



People.Health.Care.

Lohmann & Rauscher

Sustainability Report 2023

L&R

SUSTAINABILITY REPORT

2023

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1 Introduction

Karl-Heinz Posch, Director of the ESG division



Karl-Heinz Posch,
Director of the ESG division

Dear readers,

In a time of global challenges marked by crises, volatility and transformation, Lohmann & Rauscher remains a company that is committed to its social responsibility.

Embedded in our SUCCESS+2030 corporate strategy, over the past three years I had the opportunity to lead our sustainability strategy project, which has been instrumental in starting, organizing and implementing many of L&R's sustainability activities.

Sustainable development has to meet current needs without jeopardizing the ability of future generations to meet their needs. Alongside digitalization, it is the most frequently mentioned topic and THE task of the present and future – and L&R is no exception. We want to do everything we can to make this world a better place.

Tackling climate change together

Building on the United Nations Sustainable Development Goals (SDGs), we have already achieved a great deal. And by founding the Environmental, Social and Corporate Governance (ESG) division, we are further advancing our efforts. I feel truly privileged to lead this division.

We will continue to pursue the path of decarbonization and thus make an important contribution to the fight against climate change. Responsible resource handling, using materials from renewable sources and Design for Recycling are key success factors on the path towards a circular economy.

Our employees are our strength

We are proud of our diverse and inclusive corporate culture, which we continue to strengthen. Promoting equal opportunities, supporting our employees and adhering to the highest working standards are central components of our corporate strategy. The health of our employees and the rights of those in our supply chain are very important to us. We invest heavily in employee training and address challenges with interdisciplinary and collaborative partnerships.

We have further improved our Governance structures and given due consideration to our stakeholders during the preparation process for the Corporate Sustainability Reporting Directive(CSRD). Transparency, ethical conduct and compliance with legal regulations are essential principles for us.

This report highlights not only our successes, but also the challenges we have faced and those that still lie ahead. We recognize that sustainability is an ongoing process, and we are determined to continue setting ambitious goals and finding innovative solutions to achieve them.

I would like to thank all employees, partners and stakeholders who have supported us on this journey. Together we can create a sustainable and responsible future.

A handwritten signature in black ink, appearing to read 'Karl-Heinz Posch', with a stylized flourish at the end.

Karl-Heinz Posch
Director of the ESG division

2 Statement

Jasmine Schweitzer, Corporate Sustainability Manager



Jasmine Schweitzer
Corporate Sustainability Manager

Since our last report, the topic of sustainability has certainly become more complex and, at the same time, increasingly important. Our stakeholders have made it very clear that they care deeply about the environment and sustainability.

As a company, we can set an example for the entire industry through conscious consumption, and by recycling materials and promoting a circular economy. This type of economy is not just about collecting and reprocessing waste material, but also implementing a variety of measures to help extend product life cycles and minimize waste. The less we throw away and waste, the less we need to extract, refine or manufacture from scratch. Extending a product's life cycle by using spare parts is also part of the circular economy, as is repackaging products that had problems with their packaging.

In addition to the 3Rs of the recycling economy (Reduce, Reuse, Recycle), the circular economy focuses on seven other areas, which, in the best-case scenario, ensures that nothing is wasted and everything remains in the cycle.

I am convinced that the circular economy makes sense, and am thrilled that Lohmann & Rauscher is taking steps and setting goals to bring us ever closer to a circular way of conducting business.

In a circular economy, and in the area of sustainable transformation in general, partnerships are essential. Sustainability entails enormous challenges, so the more people engage with the topic, the better the solutions and the faster the progress. At Lohmann & Rauscher we actively enter into partnerships in order to be able to implement sustainability together. As the Project Manager in the KOMATRA partnership project, I see every day at first-hand how collaborations can drive the sustainable transformation of companies and industries.

I firmly believe that every single individual can make a difference. I am excited to be able to contribute to a more sustainable society both through my work at Lohmann & Rauscher and in my private life.

I hope you enjoy reading the report!

A handwritten signature in black ink that reads "Jasmine Yvonne Schweitzer". The signature is written in a cursive, flowing style. The first name "Jasmine" is written with a large, decorative 'J'. The last name "Schweitzer" ends with a long, horizontal flourish.

Jasmine Schweitzer

3 About L&R

3.1. Lohmann & Rauscher (L&R) Group

We are a leading international developer, manufacturer and supplier of future-orientated medical devices and hygiene products. We are proud to be able to look back on over 170 years of experience with bandages, dressings and medical devices – a proud history that is reflected in our products, concepts and services: in their quality, outstanding functionality and in their therapeutic effectiveness.

Throughout our long history, our recipe for success has meant recognizing changes and trends in healthcare markets at an early stage and proactively integrating them into our business activities. With innovative strength and close collaboration with customers, partners and research institutions, L&R is able to develop practical product ideas in four research and development departments.

In 2023, we celebrated 25 years of Lohmann & Rauscher (L&R). By the time the two companies – Lohmann Medical and Rauscher – merged in 1998, a number of milestones had already been reached that have gone on to shape our subsequent development as a joint company.

Key milestones of the two companies before the merger

Lohmann Medical:

1851:	Foundation of Lohmann's predecessor company by Friedrich J. C. Lüscher as "Handlung in Material-Waren nebst Commission und Spedition" ("trading in material goods, including commission and forwarding") in Frankfurt am Main; six years later, start of the wholesale trade in dyes and chemicals
1886:	Expansion of the product range to include bandages and gauzes; beginning of the "Watte- und Verbandstoff-Fabrik" ("cotton wool and bandage factory") Lüscher & Bömper
1899-1920:	Relocation of the company headquarters to Fahr am Rhein; construction of new factory facilities; establishment of branches in Berlin, Essen, Hamburg and Nuremberg; expansion of the dressing material range
1929:	Renaming of the company to Lohmann
1930:	Revolution in plaster technology with the first ready-to-use, fixed plaster bandage invented by Lohmann
1939 ff.:	Focus on producing dressing packages for the German armed forces during World War II
1942:	Market launch of POROPLAST, a particularly breathable and skin-friendly plaster
1943-45, 1948:	Destruction of the four company sites in Germany; loss of European branches and licenses; reconstruction starts in 1948
1949:	Development of a new process for strengthening non-woven textiles
1957:	Invention of Metalline, an important product in the field of indication-specific special dressings for burn wounds

- 1985:** Construction and expansion of the new logistics site in Neuwied-Block
- 1987:** Acquisition of the Carapace company, providing access to Cellacast (synthetic support bandage); market launch two years later
- 1988:** Establishment of Lohmann College for internal training at the former Henkel Villa in Rengsdorf
- 1991:** Relocation of central administration to Rengsdorf, which remains the headquarters today
- 1998:** Lohmann business division becomes independent; Lohmann Medical merges with Rauscher to form Lohmann & Rauscher GmbH & Co. KG



Rauscher:

- 1899:** Establishment of the Austrian company Barwig, Ladeck & Co in Vienna as a manufacturer and distributor of surgical dressings and rubber products
- 1902:** Renaming of the company to Rauscher & Co due to a change of ownership; it becomes a leading supplier of dressings in the Austro-Hungarian monarchy
- 1905 ff.:** Three changes of location; the site in Schottenfeldgasse exists until 1975
- 1914 ff.:** Economic upturn due to high demand for bandages in World War I
- 1938 ff.:** War-related switch to bandage packages for Germany's armed forces
- 1951:** Establishment of the branch and production site in Graz for cotton wool production, gauze and tape weaving
- 1956:** Acquisition of a wool-weaving mill in Schönaun an der Triesting; some production processes relocated here
- 1960 ff.:** Foundation of the Ing. Bouda machine design office; expansion of the three production sites
- 1970s:** Creation of a quality assurance and development department; takeover of Rico, a former competitor in the bandages and dressings market; introduction of an IT system in sales; launch of many new products; universal bandages market share increases immensely
- 1975:** Relocation of company headquarters to Vienna-Auhof, which remains the headquarters to this day
- 1980s:** Increase in exports; switch to good manufacturing practice (GMP) production; establishment of sales companies in Echting, Germany, and in France; takeover of Pattensen near Hanover in Germany
- 1987:** Adopting a pioneering role in the industry with innovative system solutions for hospitals

3 About L&R

3.1. Lohmann & Rauscher (L&R) Group

1991 ff.:	Establishment of a production site in Slavkov; new plants in Nová Paka, Stará Paka and Ústí u Staré Paky follow
1990s:	Start of joint manufacturing in China; establishment of Rauscher Bratislava and Rauscher Croatia; takeover of three companies in Germany
1996:	Opening of a new central warehouse in Schönau; installation of logistics data collection one year later
1998:	Rauscher merges with Lohmann Medical to form Lohmann & Rauscher GmbH & Co. KG

Our milestones during 25 years of L&R:

1999:	Establishment of the subsidiary in the USA
2002/2003:	Creation of L&R's first corporate strategy with a focus on forming a common identity
2005:	Introduction of the idea pool to systematically record and evaluate innovative concepts
2006:	Launch of the first L&R online store
2008:	Entry into the medical technology segment with the Suprasorb CNP brand; thereafter also a provider of solutions in the field of negative pressure wound therapy
2010:	Acquisition of the British medical device company Activa Healthcare
2011:	Presentation and implementation of the corporate strategy "Strategy 2020"; the new product Debrisoft revolutionizes wound management
2012:	Foundation of L&R Academy for continuing education and training measures for customers, partners and employees worldwide
2013:	Expansion through establishment of the company L&R China with headquarters in Beijing and Shanghai
2014:	Expansion of L&R USA, Inc. by acquiring the American lymphology and compression expert Solaris, Inc.; foundation of the sales company L&R UAE, which is responsible for Africa and the Middle East; establishment of the production company Lohmann & Rauscher Hubei Medical Products Co., Ltd. in China

- 2016:** L&R is now represented on all five continents with subsidiaries in Australia and New Zealand; achieves bronze status in the first sustainability assessment by EcoVadis; acquires the Dutch compression product manufacturer Varitex
- 2017:** Publication of the first sustainability report; expansion of laboratory capacities with the establishment of a competence center for biofilm and the development of antimicrobial wound dressings in Schönaun an der Triesting
- 2018:** Lohmann & Rauscher AG, St. Gallen, Switzerland, distributes the VENOSAN® brand, whose products are produced by Swisslastic AG, St. Gallen, with sites in Switzerland as well as Brazil, Canada and China; L&R launches a major quality campaign with QUALITY FIRST and the mascot "CARI"
- 2020:** Establishment of the new Digital Market Solutions (DMS) division in response to increasing market digitalization
- 2021:** Founding of Lohmann & Rauscher Hungary Kft in Hungary; takeover of Angiokard Medizintechnik GmbH; acquisition completed in 2023
- 2023:** Commissioning of the new L&R logistics hub in Poznań, Poland

3 About L&R

3.1. Lohmann & Rauscher (L&R) Group



Our international portfolio

We develop individual solutions to meet the needs of patients and healthcare professionals – from classic dressing materials to modern therapy and care systems. L&R's portfolio currently includes more than 60,000 products and service solutions across the three core business areas of wound care, bandages and dressings, and set systems and hygiene. We also offer many services, such as L&R OPTILINE. You can learn more about our product and solution range in section 7.

Our customers

L&R's customers include doctors, nurses, pharmacies, medical supply retailers, wholesalers, clinics and private practitioners. Excellent customer service is our highest priority. Our customers can rely on us to offer the best possible care and solutions for users and patients alike, in order to promote and protect people's health.

This claim is also confirmed by the latest assessment by the Procurement Executives Group (PEG): Many of our customers are members of the PEG purchasing association. As part of the PEGreen project, it also carries out sustainability assessments to make the ESG efforts of member companies transparent to customers. In 2023, L&R received the best rating in our industry.

We maintain a long-term, trust-based and cooperative relationship with our customers. We strive to offer our customers focused care, competent support and holistic solutions. To achieve this, we adhere to six guidelines:

- efficiency and advantage: through modern, digital solutions
- personal support: throughout the entire treatment process
- flying faculty and consultations: individual training everywhere
- alternative offers: always the optimal solution for the customer
- communication on equal terms: personal contacts in every country
- agile products and services: focused on individual needs

3.2. Lohmann & Rauscher at a Glance

Lohmann & Rauscher GmbH & Co. KG (L&R Group) has a total of around 5,400 employees worldwide across all continents. We develop, manufacture and distribute the best and most innovative solutions to our customers. L&R consists of more than 50 Group companies, is represented by subsidiaries in 29 countries, and has 140 distribution partners. Despite this international focus, we at L&R still adhere to family business values to this day. Our headquarters are based in Vienna (Austria) and Rengsdorf (Germany).

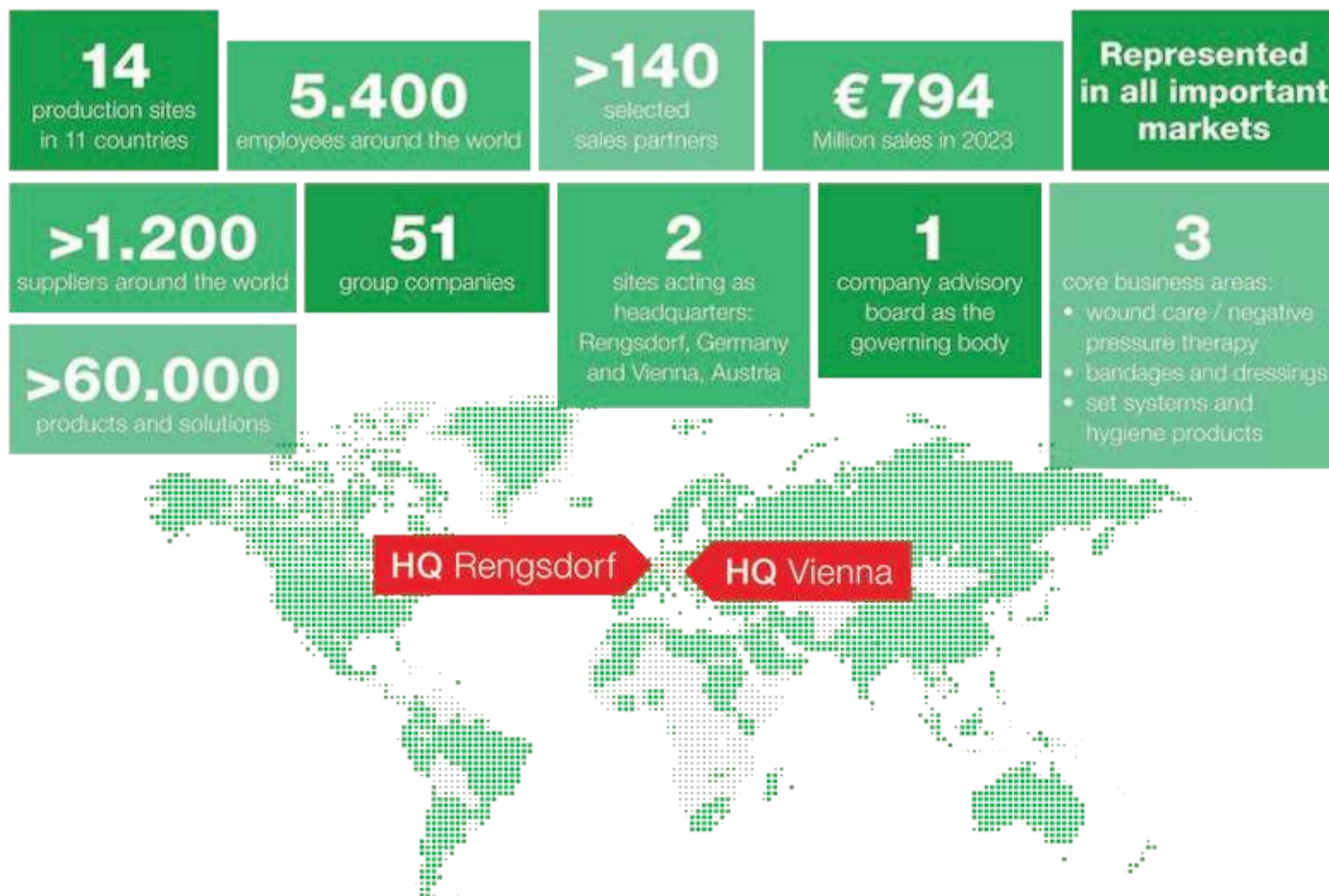
L&R's international sites

L&R operates 14 production sites in 11 countries. We also have more than 140 sales and distribution partners worldwide.

Our production sites are located in the following countries:

- Austria
- Brazil
- China
- The Czech Republic
- France
- Germany
- Mexico
- Switzerland
- The Netherlands
- The UK
- The USA

Helping our customers worldwide



3.2. Lohmann & Rauscher at a Glance

L&R Group's owners

As described in the "Milestones" section of this report, L&R Group was formed in 1998 through the merger of the Austrian company Rauscher and the medical division of the German company Lohmann. The merger was equal in terms of shares, as is reflected by the shareholder structure: 50 % of the ownership shares are allocated to owner families on the Rauscher side and 50 % to those on the Lohmann side. Rauscher is backed by four families, while Lohmann is promoted by more than 90 individual shareholders, mostly from the founding family. Each side appoints four representatives to the Advisory Board, which is L&R's supervisory body. The Advisory Board supports management in all fundamental decisions and in the company's successful, sustainable development. Due to a duty of confidentiality towards our owners, we do not disclose any information about total capital.



Wolfgang Süßle, President, CEO, CCO and spokesperson of the L&R Group between 2011 and November 2024. Responsible for global corporate development and communications, digital market solutions, controlling and the Group's global sales activities

Management of the L&R Group by the Executive Board

"Sustainability is not just a trend for us, but something that is firmly anchored in our strategy and DNA. In this way, we help to make the world a little better every day – at all of our global sites and in ecological, social and economic terms. We live and work according to the principles of sustainability, driving it forward – day after day."



Thomas Menitz, COO, Senior Executive Vice President, responsible for the entire supply chain operations of the L&R Group and the Rauscher Consumer Products division; CEO from December 1, 2024

"Many resources are required to manufacture our products and to ensure well-coordinated supply chains. It is very important for us to always work in a resource-saving manner. We are constantly assessing how we can make our processes even more sustainable. Our employees play a key role in this with their ideas and commitment."

“At L&R, people are at the center of everything we do. This applies both internally and externally. Without our employees, L&R would not be where it is today. It is therefore particularly important for us to remain in contact with each other to ensure that we are offering the ideal conditions as an employer.”



Holger Mägdefrau, CFO, responsible for Human Resources, Finance, Organization & IT, Sales Americas, Quality Management, Legal Affairs, Regulatory Affairs and Business Development

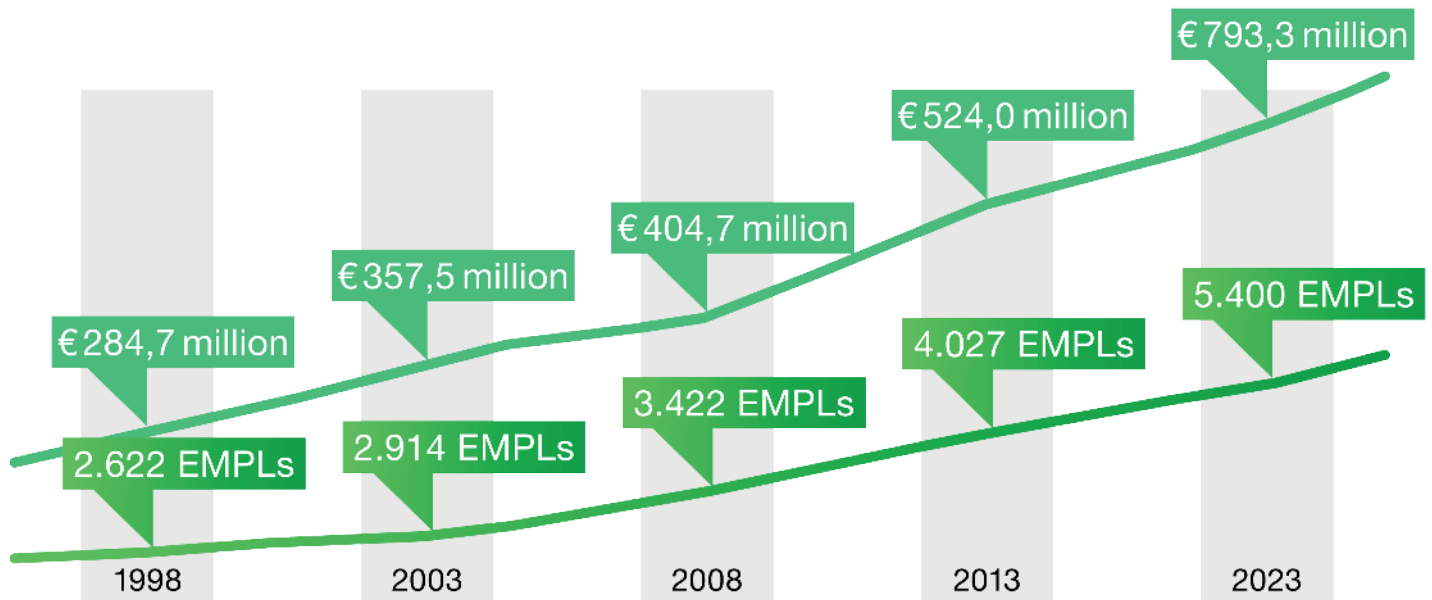
“Sustainability can be found everywhere at L&R – from the environmentally friendly production of our products and packaging, to processes and procedures and social commitment. Sustainability is also becoming increasingly important for our customers; as a company we want to make an important contribution to this area.”



Dr. Klemens Schulz, CPO, responsible for Global Portfolio Management, Global Marketing, Research & Development and Packaging Development

3.2. Lohmann & Rauscher at a Glance

L&R Group's turnover and employee development



Our success is reflected in the development of our 51 group companies:

- since the merger to form Lohmann & Rauscher GmbH & Co. KG in 1998, turnover has increased by 179% and the number of employees by 106%
- in the last ten years alone, we have been able to increase turnover by around 51 % and the number of employees by 34 %

3.3. About This Report

We have been publishing regular sustainability reports on our Group since 2017. Our previous report from 2021 was structured for the first time according to the recognized framework of the Global Reporting Initiative (GRI) “Core” option. We have also compiled our 2023 report with reference to the GRI standards.

Nevertheless, we are already thinking ahead: According to the Corporate Sustainability Reporting Directive (CSRD), a sustainability report will be mandatory for L&R from 2026 (for the 2025 financial year). Therefore, alongside preparing this report, we have already started a double materiality analysis for the upcoming report, which will then be CSRD-compliant. For this 2023 report, we have once again relied on a GRI-compliant analysis of key topics, which will prepare us for CSRD requirements. Due to the voluntary nature of this report, no external audit was carried out.

In our previous reports, we have focused on our main sites in Europe. In the 2023 report, L&R Group aims to include all global sites as far as possible. Deviations are indicated in the relevant places.

Unless otherwise stated, the reporting year is the 2023 financial year (January 1, 2023, to December 31, 2023).

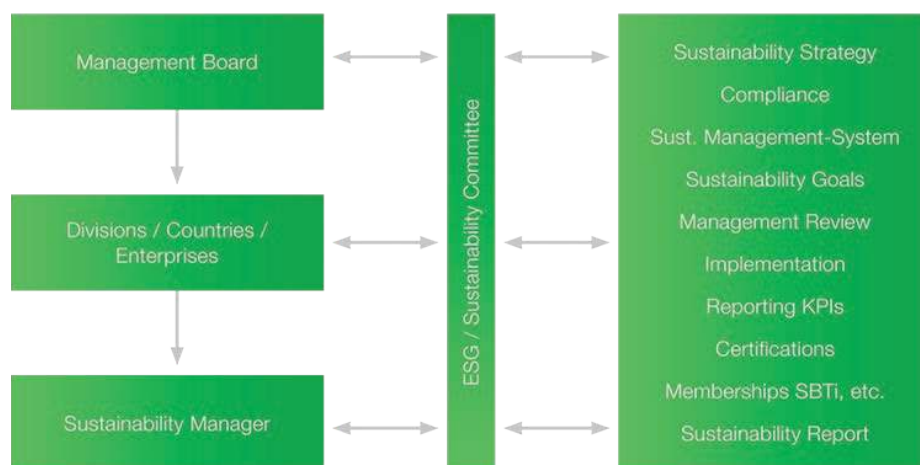
4 Strategy and Management

4.1. Sustainability Management

We have firmly embedded sustainability into our corporate strategy and are fully aware of our responsibility. Thanks to our global development, manufacture and distribution of medical devices, and hygiene products and services, as a company we have systemic relevance and the corresponding opportunities to make a lasting impact on everyday life and the future of our company, people, society and the planet.

The foundation of sustainable business is the interaction between the cornerstones of economics, ecology and social responsibility. Along these three pillars, we systematically implement relevant sustainability goals throughout the company.

Commitment to take action – responsibilities within our divisions



2021–2023: Sustainability strategy project

The strategy project was launched in 2021. We started the year with a stakeholder dialog and a materiality analysis, and we also defined L&R's central and most effective Sustainable Development Goals (SDGs). In four areas, profitable and sustainable growth should form the basis of our profitable growth strategy:

- customers and patients
- business model and services
- products and indications
- countries

Within just three years, L&R has been able to implement numerous effective measures with this project. These relate to environmental protection (e.g. recyclable packaging), employee health (e.g. reducing accidents at work) and a more sustainable supply chain (e.g. introducing a code of conduct), as well as to measures for sustainability communication (e.g. social media campaign), improving the EcoVadis rating and preparatory work for CSRD-compliant reporting.

CP03 was complete by the end of 2023.

2023: Establishing the ESG division

Since January 1, 2024, a dedicated ESG division has focused on implementing and further developing corporate strategy in the environmental, social and governance triad.

Responsibilities for sustainability issues are regulated as follows:

The central department (in consultation with management) defines the strategy for other departments to follow. This must first be agreed upon by the Sustainability Committee (which meets twice a year).

Anchoring sustainability in L&R's SUCCESS+2030 corporate strategy

At the end of 2020, we launched our new SUCCESS+2030 corporate strategy. This not only references L&R's achievements to date, but it also highlights our goals.

It is a clear growth strategy with the aim of continuing to implement improvements, leverage the potential of all employees and becoming even better together. This reflects the "+" in the strategy.

We can only secure and further expand on what we have already achieved if we take into account the diverse requirements and developments of our stakeholders, and travel this path together. For this reason, the concept of "we" prominently features in our many depictions of the strategy.

The foundation of our strategy is our company's "Functional and Process Excellence," which is intended to ensure its implementation. Sustainability is therefore integrated into L&R's entire strategy at all levels.

Building on the SUCCESS+2030 corporate strategy and CP03, in 2021 we defined our sustainability goals:

- at least 6 million kWh of electricity from solar energy annually
- commissioning more than 20,000 solar modules
- 30 % less water consumption
- 80 % of packaging from renewable resources
- 100 % recyclable packaging
- 30 % less waste
- 30 % fewer workplace accidents
- All L&R employees to have access to health insurance and information about a healthy lifestyle

4 Strategy and Management

4.1. Sustainability Management

When developing the goals, we found that our four main European sites consume the most resources and that measures there would have a major positive impact. We therefore plan to focus particularly on these countries with a concrete transformation concept. This stipulates that L&R in Europe will:

- achieve a 30 % reduction in CO₂ emissions by 2030
- ensure security of supply
- be CO₂-neutral by 2050 in accordance with the EU Green Deal

For reductions and increases, we refer to key figures from our baseline year 2019. In this sustainability report, we are revising our goals and setting further objectives. We explain this in more detail below in this section.

Social and ecological sustainability in the L&R supply chain

Since January 1st, 2024, L&R has had to implement the German Supply Chain Due Diligence Act (LkSG). We prepared for this early on in order to fulfill our responsibility for a fair supply chain in both social and environmental aspects. To this end, this year the Legal Affairs and Insurance (LAI) team has been conducting a risk analysis of the entire Group, covering the entire supply chain of all L&R companies regarding respect for human rights and environmental obligations. We have already started to identify stakeholders in the supply chain and to make their respective social/ethical and ecological risks and impacts transparent.

The project is a dynamic process that is constantly evolving. The aim is to create more transparency and, as a company, to make a positive contribution to enforcing internationally recognized human rights and environmental standards in global supply chains.

The L&R philosophy – our claim

The L&R corporate claim or our identity is: People.Health.Care. By this, we mean that at L&R our main focus is on people and caring for their health. The People.Health.Care claim focuses on three independent areas that together reflect L&R's vision and values:

- **People:** People come first and are therefore at the center of all our actions
- **Health:** Their health is the focal point of both our impact and our expertise
- **Care:** Care embodies our brand values of trust, customer and service orientation, as well as the idea of L&R as a reliable partner

Our purpose, which emphasizes the “we,” incorporates both our claim and legal sustainability requirements: “We inspire people. We improve health. We transform care.”

This triad enables us, as a trustworthy solution provider, to support individuals throughout the world.

We enable superior healthcare solutions worldwide

As a preferred solution provider and reliable partner, we have a solid basis for our new vision. We see ourselves as pioneers for external customers, e.g. healthcare workers, patients and distributors, as well as internal customers, i.e. our employees. It is our shared responsibility to implement sophisticated solutions for the healthcare market.

We pursue our goals without geographical or organizational boundaries. A unifying vision enables us to concentrate our resources on what matters most. The belief is that a sense of belonging is palpable for everyone. With our vision in mind, together we will continue to move L&R further forward each and every day.

Our Vision. Unsere Vision.

we enable superior
healthcare solutions
worldwide.

Our Mission. Unsere Mission.

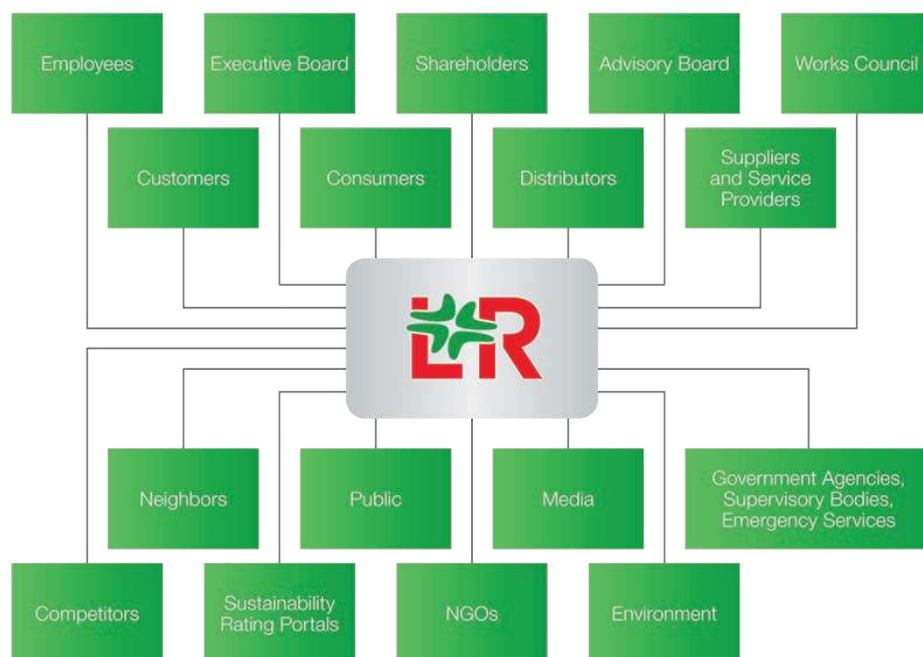
we develop, produce and
distribute globally with a focus
on the requirements of and
benefits for our customers.

4.2. Stakeholder Dialog

Our core business of developing, manufacturing and distributing medical devices and hygiene products and services affects the interests of various stakeholders. Maintaining constant dialog with our stakeholders is therefore a matter of course for us. We work every day to align our business activities with the diverse interests of our stakeholders as closely as possible, because their expectations and perspectives directly influence L&R's business success.

In addition to our ongoing exchange, in the 2021 reporting year we began a targeted dialog on the topic of sustainability with our key stakeholder groups. The profound insights gained in that year were also helpful for us in 2023. We also plan to include stakeholders' perspectives in our next report, which will be prepared in accordance with the CSRD regulation and European ESRS reporting standards.

Our key stakeholders are:



4.3. Materiality Analysis

As an internationally operating company with a core business that is systemically relevant – people’s health – we have great leverage and a strong impact. However, at the same time we also have to take into account factors and risks related to sustainability. These primarily include global climate change, its effects worldwide and at our individual sites, regulatory requirements for our products, our supply chains in light of the upcoming Supply Chain Act and an ongoing shortage of skilled workers.

Dialog with our stakeholders

We are keen to embed sustainability even more firmly into our business activities than ever before and therefore maintain regular contact with our stakeholder groups. We intend to identify which ecological, social and economic issues are relevant to them in order to derive actionable insights for our business activities.

In 2021, we carried out a materiality analysis with our various stakeholder groups. In exchange with internal and external stakeholder groups, we reflected on key sustainability issues from the perspective of all interest groups. We considered the impact of this topic on L&R from an ecological, social and economic perspective (outside-in perspective). We also examined where L&R can influence sustainability issues (inside-out perspective).

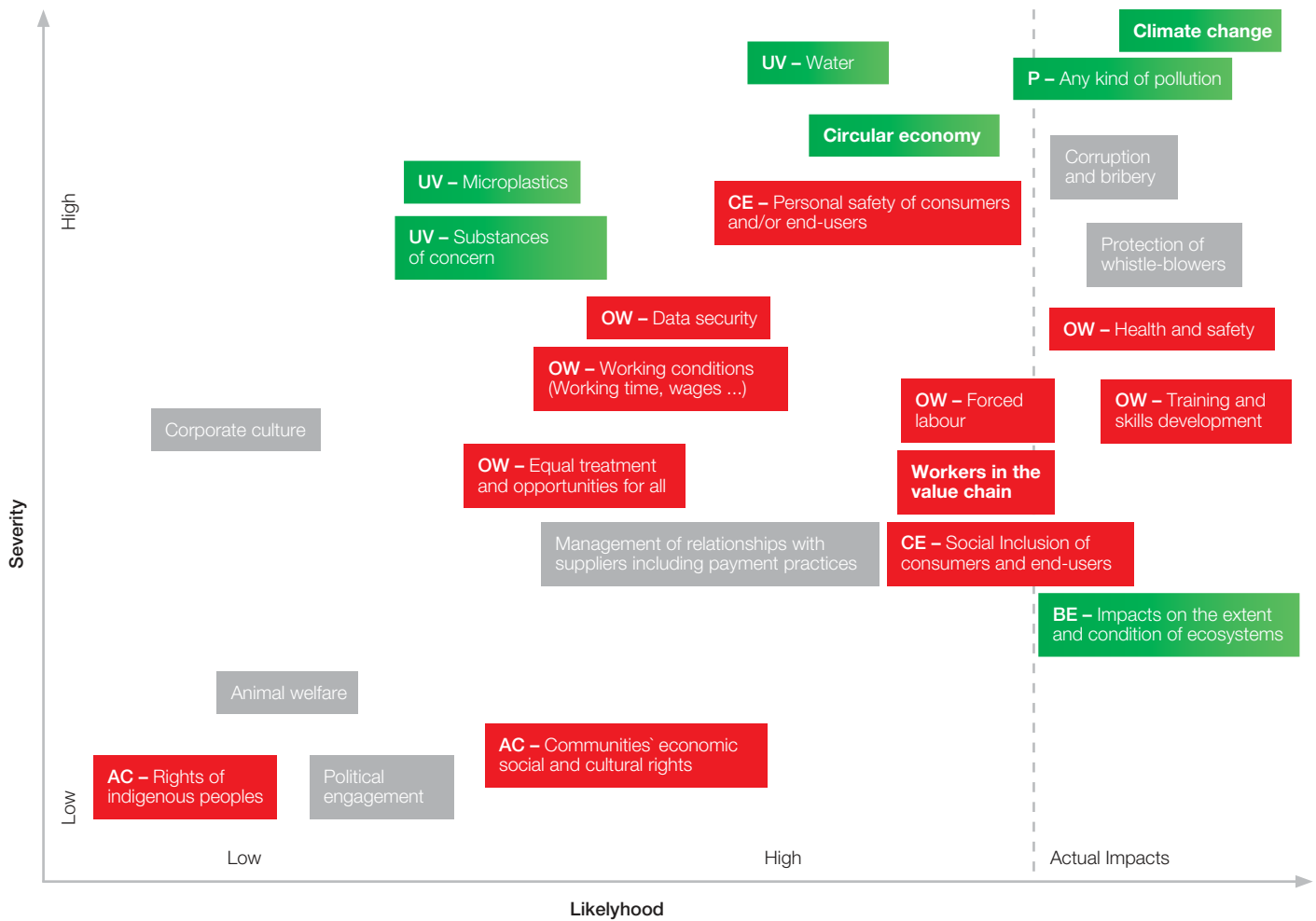
In addition to our employees and managers, we took into account input from L&R Advisory Board members, customers, service providers and suppliers. The results revealed the importance of different perspectives in order to gain a holistic picture of the issues at hand and to determine targeted measures.

In 2023, we built on our findings from 2021. L&R’s core sustainability team worked with internal and external experts to evaluate key topics from 2021 and added other topics that were important to us. In preparation for the next CSRD-compliant report, overarching topics were aligned to ESRS topic standards. Analyses of key topics were carried out according to the principle of simple materiality – i.e. identifying the topics that L&R influences with its activities. These topics were assessed, as will be required by CSRD in the future, according to the severity of their impact and likelihood of occurrence (potential or actual impact).

4.3. Materiality Analysis

Our key topics

We have identified a total of 12 key topics that are important to our various stakeholders.



■ Environment	■ Social	■ Governance	Topic	Sub-topic
BE = Biodiversity & ecosystems			CE = Consumers & end-users	
AC = Affected communities			P = Pollution	
OW = Own workforce			W = Water & marine resources	

4.4. Sustainable Development Goals

The United Nations' 17 Sustainable Development Goals (SDGs) provide a vital global framework offering a wide range of approaches for companies to orientate themselves with the future and to develop long-term, innovative solutions for their core business and beyond.

Our SDGs for 2030

In 2021, we used a standardized process to evaluate the SDGs we consider to be essential for L&R by 2030. These cover the following topics:

- SDG 3: Good health and well-being
- SDG 7: Affordable and clean energy
- SDG 12: Responsible consumption and production
- SDG 13: Climate action
- SDG 5: Gender equality
- SDG 6: Clean water and sanitation
- SDG 9: Industry, innovation, infrastructure
- SDG 15: Life on land
- SDG 4: Quality education
- SDG 17: Partnerships for the goals
- SDG 8: Decent work and economic growth
- SDG 1: No poverty

As a first step, in 2021 we set ourselves the SDGs 3, 7, 12 and 13. Then in 2023, we continued and intensified our efforts, also assessing the status of our contribution to these goals. Through our initiatives, we have already made a significant contribution, particularly to the areas of good health and well-being (SDG 3), affordable and clean energy (SDG 7), sustainable consumption and production (SDG 12) and climate protection measures (SDG 13).

We not only plan to continue and increase our actions in these areas, but we intend to go a step further: From the above pool, we have selected four more goals to place at the center of our sustainability work in the coming years. We will focus on the following SDGs, aiming to have made an impact with our corresponding sustainability measures by 2030:

4.4. Sustainable Development Goals



For us, this is about ensuring inclusive, equal, high-quality education and promoting lifelong-learning opportunities for all.

Our goals for this SDG by 2030:

- all employees will complete an average of 20 hours of training a year
- 100 % of the workforce will receive human rights training both via the L&R Engage learning platform and in the classroom

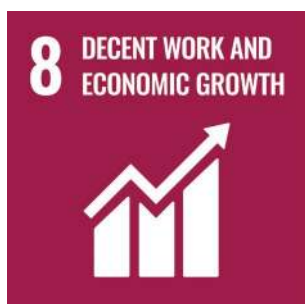
We plan to contribute to gender equality, enabling all women and girls worldwide to live independently.



Our goal for this SDG by 2030:

- 40 % of our managers and specialists will be women

We aim to ensure humane work conditions and driving economic growth.



Our goal for this SDG by 2030:

- 30 % of suppliers will be audited (by Sedex or comparable) or assessed by EcoVadis

We plan to strengthen implementation resources and revitalize a global partnership for sustainable development.



Our goal for this SDG by 2030:

- successful partnerships will be well established with BVMed, Climate-Partner, EcoVadis, Edana, Indeed, KOMATRA and Sedex and will be continued

Action areas and sustainability goals

As early as 2021, we identified the following action areas and defined corresponding goals to achieve by 2030, based on key topics in the stakeholder survey, SDG analysis and the evaluation thereof:

- employees ■ products
- society ■ environmental and resource conservation

In the following sections, we report in more detail on our progress regarding these goals. Overall, we have refined our goals in some areas and added some new ones. For example, we have increased our target for packaging recycling from 90% to 100%, in line with the new EU packaging directive. Our goals are now more ambitious, because we owe it to our planet and society to implement all necessary sustainability initiatives. The following table describes the goals we at L&R plan to achieve by 2030.

SDG sustainability goals 2030 for L&R, based on 2019

Employees	Society	Products	Environmental and resource conservation
■ 100% of employees have access to information on healthy living (fitness, nutrition, addiction prevention) ■ reduction in workplace accidents at our sites by 30% compared to the base year 2019 ■ all employees complete an average of 20 hours training/education each year, and 100% of the workforce receives human rights training via the L&R Engage learning platform as well as in the classroom ■ 40% of our leaders and specialists are women ■ introducing ISO 45001 and certification from 2025 ■ creating an occupational safety policy in 2024	■ continuation of the Corporate Social Sponsorship (CSS) program ■ product donations ■ individual projects with partners/partner organizations ■ successful partnerships with BVMed, ClimatePartner, EcoVadis, Edana, Indeed, KOMATRA and Sedex established	■ 80% of packaging from renewable resources ■ 100% of packaging is recyclable ■ sustainable and innovative product solutions ■ 30% of suppliers are audited by 2030 (by Sedex or similar) or assessed by EcoVadis ■ collecting product carbon footprints for the L&R product range by 2027 ■ life cycle assessments for selected products (by 2025)	■ reducing waste rate by 30% compared to the base year (2019) ■ reducing water consumption by 30% compared to the base year (2019) ■ reducing CO₂ emissions by at least 30% in Scope 1 and 2 compared to the base year (2019) ■ generating at least 6 million kWh of electricity from photovoltaic systems (approx. 20% of total electricity consumption) ■ expanding ISO 14001 certification to additional sites ■ securing certification according to ISO 50001 ■ starting an energy transformation process in Austria, the Czech Republic and Germany (from 2025 to 2030) ■ creating an emissions and water management policy in 2024 with annual reporting ■ creating a GHG protocol (from 2025) ■ joining SBTi (in 2025)
3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH 4 QUALITY EDUCATION 5 GENDER EQUALITY	1 NO POVERTY 17 PARTNERSHIPS FOR THE GOALS	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 8 DECENT WORK AND ECONOMIC GROWTH	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION

5 Employees at L&R

5.1. Sense of Community at L&R



For us, people are always at the center of everything we do. This applies not only to our customers and patients, but most importantly to all employees at our sites worldwide. Satisfied, committed and healthy employees are our company's best asset.

As a responsible company that, despite its international focus, still adheres to family business values to this day, it is important for us to have a working environment that motivates and supports employees, enabling them to remain healthy and productive for a long time; we strive for this every single day. In addition to a secure job, we pay employees fairly, comply with country-specific collective agreements and offer various benefits depending on the site at which they are based.

We all encounter new challenges every day. At L&R, we face them together and support each other. This approach is also reflected in our values, where the "we" is central, as in our vision and mission.

This sense of togetherness is particularly evident in social activities at our various sites. Employees arrange to go for walks during their lunch break, spend breaks together in surrounding parks or meet up for tennis, jogging or beach volleyball. All of these activities strengthen the sense of community, foster better relationships and enable employees to grow together as a team.

We are:

- reliable
- trustworthy
- diverse
- sustainable
- competent
- passionate for results
- customer-focused
- agile
- team-orientated
- curious

Our values



Employee development

Below is a breakdown of our more than 5,200 L&R employees in the respective countries:

Number	Country	Employees 2023
1	United Arab Emirates	26
2	Austria	674
3	Australia	25
4	Belgium	27
5	Switzerland	75
6	China	977
7	Czech Republic	972
8	Germany	1.412
9	Algeria	9
10	France	187
11	Great Britain	165
12	Croatia	22
13	Hungary	30

Number	Country	Employees 2023
14	Italy	48
15	Morocco	14
16	Mexico	42
17	The Netherlands	31
18	New Zealand	2
19	Poland	56
20	Sweden	8
21	Slovakia	14
22	Tunisia	7
23	USA	69
24	Canada	8
25	Brazil	348

5.2. Diversity and Equal Opportunities



At L&R, we cultivate and promote a corporate culture characterized by trust-based and respectful relationships between employees, customers and business partners.

Employees from 66 nations work across our global sites. All employees should have equal opportunities and the right to work in an environment free from discrimination based on race, ethnicity, national origin, language, religion, class, age, disability, gender, relationship status, sexual orientation, political affiliation or any other classifications.

We also aim to fully utilize and develop our employees' potentials and skills. Cross-generational work is very important to us; for example, we actively promote mixed-age teams.

Women at L&R

At L&R, we believe that women and men should have equal opportunities. We are therefore actively working to promote women, enable flexibility and support all employees in their career ambitions.

To this end, we have launched a number of initiatives:

Women in Leadership (WiL):

We launched this project to promote women as leaders at L&R.

Communication and empowerment training for women:

This year, we held a pilot two-day training course to support women in our company in the areas of self-confidence, assertiveness and sovereignty. Feedback was positive, particularly about the opportunity to network, the "women only" setting and the intensive exchange of experiences. We were able to take away a number of suggestions for improvement and are planning to roll out the training across L&R next year.

Integrating topics of gender equality and diversity in workshops:

We plan to raise awareness among all L&R employees about gender and diversity. To this end, we have introduced this topic in workshops across the entire company. We have communicated the Women in Leadership (WiL) campaign – see above – via internal channels, made it a focus topic at our Leadership Days for managers, and we held a workshop on the matter with management in October. We were also able to gather many insights from these activities that we intend to implement in the coming years.

Networking and mentoring programs specifically for women:

In 2023, the first project groups started planning internal networking and mentoring programs, as well as external mentoring partnerships.

JOBS FOR MOMS:

Our family-friendly work culture makes us an attractive employer. This positioning has become particularly important for L&R in recent years as the shortage of skilled workers continues to increase. We are therefore one of the first companies to partner with the JOBS FOR MOMS career platform. The platform helps us, especially at our site in Rhineland-Palatinate, Germany, to recruit mothers who are looking for a job in a family-friendly company (flexible working hours, part-time hours, childcare in summer months, remote working, etc.). Thanks to the JOBS FOR MOMS partnership, numerous interviews have already taken place.

Our goal by 2030 is to increase the proportion of women in leadership and specialists roles to 40%. We have already achieved success in this area with our internal and external initiatives (development from September 2020 to September 2023):

- the number of women in leadership roles at L&R rose by 3.8% to 33.2%
- 32.5% of those with a leadership role for one of the corporate projects under our SUCCESS+2030 corporate strategy are women. In September 2020, this figure was 18%. We have therefore achieved an increase of 14.5 percentage points
- the proportion of women in our senior management team is 13.5%, an increase of 5.8%
- in the core team of our 2030 strategy, the proportion of women has remained the same at 40%

5.3. Compliance with Regulations

As a developer, manufacturer and distributor of medical devices and hygiene products and services, L&R must adhere to numerous legal requirements. The regulatory landscape is particularly dense in the medical devices industry. In addition to industry-specific guidelines, the landscape has also included general criminal offenses such as bribery, collusion, sexual harassment, fraud and discrimination. As an international company, we adhere to ethical principles in all countries where we operate as a matter of course.

In addition to legal requirements, L&R has also imposed self-defined requirements and internal regulations on itself; for instance, our codes of conduct (Code of Conduct for Employees and Code of Conduct for Suppliers), company policy and anti-corruption policy. Our employees are obliged to comply with all relevant laws and internal regulations, in order to protect L&R's reputation and economic success.

In 2023, we revised our aforementioned codes of conduct, focusing on areas of social responsibility, fair working conditions and environmental protection.

The Code of Conduct for Employees is personally distributed to them, whereas Compliance Management is responsible for communicating all relevant national and international laws, regulations, industry standards and agreements through internal training and exposure to additional behavioral guidelines. Compliance Management also emphasizes the importance of compliance with the rules.

The "Tell us" whistleblower system has been in place for the entire L&R Group since 2021. This offers all employees and third parties, such as customers and suppliers, the opportunity to report compliance violations such as fraud or discrimination – even anonymously. In addition to the legal obligation to comply with the EU Whistleblower Directive since 2021, we see this as an opportunity to enhance L&R's credibility with its stakeholders and to strengthen our corporate culture. Local Compliance Officers check compliance and process reports using a transparent and structured process.

Overall management of the whistleblower system and compliance with regulations is checked by the Corporate Compliance Officer. The Officer also reports regularly to management on compliance activities, possible risks and violations.

In 2023, we launched a new measure to ensure compliance with human rights and working conditions: On October 24, 2023, a survey process began in which all 37 national companies and subsidiaries were asked 21 questions regarding compliance with human rights and working conditions. Each company reported on how many violations of human rights and working conditions had occurred at the site, how the violations had been identified by the responsible Compliance Officer and what measures had been implemented as a solution. Only one site reported a case of discrimination in the daily work environment based on ethnicity. The case was immediately investigated by the local Compliance Officers. The individual who had made the discriminatory statement subsequently left the company. This is the only record of any violation of human rights or working conditions at any of L&R's national companies or subsidiaries.

5.4. Health and Safety in the Workplace

A key topic for us not only today, but also for the future, is to protect the health and well-being of L&R employees. We want our employees to remain physically and mentally healthy for as long as possible, so that they can actively pursue their private and professional lives. We have therefore installed a corporate health management system at our sites in Germany and are promoting this systematically. We plan to implement the system at our other sites as well. Encouraging our employees to have a good work-life balance is a particular focus here.

We have therefore included the following goals in our sustainability strategy, to be achieved through various measures:

Goal 2030	Measures	Status L&R 2023
100 % of our employees have access to health insurance	■ evaluating which countries do not have statutory health insurance ■ reviewing health insurance in countries where there is no statutory protection	evaluating whether and how many L&R employees at each site have access to public or private health insurance or to a similar benefits system; result: because all L&R employees already have access to one of the above-mentioned systems, the goal is considered to have been achieved
100 % of employees have access to information about a healthy lifestyle (fitness, nutrition, addiction prevention)	■ checking which sites offer fitness solutions, canteens, meal allowances and medical care (vaccinations) ■ checking which services the respective site or country requires ■ checking possible additional offers ■ checking evaluation methods for physical and mental health and corresponding offers	■ reviewing the offers at individual sites; offers are not uniform across L&R sites, but vary depending on needs ■ 24 out of 37 sites have access to information or offers promoting a healthy lifestyle; 12 out of 37 have no offer; one site has no need ■ the following reviews will be carried out in 2024/2025: Which services does the respective site or country require? Checking possible additional offers; assessing evaluation methods for physical and mental health
30% reduction in workplace accidents at our sites compared to the base year 2019	■ expanding Safety, Health and Environment (SHE) training ■ training for safety officers, first responders and company paramedics ■ regularly evaluating psychological stress at selected sites ■ regularly evaluating sites with increased work-related accidents ■ introducing a SHE committee ■ weekly safety inspections ■ job safety analysis	on the advice of the EcoVadis evaluation platform, we have changed the KPI from "number of accidents" to "severity of accidents"; hence, no comparative figures are available

Access to health insurance benefits

Because we operate worldwide, access to health insurance benefits is not uniformly regulated for all employees. For many years now, we have been working towards offering such benefits at all of our sites. In Europe, this is available to all employees; at all of our other sites, our goal was to offer health insurance benefits by 2030. And we are very proud to announce that we have already achieved this goal in 2024; employees at all of our sites now have the option of having health insurance. Our next goal is to increase the take-up rate. Although many employees are already taking advantage of this offer, we want to educate those who remain skeptical about the importance and advantages of health insurance.

Employees' health

Our employees' health is part of our responsibility. Our corporate health management supports this as follows:

1. Promoting good medical care

At some sites, company doctors are on hand to manage our employees' health. At other sites, we offer regular medical consultations or cooperation with pharmacies. In addition, free vaccinations and physiotherapy are offered to employees with special physical needs.

2. Promoting exercise and activity

Each site sets its own priorities here – covering a wide range of activities. Running groups are organized that also participate in company runs, alongside a wide variety of other sports groups. Additional activities include training for back health and mental fitness, such as yoga, meditation or autogenic training. Some sites offer subsidies for gym membership or bicycle leasing as well. And at others, colleagues participate in team sports together or meet up for walks during their lunch break. Such initiatives are fully supported by L&R, notably as part of the “We are L&R” employee campaign.

3. Promoting healthy eating for our employees

We are convinced that a healthy diet contributes to our well-being and health. Therefore, our company canteens and office kitchens offer healthy meals and snacks. We also regularly run campaigns and hold information events on healthy lifestyles at individual sites.

To ensure that all employees have access to this information, we regularly provide tips on promoting physical and mental health and healthy eating on our intranet site, as well as in newsletters and on posters. In addition, some of our sites have screens in the foyers communicating this information.

5.4. Health and Safety in the Workplace

4. Promoting our employees' mental health

Just as initiatives for employees' physical health are needed, the mental well-being of our workforce is also important to us. That is why, since 2023, L&R Germany has been offering a low-threshold and anonymous support program for employees and their families. Through this program, we provide acute emotional support through telephone and in-person consultations, in addition to a mindfulness-based stress reduction program, six sessions of life coaching and work-life services that offer advisory support in various areas.

Occupational health and safety

Safety in the workplace is another key issue for L&R. Regular initial and refresher training courses, as well as training for safety officers, are offered at all of our sites and in all specialist departments. Moreover, training courses for first aiders and company paramedics are regularly held as well. All sites are equipped with defibrillators to ensure rapid first aid in an emergency.

Safety, Health and Environment (SHE) training:

Upon joining the company, all employees receive training on preventive fire protection, emergency procedures and the company's safety aspects. In some cases, employees receive such training annually. In the area of safety, these training courses focus on operational fire protection and the prevention of accidents in the workplace. In the area of health, first aid courses are offered to first responders, and in the environmental area, external training courses for fire protection and hazardous materials officers are also provided.

We, of course, comply with all legal regulations and carry out regular workplace checks to ensure safety. For example, we use the findings of psychological stress evaluations to implement preventive measures that best ensure the safety and health of our employees. We also document accident rates for our production sites and compare them to the year we defined as the base year for our sustainability goals, 2019. Although we have not yet managed to reduce the number of accidents, we are continuing to work on measures to attain this goal by 2030.

Year	Total number of accidents	Average accidents/month	Average number of employees	1,000-person quota
2019	36	3.0	2,517.1	1.2
2023	49	4.1	2,545.7	1.6
Target	-30%	≤ 2.1		0.84

One of our subsidiaries has had a particularly high accident rate. We are therefore implementing specific measures at this site in order to reduce accident rates:

■ **Policy statement:**

Promoting a culture of “safety first” by enabling all employees to take responsibility for health and safety and providing all employees with the necessary health, safety and environmental information, instructions and training to help them understand and reduce the risks associated with their activities.

■ **Gemba:**

The leadership team conducts weekly safety patrols to observe, listen, learn and help by engaging with employees in order to better understand what is working and what is not.

■ **Creating a safety and wellness plan:**

Identifying and eliminating hazards through regular “workplace safety analyses,” risk assessments of areas and tasks, and SOP reviews; reviewing new or modified processes; analyzing risk assessments – continuously improving processes.

■ **SHE committee:**

Members from all company areas, including production, who act as ambassadors and influencers on safety, health and the environment.

■ **Training:**

Hazard awareness, correct and safe use of equipment, correct use of PPE/RPE, manual handling, emergency procedures and response, toolbox talks on “hot topics,” etc.

■ **Housekeeping:**

Motto “A place for everything and everything in its place”; promoting a clean and tidy workplace.

■ **Near-miss reporting:**

Reporting and responding quickly to unsafe actions/behaviors/conditions before they lead to an accident.

■ **Monitoring:**

Safety audits and drills to test how well procedures are understood and how effective they are; monitoring health in the workplace.

5.5. Further Training and Development

“The Middle Rhine model is a win-win situation for everyone: By combining training and study, we gain young employees who can experience and use the theoretical knowledge they have acquired in operational processes during their training. This combination of practice-orientated training, theoretical knowledge and sound, company-specific knowledge is the ideal basis for long-term, successful cooperation.”

Nadine Zimmermann,
Training Manager at L&R Germany

A major focus of L&R as an employer is on employee training and development. For this reason, L&R Academy, our own group-wide training platform, was founded in 2012.

L&R offers all employees worldwide a wide range of training and further education opportunities, some of which are led by our in-house training institution L&R Academy. We firmly believe that qualified employees are an invaluable asset and that they play a decisive role in our sustainable corporate success.

Training and studies

As an international company, we offer trainees and students a wide range of training and development opportunities. We recognize that younger generations will shape the future.

We run numerous training courses covering various disciplines. In addition to our classic training program, our trainees have access to additional opportunities that enable them to have the best possible start to their working lives. At L&R Germany, these include introductory seminars, IT training and vocational schooling.

We also invite students to help shape the future of medical devices and to put the knowledge they have learned into practice in a practical business setting. Whether as an intern, graduate student or undergraduate – we provide a truly diverse range of opportunities, from the first internship to part-time studies.

At our sites in Neuwied and Rengsdorf, Germany, we offer a very popular training concept with the Middle Rhine model: This combines training in the company with a relevant course of study.

Qualified employees are the prerequisite for success

We focus on targeted further training and education for our employees based on their personal characteristics, strengths and potential. In our in-house training institution L&R Academy, we offer more than 100 different courses, workshops and training courses. The target group is not only our own employees, but also our customers and partners.

In addition to further developing professional and personal skills, L&R Academy provides product, health and sales training. A distinction is made between basic modules, advanced modules and function-related training courses (project management, IT training, energy management). Our managers have the opportunity to regularly participate in various leadership training courses.

A wide variety of language courses focusing on language acquisition help to break down barriers between individual countries and to develop a sense of community across borders.

Some training and continuing education options are offered as e-learning via our Learning Management System (LMS) L&R Engage, as digital training and on-site, including e-courses and webinars. With our user-orientated platform, we aim to offer our employees a wide variety of approaches and media in the area of “blended learning.”

To facilitate the onboarding process for new employees, we have introduced special induction concepts. All new employees receive a personal mentor and training tailored to their specific function. In 2023, we rolled out a new customizable onboarding framework program that is aimed specifically at L&R sales organizations. This combines key learning elements relevant to all L&R colleagues worldwide with local or job-specific requirements, thereby ensuring an optimally coordinated onboarding process. The content is in English and it combines e-learning modules, face-to-face learning and online webinars.



5.6. Employee Involvement

We have long encouraged open and continuous dialog with our employees. Their opinions and needs are essential for our future. We therefore welcome our employees' knowledge and opinions in important discussions regarding topics such as further product development – be it through surveys, events, workshops or initiatives related to the L&R employee campaign “WE are L&R”.

Sustainability is a joint effort

When developing our sustainability strategy, it is important for us to actively involve employees in order to be able to shape the sustainability journey together. This approach has been very well received by our employees. Following on from the stakeholder survey, numerous employee suggestions have been incorporated into sustainability management.

We regularly inform our employees about sustainability at L&R, including with our booklet about focus SDGs and 2030 sustainability goals, as well as our employee magazine L&R Inside. In addition, we regularly communicate opportunities for individuals to contribute to sustainability; for example, tips on saving energy or water, resource-efficient use of IT, the effects of reducing meat consumption and the importance of regional and seasonal nutrition.

We hold Welcome Days for new employees where they receive essential information about their new work environment and have the opportunity to get to know the company and their team. At these events, we also pass on information about sustainability at L&R. This ensures that all employees are on board with this important topic right from the start.

Twice a year, we also hold a company-wide International Sustainability Meeting. At the meeting, all sites present their recent contributions to sustainability and provide an update on their status with regard to our company-wide sustainability goals. This event serves as a regular exchange of knowledge between the sites, raises awareness of sustainability among employees and repeatedly leads to even more effective cooperation between departments and sites.

It is important to us that our employees are well informed about human rights issues. To this end, in 2023 we created an online training course on human rights and working conditions, available in German and English, which all employees are invited to complete voluntarily. We not only want to ensure that everyone in the company knows there is no place for discrimination, intolerance and inequality, we also want to empower our employees to advocate for their rights should our ethics code be violated. Soon, we will also be offering the training in Czech and later in additional languages as well.

Because we do not want to rest on these measures, we are continuously working to further promote sustainability dialog with our employees.

5.7. Work-Life Balance



Successfully combining work and private life is a key factor for high employee satisfaction and employer attractiveness. This is why we are working on a variety of measures to facilitate this.

Working hours

We foster a corporate culture based on trust, transparency and reliability. Depending on their area of responsibility and duties, we offer our employees the opportunity to tailor their working hours flexibly to their personal situation.

Our guiding principle is predictability plus flexibility. We achieve this by supporting the reduction of working hours during certain phases of life, facilitating home office agreements in coordination with supervisors and allowing field staff to set their own schedules.

In addition to flexible working time models, we offer families various options during parental leave or when caring for relatives. We promote individual support for mothers and fathers when returning to work, through home office agreements in coordination with supervisors and through childcare during the summer holidays at our sites in Austria, the Czech Republic and Germany.

We also plan to promote part-time work for managers, in order to offer all employees – including mothers and fathers – equal career opportunities and to increase diversity at the management level. We do not currently offer this as a matter of course, because it is not always a feasible option. However, we actively evaluate the possibilities of part-time work or shared management positions and offer this wherever possible.

For many employees, it is not easy to maintain a healthy work-life balance with flexible working hours and home office options. L&R intends to provide support through diverse resources both online and on-site: The L&R Academy offers, among other things, the “Resilience” workshop in Rengsdorf, Germany, and Vienna. The L&R Intranet features workshops on health topics as well as practical tips for everyday life, covering nutrition, education and exercise. As already mentioned in section 5.4., running groups are organized at various sites, as well as beach volleyball tournaments and walks in the park during breaks. These offers help our employees to actively manage their work-life balance.

5.8. Corporate Ethics

We set high ethical standards for ourselves in our dealings with customers and partners, as evidenced by our compliance with regulations and our commitment to loyalty, sustainable thought and work processes. As an international company, complying with legal and social frameworks in various countries is a fundamental part of our economic activities.

Our codes of conduct (Code of Conduct for Employees and Code of Conduct for Suppliers) form the basis of all business activities for the L&R Group. Our management team act as role models, and conformity is monitored by Compliance Management. The content of these codes, which we revised and expanded in 2023, includes the following:

- advocating free and fair competition
- rejecting any form of corruption or bribery
- data protection, confidentiality and quality assurance
- rejecting discrimination of any kind and advocating diversity and equal treatment
- respecting and complying with human rights
- prohibiting child labor, forced labor and slavery
- group-wide regulations on remuneration and working hours
- freedom of association and coalition
- regulations on occupational health and safety and the appointment of security personnel, as well as
- compliance with all laws that protect the environment and respect land rights

We also require our business partners and suppliers to adhere to ethical principles. We agree a Code of Conduct with suppliers and only work with those who are committed to the same principles of ethical, safe and responsible business practices. We expect our business partners and suppliers to know and comply with all applicable international, national and local laws and regulations, contractual agreements and internationally recognized standards and conventions when working with L&R, and to align their practices with generally accepted industry standards. This includes the principles set out in this Code of Conduct. Furthermore, we expect our business partners to implement and promote the same principles in their own supply chains.

5.8. Corporate Ethics

In terms of content, the Codes of Conduct summarize important standards for ethical conduct, social responsibility and environmental protection. In particular, we rely on the principles of the German Supply Chain Due Diligence Act (LkSG) and international conventions, such as the Universal Declaration of Human Rights from the United Nations (UN), the UN Guiding Principles on Business and Human Rights, the OECD (Organization for Economic Cooperation and Development) Guidelines for Multinational Enterprises, and labor standards of the International Labour Organization (ILO).

In addition to the codes, we have published a special policy statement on the human rights strategy at Lohmann & Rauscher.

We meet all legal requirements for our access to the global healthcare market. This includes compliance with MDR and MDSAP as well as ISO 9001 and 13485 standards, which have been confirmed to us by audits.

6 Environmental and Resource Conservation

Goal 2030	Measures	L&R status 2023
Reducing waste by 30 % compared to the base year (2019)	- consistently implementing Kaizen and Lean activities - developing and introducing optimized production processes	- a temporary increase for operational reasons when production restarted after the COVID-19 pandemic - continued consistent participation in national disposal systems, such as ARA, DSD and ECOCOM
Reducing water consumption by 30 % compared to the base year (2019)	- developing optimized production processes - using new water-saving production technologies	- reducing water consumption compared to the previous year by 26,135 m³ (– 12.4%) - reducing water consumption compared to 2019 already by – 17 % - this puts us well within reach of achieving the 2030 target
Reducing CO ₂ emissions by at least 30 % compared to the base year 2019 in Scope 1 and 2 (see below)	- constructing photovoltaic systems in accordance with the rollout plan - evaluating the purchase of CO₂-free electricity - implementing energy-saving projects, especially in the areas of ventilation and lighting technology	- reducing gas consumption by 12.2% compared to the previous year - reducing absolute gas consumption by 17 % since 2019. This means we are well within reach of our target for SDG 13 of – 30 % by 2030
Generating at least 6 million kWh/year of electricity from photovoltaic systems (approx. 20% of total electricity consumption)	rolling out at least two photovoltaic systems at our Group sites annually	- in 2023, a system in Xishui (CN) with 1,000 kWp and one in the Neuwied-Block warehouse (D) with 165 kWp were put into operation - in 2023, 2.1 million kWh of electricity was generated - by the end of 2023, seven systems were in operation. These have generated 4.8 million kWh of electricity since 2020 - performing preparatory work for commissioning two systems in the Czech Republic in 2024
Rolling out environmental certification according to EN ISO 14001 at one or two additional L&R sites per year	Swisslastic in Wald certification planned for 2024	certification according to EN ISO 14001 successfully completed for the corporate entities LRA (Austria), RCP (Austria), LRCZ (Czech Republic), LRF (France), LRMPF (France), Group LRD (Germany), LRI (Italy), LRS (Sweden), LRCH (Switzerland), LRB (Belgium), VEBR (Brazil), LRHCN (China), LRHR (Croatia), LRPL (Poland) and LRUK (UK)
Certification according to EN ISO 50001 (energy management standard)	annual recertification of existing sites	recertification according to EN ISO 50001 at sites in Austria, China, the Czech Republic and Germany was successful in 2023

Careful management of our environment and resources is an important part of our corporate and sustainability strategy. We plan to reduce the impact of our business activities on the environment and have firmly anchored this goal into our sustainability strategy.

Our ecological, sustainable actions affect both our sites and buildings, as well as our core business. So far, our sustainability reports, in particular the goals, measurements and actions, have only referenced our three core countries, namely Austria, the Czech Republic and Germany. Approximately 75% of our company-wide CO₂ consumption occurs in these countries. We have therefore developed a special transformation concept with additional goals for these sites, which is currently being systematically implemented. In addition, we plan to go further with this reporting and to pursue goals for our entire company with regard to environmental protection and resource conservation.

6.1. Corporate Carbon Footprint

We intend to make an even more proactive contribution to combating climate change and its effects by undertaking additional measures at our sites. To this end, we plan to reduce our greenhouse gas emissions. The Paris Agreement provides a global framework for combating climate change: By 2050, Europe should be climate-neutral and global warming should be kept well below 2°C; further measures should ensure that any increases are limited to 1.5°C. Thanks to our detailed planning, we will be climate neutral by 2045 meeting the goal set by Germany.

In the reporting year, we set the goal of reducing our CO₂ emissions across the entire company by 30 % between 2019 and 2030. This target refers to Scope 1, which covers direct emissions from our own or controlled sources, and Scope 2, which covers indirect emissions from purchased electricity, steam, heat and cooling.

Since 2018, we have been calculating CO₂ consumption for the largest production sites in the L&R Group. In 2023, we created a CO₂ balance for Scopes 1 and 2 for our entire company for the first time, making significant progress towards a group-wide climate strategy. This means that 2023 is the new base year; comparisons with previous inventories are therefore not possible. These calculations relate to key sites that can be measured (sales sites for which energy costs are not available separately are excluded). We are working to close these gaps by improving data collection methods and expanding reporting boundaries.

The calculation of Scopes 1 and 2 is carried out according to standards set by Germany's Federal Environment Agency (Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection) and takes gas, electricity and fuel consumption into account. Emission factors are based on the emissions reporting regulation EBeV 2030. Business, Energy and Industrial Strategy (BEIS) conversion and Greenhouse Gas (GHG) factors published by the British government were used for the calculation.

CO₂ emissions

We plan to reduce climate-damaging emissions primarily through the following measures:

- investing in more sustainable processes (e.g. heat recovery systems)
- investing in heating systems based on heat pumps
- reducing energy consumption (e.g. LED lighting, thermal insulation)
- generating energy through expanded use of photovoltaic systems

In principle, we intend to achieve CO₂ balance through reduction measures and to only offset non-changeable CO₂ emissions through compensation measures.

To achieve this, energy management programs are applied at all of our sites in order to ensure efficient energy use, alongside monitoring. We regularly record and evaluate energy consumption and usage at our company sites, thereby deriving improvement measures. Besides appointing a Group-wide energy officer, we have formed energy management teams in all countries to enforce the energy targets.

Our sites in Austria, China, the Czech Republic and Germany have been certified according to the EN ISO 50001 (energy management standard) since 2014, Rauscher Consumer Products GmbH is FSC-certified, and 14 sites are also certified according to EN ISO 14001. We plan to roll out up to two additional sites a year.

Total emissions from Scope 1 and Scope 2 from 2023 at L&R amount to around 28,061 tons of CO₂e. The corporate carbon footprint for the entire L&R Group can be broken down as follows:

Scope	Tons of CO ₂ e
Scope 1	13,615
Scope 2	14,446
Total	28,061

6.1. Corporate Carbon Footprint

Emissions from Scope 1 in detail

Emissions from Scope 1 total around 13,615 tons of CO₂e. The calculation includes direct energy consumption at the sites as well as emissions from our vehicle fleet.

Stationary energy consumption at our sites can be broken down as follows:

Type of energy	Tons of CO ₂ e
Natural gas	10,162
Liquefied petroleum gas (LPG)	3
Ethylene oxide	142
Heating oil	116
Coal	6
Total	10,429

Energy consumption from the vehicle fleet can be broken down as follows:

Type of energy	Tons of CO ₂ e
Gasoline	351
Diesel	2,817
Electricity for electric cars	18
Total	3,186

Emissions from Scope 2 in detail

In Scope 2, L&R emitted around 14,446 tons of CO₂e in 2023. These are emissions from purchased electricity as well as our own consumption from PV systems. In detail, electricity consumption (kWh) was as follows:

Electricity source	kWh
Own consumption from PV systems	1,692,459
Consumption from the grid	31,106,782
Total	32,799,241

Thanks to our own PV systems, we were able to generate 2,134,216 kWh of electricity in 2023. Our goal by 2030 is to generate 6 million kWh annually.

6.2. Resource Consumption

Since 2019, L&R has been determining and reviewing the consumption of energy, gas, water and waste volumes at its major production sites (Austria, Brazil, China, the Czech Republic, France, Germany, Mexico and the Netherlands) on an annual basis. Since 2021, values from our site in the USA have also been included here.

Stationary gas consumption

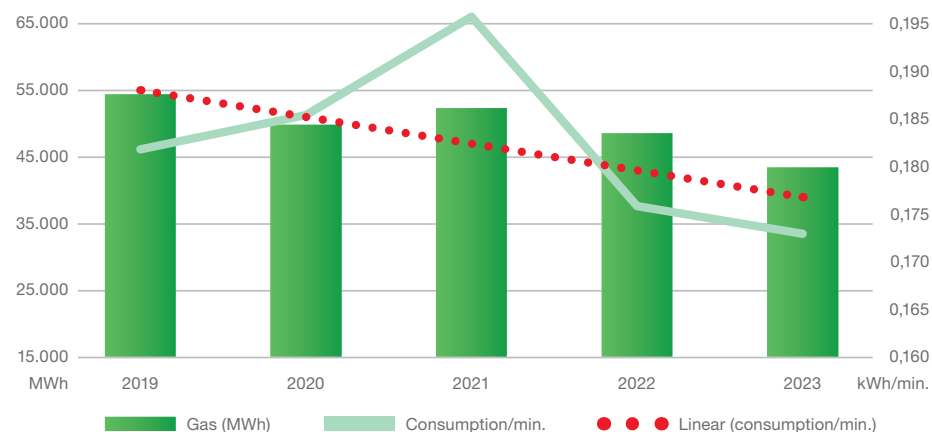
This chapter summarizes L&R's air pollution results for 2023. In order to achieve its environmental goals and meet legal requirements, L&R is committed to continuously monitoring and reducing emissions. We aim to reduce air pollution and to strictly comply with all relevant environmental laws. In SDG 13 of the SUCCESS+2030 corporate strategy, L&R has committed to reducing consumption and thus air pollution by 30% by 2030 compared to 2019.

Compliance with the energy management standard EN ISO 50001 is very important to us. EN ISO 50001 is a systematic approach that we use to continuously improve our energy consumption in the areas of heating and cooling energy, compressed air, ventilation, production facilities and lighting. The priority is always to reduce CO₂ emissions.

L&R's total natural gas consumption in 2023 was 49,190 MWh/a, which is 12.2% less than in 2022. All of our sites are assessed and recorded according to internal guidelines. Scope of management refers to those sites that together account for around 90% of annual natural gas consumption.

Absolute gas consumption has been reduced by 17% since 2019. This means we are well within reach of the targeted – 30% by 2030.

Gas consumption of production sites



Mild winters in recent years have helped us to reduce our energy consumption. The Ukraine war has also meant that more attention has been paid to using resources as sparingly as possible in order to contain costs on the one hand, and to help avoid a major energy crisis on the other. We have implemented savings and optimization projects with regard to LED lighting, thermal insulation, temperature reduction, etc., which have all had a positive effect.

We use the latest burner technology, low-NOx burners. Over recent years, investment in these burners has been made at every site that consumes more than 1 MW in accordance with national laws. As part of the ISO 14001 training programs, all employees are made aware that space heating, which accounts for a large part of gas consumption, is a resource worth protecting. Training courses are repeated annually.

Limit values for CO and NOx are regularly measured and recorded. Legal limit values are complied with and in some cases significantly exceeded.

Stationary electricity consumption

Electricity consumption has increased slightly, rising by 2% between 2022 and 2023. In the long-term comparison with the base year 2019, there was a slight increase following a short-term reduction. In some cases, we have little influence over this; for example, the electricity consumed by ventilation systems is always high, regardless of their load.

Electricity consumption of production sites



6.2. Resource Consumption

L&R is committed to the sustainable use of photovoltaics. Our policy aims to purchase less electricity and to expand our own electricity generation. In SDG 7 of the SUCCESS+2030 corporate strategy, L&R has committed to pushing forward photovoltaic expansion. By 2030, we plan to generate 6 million kWh of renewable electricity annually, which involves installing 20,000 solar panels at our sites.

By the end of 2023, seven systems were already in operation and these have generated 4.8 million kWh of electricity since 2020. Four more photovoltaic systems are planned worldwide for 2024. New installations in 2022 and 2023 included one plant each in Schönaue (Austria) and Xishui (China), as well as two plants in Neuwied. In 2023, the projects for the two Czech sites Nová Paka (340 MWh) and Slavkov (430 MWh) as well as an extension to the Schönaue storage plant (290 MWh) were already underway – all materials have been ordered and delivered. Commissioning is planned for 2024. Future installations are planned at our warehouse site in Poland and another production site. Further expansions are planned for the Schönaue and Slavkov sites.

The following table details all existing plants as of 2023, together with the respective data on electricity generation:

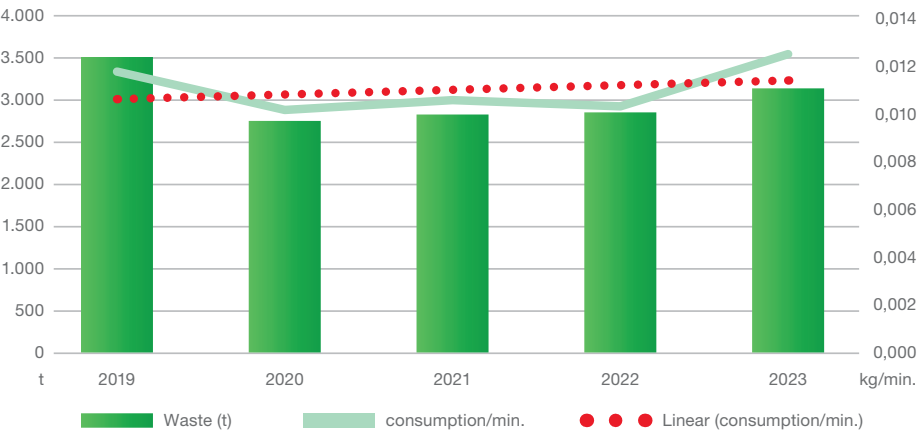
Site	Annual capacity	Energy generation of electricity in 2023
Abreu e Lima	850 MWh	850 MWh
Xishui	1,000 MWh	269.5 MWh
Neuwied	165 MWh	132.2 MWh
Neuwied storage	120 MWh	2.2 MWh
Schönaue	530 MWh	537.6 MWh
Schönaue storage	200 MWh	227.3 MWh
Vienna	120 MWh	114.3 MWh
Total	2,985 MWh	2,133.5 MWh

Installed plant capacity was 3 million kWh at the end of 2023, meaning that we have already achieved 50 % of our target. This puts us well within reach of our goal.

Waste

In addition to energy consumption, we measure and calculate the amount of waste at L&R’s major production sites and continuously strive to minimize it.

Waste



In 2023, we generated 11% less waste compared to the base year 2019. However, compared to 2022, the figures had increased by 10%. This can be attributed to the disposal of some old machines and the fact that we also had to discard many products that we produced during the COVID-19 pandemic.

6.2. Resource Consumption

Water consumption

L&R is committed to the sustainable use and management of water resources. We aim to reduce water consumption, protect water quality and promote environmentally friendly practices. L&R is ISO 14001-certified. In SDG 12 of the SUCCESS+2030 corporate strategy, L&R has committed to reducing water consumption by 30 % by 2030 compared to 2019.

In 2023, significant savings were achieved thanks to the introduction of new production technologies (Scout 2) at our Czech Republic site (– 19 % relative savings), and more efficient utilization of dyeing machines at our Brazil site (– 4 % relative savings).

L&R's total water consumption in 2023 was 211,032 m³/annum, which is 26,135m³ less than in 2022 (– 12.4 %). Absolute water consumption was reduced by 17 % between 2019 and 2023. This means we are well within reach of the target of – 30 % by 2030.

All production sites are taken into account and recorded. For warehouse and sales sites, internationally recognized consumption values for employees are assumed.

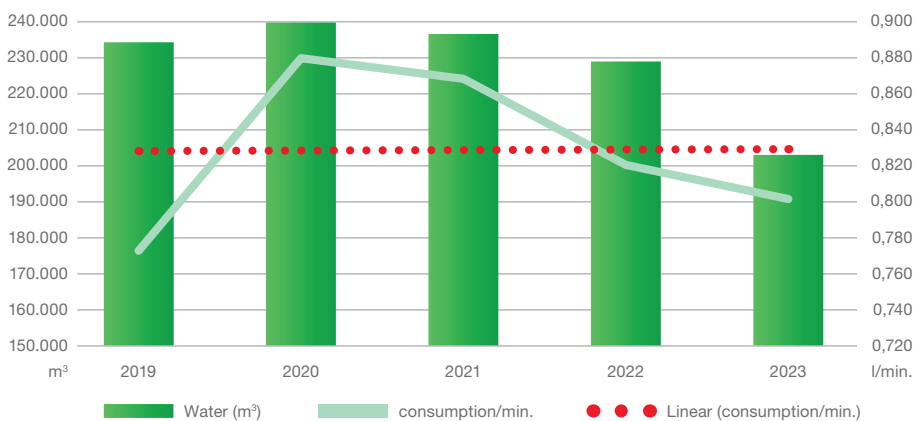
L&R uses around 50 % of its water consumption to meet air-conditioning standards for clean rooms. Due to increasing regulatory requirements regarding air exchange, there is limited potential for savings here, regardless of actual use. Nevertheless, considerable savings have been achieved through efficiency measures in wet processes, depending on capacity utilization.

The possibility of recycling was investigated at those sites with the highest process water consumption. At our Austrian (LRA) site, recycling has been implemented in the area of textile bleaching, where up to 17 % of water used is now being recycled.

The scope of management refers to those sites that together account for around 95 % of annual water consumption. An assessment of climate change risks for water resources and operational processes was carried out during a risk analysis. Our production sites are not located in regions exposed to water stress.

As part of our ISO 14001 training programs, all employees are trained in water management and made aware that water is a precious resource. These training courses are repeated annually.

Water



6.3. Raising Employee Awareness of Resource Conservation

Every contribution counts: Even seemingly small measures help promote sustainability at L&R and contribute to climate and environmental protection. We therefore regularly remind our employees via internal communication channels to use resources carefully and consciously:

- reducing paper consumption – because paper consumes important resources and generates CO₂, our goal is to become as paperless as possible; photocopying should be avoided, but if necessary, copies should be double-sided and black and white
- tips for the workplace – energy can also be saved by switching off lights and screens and using equipment correctly
- sustainable heating and ventilation – the aim is to save energy and reduce CO₂ by maintaining a constant room temperature
- Welcome Days – at these events, new employees learn how L&R implements sustainability, helping them to develop a common understanding of the topic
- each site has its own sustainability officer who promotes sustainability on-site and is a point of contact for related issues
- at regular International Sustainability Meetings, employees receive status updates on developments regarding the use of resources at L&R
- we also keep our external stakeholders and employees well informed about the topic through posts on social media
- furthermore, we have energy scouts at our Neuwied (Germany) site, as part of an initiative by the Koblenz Chamber of Commerce and Industry – this program introduces young employees to the topics of sustainability and climate protection at an early stage; their task is to look for energy-saving potential
- we have also introduced awareness-raising projects at many L&R sites, such as tree planting, clean-up campaigns and cycling initiatives, as well as information and employee workshop-days on sustainability, among many other activities

7 Products

Goal 2030	Measures	Status 2023
80% of packaging is made from renewable resources	■ creating conditions for achieving packaging goals ■ using environmentally friendly, sustainable packaging systems ■ using circular systems by switching cardboard quality from fresh fiber to recycled material ■ developing plastic-free packaging (e.g. Solaris products) to reduce the use of plastics	■ introducing cardboard quality with grass fiber content to package Ratioline products ■ gradual conversion (in progress) ■ developing plastic-free packaging (in progress) ■ 84% of packaging is now made from renewable resources
100% of packaging is recyclable	■ creating conditions for achieving our packaging goals ■ developing recyclable packaging: peel-open bags and thermoformed packaging made from mono-films	■ plastic-free sliding boxes for Kitpack products to ensure recyclability ■ market research for mono-materials (completed) ■ 80% of packaging is now recyclable
Sustainable and innovative product solutions	■ determining the product carbon footprint by 2027 for our six key product segments ■ permanent screening for ways to reduce materials used ■ evaluating the use of recycled materials to reduce environmental impact	■ PCFs for surgical gowns and covers were determined together with ClimatePartner; certificates are now available ■ conversion to stretch film (for wrapping pallets) with lower surface weights has been completed ■ Ratioline product development with recycled PE material has been completed and the product has been launched ■ bubble wrap used in the order picking area has been replaced with a recycled quality material

As a leading developer, manufacturer and distributor of medical devices and hygiene products and services, we have the opportunity to raise awareness of sustainability through our more than 60,000 products and services. We are also in a position to make a relevant contribution to sustainability in our production processes, as well as for our customers and patients. We strive to fulfill this responsibility and to make our core business sustainable and profitable.

This begins with product development, continues with production and distribution, and ends with the use and disposal of our products. In all areas of the company, we pay close attention to resource-saving processes and production methods, environmentally friendly materials and ecological and energy-saving logistics (e.g. a new logistics hub in Poland for more efficient logistics).

We involve the responsible departments in the optimization process, as well as our customers, suppliers and service providers.

7 Products

7.1. What We Do

For us, people and their health are at the heart of everything we do. We strive every day to provide optimal and innovative solutions in the healthcare sector.

With our product portfolio and brands, we offer a wide range of products for hospitals, general practitioners and pharmacies.

Wound Care



Key areas of our product portfolio

In the area of wound care, L&R offers the highest quality with leading brands such as Debrisoft, Suprasorb, Vliwaktiv and Vliwasorb. We focus on products for modern wound care, which we are continuously advancing.

L&R's range of bandages and dressings covers solutions for compression therapy as well as for fixation, stabilization and immobilization, including supports and orthoses. Rosidal, ReadyWrap, VENOSAN, Cellacare/Velpeau, Cellona and Cellacast are just a few of our well-established brands in this area.

Bandages & Dressings



Set Systems & Hygiene



L&R understands the processes and requirements in the operating room in detail and offers a special range of products tailored to this environment. Leading brands that nurses and surgeons can trust in the operating room include the following: Setpack OR dressing materials, Raucodrape OR drape system, Kitpack custom procedure tray, Sentinex OR clothing and Sentina hygiene products.

Suprasorb CNP products promote wound healing through negative pressure therapy. Innovation prizes awarded in Austria and Germany underline L&R's successful development work in this area.



Ratioline is the brand for modern health products that can be purchased at German pharmacies. In 2006, L&R launched a specially tailored range of plasters, bandages and hygiene products for families, sport and leisure activities under this brand.

L&R OPTILINE is the tailored service solution for optimizing processes and products in hospitals.

The daily challenges faced in everyday clinical settings require a strong partner. L&R OPTILINE helps customers to successfully combine sophisticated patient care with economic efficiency.



Rauscher Consumer Products GmbH (RCP) offers branded products and private-label solutions for feminine hygiene, cosmetics, general hygiene and first aid. Well-known brands include Bellawa Gloria, Raucosan and senta.

7.2. Circular Economy and Sustainable Packaging

In addition to CO₂ emissions, packaging prominently features in conversations about ecological sustainability. Packaging is often an indispensable part of a product – be it for hygiene, protection during production, transportation or storage. It therefore accounts for a large proportion of waste. We intend to leverage our important role in the healthcare market to develop sustainable solutions for packaging. We have also integrated our intention into our sustainability strategy with specific goals.

Increased use of circular economy systems

- wherever possible, we use materials from recycling cycles for packaging; for paper and cardboard packaging, we are increasingly relying on recycled paper
- where legally possible and permitted, we implement recycling options in the area of plastics
- we are working to ensure that disposable + recycling = safety. What does this mean? We plan to recycle our single-use lines, such as surgical gowns, disposable instruments and surgical draping systems, and to develop new products
- we have implemented silver recovery at one of our UK production sites; silver nanoparticle technology is used in manufacturing wound dressings – waste from the process and all wound dressings containing silver is collected and sent to an external UK-based specialist facility for silver recovery, and the focus here is on compliance with environmental regulations and sustainability (this four-stage process (incineration, melting, cupellation, refining) is allowed under an environmental operating permit)

Using packaging made from renewable resources

Our goal is for 80% of our packaging to come from renewable resources by 2030. To this end, we are taking the following steps:

- using environmentally friendly, sustainable packaging systems
- using circular systems by switching cardboard packaging from fresh fiber to recycled material – we have already implemented this for Ratioline products, using a cardboard quality that contains grass fiber: Grass fibers are recyclable and compostable, meaning fewer trees are needed, thereby saving CO₂
- developing plastic-free packaging (e.g. for Solaris products) to reduce plastics – we are already in the process of implementing this

Recyclable packaging

We are taking a further step: In addition to using renewable materials, we intend to ensure that 100% of packaging is recyclable by 2030. Below are some initial ideas about how we plan to reach our goal:

- develop recyclable packaging systems through Design for Recycling (D4R)
- provide the necessary disposal data to support national disposal systems
- develop recyclable packaging: (recyclable) mono-film peel-open bags and thermoformed packaging made from mono-films

As a result, among other things we are able to package our Kitpack products in plastic-free sliding boxes, which ensures recyclability. In 2023, we also completed market research on mono-materials.



7.2. Circular Economy and Sustainable Packaging

Slip-lid boxes are now fully recyclable

One example of our measures to increase the proportion of recyclable packaging we use are slip-lid boxes: To improve the sustainability of the slip-lid boxes used for our Kitpacks, we have replaced our non-recyclable, polyethylene-coated boxes with boxes that have a liquid-tight bio-coating. To do so, we collaborated with the box manufacturer in Scandinavia to select a bio-coating tailored for our intended use.

This new type of bio-coating ensures that the boxes are liquid-tight and that they can also be used as disposal containers, as requested by our customers.

With this innovation, it will be possible to make 140 tons of previously non-recyclable material fully recyclable every year. The material used is FSC- and PEFC-certified. This change has also led to cost savings. The switch to the new boxes will take place gradually from mid-2024.

KOMATRA

Transformation drivers such as the shortage of skilled workers, the shift towards a green economy and high regulatory requirements require new solutions. L&R has therefore been part of the KOMATRA project funded by the German Federal Ministry of Education and Research since January 1, 2023.

The project promotes innovative forms of working and learning in the context of the circular economy, based on the latest scientific findings. In cooperation with corporate and application partners from the automotive and medical (technology) sectors in Germany's Saar-Palatinate region, groundbreaking pilot projects are being developed and tested in areas such as work design, leadership and collaboration, skills development and teamwork. One focus is on replacing linear value chains with networks and the circular economy. The Competence Center for Work Research thus offers companies in the Saar-Palatinate target region support with realigning their work processes and business models. The overarching goal is to ensure the competitiveness and future viability of the region.

7.3. Quality Management

L&R stands for the highest quality products and processes – this is firmly rooted in the guiding principle of our company: We aim to ensure the best possible medical care worldwide. To maintain the highest quality medical devices and services, L&R has established a cross-site and globally networked quality management system.

In addition to the quality of our products and processes, our quality management system also fulfills all legal requirements, thereby facilitating access to global markets. Compliance with regulations such as MDR or MDSAP, as well as with relevant EN ISO 9001 or EN ISO 13485 standards, has been proven in multiple audits and is reassessed every year.

Sustainable supply chain

We aim to make our global supply chains efficient and sustainable. We are currently working hard to integrate social and environmental standards, because we believe that sustainable action increasingly enables competitive advantages to align with economic growth. Our customers and end users also become increasingly interested in how sustainably a product has been produced: How much CO₂ was generated during the production and distribution process? How exactly was it produced? The significance of this consumer interest is illustrated by the introduction of EU Supply Chain Directive and national supply chain laws, such as those in France and Germany, which oblige companies to comply with social and environmental standards throughout the supply chain. We, as a company, conduct risk assessments and our supply chain is regularly checked by independent bodies:

- EcoVadis: Assessment of upstream and downstream value chains
- Sedex: Data platform for transparency in corporate sustainability commitment
- OEKO-TEX®: The world's best-known label for textiles tested for harmful substances
- Fairtrade
- Forest Stewardship Council (FSC): Consideration when purchasing products

7.3. Quality Management

As of January 1, 2024, L&R will be subject to the German Act on Due Diligence Obligations in Supply Chains (LkSG). As preparation, a newly established team led by Legal Affairs and Insurance (LAI) conducted a risk assessment of the entire supply chain of all L&R companies, assessing our respect for human rights and environmental obligations. The project is a dynamic process that is constantly evolving. The aim is to create more transparency and, as a company, to make a value-adding contribution to the enforcement of internationally recognized human rights and environmental standards in global supply chains.

We have already started to identify and to make transparent the actors in the supply chain, as well as their respective social/ethical and ecological risks and impacts. Solid reporting is based on a comprehensive risk management system with processes and instruments that are designed to involve L&R suppliers.

7.4. Sustainable Production and Logistics

We are constantly striving to optimize our production processes, which are primarily focused on growth and short lead times.

For many years, we have taken social and ecological aspects into account at all of our 14 international production sites. Our focus is on resource-saving processes and production methods that benefit both people and their surroundings, environmentally friendly materials and ecological, energy-saving logistics.

System requirements

To make our products and production process sustainable, certain system requirements must be met. For example, we are working on a systemic approach for assessing and classifying packaging materials based on their origin from renewable materials, their end-of-life and thus their recyclability. Our goal is to implement recycling labeling on all packaging materials. We have already procured and installed software to meet these system requirements, and have started maintaining the data fields. In addition, we have created Design for Recycling guidelines and are now using them to develop future packaging.

Sustainable and innovative products

Standstill means regression, change means progress: Together with our customers and partners, we embrace a culture of innovation, and we involve all employees in our innovation management. We actively encourage all employees and external parties, e.g. customers, to become involved in our idea management initiative.

In order to help ensure the best possible care for people around the world, employees at L&R's five research and development sites are constantly working to further improve existing products and to develop new, innovative products.

Through customer surveys and market analyses, we determine the needs of users and patients, developing successful products and services for our markets. We are continually expanding our product range in all core business areas, with each product having its own unique selling point. When developing ideas and products, we take ecological, social and economic sustainability into account and strive for continuous improvement. We focus on seven development priorities:

7.4. Sustainable Production and Logistics



- expanding our product range in all core segments
- developing products with a unique selling point (USP)
- continuously improving competitiveness (in- and outsourcing, cost savings)
- offering support by creating technical documentation and internationalization
- guaranteeing and improving materials
- troubleshooting, securing our products
- creating new sizes and packaging

In order to foster innovation, we rely on our innovation culture as well as on partnerships, conferences, innovation tools and training, scouting and technology assessments, alongside an idea pool and structured ideas management.

As an example of our development ambitions, we would like to highlight our new microbiology laboratory, in which we aim to advance the treatment of chronic wounds with biofilms. L&R's biofilm research center facilitates the development of antimicrobial product technologies.

We have already calculated the product carbon footprint for surgical gowns and drapes together with our external partner, switched to stretch films for wrapping pallets to lower basis weights, launched the Ratioline product with recycled PE material, and replaced the bubble wrap we use in the order picking area with a recycled alternative.

Our end customers are increasingly seeking sustainable product solutions. This is why we plan to determine the product carbon footprint for our six key product segments by 2027. In addition, in order to minimize our environmental impact, we are constantly looking for ways to reduce material use and regularly assess recycling quality.

8 Society

Goal 2030	Measures	L&R status 2023
Continuing our Corporate Social Sponsoring (CSS) program: L&R charity – we connect	individual projects by employees as part of the CSS program	implementing CSS projects in Germany, Austria, the Czech Republic and the Congo
Continuing product donations for those in need	centrally implemented product donations to partner organizations and, as necessary, donations and additional aid measures to other recipients affected by natural disasters, wars, etc.	various product donations to more than 15 regular partner organizations in 34 countries, as well as to other recipients

L&R strives to engage with society beyond its operational business, fostering sustainability in all of its efforts.

8.1. Projects Close to Our Hearts: Corporate Social Sponsorship (CSS) Program



Humanity, solidarity and action play an important role both within our company and beyond. In 2015, L&R's Corporate Social Sponsorship (CSS) program, "L&R charity – we connect" was launched, encouraging our employees to engage socially in their own projects. We financially support our employees in their endeavors, whether in the field of art and culture, sport or education. The common goal is to connect and bring people from different generations together.

What makes our approach special? L&R employees actively develop the projects themselves as project sponsors, often collaborating with external partners.

CSS projects 2023

In 2023, we were able to implement CSS projects once again – initiated by L&R colleagues and financially supported by L&R.

Project: "feel again"

Cancer can affect anyone, and access to medical care is essential. It is equally important for affected women and girls to regain their self-confidence and a positive body image during and after treatment. The non-profit association "feel again" (www.feelagain.at), established in 2018, offers free make-up courses to girls and women suffering from cancer. Guidance given in these courses not only strengthens self-esteem on the day of the event, but also in the long term.

Demand for the courses is enormous, but they are currently limited to eastern Austria. An L&R colleague from our Schönauf site took action to make this wonderful idea grow, so that participants of all ages can have the opportunity to exchange ideas in a group setting. She submitted her heartfelt proposal to the CSS committee and won the team's approval: "feel again" has been supported by L&R with a grant of € 5,000.

Project: L&R yurt for forest kindergarten

A German L&R colleague asked for support to buy a yurt, including a wooden floor, for the forest kindergarten group at a kindergarten in Anhausen. This forest group is unique in that they place particular emphasis on contact and exchange between different generations. Together with local pensioners, the children do crafts, cook and bake together. So that the children and the elderly continue to have a place to meet, L&R contributed € 9,000 towards the purchase of a yurt.

L&R CSS project at the TRIGOS Award Lower Austria 2023

The TRIGOS Award is the most prestigious award in Austria to recognize responsible business practice, and is highly coveted by companies and organizations. In 2023, L&R applied for the Lower Austrian TRIGOS Award with its CSS program. We were thrilled to receive a top-three ranking and considerable recognition for our initiatives.

8.2. Product Donations

As part of our responsibility as a company in the healthcare industry, we have been supporting around 20 partner organizations located in Austria, France, Germany and Switzerland for years with product donations. These donations are used by our partners worldwide wherever they are needed, above all for people who find themselves in difficult situations through no fault of their own. Our partners include organizations such as Caritas Wien, Diospi Suyana, Hilfswerk Wien, Humedica e. V., Human Plus e. V. and Partenariat 57.

Our partner organizations know exactly where and when help is required and how distribution can be organized in the most efficient way. This ensures that our product donations reach the places in need.

In 2023, we donated a total of more than 840 pallets – organized by our logistics centers in Austria and France. The products we donated were used in 31 countries.

What's more, we have been able to provide assistance at very short notice when tragic events have occurred in countries with an L&R presence. For example, during the war in Ukraine and after the earthquakes in Morocco, Syria and Turkey. In all these cases, L&R made special donations to aid organizations, institutions and communities, as well as to individuals on the ground.

8.3. Special Commitments

Special commitment 1:

L&R support in the Ukraine war

The Ukraine war continues to affect us all deeply. Thanks to our expertise in the medical field, we are able to provide concrete help. In 2023, we donated more than 570 pallets of medical devices directly to Ukraine via partner organizations.

Special commitment 2:

L&R support after the earthquakes in Syria and Turkey

On February 6, 2023, two large earthquakes with magnitudes of 7.8 and 7.5 hit northern Syria and southeastern Turkey, killing more than 60,000 people and injuring around 125,000.

As a company in the healthcare sector, it quickly became apparent that we could help and that we wanted to. As a company, we donated more than 30 pallets of medical devices to treat the injured. In addition, our employees donated €1,500 towards surgical supplies in Syria.

Special commitment 3:

L&R support after the earthquake in Morocco

A few months later, there was another devastating earthquake: On September 8, 2023, an earthquake hit Morocco, 74 km southwest of Marrakech, killing almost 3,000 people. Here, too, we also provided support by sending more than ten pallets of medical devices to the affected area.

9 Facts and Figures

9.1. GRI Index

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