

# *Corporate Behavior*

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PAJUNK® GmbH  
Medizintechnologie

# Corporate Behavior

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## I. Introduction

### 1. Preface

What is corporate behavior? We see PAJUNK® as a construct with a personality. This personality has developed over decades and is based on the values, goals and ethical principles that we assign to PAJUNK®. The corporate behavior is the reflection of this personality. It reflects the character of PAJUNK® and serves as a compass. It also helps externally to present our values, goals and ethical principles as well as the corresponding implications for cooperation to our customers, suppliers and other business partners. As a responsible company, it is important to us that our business partners have a very similar ethical orientation and can therefore respect and support us in our corporate behavior.

### 2. Purpose

The components of our corporate behavior are broken down into principles and explained below. These are intended to present the components more clearly in order to enable us to have a more concrete idea of our corporate behavior. The focus of the presentation is what defines PAJUNK®'s personality: legal conformity, such as respect for human rights, PAJUNK®'s principles towards employees and towards healthcare professionals, principles for compliance with medical device laws and other regulations, principles on sustainability and social responsibility, principles on privacy and digitalization and principles on dealing with business partners.

### 3. Goal

The aim of laying down the principles of our corporate behavior is, on the one hand, to be able to describe the corporate behavior we already represent in more detail to our employees but also to anyone else who is interested in our company. In addition, the principles of our corporate behavior promote the Ten Principles of the United Nations Global Compact. On the other hand, the principles are intended to serve as a "check list" for our business partners. Since we attach great importance to our ethical and moral orientation, it is important to us that our business partners accept it, respect it and have a very similar attitude towards it themselves.

## II. Principles of our Corporate Behavior

### § 1 Declaration of principles according to § 6 Para. 2 LkSG (The Act on Corporate Due Diligence Obligations in Supply Chains)

We at PAJUNK® are committed to respecting human rights and environmental obligations within our supply chain and view the protection of human rights as a central element. We implement applicable law, respect internationally recognized human rights and environmental obligations and ensure that human rights violations and environmental pollution are prevented in the course of our business activities.

In particular, we condemn all forms of child and forced labor, all forms of slavery and (modern) human trafficking, and all forms of discrimination. We are also committed to complying with the occupational health and safety regulations applicable at the respective place of employment, paying appropriate wages and protecting our employees' freedom of association.

Our employees know that we always strive to be among the best and do not rest on our successes. We want to develop advanced technologies and create safe and excellent products. This standard of excellence also applies to how we treat each other, our customers and business partners, and how we treat the environment. We want to live up to our social responsibility in an exemplary manner.

We can only be a globally exemplary company if we work responsibly on site - in every production hall and in every office. We do not accept unlawful or inappropriate behavior that conflicts with our Code of Conduct. The principles of our corporate behavior are therefore closely linked to our principles of the Code of Conduct and can only be fulfilled if the latter are adhered to.

## § 2 Principles towards employees

### 1. Tolerance

At PAJUNK® we value the diversity of our employees. That's why diversity and inclusion is part of our corporate behavior, which requires the conscious handling of diversity and individuality. During the 'Management mission statement' training, PAJUNK® managers were also specifically taught how they can exemplify and support diversity. We treat each other openly and with an attitude characterized by mutual respect, tolerance and fairness. Our goal is equal opportunities for everyone. Discrimination of any form will not be tolerated, especially not with regard to gender, descent, origin, nationality, age, religion, ideology, political or social activity, sexual identity and orientation, physical and/or mental illnesses/limitations.

We respect the personal rights of our employees and create a culture of tolerance and appreciation.

### 2. Safety and Health

The health, safety and well-being of our employees are top priority at PAJUNK®. We create a working environment in which everyone can perform to the best of their ability and maintain their own physical and mental health.

High technical and operational safety standards are the basis for our work. The aim is to prevent work accidents and work-related illnesses. We trust in everyone's cooperation. During the 'Management mission statement' training course, PAJUNK® managers were trained in how they can and must make a significant concrete contribution to improving occupational health and safety.

PAJUNK® adheres to occupational safety guidelines and provides the affected employees with protective equipment. We independently ensure safe working conditions and report any safety and health risks. We do not tolerate working under the influence of drugs or alcohol.

PAJUNK® offers health-promoting and prevention-oriented programs in the following areas: occupational medicine and protection, company health promotion ("Fit + healthy at work"), ergonomics, reintegration and social advice.

## § 3 Principles towards healthcare professionals

To ensure high quality products and services, close collaboration with medical professionals is essential. At PAJUNK®, we build professional and objective relationships with healthcare professionals. We ensure professional integrity and objectivity.

As a company that manufactures and distributes medical devices and provides related services, we are subject to laws and regulations that prohibit the provision of improper benefits to any individual (clinical or non-clinical).

We strictly adhere to the relevant industry codes of conduct and all other relevant ethical codes of conduct. The law or code with the stricter requirements applies.

Relationships with healthcare professionals must be handled on principles of separation, transparency, equivalence and documentation. Interactions must always have a clear medical, scientific or professional purpose. Payments must be made strictly according to a market value analysis to avoid even the appearance of corruption.

## § 4 Principles of legal compliance

### 1. Compliance with medical device laws and other regulations

As a manufacturer of medical products, we are subject to many national and international rules and regulations to protect patients, consumers and professional users. At PAJUNK®, the quality of our products has top priority.

Throughout our company's history, we have repeatedly established new standards with regard to product and patient safety. Our products meet the required official standards of the markets we serve. To ensure the best possible safety standards for our products and to meet regulatory requirements, we always ensure that we comply with all regulatory requirements and take immediate action should any adverse events occur.

All employees have a responsibility: From the initial idea to the disposal of our products, as technical experts we ensure that the legal and internal requirements as well as the expectations of our customers and society are taken into account and that trust in our products is strengthened.

We know all the regulations that affect our area of work and ensure that our knowledge is always up to date. We consider the possible effects of our actions in all phases of the life cycle of our products. We openly discuss potential risks in our working environment.

### 2. Prevention of corruption

PAJUNK® does not tolerate corrupt behavior by its employees, business partners and customers. We also act in accordance with our corporate principles, which include legal compliance, when in contact with employees of public authorities and companies as well as officials and politicians. We refrain from any supposedly inappropriate influence such as payments, donations or other advantages.

### 3. Scientific integrity

The development, validation and manufacturing of medical devices are highly dependent on clinical evaluations and studies. We are committed to ensuring that all study proposals are reviewed ethically and scientifically in accordance with applicable laws and regulations and applicable industry codes. We strictly adhere to scientific methods and technical principles. Our studies are designed and conducted in an unbiased manner.

### 4. Tax and customs laws

PAJUNK® respects the provisions of tax and customs law, which include, among other things, the regulations on corporate tax, wage tax and sales tax as well as customs and consumption taxes payable when exporting goods. A timely and accurate declaration of the taxes and customs duties to be paid is essential for PAJUNK®. Aggressive or even illegal tax avoidance models do not meet our demands for sustainable corporate policy.

### 5. Competition law

Functioning and unhindered competition is one of the cornerstones of our social and economic system. It creates growth and jobs and ensures that all of us as consumers receive modern products at reasonable prices. PAJUNK® also benefits from functioning competition, because the laws also protect us from illegal agreements and overpriced prices. We are committed to ensuring fair competition in the markets and complying with applicable antitrust and competition laws.

Competition law risks arise in very different areas of application, for example when exchanging information and benchmarking with competitors. § 1 GWB and Article 101 TFEU regulate that agreements between companies and coordinated practices that have the purpose or effect of preventing, restricting or distorting competition are prohibited. Our products should only be advertised in a clear, fair and understandable way and in accordance with regulatory requirements, both by our employees and by third-party providers. We all play an important role in complying with laws and internal regulations. The prerequisite for this is that every employee knows which regulations are relevant for their own area.

### 6. 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 center.

## § 5 Principles of sustainability and social responsibility

For us as a family business, it is a given that we make long-term decisions that enable healthy and sustainable growth for PAJUNK® in every respect. We not only keep our own interests in mind, but also those of our customers, their patients, our employees and society in general. In addition, the sustainable use of environmental, economic and social resources is a crucial factor for us.

## 1. Environment

We do our best not only in the production of our products, but also in our efforts to protect the environment. We strive for an exemplary environmental and energy balance globally and face the increasing demands of consumers and current and future environmental challenges. Our goal is to use natural resources sustainably and thus make a positive contribution to climate protection.

In the area of environmental awareness, PAJUNK® aims for (net) CO2 neutrality and plans to reduce it by up to 60% by 2032. The company relies on sustainable packaging materials, optimizes shipping and takes part in the dual system for recycling. Significant energy savings have already been achieved through ISO 50001 certification, the use of renewable energies and efficiency improvements. Further measures such as greener packaging, digitalisation, water treatment and rainwater harvesting are planned for the future.

We consider all impacts on the environment throughout the entire life cycle of our products and production and rely on environmentally friendly and sustainable construction methods for new buildings. For the future, we have set ourselves the goal of continuing to work on the climate friendliness of our buildings, production facilities, packaging and products.

## 2. Economy

PAJUNK® is convinced that a seamless interaction between entrepreneurial independence and economic success is closely linked to the topic of sustainability. As a family business, we focus on long-term and sustainable development. We see this as a central task for all areas of the company. With our production sites, service providers and raw material suppliers, we particularly rely on local cooperation to strengthen the regional economy.

## 3. Social responsibility

PAJUNK® respects internationally recognized human rights and bases its actions on the United Nations guiding principles for trade and human rights. We reject any form of discrimination in employment and employment. We also ensure that our business partners and suppliers follow the same principles.

We are convinced that a sustainable company can only grow if it takes responsibility for good working conditions and thus secures jobs for the next generations. After completing their training, we offer young adults the opportunity to take on a job and thus get a permanent job. In addition, we are committed to further training and further education measures for our employees.

We can proudly say that our products are "Made in Germany". We deliberately chose Germany as a location to ensure the consistently high quality of our products. This ensures that all of our employees work under very good legal standards and working conditions and receive fair remuneration.

For us, entrepreneurial success is inseparably linked to social responsibility. PAJUNK® supports a wide range of initiatives that strengthen local social development and promote equal opportunities. This is how we advance the community, promote social affairs, education, science, art and culture, sport and nature conservation. We support the voluntary operational commitment of our employees.

We do not expect anything in return for donations and therefore do not pursue any economic self-interest. However, we use our sponsorship to positively shape the reputation and perception of our company through advertising in the public eye. We observe the laws and internal regulations for donations, sponsorship and charitable activities.

Volunteering keeps society together. Pajunk was already recognized by the state of Baden-Württemberg as the volunteer-friendly employer of 2021. The award from the state of Baden-Württemberg is given to employers who particularly support their employees in carrying out voluntary work in civil protection. As a company that takes its responsibility towards the community seriously, we welcome and support the voluntary work of our employees.

## § 6 Principles of privacy and digitalization

### 1. Protection of intellectual property

Protecting our intellectual property is critical to maintaining the company's competitive advantage. Our company protects its intellectual property by registering patents, trademarks or trade secrets. We protect our confidential information by taking precautions to prevent inappropriate disclosure or loss of such information.

We expect all employees to support the institution to protect, maintain and defend the intellectual property rights of PAJUNK® in the best possible and responsible manner. The unauthorized use, theft or misappropriation of third party intellectual property may subject the Company to significant fines, litigation or criminal penalties.

### 2. Social media

Social networks such as Facebook, LinkedIn, Twitter or Instagram are playing an increasingly important role in public discourse. We also use social networks and our own social media channels to communicate with our employees, business partners, customers and the public.

We are a cosmopolitan and globally active company. Tolerance and respect are elementary for us. This also applies to protecting the privacy of our employees. However, we do not tolerate insulting, inflammatory or discriminatory posts on social media.

### 3. Data

We create trust among our employees, business partners and customers by respecting data protection as a personal right. We therefore only process and use personal data to the extent that the laws, regulations, our own data principles and those affected allow us to do so.

These principles go beyond data protection and describe the responsible and legally compliant handling of data as a whole, even if they are not personal. We want to take data protection into account right from the start and analyze the data intelligently, store, share and use it responsibly. Our employees, business partners and customers should experience appropriate transparency about how their data is handled and be able to choose what we use their data for.

Anyone who provides us with data should be able to rely on it being safe with us. All employees are responsible for ensuring that personal data is protected from unauthorized access by third parties and that the necessary precautionary measures are taken to prevent unauthorized use.

## § 7 Principles for dealing with business partners

### 1. Gifts and hospitality

When dealing with business partners and customers, gifts and hospitality (gratifications) are permitted within reasonable limits. However, as employees, we are not allowed to suggest, request or request gifts, hospitality, personal services or favors from business partners for ourselves or others. If donations give the impression of inappropriate influence, we fundamentally reject them.

We also pay attention to the appropriateness of discounts and other benefits. We can accept voluntary promotional and occasional gifts of appropriate value. We only accept invitations to meals or events and only invite business partners and customers if they are unsolicited, serve a business purpose, are not repeated frequently and are proportionate to the occasion.

We consider donations up to a value of 50 euros to be appropriate; invitations from third parties should, if possible, not exceed a value of 100 euros. If there is any doubt about the appropriateness of gifts or invitations, we consult with our manager. We disclose donations that exceed our guidelines and document their receipt.

### 2. Selection of business partners

PAJUNK® expects adherence to our Code of Conduct and compliance with the law not only from its employees, but also from business partners such as suppliers and sales partners.

Our business partners are required to communicate our Code of Conduct and the resulting obligations to their employees. They are also obliged to pass on these principles to their suppliers and to ensure compliance with them. In the event of potential violations by business partners of the requirements of our Code of Conduct, the responsible employees must work to bring about joint clarification with the business partner.

## III. Compliance with the principles of our Corporate Behavior

It is assumed that all PAJUNK® employees know the content of the principles of our corporate behavior and orient themselves accordingly. Our business partners should also adhere to these principles. PAJUNK® expects its managers to live up to their role model function. As individuals and as an organization, we want to learn from mistakes. Our error culture leads to openness, fairness and trust.

### 1. Scope

These principles of our corporate behavior apply to all employees who must familiarize themselves with the content of these principles as well as our principles of conduct, know them and act accordingly. We also expect our business partners to know these principles of our corporate behavior as well as our principles of conduct and to act accordingly. Anyone who does not share the principles cannot be a business partner for us.

## 2. Dealing with errors

It is part of our self-image that we as individuals and as an organization learn from mistakes. We therefore deal with errors openly and transparently and share our experiences to enable further development and innovation. The prerequisite for this is to design our corporate behavior in such a way that wrong decisions are recognized, discussed and corrected. We treat employees who disclose errors fairly and responsibly.

## 3. Expectations of managers

To act responsibly, we need responsible managers. That's why PAJUNK® expects managers at all levels to live up to their role model function through their integrity and thus provide orientation to their employees. Our managers behave appreciatively towards their employees and promote their team's sense of belonging.

## 4. Dealing with rule violations

Violations of laws, guidelines and other regulations can lead to massive economic damage, criminal and fine risks for PAJUNK® and its employees, as well as damage to their image or reputation. Therefore, violations must be detected in a timely manner in order to prevent damage to PAJUNK® and its employees. If there is suspicion of a violation, we will not hesitate to address it.

## 5. Support and assistance

These principles of our Corporate Behavior cannot provide specific answers to every question or situation. If you, as an employee or business partner, have any questions, please do not hesitate to contact us at the following email address: [compliance@pajunk.com](mailto:compliance@pajunk.com).