



Model Code of Sustainability

for Medical Technology Companies

Foreword by BVMed

The sustainability of entrepreneurial activity is also of great importance for the healthcare industry and the supply of medical technology. For this reason, business partners, hospitals and other stakeholders are increasingly demanding a clear stance from companies with regard to their understanding of sustainability.

Together with its member companies, BVMed has, on the basis of legal requirements, identified the essential aspects for sustainable activities of companies in the medical technology sector and summarised them in the Model Code of Sustainability.¹

The Model Code of Sustainability offers all companies in the medical technology sector the opportunity to adopt it for themselves and thus express their understanding of sustainability.

Berlin, 21 August 2023



Dr Meinrad Lugan
Chairman of the BVMed Board



Dr Marc-Pierre Möll
Managing Director of BVMed

¹ The Federal Cartel Office has examined the Model Code of Sustainability and sees no competition concerns.

Code of Sustainability of PAUL HARTMANN AG

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PREAMBLE

Medical technology is indispensable for the provision of health care to people. In the production and distribution of medical devices, the livelihoods of all people must be kept in mind and especially their human rights must be fully respected and ensured.

The aspect of sustainability is of great importance for the health care industry and the supply of medical technology. This Code takes into account the essential legal regulations that are related to this in social, environmental and economic respects, as well as the necessary corporate organisational structures (“governance”). It is intended to provide our company with an orientation in sustainability topics and at the same time clarify HARTMANN'S understanding of sustainability for business partners.

In the context of **social sustainability**, we state that we have – directly or indirectly – a significant influence on the living conditions of our employees, the employees of our suppliers as well as our service providers and customers. We strive to identify the influences of our corporate behaviour on these groups of people and to avoid or, where not possible, at least to limit negative impacts.

Environmental sustainability means that, as far as possible, we only use natural resources in the course of our economic activities to the extent that they are actually needed. Furthermore, we strive to conserve natural resources, for example in the use and manufacture of products, the service life of such products and the (re)use of materials, given this does not have a negative impact on the unrestricted functionality and availability of medical devices for patients.

Economic sustainability provides that the economic activities and goals of our company take into account other criteria, such as environmental and social aspects, in addition to the principle of making a profit.

When designing our **governance**, we take into account that it can contribute to the protection of environmental and social concerns and that the necessary control measures are taken by the responsible corporate bodies.

In implementing this Code of Sustainability, we are guided in particular by the following three basic principles:

- According to the **principle of equality**, firstly we advocate the indiscriminate provision of access to medical devices and related health care services, which is not linked to origin, social status or other characteristics for which no one is responsible, such as disabilities or other physical or psychological limitations. Secondly, this principle also applies within the framework of working conditions, so that comparable circumstances may not be treated unequally without good reason. In particular, payment should not differentiate according to gender.
 - In accordance with the **priority principle**, we are committed to prioritising the careful use of resources (Reduce – Reuse – Recycle), and to establishing and following efficient processes where this makes economic sense and is possible for regulatory reasons.

- Under the **precautionary principle**, we take preventive measures to avoid or minimise any negative environmental and social impacts of our economic activities.

PART I: SCOPE AND PRINCIPLES

§ 1 Scope of application

(1) This Code of Sustainability commits the PAUL HARTMANN AG and its affiliated companies in Germany.

(2) If individual sustainability-related requirements are not legally binding for our company, for example because we do not exceed a certain size threshold, we will nevertheless make reasonable efforts to achieve the respective underlying sustainability goals.

§ 2 Selection of third parties

This Code applies to us, within the framework of applicable law, even if we engage third parties to design or conduct activities covered by this Code on our behalf. We will carefully select and review these third parties, inform them of the obligations under this Code in an appropriate manner and ask them to agree to comply with it. They shall take reasonable steps to ensure that natural or legal persons with whom they work (e.g., joint venture partners, licensees) also comply with the minimum standards set out in this Code.

§ 3 Characteristics of sustainability

We believe that the long-term sustainability of our actions, which is as comprehensive as possible, can be achieved if we not only strive for economic gain in the sense of profit maximisation, but also include social and environmental factors in our corporate decision-making.

PART II: SOCIAL SUSTAINABILITY

§ 4 Compliance with occupational health and safety obligations

Compliance with the occupational health and safety obligations applicable at the place of employment, in particular to reduce the risk of accidents in the workplace and other work-related health risks, is essential for us as an expression of the precautionary principle. For this reason, we provide our employees with the necessary protective equipment and safe workplaces. We comply with the applicable working time laws to protect our employees from physical and mental exhaustion. Our company is committed to ensuring that our direct suppliers also comply with applicable occupational health and safety obligations and adequately address compliance along their own supply chain.

§ 5 Promoting diversity and inclusion

We are committed to an appreciative, inclusive and equal working environment that reflects the individual and collective diversity of our employees. In doing so, the needs of all employment groups within the company as well as the needs of customers and patients are taken into account as far as possible in business decisions and in the development of new innovations.

§ 6 Freedom from discrimination

In line with the principle of equality, we condemn any form of discrimination based on gender, ethnic origin, language, nationality, religious or political belief, physical or mental disability, age, family status, sexual orientation, gender identity or any other characteristic protected by applicable law. Economic decisions are made free from any discrimination.

§ 7 Payment of a fair and equal wage

The payment of the minimum wage applicable at the respective place of employment is the basis of every employment relationship. Equal work performed under the same circumstances will be paid equally for all genders in accordance with the respective applicable law and the principle of equality.

§ 8 Freedom of association

Our company recognises the freedom of association. This includes, in particular, the freedom of our workers to organise and participate in trade unions and the right to establish works councils in accordance with applicable law.

§ 9 Prohibition of slavery, forced labour and child labour

Any form of slavery, child and forced labour is strictly prohibited. We take all necessary steps to eliminate all forms of slavery, child and forced labour in our own business operations. We work to address this prohibition appropriately and effectively in our supply chains.

PART III: ENVIRONMENTAL SUSTAINABILITY

§ 10 Saving resources

We continuously strive to conserve resources in all our activities and business processes as much as possible. We implement economically viable opportunities for improvement in an appropriate manner.

§ 11 Reduction of CO₂ emissions

Our company is committed to the continuous reduction of CO₂ emissions generated in our own production facilities and to the gradual switch to renewable energies.

§ 12 Waste reduction and recycling

We are constantly working to minimise waste in our own operations and the environmental impact of our products. The priority principle applies, i.e. “Reduce” before “Reuse” before “Recycle”. Furthermore, when developing new products, we will strive to use reusable products and/or products made from recycled materials as far as this is legally permissible, possible from a sterility point of view, and economically reasonable. In this regard, the safety of patients and users is the highest priority.

§ 13 Pollution prevention

(1) Our company will minimise, within the limits of applicable law, any form of environmental pollution, such as harmful soil changes, water and air pollution or noise emissions, which affects the natural basis for the preservation and production of food, deprives persons of access to fresh drinking water or otherwise damages human and animal health.

(2) Within the framework of applicable law, we consider the complete life cycle in the design of our products and processes and strive to minimise adverse effects of our products after use in relation to the environment.

PART IV: ECONOMIC SUSTAINABILITY AND GOVERNANCE

§ 14 Responsible corporate governance and strategy

(1) In our entrepreneurial decisions, we take into account the fundamental idea of sustainability.

(2) Our company will develop a strategy for the effective, internal implementation of the objectives of this Code of Sustainability. This strategy will include, where relevant, concrete measures to ensure that our corporate structure complies with this Code.

(3) In order to enable effective and efficient implementation of the sustainability objectives set out in this Code, we regularly review our internal corporate procedures and management processes.

§ 15 Sustainable and transparent supply chains

Medical devices are not typically manufactured in one place. Rather, there is often a global supply chain behind medical devices. We are aware that long-term sustainable production and provision of medical devices can only be achieved if the entire supply chain is also sustainable. Therefore, as a company covered by the Supply Chain Due Diligence Act, we undertake to adequately address the principles set out in this Code within our supply chain as well]. In particular, we communicate our sustainability-related expectations to our direct suppliers and consider sustainability-related aspects when selecting direct suppliers.

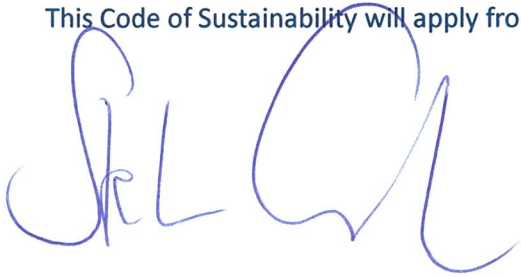
PART V: FINAL PROVISION

§ 16 Regular analysis of progress

Compliance with this Code of Sustainability and its effective implementation is a priority for our companies. Therefore, we will regularly review progress in the implementation of the Code.

§ 17 Entry into force

This Code of Sustainability will apply from November 10th 2023



Stefan Grote

Member of the Management Board, heading the Corporate Sustainability Department

Legal notice

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