

# *CODE OF CONDUCT*

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PAJUNK® GmbH  
Medizintechnologie

*Dear employees and business partners!*

*We present our newly developed Code of Conduct, which is based on our existing values and principles and aims to expand on them. Our Code of Conduct addresses the values and principles by which we conduct our business worldwide. They emphasize our commitment to legal compliance, honesty, integrity, social and environmental responsibility as well as mutual trust and respect in all our relationships. In view of our targeted growth, our customers and the regulatory requirements, it is now time to safeguard certain rights and values and set even higher quality standards with the introduction of our Code of Conduct in order to achieve our strategic goals. As a constantly growing company, we also have an ever-increasing social and environmental responsibility, as our company's impact on society increases in parallel. We are confronted with tasks every day and no document can cover all situations. Our Code of Conduct illustrates our values and is intended to help you make consistent and ethical decisions. We also want to emphasize that our Code of Conduct is directly linked to our Corporate Behaviour Principles, which must also be adhered to by our employees, business partners, customers and suppliers. We would like to ask you all to internalize the principles in order to fully implement them in your own area of work.*

*We would also like to further strengthen trust in our company. A willingness to embrace an open culture that gives all employees the confidence to seek advice and voice their concerns is an important part of this trust. If you have any questions or concerns, please contact your supervisor. If you witness an actual or suspected breach of our Code of Conduct, please report your observations to your supervisor. This is in the interest and benefit of the entire PAJUNK® organization. We will ensure that anyone who comes to us in good faith with questions or reports of possible violations of our Code of Conduct can be assured of our confidentiality and is protected from possible reprisals.*

*You, your colleagues and we are all responsible for upholding the reputation and values of PAJUNK®. Therefore, we expect all PAJUNK® employees to know and apply our Code of Conduct without exception.*

*As a company, we are proud of what we do. Adhering to our Code of Conduct allows us to continue to do so and to lead by example.*

*Yours sincerely*

*Simone Pajunk-Schelling and Martin Hauger  
Management Board*

# Code of Conduct

## I. Introduction

1. Purpose
2. Scope of application
3. Standards for the management level

## II. What we stand for

## III. The Code of Conduct

### § 1 Compliance with legal regulations

1. Human rights
  - a) Humanity
  - b) Environment
2. Anti-bribery and Anti-corruption rules
3. Anti-money laundering laws
4. Fair competition
5. Gifts and hospitality
6. Accurate accounting and reporting
7. Whistleblower Protection System

### § 2 Integrity in business dealings

1. Conducting international business
2. Conflicts of interest
3. Information systems and emails
4. Best practice standards

### § 3 Protection of company property

### § 4 PAJUNK® and social responsibility

1. Energy management, health protection and occupational safety
2. Commitment to the community
3. Sponsoring and donations

## IV. Compliance with and enforcement of our Code of Conduct

1. Compliance with the Code of Conduct and cooperation
2. Violation of our Code of Conduct
3. Reporting of (potential) violations and protection against reprisals

## I. Introduction

### 1. Purpose

PAJUNK® is committed to ensuring that the rights of our employees are respected and protected. We are also committed to ensuring that the medical products and services we manufacture are produced in a way that respects the human rights of others and the environment. This Code of Conduct summarizes the expectations that we as PAJUNK® have of you, our employees. Each of us is responsible for living by our Code of Conduct and holding each other accountable for compliance. It applies to everyone within our organization (PAJUNK® Group). Remember that failure to comply with our Code of Conduct can harm not only PAJUNK®, but also your colleagues, our customers, those affected by our business activities, our stakeholders and the environment. By knowing and adhering to our Code of Conduct, we can ensure that we conduct our business in accordance with the highest ethical, legal and professional standards. Our Code of Conduct cannot predict every single situation we may face in the future. However, it will help us make informed, ethical decisions and serve as a guide and reference to PAJUNK®'s principles and applicable laws and regulations that we need to know in order to act on our core values and expectations.

### 2. Scope of application

Our Code of Conduct applies to every single PAJUNK® employee worldwide. Every employee must comply with the principles accordingly. Our aim is to extend our most important principles of behavior to our business partners, i.e., suppliers and customers.

### 3. Standards for the management level

Our department heads, to whom employees report, have additional responsibilities within the framework of our Code of Conduct. They are expected to act as role models for the active promotion of integrity and ethical behavior by demonstrating what integrity means through their own behavior. Ensure that all employees in your area of responsibility are aware of the requirements of our Code of Conduct and understand the resources required to fulfil them. If necessary, serve as the first point of contact for our employees to approach them with questions and concerns regarding compliance and consistently enforce our Code of Conduct.

## II. What we stand for

The Code of Conduct is closely linked to our corporate culture and the principles set out therein. The principles from the corporate culture as well as the behavioral principles form the pillars of PAJUNK®'s legal, ethical and moral orientation. The principles are based on UN guiding principles, in particular the Ten Principles of the United Nations Global Compact, as well as EU and national legal regulations.

## III. The Code of Conduct

### § 1 Compliance with legal regulations

#### 1. Human rights

We are committed to respecting human rights and environmental obligations throughout our supply chain and consider the protection of human rights to be a central element.

In particular, we must all work together to implement applicable law, respect internationally recognized human rights and environmental responsibilities, and take care to prevent human rights abuses and environmental pollution. All of us who work at PAJUNK® are guided by the following expectations:

#### a) Humanity

- **Child labor:** We condemn all forms of child labor. We therefore reject any employment of children under the age at which compulsory schooling ends according to the law of the place of employment. In any case, the age of employment must not be less than 15 years. Furthermore, we condemn the use of children under the age of 18 for the following activities:
  - » all forms of slavery or practices similar to slavery, such as the sale of children and child trafficking, debt bondage and servitude, and forced or compulsory labor, including the forced or compulsory recruitment of children for use in armed conflict
  - » the recruitment, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs, and
  - » labor which, by its nature or the circumstances in which it is carried out, is likely to be harmful to the health, safety or morals of children.
- **Forced labor:** We condemn all forms of forced labor, including any work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily, such as that resulting from debt bondage or trafficking in persons.
- **Slavery:** We condemn all forms of slavery, slavery-like practices, servitude, or other forms of domination or oppression in the workplace, such as extreme economic or sexual exploitation and humiliation.
- **Occupational health and safety:** We condemn the disregard of occupational health and safety obligations under the law of the place of employment if this results in the risk of accidents at work or work-related health hazards. In particular, we condemn:
  - » manifestly inadequate safety standards in the provision and maintenance of the workplace, the workplace and work equipment,
  - » the lack of suitable protective measures to prevent exposure to chemical, physical or biological substances,
  - » the lack of measures to prevent excessive physical and mental fatigue, in particular through unsuitable work organization with regard to working hours and rest periods, and
  - » the inadequate training and instruction of employees.

- Freedom of association: We reject any violation of the freedom of association. All our managers and employees, regardless of their position in our company, are obliged to respect the right of our employees to join or form organizations and not to use it as a reason for unjustified discrimination or retaliation.
- Discrimination: We reject any form of unequal treatment, for example on the basis of national and ethnic origin, social background, health status, disability, sexual orientation, age, gender, political opinion, religion or belief, unless this is justified by the requirements of the employees; unequal treatment includes in particular the payment of unequal remuneration for work of equal value.
- Harassment: We all have the right to work in an environment free from harassment. Harassment in this sense is a form of discrimination through unacceptable behavior, the purpose or consequence of which is to create an intimidating, hostile or offensive working environment. Harassment can take many forms, such as attacks, verbal or written comments or visual depictions. Any form of harassment, whether by PAJUNK® employees or third parties, is strictly prohibited and will be punished by PAJUNK®.
- Payment of unreasonable wages: We reject any withholding of a reasonable wage. The appropriateness of a wage is measured according to the minimum wage, which is determined by the applicable law at the place of employment.
- Respect for land rights: We condemn all forms of unlawful forced eviction and support the prohibition of unlawful dispossession of land, forests and waters whose use secures a person's livelihood.
- Hiring of security forces: We will not hire and deploy private or public security forces if, due to a lack of instruction or control by the company in the deployment of security forces
  - » the prohibition of torture and cruel, inhuman or degrading treatment is disregarded,
  - » injury to life or limb, or
  - » the freedom of association and unionization are impaired.

## Case example:

You observe a colleague making racist comments about another colleague.

PAJUNK® has zero tolerance when it comes to the rights mentioned above. Disregarding these rights, which arise from our humanity, will inevitably have consequences. Therefore: In the example above, ask yourself the following questions:

- When have I ever said or done something racist myself?
- How would I feel if I were asked over and over again where I come from?
- How would I feel if lots of people touched my hair without asking?
- How would I react if someone around me made a racist joke or a racist statement?

## b) Environment

PAJUNK® has developed a comprehensive sustainability strategy based on the pillars of environmental awareness, responsible corporate governance and social commitment. As part of a transformation concept for decarbonization, a competitor analysis, an internal stakeholder analysis and a scenario analysis with an action plan were carried out.

With the introduction of the Corporate Carbon Footprint (CCF) and the initial decarbonization measures, PAJUNK® has already taken important steps towards measuring and reporting its sustainability efforts. This forms a solid foundation. However, so far this only covers part of the possible environmental sustainability activities. In order to continue to position ourselves as a leading sustainable player in the medical technology industry, we will be focusing on other relevant topics in the future. These include the reduction of energy and water consumption, the strengthening of biodiversity and the implementation of comprehensive circular economy concepts. The aim is to expand and professionalize the sustainability strategy.

- Environmental damage: We expect our managers and employees to prevent any harmful soil change, water pollution, air pollution, harmful noise emissions or excessive water consumption that
  - » significantly impairs the natural basis for the preservation and production of food,
  - » denies a person access to safe drinking water,
  - » impedes or destroys a person's access to sanitary facilities, or
  - » harms the health of a person.
- Environmental Conventions: We expect our managers and employees to comply with the provisions of the Minamata Convention on Mercury, the Stockholm Convention on Persistent Organic Pollutants and the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal in the course of their work.

Case example:

During the lunch break, a colleague throws his cigarette butt into the nearest flower bed.

Even though this may seem like a 'small thing', cigarette butts are actually a burden on our environment. Not only can they quickly cause unintentional fires, which can quickly become life-threatening, but they can also easily be flushed into our sewage system. However, they cannot be biodegraded. Over time, they release a cocktail of highly toxic and carcinogenic chemical substances into soils, bodies of water, lakes and oceans. Therefore: Don't do it & speak up! We expect our employees to follow our sustainability strategy and do their part to protect the environment.

## 2. Anti-bribery and Anti-corruption rules

The success of PAJUNK® is based on the competence and integrity of its employees, as well as the quality of its services and products. We prohibit any form of bribery or corruption as well as any type of business activity that could even give the appearance of undue influence.

With regard to our international business activities, we are subject not only to German and European anti-bribery and anti-corruption laws, but also to the laws of foreign jurisdictions, such as the U.S. Foreign Corrupt Practices Act (FCPA) or the UK Bribery Act (UKBA). PAJUNK®'s interpretation of these laws is clear: we must not engage in any form of direct or indirect bribery or favor for public officials or private business partners.

'Bribery' means actively promising, offering or giving something in order to obtain or retain business or to obtain improper advantages.

'Corruption' means the reasonable passive acceptance or solicitation of a matter of some value in order to promise or give business or improper advantages.

'Facilitation payments' are payments made in return for the conclusion of a contract or the initiation of a transaction.

'Facilitation payments' are generally small, unofficial payments intended to secure or expedite routine activities by public officials to which a legal claim is made. These payments are intended to influence the timing of normal routine activities (e.g., issuance of licenses, visas or permits), but not their outcome.

The consequences of violating anti-corruption or anti-bribery laws are serious for both PAJUNK® and the individuals involved.

Case example:

You attend a congress in a country outside the EU and the USA. When you arrive at the airport, the immigration officer kindly offers you fast-track special clearance. Advancing in the long queue will cost you around 50 euros in cash.

Even if you are running out of time due to the flight delay, you must not accept this offer. This could be classed as bribery under certain legislation (e.g. UKBA). In similar cases, international companies and numerous immigration and customs officials around the world have been charged and found guilty of corrupt acts.

### 3. Anti-money laundering laws

PAJUNK® fulfils all relevant national and international anti-money laundering laws. We are committed to the international fight against money laundering and the financing of terrorism or drug trafficking.

Our aim is to do business only with reputable business partners whose business activities are legal and whose financial resources come from legal sources. We adhere to the internationally recognized 'Know Your Customer' principle, which requires basic standard information about the financial circumstances of the beneficial owner. Payment instructions are always cashless. We do not transfer payments to bank accounts in countries that are subject to US or EU embargoes. Transfers to private bank accounts of business partners are prohibited.

Our employees must comply with applicable anti-money laundering laws. Internal procedures to identify third parties with whom we do business and to detect and prevent suspicious forms of payment and customer or other transactions related to money laundering or the financing of terrorism or drug trafficking must also be followed by our employees.

### 4. Fair competition

National and international competition laws were created to protect fair and free competition. These laws ensure that the legitimate interests of our customers and suppliers are respected. We will ensure that our business practices comply with applicable competition laws at all times and in all places. Violation of competition laws is a serious matter and can expose both PAJUNK® and the individual to significant penalties. Violations of these laws will not be tolerated by PAJUNK®. In all regions and countries in which we operate, we are committed to tough but fair competition for suppliers, cooperation partners and customers. Our employees may not enter into any contracts, agreements or other concerted actions with current or potential competitors, in particular no agreements, e.g., fixing prices, capacities, market sharing or abuse of a dominant position in a particular market segment.

## Case example:

You are attending a congress. In the evening, a former colleague who now works for a rival company approaches you and asks you how business at PAJUNK® is currently going. After the second glass of beer, he begins to ask very detailed questions, such as production volumes and cost figures.

Politely decline this conversation. You can discuss general market developments or publicly known technical standards, but not specific figures, prices, capacities or volumes. Such information could be misused to artificially inflate market prices. In addition, the disclosure of such information was likely to violate your strict confidentiality obligations to PAJUNK®. You should report this incident to your supervisor immediately.

## 5. Gifts and hospitality

We do not offer or accept gifts, entertainment or other hospitality that could create the impression of improper influence. PAJUNK® recognizes that the exchange of gifts and hospitality can create good business relationships and goodwill. To avoid even the appearance of improper relationships or interference with third parties or potential third parties, including customers and cooperation partners, all PAJUNK® employees must adhere to the following principles:

Gifts or hospitality that go beyond common courtesy or established and legal local business practices must not be offered or accepted.

This applies in particular to gifts and hospitality in connection with ongoing or upcoming business negotiations or the initiation of new business.

The value of gifts or hospitality must always be appropriate and must not be understood as an obligation on the part of the recipient.

No benefits may be offered to public officials without the prior authorization of their superior.

## Case example:

If a salesperson from a PAJUNK® supplier brings chocolates and some wall calendars to our office as Christmas gifts, then I am allowed to accept these gifts and share them with my colleagues, as they are gifts within the usual scope and of reasonable value.

Or if an important PAJUNK® customer is organizing a party to celebrate the company's anniversary and other important business people will be present, then I may accept the invitation. You make it clear that you are accepting the invitation as a representative of PAJUNK®.

But if an important contractual partner of PAJUNK® invites me and my wife to a golf weekend in a five-star holiday resort, including accommodation and travel expenses, as a thank you to his long-standing customer, then this would certainly go beyond the scope of the usual. By accepting this invitation, your independence in future business interactions with your business partner could be compromised.

## 6. Accurate accounting and reporting

Open and effective financial communication requires accurate and truthful accounting and reporting, supported by an adequate and effective internal control system. This applies equally to our relationships with customers, suppliers, employees and business partners as well as with offices and authorities.

Proper retention of our financial records is essential to our business. Therefore, we must maintain all financial documents, files and other relevant documents in accordance with legal regulations and internal rules. An increasing number of international anti-corruption laws require that accurate documents be kept in which all financial transactions of the company are properly recorded.

Failure to maintain accurate and complete documents and records not only violates PAJUNK® standards, procedures and policies, but may also constitute a violation of law. As a result, we will be open and rigorous in the collection and reporting of our financial information and results.

## 7. Whistleblower Protection System

According to the Whistleblower Protection Act, companies are obliged to set up a reporting platform. PAJUNK® has fulfilled this obligation and has established a corresponding reporting channel. This not only serves to fulfil the provisions of the Whistleblower Protection Act. Above all, it is intended to contribute to ensuring PAJUNK®'s legal compliance by enabling employees to disclose information about any violations of legal regulations to the reporting office. We would therefore like to take this opportunity to once again encourage our employees to use the established reporting channel if they observe any legal violations.

## § 2 Integrity in business dealings

### 1. Conducting international business

PAJUNK® intends to expand its business to many markets and regions around the world and is therefore subject to the laws and regulations of various jurisdictions. Our employees must comply with the laws and regulations of the countries in which we operate. In particular, we are required to comply with all applicable export and import regulations, including any sanctions, embargoes and other governmental laws, regulations and related orders.

Case example:

A customer asks you to export a product to an unknown company in a neighboring state. This neighboring country is subject to import restrictions.

You should ask your manager how the request should be handled. The ability to enter into a binding contract depends on many factors. This includes the country you want to deliver to at the customer's request including the product to be exported.

### 2. Conflicts of interest

PAJUNK®'s reputation is based on the independence of decision-making and the integrity of its employees. It is imperative that we avoid any relationship or activity that could interfere with or create the appearance of impairment in our ability to make objective and fair decisions in conducting our day-to-day operations for PAJUNK®. Every employee must make business decisions in the best interests of PAJUNK®, not personal interests. We do not use any PAJUNK® property or information to obtain personal advantage or to benefit from any opportunity provided by PAJUNK® as part of our work.

All employees must immediately inform their direct superiors of any personal interests they may have in connection with the performance of their job duties. We expect our employees to concentrate fully on their tasks towards PAJUNK® and to refrain from additional professional activities that could affect the company's goals. All additional professional activities must be reported to the human resources department. Although we do not intend to prohibit private activities in city councils, non-profit organizations, or similar institutions, we must prohibit all direct or indirect activities for competitors, customers, suppliers or cooperation partners of PAJUNK®. This also includes consulting services, extensive investments or other financial ties.

### 3. Information systems and emails

Our employees are prohibited from using or copying the software of our IT systems for private purposes or from installing private software on company hardware without the permission of our IT department. Email services and Internet access are available primarily for business purposes. You should use the same caution when sending and receiving emails and attachments through PAJUNK® accounts as you do when communicating with hard copy. Always consider the possible consequences that may arise if information becomes public.

Under no circumstances may PAJUNK®'s IT systems, email accounts and other information and communication media be misused for illegal or ethically unacceptable purposes. Searching for, downloading or forwarding racist, propagandistic, pornographic or violent content is considered special abuse and can have serious consequences. Only expressly authorized employees are authorized to speak on behalf of PAJUNK® in the public networks. If you identify yourself as a PAJUNK® employee on social networks, you must make it clear that the content of your messages is your private opinion, not that of the company.

Case example:

You drag a copy of a Microsoft Word installation file onto a USB flash drive to install it on your PC. They believe this will not harm PAJUNK® as the original file remains on the PAJUNK® systems.

When purchasing software, PAJUNK® is bound to a license agreement with the software manufacturer. Use for personal purposes is most likely a violation of these license agreements with PAJUNK®, and PAJUNK® could be held liable for the actions of its employees.

### 4. Best practice standards

PAJUNK® is aware that the minimum standards of conduct in business are not only set by laws and regulations of governments and multinational institutions. As an active participant in the medical technology industry, we are obliged to comply with the best practice industry standards that are relevant to us.

## § 3 Protection of company property

At PAJUNK®, we regularly create valuable, non-public know-how, processes, work practices and other types of business information that we protect as intellectual property or trade secrets. This information is an essential part of what gives us our competitive advantage over our competitors. Our technical values, such as raw materials and consumables and products as well as production systems and facilities, are essential for our daily business. It is our responsibility and our legal duty to protect all PAJUNK® physical and intellectual property and all other assets as they contribute to achieving our business objectives. We are also committed to ensuring the integrity of the data and the proper functioning of the systems and to preventing unauthorized changes to information (data integrity).

In addition, it is our responsibility to protect the confidential information entrusted to us by our customers, cooperation partners, suppliers and other business partners with the same care as we protect our own confidential information.

Case example:

During my train ride to work I sometimes make business phone calls.

You must be careful not to talk about things that are not intended for the public in public places such as taxis, trains, planes, elevators, or at conventions and trade fairs. If you absolutely have to use the phone in public places, please observe the necessary discretion.

## § 4 PAJUNK® and social responsibility

### 1. Energy management, health protection and occupational safety

PAJUNK® is committed to sustainable development. For us this means the combination of economic, environmental and social responsibility. We not only see this as a corporate philosophy, but we integrate these priorities into our daily work, into every department and every process. We meet all legal and regulatory requirements in the areas of energy use, health and occupational safety.

For us at PAJUNK®, our top priority is to create a safe workplace for all employees and to live up to our responsibility. Our certified management system includes, among many other aspects, the creation of controlled working conditions, the development and application of the most environmentally friendly and energy-efficient production methods and the recycling of waste. Economic and environmental considerations are always taken into account to the same extent.

### 2. Commitment to the community

PAJUNK® wants to be perceived as a responsible and supportive member of society and assume its share of social responsibility towards society and the communities in which we operate.

### 3. Sponsoring and donations

To reinforce this commitment, PAJUNK® maintains and supports a number of charitable activities, such as: charity sponsorship. In order to adequately control these contributions and ensure transparency, contributions or donations require prior approval in accordance with our internal organizational policy.

## IV. Compliance with and enforcement of our Code of Conduct

### 1. Compliance with the Code of Conduct and cooperation

All of our employees must read, understand and comply with our principles of conduct. The same applies to the regulations and internal guidelines mentioned therein. Use common sense and the following questions as a guide when determining whether an act or omission may violate our Code of Conduct:

- Is this behavior illegal?
- Could it be considered dishonest or ethically unsound?
- If it became public, would it harm or damage the reputation and credibility of PAJUNK®?

### 2. Violation of our Code of Conduct

Violations of our principles of conduct, our company guidelines or applicable laws have serious consequences for PAJUNK® and its employees, such as: e.g.: misconduct and/or civil or criminal prosecution.

### 3. Reporting of (potential) violations and protection against reprisals

At PAJUNK®, every employee, regardless of the people involved, can report concerns or comments about possible violations of our principles of conduct. Relevant reports can be submitted via email and will be treated as strictly confidential.

PAJUNK® investigates all reports of possible misconduct very carefully. To support this process, our employees must participate fully and truthfully in the investigation of potentially illegal or unethical actions. None of our employees need to fear reprisal after reporting incidents in good faith. Anyone who takes action against an employee who has reported an incident in good faith or is involved in an investigation will be subject to disciplinary action, including dismissal.

Contact for questions regarding compliance:

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