

**Novanta**

# **Sustainability**

**STRATEGY & PROGRAMS**

---

**Last updated: March 27, 2026**



## Novanta Sustainability Governance

# Novanta Sustainability Strategy & Programs

Last Updated: March 27, 2026

## Table of Contents

<b>Sustainability Strategy</b> _____	<b>3</b>	<b>2 Social</b> _____	<b>11</b>
Our Approach to Sustainability Reporting _____	3	2.1 Our People _____	11
<b>1 Governance</b> _____	<b>4</b>	2.2 Health and Safety _____	11
1.1 Sustainability Oversight _____	4	2.3 Culture _____	11
1.2 Ethics and Compliance _____	6	2.4 Training and Leadership Development _____	13
1.3 Responsible Procurement _____	7	<b>3 Environment</b> _____	<b>14</b>
1.4 Safety Standards _____	8	3.1 Our Environmental Goals _____	14
1.5 Risks and Opportunities _____	9	3.2 Environmental Management _____	15
		3.3 NovantaSUSTAIN _____	16

## Introduction

We deliver innovation that matters to customers, patients, and the environment. We are working towards creating a brighter future through environmental sustainability initiatives, building an inclusive workforce, and maintaining a robust governance system.

In this document, we present our strategy and approach to managing our material sustainability topics.

## Sustainability Strategy

We leverage our capabilities and resources to advance company-wide sustainability initiatives by equipping our business leaders with actionable data, tools, and frameworks that enable our businesses to develop environmental and social actions that best meet the needs of our stakeholders. By operationalizing sustainability across our businesses, we unlock business value through improved operational efficiency, risk mitigation, enhanced stakeholder trust, and competitive positioning that drives long-term growth.

The Novanta Way defines our performance culture and begins with building cohesive teams based on trust, commitment, and accountability; having engaged employees committed to living our values; and constantly improving through the Novanta Growth System, the common way we operate as a company. Inclusion and belonging are an important part of our culture and are embedded into our ways of working.

We measure our progress on a regular cadence, improve continuously, and set ambitious targets. Through systematic tracking, reporting, and integration of sustainability metrics into business operations, we enable data-driven strategies that identify cost savings opportunities, optimize resource utilization, and strengthen our market position. We discuss and analyze with

internal and external stakeholders our sustainability roadmap, our position in the value chain with regard to the environmental and social impact of our products, and our progress in reducing our environmental footprint.

See our annual Sustainability Performance Report on our [website](#) for our data and achievements from the fiscal year.

We focus on:

- Reducing greenhouse gas (GHG) emissions from our operations.
- Reducing the negative environmental and social impact of our products and supply chain.
- Creating an attractive workplace, with a workforce characterized by inclusivity, a sense of belonging, and community involvement.
- Conducting our business in an ethical and lawful manner toward shareholders, employees, customers, suppliers, business partners, and the communities in which we conduct business.

## Our Approach to Sustainability Reporting

We have refined our methodology for measuring, reporting, and managing our impact to include all of our global facilities. By operationalizing sustainability data across our businesses, we empower leaders to identify improvement opportunities, benchmark performance, and align environmental and social goals with business strategy.

We currently track:

- Scope 1 and Scope 2 GHG emissions
- Waste generation
- Water consumption
- Employee demographics
- Health and safety outcomes
- Supply chain metrics

We prepare our annual Sustainability Performance Report in accordance with the voluntary reporting frameworks of the Sustainability Accounting Standards Board (SASB) and in reference to Global Reporting Initiative (GRI). We recognize the impact of our footprint and the role we play in facilitating meaningful changes to benefit the people and the places affected by our operations. We are developing action plans with the aim of achieving net zero operational GHG emissions<sup>1</sup> by 2050. Please refer to our Sustainability Performance Report on our [website](#) for our full list of SASB and select GRI disclosures.

## 1 Governance

As a leading global provider of key technology solutions to the medical and advanced manufacturing markets, we drive technical and economic progress while remaining committed to our sustainability responsibilities for the wellbeing of future generations and for achieving our business goals now and in the future.

Sustainability is not just the right thing to do; it is an essential element in our continued growth. Therefore, we place the responsibility for managing and making decisions on these topics with our most senior leaders, the Leadership Team, under the oversight of our Board of Directors (the "Board"). Responsibility for sustainability extends throughout our organization to department heads and others. In fact, individuals throughout the company are encouraged and empowered to institute new sustainability initiatives and speak out when they see room for improvement.

As we mature on our sustainability journey, we are embedding sustainability considerations throughout our operations. We are harmonizing our approaches in key areas, such as supply chain management, product development, talent acquisition and employee engagement. At the same time, we are integrating sustainability into our policies and procedures at the global company level and working towards cascading them throughout the organization.

### 1.1 Sustainability Oversight

The oversight of our sustainability work rests with our highest governance body, our [Board of Directors](#). Our Board monitors and oversees the Company's sustainability program through its Environmental, Social, and Governance Committee (the "ESG Committee").

#### ESG Committee

The Board's ESG Committee oversees, reviews, and assesses the Company's sustainability strategy, program, policies, and risk management. The ESG Committee meets at least three times a year and regularly reports to the full Board on our sustainability efforts. In addition, the full Board reviews the Company's sustainability program and initiatives regularly.

The Environmental, Social and Governance Committee Charter is available on our [website](#) along with our other governance documents. It states the full responsibilities of the ESG Committee, which are summarized in the table below.

---

<sup>1</sup> Operational GHG emissions refer to Scope 1 and Scope 2 emissions

ESG Committee Responsibilities		
Environment	Social	Governance
<ul style="list-style-type: none"> <li>Oversees sustainability strategy, initiatives, policies, and risk management.</li> <li>Oversees our corporate approach to climate change and environmental stewardship.</li> <li>Reports to the Board on environmental matters.</li> </ul>	<ul style="list-style-type: none"> <li>Oversees our corporate approach to social issues.</li> <li>Oversees programs and policies regarding inclusion &amp; belonging.</li> <li>Reports to the Board on social matters.</li> </ul>	<ul style="list-style-type: none"> <li>Identifies potential Board members.</li> <li>Oversees corporate governance policies and practices.</li> <li>Assesses Board member committee qualification.</li> <li>Regularly assesses the performance of the Board and its committees.</li> <li>Reviews and oversees the overall cybersecurity program, including its strategy and processes.</li> </ul>

## Our Leadership Team

Our Leadership Team is responsible for our sustainability strategy, goals, and compliance programs, as well as the management of risks and opportunities. The Leadership Team manages day-to-day assessment and decision-making around our risks and opportunities with a focus on our most significant risks. These risks include, but are not limited to, cybersecurity, product quality and safety, effect of economic and political environment and government regulations on our businesses, risks associated with new product launches, volatility in market and customer demand, competition, geopolitical risks and regional conflicts, protection of intellectual property, supply chain disruptions, business acquisitions, data privacy, anti-bribery and anti-corruption, natural resources, waste and toxicity, climate-related risks and opportunities, labor, health and safety, and human rights.

The Leadership Team relies on the Environmental Sustainability Committee for information and status updates as well as to cascade its vision and strategic decisions around sustainability goals and initiatives.

## Environmental Sustainability Committee

In alignment with ISO requirements, our Environmental Sustainability Committee is composed of the General Counsel and Corporate Secretary, Senior Director of Sustainability & Enterprise Risk Management, Business Presidents and Vice Presidents/General Managers (VP/GMs) who meet at least quarterly to develop and define the strategy and goals for quality, environmental sustainability, and health and safety programs for our businesses.

The committee drives the operationalization of sustainability across the company by equipping business leaders with standardized metrics, tools, and dashboards that enable data-driven decision-making and accountability at the site level. Members are responsible for translating corporate sustainability goals into actionable business strategies, embedding sustainability performance into operational reviews, and ensuring leaders have the resources needed to track progress and identify improvement opportunities. Members of the committee are responsible for disseminating new goals and information within their businesses and sites, collecting data, and creating a unified response to sustainability and environmental requirements and audits.

## 1.2 Ethics and Compliance

Our business depends on maintaining high standards of professional ethics among our employees and remaining compliant with relevant laws and regulations. The Leadership Team strives to promote business practices and operating procedures that can withstand the highest levels of scrutiny. Our independent Internal Audit function monitors and assesses the Company's practices and reports directly to the Audit Committee of our Board. We also conduct risk assessments annually and modify any policies or controls as needed.

### Ethics

Ethical decision-making requires an understanding of personal and company values and principles, coupled with good personal judgment. We expect all employees to understand and embrace our [Values](#). We strive to embody these principles in everything we do so that our activities reflect positively on our shareholders, the markets we serve, and the communities where we live and work.

### Code of Ethics & Business Conduct

The Novanta [Code of Ethics & Business Conduct](#) (the "Code of Business Conduct") identifies the ethics, values, and principles that guide our business relationships. We are dedicated to doing business with ethics, honesty, and integrity. The Code of Business Conduct was written by our leaders and approved by the Board. The Code of Business Conduct provides guidelines on relationships between employees and internal and external stakeholders, conflicts of interest, compliance with law, protection of assets, and more. All employees and directors are responsible for upholding the Code of Business Conduct, which is available in eight languages.

### Anti-bribery and Anti-corruption

We are committed to acting legally in every country in which we do business. Under our [Anti-Bribery and Anti-Corruption \(ABAC\) Policy](#), we conduct an annual risk assessment and screening of customers, suppliers, distributors, and resellers to identify and replace any third parties that may have violated anti-corruption or anti-bribery laws in recent years and do not have the necessary controls and procedures in place to prevent and prohibit bribery and corruption behaviors. Please review our policy for a more detailed description of the steps we follow.

### Human Rights

We are focused on reflecting our company's values in our business practices, including treating people with respect and dignity. Our [Human Rights Policy](#) outlines our goal of protecting and promoting human rights in all aspects of our operations, including suppliers, contractors, and business partners. Our policy generally aligns with the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the provisions in the U.K. Modern Slavery Act of 2015, and the California Transparency in Supply Chains Act of 2010. We comply with all applicable laws pertaining to fair labor and employment practices, freedom of association, collective bargaining, privacy, immigration, working time, wages, and hours.

We do not tolerate the abuse of human rights in our operations or in our value chain. We expect our suppliers to uphold high standards in safeguarding human rights and the environment as included in our [Terms and Conditions](#), [Supplier Code of Conduct](#), and Master Supply Agreement.

## Policy Training

We require both new and current employees to regularly pass training courses on our Code of Business Conduct, anti-bribery and anti-corruption, anti-harassment, and data privacy policies. Additionally, we require employees to certify annually that they understand and uphold the Code of Conduct, anti-bribery and anti-corruption, and anti-harassment policies.

## Confidential Reporting of Suspected Violations

We maintain a compliance hotline, hosted by an independent external vendor, for the confidential reporting of any suspected policy violations or unethical business conduct on the part of our businesses, employees, officers, directors, suppliers, or customers. The hotline is an alternate channel of communication for external stakeholders and employees who do not wish to report directly to a manager, a business or corporate leader, or a human resources representative under our open-door reporting policy. To file a complaint, individuals can visit <http://novanta.ethicspoint.com> or call the hotline. The Code of Business Conduct and related posters displayed at our facilities list local numbers for each country. The Internal Audit Committee reports on hotline activities to the Audit Committee on a quarterly basis. The Chair of the Audit Committee also has direct access to all fraud, anti-bribery and anti-corruption, internal control, and financial matter-related reports on the compliance hotline. Internal Audit or a qualified internal manager thoroughly investigates all incidents reported through the compliance hotline and summarizes and presents the findings and conclusions to the Audit Committee.

## Compliance

We require our employees and facilities to comply with relevant laws and regulations in the countries in which they work or operate. We govern the activities of our employees, facilities, and supply chain partners through a host of policies, which are available on our [website](#).

## Data Privacy & Security

We follow relevant data privacy and security laws and regulations in the jurisdictions in which we operate, some of which place restrictions on our ability to process personal data across our business, specifically the General Data Protection Regulation (GDPR) in the European Union (EU), the European Economic Area (EEA), the California Consumer Privacy Act (CCPA), and the California Privacy Rights Act (CPRA). Having ISO 27001 certification enhances our capabilities in the areas of data protection and mitigating cyber threats.

## 1.3 Responsible Procurement

We purchase manufactured components, raw materials, equipment, and services from a wide range of global suppliers for all of our businesses around the world. We have guidelines for purchasing from ethical suppliers and expect our suppliers to abide by the same ethical standards to which we hold ourselves.

We have a Sustainable Supply Chain Roadmap that harmonizes our approach to responsible procurement so that we are working with suppliers with high sustainability standards. As part of our roadmap, we require our key suppliers—defined as the top 80% of direct material suppliers by spend and critical material suppliers—to adhere to our Supplier Code of Conduct, which outlines the policies and procedures we expect them to comply with. As a baseline, all suppliers must comply with all relevant laws and regulations in the countries in which they operate. Please visit our [Supplier Code of Conduct](#), for further information.

We have adopted a Sustainable Purchasing Policy that governs lower dollar value purchases, guiding use of sustainable brands when available, such as those with the Energy Star seal indicating energy efficiency.

## Sustainability Scorecard

We expect all new and key suppliers to complete our sustainability self-assessment, available in English and Chinese, which includes disclosures about ISO certifications, external reporting, internal policies, human and labor rights, and governance. Based on these responses and supplementary evidence provided to Novanta, we develop a Sustainability Scorecard and risk rating for each supplier.

The Sustainability Scorecard enables us to identify hotspots in our supply chain. We work directly with suppliers to help them address areas of concern, such as adopting relevant policies and procedures. We check in on progress with key suppliers during quarterly business reviews.

## Global Supplier Onboarding and Recertification

We have standardized our Global Supplier Onboarding and Recertification assessment process across our businesses, which includes onsite audits covering environmental, social, and governance topics, including human rights. All businesses use standard forms that cover the most important sustainability and quality requirements. We perform a sustainability evaluation during the onboarding process for new suppliers and during the periodic assessment process for existing and key suppliers.

To support the integration of sustainability criteria into our audit process, we have an internal sustainability auditor certification program for employees who conduct supplier audits. By equipping our auditors with specialized sustainability expertise, we strengthen the quality and consistency of our audits to identify environmental and social risks early and accurately.

## Training

Our supply chain and quality management employees receive standard training that includes sustainability topics as part of our onboarding process for these roles. The training covers our Sustainability Scorecard, Sustainable Purchasing Policy, environmental, social and governance aspects, including environmental protection, health and safety, human and labor rights, roles and responsibilities, assessments, and audits.

## Sourcing

We strive to comply with laws and regulations applicable to our business, including laws and regulations concerning the responsible sourcing of minerals. We disclose our sourcing of tin, tantalum, tungsten, and gold (3TG) annually to the U.S. Securities and Exchange Commission (SEC) in Form SD, which is available on our [website](#).

We endeavor to adhere to relevant regulations relating to substances of concern in our products, including:

- [EU RoHS \(Restriction of Hazardous Substances\)](#)
- [California Proposition 65](#)
- [EU Registration, Evaluation, Authorization and Restriction of Chemicals \(REACH\)](#)

## 1.4 Safety Standards

### ISO Efforts

Our products are used in highly sensitive and technical contexts, including medical devices and advanced manufacturing equipment. It is imperative for our products to meet the highest standards of safety and quality to meet our customers' needs. We pursue industry-standard ISO certifications, or their respective national equivalents, such as EN, DIN, and BS, for our facilities and systems across businesses.

ISO Standards we pursue	
For all products	For medical products
<ul style="list-style-type: none"> <li>• ISO 9001</li> <li>• ISO 14001</li> <li>• ISO 45001</li> </ul>	<ul style="list-style-type: none"> <li>• ISO 13485</li> </ul>

## Product Quality and Safety

The quality and safety of our products is of utmost importance to us. We strive to comply with laws and regulations relating to product safety in each of the countries where we operate, including Code of Federal Regulations Title 21, Part 820 (Quality Management System Regulation QMSR) in the U.S. and the Medical Device Directive (MDD) and Medical Device Regulation (MDR) in Europe for medical devices. Our facilities strive to meet the highest global standards, including ISO 9001 and ISO 13485 certifications. The Novanta Growth System provides a common set of best practices and tools that help us to meet high standards.

## 1.5 Risks and Opportunities

### Effective Management of Risks and Opportunities

Risks and opportunities are inherent in all aspects of our business activities and embedded in our routine decision-making. Effective management of these risks and opportunities is critical to our success as a strategic supplier to our customers, a key customer to our suppliers, a trusted employer to our employees, and a good investment to our investors.

The Leadership Team leads the overall risk management program. Vice Presidents/General Managers and their leadership teams and corporate functional leaders are responsible for the execution of the respective components of the risk management program.

Our risk assessment is updated annually based on changes in the overall economic environment and specific trends affecting our businesses and our strategic goals. Material risks are disclosed under Part I, Item 1A. Risk Factors, of our annual report on Form 10-K filed with the Securities and Exchange Commission (SEC).

We analyze and discuss short-term market dynamics in our quarterly business operating reviews to address any new or emerging risks and opportunities that need to be taken into account to deliver on our annual and strategic goals. We develop, agree to and monitor Key Performance Indicators (KPIs) in response to any significant adjustments made to the original action plans. If we identify any new material risk in our quarterly review processes, we add appropriate disclosures to our quarterly report on Form 10-Q filed with the SEC. Our SEC filings are available on our [website](#).

### Enterprise Risk Assessment

Our independent Internal Audit function performs an annual update to our enterprise risk assessment by conducting interviews with various senior leaders. We designed the risk management program to engage our leaders, including both corporate leaders and business leaders, in identifying, monitoring, and managing key risks and opportunities including climate related risks that affect our business and the execution of our strategic initiatives. We rank all risks based on both the likelihood of occurrence and the severity of the potential impact. We summarize the results of the risk assessment which the Leadership Team reviews. Based on the updated risk assessment, we develop internal audit plans to evaluate and monitor our processes and controls around the higher ranked risk areas. Business and functional leadership teams are responsible for developing and implementing measures to mitigate the risks to an acceptable level. We review internal audit plans and risk assessment results with the Audit Committee of the Board of Directors, which approves them.

## Climate Risks and Opportunities

Climate-related disclosure requirements by a number of the countries in which we operate impose significant additional reporting obligations, which we expect to significantly increase our compliance costs. Additionally, we anticipate that various governments around the world will impose various levies on carbon emissions and that we will incur significant additional costs to achieve our net zero operational emissions<sup>2</sup> goal over the long term.

One of the highest-ranked climate-related risks stems from certain medical products that we produce and sell to medical OEMs. Our medical insufflators require the use of CO<sub>2</sub> gas by hospitals to create space within patients' body cavities for surgeons to perform minimally invasive surgery. CO<sub>2</sub> is the only gas safe for use in the human body due to the high physiological compatibility of this gas type. As a result, hospitals cannot avoid the release of CO<sub>2</sub> gas into the atmosphere from the use of our insufflator technology. Further, single-use medical consumable products for our medical insufflators and pumps play a significant role in patient safety because of the vital hygiene considerations and outcomes. However, at the end of their use, even when disposed of properly by end users, they have a negative impact on the environment. In collaboration with a reputable sustainability research institution in Berlin, we previously analyzed reusable tube sets as an alternative to single-use plastic tube sets that can be used with our medical pump technology. Because of the production of heat resistant materials for the tube set (autoclavation at 273°F/134°C), the hygienic preparation after surgery and the autoclaving of a reusable tube set in the hospital are so energy-intensive, coupled with the environmental harm from the required cleaning chemicals, we concluded that it is not only safer for the patient, but also more environmentally friendly, to use a disposable tube set during surgery.

We plan to develop strategies to continuously improve how we manufacture and distribute our products, aiming to reduce the negative environmental impact from such medical consumables. For example, we acquired a medical consumable manufacturing business in Europe in 2022. One of the strategic benefits from this acquisition is the shortening of our distribution channel for our medical consumables to key customers as well as the optimization of the supply chain for raw materials, subcomponent production, assembly, packaging to sterilization, leading to reduction in greenhouse gas emissions from our downstream product distribution. Additionally, our NovantaSUSTAIN product development model embeds environmental requirements into our new product development processes that is designed to minimize the environmental impact of our new products without compromising product quality and patient safety.

With the risks that climate change poses, we are pursuing sales growth opportunities in product offerings in green technology applications, such as electric vehicle batteries, advanced robotics, and solar. Several of our existing businesses are already supplying components to OEMs in these areas, and we continue to invest in new product development targeting and expanding our presence in these applications.

For details of our physical climate risks and mitigation strategies, please refer to the Climate Change risk factor in our Annual Report on Form 10-K, available on our [website](#).

---

<sup>2</sup> Operational GHG emissions refer to Scope 1 and Scope 2 emissions

## 2 Social

### 2.1 Our People

Our employees are our most important asset. The Chief Human Resources Officer (“CHRO”) is responsible for developing and executing our human capital strategy. This includes acquiring, developing and retaining talent to deliver on our strategy and designing employee compensation and benefits and inclusion and belonging initiatives. The Chief Executive Officer (“CEO”) and the CHRO regularly update our Board on the operation and status of these human capital activities, including employee engagement, talent management, talent development, and succession planning.

We strive to promote a culture where our workforce is characterized by inclusivity and a strong sense of belonging. Equally important, we strive to keep our people motivated and engaged by providing ongoing learning and development opportunities.

### 2.2 Health and Safety

The health and safety of our employees is one of our top priorities. We use an Environmental Health and Safety (EHS) system that is customized to each production site based on local conditions. Our EHS program is grounded in internationally recognized best practices, following ISO 14001 for environmental management and ISO 45001 for occupational health and safety to drive continuous improvement across our sites.

Our large manufacturing operations have EHS representatives who are charged with the responsibility of maintaining our EHS standards. EHS representatives are responsible for carrying out regular health and safety risk assessments, addressing any incidents that occur, and making process improvements to reduce hazards at their site.

We collect health and safety data related to incidents, injuries, and fatalities for all our manufacturing facilities. We strive to cultivate an atmosphere where employees have the confidence, knowledge and tools to report EHS accidents, injuries, illnesses and near misses to eliminate the recurrence of accidents and “incidents with potential”.

### EHS Training

We provide employees with mandatory three-step environmental, health and safety training. Step one covers our standard policies and procedures and occurs during onboarding of new hires. Step two is our site-specific regular refresher training. Step three is a job-specific hazard training provided by the employee’s manager or the EHS Manager on site.

The training program includes mandatory occupational safety and environmental instructions for all employees, covering accident causes, first aid measures, fire safety, hazardous substances handling, and driving regulations, emphasizing compliance, safety, and health protection.

### 2.3 Culture

As an innovation-driven company, fostering an inclusive culture that promotes belonging and values diverse perspectives is essential to realizing our vision of delivering innovation that matters.

Research shows that inclusive organizations that emphasize belonging outperform others. Inclusion and belonging are embedded into our strategic framework and our culture, The Novanta Way. We are developing a culture where inclusion and belonging are intrinsic to our ways of working and our leaders lead by example. To integrate inclusion and belonging into our businesses, each Vice President/General Manager and Human Resources Business Partner is accountable for integrating inclusion and belonging into their culture and ways of working.

We carry out a quarterly review with business leaders to assess progress on our inclusion and belonging goals, which are to:

- Cultivate a welcoming culture where all employees experience inclusivity, a strong sense of belonging, and are dedicated to lifelong learning.
- Support the representation of women and people from underrepresented groups at all levels of the organization so our workforce better reflects the demographics of the local communities where we are based.

## Inclusive Recruitment Strategies

We actively take steps to enhance the quality of our workforce through inclusive recruitment practices that are welcoming to all applicants. We recruit qualified candidates of all backgrounds and experiences to put us in the strongest position to identify the best talent available for the positions we seek to fill.

Our approach to recruitment includes:

- Creating clear and consistently defined roles.
- Posting all open positions on our internal job platform for a minimum of one week before posting them externally.
- Having the Talent Acquisition Partner review all internal applications and provide each internal candidate with feedback on their application.
- Ensuring internal candidates for promotions do not compete with external candidates through a competitive recruiting process.

We leverage recruiting efforts to increase our candidate pool, and we hire and promote the best talent regardless of gender, ethnicity, age, sexual orientation, or disability status according to our Equal Employment Opportunity Policy. Visit our [website](#) for more information.

## Culture Council

Our Culture Council is comprised of employees with different backgrounds and job positions from our various businesses who serve as cultural ambassadors. The Council provides governance for our Employee Resource Groups (ERGs) and Working Teams, advises the Leadership Team, and helps execute our inclusion and belonging initiatives. The Council also supports celebrating cultures from around the world with workshops, panel discussions, and engaging employee-driven activities. Themes include Pride Month, Intersectionality Month, Allyship, and Global Veterans Day.

## NovantaCARES

Our company-sponsored volunteering program, NovantaCARES, provides every employee with one paid day off per year to volunteer at non-profit organizations supporting social charities or the environment. Our Site Engagement Leaders partner closely with the Culture Council to encourage employees to support communities in need and the environment.

At many of our sites, local employees, leaders and Culture Council members organize volunteering events. Employees can also volunteer for non-profit organizations or environmental clean-up activities in their local communities if they meet our criteria for a charitable organization or an environmental cleanup activity.

## Employee Groups

We have a number of employee groups where likeminded employees and allies can convene for both personal and career development. Employee groups, which are open to all employees, are empowered to self-manage with the support of an executive sponsor. They contribute to creating an inclusive environment where employees feel comfortable being their authentic selves at work. Employee groups regularly meet for networking, learning, and volunteering in their community.

We currently have the following employee-led groups:

- Women's Employee Resource Group
- Multicultural and International Employee Resource Group
- Novanta Professionals Network Employee Resource Group
- Pride Affinity Group
- Environmental Sustainability Affinity Group
- Learning and Development Working Team
- Localization and Deployment Working Team
- Black Employee Network

Our employee groups have grown rapidly since launching in 2021 with regional chapters at many sites. See our [website](#) for the latest news about our employee groups.

## Employee Engagement

Our employees play an integral role in building our culture. Managers, along with Site Engagement Leaders who oversee employee engagement at locations with more than 30 employees, work together to understand and respond to employee feedback and engage employees in collaboratively creating a great workplace.

We use surveys to measure employee engagement and organizational health. This enables us to gain insight into our current status and identify areas where we can improve. We began surveying our entire employee population in 2018.

We compare our employee engagement and organizational health scores against benchmark populations within our survey vendor's database. Following each survey cycle, we share the results with managers and Site Engagement Leaders across the company who facilitate employee action planning based on the results.

## Benefits

We strive to recruit and retain the best talent by creating a welcoming work environment and attractive benefits package appropriate for the local employment market. Visit our [website](#) to learn more about our benefits.

## 2.4 Training and Leadership Development

We offer both mandatory and optional leadership development training courses to help our team grow continuously. We provide courses in multiple languages, and additional translation support so that employees can equitably access education opportunities.

We conduct global training courses on our culture and business tools, occupational health and safety, compliance, and cybersecurity through our internal learning platform, Novanta University. In addition to Novanta University, the Novanta Growth System provides processes, tools, and training with a focus on continuous improvement. We also maintain several leadership-focused development programs tailored to meet the specific leadership needs of different businesses.

We assess the effectiveness of our learning and development programs through comprehensive feedback mechanisms, share the results with our stakeholders, and use the data to make recommendations for future enhancements.

## 3 Environment

### 3.1 Our Environmental Goals

#### GHG Emissions

Our strategic priorities revolve around both organic growth through investments in existing businesses and inorganic growth through complementary business acquisitions. We expect future acquisitions to have a significant impact on our reported greenhouse gas (GHG) emissions and other sustainability goals, as well as our progress towards the short-, medium- and long-term goals we set for ourselves. We have adopted the following reporting approach that will help enhance both the transparency and the year-over-year comparability of our sustainability reports.

- When we acquire a business during a fiscal year, the partial-year of operations of the acquired business are excluded from our sustainability reporting scope for that year. The acquired business is fully incorporated into our reporting scope beginning with the first complete fiscal year following the acquisition date.
- For the first full fiscal year following the acquisition date, we will present our GHG inventory both on an organic basis, excluding the emissions from the acquired business, and on a reported basis, including the emissions from the full-year emissions of the acquired business, to support year-over-year comparability.
- In accordance with GHG Protocol guidance for mergers and acquisitions, our base year is restated to reflect the updated organizational boundary once a newly acquired business is fully incorporated into our reporting scope. This ensures our emissions reduction goals and historical inventory remain comparable on a consistent basis.

We intend to establish initiatives that contribute to international efforts to limit planetary warming to 1.5°C. Our emissions goals are:

- **Short-term (next 1-2 years)** – We plan to reduce our Scopes 1 and 2 GHG emission intensity (measured as metric ton of CO<sub>2e</sub> per million dollar of revenue) by 5% annually.
- **Medium-term (3 to 5 years)** – Our goal is an aggregate 15% reduction in our Scopes 1 and Scope 2 GHG emission intensity 5 years from our baseline year.
  - When we acquire or divest businesses, we will reestablish the baseline GHG emissions metrics and calculations to include or eliminate GHG emissions of the acquired or divested businesses.
- **Long-term (+6 years)** – Our goal is to achieve a target of net zero operational GHG emissions<sup>3</sup> by 2050.

We include all sites, regardless of their sizes, in our reporting boundaries and complete an annual limited assurance audit of our Scopes 1 and 2 GHG emissions for transparent and accurate reporting.

#### Energy

We have set a goal of sourcing at least 90% of our electricity consumption from clean or renewable sources at our manufacturing facilities.

---

<sup>3</sup> Operational GHG emissions refer to Scope 1 and Scope 2 emissions

## Waste

Our goal is to conserve natural resources by avoiding waste in the long term, promoting the protection of people and the environment.

- We aim to raise awareness of waste prevention and reduction with our customers, vendors, employees, and other stakeholders.
- We intend to establish Avoid, Reduce, Reuse, and Recycle programs at all sites.
- We work on tracking and reducing waste generation at our facilities.

## 3.2 Environmental Management

### Climate & Energy

We proactively manage our energy use and efficiency. We carry out sustainability audits at our manufacturing facilities to identify equipment and machinery that could be shut off at night to save energy. We check for lighting, air temperature, unattended computers, monitors, and industrial equipment, and identify opportunities to use sleep or power save features, lower temperatures, and install motion sensors.

Our global energy reduction initiative, which began in 2022, focuses on sharing best practices, collaboration and knowledge sharing across the businesses to help achieve our energy reduction goals at each location. All businesses' environmental goals are integrated into their operating plans, and they report quarterly on their progress for accountability and continued improvement.

We recognize that our full carbon footprint would also include Scope 3 GHG emissions, and we are working toward improving our ability to calculate these emissions in the future. In the meantime, we have specific initiatives around product development, product strategy, and manufacturing and purchasing process improvement.

## Manufacturing

Our primary manufacturing sites follow ISO 14001 and ISO 45001 standards, ensuring efficient and responsible practices. Beyond compliance, our teams actively seek opportunities to enhance sustainability, both proactively and in response to customer requests. To drive continuous improvement, some of our sites have incorporated sustainability topics into monthly Gemba walks and conduct rotating night audits at new and existing facilities to identify additional energy-saving measures.

### Waste

As part of the ISO 14001 environmental management standard, we follow the "reduce, reuse, and recycle" hierarchy to guide our waste management practices. Through our centralized waste stream tracking process, we monitor and measure waste generated throughout our facilities, including hazardous and non-hazardous waste, as well as associated disposal methods. We have challenged all of our sites to reduce waste in their operations, including reducing single-use items in their breakrooms, printing paper documents, and reducing other types of process waste such as metals and chemicals used in our production processes.

All our sites follow local regulations on waste disposal and recycling, and many of our sites offer additional opportunities to recycle, including providing drop-off points for textile recycling, battery recycling, and paper shredding. For electronic waste, we comply with the European Union Waste Electrical and Electronic Equipment Directive (WEEE), which mandates the collection and recycling of electrical and electronic equipment at our sites in Europe.

As part of our NovantaSUSTAIN program, we strive for sustainable product and packaging design, which significantly contributes to reducing waste in our operations and supply chain.

We aim to reduce our paper consumption. We instituted several digitization initiatives to reduce paper usage, such as digitizing product user manuals or Instructions For Use (IFU). As part of this project, we launched a web platform where electronic Instructions For Use (eIFU) can be found for a number of product lines, including pumps, recorders, tube sets, and more. We intend to continue to roll out eIFUs for more products in the coming years. We estimate this project could save millions of pages of paper every year. We have also begun transitioning some roles from paper to digital manuals, further reducing paper usage.

## Hazardous Waste

We have detailed procedures for managing hazardous waste at our facilities, aligned with guidelines from the Globally Harmonized System. We also follow local guidelines where relevant, such as the Toxic Substances Control Act in the U.S. and the Inventory of Existing Chemical Substances in China. We recycle hazardous waste through third-party waste management partners.

## Water Stewardship

We are working to reduce water use at our worldwide manufacturing facilities. Through a risk-based approach, we focus our water stewardship efforts on areas where our influence and support can help deliver the greatest impact. Our goal is to reduce the environmental impact of our water consumption and wastewater and continually make our production processes more water efficient. While we generally operate in locations where the risk of water scarcity and poor quality are low, we focus our efforts on conserving and reducing water use and improving the quality of the water we discharge from our facilities.

---

<sup>4</sup> According to Aqueduct Water Stress Atlas, high water stressed areas are defined as geographic locations where the ratio of total water demand to available renewable surface and groundwater supplies is above 40%.

We use the [World Resources Institute's Aqueduct Water Risk Atlas](#)<sup>4</sup> to identify our sites that are located in the high water-stressed regions and regions predicted to be water-stressed based on three dimensions: availability (quantity), quality, and access. We use this data to prioritize and implement site-specific water conservation activities and initiatives. We record and reduce our water consumption at our facilities, with our water management efforts focused on our manufacturing sites and other facilities that generally pose a higher risk to aquatic ecosystems. We adapt our water management practices to local conditions and continually improve our programs to reduce, reuse and recycle water.

## Environmental Risks<sup>5</sup>

We have worked with our insurance carriers to evaluate the environmental risks that may affect our facilities, taking coastal and flood risk areas into special consideration. Through these evaluations, we have maintained appropriate levels of insurance coverage to help minimize the financial consequences of catastrophic events that might occur. We will continually monitor our environmental risks and enhance our risk response action plans as part of our certifications and compliance initiative.

## 3.3 NovantaSUSTAIN

Our customers are increasingly seeking sustainable products. We believe that developing sustainable products must begin at the design stage where we can consider product materials and lifecycle from the start. We seek solutions to reduce our impact during manufacturing and expand the usable lifespan of products, often in partnership with customers. Sustainable product lifecycle management activities are undertaken by our NovantaSUSTAIN program. NovantaSUSTAIN offers a framework for Design for Sustainability to reduce or

<sup>5</sup> Risks associated with extreme weather, natural disasters, and other physical impacts.

eliminate negative impacts on the environment and society throughout the product lifecycle.

In regard to green industry segments, our robotic tool changer technologies are used in robotic manufacturing processes in electric vehicle production. Our beam steering technologies are used in laser scan heads for eMobility product manufacturing processes for fuel cells and batteries for electric vehicles as well as solar cells for renewable energy products. Our digital scanners are used in additive manufacturing processes.

## Product Design

NovantaSUSTAIN is a cornerstone of our New Product Introduction (NPI) toolbox, integrated into the Novanta Growth System (NGS) to embed sustainability and circularity into product development. By incorporating environmental and social performance from requirements definition through launch—and back into the next iteration—we reduce negative impact throughout the product's lifecycle, mitigate regulatory and supply chain risks, and strengthen product differentiation.

The NPI toolbox's structured templates, including a mandatory environmental requirements checklist, ensure teams systematically address energy and transport efficiency, material optimization, lifecycle management, packaging, distribution, serviceability, repair, and end-of-life treatment. Our continuous improvement approach avoids one-size-fits-all mandates and instead drives each new iteration to outperform its predecessor, preserving flexibility to prioritize quality and safety. This discipline enhances reliability and reduces the total cost of ownership for customers, improving win rates and customer loyalty while supporting premium positioning.

Design validation closes the loop: We rigorously test prototypes against initial requirements, ensuring compliance, resilience, and measurable sustainability gains. Over time, this operating model compounds value, accelerating time to market, reducing warranty and field service costs, and building a defensible innovation pipeline aligned with evolving customer needs and regulatory expectations.

We host a NovantaSUSTAIN Day initiative, a dynamic, hands-on event where teams tackle sustainability challenges directly tied to their products. These initiatives are catalysts for the next phase of our sustainable product design evolution, including lifecycle assessments and design for circularity. Looking ahead, we will accelerate the adoption of NovantaSUSTAIN requirements company-wide through expanded toolkits, additional NovantaSUSTAIN Days for collaboration and knowledge sharing, and expert-led webinars and training sessions. Together, we are building a foundation for innovation that delivers lasting value for our customers, our communities, and our planet.

## Packaging

We seek opportunities to reduce the carbon footprint of our packaging wherever possible, without impacting the protection of products during shipping.

Our Center of Manufacturing Excellence in Optical Technologies in Manchester, UK, has its own in-house International Safe Transit Association (ISTA) certified testing laboratory to develop sustainable packaging that meets our rigorous safety and quality standards, the Brunel Environmental Test Facility.

The Brunel Facility is qualified to test against 18 ISTA testing protocols and various ISO standards, simulating real-world delivery conditions. The lab develops packaging designs for laser products featuring eco-strata sustainable packaging foam, a new packaging material to protect laser products during shipping with a radically lower environmental impact and higher performance.

Not only do we develop more sustainable and effective packaging solutions at the facility, but we also save the significant cost of every test house visit that would have been required otherwise. Our other sites can leverage the facility, share expertise, and replicate its success. By keeping testing in-house, we reduce costs, increase agility, and keep sustainability at the forefront of our packaging strategy.

## About Sustainability and This Report

At Novanta Inc. (“Novanta”, the “Company”, “we” or “our”), we deliver innovation that matters. As our world changes and our business grows, we are working hard to advance our sustainability initiatives. This is our fifth annual Sustainability Performance Report, covering the period from January 1, 2025, to December 31, 2025. Further details on our sustainability program are available in our Sustainability Strategy & Programs available on our [website](#).

Our 2025 Sustainability Performance Report discloses our progress and priorities, aligned with leading voluntary sustainability reporting frameworks, including the Sustainability Accounting Standards Board, now part of the IFRS Foundation (SASB), and with reference to the Global Reporting Initiative (GRI) Standards.

Our strategic priorities revolve around both organic growth through investments in existing businesses and inorganic growth through complementary business acquisitions. We expect future acquisitions to have a significant impact on our reported greenhouse gas (GHG) emissions and other sustainability goals, as well as our progress towards the short-, medium- and long-term goals we set for ourselves. We have adopted the following reporting approach that will help enhance both the transparency and the year-over-year comparability of our sustainability reports.

This report contains certain forward-looking statements based on our leaders’ current assumptions and expectations, including statements regarding our sustainability targets, goals, commitments, programs, acquisitions and their impact on our sustainability goals and targets, and other business plans, initiatives, and objectives. These statements are typically accompanied by words such as “will,” “could,” “would,” “should,” “intend,” “hope,” “believe,” “expect,” “estimate,” “plan,” “aspire,” “aim,” “goal,” “pledge,” “potential,” “may,” “strive,” or similar words and expressions. The Company makes such forward-looking statements under the provision of the Safe Harbor section of the Private Securities Litigation Reform Act of 1995. Actual future results, including the achievement of our targets, goals or commitments, may vary materially from those projected, anticipated, or indicated in any forward-looking statements as a result of changes in circumstances, assumptions not being realized, or other risks, uncertainties, and factors. Such risks, uncertainties and factors include the risk factors discussed in Item 1A of our most recent Annual Report on Form 10-K filed with the Securities and

Exchange Commission (SEC), as well as, with respect to our sustainability targets, goals and commitments outlined in this report or elsewhere, the challenges and assumptions, risks, uncertainties, and factors identified in this report. You should consider the forward-looking statements in this report in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2025, and our subsequent Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K filed with the SEC. We urge you to consider carefully all of the risks, uncertainties, and factors identified above or discussed in such reports when evaluating the forward-looking statements in this report. We cannot assure you that the results reflected or implied by any forward-looking statement will be realized or, even if substantially realized, that those results will have the forecasted or expected consequences and effects. The forward-looking statements in this report are made as of the date of this report, unless otherwise indicated, and we undertake no obligation to update these forward-looking statements to reflect subsequent events or circumstances, except as required under applicable law.

### A note on materiality

While certain matters discussed in this report may be significant, any significance should not be read as necessarily rising to the level of materiality used for the purposes of complying with, or reporting pursuant to, the U.S. federal securities laws and regulations, even if we use the word “material” or “materiality” in this report. Instead, the terms refer to sustainability matters that are significant to our stakeholders and Novanta.



## **Novanta Inc.**

125 Middlesex Turnpike | Bedford, Massachusetts 01730, USA

Phone: 781-266-5700 | [info@novanta.com](mailto:info@novanta.com)

[www.novanta.com](http://www.novanta.com)

### **Responsible**

#### **Matthijs Glastra**

Chair of the Board of Directors and Chief Executive Officer

### **Contact for Sustainability Communications**

**[ESG@novanta.com](mailto:ESG@novanta.com)**

All pictured objects, images, and texts are copyright-protected. Any wrongful duplication, copying, publication, or reproduction is punishable by law and requires our express consent concerning the works produced by us.