



# The Power of Purpose

Hologic 2020 Sustainability Report

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Cover image: first international shipment of Aptima® SARS-CoV-2 assay from our San Diego facility.

# A Message from Our Chairman and CEO



### Dear Hologic Stakeholders:

A few months ago, I received an email from one of our sales leaders reminding me of something I had said at our National Sales Meeting in October of 2019. At that time, before anyone had heard of SARS-CoV-2, I said that Hologic was in the right place, at the right time, to make a profound impact on human health.

That certainly came true in 2020, on a grander scale than we ever imagined.

The COVID-19 pandemic created a year of unprecedented challenges for Hologic, like every other company on the planet. But in the face of all this uncertainty, the way we responded was also unprecedented and differentiated.

There was no playbook to address the challenges we faced. Our actions were deliberate and thoughtful, but sometimes unconventional. For example, in our diagnostics division, our leadership team and employees came into work every day—they had to in order to develop our tests and scale up production. Even our Board of Directors met in person—while observing social distancing guidelines—throughout the year. Through it all, I'm so proud of how our leadership team navigated the ever-changing situation, and how our employee base rallied in incredible ways to make a massive difference in the world.

It's important to recognize that the impact we had—and the financial results that followed—didn't just magically happen overnight. Instead, our successes were the cumulative effect of many decisions—strategic, operational and cultural—made over the last several years.

One of these foundational activities was defining, and centering our culture around, our Purpose, Passion and Promise. As a reminder, our Purpose is to enable healthier lives everywhere, every day. Our Passion is to become global champions of women's health. And our Promise is The Science of Sure, which is a commitment to provide healthcare professionals clinically differentiated, high quality products.

2020 was a year in which we lived these principles more fully and successfully than ever before. At the same time, the enormous challenges the world faced—from the pandemic to systemic racism—provided opportunities to further refine how we do business, how we interact with each other, and how we measure success. Although these challenges were both unexpected and unwanted, they made us stronger for the future as we continue to evolve and grow.

We look forward to telling you more throughout this sustainability report. To set the stage, I'd like to discuss three topics in this



Steve MacMillan, Chairman, President and CEO

letter. First, the difference we made—and are still making—in the fight against COVID-19. Second, some of the internal actions that made our contributions possible. And third, how we're striving to promote racial and social equality, both in terms of our products and our people.

### Making a Huge Difference in the COVID-19 Fight

For decades, Hologic's passion has been women's health. As I said in this letter a year ago, no company has done more to fight cervical and breast cancer than we have. And our commitment to women's health remains inviolable.

But throughout 2020, we added another chapter to our already rich history by playing an indisputable and vital role in the fight against the COVID-19 pandemic, the worst public health crisis most of us have ever experienced—and hopefully ever will.

Although we developed the first FDA-cleared molecular diagnostic test decades ago, and built tremendous scientific expertise in infectious disease detection, we had always been somewhat of a niche player in the broader diagnostics industry. But when the pandemic hit, and it became clear that massive amounts of coronavirus testing would be needed to save lives and safely re-open economies, we were prepared for the moment.

We developed two highly accurate molecular tests in a matter of months, a process that would normally take years. And we more than doubled total molecular diagnostic production capacity—a process that would normally take eight to 10 years—in roughly six months. Based on these efforts, in calendar 2020 we distributed approximately 68 million COVID tests to customers in 40 countries,



Barbara Eaton (holding the letter "O") and her R&D team that worked on the Aptima® SARS-CoV-2 assay following an FDA submission at 3:00 a.m. on May 2nd, a tired but very happy team of scientists sent this selfie to numerous colleagues who contributed to our SARS-CoV-2 assay development.

quite literally enabling healthier lives everywhere, every day. Given the unprecedented demand for our products, our goal was always to communicate available supply to our customers without overpromising, which helped us build credibility and set the stage for future business growth.

We were able to make such a huge impact against COVID-19 because, over the last several years, we had installed nearly 2,000 Panther® instruments, on which our molecular tests run, in all 50 U.S. states and around the world. Because of their sophisticated automation, each Panther system can generate more than 1,000 test results in a 24-hour period, making them critical tools for high-volume COVID testing.

By combining our huge test manufacturing capacity with the largest installed base of fully automated instruments, we created a breakthrough in coronavirus testing. Our products have boosted diagnostic capabilities around the world, and testing volumes have continued to increase. Laboratory customers and physicians are using our products to deliver test results when and where they are needed, which in turn, enables consumers to protect and provide for their loved ones.

Our response to the pandemic also generated substantial benefits for our shareholders. By responding aggressively to the unprecedented public health need, we generated more than \$900 million in sales of our COVID tests in fiscal 2020, and clearly demonstrated our ability to “do well by doing good.” It’s never been more clear that the greater impact we have on the world, the better we do financially.

## Setting the Stage for Our Pandemic Response

We believe that the way we treated our employees in the early days of the COVID-19 pandemic set the stage for the incredible contributions they made later in the year, and will continue contributing to stellar performance in the future.

Before we had developed our own tests to detect SARS-CoV-2,

revenue in our other businesses fell off a cliff as hospitals cut back elective procedures, and consumers skipped regular screenings and checkups because of the pandemic.

In response, we acted quickly to reduce costs and preserve cash. Our approach was to preserve as many jobs as possible, and to lead from the top. Rather than laying off employees outright, we implemented reduced work weeks, temporary plant shutdowns and furloughs depending on local business needs. We reduced compensation for our salaried employees: 50% for the Board of Directors and for myself, 25% for our Global Leadership Team, and 10% for other levels. But at the same time, we preserved funding for our retirement plans, and back-stopped sales teams whose compensation could have been cut by 80% or more based on circumstances beyond their control.

Fortunately, as sales of our SARS-CoV-2 tests increased, we were able to reinstate compensation and begin returning our manufacturing facilities to regular operations within about three months. And later in the year, we were able to “pay back” employees for their lost compensation.

For the frontline employees who came to work every day to develop and manufacture our COVID tests, or who installed new Panther instruments in locked-down hospitals during the most uncertain times of the pandemic, we were able to provide extraordinary financial awards. Specifically, we redirected about 30% of our fiscal year-end bonus pool to these employees, many of whom received eight to ten times their normal bonus as a result.

We believe all these actions are contributing to improved performance today, as our non-COVID businesses recover more rapidly than expected, and as we gain market share in multiple segments.

## Advancing Healthcare Equality

As if the COVID-19 pandemic wasn’t bad enough, another major issue that reared its ugly head in the United States in 2020 was social and racial inequality.

The murder of George Floyd and other examples of racism in 2020 touched many of us at Hologic, including me. As someone with a Black stepfather, I’ve seen firsthand the pernicious effects of systemic racism.

Internally, we’ve always taken a different approach to diversity issues. As described in last year’s sustainability report, we’ve never been fans of diversity quotas, or committees, or checklists. In fact, I consider myself our chief diversity officer, and in this role, my job is to create a culture in which every employee can achieve his or her full potential. Rather than creating formal diversity programs, we strive to increase diversity by using objective tools to hire the most talented person for every open position, then we coach and develop them aggressively.

This approach yielded good results in 2020, especially at senior levels. When our longtime Breast Health president Pete Valenti retired, we changed our structure and promoted three internal executives to our Global Leadership Team. One was a Black man and another a White woman—and all three were developed and promoted from within.

## More Women’s Health Leadership to Come

Externally, we have a responsibility to ensure that people of all genders and races, with varying levels of socioeconomic resources, have equal opportunities to benefit from our products. But unfortunately, the healthcare needs of women and minorities are often overlooked by society. We are striving to change this in three main ways:

**Partnerships.** By collaborating with like-minded nonprofits and patient advocacy groups, we have promoted health equality through grants, direct-to-consumer educational and awareness campaigns, and research projects. For example, we have partnered with the Clinton Health Access Initiative and others to provide resource-limited countries in Africa with a single, reduced price for our viral load assays and, most recently, COVID-19 tests.

In addition, in 2020 we launched Project Health Equality, a multi-year, multimillion-dollar commitment to improve access to our lifesaving early detection products among minorities and lower income women. As a first step, we are partnering with the Black Women’s Health Imperative, RAD-AID and Grammy award-winning artist Mary J. Blige to decrease breast cancer screening disparities among Black women, who are almost 40 percent more likely to die from breast cancer than non-Hispanic white women. In addition, we plan to expand our efforts to help reduce the rates of cervical cancer, with more areas still to come.

**Philanthropy.** Given our outstanding financial results in fiscal 2020, we donated \$15 million to our corporate charitable fund,

the largest donations we have ever made by far. Over the next several years, we intend to use this money to support causes and issues that are close to Hologic’s mission and near to many of our hearts. Specifically, we plan to increase the charitable donations we already make to nonprofit organizations focused on women’s health and science, technology, engineering and math (STEM) education, as well as expand our giving to groups focused on social and racial justice.

In addition, based on the belief that education is the key to social equality, we created two scholarship programs focused on lower income and first-generation college students—one for the families of Company employees, and another for nonprofit groups near our facilities that provide college readiness programs. Finally, we instituted a limited “matching program” to magnify the impact that our employees’ donations have in their communities.

**Policy.** Persistent gaps in women’s health equality are often tied to legislation and policy. Understanding this, we have played a proactive role in advocating for insurance coverage for our innovative products. For example, we supported the Protect Access to Lifesaving Screenings (PALS) Act to ensure that as many women as possible have access to mammography screening.

In addition to this and many other initiatives, we are pursuing our Passion to become global champions of women’s health in a unique, groundbreaking way. We are excited to be partnering with Gallup, the leading analytics and advice firm, to conduct the world’s first comprehensive study of women’s health. In this landmark study, approximately 120,000 people in 115 countries are answering a series of questions that will establish the Hologic Global Women’s Health Index, the first study to definitively track women’s health by country and over time. We have made a long-term commitment to this project so that we can provide government leaders and policy makers valuable data and actionable insights to improve women’s health in their countries. Stay tuned for more information on this exciting project this year, and in our next sustainability report.

In conclusion, the challenges of 2020 enabled us to make a bigger, more profound impact on the world than we ever imagined. At the same time, our successes helped us refine how we want to operate as an organization in pursuit of our Purpose, Passion and Promise. By having the courage to make decisions that sometimes appeared unconventional, we played an integral role in fighting the COVID-19 pandemic, while continuing to be a leader in women’s health. To us, that is the true definition of sustainability.

Sincerely,

*Steve*

## I From Sequence to Solution: Our Unprecedented Response



Left to right: Paola Quinones, Jazmin Avalos, Brian Dockter and Kevin Thornal, Division President, Diagnostic Solutions

In early December 2019, Hologic scientists, along with the rest of the world, began to hear of a strange new coronavirus spreading in the Wuhan area of China. Speculation began about how far the virus might spread and what Hologic's response would be. Some R&D scientists began to work on what a potential test might look like and tinker with design questions.

On January 8, 2020, after the genetic sequence of the virus was made available to the scientific community, work began in earnest. First, our computational team ran analytics that pointed to the best regions to target in the virus's genetic sequence, and the design team followed up to produce optimal probe and primer designs. The decision was made to pursue a test for Panther Fusion®, the upgrade module for Panther that was launched in 2017. Because of software features unique to Panther Fusion, design would be quick, and it was believed that many physicians would request an influenza test to be run alongside a COVID test, and respiratory virus panels were already available for the Panther Fusion system.

"The initial design was rapid—and we had our first prototypes ready after only a week or two of crunching data," said Maurice Exner, vice president, R&D, assay development and clinical affairs. "The hard work to follow was figuring out if the test would work as planned, as well as how to make it in large quantities." As the weeks progressed, the work intensified. In February, as Americans were getting early glimpses into the potential scale of the problem, Hologic R&D scientists were starting to take catnaps in conference rooms, setting alarms in order to pull data and keep instruments

running round the clock. Formal submission of the Panther Fusion assay to the U.S. FDA occurred just before 2 a.m. on Saturday, March 14.

The FDA was also working round the clock, as by that time New York and New Jersey hospitals were overwhelmed, the World Health Organization had officially declared a pandemic, epidemiologists were publishing models showing the potential scale of U.S. infections, and California was going into lockdown. Hologic's test received an Emergency Use Authorization from the FDA on March 16—less than 48 hours after submission.

"Our teams were thrilled, of course," said Exner. "But there wasn't a lot of downtime to celebrate. We got right to work on a second assay."

The Panther Fusion test was immediately put to use in clinical laboratories across the country, but had a couple of limitations. First, there were about 200 Panther Fusion modules in use globally at the time, versus almost 2,000 Panther instruments. Second, the manufacturing capacity for these tests was limited compared to other assays Hologic produces. And although 600,000 tests per month was an impressive number, it was already clear many more would be needed.

**"We make tens of millions of tests every year for sexually transmitted infections, cervical cancer screening and viral load monitoring. It's routine for us, so we knew we had to make a test for Panther, and again, make it as rapidly as possible."**

—Kevin Thornal, Division President, Diagnostic Solutions

Once again, Hologic R&D, manufacturing and regulatory affairs teams were working at a furious pace, collapsing what is typically a two-year process to two months. The Aptima® SARS-CoV-2 assay was cleared for use in both the U.S. and Europe in May 2020, and by December 31, 2020, Hologic had shipped approximately 68 million tests.

### Ingenuity in the Face of Challenges

Hologic—and the diagnostics industry as a whole—met a number of challenges through the early months of the pandemic. First, testing across the country was slowed by a shortage of the swabs needed to collect samples from the nose or throat, as well as the transport media used to stabilize specimens for transit from doctors' offices to clinical laboratories. In the face of this issue, Hologic's teams realized that they had a solution near at hand—the kits typically used for collection and transport of specimens for



Maurice Exner, VP of R&D, Assay Development and Clinical Affairs

other kinds of testing, such as for sexually transmitted infections. Millions of the Aptima specimen transfer tubes were in stock, and all other diagnostic testing had come to a crawl. Immediately, the team incorporated use of these transfer tubes into the Aptima SARS-CoV-2 assay design and when Emergency Use Authorization was obtained in May, they were part of Hologic's latest COVID-19 test, alleviating a major roadblock.

But even as testing ramped up, demand also escalated very quickly. In early August 2020, the FDA endorsed the concept of pooling samples to accelerate testing, and based on the excellent sensitivity of our tests. Hologic became the first manufacturer to develop a pooling protocol. This protocol enables laboratory customers to pool up to five samples in one tube, using either an Aptima or Panther Fusion test. A negative result indicates that all five individuals are clear of infection; if the result is positive, the samples are individually tested.

### All Hands on Deck

Hologic production lines themselves have also been multiplying. Construction at our San Diego facility has been ongoing since January, and tens of millions of dollars have been invested in

capital equipment to expand production capacity. This investment includes installation of new high-speed filling lines, as well as new, custom machinery to produce more of the highly specialized parts unique to our sample tubes and test kits.

In the spring and summer of 2020, more than 150 new operations employees were hired in San Diego, representing a more than 50% increase in that work force. While these new hires were being recruited and trained, employee volunteers from teams including information services and finance were trained to work on the packaging lines.

In June, full manufacturing of our new COVID-19 tests was initiated at our facility in Manchester, United Kingdom, which is now mainly supplying European markets.

Both manufacturing plants are operating 24 hours a day, seven days a week, cranking out millions of tests to meet the unprecedented need.

"In total, we succeeded in doubling our overall manufacturing capacity for molecular tests in six months, a process that would normally take about 10 years," said David Tyler, vice president, operations manufacturing.



The making of an assay—from research and development to shipping Emergency Use Authorized product.

## Panther® Placements

Not only has there been increasing demand for tests, but labs are clamoring for more Panther instruments. During each of the last several years, Hologic placed approximately 220 new Panther systems globally. In the third quarter of 2020 alone, 208 systems were installed.

Increasing the installed base was achieved through several measures. First, Hologic’s manufacturing partner Stratec, headquartered in Germany, was able to significantly expand their production capacity. Second, our service team and engineers within Hologic set out to locate and refurbish out-of-use instruments. A number of these had been used by R&D teams but replaced by newer instruments.

“Basically, we scoured our campus for every Panther instrument we could track down and get into a customer’s hands,” said Ty Scott, vice president, customer experience and field service. “In an average year, we typically refurbish one or two instruments per month. In the summer of 2020, we increased our monthly output to 24-30 refurbished instruments and shipped out nearly a hundred by year end.”

Scott’s teams worked nearly round the clock, taking calls from international customers and working side by side with Hologic engineers to assess and repair instruments.

“We’ve never seen such demand,” said Scott. “It’s really a testament to the performance of the Panther platform.”

As of December 2020, approximately 2,400 Panther systems had been installed worldwide, the most extensive network of any high-throughput molecular diagnostics system.

“The number of placements and demand for more instruments speak not only to the urgent need for COVID testing, but also to our long-term leadership in the molecular diagnostics space, and that is based on listening to the customer,” said Matt Friedenber, vice president, instrumentation engineering. “I have people on my team who have been here for 15 years or more. Some of them worked on the original Tigris® instrument, taking all customer feedback very seriously. The entire team comes in every day thinking about how to improve our instruments and make life easier for the lab technicians running these critical tests.”

## Helping with Ultrasound and Masks

Diagnostic tests have not been Hologic’s only contribution during the COVID-19 pandemic. A wireless, low-cost and easy-to-sterilize ultrasound device marketed by the Breast and Skeletal Health Solutions Division for imaging of breast tumors also turned out to have use in COVID diagnoses.

The handheld Viera devices were used in hospitals in regions that were highly impacted early in the pandemic to assist with quickly triaging patients exhibiting symptoms of coronavirus infection. Carried as easily as a cellphone, the system enables quick imaging without any X-ray shielding required.

In just two weeks, Hologic teams created an outreach campaign to healthcare providers, shared relevant research with them and answered questions from prospective customers.

“In mildly symptomatic cases, ultrasound can reveal lung changes that would predispose certain patients to becoming more ill,” said Dr. Susan Harvey, vice president of global medical affairs, Breast & Skeletal Health Division. “If patients are admitted to the hospital, ultrasound can help determine whether lung changes are progressing or regressing, indicating whether a person needs to go to the ICU or if they can go home.”

One item in short supply early on in the pandemic was face masks.

Hologic teams heading into operating rooms and doctors’ offices during the spring did not want to be drawing down supplies for medical workers. Engineers in the Surgical Division hit on an ingenious solution—masks crafted from a unique material used within the NovaSure® endometrial ablation device.

The NovaSure device delivers ablation energy through a specialized elastic yarn. The mechanical and biocompatible properties of that yarn enabled Hologic engineers to custom design a knitting pattern that balanced user comfort and performance.

Hologic’s research and development engineers prototyped various designs, devoting a portion of the NovaSure production line in Costa Rica into a devoted face mask manufacturing area.

To date, the project has produced more than 15,000 masks between June and December, helping protect our sales representatives, clinical applications specialists, field service engineers and other frontline employees.

“The face mask project arose from versatile innovation, international collaboration and a determined passion to counter the novel coronavirus in as many ways as possible,” said Gerardo Delgado, principal R&D engineer for Hologic’s Surgical Division. “All of us feel grateful for the chance to contribute to people’s wellbeing during this especially challenging time.”



Left: Two Hologic Costa Rica team members, (left) Katherine Arce and (right) Karla Arrieta, working on the face mask project. Above: Isabel Godinez secures mask ties.

## I Hologic's Life-Saving Impact



Mindy is a proud mom, Ninja Warrior and cervical cancer survivor. Watch her story.



Kattia Umaña, a breast cancer survivor from our Costa Rica team.

### Who We Are

Hologic is an innovative medical technology company primarily focused on improving women's health and wellbeing through early detection and treatment.

### What We Do

We deliver life-changing and life-saving detection, as well as diagnostic and surgical innovations that are rooted in science. We are driven by technology and are inspired by a desire to improve the health of women and families around the world.

### Why It Matters

Our exceptional, clinically proven products detect, diagnose and treat illnesses earlier and better. While we focus on women's health and wellbeing, we are committed to enabling healthier lives everywhere, every day.

We estimate that our products benefited approximately 297 million people across the globe in 2020.

### Coming Soon: Global Women's Health Index

Hologic's passion is fueled by a desire to become global champions for women's health. Toward this end, the Company, in partnership with Gallup, is executing the world's first and largest women's health survey in terms of people (120,000+), countries (115), and languages (40), all with the intent of knowing the current state of



115 countries



40 languages



93% of world's population

women's health and establishing metrics for improvements to women's health globally over time. Hologic's Global Women's Health Index, powered by the Gallup World Poll, is a significant and meaningful demonstration of our Purpose, Passion and Promise. We believe it will help improve women's health equity and expand access to life-saving medical treatments in places around the world where it is needed most. Visit [hologic.com](http://hologic.com) for more information about our Global Women's Health Index during 2021.

### Early Detection of Breast Cancer Helps Save Lives

At Hologic, we believe that finding invasive cancers earlier is best for patients and the overall healthcare system, that early detection reduces unnecessary costs, and that driving patient and provider education helps women have informed discussions about their health.

One example is 3D Mammography™, which is recognized as the standard of care for breast cancer screening by clinicians worldwide. Many peer-reviewed studies have shown that 3D Mammography™ detects more invasive cancers earlier than digital mammography alone.<sup>1,2,3</sup>

We are grateful to the millions of women who request our mammography exam, the physicians who recognize it as their patients' best choice, and the many partner organizations that join us to ensure everyone, everywhere has access to our technologies and the ability to make the best decisions for their health.

These innovations have clearly made a difference. Overall, breast cancer death rates increased by 0.4% per year from 1975 to 1989, but decreased by 1.8% per year from 2007 to 2016, for a total decline of 40%. As a result, 348,800 breast cancer deaths have been averted in the U.S. through 2016. This progress reflects improvements in early detection (through screening, as well as increased awareness of symptoms) and better treatments.<sup>4</sup>

### Hologic's Leadership in Cytology Shows the Benefit of Early Detection

Before the introduction of the Pap test, cervical cancer was the leading cause of cancer-related deaths for women in the United States. Thanks to Pap tests and co-testing (a Pap test with an HPV test), cervical cancer now ranks 14th in frequency.<sup>5</sup> In fact, the Pap test is considered the most successful cancer screening tool in history. Cervical cancer death rates have declined by more than 70% since the introduction of screening in the 1950s.<sup>5</sup>

The introduction of the ThinPrep® Pap test revolutionized cervical cancer screening, contributing to a reduction in cervical cancer rates. ThinPrep—now the most widely used Pap test in the United States—continues to show a significant benefit compared to a conventional Pap smear.<sup>6</sup>

<sup>1</sup>. Ciatto S, Houssami N, Bernardi D, et al. Integration of 3D digital mammography with tomosynthesis for population breast-cancer screening (STORM): a prospective comparison study. *The Lancet Oncology*. Jun 2013;14(7):583-589. <sup>2</sup>. Hodgson R, Heywang-Kobrunner S, Harvey S, et al. Systematic Review of 3D Mammography for Breast Cancer Screening. *The Breast*. 2016;27:52-61. <sup>3</sup>. McDonald ES, Oustimov A, Weinstein SP, et al. Effectiveness of Digital Breast Tomosynthesis Compared With Digital Mammography: Outcomes Analysis From 3 Years of Breast Cancer Screening. *JAMA Oncol*. 2016 Jun 1;2(6):737-43. <sup>4</sup>. American Cancer Society, Facts and Figures 2019. <sup>5</sup>. American Cancer Society. Cancer Facts and Figures 2005. Atlanta: American Cancer Society; 2005. <sup>6</sup>. ThinPrep 2000 System PI, MAN-026240-001, Marlborough, MA; Hologic, Inc.

## Research and Development

The healthcare markets in which we participate are characterized by rapid technological change, frequent product introductions and evolving customer requirements. Investment in research and development (R&D) is critical to driving our future growth. Hologic has demonstrated a long-standing commitment to R&D and has spent more than \$1.3 billion over the last six years.

Hologic's best-in-class products include our 3Dimensions™ mammography system, the ThinPrep® Pap test, and our fully automated Panther® molecular diagnostics system. These products have made a huge difference in the fights against breast cancer, cervical cancer, and infectious diseases, respectively. Additionally, in response to the global COVID-19 pandemic, our diagnostics teams rapidly developed the Panther Fusion® and Aptima® SARS-CoV-2 assays. These tests played a key role in the fight against COVID-19.

Our R&D efforts are focused on improving existing products and developing new ones to solve customer challenges and meet the world's future healthcare needs. We remain committed to fueling sustainable growth by enhancing new product pipelines in each of our businesses.



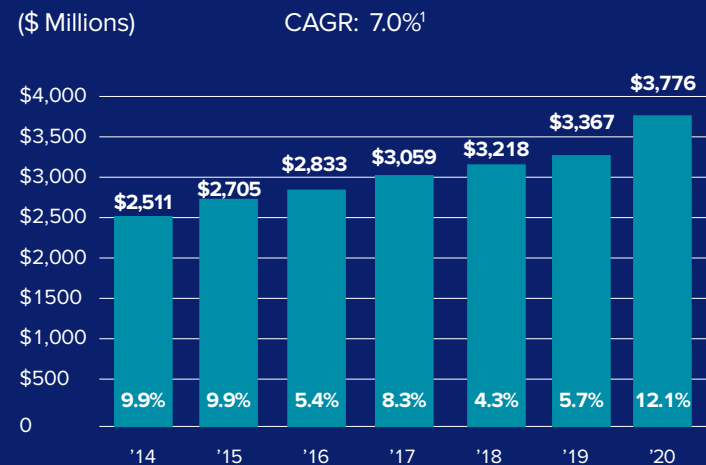
Employees in R&D lab in San Diego, California.

## Our History of Innovation

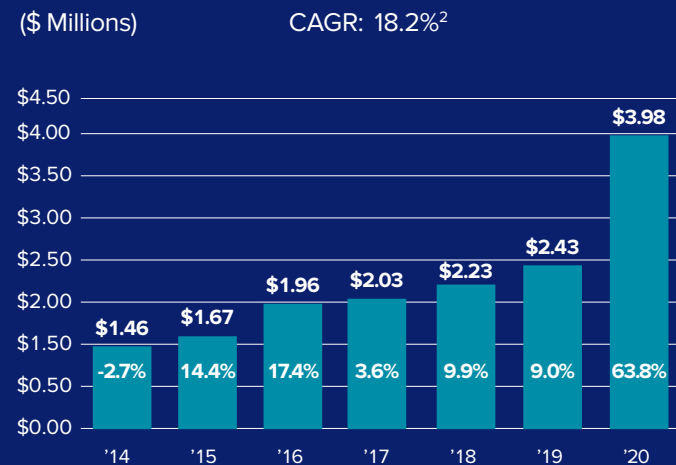
 <p><b>1985</b></p>	 <p><b>1987</b></p>	 <p><b>1988</b></p>	 <p><b>1995</b></p>	 <p><b>1996</b></p>	 <p><b>2001</b></p>	 <p><b>2002</b></p>	 <p><b>2002</b></p>	 <p><b>2003</b></p>	 <p><b>2008</b></p>
<p>FDA clears the first nucleic acid test.</p>	<p>Hologic introduces the first dual-energy X-ray absorptiometry system for evaluating osteoporosis.</p>	<p>FDA clears the first molecular diagnostic test kit for a sexually transmitted infection.</p>	<p>FDA approves the Rapid fFN® test.</p>	<p>FDA approves the ThinPrep® Pap test, liquid-based cytology for cervical cancer screening.</p>	<p>FDA approves the NovaSure® endometrial ablation treatment for abnormal uterine bleeding (AUB).</p>	<p>FDA approves the Selenia® mammography system—the beginning of a new era in breast cancer screening.</p>	<p>FDA approves the first nucleic acid test for screening donated blood prior to transfusion.</p>	<p>Release of the Tigris® DTS® system for automated screening of sexually transmitted infections (STIs).</p>	<p>FDA approves the Procleix® Ultrio® triplex blood screening assay for HIV-1, hepatitis B and C.</p>
 <p><b>2011</b></p>	 <p><b>2012</b></p>	 <p><b>2014</b></p>	 <p><b>2015</b></p>	 <p><b>2016</b></p>	 <p><b>2017</b></p>	 <p><b>2017</b></p>	 <p><b>2018</b></p>	 <p><b>2019</b></p>	 <p><b>2020</b></p>
<p>FDA approves the breakthrough Selenia Dimensions® digital tomosynthesis system with the Hologic 3D Mammography™ exam.</p>	<p>FDA clears the Panther® system, an automated, integrated molecular platform for use with the Aptima Combo 2® assay.</p>	<p>FDA clears the use of the bone densitometer for assessing three critical health problems, including osteoporosis.</p>	<p>Launch of CE-marked virology portfolio, including Aptima® HIV, HCV and HBV assays, along with the Aptima® M. genitalium assay.</p>	<p>FDA clears the new Affirm® prone biopsy system.</p>	<p>FDA approves the Aptima® HIV-1 Quant assay, the Aptima® HCV Quant DX assay, and the Aptima® HSV 1 &amp; 2 assay. Panther Fusion® respiratory assays are also cleared.</p>	<p>FDA approves the Brevera® breast biopsy system with CorLumina® imaging technology—combining tissue acquisition, real-time imaging, verification and advanced tissue handling.</p>	<p>FDA clears Clarity HD high-resolution 3D™ imaging and the SmartCurve™ breast stabilization system, providing superior image quality and a clinically proven solution for a more comfortable mammogram.</p>	<p>FDA grants clearance to the new Aptima® BV and Aptima® CV/TV assays, which provide an accurate and objective method for diagnosing vaginitis.</p>	<p>FDA grants Emergency Use Authorization (EUA) for the Panther Fusion® SARS-CoV-2 and Aptima® SARS-CoV-2 assays, molecular diagnostic tests detecting the novel coronavirus.</p>

# Track Record of Sustainable and Consistent Revenue and EPS Growth

## Revenue & Constant Currency Growth Rates

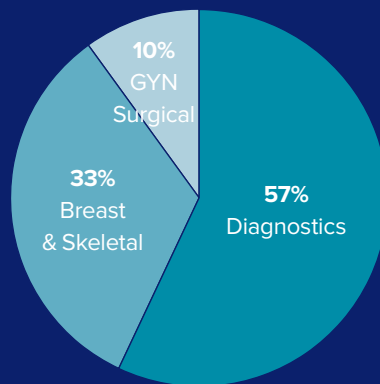


## Non-GAAP EPS<sup>2</sup>

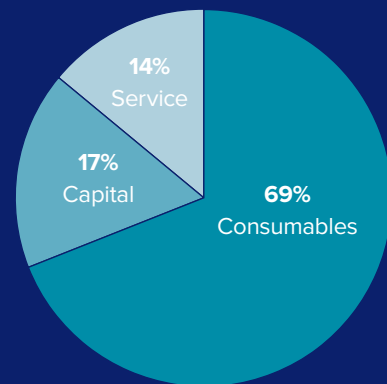


## 2020 REVENUE

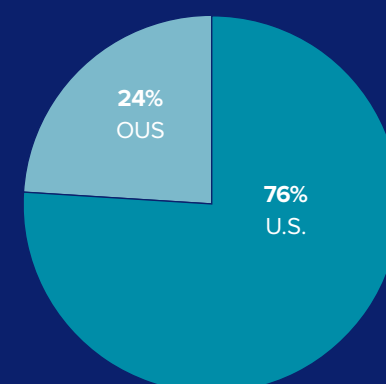
### By Division



### By Type



### By Geography



<sup>1</sup> Total non-GAAP revenue growth in millions. Growth rates in constant currency. As reported except FY14, which excludes ~\$20 million one-time revenue from amending Roka license. Excluding the divested Blood Screening and Medical Aesthetics businesses, growth was 22.5% in 2020. <sup>2</sup> Non-GAAP EPS as reported except FY14, which excludes ~\$0.05 one-time contribution from amending Roka license. Results include contributions from the Blood Screening business that was divested in 2017, the Medical Aesthetic business that was acquired in 2017 and divested in 2020, and other smaller acquisitions. All data above are for fiscal years ending in September.

**Founded:**  
1985 by Jay Stein and David Ellenbogen

**Stock Exchange:**  
Nasdaq: HOLX

**Employees:**  
5,800+ worldwide

**Global Patents:**  
3,000+

**Global Reach:**  
Locations in 21 countries

**Global Headquarters:**  
Marlborough, Massachusetts

## Materiality & Stakeholders



A critical component of developing our 2020 Sustainability Report was updating our materiality assessment to identify the key environmental, social and governance (ESG) issues that are most important to our stakeholders, including investors, employees and customers. We consider the views of a wide range of stakeholders to develop our environmental, social and governance disclosures.

### Stakeholder Groups

- Customers
- Employees
- Investors
- Suppliers
- Healthcare organizations
- Distributors
- Regulatory agencies and governments
- Industry leaders
- The local communities where we operate

Our ESG disclosures are managed by a cross-functional internal steering committee consisting of senior leaders from Operations, Finance, Legal, Human Resources, Communications and Investor Relations. The ongoing goal of this committee is to identify material sustainability topics and establish a corresponding sustainability reporting framework. The committee relies on shareholder feedback, sustainability frameworks and guidelines such as those published by the Sustainability Accounting Standards Board (SASB), Global Reporting Initiative (GRI) Task Force on Climate-related Financial Disclosures (TCFD), and the UN Global Compact and Sustainable Development Goals. In addition, we use peer external benchmarking and ESG data providers' scoring methodologies to identify new areas of focus and opportunities. These insights, along with our management team's contributions, inform our materiality framework and help us identify relevant topics for disclosure.

We are committed to incorporating these material issues into our business operations, to focusing on the topics that matter most to our business and stakeholders, and to continually evaluating our sustainability issues in the future.

Our material issues are:

THE COMPANY & THE GLOBE	CULTURE & SOCIETY	CORPORATE GOVERNANCE
<ul style="list-style-type: none"> <li>• Product Innovation</li> <li>• Product Quality and Compliance</li> <li>• Sustainable Supply Chain</li> <li>• Impact on the Environment</li> </ul>	<ul style="list-style-type: none"> <li>• Talent</li> <li>• Engagement</li> <li>• Diversity</li> <li>• Access to Healthcare</li> </ul>	<ul style="list-style-type: none"> <li>• Board Role and Structure</li> <li>• Compensation</li> <li>• Risk Management</li> <li>• Policies and Ethics</li> </ul>





## Hologic's Commitment to UN Sustainable Development Goals

The Sustainable Development Goals were adopted by all United Nations Member States in 2015 with a goal to end poverty, protect the environment and ensure that all people enjoy peace and prosperity. When performing our materiality assessment, we considered Hologic's unique opportunity to make a positive impact on the world, and we identified the following areas most relevant to Hologic: Good Health & Well-Being (3); Quality Education (4); Gender Equality (5); Decent Work and Economic Growth (8); Industry, Innovation, and Infrastructure (9); Reduced Inequalities (10); Responsible Consumption and Production (12); and Climate Action (13).

These goals are listed below as they relate to sections of our 2020 Sustainability Report.

### Sustainable Development Goals of Focus

#### Expand Access to Healthcare and Promote Health Equity



#### The Globe and Environmental Sustainability



#### Our People & Culture



#### Governance, Polices & Ethics



## Socially Distanced. Fully Engaged.

As countries around the globe entered into lockdown, Hologic leadership looked very closely at strategies to keep their teams engaged throughout what they knew would be a challenging time. Some managers took to sending out daily emails to keep teams informed and encouraged. Business travel and in-person meetings were replaced with virtual meetings.

Marion Walcher, a director of product development, leads an R&D team that contributed to Hologic's SARS-CoV-2 assay development. "We were working long hours, but I heard no one complain," she said. "We all felt that we were doing the right thing – that it was an important thing and had to be done as quickly as possible."

Hologic teams were also innovative in engaging customers throughout this difficult time. The Diagnostic Solutions field service team was in high demand throughout the United States as labs turned to Panther® instruments to support more and more testing. Mammography was down in the U.S.; acting swiftly, a number of Breast and Skeletal Health engineers temporarily moved over and were trained to provide service on the Panther platform.

In March, Iberia's Breast and Skeletal Health Solutions team began receiving requests from hospitals in Spain to guide them through complex breast biopsies involving Hologic 3Dimensions®

**"Our solution has added another level of trust and appreciation because the hospitals appreciate the convenience and technological versatility we're offering—nothing will replace face-to-face relationships, but this kind of remote interaction can increase flexibility and efficiency for everyone."**

—Lourdes Lobato, Clinical Applications Team Leader, Spain

and Affirm® systems—even if Hologic couldn't be available onsite. The team had never conducted remote-based instruction for breast biopsies, but were energized by the challenge.

For each biopsy procedure, Hologic connected with the designated hospital's computer and biopsy systems and monitored the entire procedure via FaceTime or WhatsApp, guiding healthcare providers on upcoming steps or even directly controlling certain actions involving the biopsy devices.

Hologic Iberia provided support for about 20 remote breast biopsies—always with prior consent from the patients.

Right: Our people and culture shine through even during a pandemic







# The Globe

- 17** Environmental Health and Safety
- 19** Quality Management System
- 20** Supply Chain Management

## Environmental Health and Safety



Left: solar panels at our Costa Rica facility supply 14% of the plant's energy needs. Above: tree planting project in Costa Rica.

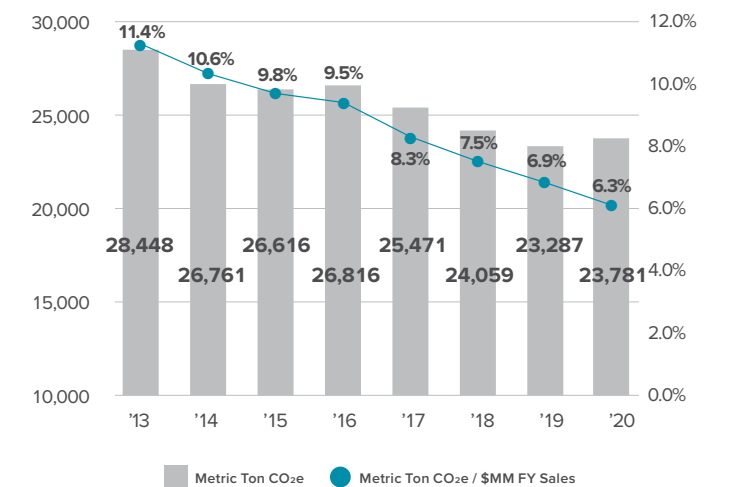
Hologic strives to make business decisions that have a positive impact environmentally, socially and economically, today and in the future. We accomplish this by promoting responsible practices within our organization, among our suppliers, and in the communities where we live and work. Hologic manages our environmental health and safety (EH&S) concerns as an integral part of our business. Hologic focuses its efforts in four main areas:

### Energy Efficiency and Emissions

Promoting energy-efficient practices not only cuts costs and improves operational performance, it also measurably decreases our environmental footprint and greenhouse gas emissions.

In 2016, Hologic set a goal to reduce our greenhouse gas emissions\* by 10% by 2021, and we achieved this goal early in 2019. Going forward we are committed to building on this progress and promoting energy-efficient practices to reduce our environmental footprint and operating costs as our business grows.

Hologic's Emissions Summary 2013-2020



### Recycle and Reuse

As we enhance the technology behind our products, we also ensure that they remain as environmentally friendly as possible. Today, we're reimagining how we design our products so that more can be reused and recycled.

\*As a percent of revenue.

## I Environmental Health and Safety

### Chemical Management and Hazardous Waste

We manage risk from hazardous chemical use through training and procedures that minimize the risk of employee exposure. In addition, when new chemicals are ordered through our purchasing system, the EH&S team is notified so that the hazards can be evaluated beforehand.

We strive to prevent hazardous material releases into the atmosphere, land or water. We are committed to minimizing the amount of hazardous waste generated, and we ensure the safe and lawful disposal of regulated waste. We apply various disposal techniques, including recycling, reclamation, waste to energy, fuel blending, wastewater treatment, incineration, autoclave, and finally landfill for nonhazardous materials when other alternatives are not available.

### Workplace Health and Safety

Every day, Hologic employees strive for zero health and safety incidents in their workplaces. We collaborate to improve safety, increase productivity and reduce waste.

We comply in letter and in spirit with all applicable laws and regulations and implement programs, policies and procedures to ensure compliance throughout the Company. Where these are not adequate to ensure protection of human safety, health and the environment, we establish our own EH&S standards.

We employ management systems and procedures specifically designed to prevent activities and/or conditions that pose a threat to human safety, health or the environment. We minimize risk and protect our employees and communities by employing safe technologies and operating procedures, and by maintaining a robust business continuity program to stay prepared for emergencies.

Three of our manufacturing sites are ISO 14001/ISO 45001-certified, and all other sites are audited annually against the concepts of the ISO 14001/ISO 45001 standards. Implementation of our EH&S Management System ensures that we are committed to manufacturing our products in a safe and environmentally friendly manner, while continuously improving our processes.

Hologic maintains health and safety programs conforming to best practices in the industry. Safety rules and procedures have been developed that address behaviors and work practices that can lead to accidents and injuries. Safety performance is assessed throughout the year by management and during annual performance reviews. Hologic rewards positive safety performance and encourages employees to:

- **Refuse.** Employees are directed to stop work when an unsafe condition or incident occurs, and are empowered to inform and/or correct the unsafe condition.
- **Report.** Employees must report unsafe acts and conditions, safety incidents and injuries to their management and EH&S immediately.
- **Remind.** Employees are encouraged to remind each other to work safely.

#### Recordable Case Incidents and Lost Workdays Compared to Industry Averages

Year	Hologic TRIR	Industry Avg. TRIR	Hologic LWIR	Industry avg. LWIR
2016	1.6	3.3	0.4	0.9
2017	1.2	3.2	0.4	0.9
2018	1.0	3.2	0.4	0.9
2019	0.8	3.0	0.3	0.8
2020	0.9	2.9	0.1	0.8

TRIR = Total Recordable Cases Incident Rate. LWIR = Total Lost Workday Cases Incident Rate. Incident rate calculation = # of incidents \* 200,000 / # hours worked in year

Industry Average provide by BLS (<https://www.bls.gov/iif/oshsum.htm>)  
 2020 compared to 2019 BLS data for private industry >1000 employees  
 2019 compared to 2018 BLS data for private industry >1000 employees  
 2017 & 2018 compared to 2017 BLS Data for private industry >1000 employees  
 2016 compared to 2016 BLS Data for private industry >1000 employees

## I Quality Management System

**The purpose of Hologic’s Quality Management System (QMS) is to consistently meet customer requirements and enhance customer satisfaction. The performance of the QMS is documented and maintained to ensure its effectiveness in accordance with applicable standards and regulatory requirements. It is aligned with Hologic’s mission and values, and constitutes a framework that ensures continuous improvement.**

The Hologic QMS includes multiple regulatory certifications, such as the current ISO 13485:2016 certifications, which are held at each of our sites. In addition, each Hologic site is responsible for maintaining an adequate organizational structure to ensure that products manufactured there are designed and produced in compliance with the requirements of the QMS. Individuals responsible for performing and verifying work affecting quality are defined. These individuals have the independence and authority to assure product quality and conformance to specifications and quality objectives. Each site has an organizational chart that clearly delineates roles and functional responsibility.

The Hologic QMS takes into account requirements unique to our business and the regulatory requirements of the healthcare industry. Hologic has documented procedures for providing complaint notification to the appropriate regulatory authorities. These meet specified reporting criteria for adverse events and issuance of advisory notices. These records are maintained in accordance with Hologic’s record retention program.

### FIELD ACTION PROCEDURE

Our field action procedure defines the requirements and conditions under which a recall (field correction or removal), customer notification, safety alert, market withdrawal, and/or field safety corrective action take place.

This procedure applies to all facilities and organizations within Hologic. It applies to all products manufactured by or for us and is applicable when a Hologic product, including software, has entered commercial distribution and is suspected of posing a risk to patient health or violating applicable regulations. All

Hologic entities follow the minimum requirements defined in our Corporate Standard Operating Procedures. If additional local laws, regulations and/or standards are required, Hologic sites are responsible for developing a local procedure to ensure full compliance with applicable requirements.

Recall Metrics	FY’18	FY’19	FY’20
Class 1	0	0	0
Class 2	2	3	2

### COMPLAINT HANDLING PROCEDURE

Customer satisfaction is a key priority. Our procedures establish requirements for complaint handling for marketed products in accordance with established regulations across all sites that are governed by our corporate quality system. They also allow flexibility, where appropriate, based on the nature of the products and processes at the individual sites. The requirements of these procedures apply to all finished products manufactured or distributed by Hologic.

### QUALITY AUDIT PROCEDURE

Our quality audit procedure provides parameters for our internal audit program. Internal audits are conducted to determine whether our Quality Management System at all global sites and regions complies with applicable internal and external requirements, ensuring that these are effectively implemented and maintained.

All Hologic employees are required to complete training in Quality System requirements and to acknowledge and adhere to our Hologic Quality Policy.

### CHEMICAL COMPLIANCE

Hologic requires a process and system to show compliance to chemical regulations where Hologic product is marketed and sold. In order to comply with applicable chemical regulations, Hologic has implemented a process and system to ensure all Substances controlled by chemical regulations within Hologic product are identified, monitored and reported as applicable.



### Hologic’s Quality Management System:

**Determines the criteria** and methods needed to ensure that both the operation and control of quality processes are effective. **Ensures the availability** of resources and information to support the operation and monitoring of these processes. **Establishes processes** to identify and implement actions necessary to achieve planned results and maintain their effectiveness. **Monitors, measures and analyzes** all quality processes. **Establishes and maintains records** to demonstrate conformance and compliance with applicable regulatory requirements.

# I Supply Chain Management

## Introduction

The Company recognizes that proper governance, oversight and compliance with regulations related to procurement is critical to the sustainability of our businesses and to meeting customer expectations. Hologic's Procurement and Supplier Quality Guidebook is shared with our suppliers, with the stated purpose of clearly communicating Hologic's quality requirements and commercial expectations for suppliers of raw material, components, sub-assemblies, original equipment manufacturers, contract manufacturers and service providers. Our Supplier Quality Guidebook contains our Supplier Code of Conduct, and enables us to:

- Build solid partnerships with strategic suppliers.
- Ensure our partners comply with all regulations.
- Support suppliers in manufacturing best-in-class products.
- Ensure partners sustain an ongoing commitment to quality.
- Help partners execute customer-focused objectives.

## Supplier Compliance

As a global company, Hologic is required to comply with numerous standards, regulations, directives and laws, as part of maintaining a Quality Management System (QMS). Our suppliers are required to follow these same regulations.

### 1. Supplier Code of Conduct

- **General Principle:** Hologic suppliers' plants operate in compliance with the laws of their respective countries and with all other applicable laws, rules and regulations.
- **Environment:** Hologic suppliers' plants comply with all applicable environmental laws and regulations.
- **Child Labor:** Hologic suppliers employ only workers meeting the applicable minimum legal age requirements. Suppliers must comply with all other applicable child labor laws.
- **Wages and Hours:** Hologic suppliers set working hours, wages and any overtime pay in compliance with applicable laws.
- **Supplier Discrimination Policy:** Hologic suppliers hire, train, compensate, discipline and terminate workers solely on the basis of their ability to do the job assigned, not based on their race, color, gender, ethnic or national origin; sexual orientation; religion; age; maternity or marital status; or any other trait not pertinent to their professional performance.
- **Supplier Gift Policy:** Hologic suppliers and employees do not accept gifts from entities that deal with Hologic that could imply a conflict of interest or that have more than modest value.

### 2. Supplier Non-Disclosure and Confidentiality

All Hologic suppliers are required to sign and adhere to non-disclosure agreements. In addition, we expect suppliers to instruct their employees not to discuss any information relating to Hologic business that falls outside of their defined responsibilities. This includes, but is not limited to, any information concerning current or planned products, designs or volumes.

### 3. Supplier Use of Intellectual Property

Designs, drawings, CAD data, test results, process sheets, validation protocols and data, and incoming inspection information that is provided to suppliers and/or developed by a supplier and paid for by Hologic are considered to be the property of Hologic. This information must be safeguarded and transferred upon request. In addition, any use of Hologic assets or intellectual property for any purpose not related to Hologic products and/or operations requires prior written permission from Hologic. Suppliers may not display or use the Hologic logo or any products or branding without written permission from Hologic.

### 4. Supplier Notification

Suppliers must notify Hologic in a timely manner of any event that could impact the supply or quality of product. We consider our suppliers an extension of our manufacturing processes and a critical part of our success, and therefore, we provide necessary support, whenever possible, to address any disruption of supply.

### 5. Business Continuity and Risk Management

To prevent potential disruptions of supply, which can have a direct impact on our customers and their patients, we ensure that our suppliers (and their suppliers) have well-defined, documented plans to identify and mitigate supply chain risks. These plans identify risks and mitigation plans related to single, sole sources of supply, impacts to the supplier's physical plant or infrastructure, and/or the availability of raw material. The plans should be reviewed and updated regularly and made available to Hologic for review.

## Supplier Diversity Program

A diverse supplier base provides focus on the highest standards of quality, strengthens our ability to meet customers' needs, and connects us with our customers, their patients, and our shared communities. Hologic continuously pursues supplier diversity, both voluntarily and through a range of federal, state, and local requirements that require that we develop and track efforts to use suppliers within classifications such as Minority-Owned, Veteran-Owned and Woman-Owned.

## Risk Management and Governance

Hologic recognizes the importance of managing, monitoring and measuring our suppliers' performance closely. We have a defined Supplier Quality Management (SQM) process that includes the following:

- A consistent and integrated process to classify, evaluate and approve suppliers.
- Processes to execute supplier performance monitoring to ensure specified requirements are met, including an approach to review suppliers' performance and scoring.
- Processes to manage supplier-and Hologic-initiated changes to products, processes and/or services, and to ensure compliance with specified requirements for products, processes and/or services provided to Hologic by suppliers.

## Supplier Tiers and Classification

Our suppliers are classified based on their potential risk level, and the impact the supplied product or service could have on the form, fit or function of the Hologic finished product or quality system. These classifications influence how we interact with our suppliers and how critical suppliers are identified.

Our supplier segmentation procedure also establishes additional guidelines for how we interact with our suppliers. The process for categorizing Hologic's suppliers promotes greater partnership with key suppliers to foster R&D collaboration, improve quality, reduce risk, improve on-time delivery performance, and reduce cost. We track the annual spend with our most critical suppliers. Annually, or as needed, our supply chain teams review our current supplier segmentation to determine if any changes are warranted. Supplier classifications are defined as follows:

- **Strategic Suppliers:** Have the ability to meet and/or exceed the requirements of preferred suppliers, plus are willing to make investments at risk to provide access to cutting edge technology or services that provide Hologic a marketplace advantage.
- **Preferred Suppliers:** Have the ability to meet and/or exceed our quality, delivery and service requirements. In addition, these suppliers provide best-in-class pricing, prototyping, technical support and innovation. Preferred suppliers shall be allowed to work with R&D and sustain engineering on new projects and changes.
- **Core Suppliers:** Suppliers deemed acceptable for business that do not meet the preferred or strategic classification. They meet an acceptable level of quality, delivery, service and cost. New suppliers start at this level.



## Less Wasted Product

Tracey Minutolo, manufacturing & operations project manager, led the GoLean Six Sigma certification project, resulting in a dramatic reduction in wasted product, as well as savings in the hundreds of thousands of dollars. In the manufacturing area dedicated to sample collection tubes for diagnostic tests, Tracey noted that product rejections due to inaccurate filling volumes were much higher in the shifts employing mostly newer operators. She tracked down the source of these errors by interviewing and observing more seasoned managers, who knew when to recalibrate nozzles to adjust volumes throughout their shift.

- **Restricted Suppliers:** Are not meeting the business needs of Hologic or are a potential new supplier to be used in a limited capacity. Restricted suppliers require authorization from management before any new business is awarded or are incorporated into new or revised product designs.
- **Unapproved Suppliers:** Continue not to meet Hologic's quality and business expectations. These suppliers have been removed from our approved supplier list and should not be used.

## Supplier Performance Monitoring

Supplier performance is monitored per Hologic's performance monitoring process. This includes product quality and service metrics, as well as on-time delivery. Our process enables us to monitor and assess our suppliers' ability to consistently meet requirements and is tracked via supplier performance monitoring scorecards.

## Supplier Risk Management

We have a formal process to identify potential risks in the supply chain. We perform supplier continuity risk assessments, conduct supplier monitoring as described above, and manage risks based on our supplier segmentation guidelines. Our supplier risk assessments are performed from three vantage points: quality risk, supply continuity risk, and information services data risk. The approaches and scope vary for each type of assessment, and the breadth of evaluation will always vary, as the risks differ and are inherent to the nature of business relationships with each supplier. We maintain tracking metrics on the percentage of the supply chain covered by risk assessments.



### Our People Matter

It takes all of us, coming together as our authentic selves, to create the best version of what Hologic can be. Our **Passion** fuels our mission: an interconnected, interdependent web of talent with unlimited potential that both imagines and achieves performance in a way that is impossible for any one person, or any one type of person to achieve alone. What makes us different makes the difference in how we realize our **Purpose** and deliver on our **Promise**.

#### We know:

- That employee engagement is essential to our performance-driven culture and sustainable growth.
- That implementing objective measures of talent and leveraging individual strengths are the keys to building a diverse and inclusive work force.
- That individualized coaching and key experiences are the foundation for successful career advancement.
- That investing in our employees drives future growth and opportunities.

Left: employees in Hong Kong celebrate International Women's Health Day with our campaign "Healthy Women = Healthy World." Below: employees at the Massachusetts Conference for Women.

## Culture & Society



- 24 World Class Level of Engagement
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# I World Class Level of Engagement



## Our Disciplined Commitment to Employees Enabled Our World-Changing COVID Response

In January 2020, Hologic reached world-class engagement; our Employee Engagement Survey results put us in the top 96th percentile of our peers in Gallup's global company database, representing a deep commitment and readiness to continuous improvement and resilience.

Our foundation of world-class engagement enabled us to do the impossible in 2020. In the face of upheaval, seemingly insurmountable obstacles, and shifting priorities, our commitment to our employees and their commitment to each other fortified

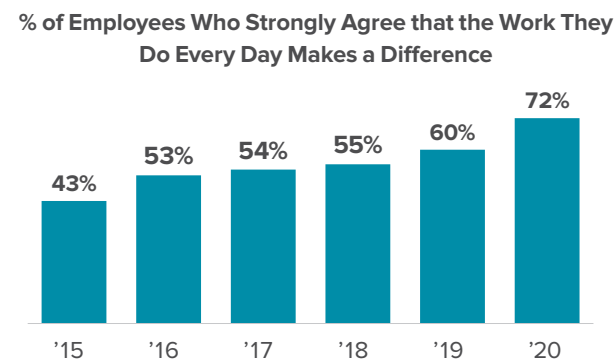
our leaders and teams to not merely persevere, but to thrive. We know that our culture is defined by our engaged, diverse, passionate team members across the globe. Our lives and work changed in the face of the global pandemic. Hologic was needed more than ever. Our leaders united us around the belief that "tough times reveal character." Each one of us was challenged to step up—to adapt, innovate and grow. We saw colleagues at every level across our global community answer that challenge to do the seemingly impossible to benefit the millions of lives we serve. We witnessed the bold and passionate culture of Hologic in action.

**"Our goal is to create the right conditions for everyone to give their best each day—to give tools and resources to excel in their job, to bring clarity to the organization's goals and values, and to feel confident striving for ambitious personal goals in an environment of collaboration."**

—Ali Bebo, Senior Vice President, Human Resources

## Engagement Fuels Our Purpose

An everyday focus on engagement enables individuals and teams to deliver superior outcomes, maximize what they do best, and manage their performance through ongoing, meaningful conversations and development experiences. The journey to top decile engagement and high performance did not happen overnight, or even over the course of the year—Hologic has been on a six-year journey to create a culture in which our employees can thrive. It has been a **steady, disciplined march**. But the results speak for themselves.



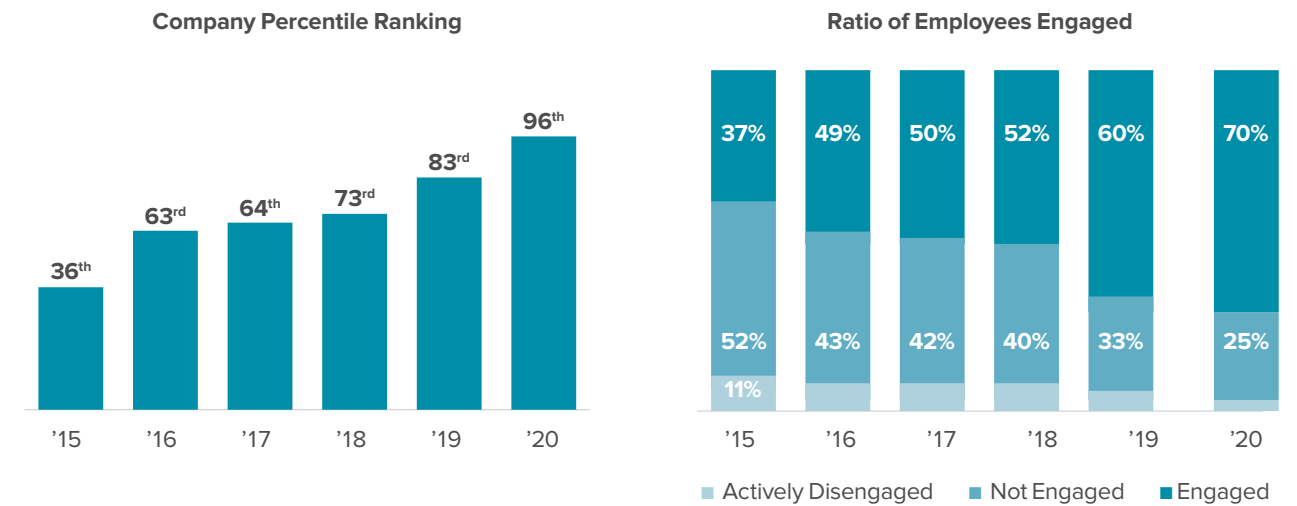
Left to right: employee in San Diego Manufacturing; employees in Italy celebrating International Women's Day; employee showing pride on #IWD2020.



Each year, all employees are invited to participate in our Company-wide Q12 Engagement Survey. We measure 12 elements of engagement using the Gallup Q12 methodology. Our employees assess actionable areas including Company mission/purpose; job expectations; manager quality and interaction; and overall work relationships. The survey responses are completely anonymous. The results of the survey provide insights and information into how and where we need to focus to become even more engaged in our teams and across the organization. Hologic's overall engagement is compared to Gallup's company database, reflecting our performance against our peer organizations.

**Since initiating our engagement turnaround, Hologic has moved from the 36th percentile of Gallup's company engagement database to the 96th percentile. Simultaneously, Hologic's stock price jumped from about \$26 per share in early January of 2015 to over \$70 per share by the end of 2020.**

## Hologic Joined the Top 5% of Companies with Our January 2020 Engagement Results



Left to right: Hologic leaders and members of the Board of Directors at the Massachusetts Conference for Women and booth support team at Conference.



## Inclusion: What Gets Measured Gets Improved

Ahead of our January 2020 engagement survey, we sought to more fully understand the extent to which our employees feel a sense of belonging: the extent to which they feel heard, they feel respected and they feel their unique talents and contributions are seen and regarded. By understanding how different groups of Hologic employees are experiencing a sense of inclusion and belonging in our workplace, we can hope to unleash the potential of our team members and live up to our principle of inclusion more fully.

In partnership with Gallup, we implemented a measure of inclusion and belonging, knowing that what gets measured, gets improved. The results of these four survey items comprise the Hologic Belonging Index.

**We will continue to measure and utilize the insights of the Belonging Index to identify our organizational strengths and tackle areas for improvement to create a more inclusive workplace.**

## Hologic's Belonging Index

Our Belonging Index measures the average percentile rating on four survey items ranked within Gallup's company database.

**95<sup>th</sup>**

My opinions seem to count

**96<sup>th</sup>**

Someone at work seems to care about me as a person

**87<sup>th</sup>**

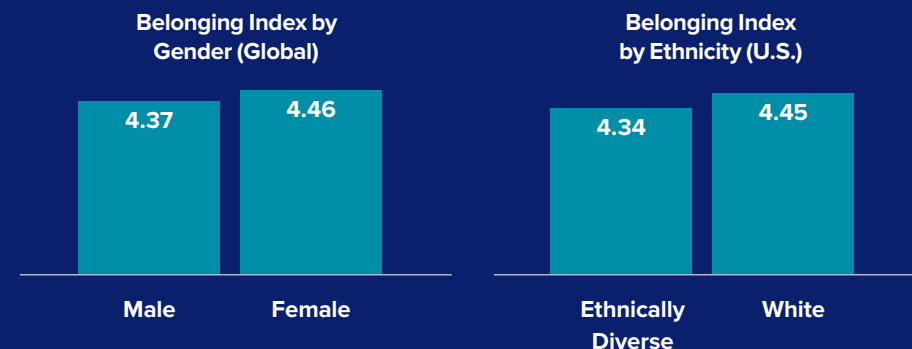
I have the opportunity to do what I do best every day

**96<sup>th</sup>**

I am treated with respect

## 2020 Insights

Women scored higher than men on our Belonging Index. In the U.S., however, the experience of our ethnically diverse talent trails our white employees. We know that engagement scores across companies in the U.S. are consistently lower for ethnically diverse talent. This does not impact our commitment to challenging this status quo.



These scores reflect our average out of a five-point scale. The Belonging Index is unique to Hologic, but the items that make up the Index are measured across Gallup companies.



San Diego employee loading Panther Fusion® SARS-CoV-2 assay.

## Giving Employees the Opportunity to Do What They Do Best

At Hologic, we believe that talent can be found anywhere and in everyone. To create a true culture of belonging, where everyone feels that their talents are valued and optimized, we begin by first inviting our employees to discover and live into their own talents and the talents of their team members.

**87%**

of our employees globally have discovered their strengths

In 2020, we amplified our ongoing efforts to give every employee the opportunity to discover their strengths through the CliftonStrengths Assessment. Our focus on strengths is our way into deeper conversations about ourselves and one another.

Hologic's strengths-based approach has unleashed a culture of high performance through which leaders and employees use a common framework and approach to human performance to build and sustain the future of the organization.

CliftonStrengths is a common performance language for the entire organization—from leaders to frontline employees. CliftonStrengths are a performance developmental tool; they provide a framework and roadmap that focuses development and goal achievement. How intentionally you focus and develop them makes a difference. By better understanding each other and the talents we each bring, we create an environment where each of us is challenged and supported. We create an environment where we each feel a part of and contribute to a better future for women everywhere.

# I Creating Equal Opportunity for Diverse Talent



**We know that today’s business challenges demand agility and ingenuity. We must broaden our thinking by expanding our perspectives. Building a diverse workforce begins with our hiring practices and extends to our access to opportunities, strategic development and promotion of our internal talent.**

**We know that the development opportunities we commit to today will lead to robust and diverse leadership tomorrow.**

## Tackling Bias in Hiring

We are looking for the best talent and we know that the best can come from anywhere. Through the lens of a talent assessment, we measure the probability of a candidate’s success free from unconscious judgments based upon gender, race, age, educational background or even personality.

- Since 2016, we have used an assessment protocol for all of our sales, management, and leadership positions with demonstrable demographic fairness.
- In 2021, we are committed to rolling out a talent assessment for every professional role.

## Early-Career Opportunities

We know how important it is to our talent pipeline to connect early-career talent with meaningful development experiences.

- We identify and invest in diverse talent early in their careers through our paid internship opportunities and by supporting STEM education around the globe.
- We develop this talent through experience working on high value projects coached by employees at every level of the organization.



## Global Leadership Team Journey

When Steve MacMillan was hired as CEO of Hologic in December 2013, the Global Leadership Team (GLT) he joined was composed entirely of White men. As a Company that has and continues to impact lives everywhere, we know that supporting and uplifting the leadership perspectives of women and ethnically diverse talent is as important to our business as it is to our company culture. From zero women and ethnically diverse leaders in 2013 to 29% women and 29% diverse leaders in 2020, the transformation of our Global Leadership Team exemplifies our commitment to a leadership team that reflects our culture. Forty percent of the GLT is composed of internally promoted employees. We will continue to focus on providing key experiences and developmental opportunities to ensure that the best talent finds their place at the leadership table.

## Developing Leaders Through Key Experiences

We reject the idea that there is a set script to be considered for succession opportunities. We know focusing on traditional career ladders disproportionately limits diverse talent and in particular, females. Instead, we provide performance paths, ultimately aimed at expanding the ideas and perspectives within our leadership.

- We do not utilize readiness ratings; we focus on performance and potential.
- We provide key development experiences that focus on acceleration of key capabilities and growth.
- We engage in regular talent reviews to assess the strength of our talent pipeline and opportunities at all levels up to and including the Board of Directors.
- In 2021, we are committed to rolling out a talent assessment for every professional role.



Jennifer Meade, Division President for Breast and Skeletal Health.

## We Bet on Our Own Talent

Jennifer Meade attributes her success at Hologic to a unique culture that fosters employees’ individual strengths and values key experiences across multiple functions and areas of the business. “I think many companies view the career ladder as strictly vertical within a given department or function,” she said. “But the leadership at Hologic is more focused on identifying an individual’s talents and potential, and then matching those with experiences that will drive that person’s development and ability to lead.”

Starting her career with Hologic as a financial analyst, Jennifer subsequently held roles in Field Service and Sales before her promotion in 2020 to Division President. “When you consider the

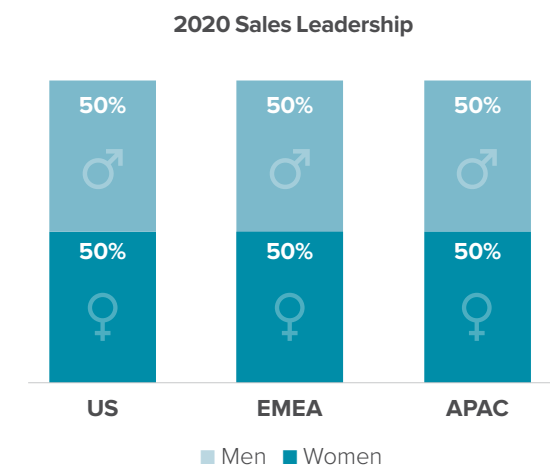
steps I have taken in my career at face value, they may not make much sense,” she said. A few years back, Jennifer made a lateral move from Field Service to the Sales operation specifically to focus on commercial excellence. “I had to trust in my mentors,” she said. She trusted that the opportunities her leaders were guiding her toward were part of a bigger plan—a path to performance that was going to accelerate her personal development.

By crossing functional lines, she not only learned what these teams did individually, but saw the relationships these teams had to each other, to customers and to growth. It was in these connections that Jennifer identified the real opportunities to catalyze performance. By moving rapidly into these worlds where she had no previous experience, she had to build credibility not as a functional expert, but as a leader. This is where her natural curiosity and unwavering sense of accountability were tested and ultimately strengthened. She found that her willingness to admit what she did not know and take responsibility for her failures, as well as successes, were what created a strong trust within her teams.

Now, as the President of the Breast and Skeletal Health Division, Jennifer sees her primary responsibility as building talented teams, creating the conditions for them to develop their talents, and holding them accountable for their performance. The challenging, sometimes unconventional trajectory of her career taught her the humility to recognize what cannot be taken at face value and the discipline to see decisions through. “My approach is to recognize that there is not one approach,” she said. “There is no one way for me to build a high-performing team.” Instead, Jennifer is committed to the hard work of rolling up her sleeves, digging in and trusting that what she learned along the way will drive growth and opportunity for the over 1,600 employees she now leads.

## Internal Leadership Pool

We believe that our commercial teams are an important feeder pool for senior management. As shown at right, we have equal gender representation at our VP level across sales in and outside of the US.







GYN Surgical Team in October 2019.

# 85<sup>th</sup>

2020 percentile ranking for the Surgical Division compared with Gallup's workgroup database

## Diversity Is Our Performance Advantage: GYN Surgical Case Study

When Essex Mitchell was hired as Vice President of Sales for the GYN Surgical Solutions Division in September 2017, he inherited a leadership team primarily of men with zero ethnically diverse talent, as well as performance trending downward quarter after quarter. In other words, he inherited an opportunity for transformation.

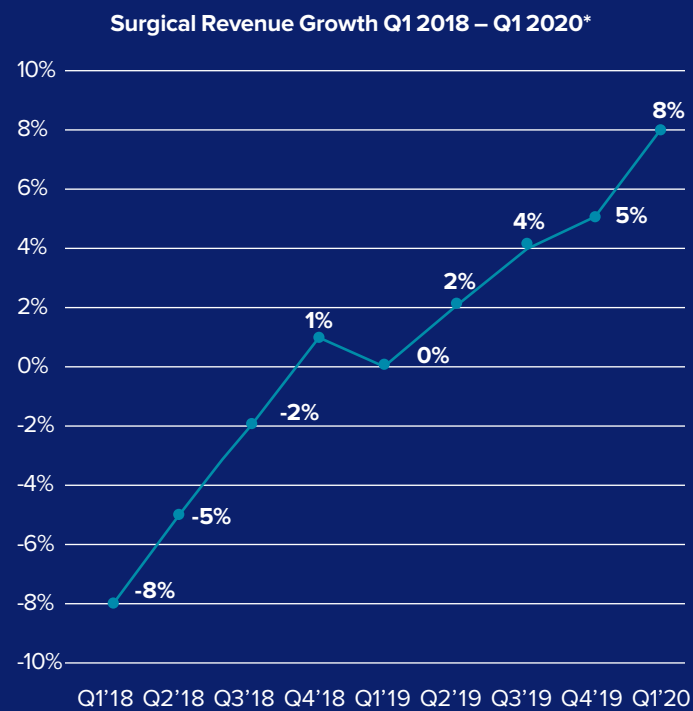
This transformation was grounded in the principle that the right talent coupled with intentional engagement drives unlimited performance. In Essex's words, "Focus on the people; if you get that right, you win." What does it mean to "focus on the people"? And what does it look like when you "get that right"?

For Surgical, this began with throwing out the playbook on hiring and promotion practices. Instead of hiring based upon rules such as minimum number of years' experience or certain industry background, the Surgical team focused on raw and early career talent. In doing so, they opened the talent pipeline and diversified their talent pool across experience, allowing them to find talent selling everything from auto parts to fishing equipment, from insurance to wine.

Talent opened opportunities; focusing on engagement transformed those opportunities into success. Focusing on engagement meant creating a culture of ongoing coaching and continuous improvement. It took time to coach new talent and focused leadership to inspire the team through these changes.

With a disciplined focus on creating the right conditions for success through disciplined action planning, constant communication, and a relentless focus on performance, Surgical began to create a culture that attracted and inspired diverse talent inside and outside of the organization. The engagement scores for the division began to increase, and in 2020, 83% of Surgical team members described themselves as highly engaged.

This talent and engagement transformation had an immediate and lasting effect on performance. Prior to the disruption caused by the COVID pandemic, the Surgical Division delivered consistent sales growth to become the fastest growing division at Hologic. As Essex continues his journey as the newly appointed Division President of GYN Surgical, he and his team are poised to bring more solutions to more women across the globe powered by their continued and relentless focus on talent, engagement and performance.



\*Essex Mitchell started in September 2017, before our first quarter of fiscal '18. This graph represents pre-pandemic performance.

## GYN Surgical Talent Transformation At-a-Glance

### GYN Surgical Sales Leadership Team

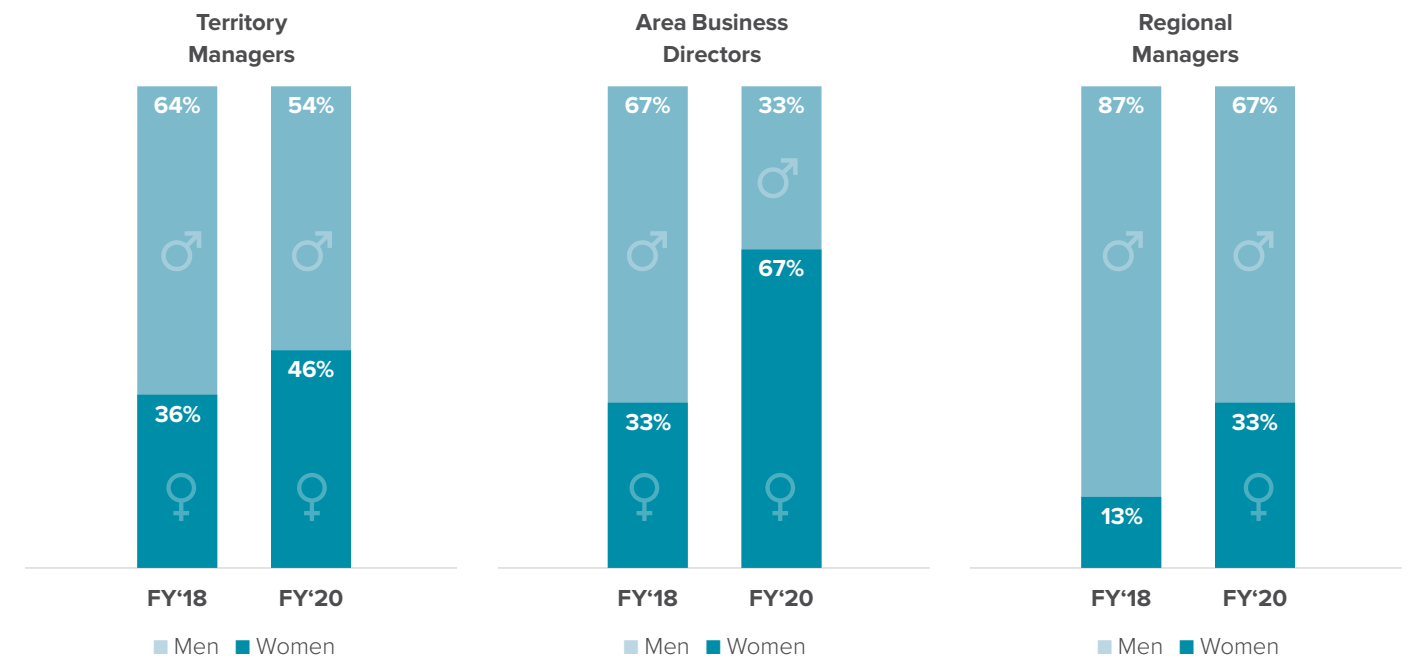
2017 → 2020  
Positions held by **women**  
**9%** → **35%**

Positions held by **ethnically diverse** talent  
**0%** → **17%**



Sean Daughterty, Group President, Breast and Skeletal Health and GYN Surgical Solutions, with the surgical R&D team.

### Gender Composition Across GYN Surgical Sales Leadership Roles





Employee working in San Diego lab.

## Valuing and Rewarding Our Employees on the Front Lines

We have been responding to the COVID-19 pandemic with purposeful steps to help keep our employees safe and our customers served. We believe that the way we treated our employees in the early days of the COVID-19 pandemic set the stage for the incredible contributions they made later in the year and will continue contributing to stellar performance in the future. As a company, we took meaningful steps to not only ensure their safety and well-being but also rewarded them for their tremendous contributions.

Starting at the beginning of the pandemic, we took every precaution to protect the health of our employees based upon the standards set forth by regional governments—instituting robust hygiene practices, implementing temperature scanning stations, installing temporary structures, and increasing our

cleaning protocols to create the safest possible environment for our employees to work, collaborate and continue to deliver lifesaving technology when our communities needed us most.

For the front-line employees who came to work every day to develop and manufacture our COVID tests, or who installed new Panther instruments in locked-down hospitals during the most uncertain times of the pandemic, we were able to provide extraordinary financial awards. Specifically, we redirected about 30% of our fiscal year-end bonus pool to these employees, many of whom received eight to 10 times their normal bonus as a result. We believe all these actions are contributing to improved performance today, as our non-COVID businesses recover more rapidly than expected, and as we gain market share in multiple segments.

Left to right: Panther installation in Saudi Arabia; production line in the U.K.; face masks being made in Costa Rica. Alison Kelly, Diagnostic Sales & Commercial Excellence.



## Commitment to Our Employees Through Access to Pay and Benefits

**100%**

Of our global workforce retained their health benefits

**100%**

Pay restoration to employees who experienced a pay cut in Q3

**\$15**

Company minimum wage

When the pandemic disrupted our business, we took **thoughtful, decisive action to safeguard our employees.**

Beginning in March, the COVID-19 pandemic had a significant impact on our business. Governments and healthcare systems were singularly focused on managing the COVID crisis—and rightfully so. States imposed ‘shelter in place mandates,’ screening programs were suspended, elective surgeries were canceled, hospitals and labs reduced access to their facilities and their staff, and some of our customers had to close.

Hologic, like businesses across the globe, faced an unknown future created by the pandemic. Our approach was to preserve as many jobs as possible, and to lead from the top. Rather than laying off employees outright, we implemented reduced work weeks, temporary plant shutdowns and furloughs depending on local business needs. We reduced compensation for our salaried employees: 50% for our CEO and the Board of Directors, 25% for

our Global Leadership Team, and 10% for other levels. But at the same time, we preserved funding for our retirement plans, and back-stopped sales teams whose compensation could have been cut by 80% or more based on circumstances beyond their control. We were able to get through the disruption to our business, return all of our employees to work, increase our workforce in some areas, and maintain full access to benefits for all employees throughout the year.

With their remarkable efforts, our Diagnostics and European teams completely transformed our financial performance in ways that we could never have imagined. As a result, we ended the year in a unique and strong position and were able to pay back the equivalent amount of the pay reduction experienced in Q3 to all employees. We were also able to supplement lost income due to furloughs.

Now, as our business continues to strengthen, we are poised to invest in our employees and drive future growth and opportunities.

Members of the Process Transfer team in San Diego share their Hologic pride.



## Two Years of Expanding Global Access to Leading Diagnostic Tools

As the Hologic Global Access Initiative (GAI) reached its second anniversary, the program continued to experience significant growth, providing more laboratories with access to critical diagnostic testing in support of the UNAIDS 95-95-95 targets to help end the AIDS epidemic.

The GAI launched at the 2018 International AIDS Conference with its hallmark all-inclusive and transparent pricing structure. The initial menu of products included molecular assays for HIV, Hepatitis B and C, and human papillomavirus (HPV), and was expanded to include the ThinPrep® Pap test for cervical cancer screening in 2019. The initiative firmly placed Hologic on the continental map of Africa with other industry leaders.

The success of the GAI model was recognized by the U.S. President's Emergency Plan for AIDS Relief (PEPFAR), which issued a global request for proposals to adopt all-inclusive pricing for HIV viral load (VL) and early infant diagnosis (EID) testing in supported countries. PEPFAR is the largest bilateral initiative for a single disease and one of the most influential stakeholders in the global HIV response. The final awards to Hologic and other suppliers resulted in a cost savings of more than \$20 million annually that can be reinvested into additional testing and related programs.

**“The Global Access Initiative firmly demonstrates our Purpose, our Passion and our Promise to advance access to affordable care for people living in underserved markets across the globe.”**

— Joao Malagueira, Vice President  
Europe South, CIS, Middle East and Africa

Beyond cost savings, Hologic transformed the framework for service-level commitments as the first supplier to institute stringent key performance indicators in agreements with Ministries of Health and distributors. The data provided visibility into performance for continuous improvement, including streamlined shipping and logistics processes, increased operational capacity, and enhanced use of resources on the ground.

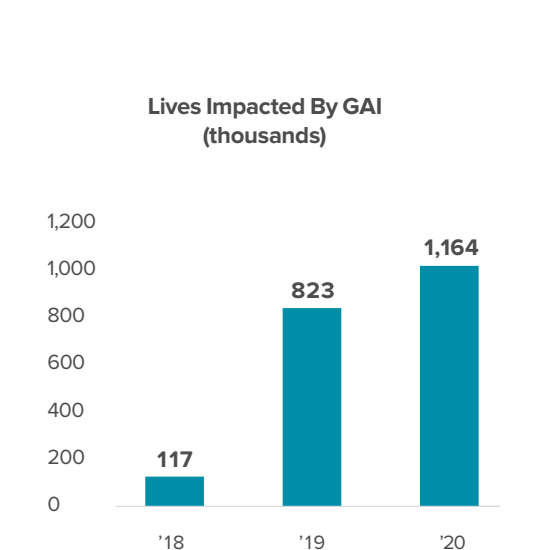
In its second year since launch, GAI doubled its installed base of the Panther® system from 29 to 60 instruments across 13 countries. Regional revenues in Africa have the highest organic growth within Hologic and exceed rates in Europe and the United States.

This financial growth was largely propelled by the volume of tests in existing markets, as countries scaled up their testing programs and new countries were brought on board. In fiscal 2020, more than 1.5 million tests were shipped under GAI. This figure is expected to climb as a result of the recent World Health Organization (WHO) prequalification for testing dried blood spot (DBS) samples using the Aptima® HIV-1 Quant Dx assay. This approval is key to global health markets, notably in Africa, where DBS is the primary sample type in several countries, and it will help improve access to HIV diagnostic testing and care, particularly among populations living in remote areas.

Initial success with HIV testing in Africa paved the way for countries to address co-infections and to integrate testing for other viral targets on the Panther system, including most recently, the Aptima® SARS-CoV-2 assay. Current partnerships allowed countries to quickly respond to the pandemic and secure SARS-CoV-2 tests under existing procurement mechanisms, while safeguarding supplies of HIV, Hepatitis B and C, and HPV tests to ensure continuity of care.

“The Global Access Initiative firmly demonstrates our Purpose, our Passion and our Promise to advance access to affordable care for people living in underserved markets across the globe,” said Joao Malagueira, Hologic’s vice president for Europe South, CIS, Middle East and Africa. “Our work combines the needs of the communities we serve with molecular diagnostics innovation. Collaborative partnerships and a shared commitment to universal access to healthcare have been central to the success of the program, and I am excited to see what the future holds.”

The impact of the Global Access Initiative has been far reaching, enabling access to life-saving testing for at least 2 million men, women and children. Hologic continues to explore opportunities to expand to other countries in Africa, Asia and Latin America and further our commitment to a healthier future for all.



Top: Rachel Ochola, Program Officer, Global Access Initiative at a conference in Kigali. Immediately above: group meeting in Zambia

## Pursuing Healthcare Equality for Women



Ribbon cutting ceremony at the Breast Care for Washington facility with Hologic's mobile mammography unit equipped with the Genius® 3D Mammography® exam.

### Our pursuit of equality in women's health is fueled by our mission to enable healthier lives, everywhere, every day. Ensuring that life-saving screening, treatment and education are accessible to as many women as possible, regardless of their background, is critical to making our mission a reality.

As a global organization focused on improving women's health and well-being through early detection and treatment, Hologic is uniquely positioned to make a transformative impact on the long-standing health disparities that plague women across the world.

From bridging gaps in access to preventive screenings to providing critical education, monetary donations and legislative support—efforts made by Hologic and its employees over a span of nearly 15 years have made a profound difference for women in countless communities. These efforts are central to Hologic's mission and deeply rooted in the belief that underserved women deserve equal access to resources that will allow them to play an active role in their health and wellness, regardless of race, geography or socioeconomic standing.

For example, in 2020 Hologic launched Project Health Equality, a multi-year commitment to decreasing cancer screening disparities for Black women. The program is in partnership with the Black Women's Health Imperative (BWHI), the first nonprofit organization created by Black women to help protect and advance the health

and wellness of Black women and girls, and RAD-AID, a nonprofit dedicated to increasing access to screening and treatment in low resource regions.

Project Health Equality is designed to provide underserved women with access to superior breast and cervical cancer screening technology. The program prioritized breast screening awareness in October of 2020, encouraging all Black women to get their annual mammograms beginning at age 40. The multi-pronged campaign includes BWHI's P.O.W.E.R. of Sure campaign, which addresses common barriers to screening and encourages Black women to schedule their annual mammograms. Additionally, in partnership with RAD-AID, Hologic is funding screening, diagnostic and treatment services at facilities across the United States through 2024 to increase access in underserved communities.

Over time, Hologic has led and supported a vast number of other initiatives in each of its major divisions. The strategy is simple—to be a catalyst for change through partnerships, involvement and policy.

abnormalities were discovered.

Beyond these programs, Hologic cultivates annual partnerships with a diverse range of patient advocacy groups. These include:

- The White Dress Project, an organization dedicated to raising funds for research and awareness of uterine fibroids.
- Cervivor, a nonprofit that brings cervical cancer survivors together and helps spread awareness, education and support.
- The National Black Nurses Association, whose mission is to provide a forum for Black nurses to advocate for and implement strategies to ensure access to the highest quality of healthcare for persons of color.

### Involvement

Hologic's compassionate and diverse workforce is dedicated to making a difference in women's lives, not just through innovation in medical technology, but through community service and philanthropy. Employees frequently support local and global nonprofits through in-office drives and out-of-office service projects in communities where they live and work.

For employees working in the Company's San Diego, CA location, that means volunteering at The Ocean Discovery Institute, which uses ocean science to empower young people from underserved urban communities. Employees also volunteer at the Silicon Valley Education Foundation in San Jose, California, which delivers and advocates for STEM education that inspires underserved students. Additionally, employees from many locations spend time working with Habitat for Humanity, a nonprofit organization that helps families build and improve places to call home.

In 2020, the Company announced an internal initiative to further encourage philanthropy among its U.S. employees by implementing a match program, up to \$250 per employee, to be donated to any 501(c)3 organization of their choosing. Employees can also earn the match by volunteering at a nonprofit organization, another example of the Company's commitment to supporting its local communities.

Our employees are extremely passionate about women's health and our goal is to ensure healthy, strong and informed women. This identity is lived out each day by our employees worldwide with passion and a sense of purpose. Many of us have personally battled, or have family members who have battled, diseases they now work to beat through early detection and treatment. Each year on International Women's Day, Hologic employees take the opportunity to reflect on the importance of our mission and the impact we make in the world while celebrating our accomplishments. As seen on the next page, this year our employees from around the world posted videos expressing their belief that healthy women = a healthy world.

### Partnerships

Through collaboration with like-minded nonprofits and patient advocacy groups whose missions align with our own, Hologic has spurred meaningful advances in bringing underserved women closer to achieving health equality through grants, direct-to-consumer educational and awareness campaigns, and research projects.

Perhaps the most notable of these partnerships is with Breast Care for Washington (BCW), a nonprofit community-based breast imaging facility located in Southeast D.C. BCW is committed to reducing breast cancer mortality in a city that has seen the highest breast cancer incidence and mortality rates in the nation for over a decade. Dating back to 2007, Hologic has supported BCW through the donation of technology and programmatic funding for initiatives such as the Mobile Mammography unit that brings the Genius® 3D Mammography™ exam to thousands of women each year.

Hologic is also a long-standing supporter of The CAP Foundation, the philanthropic arm of the College of American Pathologists (CAP), which connects pathologists directly to patients in need through its See, Test & Treat® program. Our support funded a program that provided underserved women at 12 sites with multiple preventive screenings, including a mammogram, Pap test, bone density scan, skin cancer screening and blood pressure check. The program also helped route women through the healthcare system if any



## Pursuing Healthcare Equality for Women *(continued)*

### Policy

With a keen understanding that persistent gaps in women's health equality are tied to federal and state legislation and policy, Hologic has played a proactive role in advocating for legislation, like the Protect Access to Lifesaving Screenings (PALS) Act (H.R. 3339 and S. 1926), to ensure as many women as possible have a chance to receive and address diagnoses, and lead healthier lives as a result.

In 2015, the PALS Act placed a two-year moratorium on the implementation of any new breast cancer screening recommendations by the United States Preventive Services Task Force (USPSTF). These recommendations would have allowed insurance companies to charge women ages 40-49 a co-payment or other out-of-pocket costs for mammograms, potentially limiting access for up to 22 million women.

With regard to mammography coverage, efforts made by Hologic were instrumental in lobbying private payers and Medicaid to recognize the benefits of digital breast tomosynthesis. As a result, today 95 percent of women have access to this critical screening technology, which is clinically proven as superior to 2D mammography.

In addition, Hologic regularly donates to the National Family Planning and Reproductive Health Association, a membership organization representing providers and administrators committed to helping people get the family planning education and care they need to make the best choices for themselves and their loved ones. The association is the lead national advocacy organization for the Title X family planning program, which has served as the nation's only dedicated source of federal funding for family planning. The Title X program supports high-quality, culturally sensitive family planning services and other preventive health care for low-income, under-insured and uninsured individuals.

Left: Hologic employees around the world celebrate International Women's Day.

## Philanthropy

At Hologic, we take the role we play as leaders in the communities where we live and work seriously. We give our time and resources through philanthropic and charitable efforts that provide immediate benefits to needy patients, but that also further our business objectives over the long term; for example, by promoting scientific literacy in younger generations.

Hologic's incredible response to the COVID-19 pandemic over the last year highlighted our ability to "do well by doing good."

The better we do financially, the more we can enable healthier lives around the world, and the more we can give back to our communities.

In 2020, the tremendous business success that resulted from developing and manufacturing molecular tests for COVID-19 enabled us to significantly expand our philanthropic activities.

In the second half of our fiscal year, we contributed \$15 million to our corporate charitable fund, the largest donations we have ever made by far. Over the next several years, we intend to use this money to support causes and issues that are close to Hologic's mission, and near to many of our employees' hearts.

In the past, we have directed our charitable contributions mainly to nonprofit organizations that benefit women's health and STEM (science, technology, engineering and math) education. This year, in response to the tragic examples of racism in America, we expanded our giving to include groups focused on social and racial justice. This is in addition to funding Project Health Equality, more information about which can be found on page 36 of this report.

In addition to increasing our charitable giving, we established two scholarship funds to benefit the children and grandchildren of Hologic employees, as well as minority students near our largest U.S. facilities. Our focus is on students who are the first in their families to attend college, and our efforts support our belief that education is the key to both economic advancement and social equality.

Finally, in response to employee requests, we established a limited "matching program" to supplement the donations—and the volunteer time—that many of our employees give to nonprofit organizations of their choice.

All these efforts support long-term business goals:

- Helping build a scientifically literate workforce for the future.
- Ensuring that minorities and financially underprivileged women have access to the best technology for the early detection of disease.
- Helping students with financial need chart a new path for their lives.
- Magnifying the impact that our employees' personal donations have in their communities.

Toward these ends, provide monetary donations through our corporate philanthropy committee, which includes employees from various divisions and sites. Over the last few years, we have provided hundreds of grants, generally ranging from \$1,000 to \$30,000 each, to nonprofit organizations near our facilities that support women's health and STEM education. Most commonly,

we support efforts by local hospitals to improve access to preventive healthcare for underprivileged women. In addition, examples of our larger, multi-year partnerships include:

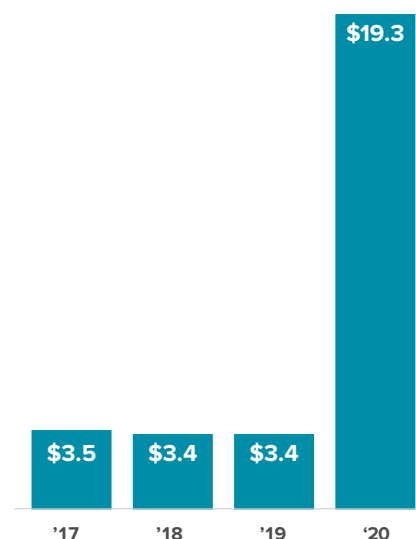
- Ann's Place in Danbury, Connecticut, which provides community-based support for cancer patients and their loved ones.
- The Massachusetts Science and Education Fair, which advances science literacy and inspires new generations of science and engineering leaders.
- The Ocean Discovery Institute in San Diego, California, which uses ocean science to empower young people from underserved urban communities.
- The Silicon Valley Education Foundation in San Jose, California, which delivers and advocates for STEM education that inspires underserved students.
- Susan G. Komen San Diego's Race for the Cure, the walk to end breast cancer.

In sum, Hologic is committed to providing financial support to healthcare organizations that share our values and commitment to promoting healthier lives.

Employees participating in a marathon in Dubai.



Grants, Charities & Donations in Millions



## Philanthropy

Our employees throughout the world are committed to making a difference in their local communities. Here are a few examples.



### MobileMammo Program Aims to Make Breast Cancer Testing More Accessible

In June 2020, the Company, including Hologic employees within our Breast Health Division, partnered with Breast Care for Washington, a group that aims to provide screening and care to underserved D.C. populations, to roll out the MobileMammo program. The program provided Hologic's best-in-class Genius® 3D Mammography® exam aboard a 45-foot bus. "The mission of Breast Care for Washington is to provide access to breast cancer screening, access to treatment and access to diagnostic imaging to all women, regardless of their ability to pay," co-founder Beth Beck said.

Breast cancer survivor Erica Walls explained the necessity of such a program. "Everyone doesn't have the resources to have a private doctor," she said at the MobileMammo ribbon cutting. "They're bringing it to the community, broadening and leveling the playing field for something that's basically a human right—healthcare."



### Making a Difference for Healthcare Workers in the UK

In April 2020, our Manchester, UK team donated 400 Tyvek coats and suits to the Bolton NHS (National Health Service) Trust, which was facing a shortage of personal protective equipment for its healthcare workers during the COVID-19 pandemic. Additionally, the Hologic Manchester and the Altrincham Kersal RFC amateur rugby teams joined forces to provide Wythenshawe Hospital's staff with 150 meals per week in May 2020.



### Helping Victims of Australia's Tragic Fires

In early 2020 bushfires raged across Australia, causing historic devastation. Hologic employees from our Asia Pacific team—which includes our staff in Australia—donated to the Red Cross disaster-relief services in that country, with these donations matched by Hologic. Our employees also made a difference through additional relief actions including:

- Donating money to non-profits that provide, among other things, counseling to loved ones of people who perished because of the fires.
- Contributing funds to organizations that offer temporary shelter to: 1) the thousands of families whose homes were destroyed; and 2) the millions of residents who were forced to flee their homes.
- Donating groceries, clothes, personal hygiene products, first-aid supplies and other much-needed items to a variety of community groups.
- Making food for koalas that managed to escape the infernos. Wildlife rescuers estimate that more than 1.25 billion animals died in the blazes, and fear some species might go extinct.

"These are very challenging times for our colleagues, their friends and families in Australia as they tackle this natural disaster," said Sanjay Prabhakaran, President of Hologic Asia Pacific. "We acknowledge the efforts of numerous firefighters and volunteers who are making a difference and pray for their wellbeing."



### Donations Help Safeguard Hospital Staff Against COVID-19 in China

In March 2020, through coordination with the China Population Welfare Foundation, the Company, including Hologic China employees, donated RMB 726,224 (about \$100,000 U.S. dollars) to enable hospitals in Wuhan, China to purchase protective materials urgently needed by hospital staff. On Hologic's behalf, the foundation bought 10,000 T4 protective hoods and sent them in batches to Wuhan Tongji Hospital. We believe this expression of compassion and care from Hologic helped bring cheer to the frontline healthcare staff, patients and every one fighting the COVID-19 outbreak. "As a medical technology company, this donation is inspired by our team spirit of innovation, protection, care and never giving up," said Xu Li, vice president and general manager for Hologic China. "All that we do is to contribute to people's health and wellbeing," said Xu Li, vice president and general manager for Hologic China.

# Corporate Governance



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## Governance and Shareholder Engagement

Our Board believes that good governance not only requires an effective set of specific practices, but also a culture of responsibility and accountability throughout the organization. Governance at Hologic is intended to achieve both. **Good governance ultimately depends on the quality of an organization's leadership, and our Board is committed to recruiting and retaining directors and officers with proven leadership ability and personal integrity.**

The Board is engaged with management, with each other, and with the Company's shareholders. Beginning in 2015, we implemented a year-round approach to shareholder engagement. In addition to discussions just before our Annual Meeting, we initiate discussions during a quieter period several months later, reaching out to a number of our largest investors to discuss business highlights, compensation and governance matters—or whatever else is on their minds. Directors participate in these discussions as requested, and are updated on calls in which they do not participate.

**Our Board takes feedback from investors seriously.** Feedback from investors has helped shape our compensation programs, as well as our governance structures. In fact, discussions with several of our largest investors helped shape our approach to sustainability reporting, including the development of this report.

## Board Transformation and Structure

Our Board, which consists of a uniquely strong group of proven leaders in diverse healthcare companies, has been transformed through purposeful refreshment over the past five years.

**2015** Board had 11 members—including two representatives of the Icahn Group

**2020** Eight members—no activist investor representatives

- Four of the directors on the Board in 2015 remain.
- Four new independent directors were elected to the Board since 2015.

These new directors bring experience and expertise in areas important to the Company and the Board, including:

- Worldwide operations.
- Leadership of global, innovative organizations.
- Financial expertise.
- Healthcare industry experience.

**The mix of experience, diversity and fresh perspectives on the Board serves to strengthen management and the Company.**

Given its smaller size, each member of the Board is highly engaged, contributing and having his or her voice heard, while supporting and appropriately challenging management.

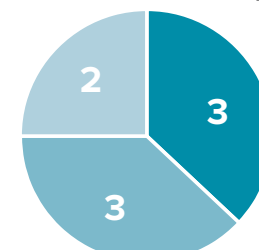
Our Board has an ongoing commitment to Board refreshment and to having highly qualified, independent voices in the boardroom—which has resulted in an exceptionally well-balanced group.

### Key Skills

- ♥ Healthcare Industry Experience
- 📄 Business Development/ M&A
- 👤 Executive Leadership
- 🌐 Global Experience
- ⚙️ Operational
- 💰 Financial Expertise

Image left: Steve MacMillan, Chairman, President and Chief Executive Officer, at 2019 National Sales Meeting.

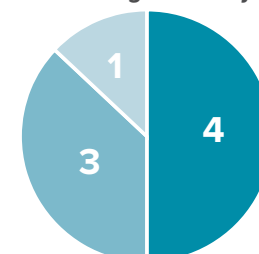
### Board Tenure Diversity



6 years average tenure

- Newer (<5 yrs.)
- Medium-tenured (6-10 yrs.)
- Experienced (>10 yrs.)

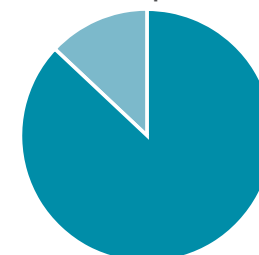
### Board Age Diversity



Median age is 59

- 50s
- 60s
- 70s

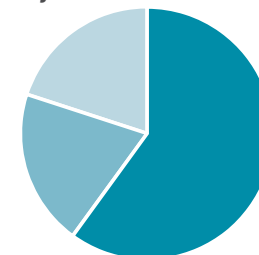
### Board Independence



Over 87% of our Board is Independent

- Independent
- Not Independent

### Diversity of Gender and Background



Diversity of Gender and Background

- Total number of directors (8)
- Female (38%)
- Born outside of U.S. (38%)





## Board Composition

The Board is composed of a majority of independent directors, and each of the three Board committees (Audit and Finance, Compensation, and Nominating and Corporate Governance) is composed entirely of independent directors. The current membership of our Board and each committee is listed below.

Director and Principal Occupation	Age*	Since	Independent	Current Committee Membership
<b>Stephen P. MacMillan</b> Chairman, President and Chief Executive Officer, Hologic, Inc.	57	2013		• N/A
<b>Sally W. Crawford</b> Former Chief Operating Officer, Healthsource, Inc.	67	2007	✓	• Lead Independent Director • Compensation • Nominating and Corporate Governance (CHAIR)
<b>Charles J. Dockendorff</b> Former Chief Financial Officer and Executive Vice President, Covidien plc	66	2017	✓	• Audit and Finance (CHAIR)
<b>Scott T. Garrett</b> Senior Operating Partner, Water Street Healthcare, Partners	70	2013	✓	• Compensation (CHAIR) • Nominating and Corporate Governance
<b>Ludwig N. Hantson</b> Chief Executive Officer Alexion Pharmaceuticals, Inc.	58	2018	✓	• Compensation • Nominating and Corporate Governance
<b>Namal Nawana</b> Former Chief Executive Officer Smith & Nephew plc	50	2018	✓	• Compensation • Nominating and Corporate Governance
<b>Christiana Stamoulis</b> Executive Vice President and Chief Financial Officer, Incyte Corporation	50	2011	✓	• Audit and Finance
<b>Amy M. Wendell</b> Former Senior Vice President, Strategy & BD&L, Covidien plc	60	2016	✓	• Audit and Finance

\*As of January 1, 2021.

## Roles of the Board

Taking an active role in the Company's strategic direction, the Board continually educates itself on the Company's products, markets, customers, competition and culture. The Board assesses risk, evaluates management's performance, plans for successors and provides overall guidance and direction to the Company.

### Risk Oversight

**Our Board is responsible for risk oversight.** A fundamental part of risk oversight is understanding the risks that we face, the steps management is taking to manage those risks, and assessing our appetite for risk. Risk management systems, including our internal auditing procedures, internal control over financial reporting, and corporate compliance programs, are designed in part to inform management about our material risks.

Our Board receives regular reports from management on matters relating to strategic and operational initiatives, financial performance and legal developments, including the related enterprise-risk exposures. The involvement of the Board in the oversight of our strategic planning process is a key part of its assessment of the risks inherent in our corporate strategy.

Each year, the Board also reviews an enterprise risk management report compiled by business leaders who have assessed risks throughout the business over a three-year horizon, focusing on financial risk, legal/compliance risk and operational/strategic risk. The report details the Company's top 10 risks, as well as mitigating actions and plans relating to those risks.

**Underscoring the Board's and management's focus on enterprise risk are the individual performance objectives of the executive leadership team, which are again aligned with the Company's top enterprise risks, as identified in the enterprise risk management report.**

While the Board has overall responsibility for risk oversight, each of the three standing committees of the Board regularly assesses risk in connection with executing their responsibilities.

- The Audit and Finance Committee focuses on cybersecurity risk, as well as financial risk, including internal controls. The Committee receives regular reports on cybersecurity, as well as an annual risk assessment report from the Company's internal auditors.
- The Compensation Committee oversees risk relating to compensation. Its independent compensation consultant conducts a risk assessment of our executive compensation programs, and members of our internal legal, human resources and sales operations departments evaluate our other compensation programs to assess risk. These results are presented to the Compensation Committee annually.
- The Nominating and Governance Committee oversees all of our governance processes and attendant risks.

### ESG Oversight

**The Board recognizes the connection between ESG topics and risk mitigation, financial performance and shareholder return.** The Board's Nominating and Corporate Governance Committee oversees the Company's reporting on ESG. Furthermore, a steering committee of senior members of management has been tasked with monitoring and reporting on key ESG topics, and drafting an annual sustainability report.

# I Compensation Philosophy and Structure

## Our Compensation Philosophy

Our ability to compete effectively depends to a large extent on our success in identifying, recruiting, developing and retaining management talent. To this end, the design of our executive compensation program and the decisions made by the Compensation Committee of the Board are guided by the following principles:

### Pay for performance

We believe that our compensation programs should motivate high performance among our Named Executive Officers (NEOs) within an entrepreneurial, incentive-driven culture and that compensation levels should reflect the achievement of short- and long-term performance objectives.

### Competitive pay

We aim to establish overall target compensation (compensation received when achieving expected results) that is competitive with that being offered to individuals holding comparable positions at other public companies with which we compete for business and talent.

### Focus on total direct compensation

We seek to offer a total executive compensation package that best supports our leadership talent and business strategies. We use a mix of fixed and variable pay to support these objectives, and provide benefits and perquisites, where appropriate.

**Hologic is focused on growth, efficient use of capital and shareholder value. Consequently, the Company uses measures of adjusted revenue, adjusted EPS, ROIC (return on invested capital), free cash flow, and relative TSR (total shareholder return) for incentive compensation plans. We believe this compensation structure drives performance, while also ensuring management efforts are aligned with the interests of our shareholders.**

#### ROIC

The Compensation Committee introduced ROIC as a performance metric in fiscal 2014 to hold management accountable for generating greater returns on capital allocated. This metric:

- Creates an effective balance of growth and returns.
- Holds management accountable for the efficient use of capital.
- Links executive compensation to value creation.

#### ADJUSTED FREE CASH FLOW

In fiscal 2020, the Compensation Committee added the measure of free cash flow, which is an important metric as the Company seeks to continue to deploy capital efficiently with continued business development activity and share repurchases.

#### RELATIVE TSR

In addition to being well-received and supported by our stockholders, use of relative TSR:

- Provides an external performance measure, which complements the internal ROIC measure.
- Links executive compensation directly to stockholder value creation.

## Executive Stock Ownership

Our Board believes that our directors and officers should hold a meaningful financial stake in the Company in order to further align their interests with those of our stockholders. Our CEO is expected to achieve equity ownership in the Company with a value of five times his then-current base salary. Each of our other Named Executive Officers (NEOs) and executive officers is expected to achieve equity ownership in the Company with a value of two times his or her then-current base salary.

As of the end of fiscal 2020, Mr. MacMillan owned equity in the Company with a value of over 81 times his fiscal 2020 base salary, making him one of our 30 largest stockholders. Mr. MacMillan purchased over 17% of these shares in the open market. As evidenced by his substantial ownership of Hologic shares, Mr. MacMillan's interests are well-aligned with those of stockholders.

# I Governance Policies and Procedures

## Employee Code of Conduct

Our Code of Conduct, which is publicly available [here](#), outlines Hologic's commitments to integrity and ethical conduct. It is a resource for all employees to identify the principles and values that Hologic is founded upon and to understand what is expected of them. All employees must read and understand the Code of Conduct, as well as our policies and procedures, and strive to uphold the principles of integrity and ethics in these written standards. Some of the basic values that form the underpinnings of our Code include:

- **Honesty** Being truthful and upfront with co-workers, customers, communities, suppliers, distributors and shareholders.
- **Integrity** Delivering what Hologic promises and standing up for what is right.
- **Respect** Treating each other with fairness and dignity and appreciating the unique abilities and strengths of each individual, as well as the advantages of diversity.
- **Trust** Building team spirit and confidence by communicating openly and honestly.
- **Responsibility** Taking the initiative to speak up and report concerns regarding ethical conduct and seeking reliable guidance in cases of doubt.
- **Citizenship** Obeying the laws of all the jurisdictions where the Company does business.

## Diversity Policy

Our approach to diversity is covered in our employee Code of Conduct, and is supported internally through our global Anti-Discrimination and Anti-Harassment Policy. Hologic is fundamentally committed to the principle that those we interact with, whether employee, vendor, partner, or customer, will be treated with respect, dignity, and professionalism. We are an equal opportunity employer. It is Hologic's policy to administer all human resource actions and policies without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, ancestry, age, mental and/or physical disability, genetic information, veteran status, any military service or application for military service, marital status, creed, citizenship status or membership in any other category protected under state, federal or local law. All employment decisions and personnel actions, including hiring, promotion, compensation, benefits and termination, are and will continue to be administered in accordance with, and to further the principle of, equal employment opportunity. Performance of supervisors and employees alike will be evaluated on the basis of work-related criteria. Our global Anti-Discrimination and Anti-Harassment Policy explicitly prohibits any form of discrimination, harassment, sexual harassment or retaliation. It also clearly outlines the complaint procedure process. All employees are required to undertake biannual anti-harassment and anti-discrimination training and to acknowledge and adhere to our Anti-Discrimination and Anti-Harassment Policy.

## Human Rights and Fair Working Conditions

Human rights and fair working conditions are covered in our employee Code of Conduct. Hologic supports fundamental human rights globally and is committed to a work environment that is free from human trafficking and slavery. We do not allow child or forced labor by our Company, nor do we knowingly work with business partners that employ children or forced labor. We also follow all applicable wage and hour laws.

For more information, please review Hologic's International Modern Slavery Policy here: [https://www.hologic.com/sites/default/files/2020-12/FY19\\_20\\_Anti%20Modern%20Slavery%20State-ment%20-%20Hologic%20International.pdf](https://www.hologic.com/sites/default/files/2020-12/FY19_20_Anti%20Modern%20Slavery%20State-ment%20-%20Hologic%20International.pdf)



## Ethics in Sales and Marketing

Hologic is dedicated to the improvement of patient care by providing innovative, high quality, cost-effective healthcare technology. We recognize that adherence to ethical standards and compliance with applicable laws and regulations is critical to achieving these objectives. As a developer, manufacturer and supplier of diagnostics and medical devices, Hologic is subject to laws and regulations designed to protect patients and consumers, improve the quality of healthcare services, and help eliminate fraud and improper influence on medical judgment. Our products are closely regulated by government agencies, health ministries and regulatory authorities worldwide.

We prioritize integrity as a fundamental aspect of our sales and marketing practices. Hologic is committed to conducting its business ethically and in compliance with all applicable laws and regulations, including the U.S. Foreign Corrupt Practices Act (FCPA) and other laws that prohibit improper payments to obtain a business advantage. In addition, as a medical products manufacturer, Hologic has the added responsibility of ensuring that representations regarding our products are consistent with the approved label. Our policies ensure employees communicate clearly and accurately so that customers understand the features and benefits, but also limitations, of our products. Customers and patients, as well as our business partners and suppliers worldwide, rely on Hologic for honest and accurate communication. Our commitment to ethics is part of everything we do, and we take the following steps to ensure our employees understand how to achieve business objectives with transparency, honesty and integrity.

- We maintain and promote our Code of Conduct, which sets forth our philosophies regarding ethical business practices and contains guidance specific to anti-corruption, anti-bribery, ethical promotion, and marketing practices, among many other topics.
- We provide our Code of Conduct in eight languages, so that substantially all our employees can read it in their first language.
- Upon hire and biannually thereafter, employees are required to take a Code of Conduct training course, which provides examples and hypotheticals on how the concepts contained in the Code of Conduct can be applied to daily business practices. This course is also offered in eight languages.
- We require all employees to certify to our Code of Conduct on an annual basis to ensure their continued understanding of its contents.
- We maintain various additional policies that provide further detail on the topics covered in our Code of Conduct. Several

of these are also supported by online training modules that employees take when they join the Company and on a regular basis thereafter.

- We maintain a process by which all marketing and promotional materials are reviewed by subject-matter experts to ensure that claims are accurate, supported by reliable data, and consistent with the approved product labeling.
- We provide a compliance hotline that is available internally and externally to employees and third parties whereby they may report compliance concerns to us. Reporting can be done anonymously at the discretion of the employee.

### Management Oversight

We employ a compliance team who has responsibility for monitoring and following up on compliance matters, maintaining and updating compliance policies and procedures, and reporting their activity to senior management, as well as to the Board of Directors, in order to ensure visibility to compliance matters at all levels of the Company. The Hologic Corporate Quality Manual covers management responsibility, which includes our commitment to ensure the suitability, adequacy, and effectiveness of the Quality Management System through defined intervals defined in the management review procedure. These processes ensure compliance of all marketing materials and product claims.

### Risk Assessments

We perform risk assessments of all processes covered under the Hologic Quality Management System (QMS), and these assessments are governed by our risk management procedure. Hologic uses a risk-based approach as per ISO14971 for product risk management. This risk-based approach applies control of the processes related to the oversight of marketing materials and product claims. Our procedures enhance product safety, product design and design change effectiveness through the identification, estimation, control, verification, and tracking of safety risks and associated safety requirements. Risk management is a continuous iterative process throughout the entire life cycle of a device, requiring regular systematic updating.

### Compliance Monitoring and External Audits

Hologic conducts internal audits using a risk-based approach at planned intervals to determine whether the QMS, which covers ethical marketing materials, is functioning as required. This includes conformance to the planned and documented arrangements, including audit criteria based on the regulations, directives, standards and internal requirements. Additionally, announced and unannounced external audits are conducted by third parties, such as the FDA and Notified Body, in accordance with their individual regulatory requirements.

### Reporting of Violations and Incident Investigations/ Corrective Actions

Our Hologic corporate field action procedure governs the process for managing field actions that apply to all products manufactured by or for Hologic and is applicable when a Hologic product, including software, has entered commercial distribution and is suspected of posing a risk to health or violates applicable regulations. This includes ensuring correct and compliant marketing materials and product claims. When nonconformance to any process is detected, appropriate action is taken, and records of actions taken are maintained. Hologic has documented procedures for issuing advisory notices in accordance with applicable regulatory requirements.

### Hologic's Corrective and Preventive Action (CAPA) Procedure

The procedure provides the minimum requirements for initiating, investigating and completing corrective and preventive actions. This includes compliance associated with ethical marketing materials. Hologic takes action to eliminate the cause of nonconformities to prevent recurrence. Corrective actions are proportionate to the risks and effects of the nonconformities encountered. The corrective and preventive action system is intended to identify actions needed to correct and prevent recurrence of nonconforming product or other quality problems. In addition, the corporate procedure for complaint handling provides oversight for the process for Hologic marketed products, ensuring we handle customer complaints in accordance with regulations.

### AdvaMed Code of Ethics

Hologic is committed to conducting itself in compliance with all rules and regulations applicable to the areas in which it operates. As part of this commitment, Hologic is a proud supporter of the ideals and values articulated by AdvaMed and a signatory to the 2020 AdvaMed Code of Conduct. For more information regarding AdvaMed please go to: <https://www.advamed.org/about-advamed>. A link to the 2020 Code of Ethics may be found here: <https://www.advamed.org/sites/default/files/resource/advamed-code-ethics-2020.pdf>

### Ethical Interactions with Healthcare Professionals

Hologic recognizes that healthcare professionals are critical partners in our ability to fulfill the Company's mission. For Hologic to understand the needs of the healthcare community and provide the highest quality products, we must regularly work and interact with healthcare professionals. Strict regulations govern our interactions with healthcare professionals, which

include physicians, nurses, and hospital or medical office administrators, and we ensure our employees are aware of the potential compliance risks inherent in these interactions. Our policies and robust employee training programs ensure that any interaction Hologic employees have with a healthcare professional serves an appropriate and ethical business purpose, does not interfere with the healthcare professional's independent medical judgment, and does not violate local law or regulation. The Company maintains systems, policies and training to ensure that any exchanges of value between the Company and healthcare professionals are tracked, monitored and reported in accordance with applicable payment disclosure laws. We disclose payments and transfers of value made to physicians and other healthcare entities in every state and country where disclosure is required by law. In the United States, this information is published on the Centers for Medicare and Medicaid Services Open Payments site.

Like our Code of Conduct and other compliance policies, our programs to ensure ethical interactions with healthcare professionals include written policies and online and ad hoc training depending on an employee's function (for example, compliance training to sales professionals during their annual sales meeting). In addition, we use procedures and systems to help ensure we are meeting our requirements. These include online expense reporting platforms that include embedded features like required data fields and compliance certifications prior to submission. Finally, we employ individuals who have responsibility for monitoring compliance, enhancing our programs as needed, and reporting to senior management and the Board.

Our internal policies include the following:

- Medical Education and Healthcare Professional Interaction Policy
- State Healthcare Professional Interactions (SHIP) Policy
- Gifts and Other Incentives Policy
- Healthcare Anti-Inducement and Anti-Kickback (HAK) Policy
- Foreign Corrupt Practices Act and Other International Bribery Laws Policy
- Sunshine Act Policy

## Information Security Governance

The Company recognizes that proper governance, oversight and compliance with guidelines related to information security are critical to the sustainability of our businesses and ensure that critical intellectual property and data privacy are protected. The Hologic Information Services (IS) Department is responsible for developing, maintaining and revising policies, procedures and standards that pertain to the security and protection of Hologic's information assets and services. The governance structure of the IS organization is designed to ensure that Hologic's technology investments are aligned with strategic and cross-functional business objectives. Governance activities are targeted at understanding the business priorities, enabling the enterprise to grow its operations, and implementing the strategies and solutions required to support the future needs of Hologic. The two main components of governance are:

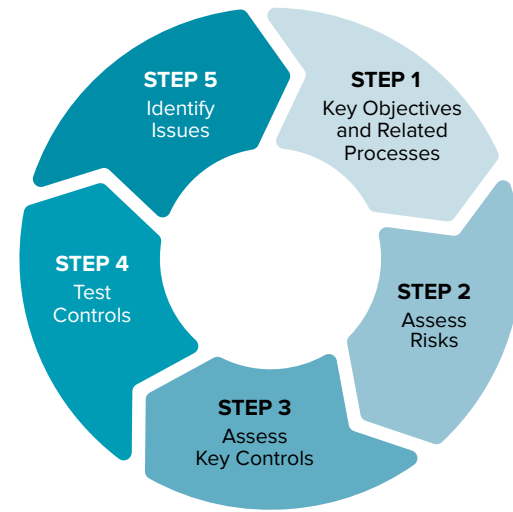
- The creation of decision-making mechanisms, whether committees, review boards or written policies.
- The assignment of decision-making authority and accountability.

The decision-making structure for Hologic's IS governance includes the following individuals and entities:

- Chief Information Officer
- IS senior leadership team
- IS risk management committee
- Project Management Office (PMO) prioritization leadership committee
- IS investment council

Our IS department has established the Hologic Information Services Risk Management (ISRM) framework to identify the risks associated with Hologic information resources and IS processes and operations and to mitigate those risks. Risk identification and prioritization help assure that resources expended on information security controls are applied where most needed to protect Hologic's information assets.

## The IS Risk Management Process



## Regular Employee Training on Cybersecurity Issues

All Hologic employees, contractors and consultants are required to undergo annual cybersecurity training and education programs. Employees are adequately trained to protect Hologic information, systems and resources, and to perform information security-related duties and responsibilities.

Security training, education and awareness are provided for all personnel, including but not limited to managers, senior executives, contract employees and third-party contractors. These activities are essential tools to help personnel identify potential threats and vulnerabilities of hardware, software and social engineering techniques and to ensure employee work practices are using effective countermeasures to reduce cybersecurity risks. Hologic's security awareness program is communicated in an engaging manner and in the following instances:

- Initial training for newly on-boarded employees, contractors and consultants.
- When required by information system changes.
- On an annual basis thereafter.

All personnel are trained on many cybersecurity concepts, including the following:

- Enabling and utilizing secure authentication.
- Identifying and reporting different forms of social engineering attacks, such as phishing, phone scams and impersonation calls.
- Recognizing and reporting potential indicators of insider threats.
- Identifying and properly storing, transferring, archiving and destroying protected information based on the Information Protection Policy.
- Awareness of causes for unintentional data exposures, such as losing mobile devices or emailing the wrong person due to autocomplete in email.
- Ability to identify the most common indicators of an incident and being able to report such an incident.

## Intellectual Property and Data Privacy Protection

Data privacy protection is covered in our employee Code of Conduct. Information and information systems are fundamental to daily operations and to the future success of Hologic, so our Board of Directors and management team are committed to preserving and protecting data and information systems. We have several internal policies and associated training courses that govern employee behavior and educate employees on how to effectively manage risks. The objective of our policies is to safeguard the confidentiality, integrity and availability of our information and systems. Our policies include:

- Information Protection Policy
- Information Security Policy
- Information Security Management Policy
- Social Media Policy
- Acceptable Use Policy for Technology
- Cybersecurity Training, Education, and Awareness Policy
- IS Risk Management Policy

Hologic's Internal Audit Department periodically audits our cybersecurity program. In addition, the IS security risk and compliance teams periodically have external experts evaluate and provide recommendations for Hologic's cyber and risk programs.

Hologic's internal vulnerability program evaluates assets weekly. To prioritize remediations, risks are assessed on business criticality and likelihood.

Hologic has vulnerability assessments and penetration tests performed on an annual basis by a third-party testing organization. In addition, individual assets are tested as required throughout the year.

## Information Management System Aligned to Standards

Hologic is not currently certified to ISO 27001 standards, but our cybersecurity program is aligned with the National Institute of Technology (NIST) Cybersecurity Framework (CSF). The NIST CSF offers a simple, yet effective, construct whose core represents a set of cybersecurity practices and outcomes, as well as technical, operational and managerial security controls that support the five risk management functions: identify, protect, detect, respond and recover.

## Clinical Trial Governance

### Overview and Clinical Trial Standards

The Company recognizes that proper governance, oversight and compliance with guidelines related to clinical trials is critical to the sustainability of our businesses and new product development, and ensures that our products improve the quality of patient care and clinical outcomes, while meeting our high quality standards. Hologic is committed to preserving the health and dignity of individuals with whom we interact, including, but not limited to, conducting our clinical trials in compliance with the highest ethical, scientific clinical and regulatory standards. Our management of clinical trials includes a commitment to adhere to national and international best practice guidelines and regulatory agencies such as Good Clinical Practices (GCP), the International Standards Organization (ISO), the U.S. Food and Drug Administration (FDA) and the U.S. Department of Health and Human Services (HHS) guidance documents. We have established managerial responsibility for ethical conduct in clinical trials across all of our divisions, and our governance procedures apply to all U.S. and international trials for both insourced and outsourced trials.

We have implemented and comply to clinical monitoring procedures, which require the conduct of studies to be observed by qualified clinical monitors with oversight by our internal clinical affairs management teams and clinical trial leads.

We also ensure that we conduct training and awareness programs for all Hologic employees involved in clinical trials. GCP training is required for all Hologic clinical employees annually. While there are no regulatory requirements or guidelines for frequency of training, we conduct refresher training for all clinical employees. In addition, all of our clinical trial protocols are provided to an Independent Review Board (IRB) for review. The IRB has the authority to approve, modify or stop clinical trials.

We are committed to conducting clinical trials in the regions where investigational products will be marketed and we adhere to FDA guidelines and requirements, which require various clinical trial sites that are representative of various geographical regions.

All clinical trials comply to our Human Subjects Protection and Ethical Review of Clinical Trials policy, which ensures we obtain participants' free and prior informed consent before they participate in any clinical trial.

#### **Grievance Mechanisms for Clinical Trial Participants**

Hologic has established processes and procedures associated with clinical trial participant grievances. A principal investigator at clinical sites is responsible for participant care, and Hologic has a technical support department that can be contacted by participants through Hologic's website. Our procedures define the technical support department as the first-line contact for our investigational clinical testing sites as well as for market product complaints that can be completed by parties internal or external to Hologic.

#### **Reporting on Violations in Clinical Trials, and Corrective Actions**

We have had no violations to report to date. Many of our clinical trials are subject to clinical trial site and sponsor audits under FDA's Biomedical Research Program (BIMO). To date BIMO audits conducted by the FDA on our clinical trials have resulted in no findings at either the clinical site or site sponsor.

#### **Risk Management Prior to and During Ongoing Clinical Trials**

Our clinical trials are managed by Hologic clinical program managers and multi-functional core teams. These teams ensure compliance with our corporate product development procedures. These procedures include governance processes, phase exit reviews and a clinical trial readiness review prior to the initiation of the trial. In addition, our core teams have internal department-level documents including a clinical strategy plan that contains risk mitigation processes.

## **Clinical Trial Data Transparency**

### **Registration of Clinical Trials in Publicly Available Databases**

When required, we register clinical trial data and results, including terminated clinical trials, on public websites such as ClinicalTrials.gov within a reasonable timeframe following conclusion of the trial. This transparency helps our customers make informed decisions about subject safety and efficacy of our products. Public disclosure is not currently required for some of our clinical trials, such as IVD diagnostic clinical trials, as these are considered observational versus interventional. However, our product package inserts contain a summary of the clinical performance studies including results of our IVD diagnostic trials, and these are available without restriction.

If applicable under executed confidential disclosure agreements, we make raw clinical data available to third parties. For example, site-specific and patient de-identified data can be transferred for publication purposes per executed clinical trial material transfer agreements. In addition, most of our clinical trials are ultimately published in peer-reviewed journals.

## **Animal Research Policy**

Animal research is key to many great modern medical advances, and while the end of medical research involving animals may be possible in the future, it is not possible today. As it relates to developing new products at Hologic, animal studies are sometimes required by regulatory agencies around the world to better understand treatment outcomes and to ensure surgical procedures or medical devices are safe and effective.

Hologic conducts mandatory animal testing for the development of products primarily related to breast health, skeletal health and gynecological surgery. FDA approval is required prior to marketing such products, which must be supported by data including pre-clinical animal studies to demonstrate safety and effectiveness of the products and their designs.

Hologic is committed to complying with currently applicable scientific, legal, regulatory and ethical requirements, guidelines and policies to ensure animal welfare. Studies are carried out by individuals who are both trained and qualified in science and in the proper care, handling and use of animals, and experienced with the species being studied.

## **Conflict Minerals**

Our policy is publicly available [here](#). Hologic supports the goal of ending human rights violations, violence and harmful environmental impacts in the covered countries and around the globe. We are committed to complying with all requirements applicable to the Company under the conflict minerals rule.

## **Antitrust and Competition Laws Compliance**

Antitrust and competition laws compliance are covered in our employee Code of Conduct. Antitrust laws are generally designed to foster and preserve fair and honest competition within the free enterprise system. Hologic requires all employees to comply with all applicable antitrust laws, and we are committed to prohibiting any actions that result in unfair methods of competition or restraint of trade.

## **Formal Grievance Escalation Process**

Hologic is an organization with strong values of responsibility and integrity. We are committed to fostering an environment in which open, honest communications are the expectation, not the exception. We encourage employees to feel comfortable approaching their supervisor or management in instances where they believe violations of policies or standards have occurred.

However, in situations where employees prefer to place an anonymous report in confidence, they are encouraged to use our hotline provider, which is hosted by a third party. Employees can submit reports relating to violations stated in our Code of Conduct, as well as ask for guidance related to policies and procedure. The information provided is sent to Hologic on a confidential and anonymous basis at the discretion of the employee.



## Employee Workforce Composition

2020 General Employee Data	Global	U.S.
Total Employees	6,032*	
U.S. Employees	3,910	
International Employees	2,122	
Full-time Employees	5,605	3,647
Part-time Employees	45	7
Temporary Employees	382	256
Total New Hires	1,059	695
Total Employee Turnover	1,094	753

2020 Age Diversity	Global	U.S.
Gen Y/Millennials (1977-1995)	49%	43%
Gen X (1965-1976)	27%	28%
Baby Boomers (1946-1964)	15%	20%
Other	9%	9%

2020 New Hire Diversity	Global	U.S.
Men	56%	60%
Women	44%	40%
Minority race & ethnicity (U.S.)	N/A	12%

2020 Global Employees	Women	Men
Individual Contributor	43%	57%
Manager	42%	58%
Director and VPs	35%	65%
Global Leadership Team	29%	71%
<b>Total Company</b>	<b>42%</b>	<b>58%</b>

\*Total employees as of 9/26/2020: Total employee counts may vary slightly due to status/category/location of employees as well as date of hire, status of acquisition integrations, etc.

Robyn Linsley, Diagnostic and Applications Sales Specialist, Australia.

2020 U.S. Workforce Composition* Management Level	Race	Women	Men
Individual Contributor (2,422 Employees)	White	28%	40%
	Minority race and ethnicity	12%	20%
	<b>Gender Total</b>	<b>40%</b>	<b>60%</b>
Manager (377 Employees)	White	34%	43%
	Minority race and ethnicity	9%	14%
	<b>Gender Total</b>	<b>43%</b>	<b>57%</b>
Director and above (245 Employees)	White	29%	54%
	Minority race and ethnicity	6%	11%
	<b>Gender Total</b>	<b>33%</b>	<b>67%</b>
Global Leadership Team* (14 Employees)	White	22%	50%
	Minority race and ethnicity	7%	11%
	<b>Gender Total</b>	<b>29%</b>	<b>71%</b>
Total U.S.** (3,095 Employees)	White	28%	42%
	Minority race and ethnicity	11%	19%
	<b>Gender Total</b>	<b>40%</b>	<b>60%</b>

\*Global Leadership Team Includes Non-U.S. Senior Leadership.

\*\*There are a total of 815 undisclosed employees in the U.S., equalling to 22% of the U.S. population.

## GAAP to Non-GAAP Reconciliation

Earnings per share	Year Ended					
	9/26/20	9/28/19	9/29/18	9/30/17	9/24/16	9/26/15
<b>GAAP earnings (loss) per share (EPS)</b>	<b>4.21</b>	<b>(0.76)</b>	<b>(0.40)</b>	<b>2.64</b>	<b>1.16</b>	<b>0.45</b>
Non-GAAP adjustments	(0.23)	3.19 <sup>1</sup>	2.63 <sup>2</sup>	(0.61)	0.80	1.22
<b>Adjusted EPS</b>	<b>3.98</b>	<b>2.43</b>	<b>2.23</b>	<b>2.03</b>	<b>1.96</b>	<b>1.67</b>
<b>Adjusted EPS growth from prior year</b>	<b>64%</b>	<b>9%</b>	<b>10%</b>	<b>3%</b>	<b>17%</b>	<b>11%</b>
<b>5-year average adjusted EPS growth</b>	<b>21%</b>					

# Sustainability Accounting Standards

Topic	SASB Code	SASB Metrics	Response	Page
Affordability & Pricing	HC-MS-240a.1	Ratio of weighted average rate of net price increases to the annual increase in the U.S. Consumer price index.	Hologic operates primarily in mature markets, with stable to slightly declining pricing. The SASB metric is not relevant to our business and therefore we do not consider this information to be material to our investors or external stakeholders.	N/A
	HC-MS-240a.2	Description of how price information for each product is disclosed to customers	Hologic competes vigorously, but fairly and ethically. This includes providing transparent and accurate pricing to our customers, and not discussing the agreed upon terms or pricing with any external party, including other customers.	50
Product Safety	HC-MS-250a.1	Number of recalls issued, total units recalled	Metric is summarized in the Quality Management System overview section. There were two recalls involving Hologic products reported in FDA's Medical Device Recalls database for FY20. <ul style="list-style-type: none"> <li>• Panther® Fusion® Extraction Reagent-S [ID-Z-2163-2020, 47 Kits]</li> <li>• Selenia® Dimensions® Mammography System [ID-84882, 72 Units]</li> </ul>	19
	HC-MS-250a.2	List of products listed in FDA's MedWatch Safety Alerts for Human Medical Products Database	There were zero Hologic products listed in FDA's MedWatch Safety Alerts database for FY20. Also reported in the Quality Management System overview section.	19
	HC-MS-250a.3	Number of fatalities related to products as reported in the FDA Manufacturer and User Facility Device Experience	Metric is disclosed in the Quality Management System overview section. There was one fatality involving Hologic products and two reported fatalities reported in FDA's Manufacturer and User Facility Device Experience (MAUDE) database in FY20. <ul style="list-style-type: none"> <li>• The two reported fatalities relate to the same adverse event, and are duplicative, as the event was reported by both the user facility and Hologic.</li> <li>• Reports were closed under CPT-00584536.</li> </ul>	19
	HC-MS-250a.4	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	Hologic has not been a subject of any enforcement actions (e.g., untitled letters, warning letters, seizures, injunctions, or criminal prosecution) in 2020 for any of the divisions. This information is also disclosed in the Quality Management System overview section.	19
Ethical Marketing	HC-MS-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	There have been no monetary losses as a result of legal proceedings associated with false marketing claims. This is also reported in the ethical marketing summary within our Governance, Policies and Procedures section.	50
	HC-MS-270a.2	Description of code of ethics governing of off-label use of products	Reported in the ethical marketing summary within our Governance, Policies and Procedures section.	50
Product Design & Life Cycle Management	HC-MS-410a.1	Discussion of process to assess and manage environmental and human health considerations associated with chemicals in products, and meet demand for sustainable products	Partially reported in The Globe section > Environmental Health & Safety. Chemical compliance process is in place following corporate procedures for REACH CORP-00147 and corporate procedure for RoHS Compliance CORP-00146. In response to the upcoming EUMDR regulations, there is a corporate procedure on hazardous substances (CMR/EDs) CORP-00425. We work today with a third party to support the collection of REACH and RoHs information on Hologic products. We are undergoing a process improvement project, with the goals of expanding oversight on the use of hazardous substances and to ensure our compliance with California Prop 65 and global environmental regulations. This includes partnering with an organization who will be responsible for all the data collection in support of Hologic chemical compliance requirements. This project is currently in progress with full implementation in FY21.	17,18
	HC-MS-410a.2	Total amount of products accepted for take-back and reused, recycled, or donated	Partially reported in The Globe section > Environmental Health & Safety.	17
Supply Chain Management	HC-MS-410a.1	Percentage of entity's facilities and Tier 1 supplier's facilities participating in third-party audit programs for manufacturing and product quality	Partially reported in The Globe section, Supply Chain Management.	20,21
	HC-MS-430a.2	Description of efforts to maintain traceability within the supply chain		
	HC-MS-430a.3	Description of the management of risks associated with use of critical materials		
Business Ethics	HC-MS-510a.1	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	There have been no monetary losses as a result of legal proceedings associated with bribery or corruption. Also reported within Governance, Policies and Procedures section > Ethical Interactions with Healthcare Professionals.	50,51
	HC-MS-510a.2	Description of code of ethics governing interactions with healthcare professionals	Reported within Governance, Policies and Procedures section > Ethical Interactions with Healthcare Professionals. Also covered within our Hologic Code of Conduct.	50,51



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