



**PRENTISS
SMITH & CO**

Sustainable Investment Report for:

HOLOGIC INC

Marlborough, MA

Ticker: HOLX US Equity

Website: <https://www.hologic.com>

Last Updated: 4/25/2024

I. Exclusionary Screening

Does HOLOGIC INC appear on any of the following lists? In our exclusionary screening, a single appearance disqualifies an investment.

Fossil Fuels & Precious Metals Mining

- BICS - Oil, Gas & Coal Industries¹
- BICS - Precious Metals Mining¹
- CDP/CAI Carbon Majors Database²

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Defense & Retail Gun Sales

- BICS - Defense Primes¹
- SIPRI Arms Industry Database⁵
- NRA Industry Allies/Gun Retailers⁶

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Plastics Production

- Top 100 Plastic Polymer Producers³

Private Prisons

- BICS - Security Services¹

Agrochemicals & Animal Cruelty

- BICS - Crop Chemicals & Fertilizers¹
- Cruelty Free Investing Worst Companies for Animals⁴

Pornography, Gambling & Tobacco

- BICS - Casinos¹
- BICS - Tobacco¹
- BICS - Pornography¹

¹ BICS = [Bloomberg Industry Classification Systems](#)

² [CDP/CAI Carbon Majors](#)

³ [Minderoo Foundation Top 100 Plastic Polymer Producers](#)

⁴ [Cruelty Free Investing 10 Worst Companies for Animals](#)

⁵ SIPRI = [Stockholm International Peace Research Institute](#)

⁶ NRA = [National Rifle Association Top 10 Industry Allies](#)

⁷ Prentiss Smith & Company Internal Research

II. Recognition & Data

What quantifiable environmental, social and governance data, policies or recognition does HOLOGIC INC exhibit? Positive factors may help support a decision to invest.*

General

Barron's 100 Most Sustainable Companies 2024

18.0

Newsweek's Most Sustainable Companies 2024

345

Human Rights & Well-Being

As You Sow Racial Justice Score (0 to 100)

49.0

* Data sources may include:

- Corporate SEC filings
- Company sustainability and other reporting.
- Bloomberg LP ESG Data (via Data License).
- [As You Sow Clean 200](#)
- [As You Sow Racial Justice 1000 Scorecard](#)
- [Banktrack Human Rights Benchmark](#)
- [Barron's 100 Most Sustainable US Companies](#)
- [CDP A-List](#)
- [CDP Responses](#)
- [CEO Action for Diversity & Inclusion Pledge](#)
- Climate Group [EP100 Members](#), [EV100 Members](#)
- [Corporate Knights 100 Most Sustainable Corporations](#)
- [CPA-Zicklin Index](#) for Political Accountability
- [Digital Rights Corporate Accountability Index](#)
- [Diversity Inc's Top 50 Companies for Diversity](#)
- [Dow Jones Sustainability Indices \(DJSI\)](#)
- [EPA's Green Power Partners](#)
- [Equileap's Top 100 Companies for Gender Equality](#)
- Forbes [Best Large Employers](#), [Best Midsize Employers](#), [Best Employers for Diversity](#)
- Fortune [100 Best Employers](#), [Best Workplaces for Women](#), [Best Workplaces for Millennials](#)

- [Glassdoor Best Places to Work](#)
- Great Places to Work [World's Best Workplaces](#), [Best Workplaces for Parents](#)
- [HRC's Corporate Equality Index](#)
- [Institute for Clinical and Economic Review \(ICER\) Policy Leadership Forum Members](#)
- [JUST Capital Rankings](#)
- KnowTheChain [Food, Apparel and IT Benchmarks](#)
- [MSCI ESG Ratings](#)
- PEOPLE [Companies That Care](#)
- [Points of Light Civic 50 Honorees](#)
- [RE100 Member List](#)
- [Roundtable on Sustainable Palm Oil \(RSPO\) Supply Chain Certificate Holders](#)
- [S&P Global Sustainability Yearbook](#)
- [Science-Based Targets initiative \(SBTi\) Companies](#)
- [State Street Global Advisors' Gender Diversity Index](#)
- [Task Force on Climate-related Financial Disclosures \(TCFD\) Supporters](#)
- World Benchmarking Alliance [Corporate Human Rights Benchmark](#), [Social Transformation Benchmark](#), [Gender Benchmark](#), [Digital Inclusion Benchmark](#), [Food and Agriculture Benchmark](#), [Auto and Utilities Benchmark](#)

III. Further Research

What else has our research process told us about how HOLOGIC INC conducts business, in terms of its products and services, its environmental impact, and its approach to governance?

Summary

Hologic is a medical technology company focused on women’s health. The company was founded in Massachusetts in 1985 with an initial focus on products for diagnosing and monitoring osteoporosis and has since diversified to provide a comprehensive offering of women’s healthcare products. Hologic operates four business segments: Diagnostics, Breast Health, GYN Surgical, and Skeletal Health. The Diagnostics segment produces molecular diagnostic assays for detecting and screening for cervical cancer, gynecological diseases, sexually transmitted diseases, HPV, vaginitis, respiratory infections, and nucleic acid tests for screening donated blood, plasma, and tissue. The Breast Health segment produces 3D mammography imaging systems, breast biopsy guidance systems, biopsy site markers, analytics software for evaluating breast density, and artificial intelligence software for improving the accuracy of breast cancer detection. The GYN Surgical segment produces an endometrial ablation system, a minimally invasive device for transcervical removal of fibroids and polyps, and hysteroscopy systems. The Skeletal Health segment produces products for bone density testing, body composition analysis, and fracture risk evaluation.

Hologic’s products benefit society by helping meet the tremendously underserved needs in global access to women’s healthcare. Since 2021, Hologic has produced a comprehensive annual global survey of women’s health known as the Hologic Global Women’s Health Index, providing insights at the country level and scores on the issues of preventative care, emotional health, opinions of health and safety, basic needs and individual health. Some key findings from the most recent report include the fact that in 2023 over 1 billion women never visited a healthcare professional, only 11% were screened for cancers, and only 10% were tested for sexually transmitted diseases and infections.¹ Hologic’s core products are critical to solving these unmet needs in global

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https://hologic.womenshealthindex.com/sites/default/files/2024-01/MISC09031_HGWHI_Y3GlobalReport_Final_Digital.pdf

women's health. Through the company's Global Access Initiative, Hologic provides access to testing for HIV, HCV, HBV, HPV, and COVID-19 on its Panther diagnostics platform in a means that is cost effective and does not require capital expenditure. The program is available in over a dozen African countries, has reached hundreds of thousands of patients, and has produced cost savings of \$45 million. From an environmental standpoint, Hologic has a goal to achieve a 30% reduction of Scope 1 & 2 emissions by 2030 (compared to a fiscal 2020 baseline) and a 15% reduction in non-hazardous/non-recyclable waste by 2025. The company plans to invest heavily in on-site solar to achieve the emission reduction target, including a commitment to achieve 40% self-generated renewable energy at owned sites by 2030. By the end of fiscal 2025, the company's Costa Rica production site is targeting "zero waste" status as defined by the Zero Waste International Alliance. Already, waste to landfill at the Costa Rica site is down by 80% since 2019. From an employee engagement standpoint, in 2023, Hologic received the Gallup Exceptional Workplace Award for the third consecutive year with a ranking in the 97th percentile. The current score represents a noteworthy improvement since 2015, the first year Hologic participated in the survey when it ranked in the 36th percentile. Hologic conducts regular external pay equity audits using third-party contractors with a target gender compensation ratio of 1.0. In 2023, the company's female to male compensation ratio was 0.98x.

Hologic could benefit from greater workforce diversity. Among its U.S. employees, 42% are women and 33% of employees are non-White. Similarly, women are underrepresented on the company's global leadership team, with only 25% women. There are 5 women on the company's 9-member board of directors, however the company has a dual-role CEO and Chairman of the Board, and we would prefer the company to adopt corporate governance best practices by separating the roles of CEO and Chairman and nominating an independent Board Chair. The company has not yet adopted Science Based Targets, but claims that it is continuing to evaluate more ambitious goals consistent with the Science Based Targets (SBTi) framework.

Products & Services

Background

- *Brief description of products/services:*
Hologic covers healthcare products and services covering diagnostic solutions, breast & skeletal health solutions, and GYN surgical solutions.²

² <https://investors.hologic.com/financials/fast-facts/default.aspx>

- *Founding date:*
Hologic was founded in Marlborough, MA in 1985.³
- *Key historical changes to company structure (e.g. M&A):*
In 2021, Hologic acquired Mobidiag Oy, “an innovator in near-patient, acute care molecular diagnostic testing, for an enterprise value of approximately \$808 million.”⁴ They also acquired Sometex Medical which makes minimally invasive devices for breast tumor diagnosis, biopsy, and treatment for \$64 million and Biotheranotics, another breast cancer testing company for 230 million pounds.⁵
- *Key historical changes to products:*
Hologic has continued to acquire new companies and technologies, although most of its acquisitions have been relatively small in recent years.

Product Detail

- *Current products/services detail, including social/environmental benefits:*
Hologic provides diagnostic solutions through its Panther, Aptima, and ThinPrep brands, breast & skeletal health solutions such as Affirm Breast Biopsy System, and Trident Specimen Radiography System, and its GYN surgical solutions NovaSure and MyoSure.⁶
- *Significant recent developments or new plans for products/services (in the context of industry developments if applicable):*
Hologic has several products that they deem “key growth-driving products”, one such product is the first CE marked digital cytology platform using AI and imaging technology.⁷

Landscape

- *Company size:*
Hologic has approximately 6879 employees globally.⁸
- *Business segments and revenue:*
Hologic is a medical technology company focused on women’s health, specifically, diagnostic solutions, breast & skeletal health solutions, and GYN surgical solutions.⁹ Total company fiscal 2023 revenues were approximately \$4 billion.¹⁰

³

<https://www.hologic.com/about/hologic-highlights/retiring-hologic-co-founder-jay-stein-reflects-importance-purpose-driven#:~:text=Innovate%20for%20the%20sake%20of.ideas%20for%20developing%20one%20product.>

⁴<https://investors.hologic.com/press-releases/press-release-details/2021/Hologic-Completes-Acquisition-of-Mobidiag/default.aspx>

⁵ <https://www.medicaldevice-network.com/deals-analysis/hologic-2021/>

⁶ <https://investors.hologic.com/financials/fast-facts/default.aspx>

⁷ <https://investors.hologic.com/financials/fast-facts/default.aspx>

⁸ https://www.hologic.com/sites/default/files/Hologic_SR2023_FullReport_R8_021324.pdf pg. 57

⁹ <https://investors.hologic.com/financials/fast-facts/default.aspx>

¹⁰ <https://investors.hologic.com/press-releases/press-release-details/2023/Hologic-Announces-Financial-Results-for-Fourth-Quarter-of-Fiscal-2023/default.aspx>

- *Industry position/market share:*
Nothing specific was found.

Environment

Goals & Disclosure

- Environmental Commitments
 - *CDP reporting and score:*
CDP Climate Change score of C in 2023 and Water Security score of F in 2023 because it was not submitted.¹¹
 - *Emissions target(s)? 1.5-degree SBTi target?*
Hologic started working on a Scope 1 and 2 decarbonization roadmap in 2022. They do not currently have an SBTi target.¹²
 - *Scope 3 targets?*
Hologic is going to continue to develop their sustainability program to baseline their Scope 3 emissions.¹³
 - *Water/waste/deforestation goals?*
Hologic has a goal to achieve a 30% reduction of Scope 1 & 2 emissions by 2030 and a 15% reduction in non-hazardous/non-recyclable waste by 2025.¹⁴
- Environmental Disclosures and Progress
 - *Emissions:*
In 2023, Scope 1 emissions were 7,056 metric tons CO₂e and Scope 2 emissions were 12,188 metric tons CO₂e.¹⁵
 - *Water:*
In 2023, water consumption was 112,912 cubic meters.¹⁶
 - *Waste:*
In 2023, Hologic produced 3,182 metric tons of solid waste and 238 metric tons of regulated waste.¹⁷
 - *Deforestation:*
Nothing significant was found.

¹¹https://www.cdp.net/en/responses/40310/Hologic-Inc?back_to=https%3A%2F%2Fwww.cdp.net%2Fen%2Fresponses%3Fqueries%255Bname%255D%3Dhologic&queries%5Bname%5D=hologic

¹² https://www.hologic.com/sites/default/files/Hologic_SR2023_FullReport_R8_021324.pdf pg. 35

¹³ https://www.hologic.com/sites/default/files/Hologic_SR2023_FullReport_R8_021324.pdf pg. 88

¹⁴ https://www.hologic.com/sites/default/files/Hologic_SR2023_FullReport_R8_021324.pdf pg. 88

¹⁵ https://www.hologic.com/sites/default/files/Hologic_SR2023_FullReport_R8_021324.pdf pg. 88

¹⁶ https://www.hologic.com/sites/default/files/Hologic_SR2023_FullReport_R8_021324.pdf pg. 38

¹⁷ https://www.hologic.com/sites/default/files/Hologic_SR2023_FullReport_R8_021324.pdf pg. 38

Product & Supply Chain Impacts

- *Further environmental benefits to using products:*
Nothing specific was found or disclosed.
- *Significant environmental commitments in supply chain:*
Hologic improved their pallet design to hold more cases while shipping via ocean freight. This increases the shipping limit from 1600 cases to 1800 cases, eliminating 24 containers per year and reducing the carbon footprint from the transportation vehicles and energy associated with that part of the supply chain.¹⁸
- *Do products help customers reduce emissions? By how much?*
Nothing specific was found or disclosed.
- *Intermediate scope 3 milestones and targets:*
Scope 3 milestones and targets have not been established.¹⁹
- *Significant environmental fines, remediation or controversy:*
Nothing significant or recent was found.

Operational Initiatives

- *Are scope 1 and 2 commitments 1.5-aligned?*
Hologic has new decarbonization goals to decrease their Scope 1 & 2 emissions but they are not officially 1.5 degree committed.²⁰
- *Intermediate scope 1/2 initiatives, milestones and targets:*
Hologic has targeted achieving a 30% reduction of Scope 1 & 2 GHG emissions by 2030. For Scope 1, they plan to have decarbonization audits at the highest-emitting sites followed by “investments in energy efficiency and electrification efforts” and for Scope 2 they are investing in on-site solar sites at different locations and exploring off-site renewables through power purchase agreements.²¹
- *Specific initiatives that could help achieve scope 1/2 targets, or lower emissions if no targets:*
The goal of increasing renewable energy at owned-sites is being achieved by adding on-site solar energy at their San Diego campus beginning in 2024, with rooftop, carport, and ground-mounted solar arrays. The estimated savings is approximately 150,000 metric tons of CO₂ emissions over a 25 year period.²²
- *Other specific, internal initiatives in service of water conservation, waste management, etc:*
Hologic Costa Rica is pursuing a zero waste status as defined by the Zero Waste

¹⁸ https://www.hologic.com/sites/default/files/Hologic_SR2023_FullReport_R8_021324.pdf pg. 39

¹⁹ https://www.hologic.com/sites/default/files/Hologic_SR2023_FullReport_R8_021324.pdf pg. 88

²⁰ https://www.hologic.com/sites/default/files/Hologic_SR2023_FullReport_R8_021324.pdf pg. 35

²¹ https://www.hologic.com/sites/default/files/Hologic_SR2023_FullReport_R8_021324.pdf pg. 36

²² https://www.hologic.com/sites/default/files/Hologic_SR2023_FullReport_R8_021324.pdf pg. 37

International Alliance by the end of the company's fiscal year 2025. The San Diego campus started a recycling program and partnered with Waste Management in the U.S. to analyze the effectiveness of their waste diversions from landfills to recycling centers.²³

Management Integrity and Ethics

Leadership & Diversity

- *Brief profile of CEO:*
Stephen P. MacMillan, Chairman and President and CEO- Mr. MacMillan has a wide range of experience in management positions at medical technology companies. He was the president of Stryker Corporation from 2003 and then served as both president and CEO from 2005-2012. He led the company through several important acquisitions and launches of new medical products and instruments. Prior to 2003, he worked as a senior executive with Pharmacia Corporation where he oversaw five global businesses and also held senior roles at Johnson & Johnson in the U.S. and Europe. He received his bachelor's in economics from Davidson College and graduated Harvard Business School's Advanced Management Program.²⁴
- Leadership Composition
 - *Executive team:*
12 people on the executive leadership team, 3 are women, 1 is a minority.²⁵
 - *Board:*
9 people are on the board, 5 are women, 2 are minorities.²⁶
- Employee/Management Composition and Pay Equity
 - *Employees:*
Out of 3,186 U.S. individual contributor employees 41% are women and 59% are men, and 36% are minority race or ethnicity.²⁷
 - *Management:*
Out of 482 U.S. managers, 45% are women and 55% are men, and 25% are minority race or ethnicity.²⁸
 - *Pay equity:*
Hologic has an annual pay equity audit and they have a target compensation ratio

²³ https://www.hologic.com/sites/default/files/Hologic_SR2023_FullReport_R8_021324.pdf pg. 35

²⁴ <https://investors.hologic.com/governance/leadership/default.aspx#:~:text=MacMillan,-Chairman%2C%20President%20and&text=Mr.of%20Directors%20in%20June%202015>.

²⁵ <https://investors.hologic.com/governance/leadership/default.aspx>

²⁶ <https://investors.hologic.com/governance/board-of-directors/default.aspx>

²⁷ https://www.hologic.com/sites/default/files/Hologic_SR2023_FullReport_R8_021324.pdf pg. 58

²⁸ https://www.hologic.com/sites/default/files/Hologic_SR2023_FullReport_R8_021324.pdf pg. 58

of 1.0, in 2023 the female to male ratio was 0.98x for leadership and individual contributors.²⁹

Human & Labor Rights

- *Are clear policies in place on forced labor and supply chain monitoring?*
Hologic does have an International Modern Slavery Policy to not allow child or forced labor.³⁰
- *What % of the supply chain is covered?*
100% is inferred.³¹
- *Supply chain enforcement mechanisms:*
In 2023, Hologic launched a monitoring system of self-assessment and self-audit processes for their suppliers.³²
- *Employee safety metrics:*
In 2023, Hologic's total recordable incident rate was 0.9 and the industry average was 2.9.³³
- *Labor relations disputes or successful agreements:*
Nothing significant was found.
- *Employee satisfaction metrics:*
Hologic earned Great Place To Work certification in 2022 in Australia and New Zealand and in 2023 in the U.S. Through its employee survey, 90% of employees said their company was a great place to work and 95% of employees feel pride in their work.³⁴
- *Programs requiring diverse hiring practices, professional training in underserved communities, or other equity-focused initiatives:*
Hologic encourages women inventors and encourages patent submissions, 16% of Hologic patents are from women and 22% of their inventors are women, both are higher than the U.S. average.³⁵ They partner with the National Black Nurses Association to advocate for and implement strategies to ensure quality healthcare for people of color.³⁶

²⁹ https://www.hologic.com/sites/default/files/Hologic_SR2023_FullReport_R8_021324.pdf pg. 56

³⁰ https://www.hologic.com/sites/default/files/Hologic_SR2023_FullReport_R8_021324.pdf pg. 77

³¹ https://www.hologic.com/sites/default/files/2022-11/FY21_22_Anti%20Modern%20Slavery%20Statement_Hologic%20International.pdf

³² https://www.hologic.com/sites/default/files/2022-11/FY21_22_Anti%20Modern%20Slavery%20Statement_Hologic%20International.pdf

³³ https://www.hologic.com/sites/default/files/Hologic_SR2023_FullReport_R8_021324.pdf pg. 74

³⁴ https://www.hologic.com/sites/default/files/Hologic_SR2023_FullReport_R8_021324.pdf pg. 47

³⁵ https://www.hologic.com/sites/default/files/Hologic_SR2023_FullReport_R8_021324.pdf pg. 13

³⁶ <https://www.hologic.com/about/sustainability/culture-society/pursuing-healthcare-equality-women>

Political & Charitable Activity

- *Does the company have a policy not to spend anything on lobbying or political contributions?*
Policy not found but nothing reported on OpenSecrets as a company political contribution.
- *Federal lobbying expenditures and political donations:*
Individuals at Hologic contributed \$67,083 in 2024 and \$1.14 million on lobbying in 2023.³⁷
- *Is lobbying data voluntarily disclosed, including state and local contributions, trade association memberships, and PACs?*
Not disclosed in sustainability report, disclosed on OpenSecrets.
- *How much is spent annually on charitable contributions?*
Annual charitable contributions were not found. \$20 million charitable fund contributions over time were reported and 188 equipment pieces have been donated.³⁸
- *How much volunteer time do employees give annually?*
In 2023, employees participated in 2,837 volunteer hours.³⁹
- *Major charitable or volunteer projects with meaningful long-term impact:*
Hologic focuses on health, access to STEM education, and increasing social and racial equity for their philanthropy. Their Global Access Initiative provides access to testing for HIV, CV, HBV, HPV, and Covid-19 across Africa. More than 900,000 patients not virally suppressed were identified. More than 450,000 patients switched to second-line treatment. \$45 million in direct savings due to the all-inclusive pricing model.⁴⁰

Legal

- *Outstanding legal disputes with significant reputational and/or financial stakes:*
Nothing significant was found.
- *Significant fines paid or in dispute:*
Minerva sued Hologic for patent infringement in 2017 but in 2021 the U.S. Court of Appeals that it was invalidated and Minerva was found liable for infringing on a Hologic patent and had to pay Hologic \$7.4 million.⁴¹
- *Current or recent headline controversies involving the company or its management:*
Nothing significant was found.

³⁷ <https://www.opensecrets.org/orgs/hologic-inc/summary?id=D000026173>

³⁸ <https://www.hologic.com/about/philanthropy>

³⁹ https://www.hologic.com/sites/default/files/Hologic_SR2023_FullReport_R8_021324.pdf pg. 55

⁴⁰ https://www.hologic.com/sites/default/files/Hologic_SR2023_FullReport_R8_021324.pdf pg. 30

⁴¹ <https://investors.hologic.com/press-releases/press-release-details/2023/Court-of-Appeals-Affirms-District-Court-Decision-Invalidating-Minerva-Surgical-Patent/default.aspx>

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