

Environmental, Social and Governance (ESG)

Standards for Suppliers

Preamble

As a family-owned company, we are committed to legally compliant, socially responsible, and sustainable corporate governance in line with our Group's strategy. Each B. Braun Group company operates in compliance with the applicable laws and regulations of the countries in which we operate. Our suppliers make a significant contribution to our corporate values — innovation, efficiency, and sustainability, which is why we also stipulate legally compliant and sustainable behavior from our suppliers.

The ESG Standards for Suppliers are created to inform the suppliers of these principles of conduct. To meet the minimum requirements which, are described here, suppliers shall implement appropriate procedures in their own businesses and in their supply chains.

B. Braun is willing to support its suppliers when implementing these procedures. For example, by jointly developing action plans for continuous improvement of relevant processes.

The ESG Standards are based on internationally recognized standards, including the Universal Declaration of Human Rights and the ILO (International Labor Organization) Core Labor Standards. In case of applicable national regulations, laws, or contractual obligations addressing the same subject matter, with regard to this ESG Standards for Suppliers the provision that offers the most stringent standards shall take precedence.

The ESG Standards are an integral part of all contracts between B. Braun, our suppliers, and service providers. It applies to all business relations between the B. Braun Group and its Suppliers, insofar as they relate to the respective business activities.

In addition, we expect our suppliers to respect human rights, ethics, and environmental standards to their upstream supply chain. The expectations specified in this document are an essential part of supplier selection and evaluation.

Environment

Environmental Protection

The suppliers should take necessary measures to minimize the adverse effects of its own business activities on the environment and to eliminate any significant environmental risks. If avoidance is not possible, the aim is to minimize environmental risks. This includes pollution prevention, resource conservation, recycling of waste, reduction of emissions, and proper drainage of water.

Climate Change & Energy Efficiency

Measures to mitigate climate change by reducing carbon dioxide and other greenhouse gas emissions with science-based targets to pursue carbon neutrality. Management of climate-related impacts and risks. Use of renewable energy and energy-efficient plant technology.

Waste management

Avoidance of waste, in particular dangerous waste. Increase of recycling rate and resource conservation throughout operations and the upstream and downstream value chain. Management of significant impacts arising from waste.

Water Management

Efficient water use, reduction of water withdrawal, environmentally compatible treatment of water as well as proper disposal of wastewater, especially in water stressed areas/on local communities, based on availability and quality. Management of water-related impacts, risks and opportunities.

Biodiversity

Commitment to conserve biodiversity (in terms of variability within and between species and of ecosystems) and minimize the negative impact on biodiversity. Establishment, implementation and maintaining of an environmental policy, with regard to the protection of biodiversity and ecosystems.

Circularity and Resource Efficiency

Management of materials in line with circular economy with the overarching goal to extract less resources and raw materials. This includes but is not limited to minimizing waste, maintaining the value of products, materials and other resources at their highest value and enhancing their efficient use in production and consumption.

Hazardous Materials

When handling or using hazardous substances, the supplier shall ensure safe procurement, labelling, handling, movement, storage, reuse, and/or disposal of said hazardous materials.

Suppliers are expected to not manufacture mercury-added products, use mercury or mercury compounds in manufacturing processes or treat mercury waste.

Social

Respect for Human Rights

We expect our suppliers to respect and protect international human rights and ensure that they do not participate in any human rights abuses or violations.

Prohibition of Child, Forced, or Compulsory Labor and Human Trafficking

In accordance with the conventions of the International Labor Organization (ILO), our suppliers must not tolerate child labor, forced labor, any other form of compulsory labor or human trafficking. Employment below the permissible minimum age at which compulsory education ends under the law of the place of employment is prohibited. The age of employment must not be less than 15 years. An exception is possible, if the minimum employment age law of the place of employment deviates from this for admission to specific types of employment (i.e., apprenticeship). Human trafficking is closely linked to forced labor and results in the failure to protect workers.

Prohibition of Eviction

Unlawful eviction and of unlawful deprivation of land, forests, and waters in the acquisition, development or other use of land, forests and waters which secures the livelihood of a person is prohibited.

Diversity, Equality & Inclusion

Our suppliers are obligated to treat all employees with respect and dignity. Unequal treatment and/or discrimination because of age, ethnic background, nationality, gender, gender identity, physical abilities, mental abilities, religion, world view, sexual orientation, social background as well as any other characteristic that is protected by law, is expressly prohibited. B. Braun expects its suppliers to provide a working environment for their employees that respects diversity and inclusion. Consequently, the suppliers should encourage an inclusive culture through respective strategies, trainings and incentives.

Working Hours and Remuneration

Working hours and remuneration shall comply with applicable laws or industry standards. The regular weekly working time may not exceed the maximum working time according to local law.

Overtime may only be ordered with the consent of the employee and in accordance with local law. Remuneration must be paid promptly and in accordance with the applicable laws. The applicable remuneration is at least the minimum wage as established under the applicable law and is calculated according to the regulations of the place of employment.

Health and Safety at Work

In accordance with applicable laws and regulations, our suppliers must ensure the health and safety of their employees in the workplace. Moreover, suppliers shall provide their employees with availability of drinking water of good quality and adequate sanitation on all their premises.

Suppliers shall provide their employees with appropriate work clothing and the tools which are necessary to perform their work. Work incidents shall be properly and promptly documented and evaluated; procedures shall be implemented and actions shall be taken to avoid similar incidents in the future. In addition, employees must be trained in occupational health and safety regulations.

Freedom of Association and Right to Collective Bargaining

Our suppliers should respect freedom of association and the effective recognition of the right to collective bargaining.

Use of Private Security Services

If suppliers hire or use security forces, they must ensure that the security forces comply with regulations regarding the prohibition of torture and cruel, inhumane, or degrading treatment, do not cause damage to life and do not violate the right of freedom of association.

Training and Qualification

Our suppliers shall develop and implement appropriate training that provides their employees with an understanding of the principles of conduct set out in this document, as well as generally accepted international standards.

Governance

Fair Competition

Our suppliers are obligated to observe and comply with all applicable national and international antitrust laws. We expect our suppliers to be committed to free competition and open markets and to act against unfair, non-transparent and restricted competition. Appropriate preventive measures shall be introduced to ensure this.

Money Laundering

We require our suppliers to comply with all existing anti-money laundering laws.

Anti-corruption

Our suppliers are obligated to work against all forms of corruption, including extortion and bribery, and to ensure that personal relationships do not interfere with business activities. There are numerous international anti-bribery and corruption laws applicable to employees in public administration and the commercial business sector. Laws exist which apply globally, and they are stringently applied locally to prevent acts of bribery, fraud, or corruption. The supplier shall comply with these laws. It is forbidden to directly (or indirectly) offer, grant, demand, accept or receive improper benefits in any form from any public official, business partner or third party. Suppliers are expected to conduct sufficient due diligence to prevent and detect corruption in all business arrangements.

Avoidance of Conflicts of Interest

Our suppliers shall ensure that no conflicts of interest arise between them and B. Braun or, if such conflicts are discovered, that they are remedied and communicated to B. Braun without delay.

Gifts and Entertainment

Gifts and entertainment are not necessary in order to conduct business with B. Braun and are highly discouraged.

Suppliers are not permitted to offer or accept bribes or any other unlawful incentives (e.g., kickbacks) in business dealings with business partners or public officials. Suppliers may not offer B. Braun employees gifts or personal benefits which could be construed as a bribe. In all cases, gifts or entertainment may not be used to unfairly influence a business relationship and shall not violate applicable laws or ethical standards. B. Braun employees are not permitted to solicit suppliers for gifts, whether for personal consumption or for any organization, including gifts to support charitable causes or gifts for B. Braun. Suppliers are required to report any such solicitations.

Intellectual Property and Confidential Information

We require our suppliers to maintain confidentiality about all B. Braun trade and business secrets, as well as any other confidential or internal information. This confidentiality applies to information that is marked as confidential as well as any information that is not publicly known and should not be disclosed.

Data Privacy and Data Protection

Our suppliers are required to protect and properly use confidential and proprietary information. Moreover, the data must be adequately managed and protected against unauthorized access and use, disclosure, or destruction.

Animal Welfare

Animal trials should be avoided as far as possible, and research should be performed seeking methods to make animal trials obsolete. Alternatives to animal testing should be used wherever scientifically validated and acceptable to regulators.

Dealing with Conflict Minerals

B. Braun expects its suppliers not to source the conflict minerals tin, tungsten, tantalum, and gold as well as other raw materials from conflict regions.

Product Quality

We require from our supplier's constant quality controls from the purchase of raw materials to the finished product as well as pursuit of unsafe counterfeit products in terms of patent protection to maintain the B. Braun quality promise.

Risk Management

Suppliers are expected to implement mechanisms and processes to identify, evaluate and manage risks in all areas that were mentioned in the ESG Standards of Suppliers while also respecting applicable legal requirements. Moreover, suppliers are expected to take steps to prevent and mitigate these risks.

Conformity with the ESG Standards for Suppliers

B. Braun reserves the right to make any reasonable changes to the ESG Standards for Suppliers. Any changes will be communicated in a timely manner to the suppliers on B. Braun's website.

To ensure that B. Braun's expectations are met, we reserve the right to evaluate our suppliers using a self-disclosure from external service providers such as EcoVadis and/or IntegrityNext, as well as to conduct second party or third-party on-site audits. Upon request, suppliers are required to provide documented evidence (certifications / declarations) of compliance with this ESG Standards. This information may also be obtained by B. Braun from suppliers through third parties. Immediate countermeasures must be taken in case of a violation of the principles of human rights, environmental, or ethical business behavior. B. Braun reserves the right to make new decisions about a business relationship with a supplier in the event of a significant violation of the ESG Standards without an immediate solution.

Complaint Mechanism

We expect from our Suppliers to implement measures for the protection of whistleblowers. Reporting channels shall be established and whistleblowers need to be protected against retaliation after voicing incidents.

To ensure compliance with the ESG Standards, we encourage each Supplier to report any suspected potential violations of the ESG Standards to us. All reports of suspected non-compliance must be appropriately investigated, and corrective action taken. B. Braun requires Suppliers to set up and maintain effective complaints mechanisms for employees that enable them to report possible violations of the ESG Standards.

In case of any concerns about unlawful conduct or misconduct contrary to our standards, please visit the compliance website of B. Braun and raise your concerns:



<https://www.bbraun.com/en/about-us/responsibility/compliance.html>

For more information, please visit us at:



<https://www.bbraun.com/en/about-us/responsibility/sustainability.html>

References

- The Universal Declaration of Human Rights:
<https://www.un.org/en/about-us/universal-declaration-of-human-rights>
- The International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work:
<https://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm>

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