



CORPORATE SOCIAL
RESPONSIBILITY
PROGRESS REPORT

2014

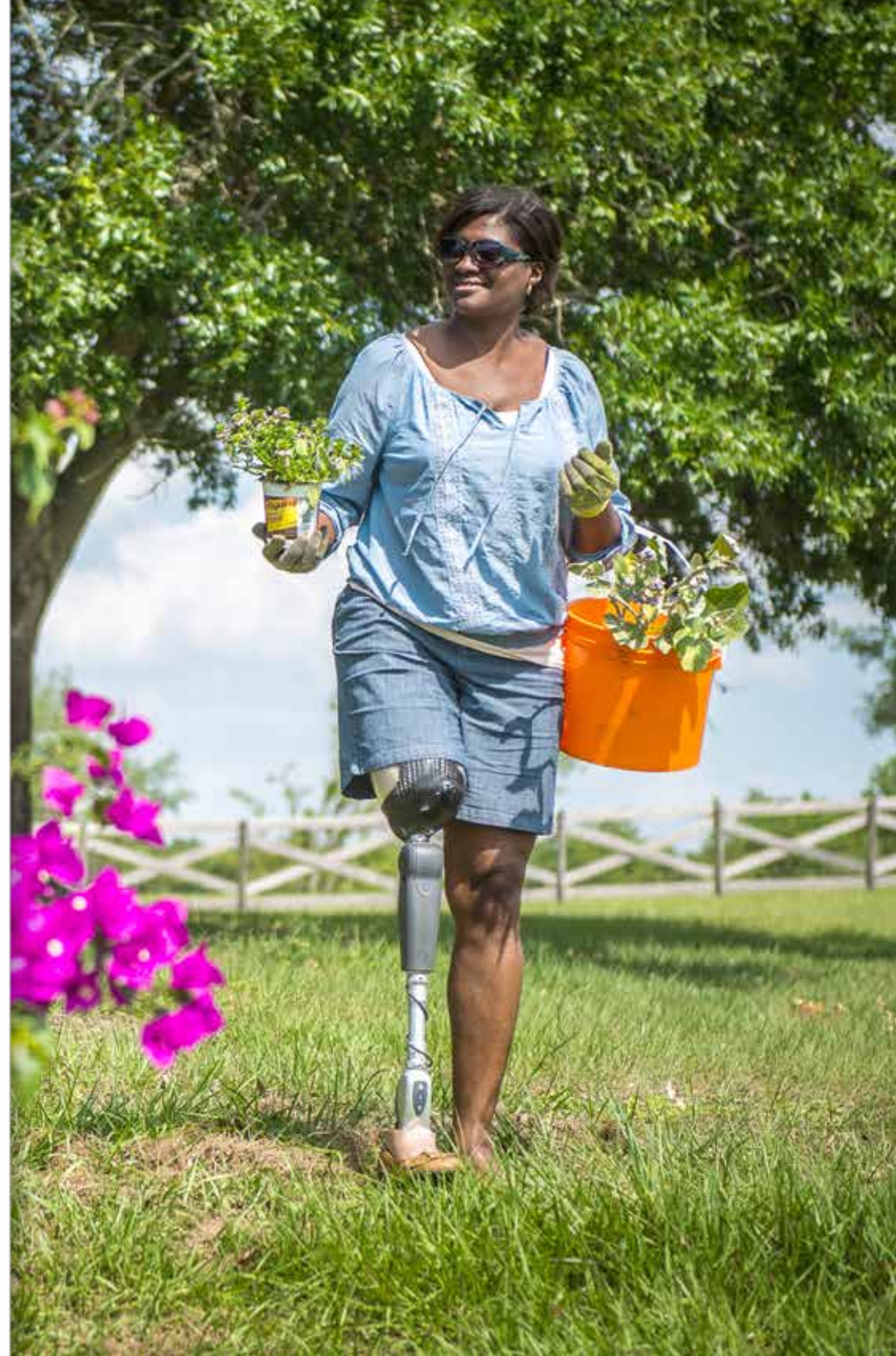






Table of contents

CSR REPORT 2014

- 2 Letter from the CEO
- 4 About Össur
- 6 Corporate Strategy
- 7 Values
- 8 Approach to Corporate Social Responsibility
- 10 Human Rights and Labor Practices
- 18 Environment and Quality
- 20 Anti-Corruption
- 22 Compliance
- 24 Support and Responsibility
- 26 Overview of Measurements
- 28 Goals and Key Focus for 2015

Letter from the CEO



Jón Sigurðsson
Össur President and CEO

Össur is a global company, dedicated to improve people’s mobility with products and services centered on bracing and supports and prosthetics. We are proud to be in a position to help change the lives of our customers all around the world. In addition to a comprehensive network of distribution partners, the company has operations in 18 countries.

In product development we adhere to what we call an indication-based approach. That means we focus on medically indicated and clinically validated product development. Our

development process relies on medical and biomechanical evidence, as well as health economic data, in order to develop valuable concepts for individuals and healthcare systems. We believe this approach offers more sustainability as we strive to identify conditions and offer valuable solutions for both the healthcare systems and the end-user.

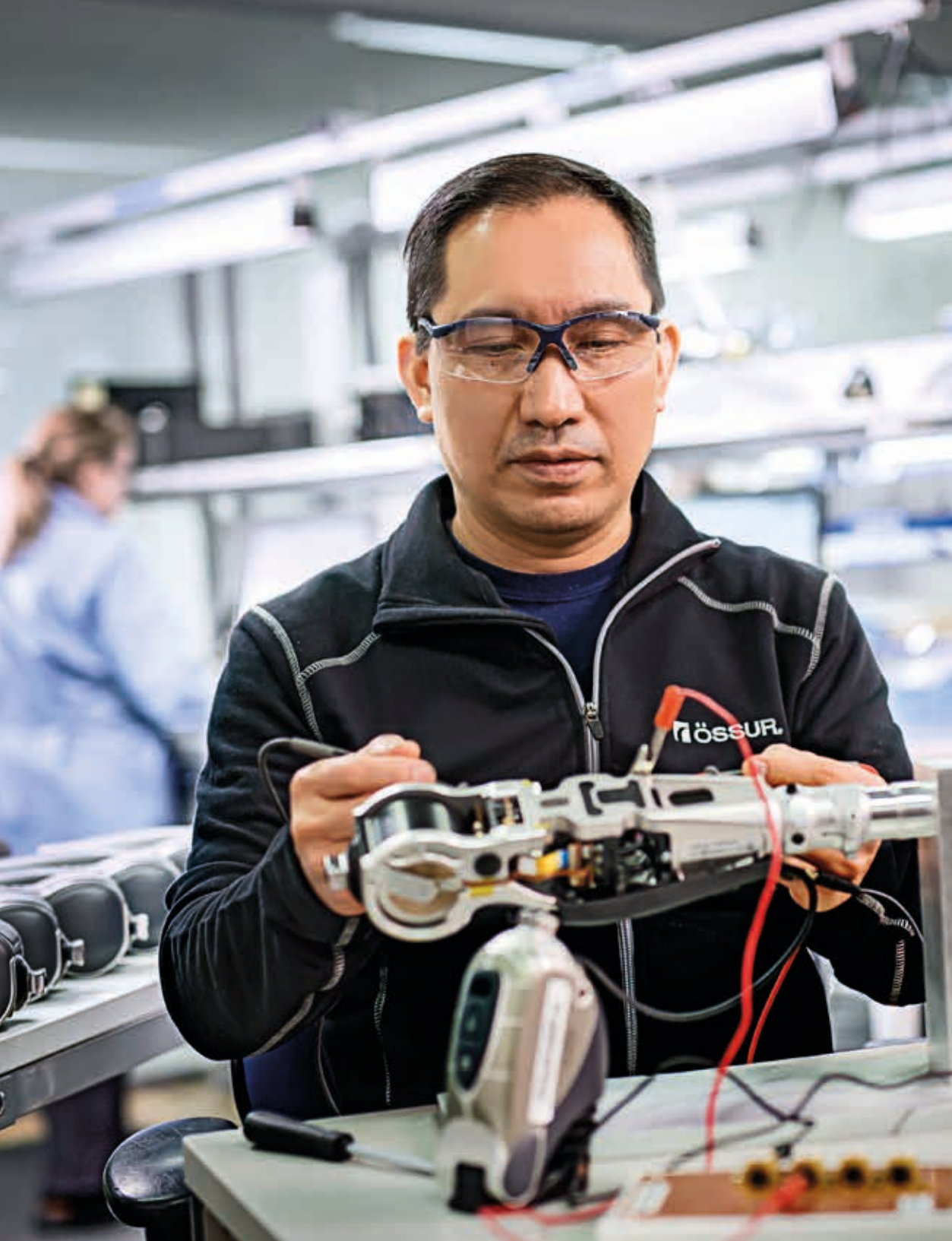
We at Össur believe that by integrating the aspects and ideology behind CSR into our day-to-day business we are creating a stronger foundation for our Company and for future

growth. We have been participants in the Global Compact since 2011, and in 2014 we committed to the UN Women’s Empowerment Principle.

At Össur we have employees from different cultures and backgrounds and we believe that equality in its broadest meaning is not just a question of being reasonable and fair, but an important element to deliver the best results.

We constantly stress preparation in order to make the right decisions that help us meet future challenges. At Össur, we never lose sight of our guiding principle, which is to help our customers live life with out limitations.

A handwritten signature in black ink, appearing to read 'Jón Sigurðsson'. The signature is written in a cursive, flowing style.



We at Össur believe that by integrating the aspects and ideology behind CSR into our day-to-day business we are creating a stronger foundation for our Company and for future growth.

About Össur

Össur focuses on improving people's mobility through the delivery of innovative technologies within the fields of prosthetics and in bracing and supports.

Össur is known as a technical leader in the field of prosthetics and one of the leading companies in the field of bracing and supports.

The Company was founded in 1971 as a prosthetic clinic and has since then grown through innovation and acquisitions in both prosthetics and bracing and supports. Today Össur has a strong position in the industry and key markets and is in a good position to leverage on future growth opportunities.

Össur has been listed since 1999 and since 2009 on NASDAQ in Copenhagen. Össur has operations in 18 countries and around 2,300 employees.

Össur's Two Business Segments

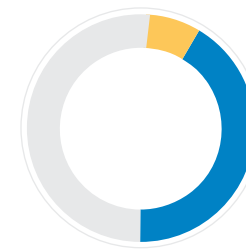
Bracing and Supports

Within the segment of bracing and supports products, Össur focuses on Osteoarthritis and Injury Solutions. These products are primarily used to support joints and other body parts, both for therapeutic and preventive purposes.

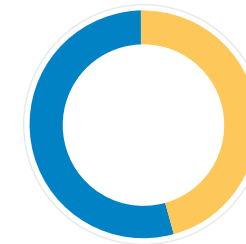
Prosthetics

Prosthetic products include artificial limbs and related products for individuals who were born without limbs or have had limbs amputated.

Össur is headquartered in Reykjavik, Iceland. The Company's sales are well diversified by segments and geography. Sales in 2014 amounted to USD 509 million and were split as follows:



52% EMEA
41% Americas
6% APAC



58% Bracing and Supports
42% Prosthetics

Main Milestones



1971

Össur was founded in Iceland by Össur Kristinsson



1986

Received its first patent for the silicone liner



1999

Listed on NASDAQ in Iceland



2000

Becomes the second largest prosthetics manufacturer through series of strategic acquisitions



2004

RHEO KNEE® The first bionic product launched

We are

- > A Global Orthopaedic Company
- > Growing through Innovation
- > Positioned for Future Growth

2005/6

Entrance into the bracing and supports segment through series of strategic acquisitions

2009

Listed on NASDAQ in Copenhagen

2012

SYMBIONIC® LEG
The world's first complete bionic leg

2013

Strengthening of sales channel through acquisitions

2014

REBOUND® CARTILAGE
First Functional Healing™ product introduced to the market

Corporate Strategy

Össur's vision is to be a leading company in the non-invasive orthopaedics market. Össur's business improves people's mobility through innovative technologies within the fields of bracing and supports and prosthetics. Össur will continue to generate value for individuals and healthcare systems by focusing our business strategy on successful product innovation, efficiency and sustainable growth.



MAIN FOCUS AREAS



INNOVATION

Execute Ideas that add Value

We embrace innovation in all our actions by creating value for our customers. We will be at the forefront of indication-related innovation to maintain our consistently strong market position.



EFFICIENCY

Do Business Efficiently

We strive to increase efficiency and drive continuous improvement. We run efficient operations in the most optimal locations, hire passionate employees and deliver strong profit and cash flow.



GROWTH

Sustainable Growth

We will achieve growth by successfully commercializing our innovation through our localized go-to-market strategy and commitment to our customers' needs. We will further develop our business and leverage untapped market opportunities.

VISION

Leading Company in Non-Invasive Orthopaedics

MISSION

We Improve People's Mobility

Values

Össur's core values ensure successful cooperation and partnerships, and are the foundation for our strategy and success.

HONESTY

We show respect by adhering to facts and reality, fulfilling promises and claims, and admitting failures. We nurture honest communication throughout the Company by sharing information and respecting each other's time and workload.

FRUGALITY

We use resources wisely. The Company aims to minimize costs across all areas of its business through effective communication, preparedness, planning and optimized processes.

COURAGE

We are open to change and constantly strive for improvement. We challenge unwritten rules, show initiative and take calculated risks, while at the same time, taking responsibility for our ideas, decisions and actions.

Approach to Corporate Social Responsibility

Össur has been committed to the active development of a Corporate Social Responsibility policy for many years. This report contains an overview of the Company's approach to CSR, as well as key measurements and progress.

Values

Össur is committed to maintaining high standards of ethical, environmental and social responsibility. The Company's values are honesty, frugality and courage. These values serve as the foundation and driving force behind Össur's culture, guiding employees in their day-to-day activities and decision-making. Össur's values encourage employees to take social, ethical and environmental stands beyond the Company's legal obligations. In addition, these values help the Company adapt to the various cultures in which it conducts business.

Engagement

Össur has monitored aspects and initiatives of CSR since 2008. During this time, Össur has been increasing its engagement with multiple stakeholders, addressing important areas of the business. By reaching out to stakeholders, Össur has strengthened relationships and increased the Company's understanding of the environment in which stakeholders operate. This helps Össur to better understand and react faster to challenges that might occur.

UN Global Compact and UN Women's Empowerment Principles

Össur joined the UN Global Compact in 2011, committing to 10 principles with regards to human rights, labor practices, environmental concerns and anti-corruption. In 2014, Össur took another step in its commitment by signing the UN Women's Empowerment Principles, showing further commitment in the area of Human Rights.

To integrate and make CSR a natural part of the way Össur operates, the main focus has been on involving employees across the organization. This enables the Company to foster discussions at all levels and guides employees in their day-to-day decisions. Össur monitors various aspects within CSR and publishes measurements and future goals.



The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labor standards, the environment and anti-corruption.





Overview of main initiatives supporting the Global Compact principles

> Human Rights

Össur's main focus regarding human rights has been on the Company's product suppliers in Asia. The suppliers are audited on a regular basis, both by Össur inspectors as well as external parties. Additionally, all raw material suppliers and distributors are requested to confirm certain clauses and declarations in respect to human rights.

> Labor Practices

Össur is focused on eliminating discrimination in any form. The Company has established an equal opportunities policy and implemented initiatives encouraging diversity in the workplace. In 2014, Össur was audited by an external party for equal remuneration for women and men at its headquarters.

> Environment

Össur started implementing the ISO 14001 environmental standard in 2011. Currently, all main manufacturing locations are certified. During this time, the Company has focused on educating and raising awareness among its employees, which has been vital and returning positive results.

> Anti-Corruption

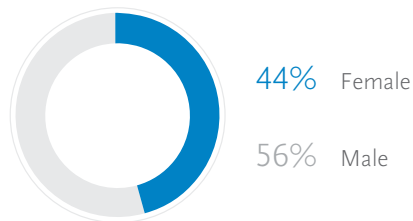
In 2014, Össur increased its focus on anti-corruption and bribery by establishing a global policy and set of procedures to better evaluate the Company's business partners. The Company is also educating and raising awareness about the topic among employees, as well as the Company's business partners.

Human Rights and Labor Practices

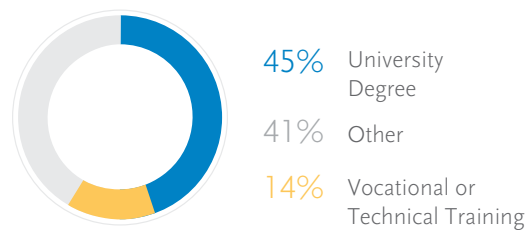
The Workplace

Össur employs 2,300 people in 18 countries. In order to further develop as a company that has social responsibility incorporated into its daily business, it's essential to encourage a sense of responsibility in the workplace. Every day, employees make decisions that can impact the Company's sustainability. It's of great importance that employees understand the impact of their decisions and take into account the Company's possible gains or losses in terms of financial value, as well as environmental or social value.

Gender Ratio



Education



Occupational Health and Safety

The health and safety of employees is one of Össur's most important priorities. Numerous projects have been initiated which have resulted in increased risk awareness and a changed mindset among employees. Monitoring and documentation of incidents and near incidents have led to increased consciousness about workplace safety and participation in improvements. To maintain and further develop a safety-first mindset, employees are encouraged to make suggestions for improving the working environment. The suggestions can be either regarding safety or environmental matters. In 2014, suggestions relating to safety and environmental matters accounted for 13%, while other suggestions were regarding general improvements of the work environment.

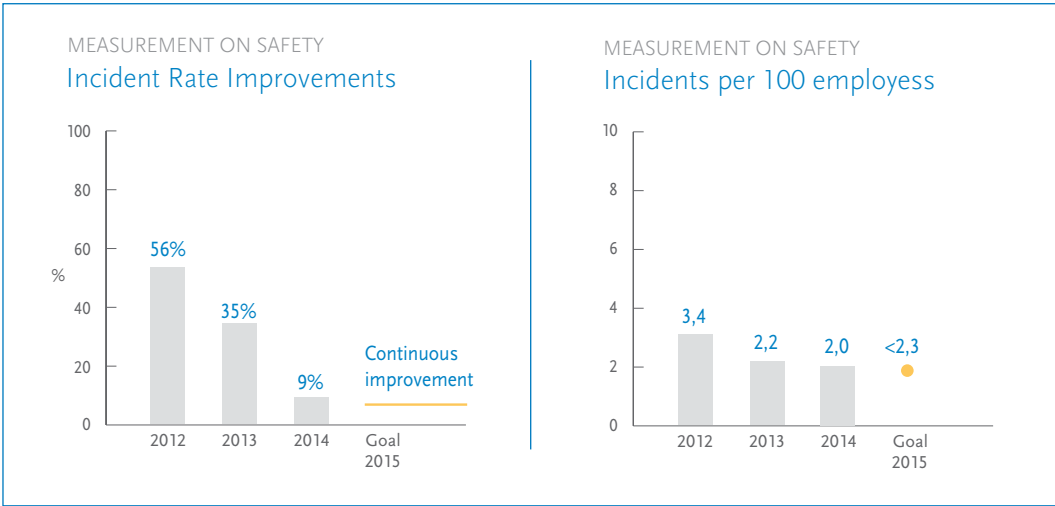




Össur strives to promote the importance of a healthy lifestyle to its employees and customers. Össur offers regular health checks for employees, increasing their awareness of their health and promoting preventive measures. Equally, Össur strives to educate reimbursement authorities, relevant healthcare professionals, as well as Össur product users, on the importance of staying mobile. Mobility and general health and wellbeing are very important for everyone, and even more important for amputees and people with impaired mobility. Össur tests and researches the effectiveness of the Company's products in order to promote the health-economic and medical benefits to both healthcare systems and end users.

Measurements on Occupational Health and Safety

	2012	2013	2014	Goal 2015
Incident per 100 employees	3,4	2,2	2,0	<2,3
Incident causing a lost day	12	12	16	0
Incident rate improvement	28%	35%	9%	continuous improvement



Equal Opportunities and Diversity

In a global company like Össur, employees interact with each other and other stakeholders from many different cultures and backgrounds. Therefore, diversity must be addressed. To build a strong and successful team of employees in a global company, diversity in its broadest sense is important.

Different functions of the Company require different skill sets. For each and every employee to thrive and add value to the Company, it is essential for them to be assigned appropriately challenging tasks, and to be trusted to take on broader responsibilities.

Encouragement of diversity in the workplace is beneficial because it helps in gaining diverse perspectives from which to base decisions, which in turn can lead to better results. Össur has had an equal opportunities plan in place since 2013. The purpose of Össur's equal opportunities plan is to ensure that women and men receive equal treatment and equal opportunities for growth within the Company. The goal is to utilize the skills, strengths and knowledge of all employees, without gender-based discrimination.

Össur wants to be an attractive workplace for both genders and to reach that goal, the Company needs to create an environment where both men and women have the opportunity to perform and contribute to the Company's success. To support the equal opportunities plan, Össur ensures that recruiting and internal promotion strategies are aligned with the plan.

Currently, the percentage of women in management positions is 31%. This group includes one woman at the executive level and a few at the director level, while the majority is in middle management positions.

Measurements on Equal Opportunities

Diversity and Equal opportunity				
Percentage of women in management positions	2012	2013	2014	Goal 2015
	n/a ¹	30%	31%	>30%

¹Comparable numbers not available.

Gender and Diversity, Overview of Management Positions					
	Management Level	EVP & VP	Senior Management	Middle & First Management	Total
2014	Female	19%	17%	35%	31%
	Male	81%	83%	65%	69%
2013	Female	15%	16%	39%	30%
	Male	85%	84%	61%	70%

Audit on Equal Remuneration

In 2014, an audit on equal remuneration was completed. The audit addressed equal remuneration for women and men in the company's operation in Iceland. The result of the audit was that there is no difference in salaries based on gender. In the Americas, salary audits on all employees are done annually as part of standard compensation review procedures.



Jafnlaunaúttekt
PwC
2014



Össur Signs the United Nations Women's Empowerment Principles

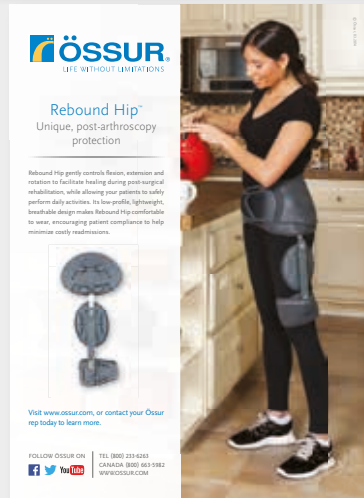
In a global company like Össur, diversity in its broadest sense is important. Encouragement of diversity in the workplace is beneficial as it helps gain diverse perspectives from which to base decisions, which in turn lead to better results. To confirm its commitment towards equal opportunities Össur signed the United Nations Women's Empowerment Principles in May 2014.

"Gender equality is not only fair, it also makes economic sense to utilize the skills, strengths and knowledge of all Össur employees equally."

Jón Sigurðsson, President & CEO

The Women's Empowerment Principles:

- Principle 1 Establish high-level corporate leadership for gender equality
- Principle 2 Treat all women and men fairly at work – respect and support human rights and nondiscrimination
- Principle 3 Ensure the health, safety and wellbeing of all women and men workers
- Principle 4 Promote education, training and professional development for women
- Principle 5 Implement enterprise development, supply chain and marketing practices that empower women
- Principle 6 Promote equality through community initiatives and advocacy
- Principle 7 Measure and publicly report on progress to achieve gender equality



Human Rights and Equality in Marketing Material

Being an international company with operations in 18 countries requires Össur and its employees to understand not only legal requirements, but more importantly, understand and respect different cultures and backgrounds. Össur emphasizes that respect for different cultures and backgrounds are adhered to, and that all voices can be heard, and that discrimination of any kind is not tolerated. In this respect, Össur has implemented various initiatives, such as diversity and equal opportunities initiatives. The Company also audits and monitors the human rights records of its product suppliers in Asia, and has increased requirements on raw material suppliers and distributors.

Össur believes it is important to make sure that the Company's marketing material reflects its commitment to human rights. Össur's customers are to a large extent considered to be disabled. Össur has for many years strived to change the perception of disabled people. The Company takes seriously its responsibility to promote equal opportunities amongst all groups, irrespective of age, race, national origin, gender, religion, disability or any other protected characteristics. The Company's communication platforms are strong resources in which to reach out to people. Therefore, Össur believes it's even more important to display its commitment to human rights through its media activities.

Supply Chain

Össur manufactures its products in four main locations: Iceland, Mexico and two locations in France. In addition, Össur has product suppliers in Asia.

Bracing and supports products are manufactured in Mexico, France and by suppliers in Asia. The prosthetic products are manufactured in Iceland; however, a small amount of prosthetic products are manufactured in Michigan, U.S. The Company's main distribution centers are in the Netherlands, the U.S. and the U.K. All manufacturing locations and distribution centers have adopted lean manufacturing processes in addition to extensive loss prevention initiatives which are focused on both personal and plant safety.

Raw Material Suppliers

Össur has 450 raw material suppliers from all around the world. About 100 suppliers are considered to be critical suppliers, either due to the volume or criticality of the components they produce. The critical suppliers are evaluated annually based on certain criteria, including quality, reliability, price, service and responsibility. Following an evaluation, the results are sent to the suppliers along with feedback as well as opportunities for improvement. Suppliers that reach a score of 75 points or more on the scale of 100 are considered to show "good results". Suppliers

who do not deliver results in line or above the Company's target are offered the opportunity to adapt accordingly and in some instances suppliers are replaced. In the past, questions about socially responsible matters have been added to the evaluation, and in 2014 a special clause on human rights and anti-corruption was added. The Company's suppliers are required to sign these statements. The goal is to have all suppliers sign on to the Company's requirements by 2017.

Product Suppliers

Since 2005, Össur has outsourced part of its manufacturing of bracing and supports products to manufacturers in China and Taiwan. Össur and its partners are instructed to follow a code of conduct with an emphasis on ethics.

Additionally, all contracts address human rights with special focus on compensation and health and safety. Össur has emphasized building a strong relationship with its partners, and to further engage with them Össur started to perform evaluations on its product suppliers in 2009, identifying opportunities for improvement. Results from these audits have resulted in improved processes, a changed approach and attitude, which has supported better performance overall.

In 2014, Össur further engaged with its suppliers in Asia by having external auditors visit the most critical suppliers, or suppliers manufacturing 97% of the outsourced products. Two different external audits were conducted, one with a primary focus on human rights and

Measurements on Raw Material Suppliers

	2012	2013	2014	Goal 2015
Evaluation of critical suppliers ²	n/a ¹	70%	69%	70%
Suppliers that have signed statements regarding human rights	n/a ¹	n/a ¹	56%	75%

¹Comparable numbers not available.

²Suppliers which have reached 75 points or above.



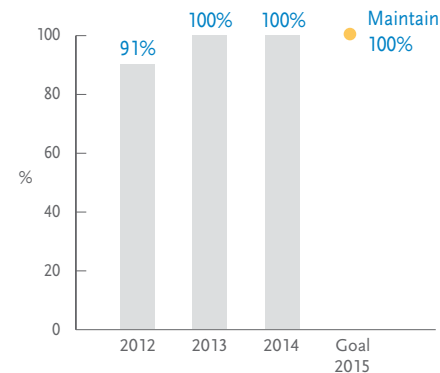
the health and safety of employees, and the other to identify critical risks and fire protection. Össur has taken various measures at its own manufacturing locations in terms of the health and safety of employees and with fire risks and protection. The Company believes it is a natural next step to extend these efforts by evaluating and educating its partners in the same way as its own employees. Based on the results of these audits, in 2015 the Company will focus on health and safety, increasing awareness and the education of its suppliers' employees with respect to critical risks and how to reduce risk levels.

One of the initiatives in Asia has been to reduce the number of product suppliers to be better able to engage with the most important partners. At yearend the Company had contracts with eight suppliers in Asia, compared to 11 at yearend 2012.

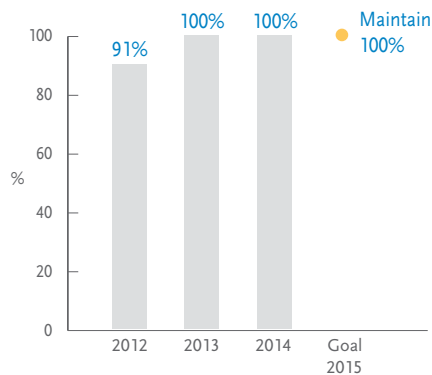
Increased focus in Asia in 2014 and 2015

In 2014, Össur decided to increase safety measures at its product suppliers in Asia. The focus is to reduce overall risk, making the work place safer for employees, while at the same time strengthening the partnership with Össur. External audits and initiatives carried out in 2014 have helped to identify opportunities for improvements as well as confirmed progress from previous years. All of the relevant suppliers welcome this approach as they see the mutual benefits these efforts will convey. This project will continue in 2015 where main focus will be on education and awareness.

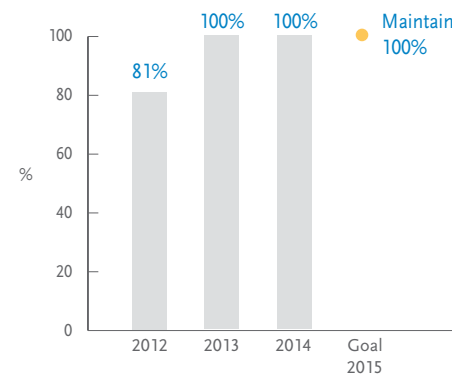
Product suppliers audited for human rights



Suppliers Audited for child labor



Clauses in agreements with product suppliers on human rights



Environment and Quality

Quality

A certified quality management system has been in place since 1993 and is based upon ISO management standards. Össur is currently certified with ISO9001:2000, ISO13485:2012 and ISO14001. Locations that manufacture both class I and higher class devices are certified with ISO13485, which is a special standard for medical devices. Products sold in Europe are CE-marked as they meet the requirements of the European Economic Area. In the U.S., the Company's products adhere to FDA standards.

The Company has been growing in recent years, both through acquisitions and organic growth, adding products and locations to the organization. When experiencing rapid periods of growth, processes and procedures need to be adjusted accordingly. In 2014, the Company has been strengthening its quality system, reevaluating processes and establishing new approaches. These efforts will continue into 2015.

Customer Feedback

Össur values feedback from customers, both in relation to products and services as well as how the Company interacts with its customers. Össur regularly conducts surveys among its customers and monitors claims and feedback. Össur has strengthened the customer feedback process and system allowing improved capture and detailed analysis to identify improvement opportunities.

Certifications of Össur Sites (Total 10 Sites)

	ISO 9001	ISO 13485	ISO 14001
Reykjavík, Iceland		X	X
Eindhoven, the Netherlands		X	X
Manchester, U.K.		X	X
Uppsala, Sweden		X	X
St.Etienne, France	X	X	X
Foothill Ranch, California		X	
Tijuana, Mexico		X	X
Albion, Michigan		X	
Paulsboro, New Jersey		X	
Camarillo, California		X	

Environment

Össur believes it is important to continuously work towards improved environmental performance, not only because legal requirements are increasing, but also because the Company understands its responsibility to reduce and control the impact it has on the environment. Össur's impact on the environment through its manufacturing sites is primarily through raw materials, such as plastics, silicone and carbon fiber, and some

processes such as the anodizing of metals. However, the Company strives to continuously advance its processes in order to reduce scrap.

Employees are encouraged to turn in suggestions on how to improve the work environment. In 2014, suggestions relating to safety and environmental matters accounted for 13%, while other suggestions were about general improvements of the working environment.



Össur's goal is to be accountable for the Company's impact on the environment

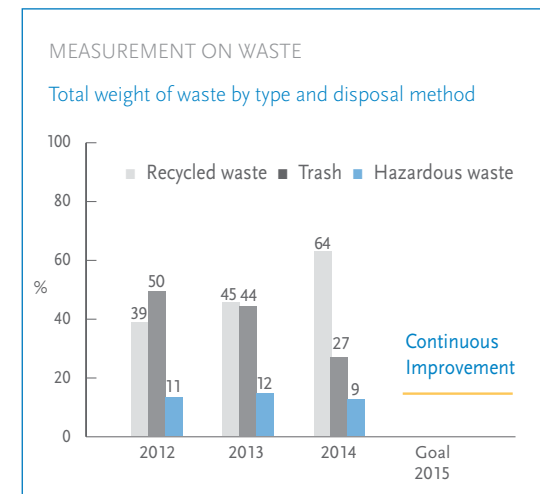
- Össur is committed to working in accordance with relevant laws, regulations and other requirements.
- Strives to preserve the environment and prevent pollution.
- Emphasizes continuous improvements focusing on environmental impact.
- Recognizes that its operations impact the environment in a number of ways.

Product Life Cycle

The research and development department is increasing its focus on sustainability and how to minimize the Company's environmental impact. The Company is doing this by implementing a work process and guidelines addressing the lifecycle of products from an environmental aspect. This means carefully selecting materials when working on new projects, as well as guiding end users of the disposability of the product. The Company strives to increase employee awareness about what kind of materials are being used, and the possible effects certain materials may have on the environment, as well as the users. By having such a process in place makes employees better equipped to include these aspects when making decisions on material selection.

Milestone – Utilization of Silicone

Following an increased focus on limiting its environmental footprint and making process improvements over the past few years, the Company is better utilizing raw materials. A good example is the utilization of silicon, as the output of products has increased by 22% per each ton of silicone. This is a result of increased awareness of environmental aspects as well as changed processes. It is of great encouragement for employees.



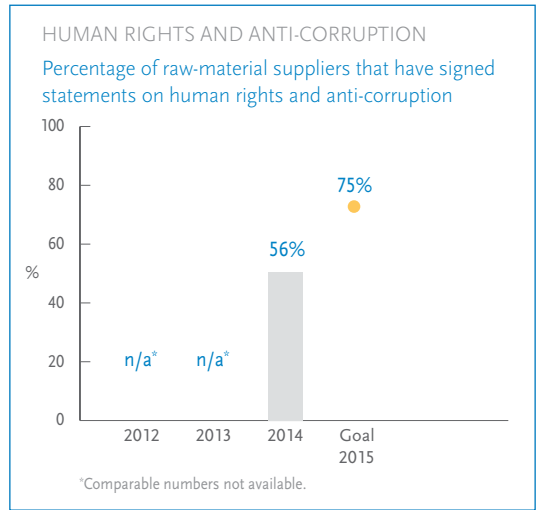
Anti-Corruption

As reported in last year's report, anti-corruption was one of the focus areas for 2014, establishing global processes and procedures, enabling Össur to evaluate and conduct risk assessments on its business partners.

In 2014, various steps have been taken. To start with, the overall status of the project was mapped. Following this mapping, the main tasks and projects associated with anti-corruption were prioritized based on materiality and risk assessment. Finally, policies on anti-corruption and bribery plus a code of conduct were established. Standard contract forms have been updated, adding clauses on anti-corruption and bribery. Current contracts are being reviewed with respect to this clause and in some instances contracts in relation to risk assessment are being reviewed. Additionally, raw material suppliers are requested to confirm clauses on anti-corruption and bribery, focusing on the Company's most critical suppliers.

The main priority in 2015 will be to conduct a risk assessment of distributors. The first wave of the project will focus on distributors and business partners which have been identified based on annual sales and geography, or countries that have a low score on the Transparency International list on corruption by country. Parallel distribution agreements are being review and updated.

Based on the results and experience from the first wave of risk assessments, the next step will be identified, and relevant processes established. At the same time increased focus will be on education and awareness among employees, as well as the Company's business partners.





Compliance

In line with the Company's core values of honesty and courage, Össur realizes that it's important to be aware of the various laws and regulations in the environment in which the Company operates to be prepared and able to adapt to future developments.

A Whistle Blower Scheme

The Company provides employees with ways of reporting conduct that they reasonably believe violates applicable laws, regulations or the Company's policies. The Company treats all reports as confidential and any issue will be discussed only with those individuals who have a "need to know". The Company's policy strictly prohibits any retaliatory action against a person reporting actual or potential compliance issues in good faith, whether or not the reports ultimately prove to be well founded.

Corporate Governance

Össur hf. is an Icelandic company listed on Nasdaq OMX in Copenhagen. The Annual General Meeting is the supreme governing body of the Company. As a listed company, Össur communicates with its shareholders and other stakeholders about the Company's financial and business developments in an open and honest manner.

Össur provides investors, analysts and other stakeholders with timely and accurate information. Every year, Össur hosts investor meetings and teleconferences with the CEO,

CFO and VP of IR, following quarterly reports and other key events.

As a listed company, Össur complies with various rules and regulations. The Company has chosen to follow the Danish Recommendations on Corporate Governance because the Company's shares are traded on NASDAQ Copenhagen.

The Company's Corporate Governance statement includes information on the following items:

- A reference to the corporate governance recommendations the Company follows and how the Company addresses the recommendations, including any deviations and explanations thereto.
- A description of the main aspects of internal controls and risk management systems in connection with preparation of financial statements.
- A description of the Company's organizational structure and the role and composition of each function.

A complete report on the Company's compliance with each recommendation in the Danish Recommendations on Corporate Governance is available on the Company's website: www.ossur.com/investors





Support and Responsibility

One of the aspects of responsibility is to show support to the societies and environment in which the Company operates. Össur believes that it has great responsibility towards disabled people, not only by providing products, but equally to support third-party initiatives aimed at better care and support for disabled people. The Company believes it is important that the perception of disabled people is positive and together with great athletes participating in the 2012 Paralympics, as well as other elite sporting events, the perception of disability has changed. Hopefully, this will motivate others whose own mobility has been challenged and encourage them to play more active roles in society with even greater confidence.

Össur believes it has a responsibility in relation to the education of healthcare professionals that work in the field of prosthetics and bracing and supports. In this respect, Össur cooperates with universities in both the U.S. and Europe on research projects, and has on average in the range of 6-10 interns at any given time.

For over a decade, Össur has had an educational program called Össur Academy. The Össur Academy is committed to furthering the level of education and quality of prosthetic and orthopaedic knowledge among professionals, patients and their families. The aim is to enable orthotists, prosthetists and other medical professionals to achieve clinical success through accessible information and the services Össur provides.

Össur also has in place a program called “the Össur Orthopaedic Fellowship Program.” This is a 12-month academic program designed to enhance the clinical, surgical, and research skills of orthopaedic/musculoskeletal healthcare specialists.

Research Grant Program

Össur offers a research grant program both in the field of prosthetics and bracing and supports. The program is designed to provide funding for scientific research in the areas of lower extremity biomechanics, dynamic/active rehabilitation, ortho biologics, functional bracing, clinical patient outcomes and related healthcare economics.

Community Support

Össur supports and partners with a wide range of organizations around the globe. As a leading orthopaedic manufacturer, it is the Company’s responsibility and privilege to champion the industry and serve patients and practitioners in every way possible. In fulfilling this mission, Össur believes it is obliged to provide not only world-class products, but also lend support to those relying upon them.

Additionally Össur supports its close environment with various initiatives, such as through support to different types of groups that work with people with all kinds of disability and disadvantages. Össur likes to demonstrate that support to your nearest community does not need to be only through financial support, and has for many years been giving left over food from the canteen at the Company’s headquarters to a shelter for homeless people.





A few of the Company's Larger Initiatives

Amputee Coalition of America (ACA)

Through the Challenged Athletes Foundation Össur has helped amputees with grants training, prosthetics and equipment. The partnership opens doors for athletic greatness.

Challenged Athletes Foundation (CAF)

A national U.S. non-profit formed in 1989 to offer continued education, mentoring, peer support and consumer advocacy.

Emotional Well-Being Initiative

A partnership formed with the Amputee Coalition of America and The Johns Hopkins University Medical School. These organizations are working together creating a new, nationwide program to help prosthetists in the U.S. address the emotional needs of people with limb loss. The program is an example of the type of innovative partnerships that are needed to better address the healthcare needs of amputees.

Iceland Sport Association for the Disabled

Össur has been a proud supporter of the Iceland Disabled Sports Association for two decades.

Stand Tall

The charity foundation based in Hong Kong provides high-end prosthetic devices and rehabilitation to victims of the Sichuan earthquake, which devastated the Chinese community in 2008.

Team Össur

Team Össur is an accomplished group of elite international athletes and sporting role models. Team Össur includes athletes from world-class triathletes to accomplished track and field athletes.

Importantly, the talents and charisma of all of these exceptional individuals are helping to raise public awareness of the true potential of people with limb loss and impaired mobility to lead active and fulfilling lives. Össur is delighted to recognize their work and to sponsor and support them in the constant pursuit of Life Without Limitations. These individuals have been on the forefront in showing the world that you should follow your dreams. Athletes like these are important for our community to demonstrate to others that they should follow their dreams and not look at their condition as a disability.

Overview of Measurements

Measurements on Occupational Health and Safety				
	2012	2013	2014	Goal 2015
Incident per 100 employees	3,4	2,2	2,0	<2,3
Incident causing a lost day	12	12	16	0
Incident rate improvement	28%	35%	9%	continuous improvement

Supply Chain - Measurements on Raw Material Suppliers				
	2012	2013	2014	Goal 2015
Evaluation of critical suppliers ²	n/a ¹	70%	69%	70%
Suppliers that have signed statements regarding human rights	n/a ¹	n/a ¹	56%	75%

Equal Opportunities - Gender and Diversity, Overview of Management Positions					
	Management Level	EVP & VP	Senior Management	Middle & First Management	Total
2014	Female	19%	17%	35%	31%
	Male	81%	83%	65%	69%
2013	Female	15%	16%	39%	30%
	Male	85%	84%	61%	70%

Equal Opportunities - Diversity and Equal Opportunity				
	2012	2013	2014	Goal 2015
Percentage of women in management positions	n/a ¹	30%	31%	>30%

¹Comparable numbers not available.

²Suppliers which have reached 75 points or above.

³Numbers for 2014 are not fully comparable to previous years due to changes in circumstances.

New ISO14001 certified locations have been added, improvement has been on registrations and focus has been on improved accuracy of information.

Human Rights - Product Suppliers

	2012	2013	2014	Goal 2015
Product Suppliers audited regarding Human Rights	91%	100%	100%	Maintain 100%
Product Suppliers audited for Child Labor	91%	100%	100%	Maintain 100%
Agreements with product suppliers incl. clauses on human rights concerns	91%	100%	100%	Maintain 100%

Environment - Weight of Waste by Type and Disposal Method¹

	2012	2013	2014	Goal 2015
Weight of waste by type and disposal method ³				Continuous improvement
Recycled	39%	45%	64%	
Waste	50%	44%	27%	
Hazardous	11%	12%	9%	

Certifications of Össur Sites (Total 10 Sites)

	ISO 9001	ISO 13485	ISO 14001
Reykjavík, Iceland		X	X
Eindhoven, the Netherlands		X	X
Manchester, U.K.		X	X
Uppsala, Sweden		X	X
St.Etienne, France	X	X	X
Foothill Ranch, California		X	
Tijuana, Mexico		X	X
Albion, Michigan		X	
Paulsboro, New Jersey		X	
Camarillo, California		X	

Anti-corruption and Bribery

	2012	2013	2014	Goal 2015
Raw material suppliers that have signed statements on anti-corruption and bribery	n/a ¹	n/a ¹	56%	75%

Goals and Key Focus for 2015

In 2015, the overall focus will be on continuing to engage employees and increase awareness of CSR and the Company's initiatives and progress. Additionally, training and educational programs will be rolled out with a primary focus on ethics and anti-corruption and bribery. The training initiatives will be through various channels, including face-to-face meetings and online solutions.

Continuous work and focus will be on risk assessment, both in relation to product suppliers in Asia, as well as risk evaluation on business partners as discussed in the report. For other areas and aspects, such as environmental and labor practices, Össur will continue with its current approach. For some measurements not all operations have been included; however, work on expanding the scope continues.





About the Report

In this report, Össur discusses various aspects within social responsibility and how the Company approaches these matters. Össur has identified its critical areas to focus on and addresses related projects and initiatives in this report. As a participant in the UN Initiative Global Compact, the main focus in this report is on the four areas identified by the Global Compact; environment, labor practices, human rights and anti-corruption.

To structure and support CSR initiatives within the Company, Össur has used resources and guidelines issued by the Global Compact, GRI (Global Reporting Initiative), as well as the ISO 26000 standards. In this progress report, measurements and indicators used are internal KPI's, however some of them are based on GRI indicators.



FOLLOW ÖSSUR ON



WWW.OSSUR.COM

Össur hf. Head Office
Grjótháls 1-5
110 Reykjavík
Iceland

TEL +354 515 1300
FAX +354 515 1366

ossur@ossur.com