



Fleischhacker GmbH & Co. KG

CSR Annual Report 2021

General

Fleischhacker GmbH & Co. KG, headquartered in Schwerte, Germany, is a trading company for medical and laboratory technology with many years of experience in the international aid business. In Germany, the company mainly supplies hospitals, general practitioners, rescue services and companies. Fleischhacker has also been involved since 2007 in the manufacture and sales of the MediConnect® software, a comprehensive solution for managing all clinical processes in hospitals and doctors' practices.

Importance of Sustainability

Health, Safety & Environment (HSE) management and the associated compliance with the prevailing environmental, health and social legislation have always been part of Fleischhacker's own elementary strict requirements and are therefore implemented and managed very conscientiously.

Sustainable action has a very long tradition at Fleischhacker and runs as a common thread through all business areas and processes.

It was therefore only logical for Fleischhacker to become an active participant in the United Nations Global Compact (UNGC) and to commit itself in this way to compliance with and implementation of the 10 principles of the Global Compact. For Fleischhacker, regularly carrying out a sustainability rating of its own corporate social responsibility by Eco Vadis is also part of demonstrating sustainability and developing it in a controlled manner. The company's declared goal is to continuously improve its own rating results.

This report mainly covers the activities and key figures during the year relating to the following CSR focus topics:

- Environment
- Labor and human rights
- Ethics
- Sustainable Procurement



ENVIRONMENT

The contents of the Environmental Policy Statement are the common thread for environmentally conscious action at Fleischhacker. The company's own policy statement as well as the 10 principles of the UNGC and the Sustainable Development Goals (SDGs) contained therein are therefore fixed components of regular employee training on the subject of HSE at Fleischhacker.

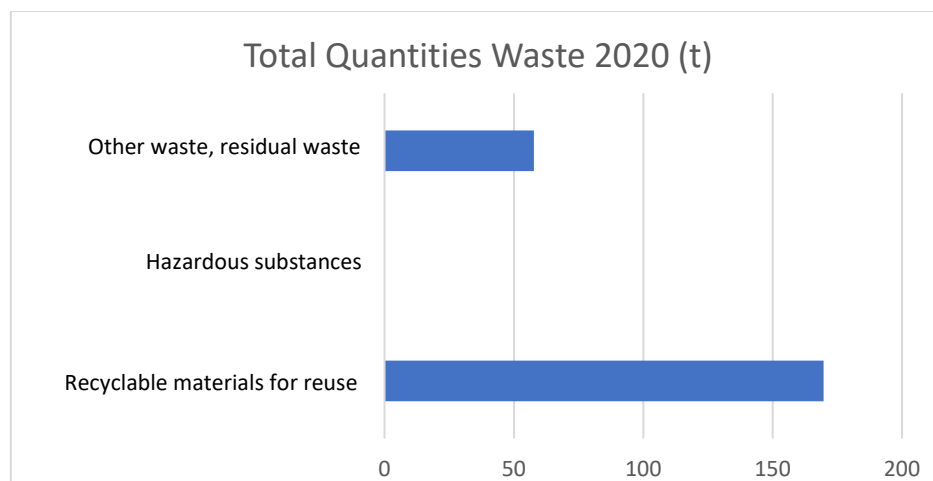
Even though the company's own business activities are comparatively free of waste and thus have low greenhouse gas emissions, employees are regularly made aware of the existing and environmentally friendly process instructions and sensitized to the environmentally conscious use of energy and raw materials.

The building/ground design of Fleischhacker's company premises should also be mentioned as a further contribution to environmental compatibility. Nearly 40% are green areas planted with bushes and trees, which are additionally rounded off by a naturally designed rainwater catchment basin. Parking lots and paved areas are also paved to allow rain to pass through.

Waste (Scope 3)

Environmental management was expanded in the area of monitoring and now also reports on waste quantities generated in the following categories:

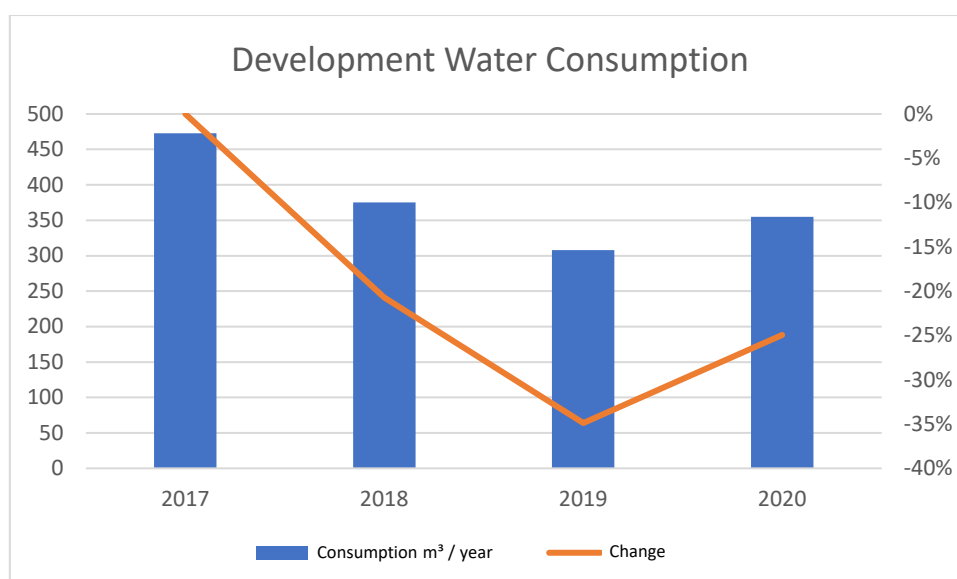
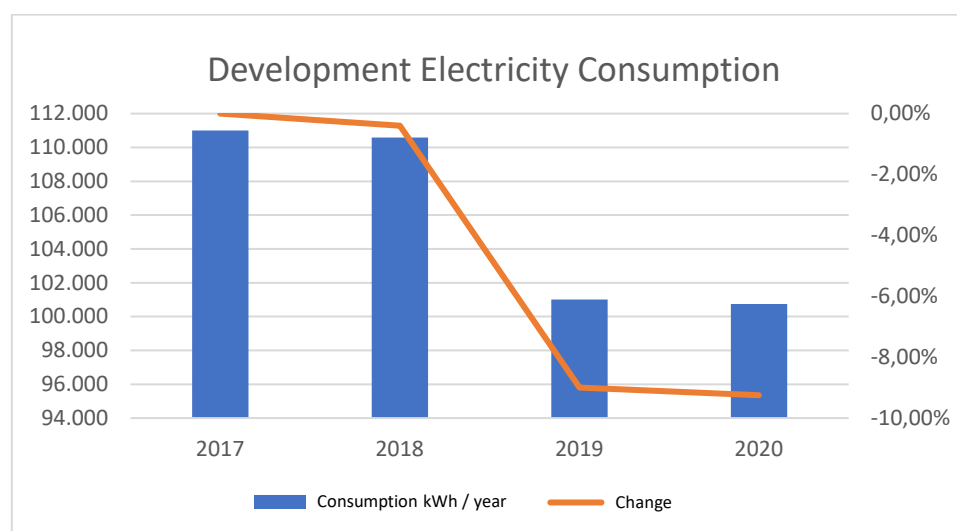
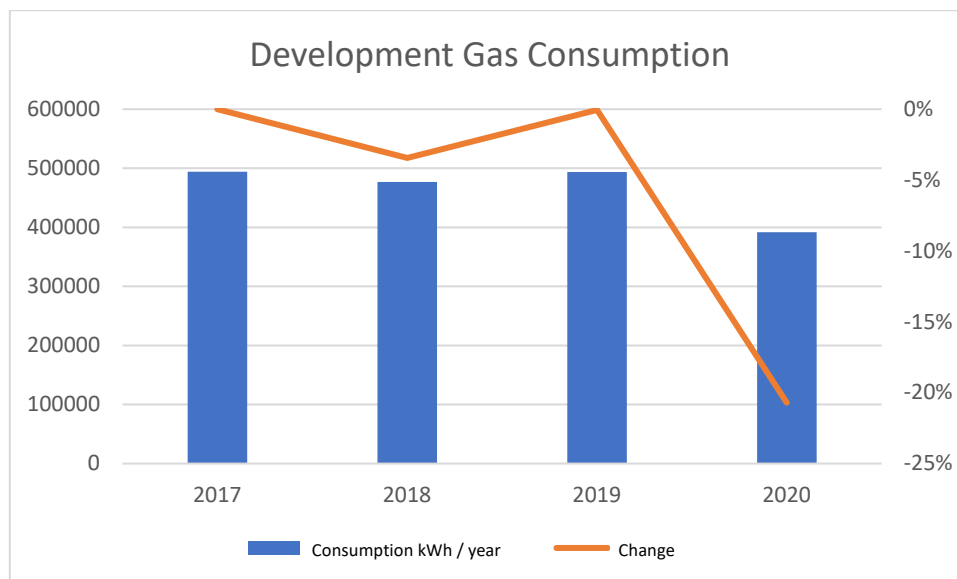
1. Recyclable materials for reuse (recyclable materials from packaging such as paper, cardboard, wooden pallets, foils)
2. Hazardous substances
3. Other waste, residual waste (e.g. kitchen scraps)



Only certified specialist companies are commissioned to take over the waste produced. All recycled waste (recyclable materials) is thus recycled.



Energy Consumption (Scope 1 und 2)





LABOR AND HUMAN RIGHTS

Employees and their health remain the highest good at Fleischhacker. The protection and observance of prevailing labor and human rights remains a matter of course.

Health and Occupational Safety in the Pandemic

2020 and 2021 are clearly impacted by the effects of the Corona pandemic. The special health protection measures implemented at Fleischhacker during the ongoing Corona pandemic continue to be very effectively effective and not only protect employees to date in the best possible way, but also customers, suppliers and manufacturers by maintaining continuity of availability and services.

At Fleischhacker, the requirements of the official pandemic protection ordinance are consistently adhered to and often interpreted even more strictly. Protective masks and Covid rapid tests are free of charge for employees and the range of home office work on offer far exceeds the level required by the authorities, so that the offices are occupied by fewer than 0.7 people on average during lockdown periods.

Continuing education and training relevant to occupational safety and health that is necessary for safe operation, e.g., in the area of hazardous materials or dangerous substances, is conducted as non-contact webinar events (whenever possible) to maintain associated qualification credentials. In cases where certain test guidelines require face-to-face testing, compliance with strict corona-compliant distance rules and protective measures is mandatory.

The performance of upcoming regular company medical examinations is pursued after coordination with the company physician in the occupational health and safety committee, orderly and corona-compliant within the framework of external individual appointments.

The number of occupational and industrial accidents is again at a gratifyingly low level in this reporting period (see brief report below), but the plan to steadily increase the number of trained first aiders has nevertheless been implemented.



Annual Summary Report on Key Figures for Labor and Human Rights



FLEISCHHACKER

Arbeits- und Menschenrechte
Kurzbericht Kennzahlen 2021

Summary Report Labor and Human Rights 2021

Tabular summary of relevant key figures (results and targets)



Key Figure Considered	Applicable Target	Results achieved in the reporting period 10/20 - 11/21
Number of reportable injuries and occupational illnesses with (days lost)	As close to zero as possible, However, at least <10 (70)	1 (6)
Rate downtime / total working time to above	<1%	0,02273%
Number of work-related fatalities	Zero	0
Employee turnover	<10%	6,89%
Rate Employees covered by health and safety committee	All employees	100%
Employees employed at collectively agreed wages or above	All employees	100%
Average training hours per employee (annualized)	>15h	19+h
Ratio of base salary M/F in comparable areas of employment with comparable tasks and qualifications.	1:1	1:1
Ration of employment M/F	1:1	The ratio of male to female trainees is 50%. The ratio of male to female employees overall is 53:47%, trend in the professions designated as classically male or female continues to be gratifyingly parity. The proportion of employees with a migration background (1st + 2nd generation) is 28%; the distribution is the same in the industrial and commercial areas.
Proportion of M/F in management positions (7 areas)	1:1	M/F = 4/3

Schwerte, November 2021

Fleischhacker GmbH & Co. KG
Laboreinrichtungen Medizintechnik

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ETHICS

Training on Ethics Topics

The document "Code of Conduct, Ethics & Conflict of Interest" has been successfully implemented in all business areas at Fleischhacker - employees are committed to compliance. Continuous sensitization to the aforementioned topics takes place, among other things, in the regular internal HSE training sessions. In addition, there are invitations to attend external online training courses. The internal audits carried out as part of existing QM systems are additionally used to check employees' awareness of HSE and ethics issues.

Whistleblower-Proceedings

The information security management system (ISMS) implemented and certified in Q2/2021 by TÜV-Rheinland in accordance with the standards of ISO 27001:2013 now also includes the description of a whistleblower procedure that enables anonymous reporting by employees. The certified ISMS can be used here as a very good supporting instrument for compliance and monitoring of the company's own specifications also in the areas of ethics, code of conduct and integrity.

Third-Party Due-Diligence

As a dealer and contractual partner, Fleischhacker is regularly monitored and audited, especially by large manufacturers and suppliers such as Siemens, GE, Philips, Medtronic and others, in the form of compliance and due diligence checks (currently around 1+ checks per month). Continuously improved QM systems and reporting allow us to respond quickly and compliantly to the requirements of these external audits. Virtually all contracts with suppliers and manufacturers now include compliance and due diligence agreements on ethics, anti-corruption, labor and human rights; environment; sustainable procurement and data protection.

Corruption and Bribery

The internal guidelines at Fleischhacker prohibit any form of corruption or bribery and violations are consistently punished. Benefits in the form of invitations to travel, meals, workshops or other monetary benefits are not permitted. The externally audited and fully monitored financial accounting system ensures compliance with these requirements and does not allow any uncontrolled or inadmissible payments. Employees at Fleischhacker are sensitized to the issues of ethics and corruption through training. This also includes the recognition of any dishonest actions.



SUSTAINABLE PROCUREMENT

Sustainability in the Supply Chain at Fleischhacker

Role as a Dealer

As a distributor for medical and laboratory technology, Fleischhacker serves customer-defined needs both at home and abroad, thus forming an important link between manufacturers and specialist consumers in industry, clinics, laboratories and medical practices.

Although there appears to be no direct influence on the selection of raw materials used for product manufacturing, Fleischhacker is committed to making the best possible use of the tools available within its own dealer function to support sustainability in the supply chain of the products it sells to the best of its ability.

In fact, the overall package of sustainability activities at Fleischhacker is a very complex structure that has an impact on practically all business-, topic- and process-areas of the entire company. Here, additions or adjustments are made again and again, e.g. in response to changing external conditions and developments, or in the sense of the company's own striving for continuous improvement.

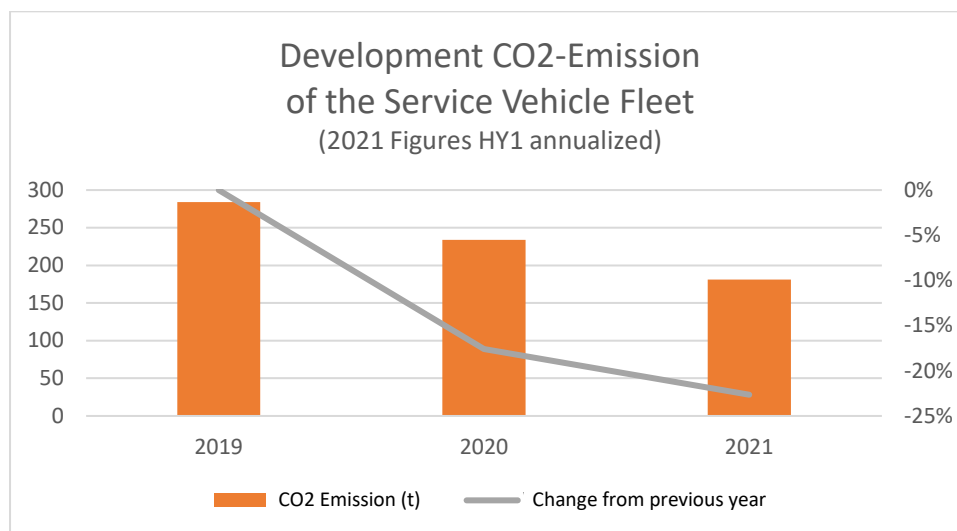
The following is an excerpt of some of the instruments and components of the sustainability program in the supply chain at Fleischhacker, where further adjustments have recently been made in this sense:

Examples of Recent Adjustments

- Introduction of an internal guideline "3TG conflict material" although Fleischhacker by definition does not belong to the supply chain described in Regulation (EU) 2017/871.
- Customized ERP system for the computerized processing of conformity assessment procedures for the selection and internal approval of products.
 - Increased product quality and extended product life cycles
 - Reduction of CO2 emissions through sustainable procurement and transport practices
 - Reduction in procurement costs
 - Structured product and supplier evaluation
- As part of supplier assessments, intensified active request and recommendation to manufacturers and suppliers to adopt the Fleischhacker Code of Conduct, which essentially reflects the 10 principles of the UNGC.
 - Active support of the Global Compact principles
 - Raising sustainability standards among manufacturers and suppliers
 - Higher transparency and improved control of procurement processes



- Use of modern online communication technologies for coordination (including auditing) with suppliers and customers
 - Reducing the risk of financial impacts from poor supplier practises
 - Reduction in travel and procurement costs; reduction in CO2 emissions due to reduced travel, see graphic CO2 emissions:



However, sustainable procurement at Fleischhacker is not limited to the traded products and their procurement, but naturally also includes topics such as the infrastructure used, process descriptions or personnel, e.g.:

- Sustainable building management and use of modern technologies in equipment and design in the areas of heating, plumbing, office and warehouse.
 - Increase energy efficiency
 - Reduction of water and energy consumption
 - All conveyors and vehicles in the warehouse operation are operated without fossil fuels
- While the use of temporary workers is not categorically ruled out at Fleischhacker, it rarely occurs and is therefore an exception.
 - Best control for the observance of human rights; proper working conditions; prevailing environmental, labor and social legislation.
- Implemented, structured occupational safety organization and occupational safety committee (ASA)
 - Ensuring occupational safety and health of employees
 - Continuously optimized occupational safety/occupational health training



- Further improvement in ensuring compliance with all requirements related to dangerous goods, transport of dangerous goods; hazardous substances; environmental labor and social legislation.
- DSGVO-compliant reporting (Data Privacy) on training and qualification status in occupational safety-related issues and areas
- Improved health care; efficient pandemic protection.
- Implemented and newly certified information security management system (ISMS) according to the standards of ISO 27001:2013
 - Additional support of many UN Global Compact principles.
 - Increase in personnel safety and qualification
 - Securing and maintaining the integrity of the company
 - Commitment of employees to the company's Code of Conduct, Ethics & Conflict of Interest

Also regularly monitored:

- Process instruction for the procurement of environmentally friendly packaging materials or reuse of environmentally friendly packaging materials.
- Procedural instructions for the environmentally conscious and economical use of raw materials and energy. (Reduction in paper consumption / reduction in water and energy consumption).
- Procedural instructions for the environmentally sound handling of waste separation and disposal. Exclusive selection and use of approved and qualified waste disposal companies.
- Use of certified and controlled transport service providers and no use of own delivery vehicles.

It goes without saying that the applicable legal and regulatory framework is taken into account and is continuously monitored by Fleischhacker's quality management.

Quality Management

The quality management systems implemented and coordinated at Fleischhacker are externally audited and monitored. They effectively provide the desired stability for the required operational reliability in the handling of individual processing operations and thus each also contribute their share of the system to the implemented sustainability.

- ISO 9001:2015
- ISO 13485:2016
- ISO 27001:2013
- EcoVadis CSR Sustainability Rating
- QMS Financial Accounting and Taxation



Trainings / Reports

An elementary component of all sustainability topics is and remains of course "Awareness", i.e. the promotion of awareness. In this context, all employees are trained (at least once a year) on the relevant corporate guidelines, practices, policies and objectives. Regular reports, results and developments on the company's own CSR key figures are also part of this training.

"Only a solid understanding and awareness of the need for sustainability in the supply chain among employees can ensure that sustainability is practiced in line with corporate policy - if, in addition, we manage to transfer this idea to our suppliers and manufacturers, then that will be a huge step forward."

The annual "Human Rights Summary Report" (above) documents the steady increase in training hours per employee per year in this spirit.

The implementation of the sustainability requirements will continue to be monitored in the individual business units by the divisional management. In the future, the results of these observations will be queried in internal audits as part of the efforts to harmonize the implemented quality management systems and included in the annual management review of the ISO 9001:2015 QMS.

Communication

On its own website, Fleischhacker communicates external awards and audits for its own practiced Corporate Social Responsibility (CSR) to support and improve consumer perception.

A CSR rating that has been steadily improving for years confirms that the mechanisms at Fleischhacker are working in the right direction and encourages the company to continue on its chosen path with determination.

Fleischhacker GmbH & Co. KG

Qualitätsmanagement

November 2021

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