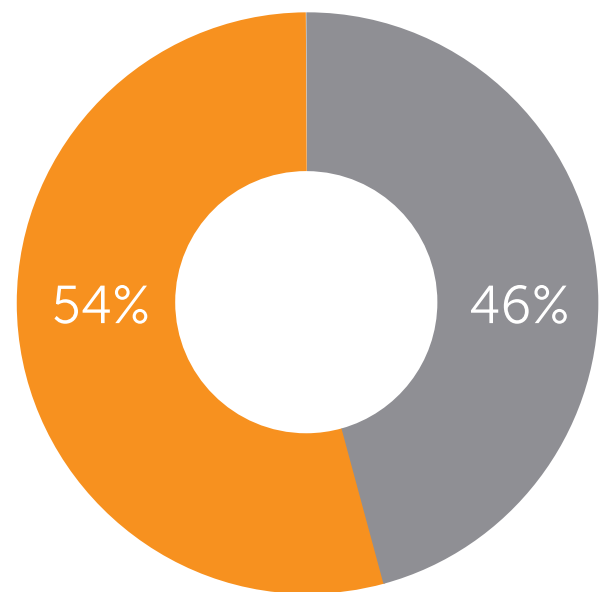
Responsible Waste Management

54%

of total waste was diverted from landfill in 2024.

Total Waste Diverted from Landfill (in kg)

- Waste diverted from disposal : 606,050
- Waste to disposal : 509,512



Sustainable Product Sourcing, Design, and Packaging

280,929 kg

of packaging materials were diverted for reuse at end of life in Israel



Innovation in Sustainable Plastic molding

In line with our sustainability goals, Elcam Medical is exploring innovative approaches to reduce the environmental impact of our products materials. In 2024, we initiated a collaboration to assess emerging biodegradable solutions that support improved end-of-life outcomes for plastics. This ongoing evaluation reflects our commitment to responsible product design and continuous improvement in sustainable materials.

1/3

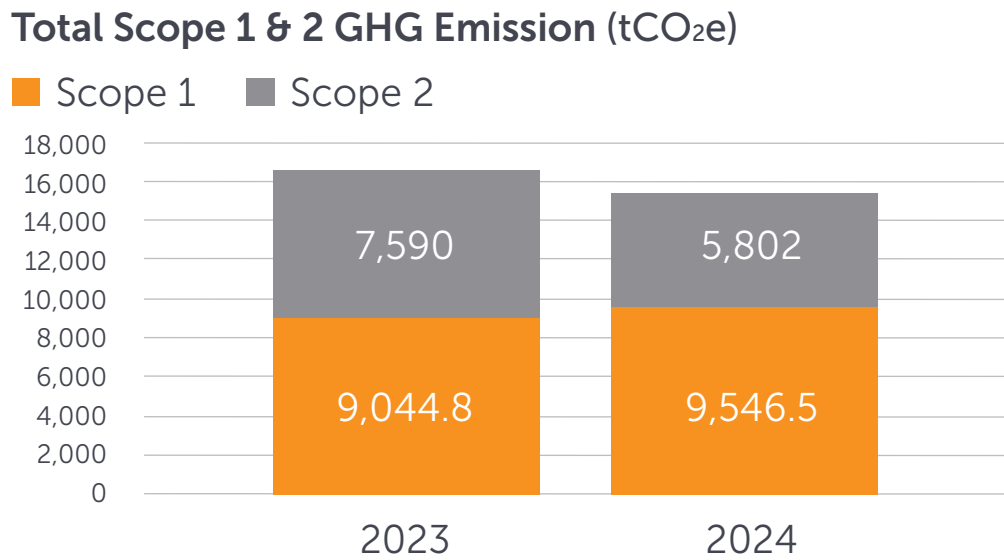
of new suppliers were evaluated based on their environmental performance, reinforcing our commitment to sustainable procurement practices in Israel.



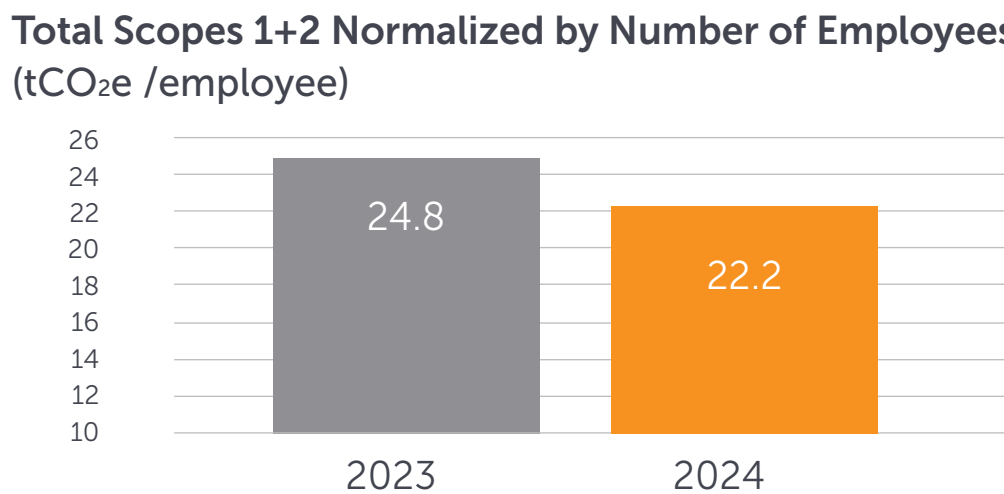
Environment (Cont.)

Greenhouse Gas Emissions

8% decrease
in total Scope 1 & 2 emissions from 2023 to 2024



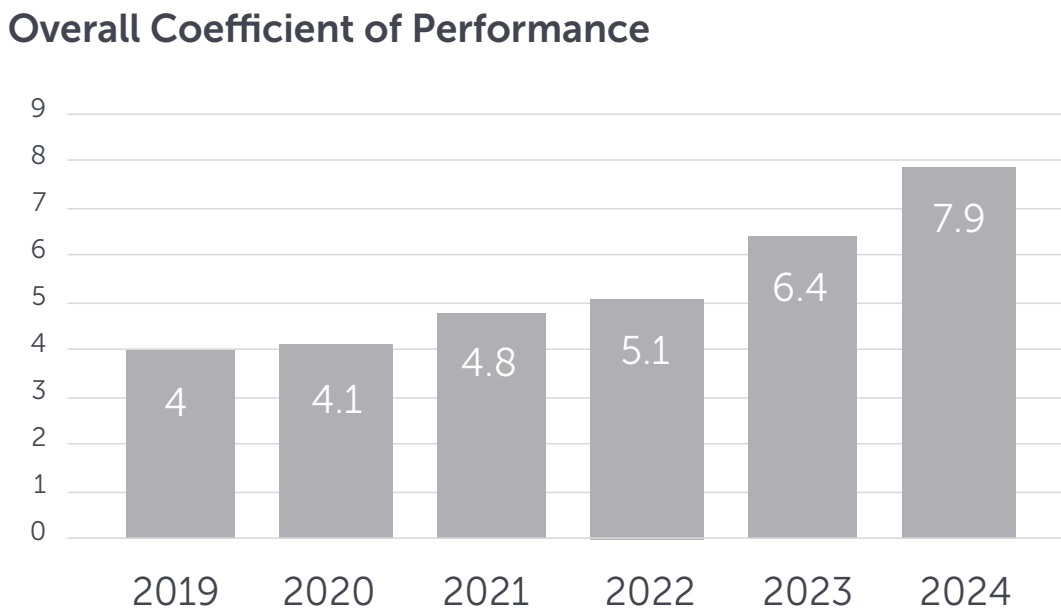
11% decrease
in total Scope 1 & 2 emission from 2023 to 2024, when normalized by number of employees.



2.23 million tons CO₂
saved by installing 2.58 acres of solar photovoltaic panels on rooftops, generating ~1.8M kWh annually.

97.5%
increase in overall Coefficient of Performance from 2019 to 2024, nearly doubling the efficiency of energy use in Elcam Medical's operations

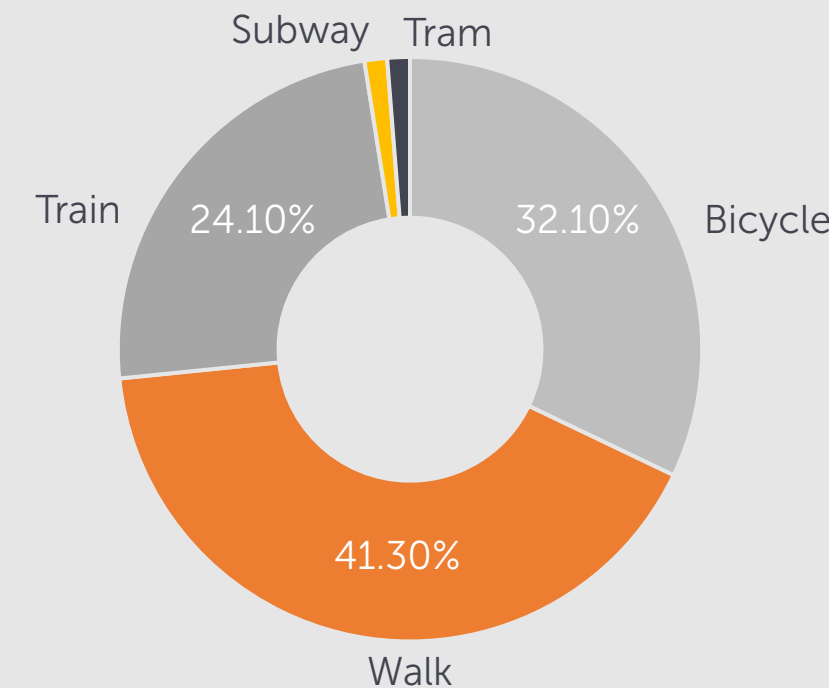
13%
of total energy use was supplied by Elcam Medical's own electricity generation systems.



"I MOVE – On the Path to Sustainability!" Mobility Challenge

In 2024, Elcam Medical Italy launched The Mobility Challenge to encourage sustainable commuting practices among employees, in alignment with the UN 2030 Agenda for Sustainable Development. Over a 49-day period, 95 employees took part in the initiative, which encouraged them to engage in at least 30 minutes of sustainable mobility each day. Walking, cycling, and trains were the most popular transportation options used by participants.

The Mobility Challenge Modes of Transportation



886 kg of CO₂ emissions were avoided during the challenge period, equivalent to the emissions generated by driving a petrol car for approximately 5,083 km.

Building on the success of The Mobility Challenge, Elcam Medical Italy plans to install a bicycle shed at its facilities to further support active commuting and create awareness around local sustainable mobility initiatives. The company also plans to engage employees in co-creating future mobility solutions, ensuring that sustainability becomes a shared and lasting responsibility.

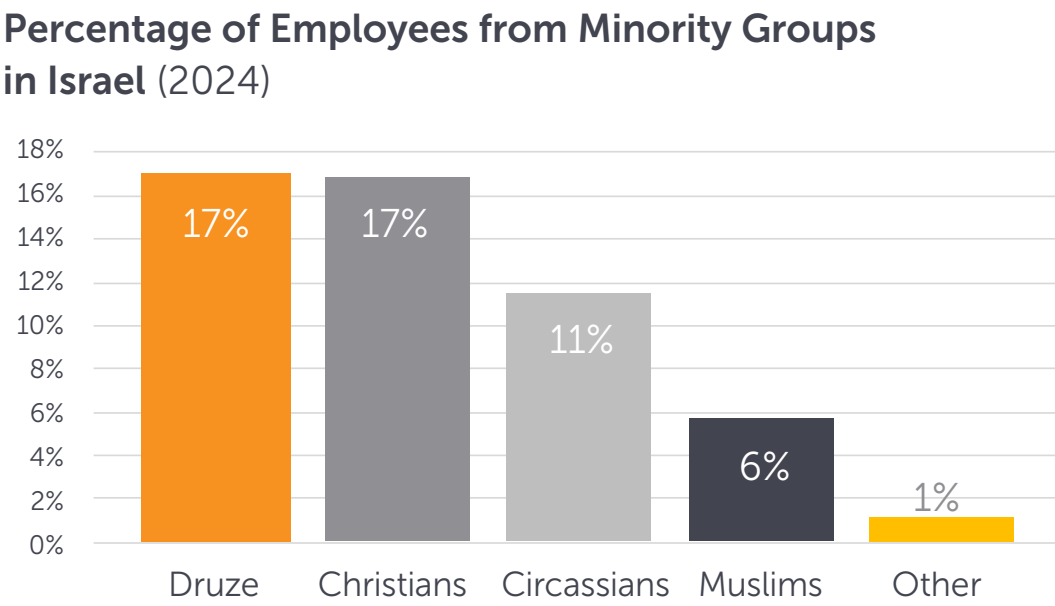


Social

Diversity & Inclusion



22% of managers were from underrepresented minority groups in Israel, exceeding our 20% target.



Employee Feedback

100% of employees received ongoing feedback on their performance and development in 2024 in both Italy and Israel.

Employee Safety

21% reduction in workplace safety incidents across Italy and Israel.



Community Engagement

100% of our facilities do evaluations to understand how our business activities affect the local area including environmental impact and risk assessments.

80% of our procurement budget was spent on local suppliers. In 2024, we prioritized sourcing from local vendors to support the regional economy and reduce our environmental impact.

For example, we partnered with a local supplier to install shaded outdoor seating areas, providing employees with comfortable spaces for breaks, relaxation, and informal meetings.



Governance

Supply Chain Management

44

new suppliers in Israel signed our Supplier Code of Conduct in 2024, doubling our target and bringing signatory rate to over 50%.

Product Safety & Quality

100%

of our products are regularly assessed for health and safety improvements.

0

incidents of non-compliance concerning the health and safety impacts of products and services.



In 2024, Elcam Medical established a Corruption and Bribery Risk Management Policy that reflects our commitment to ethical and transparent business conduct. This policy reinforces our zero-tolerance approach to bribery, corruption, and other unethical practices across all levels of our organization.

At Elcam Medical, we prioritize the safety, quality, and reliability of our products by adhering to the highest international standards.

Our commitment is reflected in our certification to multiple ISO standards including:

ISO 13485
Quality Management Systems

ISO14001
Environmental Management Systems

ISO 45001
Occupational Health & Safety Management Systems

We also comply with the requirements of ISO standards:

ISO 14971
Risk Management for Medical Devices

ISO 10993
Biological evaluation of medical devices

ISO 22301:2019
Business Continuity Management Systems

Elcam Medical continues to comply with all applicable medical device regulations in the markets where it operates. This includes registration requirements in Israel, EU Medical Device Regulation (MDR 2017/745) compliance in Europe, and adherence to the FD&C Act and relevant 21 CFR sections in the United States.



We are proud to announce that our Israeli facilities have been MedAccred certified for plastic injection molding since 2022.

A low-angle shot of a modern glass skyscraper reaching into a bright blue sky filled with fluffy white clouds. The glass reflects the sky and clouds.

E

Environmental

A perspective view of a modern office hallway with glass-walled cubicles on both sides. Three people (two men and one woman) are walking towards the camera in the center of the hallway.

S

Social

A clear blue sky with a few scattered white clouds. In the bottom right corner, a portion of a dark building with a sign is visible.

G

Governance



Table of contents

Letter from the CEO	3	Our products	16	Our environmental impact	24	Our responsible supply chain	40
Introduction	4	Product summary	17	Our environmental governance	25	Sustainable procurement	41
About Elcam Medical	5	Elcam Medical's core competencies	17	Our environmental footprint	26	Embracing environmental responsibility	41
Map of operations	5	Product and patient safety	18	Our GHG emissions	27	Adhering to regulations	41
Our history	6	Elcam Medical safety	18	Localized distribution	28	Conflict minerals	41
Our structure	7	Biocompatibility	18	Waste and water management	28		
Our advantages	8	Regulatory compliance and quality assurance	19	Elcam Medical's green initiative: paving the way for a sustainable tomorrow	29	Our governance and ethics	42
Our main products, solutions and achievements	8	Our compliance	19	Elcam Israel's Key Performance Indicators	30	Our board of director	43
Elcam Devices	9	Quality management system	19			Board committees	43
Elcam Stopcocks	9	Risk management	19	Our employees	31	Procedure for electing members to the board of directors	43
Elcam Accessories	9	Customer support	20	Our employees	32	Age and gender diversity in the board	44
E3D, Elcam Drug Delivery Devices	9	Customer satisfaction	20	Workplace culture and employee development	32	Code of conduct	44
		Post Market Surveillance (PMS)	20	Health and safety	33	Business ethics and integrity	44
		Innovation and Smart Industry	21	Employee well-being and benefits	34	Discrimination	44
Elcam's ESG impact	10	Safety through innovation	22	Diversity and inclusion	35	Anti-corruption	45
Our ESG approach	11	Elcam's digital transformation	23	Elcam Israel's Key Performance Indicators	37	Human rights	45
Stakeholder engagement	11	Cybersecurity and data privacy	23			Whistleblower and grievance procedures	45
Material reporting topics	12			Our community engagement	38		
Contributing to the UN Sustainable Development Goals	13			Supporting talent development	39	About this report	47
Elcam Medical's sustainability in numbers	15			Bridging the health divide	39		
				Supporting the local economy	39	GRI index	48



Letter from the CEO

I am pleased to present Elcam Medical's inaugural Environmental, Social, and Governance (ESG) report for 2022 - 2023. Our commitment to sustainability and corporate responsibility stands at the core of our mission.

Elcam Medical has a rich history of over 54 years in the medical device industry, with a diverse product portfolio and a strong global presence, evidenced by our operations spread across Israel and Italy, and sales and marketing offices in the USA, China, and Japan. We pride ourselves on being a world-class producer of disposable medical devices, placing emphasis on innovation, customer satisfaction, and safety.

Innovation is part of the makeup of Elcam Medical. We have over 100 patent applications and have invested over 7000 hours annually in screening new projects, ensuring that our solutions are not only cutting-edge but also sustainably crafted with patient and healthcare provider safety in mind.

We are proud to report a significant reduction in our environmental footprint through energy-efficient practices, such as transitioning to electric molding machines and installing solar panels that contribute to cleaner energy use. In 2023, we also received a Silver medal sustainability rating from EcoVadis, placing us in the top 3% of companies in our industry.

Management at Elcam plays a pivotal role in embodying and promoting corporate responsibility. We've ingrained an awareness of ESG from top to bottom, ensuring every team member is aligned with our goals. We encourage innovation and offer incentives for employee-led ESG initiatives, fostering a culture where every idea is valued and has the potential to contribute positively to our ESG outcomes. This approach has been integral to our operations long before the term ESG became a buzzword.

Elcam's decision to prioritize ESG goes beyond compliance. It stems from a belief that it is the right path for a company

that takes pride in the quality and safety of its products. We believe in differentiating ourselves by adding value at every stage—from production to post-sales support. This value is encapsulated in our dedication to quality, our ability to fill market gaps with innovative solutions, and our tailored customer service.

Looking ahead, Elcam is set to expand internationally, with plans to open a new international facility by 2025. This strategic move is aimed at shortening our supply chain and positioning us closer to our customers. We will continue to focus on diversity, environmental standards, and energy efficiency as we adopt more ISO standards and expand our global footprint.

I would like to express my thanks for the continued support of our partners, employees and customers as we navigate these dynamic times.



Best Regards

Igal Kohn
CEO Elcam Medical





Introduction





Introduction

About Elcam Medical

We are Elcam Medical, a world-class producer of disposable medical devices and accessories with over 54 years of expertise.

Our mission is to provide the best patient care possible and is deeply rooted in our holistic approach to balance clinical outcomes for patients, caregivers, and customers through our values of social and environmental sustainability.

We develop, manufacture, and sell state-of-the-art innovative medical solutions for everyday and critical care applications, while also providing engineering and regulatory support across the entire product's life cycle.

From design and development, through manufacturing and registration, up to launching and post-marketing, we believe that our responsible actions nurture long-term, stable relationships with our colleagues, customers, partners, and society, sharing knowledge and expertise so that we can grow and prosper together.

Our dedicated team across the globe is comprised of 709 employees, who are integral to supporting the healthcare industry by creating innovative medical devices that facilitate next-generation care for healthcare providers.



Map of operations

Our head office is located at Kibbutz Bar'am, in the Upper Galilee Mountains of Northern Israel. It was here where Elcam Medical was established 54 years ago. Since then, we have expanded our manufacturing across 4 production sites, covering a total of 10,000 m² in Israel (Elcam Israel) and Italy (EMIT).

The Israeli facilities are located in Bar'am and Dalton, and the Italian facilities in Carpi and Mirandola. Beyond Israel and Italy, our global offices for sales and marketing in Shanghai, Tokyo and New Jersey enable us to provide our products to over 800 medical device manufacturers worldwide.

Head Office
• Bar'am, Israel

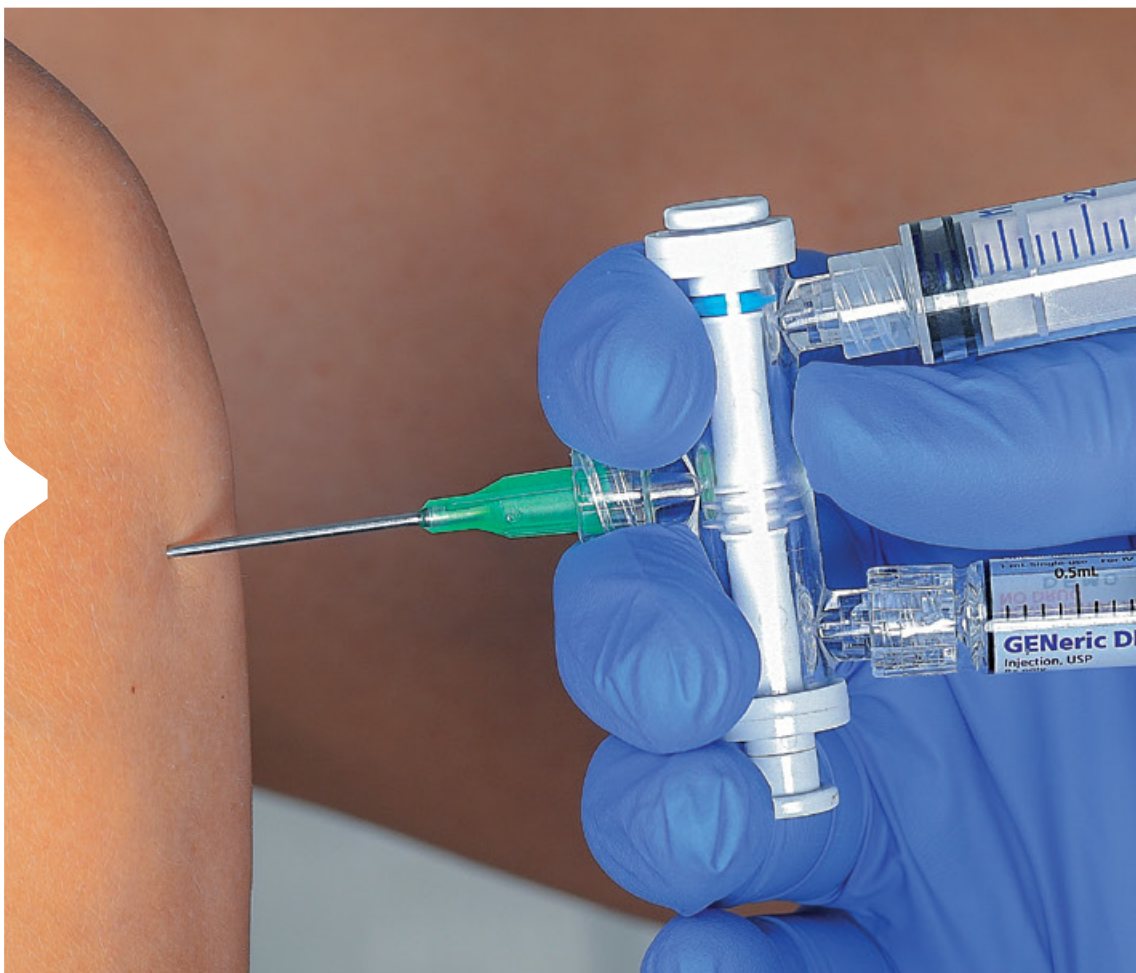
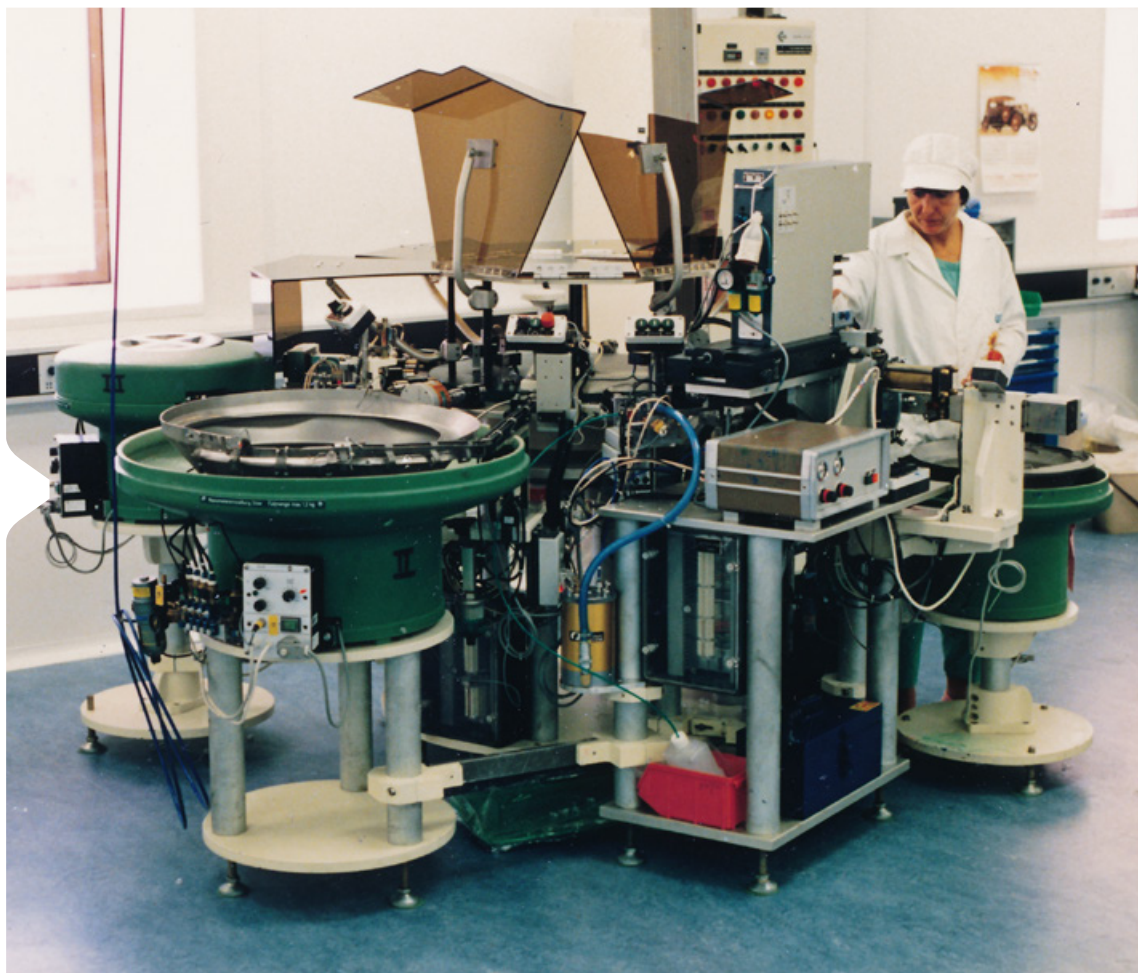
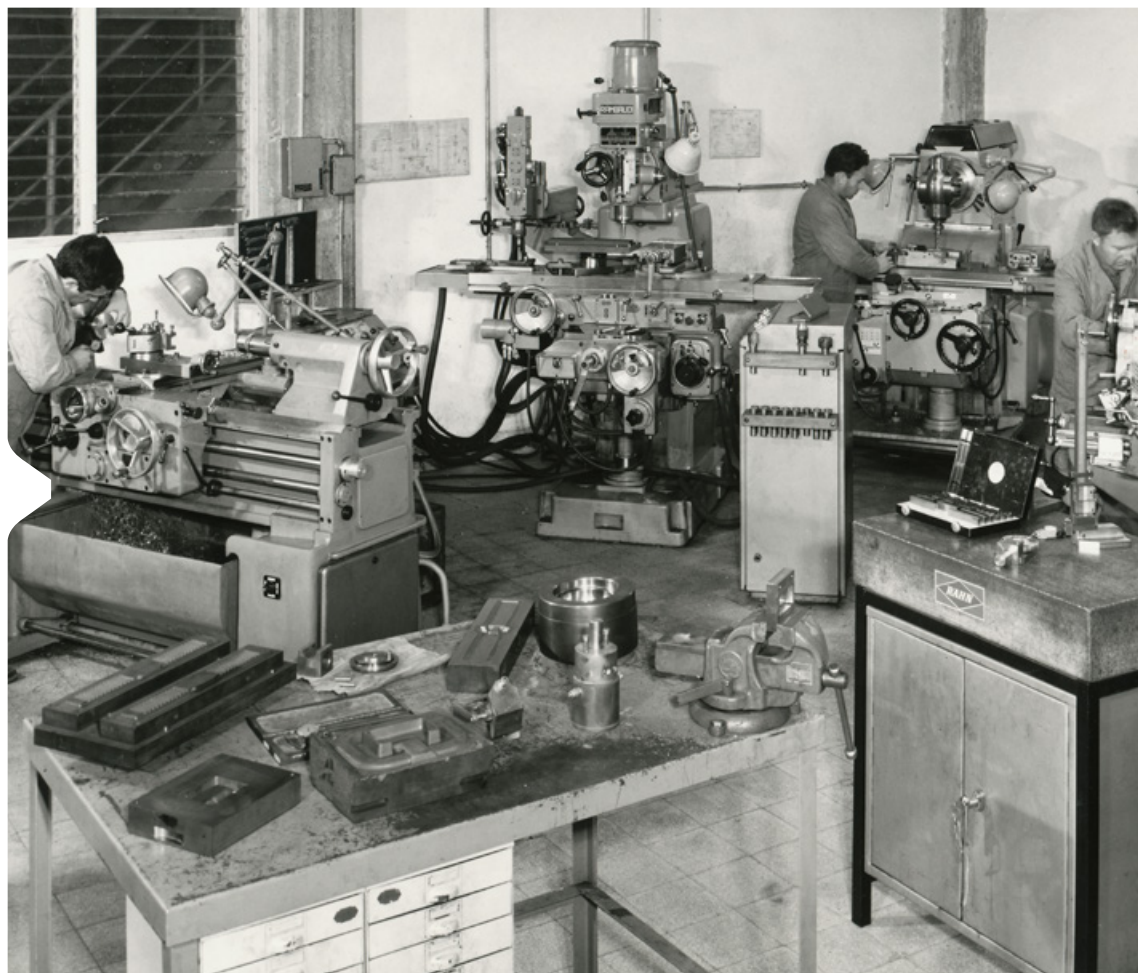
Manufacturing
• Bar'am, Israel
• Dalton, Israel
• Carpi, Italy
• Mirandola, Italy

Sales & Marketing
• Hackensack, New Jersey, USA
• Carpi, Italy
• Bar'am, Israel
• Shanghai, China
• Tokyo, Japan



Introduction

Our history



1970

Establishment

1983

First Elcam branded product (stopcock)

1990

Significant penetration of Elcam's stopcocks in US and European markets

2005

World leading supplier of critical care accessories and components (100,000,000 stopcocks = 20% market share)

2010

Expanding portfolio through Lucomed acquisition (now EMIT)

2015

Elcam Drug Delivery Devices (E3D). An independent subsidiary

2021

New state-of-the-art warehouses in Israel and Italy

2023

Launching A-Tap, a new device for orthopedic procedures



Introduction

Our structure

We are governed by our Executive Management team who are comprised of:





Introduction

Our advantages

Over 54 years of striving for excellence has made us a global leader in medical equipment manufacturing with over 30% of the world stopcock market share, but it is our focus on customer experience that sets us apart. In 2023, Elcam Medical reached 800 customers from all across the globe while receiving excellent satisfaction scores.



+100 Patent applications and patents

Our main products, solutions and achievements

Our achievements

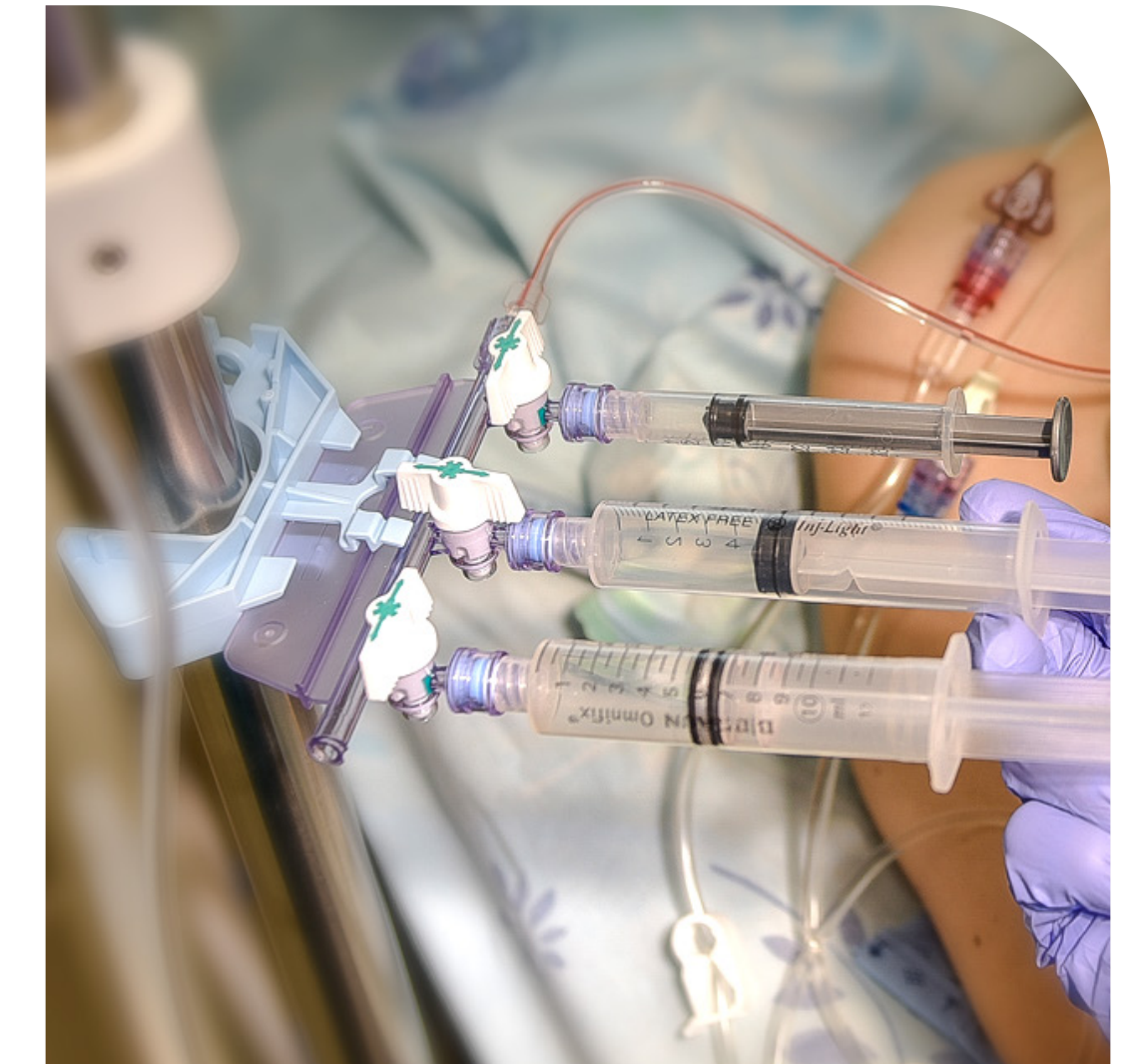
- Over 100 Patent Applications and Patents
- 150 customized products developed in the last 5 years
- 20 new innovative ideas reviewed annually
- 7000 hours invested annually in screening new projects



150 Customized products developed in the last 5 years



20 New innovative ideas reviewed annually



7000 Hours invested annually in screening new projects

At Elcam Medical, our offerings are segmented into three sub-brands: Devices, Stopcocks & Accessories, and our sister company, Drug Delivery Devices (E3D).

For detailed information, please consult our Product chapter: elcam-medical.com





Introduction

Elcam Devices

Elcam Medical's dedication to the OEM sector is highlighted by our innovative approach across three main product lines: Patient Monitoring, Medication Delivery, and Interventional Procedures. Each line offers specialized devices aimed at solving flow control challenges, prioritizing the safety of patients and caregivers.

elcam-medical.com/elcam-devices



Elcam Stopcocks

As the world leader in OEM stopcocks, we are able to offer our consumers the widest range of disposable medical devices for fluid control for all related applications, including our unique Marvelous™ stopcock designed for reducing blood related contaminations. Our stopcocks can be customized to meet our consumers specific needs, and they are delivered with the unique Elcam Medical customer experience.

elcam-medical.com/elcam-stopcocks



Elcam Accessories

Elcam Accessories is the Elcam Brand for sourcing everyday needs of devices for medical fluid control applications, such as IV Therapy and dialysis sets. Elcam Accessories offers the widest range of devices available from only one source, whether it is an injection site, an IV filter or a clamp, at any size and any quantity with Elcam Medical's excellent service and support.

elcam-medical.com/elcam-accessories



E3D, Elcam Drug Delivery Devices

E3D specializes in the innovation and production of auto-injectors and other drug delivery systems for a variety of pharmaceuticals, including conventional drugs, biologics, and biosimilars. Our products are designed for self-administration, facilitating use in both clinical and non-clinical settings. Our range includes disposable and reusable auto-injectors, patch pumps, and advanced on-body delivery systems, as well as smart devices equipped with wireless connectivity. A key aspect of our offering is the customization of these devices to precisely meet our customers' specifications, ensuring optimal drug delivery solutions. For more information, visit our website.

elcam3d.com





Elcam's ESG impact





Elcam's ESG impact

Our ESG approach

At Elcam Medical, we believe that sustainability is no longer a buzz word but a way of living. We are committed to maintaining good corporate citizenship, and believe that through our sustainable conduct we can strengthen relationships with our customers, partners and society, and create added value.

Elcam Medical aims to promote true team spirit and recognize the personal contributions of all our employees with diverse backgrounds and abilities.

Elcam Medical is committed to protecting the environment and conserving resources. One part of this commitment is our increased awareness for recycling and waste reduction at our facilities. Furthermore, we are leading the way in the adoption of innovative technologies that have resulted in significant energy savings of 30% in energy consumption. By incorporating local means of environmentally friendly energy generation, Elcam Medical has been able to reduce its environmental footprint every year since 2017 while continuing to grow.

Since 2022, Elcam Medical has undergone an annual assessment by EcoVadis, evaluating our performance to business ethics, environmental standards, and labor and human rights. We are proud to announce that we received a Silver medal for our sustainability efforts in the 2023 EcoVadis rating. Our score reached the 92nd percentile, positioning Elcam Medical within the top 3% of companies in the manufacturing of medical and dental instruments and supplies industry as rated by EcoVadis.



Care at Elcam Medical means caring for one-another with human dignity regardless of religion, gender, race and color; fair treatment of employees, customers, suppliers and owners; providing welfare for the weak and sick and for the communities in which we live, as well as protecting the environment we live in and will leave behind for future generations.

Igal Kohn, Elcam Medical's CEO

Stakeholder engagement

At Elcam Medical, we collaborate with a broad range of stakeholders —including Kibbutz Bar'am members, our employees, local councils, communities in the Upper Galilee in Israel, the ITS Foundation in Italy, strategic suppliers and customers— to understand their perspectives and inform how we address our ESG commitments and goals.

Engagement with sector specific stakeholders

Understanding the needs and requirements for safe and effective medical care requires the collective expertise of healthcare professionals, clinicians as well as clinical specialists.

Through our close cooperation with OEM customers, key clinicians and manufactures Elcam Medical explores the medical market on an ongoing basis in order to stay up-to-date and committed to the medical market's evolving needs and trends.

In 2023, we actively participated in 5 exhibitions globally, from Barcelona to Shanghai, to directly engage with and understand our end users and customers in the medical industry. We play a significant role in several Israeli industry associations and membership groups, including the Kibbutz Industry Union and the Union of Industrialists in the North.



As part of our stakeholder engagement, our CEO actively engages in numerous initiatives designed to build and strengthen relationships with our Board:

- Organizing regular meetings with executives from peer companies to address common industry challenges and opportunities.
- Providing the board with monthly briefings on the company's performance, ensuring transparency and informed governance.
- Holding quarterly sessions with shareholders to discuss progress and gather feedback, reinforcing investor confidence.
- Maintaining direct communication with key customers, suppliers, and industry thought leaders to stay aligned with market needs and trends.

Elcam's ESG impact

Stakeholders	Communication and engagement strategy
Kibbutz Bar'am Members - Shareholders	<ul style="list-style-type: none">• We engage in bi-annual reporting and facilitate dialogue with the Kibbutz for decision-making processes.• We provide timely information to ensure shareholders are well-informed about significant matters.• Our factory employs around 25% of the Kibbutz's members underscoring our commitment to social participation and the shared economic interests of our community.
Employees	<ul style="list-style-type: none">• We utilize information sheets, one-on-one dialogue, and cross-functional meetings with leadership, including the CEO, to foster a culture of open feedback.• We conduct regular surveys to identify employee sentiment and engagement.
Our local communities	<ul style="list-style-type: none">• We have developed close ties with our local communities through local hiring practices and employee involvement• We have established support and assistance partnerships to address community needs as they arise.
Strategic Suppliers	<ul style="list-style-type: none">• We maintain continuous communication and conduct regular visits to strengthen our supplier relationships.• We share and integrate values through a phased implementation of our supplier code, ensuring channels of communication remain open and respectful.
Customers	<ul style="list-style-type: none">• We deliver a quarterly newsletter and maintain ongoing contact through visits and dedicated customer managers.• We keep the company website up-to-date and engage with various social media platforms to stay connected with customers.
Local Councils	<ul style="list-style-type: none">• We undergo transparent reporting to local councils to uphold regulatory compliance and foster trust.
The ITS Foundation - New Technologies of Life	<ul style="list-style-type: none">• We are proud cornerstone members of a foundation that represents a unique collaboration among training centers, schools, universities, and leading companies in the sector.• This partnership offers an extensive, cost-free two-year post-diploma courses designed to develop high-level technicians with a focus on the biomedical sector.• These courses cover critical areas such as design, production, and quality assurance, providing participants with the specialized skills needed to foster innovation within the industry.

Material reporting topics

At Elcam Medical, we deeply understand the importance of recognizing and responding to our stakeholders' expectations and concerns. Conducting a materiality assessment is fundamental to our approach, enabling us to pinpoint and rank the environmental, social, and governance matters most pertinent to our operations and stakeholders. This process not only underscores our dedication to sustainable development and ethical business practices but also helps align our strategy with global sustainability goals.

We began by examining industry benchmarks and industry specific sustainability standards such as the Sustainability Accounting Standards Board (SASB) medical equipment and supplies standard. Furthermore, we engaged in consultations with our management team, incorporating their insights and expertise into decision-making processes. This approach is instrumental in identifying ESG topics that resonate most with our operational realities and stakeholder expectations.

Based on the findings of our materiality assessment, 11 issues were identified and are presented below:

Environmental

- Responsible waste management
- Managing and reducing our carbon footprint
- Advancing our progress in sustainable product design and packaging

Social

- Diversity and Inclusion
- Employee health and safety
- Employee Rights and Benefits
- Community engagement

Governance

- Supply chain management
- Ethical marketing
- Product safety and quality
- Regulatory compliance
- Innovation and R&D





Elcam's ESG impact

Contributing to the UN Sustainable Development Goals



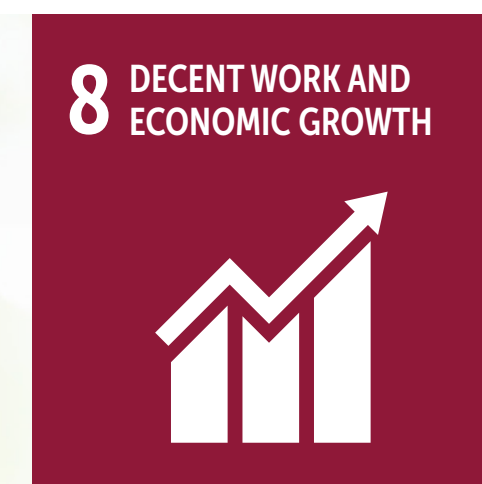
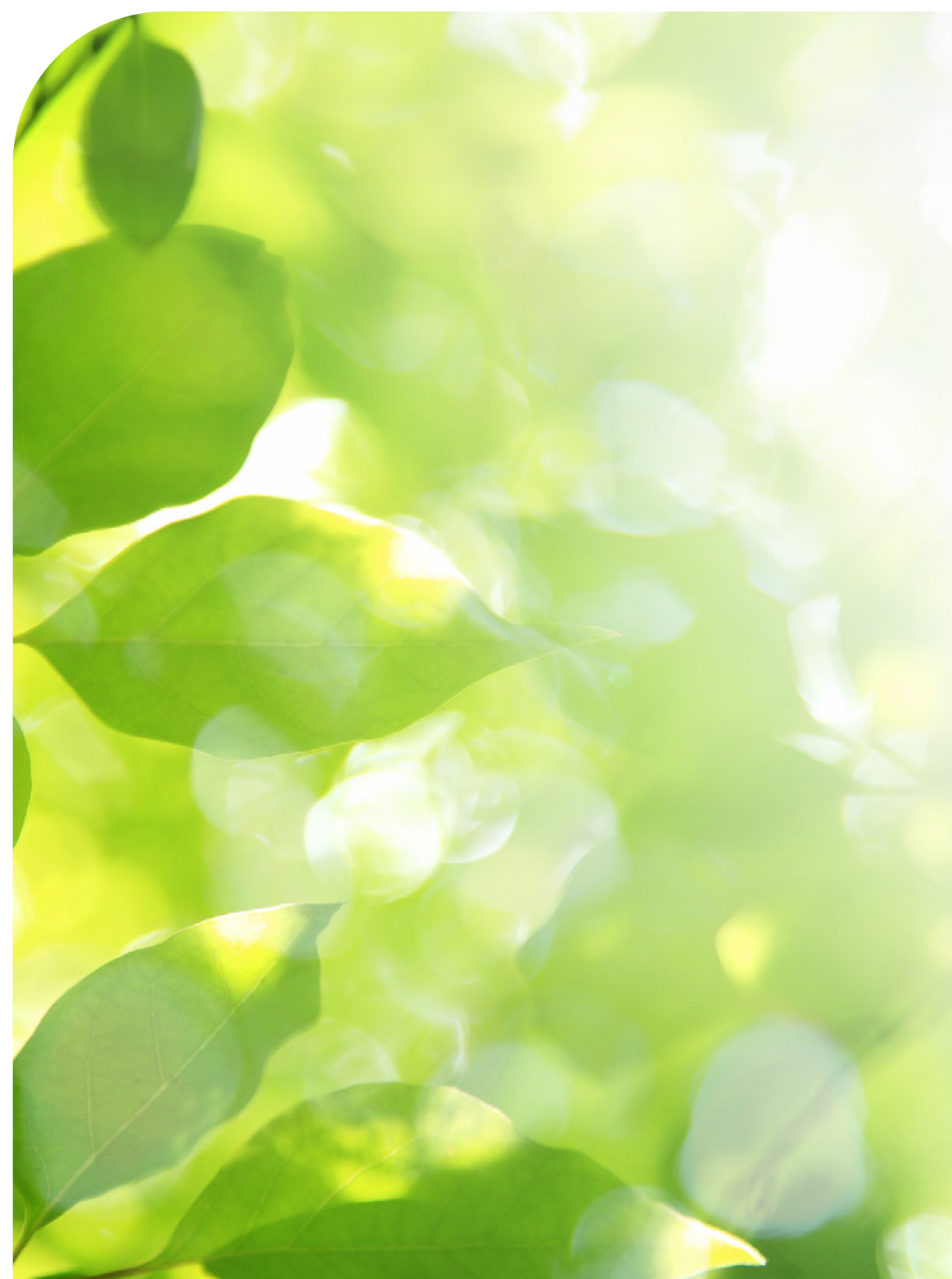
Ensure healthy lives and promote well-being for all at all ages

- Elcam Medical prioritizes high-quality medical products, focusing on patient safety with all our years of experience in the medical device field. Our commitment to zero errors in patient treatment and product safety, along with our MedAccred certification and adherence to international quality standards, directly contributes to improving health outcomes
- Our development of reusable syringes and electronic syringes reduces medical waste and enhances patient safety, aligning with efforts to ensure healthy lives and promote well-being.
- By supporting telemedicine initiatives, we facilitate accessible medical care, especially for those with chronic conditions, contributing to the goal of good health and well-being



Achieve gender equality and empower all women and girls

- Elcam Medical is committed to maintaining gender balance within our Board and broader workforce, with efforts to ensure equitable gender representation and opportunities for women in managerial roles.
- Our practices support gender equality by accommodating the needs of working parents, promoting women's participation in the workforce.



Promoting inclusive, sustainable, and accessible economic growth, complete fair and productive employment for all

- Elcam Medical invests in comprehensive training programs, ensuring employee safety and development. Our commitment to workplace culture, employee development, and competitive remuneration practices fosters a supportive work environment.
- By prioritizing local hiring and engaging local suppliers, we contribute to economic growth and support decent working conditions within our local communities.



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

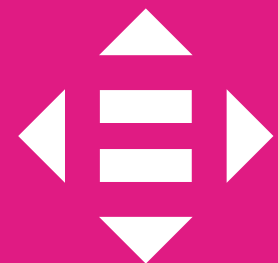
- Our initiatives in digitalization and quality management system enhancements, such as integrating a quality module into our MES, demonstrate a commitment to innovation and efficient resource utilization.
- Our focus on developing new, safer medical devices and embracing digital technologies for production efficiency aligns with goals to build resilient infrastructure and foster innovation.



Elcam's ESG impact

Contributing to the UN Sustainable Development Goals

10 REDUCED INEQUALITIES



Reduce inequality

- Elcam Medical is dedicated to creating a diverse and inclusive workplace, emphasizing the representation of ethnic and religious minorities.
- Our engagement in community support and development initiatives, including volunteering and supporting local economies, demonstrates a commitment to reducing inequalities within and across communities.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Ensure sustainable consumption and production patterns

- Elcam Medical enhances sustainable management through our recycling programs for plastic, carton and electronic waste.
- The majority of our products are packaged in bulk packaging, helping to reduce waste and encourage more sustainable consumption practices.
- Our commitment to reducing our environmental footprint is evident in our digital transformation, reducing our paper and production waste.
- We work closely with our suppliers to encourage their adherence to environmental standards, reinforcing our dedication to responsible consumption and production.

13 CLIMATE ACTION



Climate action

- Over the past decade, we have made significant strides in energy efficiency, transitioning to electric molding machines and adopting modernized air compressors, lighting systems, and magnetic chillers.
- These actions have culminated in a 30% reduction in energy consumption and a 40% decrease in energy usage relative to raw material consumption.
- Such improvements not only reduce greenhouse gas emissions but also demonstrate a commitment to sustainable energy use.





Elcam's ESG impact

Elcam Medical's sustainability in numbers



47%

of our employees
were women in
2023



33

is the number
of countries
our employees
come from



818

tons of recycled
material in 2023



30%

annual energy
savings achieved
between 2017
and 2023





Our products





Our products

Product summary

At Elcam Medical, we prioritize the development of technologies that cater to the needs of users, with a focus on ensuring maximum safety for patients and caregivers. Throughout the entire development process, we place a high emphasis on quality and safety compliance.

Our latest solutions include a range of features that are designed to minimize bloodstream infections, reduce the likelihood of connectors' cracks and leakages, and protect healthcare workers from exposure to infectious diseases or hazardous drugs.

Our goal is to deliver products that are safe and effective for use in healthcare settings.

Our services form an exceptional customer experience that can lift much of the burden of incorporating a new device into our customer's products.

We continue our support throughout the lifetime of our partnership, whether logistic support or our clinical assistance might be needed.

Elcam Medical's core competencies



Medical fields

- Intensive care
- Anesthesia
- Oncology
- Cardiology
- Radiology
- Drug delivery
- Orthopedics

Technology

- Precision molding
- Automated assembly
- Laser drilling
- Blister packaging
- Tube bonding
- Custom-made set assembly



Product

- Disposable flow control
- Monitoring devices/solutions
- Drug delivery devices
- Safety device/solutions



Our products

Product and patient safety

Our mission is to provide our customers with high quality, safe medical products.

With years of experience in the medical device field, Elcam Medical has developed highly robust processes to ensure product performance that are constantly being improved based on clinical and engineering expertise.

At Elcam Medical, we are committed to delivering the highest quality products and services to our customers. Our top priority is to ensure zero errors in treating patients, which is why we continuously work towards building more robust products and processes.

We take pride in providing our customers with safe and effective products. Our development process undergoes thorough reviews from our internal Project Evaluation Team, two Advisory Boards, and consultations with leading physicians in hospitals in the US, Europe, Japan, and South America through our overseas representatives, as well as in major Israeli hospitals.

Elcam Medical's production adheres to the 21 Code of Federal Regulations part 820 and ISO 13485:2021 standard for the quality of medical devices. Additionally, we assist our customers with their regulatory submissions in their respective territories, including the US, Europe, and Asia. Elcam Medical holds the CE mark that signifies compliance for the European market, and many of our products marketed in the US are 510(k) cleared. Elcam Medical are proud to say 100% of our products are regularly assessed for health and safety improvements.

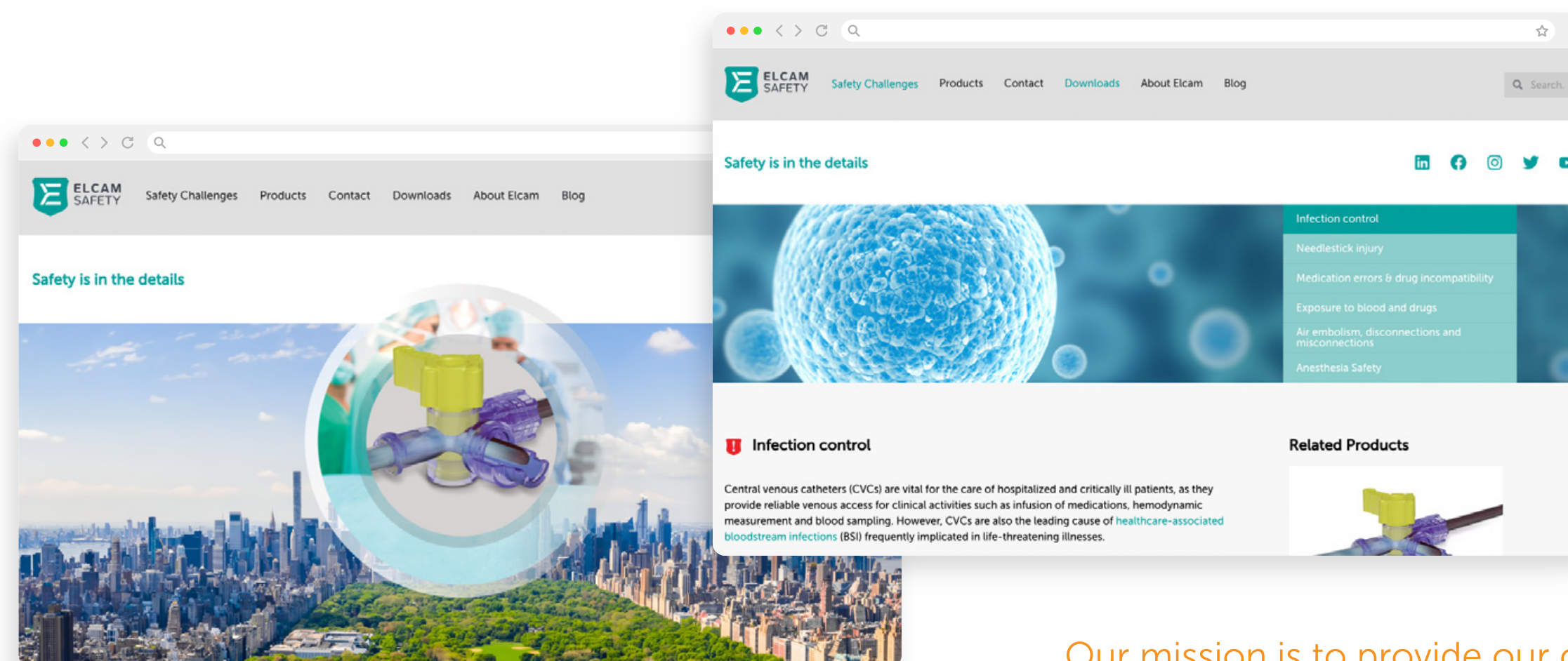
100% of our products are regularly assessed for health and safety improvements

Elcam Medical safety

At Elcam Medical, we have developed an online platform called InfuseSafety.com. Our platform focuses on highlighting patient and caregiver safety within the medical device sector. Infuse Safety serves as an informative hub, allowing us to focus on our safety innovations in fluid management systems used in critical care.

Our target is reducing the risk of infection and treatment error, improving patient comfort and facilitating safer medication administration and blood sampling, along with improved workflow. Our platform contains content like short clips, articles and product tips for our consumers, including on our Marvelous™ stopcock.

infusesafety.com



Biocompatibility

At Elcam Medical, we conduct biocompatibility tests on all our products. This is a crucial step that occurs after our products have undergone all the necessary treatments during the production process.

Our biocompatibility testing aligns with the ISO 10993 series of standards and follows the guidance provided by the FDA, particularly the ISO 10993 on Biological Evaluation of Medical Devices Part 1: Evaluation and Testing.

• Assessment criteria

We perform biocompatibility assessments in cases of new product development or when there are changes to existing products, such as modifications to design, materials, or production processes.

• Risk-based approach

Our approach to biocompatibility assessment is grounded in a risk-based methodology. We thoroughly analyze the product's components and intended use. The primary goal is to ensure the product's safe use for both patients and caregivers, in strict accordance with relevant industry standards.

• Market release

Products are only released to the market once we have established sufficient evidence of their compliance with medical industry requirements. The responsibility for confirming document conformity and regulatory compliance rests with our dedicated regulatory department.

At Elcam Medical, we prioritize the safety and quality of our products, upholding the highest industry standards and ensuring the well-being of both patients and healthcare professionals.

Our mission is to provide our customers with high quality, safe, medical products





Our products

Regulatory compliance and quality assurance

Elcam Medical is committed to a safe, healthy work environment that's in compliance with applicable laws, regulations and industry standards. From the very start of our product development process, we integrate regulatory compliance into our procedures. This includes R&D activities, production, sales, marketing, and Post Market Surveillance.

This enables us to have continuous improvement in product quality, product safety, effectiveness and customer service. Elcam Medical acts to maintain the effectiveness of its quality management system.

Our robust quality assurance and regulatory systems provide confidence in design, manufacturing and distributing approved, reliable devices that comply with the relevant regulatory requirements and the strictest standards of the medical device industry.

Elcam Medical is committed to working according to all applicable laws and regulations, in the territories the products are sold under Elcam Medical's regulatory responsibility, and our quality management system aims to maintain its ISO 13485:2021 - Medical devices - Quality management systems certification and compliance with Code of Federal Regulations 21 820 throughout the products life cycle.

Elcam Medical's responsibility for product oversight pertains to products under Elcam's registrations, covering the entire product lifecycle from early development through post-marketing follow-up. This focus aims to ensure ongoing safety and performance enhancement.

Our compliance

Elcam's QMS is also compliant with the EU MDR 2017/745 regulation for medical devices.

Across our product markets we are in full compliance with the following:

- **In Israel**

Compliance with the Ministry of Health's Memorandum by the General Director from January 1995, requiring medical devices and accessories to be registered.

- **In Europe**

Adherence to the EU Medical Device Regulation (MDR 2017/745) for CE marked products.

- **In the USA**

Following the FD&C Act and amendments for medical devices, including specific sections of the 21 Code of Federal Regulations (CFR) 800 to 1299, particularly 803, 806, and notably CFR 21 820 (QSR).

- **Globally**

Elcam Medical complies with the relevant local laws and regulations in countries where its products are sold, assuming regulatory responsibility by Elcam Medical.

Additionally, we make a concerted effort to ensure our products adhere to environmental regulations wherever feasible. Specifically, products produced by and delivered to EMIT are compliant with the Italian Legislative Decree 116/2020. For the EU market, our product packaging comes with a document detailing the packaging material makeup to aid in their collection, reuse, recovery, and recycling. This initiative is part of our commitment to inform consumers about the disposal and recycling of packaging materials, with clear indications of the packaging types used on our products.



Quality management system

At Elcam Medical, our Quality Management System (QMS) is in line with the ISO 13485:2021 standard, alongside other regulatory mandates such as 21 CFR Part 820, where relevant. In the United States, our practices are in line with the Quality System Regulation. We are proud to announce that our Israeli facilities have been MedAccred certified for plastic injection molding since 2022. We plan to extend this certification to our assembly processes in 2024.

Looking ahead, we aim to initiate our compliance journey with the Medical Device Single Audit Program (MDSAP) by late 2024. MDSAP stands as a critical QMS prerequisite for adhering to medical device regulations in Canada, Japan, Australia, and the US. As we broaden our market presence to include additional countries and regions, we will continuously refine our QMS to integrate any new regulatory demands imposed by the local governmental authorities of these areas.

Risk management

At Elcam Medical, risk management is at the heart of our quality control and focusses on the safety of the patient. Our risk management process is aligned to ISO 14971 standard for medical devices. As such, at each stage of our production process we perform a risk assessment which identifies any risks and how we are mitigating the risks.

Our compliance history

It is a result of our thorough procedures and full compliance that we have not been involved in any legal proceedings to date. We are audited annually against ISO 13485:2021 and annually per product against MDR with no issues of non-compliance occurring.



13485:2021





Our products

Customer support

Elcam stands strong

At Elcam Israel, our dedication to delivering quality products remains strong amid the conflict in Israel. Our facilities in Dalton and EMIT have continued to operate without interruption, ensuring our production levels stay consistent. Our site in Bar'am resumed its operations one week into the conflict, further stabilizing our output. Internally, we are fast-tracking the development of a new manufacturing site in a strategic location to not only meet our customers' needs but enhance our operational resilience.

To best support our customers, towards the end of 2023 we adapted our customer communication from quarterly to weekly newsletters, and held 1-1 video calls, allowing us to provide more personal and informative customer service. From January 2024, our newsletters have now returned to a quarterly schedule.

We are proud to say we are proceeding with our ambitious 2024 business plan, allowing us to place emphasis on business continuity and showcase our capability to maintain production beyond our Israeli operations.

Customer satisfaction

We pride ourselves on building long-term, stable relationships with our customers and partners. During the sales process, we engage in a dialogue with our customers to understand that our solutions are only a small part of their final product. Therefore, we ensure that our products are seamlessly integrated into our customers' finished products. Our commitment to customer satisfaction is reflected in our annual Net Promoter Score (NPS) surveys. Since 2014, we have been using NPS to track our service performance, where a positive score is considered good and an NPS of +50 is considered excellent.

In 2023, we achieved an 'Excellent' 63% NPS score.

Elcam Medical's exceptional customer experience and supporting services ensure that our devices and components are easily integrated into the customer final products and sets by providing product customization and engineering support.

Post Market Surveillance (PMS)

The PMS is an ongoing dynamic system that actively collects and monitors the performance, quality and safety of Elcam Medical products. Upon release of our products for use by customers, and throughout the lifecycle of the product, the PMS system is activated for the utilization of available information by gathering and analyzing relevant data and information.

Elcam Medical uses the collected data as part of our:

- Risk management.
- Post-Market Clinical Follow Up (PMCF).
- Design and Development to improve our products
- Customer satisfaction



In **2023** we achieved an 'Excellent' **63%** NPS score





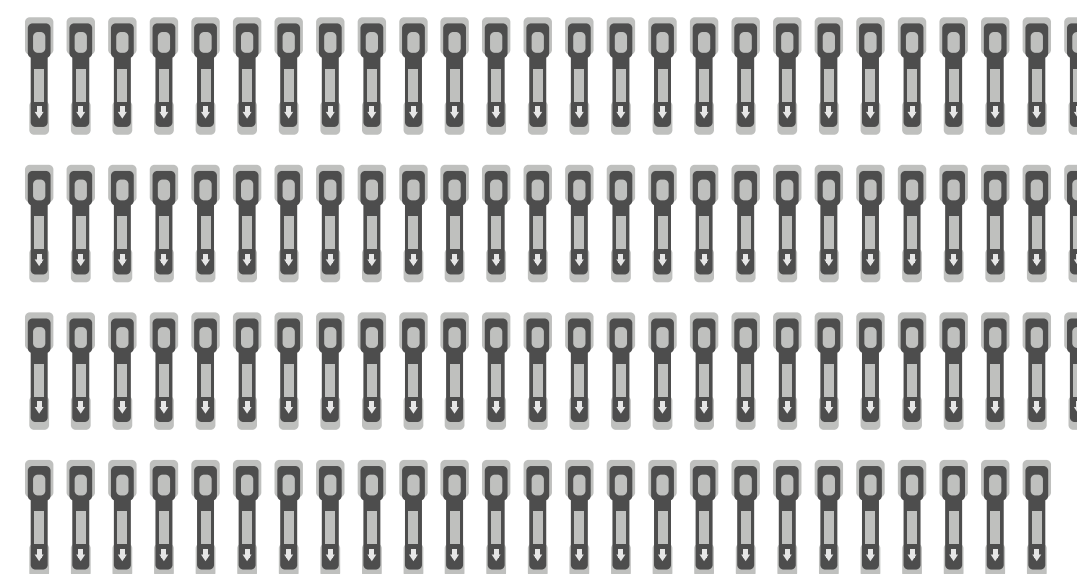
Our products

Innovation and Smart Industry

Sustainability is a crucial aspect in the medical industry and it requires continuous innovation in terms of new products, services and solutions. At Elcam Medical, we believe in utilizing the power of digitization to optimize processes for faster production, waste reduction, fault prevention, and cost savings in terms of management, labor, and resources.

Elcam Medical, through our sister company E3D, is innovating within our traditionally single-use product line to embrace sustainability. Recognizing the environmental impact of single-use medical products, we have introduced two reusable syringe models: the **Flexi-Q MMU Auto Injector**, which retains reusable plastic parts while only a disposable cassette holds a glass syringe, and an **electronic Auto Injector** designed similarly for repeated use with a disposable cassette that holds a glass syringe. These developments align with our strategic plan to explore bioprocessing and reusable diagnostic equipment. Reusable auto-injectors **enhance patient safety, usability, and cost-efficiency** while significantly reducing environmental footprints through **decreased waste, storage, and transportation needs**.

By adopting Elcam's reusable auto-injector for twice-weekly use over a year, consumers can save 103 single-use injectors. This shift not only underscores our commitment to sustainability by significantly reducing medical waste but also translates to substantial financial savings of 80%, exemplifying the economic and environmental benefits of transitioning to reusable medical devices, ensuring suitable medical care for all people.



104
Auto
injectors

Reusable



1
Auto
injectors

104
Cassettes

80%

financial saving with
our reusable syringe





Our products

Safety through innovation

At Elcam Medical, safety through innovation is at the heart of our mission. We are dedicated to enhancing patient care and healthcare provider safety by developing advanced medical devices that integrate cutting-edge technology and sustainable practices. Our innovative solutions, such as the Marvelous™ medical stopcock, the A-Tap™ device for orthopedic procedures, and E3D's electronic auto-injectors, are designed to improve efficiency, reduce risks, and ensure the highest standards of safety in medical treatments. Through continuous innovation, we strive to set new benchmarks in healthcare safety and efficacy, reflecting our commitment to sustainability and excellence in patient care.

Marvelous™ from Elcam is an **advanced medical stopcock designed to enhance safety and efficiency in healthcare settings**. As the first minimal residual volume luer-activated medical stopcock, it offers two key features: self-flushing and a luer-activated valve (LAV) that acts as a bacterial barrier for needle-free injection sites. The LAV reduces the risk of air embolism and contamination by allowing access to the line without opening it. Additionally, the unique fluid flow around the handle creates a "circumferential channel" that flushes the entire internal volume, preventing blood clotting and bacterial colonization. The constant flushing of the side port minimizes dead space and stagnation, further reducing the risk of bacterial colonization and decreasing the risk of medication errors.

A-Tap™ is Elcam's innovative device for orthopedic procedures, **simplifying intra-articular injections by combining aspiration and injection into one device**. This intuitive design improves comfort for both practitioners and patients by streamlining steps and reducing procedure time. A-Tap™ supports best practice recommendations by increasing the efficacy of hyaluronic acid or drug injections and features a closed system design that reduces exposure to air and handling. This product demonstrates Elcam's commitment to advancing patient care and safety, aligning with their broader ESG goals.

Our electronic auto-injectors bring a host of benefits, enhancing both safety and efficacy in medical treatments:

- They ensure the medication is at the correct temperature for optimal efficacy and patient comfort.
- These devices have anti-counterfeiting measures, which help in verifying the authenticity of the drug being administered.
- Electronic auto-injectors prevent the use of expired drugs, safeguarding patient health.
- They are designed to eliminate the possibility of syringe or needle reuse, addressing contamination risks.
- The safety needle feature minimizes the risk of needlestick injuries, protecting healthcare providers and patients alike.

Our electronic auto-injectors allow users to:



See the exact time to take their medication



See how much medication was administered



See when the medication was administered





Our products

Elcam's digital transformation

Our digital transformation journey, spearheaded across the entire organization, focuses on enhancing our efficiency and quality across various facets of our company. Our digital initiatives represent Elcam Medical's commitment to innovation and its pursuit of excellence in the medical device industry, positioning the company to meet the demands of a rapidly evolving technological landscape while ensuring the highest quality standards.

Our digital transformation initiatives are targeting substantial improvements in multiple areas.

Quality Management and Execution System (MES) enhancement

Elcam Medical is in the process of integrating a quality module into our MES to shift from paper-based to digital processes, significantly improving our production security and data analytics. This will enable us to conduct trend analysis, have faster responses to customer feedback, and will improve communication with our other systems for comprehensive quality control in production. In doing so, we are using a dedicated QMS software called Orcanus.

Effective compliance management

Recognizing the regulatory demands for extensive documentation in the medical field, we are planning to utilize AI and digital collaborative tools to expedite document creation, enhance efficiency, and reduce errors.

To improve our quality control and management, we're updating our software systems for electronic records and signatures to meet key regulations like ISO 14971 and FDA 21 CFR Part 11/Annex 11. Currently, only our MES and Orcanus systems fully comply with Part 11. We plan to extend compliance across more software, aiming to enhance standard operating procedures, risk management, and provide tailored electronic signature solutions.

Production efficiency

With 62 molding machines across two sites at Elcam Israel and 54 at EMIT, we are leveraging AI and data analytics to increase operational efficiency and reduce quality issues within our core injection processes.

Supply chain optimization

We are currently undertaking a digital overhaul of our supply chain processes, from order to delivery. Our goal is to ensure a reliable, transparent, and efficient supply chain through requirement analysis, process optimization, and the implementation of suitable digital tools.

Elcam Medical on the cloud

We are transitioning from a local computing system to cloud applications to foster growth and development. Our cloud platform will provide a uniform operating environment, enhance international collaborative processes, and strengthen cybersecurity measures.



Cybersecurity and data privacy

Elcam Medical is committed to rules and regulations concerning **Cybersecurity**. We employ security and privacy measures to protect both our data and the data of our customers. Information and cyber security are closely monitored to maintain confidentiality and privacy of our employees and all of our stakeholders, since business and customer information is critical to our business. Firm procedures and cyber security measures are in place to ensure that all confidential data is handled appropriately in regards to access, use, storage, transmission and disposal.

Elcam Medical recognizes the critical importance of data privacy and has implemented a policy in line with the EU General Data Protection Regulation (GDPR) to ensure high levels of data protection for our customers, employees, vendors, and partners. Our employees are trained annually on security and data privacy to help them identify, protect, and preserve sensitive documentation.

To further prioritize and address data protection and cybersecurity concerns, our CEO chairs the Information Security Forum. The forum's authorized body includes our Information Systems Manager, Chief Financial Officer, Operations Director, and Legal Advisor. Additionally, we have engaged external consultants specializing in law and information security to ensure our strategies are comprehensive and up-to-date. The forum convenes quarterly to review and enhance our security measures.

“ Elcam Medical protects its data assets by using highly advanced security measures, and by performing frequent risk assessments to protect our data's confidentiality, integrity, and availability. ”

Hatib Muhamad, Chief Information Officer





Our environmental impact





Our environmental impact

At Elcam Medical, we see corporate responsibility as a holistic management approach, which considers the entirety of our company's effects on all stakeholders.

Climate change poses profound challenges across all sectors, including the healthcare device industry, by disrupting supply chains, altering disease patterns, and increasing operational costs. For Elcam Medical, these challenges necessitate strategic adaptations to ensure the sustainability and efficiency of our operations. We recognize the profound implications of human activity on the environment and on climate change and the urgent need to responsibly manage our environmental and carbon footprint. We are committed to integrating sustainable practices into every facet of our operations across all of our sites. Through proactive measures to reduce our carbon emissions, optimize resource usage, and minimize waste, we are dedicated to conducting our business in a manner that safeguards our planet for future generations.

Our environmental governance

Elcam Medical's commitment to environmental sustainability is embedded within our governance practices, ensuring a structured approach to energy efficiency. Our strategic plan features ongoing improvements underpinned by a framework of biannual reviews conducted by our most senior management to drive continuous improvement in energy savings.

A significant portion of our revenue is allocated towards energy management initiatives. This approach is instrumental in facilitating strategic investments in high-efficiency equipment and optimizing financial and environmental performance. At Elcam Medical, we prioritize the environmental benefits of the most advanced equipment and technology – even if an investment in energy efficiency technology is more expensive, we are proud to recognize the business case for such investments, and our purchase of highly efficient air treatment equipment for our Israel site led to a short payback period of 13 months and savings of approximately USD 280K per year.

Our adherence to high standards of corporate governance is reflected in our reporting of our energy and environmental performance to our Board of Directors. We conduct a comprehensive annual review of ESG and safety topics to ensure our activities are in strict alignment with established corporate governance protocols and contribute positively to our sustainability objectives.

In recognizing the importance of environmental stewardship, our board and management have taken specific steps to deepen their knowledge and involvement in sustainability matters:

- In 2022, the board underwent comprehensive training on the ISO 26000 standard for sustainability. This session provided them with in-depth insights into the application of both social and environmental topics, emphasizing their interrelation and significance.
- Before this, in 2018, the board was equipped with knowledge of the ISO 14001 standard, enhancing their understanding of environmental management systems.
- Managers across all functions have been trained on the sustainability implications of their respective roles and activities.

Our environmental policy

At Elcam Medical, we recognize our profound duty towards society and the environment. As a health-focused company, dedicated to pioneering solutions that enhance human health and well-being, we firmly believe that our corporate objectives are intrinsically linked with the health and sustainability of our planet.

Our ongoing efforts are directed towards minimizing our environmental footprint. We harbor a collective commitment to improving global health and well-being, ensuring every team member is aligned with this vision.



Environmental protection

- As a forerunner in the manufacturing domain, our commitment lies in integrating sustainable practices seamlessly into our business strategy.
- We are proactive in identifying and evaluating the environmental repercussions of our actions.
- Our strategic approach encompasses efficient energy utilization, reducing emissions, waste reduction, diligent handling and disposal of hazardous waste through a comprehensive waste management plan, and water conservation efforts.

Sustainable technology and innovative methods

- Our commitment to health is reflected in the solutions we develop.
- Our production process embodies sustainable innovation.
- We focus on minimizing the use of environmentally harmful substances, enhancing resource efficiency, employing eco-friendly technologies, and continuously investing in research and development to stay ahead.
- We invest in innovation while adhering to stringent medical industry standards, ensuring all necessary precautions are taken to maintain safety and compliance.

Environmental compliance

- Elcam Medical rigorously adheres to all local, federal, and international environmental regulations.
- By ensuring compliance with all pertinent environmental standards and laws, we set the benchmark for responsible corporate behavior.



Our environmental impact

Our environmental footprint

Our products

Over 95% of our products are shipped in bulk packaging, significantly reducing the materials typically required for individual product packaging. Although Elcam Medical's products are often lifesaving, they are considered biohazards after use and must be disposed of responsibly. To minimize our products' environmental impact while prioritizing our end users' health, we focus our resource efficiency improvements at our sites and facilities. This strategic approach helps us achieve the highest possible reduction in environmental footprint.



10 years of energy efficiency improvements in Israel

Over the past decade, Elcam Israel has made significant strides toward becoming a leader in energy efficiency and sustainable practices, embracing cutting-edge technologies and innovative approaches.

Since 2013, we have transitioned to electric molding machines. All 62 of our molding machines in Israel are now electric, optimizing energy savings and operational efficiency. We have modernized our air compressors and lighting systems and were the first in the country to adopt magnetic chillers. This adoption has resulted in an impressive 100% improvement in energy efficiency, facilitated by special motor installations.

100% Improvement in energy efficiency

In 2023, we installed a new cooling tower, shifting to water-cooled systems and further utilizing magnetic chillers, which doubled the efficiency of our systems. Although water consumption has increased for treatment purposes, we strategically reuse wastewater for agricultural benefits within the local community, aligning our operations with environmental sustainability.

These concerted efforts have led to a 30% reduction in energy consumption overall. Additionally, since 2017, we have managed to reduce energy usage relative to raw material consumption by 40%.

Contributing to a savings of **1.6m kg** of CO₂ emissions

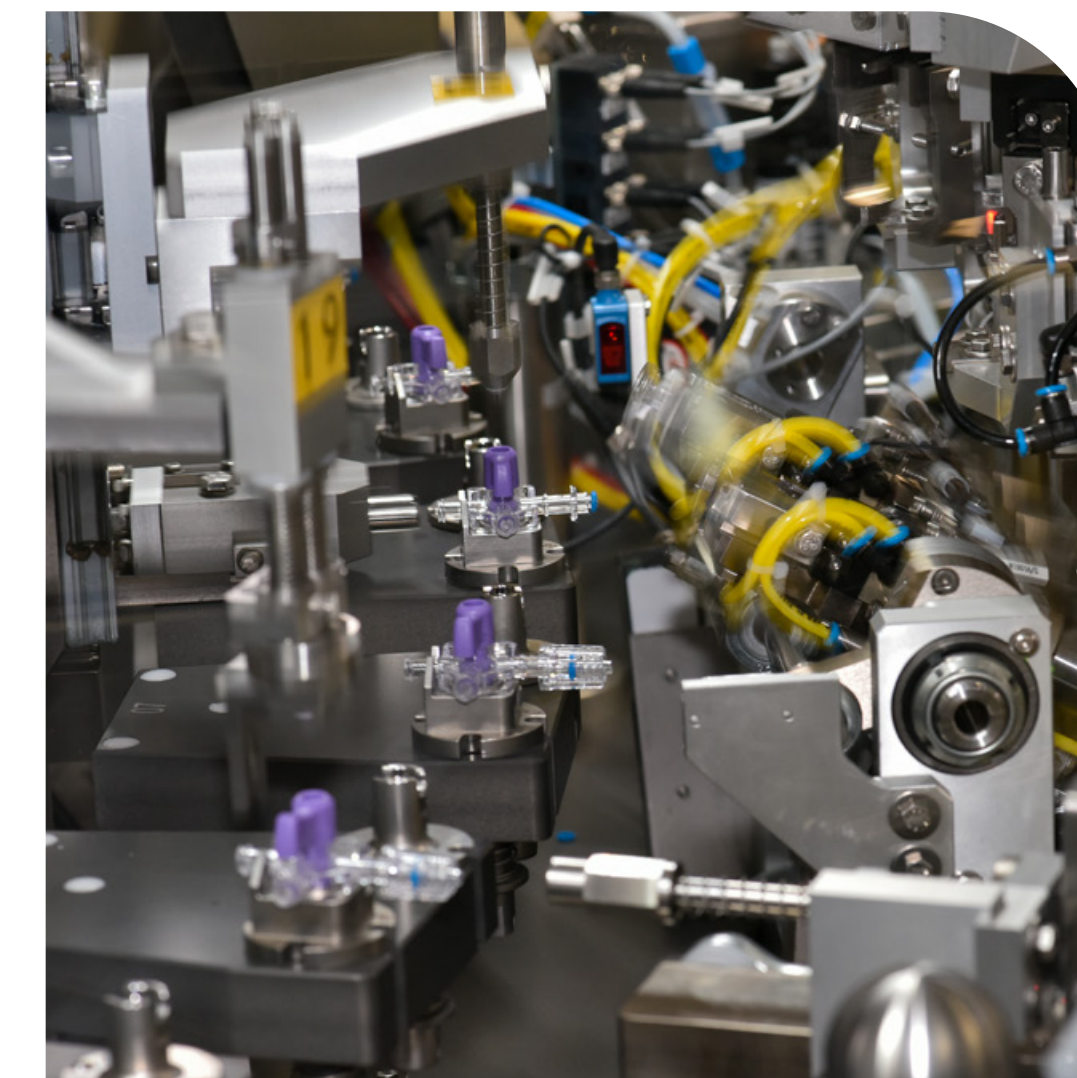
Expanding our commitment to renewable energy, we installed 2.58 acres of solar photovoltaic panels on our rooftops in Israel and, in 2023, in Italy. These installations allow us to self-generate approximately 1,500,000 kWh of electricity annually, contributing to a reduction of 1.6 million kg of CO₂ emissions since the inception of this initiative. Through these actions, Elcam Medical continues to demonstrate leadership in sustainability and energy management within the industry.

EMIT

At EMIT, we've incorporated a combined cooling, heat, and power (CCHP) system allowing us to produce our electricity, heating, and cooling. This has enabled us to generate an average of 6.5 million kWh annually for local use, reducing our primary energy consumption by 17.5% each year.

Our progress has been further validated through a third-party energy audit completed in September 2022. This audit found the factory to have a strong environmental consciousness and a desire for continuous improvement. Compared to our peers, the audit found our facilities energy consumption to be approximately 64% lower, further highlighting our pioneering operations.

64% Lower energy consumption in EMIT facilities, compared to our peers



Energy efficiency at EMIT

At EMIT we have integrated a unique feature that underscores our commitment to energy efficiency and transparency. We now have the capability to monitor the electricity consumption of each individual production line.

By tracking consumption on a line-by-line basis, we can quickly identify areas that might be using more energy than necessary and intervene promptly. Understanding the energy profile of each line helps in streamlining operations to ensure optimal performance without unnecessary energy wastage.

Individual monitoring fosters a sense of responsibility among production teams. Each team is aware of their energy footprint and can take pride in their efforts to reduce it.





Our environmental impact

Our GHG emissions

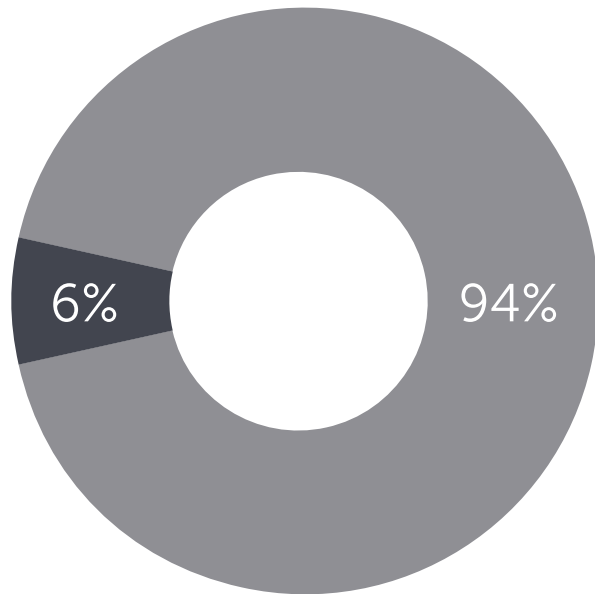
Reducing our GHG footprint is a key component of our sustainability strategy. To achieve this, it's crucial that we understand, measure, and manage our footprint.

For 2022 and 2023, we have calculated our full Scope 1 and 2 emissions. By measuring our footprint, we can make better decisions and act to reduce our environmental impact. We have calculated our Scope 1 and 2 GHG emissions based on the GHG Protocol for our offices and sites located in Israel and Italy.

Across Elcam Israel and EMIT, the proportion of Scope 1 to Scope 2 emissions has remained the same between 2022 and 2023, with Scope 1 emissions accounting for 6% and Scope 2 emissions for 94% of the total emissions each year. Overall, we were proud to reduce our emissions, with our Scope 1 emissions reducing by 21 tCO₂e and our Scope 2 by 254 tCO₂e between 2023 and 2022. This reduction signifies our measures in emission control and operational efficiency. Given that Scope 2 emissions from purchased energy remain our predominant emission source, we will focus our strategic efforts on reducing this source.

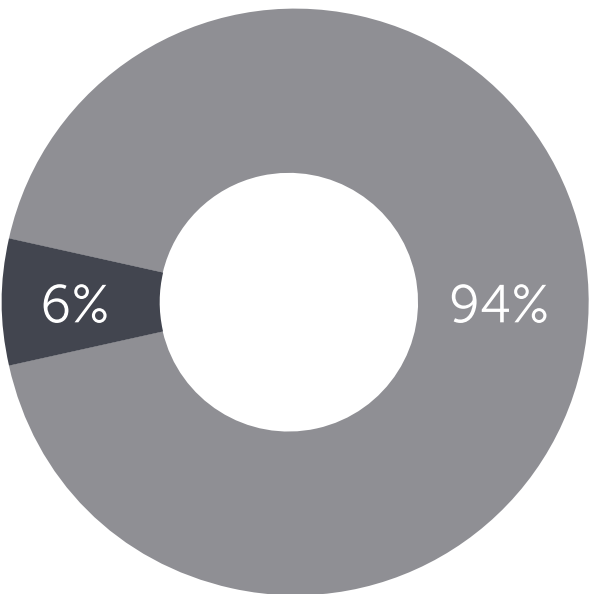
Scope 1+2 global 2022

- Scop 1 (tCO₂e) = 557.88
- Scop 2 (tCO₂e) = 8,139

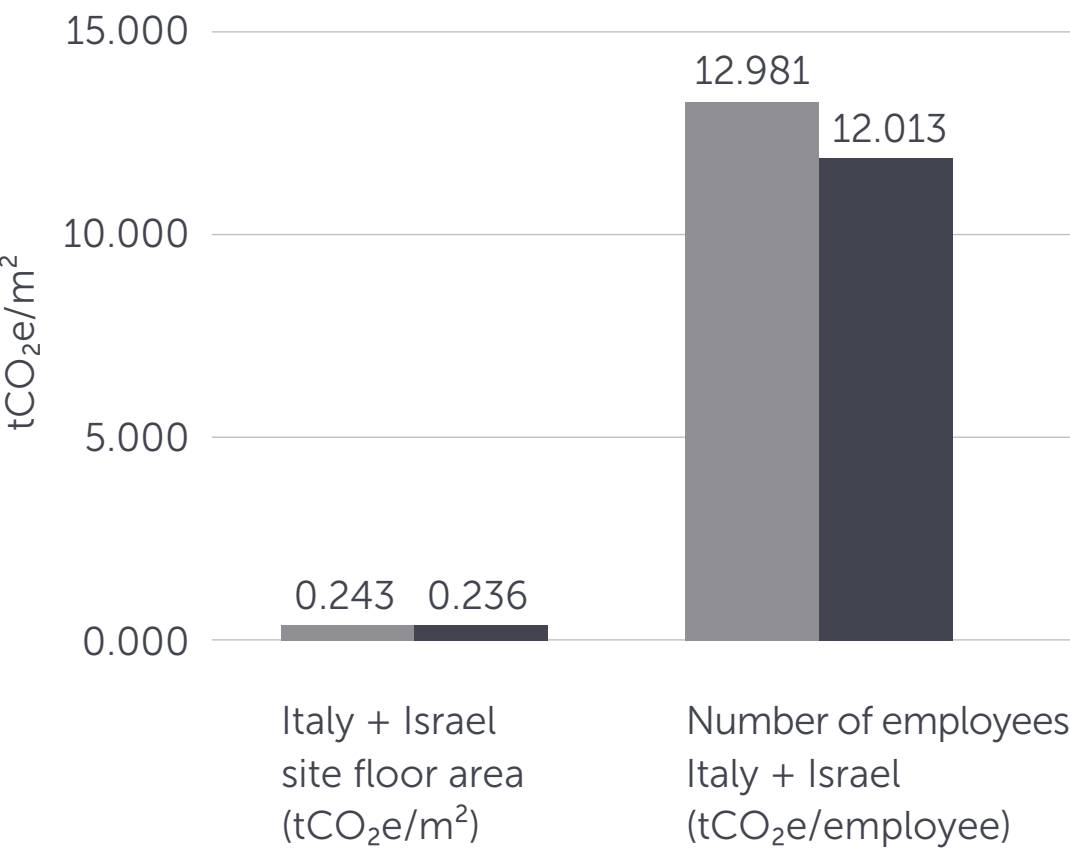


Scope 1+2 global 2023

- Scop 1 (tCO₂e) = 536.39
- Scop 2 (tCO₂e) = 7,885



Total normalized scopes 1 and 2



In 2022 and 2023, the emissions from Elcam Israel accounted for approximately 87% and 89% of Elcam Medical's total global emissions.

	Scope 1 (tCO ₂ e)			Scope 2 (tCO ₂ e)			Total 1+2 (tCO ₂ e)		
	Elcam Israel	EMIT	Total Scope 1	Elcam Israel	EMIT	Total Scope 2	Elcam Israel	EMIT	Combined Total
2022	450.4	107.5	557.9	7,162.1	977.2	8,139	7,612.5	1,084.7	8,697.2
2023	421.7	114.7	536.4	7,037.4	847.2	7,885	7,459.1	961.9	8,420.9



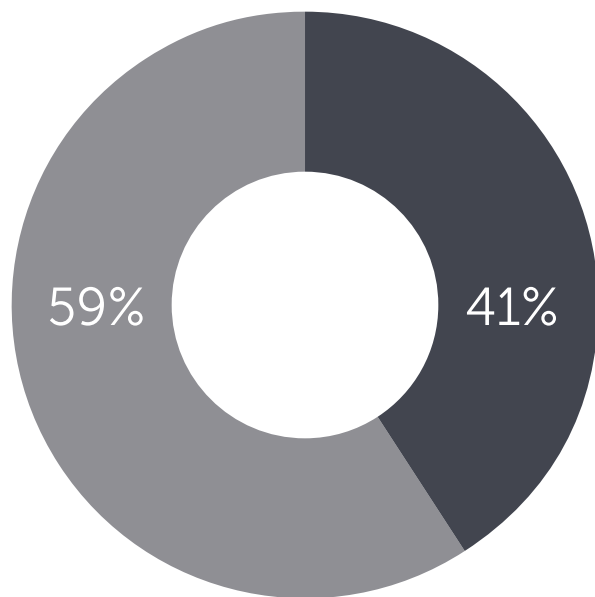
Our environmental impact

Localized distribution

At Elcam Medical, we are committed to reducing emissions through the use of consignment warehouses. By strategically locating these warehouses closer to our customers, we minimize the need to ship products from a central location each time, significantly cutting down on transportation emissions. Additionally, for Elcam Israel, local stockpiling of products ensures a reliable supply in the event of any disruptions. This approach not only enhances our environmental sustainability efforts but also underscores our commitment to efficient and resilient supply chain management, which will be further supported by the opening of our new site.

Waste diverted from landfill in 2022 (kg)

- Waste to disposal = 392,707
- Waste diverted from disposal = 572,150



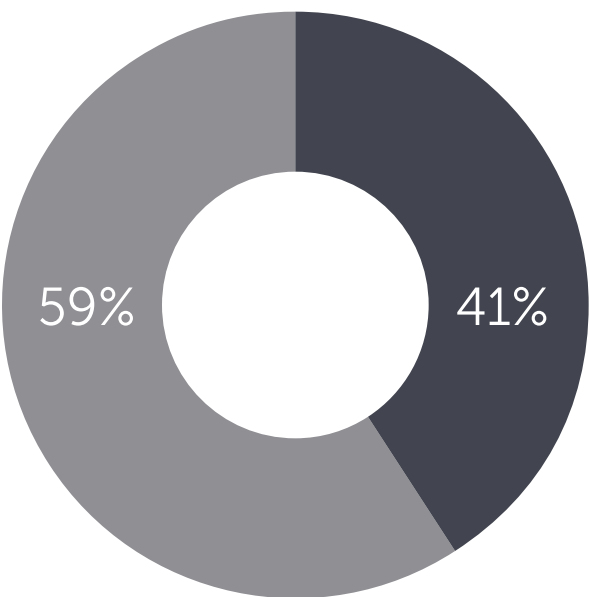
Waste and water management

Our waste management

In 2023, we achieved a record in recycling electronic waste. Instead of discarding transducer cables and sensors that didn't pass QC, we now collect them for recycling, marking a significant improvement in our waste management practices. Additionally, all applicable products are designed to meet EU RoHS 2 standards, which limit the use of specific heavy metals and brominated flame retardants. This compliance greatly reduces the environmental impact of electrical and electronic waste that would otherwise be landfilled or incinerated.

Waste diverted from landfill in 2023 (kg)

- Waste to disposal = 363,305
- Waste diverted from disposal = 818,645



	Waste in 2022 (kg)	Waste in 2023 (kg)
Electric waste	2,910	34,984
Carton waste	60,516	240,470
Plastic waste	508,724	543,191
Non-recycled waste	377,740	551,660
Hazardous waste	5,987	10,535
Total	955,877	1,380,840

Our waste management practices underwent further refinement in 2023 and for the first time, we started to measure a complete breakdown of our diverted waste including our plastic waste. Our broader scope in waste categorization led to a significant perceived increase in waste volumes. Additionally, as part of our waste measurement automation process our method for calculating our waste became more rigorous, leading to further increases in the reported amounts of non-recycled waste in 2023. The increase in our non-recycled waste can be further explained by construction work happening at our Dalton site in Israel.

	Waste diverted from landfill in 2022 (kg)	Waste diverted from landfill in 2023 (kg)
Total waste	964,857	1,381,950
Waste recycled	572,150	818,645
% waste diverted	59%	59%

* The above table excludes wood and iron waste due to their negligible quantities

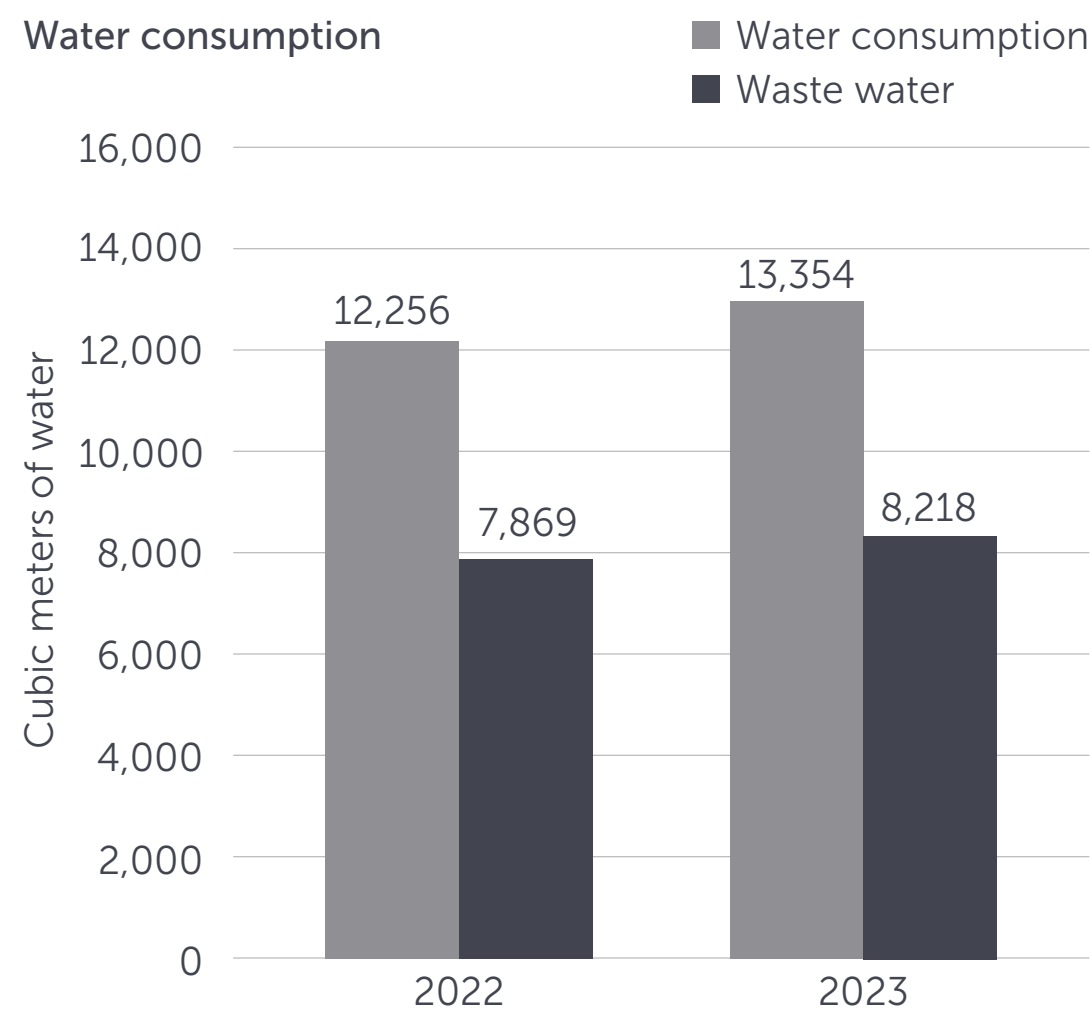




Our environmental impact

Our water consumption

At Elcam Medical, our commitment to environmental sustainability drives us to actively seek ways to lower our water consumption. Despite increased consumption in 2023, we are investing in water-saving technologies and refining our manufacturing processes with the goal of significantly reducing our water footprint.



Elcam Medical's green initiative: paving the way for a sustainable tomorrow

Elcam Medical is deeply committed to reducing our environmental impact, and working towards a more sustainable world for the generations to come.

Our dedicated team actively champions environmental protection and resource conservation through various initiatives:

• Recycling and reuse

We emphasize recycling materials like plastic bags, cartons, and paper and each office has segregated bins on site.

• Digital transformation

Recognizing the benefits of going digital, Elcam Medical is transitioning to a "Paperless" approach, a move endorsed by our senior management.

• Waste reduction

We're invested in projects targeting the reduction of "scrap" from our injection machines, minimizing our production waste.

• Community engagement

We engage with our employees and encourage them to recycle, with the option to recycle their personal household and electronic waste at our offices. All employees receive annual training on Elcam Medical's environmental responsibility and the work being completed at our sites including energy and water reduction initiatives in place.

• Eco-friendly office

Our commitment even extends to our procurement choices. We are gradually transitioning to cleaning providers that offer greener cleaning solutions and a move away from harsh chemicals.

In 2023, EMIT took a proactive stance on environmental issues, recognizing the importance of educating its workforce on pro-environmental behaviors.

Published within a quarterly newsletter, EMIT spotlighted key topics including:

• Sustainable mobility solutions

Promoting greener ways for employees to commute, reducing carbon footprints, and alleviating traffic congestion.

• Combatting air pollution

Highlighting everyday actions employees can take to reduce pollutants and maintain cleaner air for all.

• Water conservation

Sharing tips and strategies to counteract drought conditions and promote responsible water usage.





Our environmental impact

Elcam Israel's Key Performance Indicators

In 2023, Elcam Israel set long-term KPIs for their environmental achievements:

Recycling and waste management

- Achieve an 80% recycling rate for plastics from production that can't be sold (e.g., bags, separated plastic, mixed plastic) with the calculation based on depreciation minus the amount sold for recycling.
- Aim for 100% recycling of electronics, specifically computers and transducers, for those that become waste (baseline 2022 performance is at 0%).

Cleaning and detergents

- Transition to using concentrated detergents for 80% of cleaning products (baseline 2022 performance is at 0%).

Energy efficiency

- Target a CoP (Coefficient of Performance) range of 6.5-10 for the cooling system.
- Maintain an energy efficiency ratio of 4.80 kWh/kg produced.

Supplier engagement

- Ensure 80% of designated suppliers for the year either sign our supplier code of ethics or present their equivalent code.
- Ensure 100% compliance in testing suppliers for corporate responsibility, based on those earmarked for testing as per the established procedure.





Our employees





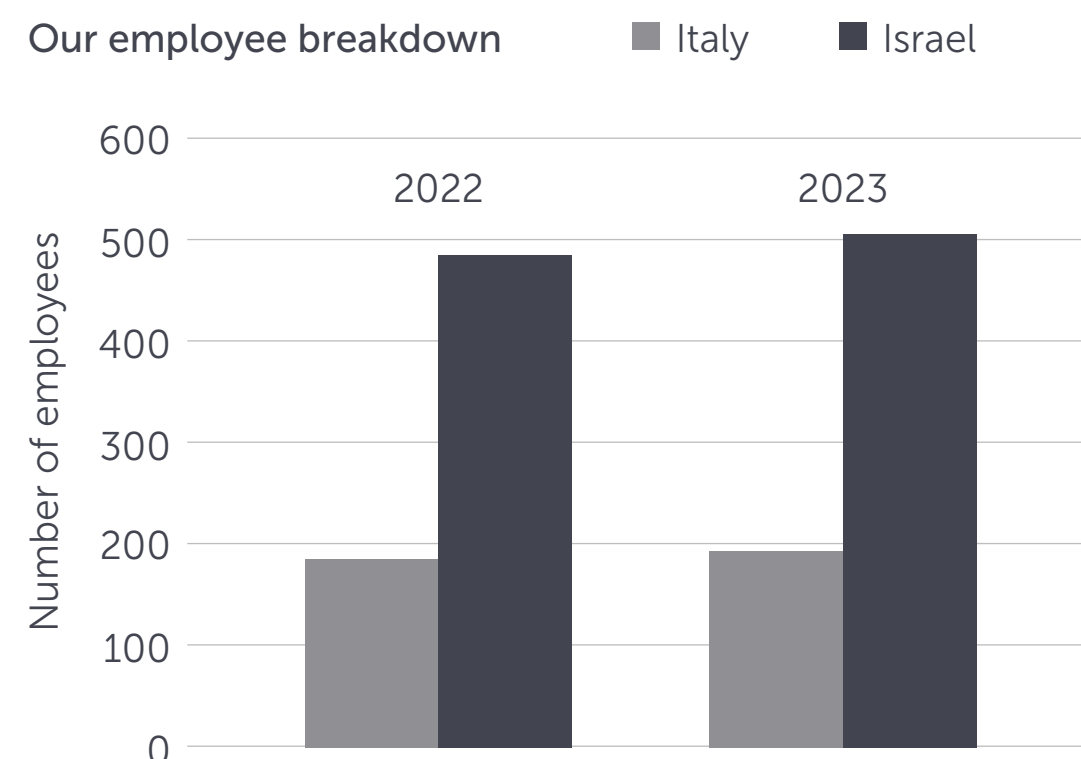
Our employees

At Elcam Medical, we believe that creating a meaningful impact goes beyond our products. We are committed to building vibrant communities, enriching lives, and promoting diversity and inclusion in our workforce.

Our employees

Our company's success and innovation are built on the foundation of our employees. Currently, we have 709 employees across our three main locations – Italy, USA and Israel - who are the heart of our workforce. We strongly believe that local hiring is crucial for community engagement, economic support, and leveraging local insights, which is why in 2022, all our new hires for senior management at our significant operational locations were from local communities. In 2023, we continued to focus on local hiring, with 94% of our new hires coming from local communities.

Our employee breakdown



19

average annual training hours for our managers across Elcam Israel and EMIT



Workplace culture and employee development

Employee training and development

At Elcam Medical, we recognize that investing in our employees' development not only enhances their individual capabilities but also secures our ability to adapt to changing market expectations. Through comprehensive training programs, we aim to empower our workforce with the knowledge and skills necessary to tackle evolving environmental challenges, promote social equity, and uphold strong governance standards. This commitment ensures we remain ahead of the curve in fulfilling both professional and market demands. Moreover, we understand that providing opportunities for professional development not only benefits our employees but also contributes to the long-term success and resilience of our company and the communities around us.

From the very start of the onboarding process, we provide comprehensive training to our new employees, equipping them with a solid understanding of our rigorous quality procedures.

To ensure our employees remain well equipped with the necessary skills, we provide ongoing mandatory training throughout the year, covering subjects like safety, quality assurance, and product knowledge.

Additionally, our management team conducts an annual assessment of their team's training needs through a department-level survey. This enables them to tailor training plans in collaboration with our HR and organizational development manager, focusing on areas such as molding, sketching, design verification and validation (V&V), statistical analysis and more.

15

average of training hours per employee per year across Elcam Israel and EMIT



Our approach also empowers employees to request specific trainings to enhance their skill set, which, upon management's approval, are facilitated to support their professional growth.

Elcam Israel is proud to offer tuition funding opportunities for required professions for our employees who are undertaking academic studies. This supports our goal to develop, engage and retain our top talent and to develop their potential for further career opportunities within Elcam Israel. Our tuition funding program specifically supports employees pursuing Bachelor's or Master's Degrees and generously covers up to 75% of the total academic fee.





Our employees

Employee feedback and reviews

At Elcam Israel, we prioritize promoting and developing our existing workforce over external hiring. Therefore, we conduct yearly employee appraisals that play a significant role in determining our employees' salary and bonus compensation. To enhance the overall employee experience, we are planning to implement a pilot program aimed at gathering feedback from both line managers and their team members. This feedback will be designed to assess employee performance and gauge satisfaction with their respective roles. By doing so, we aim to foster stronger relationships in a more informal and approachable context, further nurturing a collaborative and positive work environment.



Employee satisfaction

Elcam Israel is dedicated to maintaining an excellent work environment for its employees. To ensure this, we conduct yearly satisfaction surveys among our staff. These surveys provide us with valuable insights from our employees, and we take their feedback seriously. We actively use their feedback to implement changes that improve their experience at work.

Moreover, we believe in being transparent and fostering open communication. As part of this commitment, we share the survey results with all employees. This ensures that they are kept informed and engaged in the ongoing efforts to enhance their work experience. We strive to create a culture of transparency and collaboration.

Our employee satisfaction survey results from 2021 to 2022 showed that our employees felt more valued than in the previous year, and their level of satisfaction with management remained the same.

At EMIT, we strongly value social dialogue with our employees, and as such 100% of our employees are covered by collective bargaining agreements.

Health and safety

At our organization, we value the health and safety of our employees above all else. Our products are developed and produced with the expertise of our workforce. We believe that a safe and healthy work environment encourages innovation and helps our team members feel secure while working. To ensure that we maintain a culture of safety, we have implemented a comprehensive Health and Safety management plan, which is monitored, tracked and audited through our EHS Performance System. This system helps us keep a close eye on our incident rate and safety standards and allows us to act if needed.

Protecting our employees

Elcam Medical prioritizes the safety of our employees in our production facilities by supplying the best in class personal protective equipment (PPE), such as safety eyeglasses, noise-cancelling headphones, and reinforced helmets. Each piece of equipment is selected to meet industry safety standards, aiming to allow for maximum protection during operation. Additionally, all employees receive our comprehensive Employee Safety Handbook, which details essential practices for maintaining safety in the workplace alongside being qualified during an annual training.

At all of our sites Elcam Medical is proud to have a joint labor management health and safety committee in operation. Our committee is formed of both representatives from Elcam Medical and employee representatives who have completed a safety course. Beyond this, we provide comprehensive training for our employees on health and safety risks and good working practices including on the use of specific equipment (e.g. forklifts) and emergency management in order to enhance their skills to perform their tasks safely.



Upon joining Elcam Medical, all new employees are required to provide the HR department with copies of their certificates to demonstrate their training records. No employee is allowed to work without the relevant and correct health and safety documentation and training. At least once a year, we conduct hazard inspections and audits to ensure the safety of our equipment. At EMIT, health checks are conducted while inspections of hazardous materials and professional certifications are maintained at all sites.

Additionally, across all sites we provide training for subcontractors working on our premises. Where necessary, we employ the use of translators to ensure our health and Safety procedures are understood by all employees.





Our employees

Our health and safety systems

We have established a robust Health and Safety system in the Workplace, and our sites in Israel and Italy are certified to ISO 45001. The ISO certification ensures that all safety requirements are consistently met in line with the best industry practices, while we adhere to local regulations and policies.

We periodically review and update our safety systems to ensure they remain relevant to changing circumstances. Moreover, we make it a priority to keep all stakeholders informed about the objectives and activities associated with these systems.

We maintain an open line of communication between the management and our employees, ensuring that all concerns related to risks and safety measures are addressed in a transparent and collaborative manner.

Across all of our Elcam Medical sites, we have specific guidance and procedures in place to account for the following health & safety risks:

- Instructions and an operational process to ensure health and safety risks and hazards are properly controlled in the event of changes to Elcam Medical's facilities or operations.
- Elcam Medical provides detailed guidelines for handling chemicals and hazardous substances, complemented by annual training sessions.
- We implement active preventive measures to reduce stress and noise including by conducting noise risk assessments at our sites.

We have undertaken a comprehensive health and safety risk assessment and mapping of risk factors present within our facility. Based on our findings, we have taken decisive actions to minimize and prevent these risks.

Employee well-being and benefits

Employee well-being during challenges

During the recent events in Israel, Elcam Israel has prioritized the well-being of our team. Despite the circumstances, the majority of our Israel-based employees have remained actively engaged at work. To support them further, we've introduced additional financial incentives and benefits. Our outreach extended to employees within the reserves and their families, ensuring support beyond the workplace.



Annual celebrations and benefits include:

- Exemplary employee awards
- Special events for religious holidays and International Women's Day
- Annual bonuses for eligible employees
- Company cars for designated roles
- "Children's Day" during summer vacation
- An annual New Year's party at EMIT

Team bonding and events

In 2023, our Israeli employees enjoyed a team day at a specialist adventure park along the Upper Galilee's Jordan River, enhancing team bonding outside of work.

These measures underscore our commitment to creating a supportive and rewarding environment for our valued team members, ensuring that they feel recognized and valued for their contributions.



Community building at Elcam Israel

Our HR department continuously monitors and communicates directly with employees to cater to their unique needs. This effort fosters a sense of unity and maintains harmony within our diverse workforce. It's part of our broader commitment to employee welfare, contributing to a cohesive and supportive environment, even during difficult times.

Employee appreciation and recognition

Our employees' wellbeing is of paramount importance to us. We express our appreciation through competitive salaries that exceed minimum wage standards, holiday gifts, and organizing an annual Sports & Fun Event. Each department has a mandatory retreat day, alongside a collective retreat for all employees. Personal milestones are celebrated with gifts, and departments have budgets for their events.





Our employees

Exceptional working conditions

Elcam Medical is dedicated to offering exceptional working conditions that exceed legal requirements. At EMIT, we take pride in offering our employees an annual leave allowance that exceeds what is legally required. We recognize the value of flexibility in promoting productivity and employee well-being. To accommodate the unique needs and commitments of our team members, we empower them to adjust their working hours by up to one hour per day. This flexibility not only helps our employees maintain a healthy work-life balance but also contributes to a more motivated and engaged workforce.

Open communication

Elcam Medical values open communication and encourages two-way conversations with our employees. We listen carefully to their feedback on working conditions and benefits. Elcam Medical clearly and fairly communicates to our employees on the remuneration process. All of our managers receive an excel document allowing them to understand and benchmark their remuneration and bonus.

Diversity and inclusion

Religious and ethnic diversity

Social responsibility for us means to promote diversity and inclusion between our employees who represent many minority groups and to provide equal non-discriminating working opportunities. Our global workforce spans across 33 countries and encompasses individuals from five primary ethnic and religious groups, including Jews, Muslims, Christians, Druze and Circassians.

Elcam Israel takes pride in the diversity of its employees, believing it to be a key factor in the company's success.



In 2023, EMIT launched a sustainability engagement program offering employees a bonus for participating in annual sustainability activities.

Beyond this, all employees benefit from the following working conditions:

- Granting of special remuneration for overtime worked
- Paid annual vacation
- 24hrs rest within a time frame of 7 consecutive days of work
- Being paid at a minimum statutory above minimum wage



“ Having people from different backgrounds work together makes us more open to new and different ideas. This also helps us in our international ventures when we partner with people from other countries and nationalities. ”

Tamar Weizmann, Chief HR Officer

At Elcam's Israel office, we take pride in having a significant percentage of employees from the Arab society. We are committed to fostering an inclusive and harmonious workplace environment.

Despite the political tensions that may exist in Israeli society, as a company, we have successfully cultivated a culture of collaboration and unity among our diverse workforce.





Our employees

Our employees have the freedom to observe their religious holidays. In 2023, Elcam Israel collectively celebrated Eid Al-Adha with our Muslim, Druze, and Circassian colleagues as part of our bi-monthly gatherings. These events serve to celebrate our diverse cultures, whether it's marking a special holiday, raising awareness, or simply sharing joyful moments together. Such gatherings strengthen our mutual respect and appreciation.

Our management team has taken proactive steps to nurture this inclusive atmosphere. We have facilitated thoughtful discussions and provided opportunities for continuous learning, ensuring that our employees have a platform to engage in constructive dialogue, deepen their understanding, and build strong relationships within the organization. This commitment to open communication and education is a testament to our dedication to inclusivity and unity at Elcam.

We send well wishes to all our employees during religious holidays. One of the highlights of our diversity and inclusion efforts is our annual Diversity Day. In 2023, our theme for this event was "Diversity is our Strength."

On this day, we reinforced one of the company's values, the value of caring. At Elcam Israel, we describe caring as having respect for every person regardless of who they are. It encapsulates our dedication to providing honest and equitable treatment to all members of our diverse workforce.



“ I am committed to creating a workplace where everyone feels welcome and respected. I believe that for everyone there is something to contribute. To me, the most significant concept, from which everything is derived, is: different, not less.

Igal Kohn, Elcam Medical CEO

Additionally, within our HR department, promoting multiculturalism and diversity is a key progress indicator at Elcam Medical. We deeply recognize and appreciate that our diversity is not just a point of pride but a significant advantage.

Diversity allows us to bring different perspectives to the table, enabling us to innovate and create alternative solutions. It also equips us to adapt more effectively to an ever-changing world, where being receptive to diverse viewpoints and experiences is essential for staying at the forefront of our industry.

In 2022, we hosted a roundtable as part of our efforts to promote diversity and inclusion and to help hire and integrate ultra-Orthodox women. During the roundtable we explored how to adapt the work environment and the roles to their specific needs in order to make them feel more comfortable.



We are proud that at a company level, 47% of our employees are women with 31% of women in managerial roles in 2023.



Gender diversity at Elcam Medical

As an advocate for equal opportunity, we are dedicated to cultivating a diverse and inclusive workforce. We are steadfast in offering equitable chances to all candidates, embracing individuals from different demographics, such as women and ethnic minorities. We hire our employees based on their experience, professionalism, and capabilities, regardless of gender, race, religion, or other factors.

As part of our belief in the value of maintaining a workplace that acknowledges, encourages, and values diversity and inclusion, we continue to focus on increasing diversity at all levels of the company, including both entry level and management positions.

Across Elcam Medical, we have set a target for 50% women in our workforce by 2030.

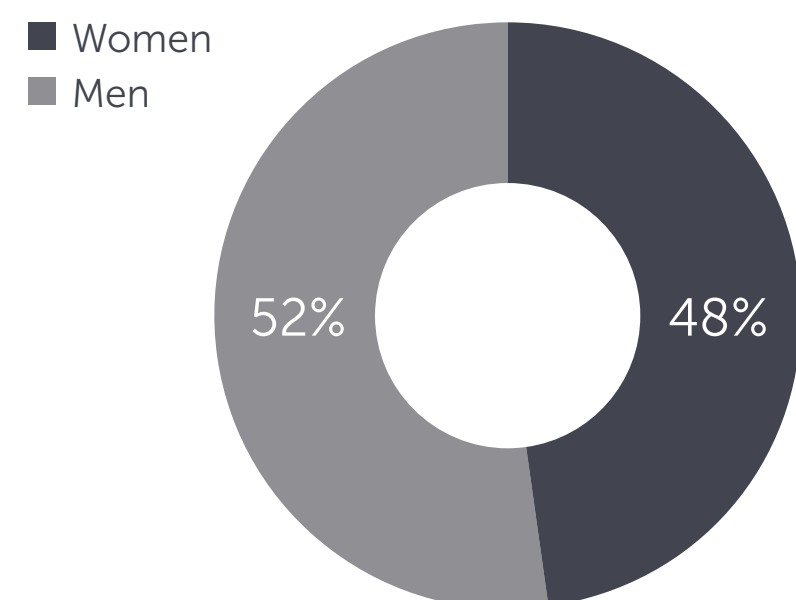




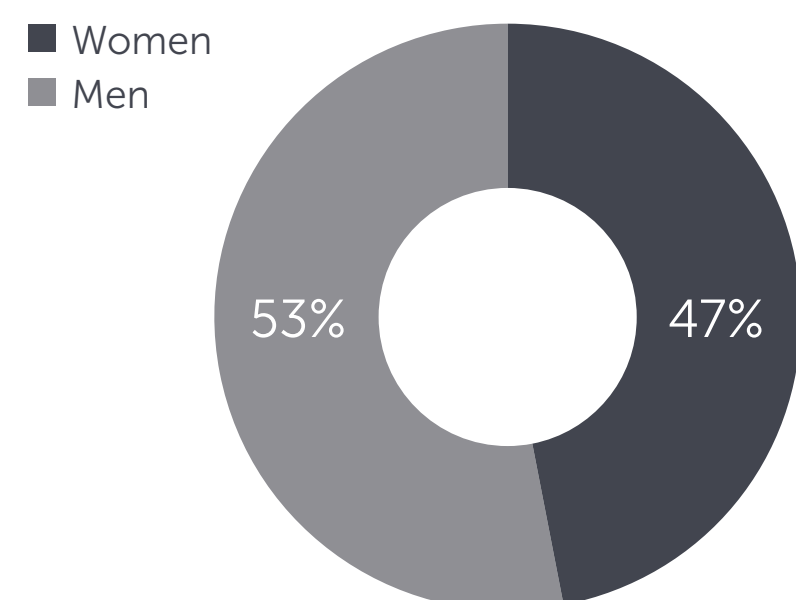
Our employees

Elcam Medical offers maternity leave in line with local legal requirements. Among employees who took parental leave at some point within 2022 and 2023, we had a return to work rate of 86%.

Gender diversity at Elcam Medical 2022



Gender diversity at Elcam Medical 2023



Elcam Israel's Key Performance Indicators

In 2023, at Elcam Israel we were proud to set multiyear KPIs to support our employee wellbeing strategy:

Safety

Maintain a record of zero work accidents to uphold the highest safety standards.

Training

Each employee is targeted to receive 20 hours of training annually, striving for improvement while acknowledging the national average of 32 hours.



Contractor employment

Cap contractor employment to no more than 10% of the total workforce, with this policy subject to further review based on operational needs.

Ethics oversight

Address and resolve 100% of cases referred to the ethics committee. Provide management with comprehensive reports detailing the nature and resolution of ethics issues.

Diversity

Set a goal for 20% of organizational managers to come from minority backgrounds to foster a diverse leadership team.



Gender balance

We are committed to achieving a 50:50 male-to-female ratio across all levels of the organization, including managerial positions.

Turnover rates

Production workers: Maintain a turnover rate of 15%. Headquarters and engineering staff: Keep turnover to 8%.

Performance feedback

Guarantee that 95% of employees receive annual performance reviews to ensure continuous professional development.





Our community engagement





Our community engagement

Elcam Medical is committed to operating in a manner that enhances not only the well-being of our employees but also our communities. Maintaining a high level of social responsibility as a company also means using our resources, including philanthropy and community investment, to address priority social issues in our communities and specially creating perspectives for future generations.

Elcam Medical's commitment to social involvement extends far and wide. We actively engage in various initiatives, from volunteering with local non-profit organizations to providing much-needed donations to institutions in our community.

Volunteering in our surroundings communities has become an annual tradition in both Elcam Israel and EMIT, as we believe in the importance of using our inner strengths to promote social growth around us.

In May 2023, when devastating floods struck the eastern regions of Emilia-Romagna, EMIT set up a volunteering initiative in Forlì, one of the most affected areas. A team of EMIT volunteers assisted families previously rescued by helicopter from the rising waters. The group worked tirelessly, helping the families recover their possessions and memories from their home.

In Israel during 2023, our HR office organized two volunteering days in 2 different areas – the first took place in June and involved cleaning the Amud stream that is one of the most toured nature reserves in Israel located in the upper Galilee in the vicinity of our Israeli facilities.

The second took place in July and included recreational activities for children at risk from a nearby village with games and pool activities. Looking forward, a key goal for Elcam Medical for 2024 is promoting volunteering alongside permanent long-term collaborations with local community organizations.

Supporting talent development

EMIT proudly stands as one of the cornerstone members of the ITS Foundation - New Technologies of Life. This foundation is an amalgamation of training centers, schools, universities, and leading sector companies. Together, they offer comprehensive, free two-year post-diploma courses aimed at cultivating higher technicians. These technicians are meticulously trained to delve into areas like design, production, and quality assurance in the biomedical sector. Their training equips them with specialized skills and the capacity to drive innovation within businesses.

EMIT's commitment is unwavering, taking proactive roles within the ITS Foundation to foster:

1. Guidance for the youth towards embracing technical vocations;
2. Identification and acknowledgment of training necessities that align with the economic advancement of the region, especially emphasizing the innovation requisites in science, technology, and organizational structures of companies;
3. Conception and execution of advanced technical education tailored to national benchmarks;
4. Ensuring a seamless transition for graduates into the workforce post their educational endeavors;
5. Undertaking continual professional development activities for educators and trainers, specifically in the scientific and technical arenas within the spheres of education and vocational training;
6. Undertaking any initiative aligned with the regional guidelines for higher technical specialization.
7. Moreover, EMIT is actively hosting ITS students. This hands-on approach ensures that local emerging talents in the biomedical domain are nurtured and empowered.

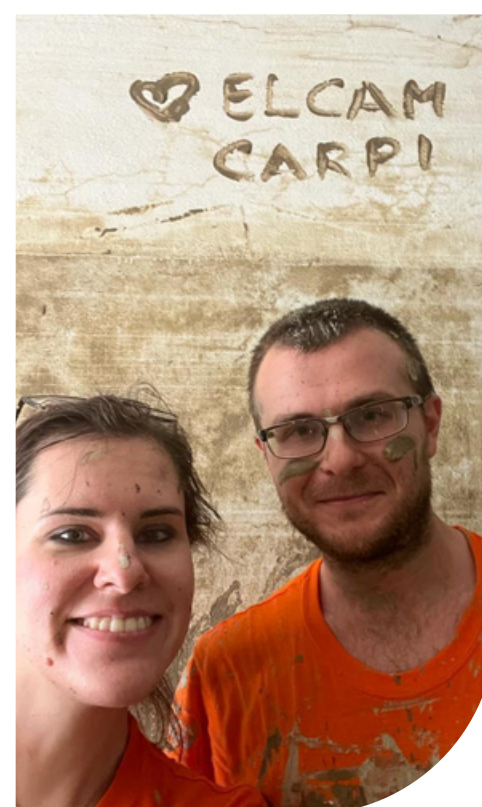
Bridging the health divide

In 2023, EMIT championed the advancement of telemedicine by supporting a project aimed at enhancing home-based medical care through telemonitoring. Initiated by the Local Health Authority, this program has proven particularly beneficial for individuals with chronic conditions. Thanks to a generous donation from EMIT, the project facilitated the acquisition of home kits, enabling patients to receive timely and efficient care in the comfort of their own homes.

Supporting the local economy

In 2022 and 2023, across Elcam Israel and EMIT, an average of 54% and 51% of our procurement budget was respectively allocated to local suppliers, reflecting our commitment to supporting the local economy through the purchase of products and services.

During the recent challenging period, Elcam Israel demonstrated its support for local communities in Northern Israel by sourcing food and gifts for employees from local providers. We further fostered engagement by hosting an employee competition to create a slogan for T-shirts that embodies Elcam's ethos of connection. The winning slogan, "Elcam Medical, where everything connects especially the people" underscores the unity and collaborative spirit within the company. We selected a small, local business from the north of Israel as the supplier of our gifts.





Our responsible supply chain





Our responsible supply chain

At Elcam Medical, we recognize the vital importance of a responsible supply chain as an integral part of our commitment to ESG excellence. Our dedication to a sustainable supply chain reflects our pledge to uphold the highest ethical standards, environmental stewardship, and social responsibility in every aspect of our operations. By carefully selecting and collaborating with suppliers who share our values, we ensure that our products not only meet the exceptional quality our customers expect but also contribute positively to the global community and environment.

Sustainable procurement

As a proud member of the Israeli forum "IPL", a supply chain forum of medical companies, we have a long-standing commitment to conducting business according to the highest standards of integrity and business ethics. Elcam Medical holds our suppliers to the same high standards, and will only maintain relationships with those suppliers who demonstrate a commitment to compliance with laws and regulations, ethical business practices, human rights/fair labor and employment standards, providing a safe and healthy workplace, and upholding environmental responsibility.

Our Supplier Code of Conduct outlines our expectations and minimum requirements for all direct material and service suppliers.

Between 2022 and 2023, we successfully onboarded nearly 50 top suppliers to our Supplier code of conduct, achieving a 98% signing rate, with all 32 of our primary raw material suppliers signing our ethical code.

98% Signing rate with all 32 of our primary raw material suppliers signing our ethical code

Additionally, in 2023, we reached out to 16 more suppliers, with all of them signing the code. In the next few years, we plan to extend this initiative to smaller suppliers, including those providing machinery and equipment, both domestically and internationally. We also conducted a comprehensive survey of our key suppliers regarding their corporate responsibility, intending to further collaborate on shared sustainability goals.

In 2023, our procurement team underwent training to enhance supplier evaluations, including distribution questionnaires. Looking ahead, we aim to implement audits for corporate responsibility as part of our supplier onboarding process. In our sourcing strategy, we are actively seeking to engage suppliers from underrepresented demographics and small to medium-sized enterprises (SMEs), with considerations to set specific targets for their inclusion.

As a medical equipment manufacturer, we adhere to the ISO 13485:2021 standard, which requires detailed traceability of all products. We maintain stringent tracking to the kilogram level for components, demonstrating our unwavering dedication to transparency and quality in our manufacturing process.

In addition to adhering to our Supplier Code of Conduct, our EMIT team implements an annual audit questionnaire for suppliers to reinforce this commitment. In Israel, this is conducted through a one-time questionnaire.

Embracing environmental responsibility

At Elcam Medical, environmental responsibility is a core principle, especially vital in producing top-tier products that deliver significant value to our patients. Our Supplier Code of Conduct mandates that all suppliers strictly adhere to relevant environmental laws and regulations.

The key pillars of this code include:

- Maintaining Ethical Business Practices: Ensuring integrity and transparency in all business dealings.
- Upholding Human Rights alongside Fair Labor and Employment Standards: Guaranteeing that all labor practices are just and equitable.
- Ensuring a Safe and Health-Conscious Workplace: Promoting a work environment that prioritizes the health and safety of all employees.
- Prioritizing Environmental Responsibility: Committing to sustainable environmental practices.

18% Of our suppliers were screened based upon their environmental performance

We actively engage with our suppliers to help establish robust environmental management systems. These systems should monitor Key Performance Indicators and set both immediate and long-term improvement goals. We encourage our suppliers to minimize waste in all its forms, particularly focusing on the conservation of raw materials. Our policy mandates the responsible management and disposal of hazardous materials, chemicals, and waste, ensuring compliance with environmental standards and promoting sustainable practices across our supply chain.

Adhering to regulations

At Elcam Medical, we extend our stringent regulatory requirements to our suppliers and require them to declare the following for raw materials and purchased components including:

- Information on biocompatibility and on material-mediated pyrogenicity
- Information presence / absence of substances that are classified by European Directives as carcinogenic, mutagenic or toxic to reproduction
- Information on presence/ absence of substance known as hazardous material within SVHC (substances of very high concern) as identified in REACH Directive
- Information on presence/ absence of heavy metals: refer particularly to the concentration of Pb (lead), Hg (mercury), Cd (cadmium) and Cr6 + (hexavalent chromium)

Conflict minerals

Elcam Medical is committed to protecting human rights in our operations and supply chain. We are committed to obtaining raw materials like tin, tantalum, tungsten, and gold (known as 3TG) from conflict-free sources, including those from the Democratic Republic of the Congo (DRC) and its surrounding areas.

Our suppliers are also committed to our supplier code of conduct, which requires them to undertake reasonable efforts to perform due diligence on the source and chain of custody of these minerals. They are also required to make their due diligence and findings available to Elcam Medical upon request.





Our governance and ethics





Our governance and ethics

In the dynamic landscape of the medical devices industry, where innovation and progress intertwine with the imperative of ethical responsibility, our commitment to exemplary business practices stands as the cornerstone of our corporate ethos. As we navigate the intricate intersection of technology, healthcare, and human welfare, we recognize the profound impact our decisions and actions have on patients, healthcare providers, and society at large. In this chapter dedicated to business ethics within our ESG report, we unveil our unwavering dedication to upholding the highest standards of integrity, transparency, and ethical conduct across every facet of our operations.

From product development to supply chain management, from regulatory compliance to stakeholder engagement, we embrace the moral imperative to prioritize ethical considerations, ensuring that our innovations serve not only the advancement of healthcare but also the betterment of humanity.

Our board of directors

At Elcam Israel, ESG matters receive strategic guidance and oversight at the highest levels, including our Chief Executive Officer and Board of Directors. In total, we have 11 Board members, all from Israel. Each Board member is appointed for a four-year term, with the possibility of extending their tenure for an additional four years, allowing for a maximum service duration of eight years.

Our Board acts as an intermediary between Kibbutz Bar'am and Elcam Israel, creating a pathway for dialogue and strategy coordination. It is responsible for setting multi-year objectives for Elcam Israel in addition to defining our overarching policies, business management strategies and development directions. Our Board members are further responsible for reviewing and approving compensation policies.

The Chairman is responsible for overseeing the operation of the Board, convening meetings and reporting to the Kibbutz on our performance and key updates, including a consolidated annual report.

In 2022 and 2023, Elcam Israel's board held nine and seven meetings respectively with a board participation rate of 88% and 94%, respectively.

Board committees

Our Board of Directors has a critical responsibility for overseeing ESG matters. They are regularly updated on progress towards our ESG goals. The Board, along with its Financial and Nominating Committee, share the responsibility for overseeing ESG-related matters. The Financial Committee is responsible for approving annual work plans, budgets, investment plans, and financial statements. The Nominating Committee is responsible for defining the CEO's responsibilities, plays a key role in their appointment, and approves the appointment of senior team members and directors of our subsidiaries.

Procedure for electing members to the board of directors

Elcam Israel prioritizes Kibbutz members when filling Board vacancies. This preference underscores the importance of having Board members who are intimately connected with the Kibbutz community and its values, ensuring that the governance of Elcam Israel aligns with the interests and ethos of the Kibbutz. If there are no suitable candidates from within the Kibbutz, a search committee is established to find potential candidates meeting the Board's needs. Additionally, the Board always includes 3 external directors not affiliated with Elcam or the Kibbutz, maintaining an external perspective.



Our board

Name	Age	Role on board	Independence	Years served	Committees served on	Gender
Amir Littman*	62	Chairman	Yes	13	-	Male
Avner Lushi	57	Board Member	Yes	1	Nominating	Male
Gideon Sturlesi	65	Board Member	Yes	2	-	Male
Edit Goldberg	53	Board Member	Yes	7	-	Female
Ehud Raivitz	68	Board Member	Yes	4	-	Male
Guri Barlev	56	Board Member	Yes	2	Nominating	Male
Yael Adler	68	Board Member	Yes	3	-	Female
Omri Shoham	65	Board Member	Yes	1	Financial	Male
Igal Kohn*	62	Board Member	No	16	Financial / Nominating	Male
Shir Raiviz -Bocian	43	Observer	Yes	8	Financial	Female

* Amir and Igal have been on the board for longer than the maximum term of 8 years due to their prior roles at Elcam Medical. Amir served as a board member before becoming Chairman, and Igal was the CFO, contributing to their extended tenure.





Our governance and ethics

Age and gender diversity in the board

Both gender representation and age diversity have become priorities for us, reflecting our deep commitment to ESG principles. We are actively working towards advancements in these areas as part of our ongoing efforts to cultivate a more diverse and inclusive leadership team.

As Board members' terms conclude, our Nominating Committee is dedicated to increasing female representation in managerial roles. This forward-looking strategy aims to gradually enhance gender diversity and inclusivity within the Board's composition. Currently, the Board comprises 8 men and 3 women, and we are committed to improving this balance through deliberate and strategic actions in our recruitment and development practices.

Code of conduct

At Elcam Medical, we provide our employees, managers and board members with training on our corporate policies and procedures to enforce a high standard of ethical behavior. In our Code of Conduct, we present our guiding principles for ethical behavior to which we are committed. Our Code additionally covers the areas of employee rights, environment and corporate responsibility. Our code applies to all employees, managers and board members.

In 2022 and 2023, all of our employees have received training on our Code of Conduct.

Link to our Code of Conduct
elcam-medical.com/quality-sustainability-docs



Business ethics and integrity

At Elcam Medical, we believe in respecting human rights and strive to ensure we treat all our employees and suppliers respectfully, fairly, and in adherence with all labor laws, regulations and ethical standards. Our Labor and Human Rights Policy sets the key legal elements of **Elcam Medical including commitments against:**

- Child labor
- Forced labor
- Discrimination of employees of any kind

It is important for us that our employees have a voice and we respect and cherish the right to freedom of association and collective action following the relevant laws in each country we operate and agreements are established in.

Our Policy is reviewed on an annual basis and is updated as necessary.

Our Ethics Committee is chaired by our Chief Human Resources Officer and the committee is the initial contact for employees' inquiries in cases of ethical violations occurring in the organization. The committee meets twice a year and examines any ethics violations. The committee's role is also to ensure that the local appointees in each region are working to raise our employees' awareness of ethical issues at least once a year at each facility.

Discrimination

In 2022 and 2023, Elcam Israel had 2 and 6 harassment incidents reported respectively. All of the incidents were formally and thoroughly reviewed and remediation plans were implemented with results reviewed through a routine internal management review process. All incidents have now been closed and are no longer subject to action. Within EMIT, there were no reported incidents.

Importantly, the increase in the number of incidents at Elcam Israel can be largely attributed to our comprehensive training program that took place at the beginning of 2023. Our training led to a significantly enhanced awareness of our employee's rights and our reporting mechanisms. The organization maintains a team of four trained harassment supervisors in Israel, and 2 more in Italy to oversee such issues. Annual refresher courses are held to keep the protocols and awareness sharp. In Israel, strict procedures are in place, in accordance to the Israeli law to address any incidents. Conversations are held with both parties involved, and actions are taken according to the legal and internal guidelines.

All incidents are reported to the CEO in an anonymized format and are typically resolved within two weeks, with follow-ups conducted as necessary. Anonymized cases are also utilized in training sessions for educational purposes, ensuring resolution and promoting learning from each incident. This practice underscores our commitment to maintaining a safe and respectful work environment. In 2023, all our employees underwent comprehensive anti-sexual harassment training. This training included guidance on how to file a complaint, and we provided the contact details of our representatives to facilitate this process.





Our governance and ethics

Anti-corruption

We uphold the principles of honesty, integrity, and fairness across all levels at Elcam Medical, including employees, managers and suppliers. We entrust our employees with the responsibility to adhere strictly to legal standards, unequivocally prohibiting bribery and corruption. It is with pride that we can state, to the best of our knowledge, Elcam Medical has no incidents of corruption or bribery throughout its history.

In 2023, we ensured 100% of our employees, managers, and board members were informed about our anti-corruption policies, achieving a full communication rate.

Additionally, an average of 88% of our employees underwent anti-corruption training in the same year.

In 2022 and 2023, we achieved a 100% success rate in communicating our anti-corruption policy to the suppliers targeted each year as part of our program. Specifically, we reached out to 32 suppliers in 2022 and 16 suppliers in 2023, effectively covering all suppliers included in our communication plan for those years.



Human rights

Elcam is deeply committed to upholding human rights across our operations, evidenced by the significant increase in our workforce's awareness and understanding, with the percentage of employees trained in human rights policies and practices increasing by 142% from 2022 to 2023. Additionally, for both Elcam Israel and EMIT, 100% of our supplier contracts in 2022 and 2023 included human rights clauses.



Whistleblower and grievance procedures

At Elcam Medical, we have an Ethics Committee, led by the Chief Human Resources Officer, which serves as the primary point of contact for employees to raise inquiries regarding ethical breaches within the organization. The committee's composition includes the Chief Human Resources Officer, the Sexual Harassment Commissioner for our Israel office, the People and Sustainability Manager of EMIT, and a Chief Officer representative. This committee convenes biannually and additionally as required.

Should employees or other stakeholders perceive a need, they are encouraged to seek guidance or report any unethical conduct, illegal activities, or breaches of the code confidently, with assurance against harassment or reprisal. Reports can be made via the designated email (ethics@elcam.co.il), overseen by the Chief Human Resources Officer. Alternatively, written complaints can be submitted anonymously in the complaint boxes positioned near the main cafeterias at each location. Additionally, EMIT uses an anonymous automated system to increase employee confidence in securely voicing concerns. Externally, we have appointed a Customer Complaints Manager to address and resolve any issues raised by our customers. Complementing this, we have a Corrective and Preventative Action team dedicated to integrating improvements and solutions for ongoing problems or complaints, strengthened by our customer service support to enhance overall customer experience.

We ensure that our communication channels are well-publicized by consistently updating our website, disseminating information through our newsletters, and maintaining direct dialogue with individual customers. This approach keeps our stakeholders informed about how they can reach us for assistance, feedback, or inquiries on a regular basis.





[Introduction](#) | [About this report](#) | [GRI index](#)

[Elcam's ESG impact](#) | [Our products](#) | [Our environmental impact](#) | [Our employees](#) | [Our community engagement](#) | [Our responsible supply chain](#) | [Our governance and ethics](#)



Appendices





About this report

Elcam Medical is pleased to introduce its inaugural ESG Report. This document details Elcam Medical's sustainability initiatives and activities throughout 2022-2023. Our ESG Report covers our production, marketing and sales sites worldwide with a particular focus on our Israeli facilities located in Bar'am and Dalton, and the Italian facilities in Carpi and Mirandola.

The report adheres to the Global Reporting Initiative (GRI) Universal Standards and the Sustainable Accounting Standards Board (SASB) guidelines.

Moving forward, we commit to regularly updating our ESG report to ensure transparency and provide easily comparable data on our progress. By continuing the reporting process, we aim to foster ongoing dialogue with all our stakeholders and keep them informed of our advancements over time.

The report was prepared with the assistance of Good Vision – a CSR Consulting Firm, part of the Fahn Kanne & Co. Grant Thornton Group.

We wish to thank all the people and entities involved in the collection of data, writing, and production of this report.

If you have any questions or comments about this report, please contact:

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GRI index














GRI standard title	GRI disclosure number	GRI disclosure title	Indicator data collection status	Location in the report
The organization and its reporting practices	2-1	Organizational details	Disclosed	About Elcam Medical
	2-2	Entities included in the organization’s sustainability reporting	Disclosed	About Elcam Medical
	2-3	Reporting period, frequency and contact point	Disclosed	About this report
	2-4	Restatements of information	Not disclosed	This is Elcam Medical's first ESG report
	2-5	External assurance	Not disclosed	-
Activities and workers	2-6	Activities, value chain and other business relationships	Disclosed	About Elcam Medical
	2-7	Employees	Disclosed	Our employees
	2-8	Workers who are not employees	Disclosed	Our employees
Governance	2-9	Governance structure and composition	Disclosed	Our board of directors
	2-10	Nomination and selection of the highest governance body	Disclosed	Our board of directors
	2-11	Chair of the highest governance body	Disclosed	Our board of directors
	2-12	Role of the highest governance body in overseeing the management of impacts	Disclosed	Our board of directors
	2-13	Delegation of responsibility for managing impacts	Disclosed	Our board of directors
	2-14	Role of the highest governance body in sustainability reporting	Disclosed	Our environmental governance



GRI index

GRI standard title	GRI disclosure number	GRI disclosure title	Indicator data collection status	Location in the report
Governance	2-15	Conflicts of interest	Disclosed	> Our board of directors
	2-16	Communication of critical concerns	Disclosed	> Our board of directors
	2-17	Collective knowledge of the highest governance body	Disclosed	> Our board of directors
	2-18	Evaluation of the performance of the highest governance body	Disclosed	> Our board of directors
	2-19	Remuneration policies	Disclosed	> Employee well-being and benefits
	2-20	Process to determine remuneration	Disclosed	> Employee well-being and benefits
	2-21	Annual total compensation ratio	Not disclosed	Elcam Medical, as a private company, will not be reporting financial metrics as part of the GRI disclosure.
Strategy, policies and practices	2-22	Statement on sustainable development strategy	Disclosed	> Our ESG approach
	2-23	Policy commitments	Disclosed	> Code of conduct
	2-24	Embedding policy commitments	Disclosed	> Code of conduct
	2-25	Processes to remediate negative impacts	Disclosed	> Whistleblower and grievance procedures
	2-26	Mechanisms for seeking advice and raising concerns	Disclosed	> Whistleblower and grievance procedures
	2-27	Compliance with laws and regulations	Disclosed	> Regulatory compliance and quality assurance
	2-28	Membership associations	Disclosed	> Elcam’s ESG impact

GRI index

GRI standard title	GRI disclosure number	GRI disclosure title	Indicator data collection status	Location in the report
Stakeholder engagement	2-29	Approach to stakeholder engagement	Disclosed	 Stakeholder engagement
	2-30	Collective bargaining agreements	Disclosed	 Employee satisfaction
Disclosures on material topics	3-1	Explanation of the material topic and its boundary	Disclosed	 Material reporting topics
	3-2	List of material topics	Disclosed	 Material reporting topics
	3-2	Management of material topics	Disclosed	 Material reporting topics
GRI 202: market presence 2016	202-1	Direct economic value generated and distributed	Disclosed	 Employee well-being and benefits
	202-2	Proportion of senior management hired from the local community	Disclosed	 In 2022, 100% of senior management at both EMIT and Elcam Israel were hired from the local community. In 2023, this proportion was 94%.
GRI 204: procurement practices 2016	204-1	Proportion of spending on local suppliers	Disclosed	 Supporting the local economy
GRI 205: anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Disclosed	 Anti-corruption
	205-2	Communication and training about anti-corruption policies and procedures	Disclosed	 Anti-corruption
	205-3	Confirmed incidents of corruption and actions taken	Disclosed	 Anti-corruption
GRI 206: anti-competitive behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Disclosed	 Anti-corruption
GRI 301: materials 2016	301-1	Materials used by weight or volume	Disclosed	 Across EMIT and Elcam Israel, 561,800 kg of renewable packaging materials were used in 2022, and 549,601 kg were used in 2023.



GRI index

GRI standard title	GRI disclosure number	GRI disclosure title	Indicator data collection status	Location in the report
GRI 302: energy 2016	302-1	Energy consumption within the organization	Disclosed	Our environmental footprint
	302-3	Energy intensity	Disclosed	Our environmental footprint
	302-4	Reduction of energy consumption	Disclosed	Our environmental footprint
GRI 303: water and effluents 2018	303-1	Interactions with water as a shared resource	Disclosed	Our water consumption
	303-5	Water consumption	Disclosed	Our water consumption
GRI 305: emissions 2016	305-1	Direct (scope 1) GHG emissions	Disclosed	Our GHG emissions
	305-2	Energy indirect (scope 2) GHG emissions	Disclosed	Our GHG emissions
	305-4	GHG emissions intensity	Disclosed	Our GHG emissions
	305-5	Reduction of GHG emissions	Disclosed	Our GHG emissions
GRI 306: waste 2020	306-1	Waste generation and significant waste-related impacts	Disclosed	Our waste management
	306-2	Management of significant waste-related impacts	Disclosed	Our waste management
	306-3	Waste generated	Disclosed	Our waste management
	306-4	Waste diverted from disposal	Disclosed	Our waste management
	306-5	Waste directed to disposal	Disclosed	Our waste management





GRI index

GRI standard title	GRI disclosure number	GRI disclosure title	Indicator data collection status	Location in the report
GRI 307: environmental compliance 2016	307-1	Non-compliance with environmental laws and regulations	Disclosed	> Our environmental governance
GRI 308: supplier env assessment 2016	308-1	New suppliers that were screened using environmental criteria	Disclosed	> Sustainable procurement
GRI 401: employment 2016	401-1	New employee hires and employee turnover	Disclosed	> Our employees
	401-3	Parental leave	Disclosed	> Our employees
GRI 403: occupational health and safety 2018	403-1	Occupational health and safety management system	Disclosed	> Health and safety
	403-2	Hazard identification, risk assessment, and incident investigation	Disclosed	> Health and safety
	403-3	Occupational health services	Disclosed	> Health and safety
	403-5	Worker participation, consultation, and communication on occupational health and safety	Disclosed	> Health and safety
	403-6	Worker training on occupational health and safety	Disclosed	> Health and safety
	403-6	Promotion of worker health	Disclosed	> Health and safety
	403-8	Workers covered by an occupational health and safety management system	Disclosed	> Health and safety
GRI 404: training and education 2016	404-1	Average hours of training per year per employee	Disclosed	> Employee training and development
	404-2	Programs for upgrading employee skills and transition assistance programs	Disclosed	> Employee training and development
	404-3	Percentage of employees receiving regular performance and career development reviews	Disclosed	> Employee training and development





GRI index

GRI standard title	GRI disclosure number	GRI disclosure title	Indicator data collection status	Location in the report	
GRI 405: diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	Disclosed	> Our employees	> Our board of directors
GRI 406: non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Disclosed	> Discrimination	
GRI 407: freedom of association and collective bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Disclosed	> Employee satisfaction	
GRI 408: child labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Disclosed	> Business ethics & integrity (no suppliers and operations at risk)	
GRI 409: forced or compulsory labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Disclosed	> Business ethics & integrity (no suppliers and operations at risk)	
GRI 410: security practices 2016	410-1	Security personnel trained in human rights policies or procedures	Disclosed	> Human rights	
GRI 414: supplier social assessment 2016	414-1	New suppliers that were screened using social criteria	Disclosed	> On average, 18% of new suppliers across Elcam Medical were screened using social criteria.	
GRI 416: customer health and safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Disclosed	> Health and safety impacts are assessed for improvement in 100% of significant product and service categories.	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Disclosed	None	
GRI 417: marketing and labeling 2016	417-1	Requirements for product and service information and labeling	Disclosed	> Regulatory compliance and quality assurance	
	417-2	Incidents of non-compliance concerning product and service information and labeling	Disclosed	None	
	417-3	Incidents of non-compliance concerning marketing communications	Disclosed	None	
GRI 418: customer privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Disclosed	> Cybersecurity and data privacy	





“ I would like to express my thanks for the continued support of our partners, employees and customers as we navigate these dynamic times. ”

Igal Kohn, Elcam Medical's CEO



THANK YOU

[Back to the start ↑](#)