

# We protect

Sustainability Report  
2021





**schülke**  
sustainability

Our Sustainability Report is published in German and English.

This report is an interactive PDF. You can navigate through the content using the following icons:

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## Sustainability in numbers

1,127

employees  
globally\*

€389 m.

annual  
turnover

35,405 t

production volume  
at our location in Norderstedt

17

locations  
globally\*

271,018 tCO<sub>2</sub>e

CO<sub>2</sub>-equivalent  
(Scope 1, 2 and 3)



In 2021, we contributed to the protection of patients and healthcare professionals from infections in hospitals through

**3,088,557,659**

applications of our products worldwide.

»We advance our mission and take the next step.«

Dr. Nicole Steinhorst,  
Chief Sustainability Officer

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# Letter to the stakeholders

Creating sustainable  
transformation proactively

Dear ladies and gentlemen,  
Dear stakeholders of schülke,

The past two years have put us to the test as a society, but also individually. The COVID-19 pandemic has brought about great hardships and changes. Their end is not in sight yet. Paired with an accelerating global warming, whose consequences are becoming increasingly apparent for us in Germany as well, and a dramatic shortage of raw materials materializing clearly since February 2022, the pandemic demonstrates the need for sustainable transformation to all of us.

We at schülke accept the related challenges, because we strive to make our contribution to a sustainable development. Our conviction and mission to protect human life globally express our obligation to do so. Despite the massive upheavals caused by the pandemic, we have continued to make substantial progress in the sustainable transformation of our company in the past two years.

We have appointed a Chief Sustainability Officer to drive the development and implementation of our sustainability strategy. From July 2022 on, an ESG & Sustainability Manager will support our team and act as an interface with our functional departments. This way, we ensure a consistent implementation of a sustainability strategy that has been aligned across our individual units.

We know our customers' needs and offer quality products on a premium level. To us, quality also means working on the sustainable design of our products, and we have already made progress in this respect. We have succeeded in reducing packaging and replacing non-recyclable materials with recyclable ones – without compromising the reliability and effectiveness of our products. We are continuously working on innovative technologies and will be able to launch our first entirely sustainable product in 2022. By digitizing external and internal services and processes, we have been able to improve the service quality for our customers and employees while reducing environmental impacts.

We are also strengthening the protection of our natural environment through the continuous enhancement of our climate and environmental management. Since 2022, we have been sourcing electricity exclusively from renewable sources at our site in Norderstedt. In addition, we continuously reduce the use of energy and natural resources through the introduction of modern technologies, and cooperate with our transport service providers on the development of sustainable logistics solutions.

The health and well-being of our employees are of fundamental importance to schülke. Comprehensive occupational safety and health standards are non-negotiable for us.

In addition, we have continuously enlarged the range of health benefits we offer. An example is the introduction of JobRad in 2021, which allows us to offer leased bicycles to our people. To remain internationally competitive and support our employees in their development, we have further expanded the range of training opportunities, and promote women in management positions.

We are aware that the motivation and commitment of our employees are the basis of our success – even in difficult times such as those we have experienced in the past two years. For this, they deserve my sincere thanks. Together with them, we will continue to drive forward the sustainable transformation of our company, always committed to protecting human life as well as our environment.



Stefan Kukacka  
CEO Schülke & Mayr GmbH



»The aim of our sustainability report is to inform our stakeholders and to create transparency about our sustainability performance.«

## About this report

### What you should know about our report

Through this sustainability report, Schülke & Mayr GmbH (hereinafter: schülke) provides a deep and comprehensive insight into its sustainability strategy and sustainability performance. It is our goal to meet the differing expectations of our diverse stakeholder groups regarding a profound reporting, but also to inform a broader public about our sustainability efforts. We want to make reading our report interesting and informative, but at the same time ensure accountability and comparability through facts and numbers.

#### Determination of the content reported

To ensure comparability, this report was developed in accordance with the “core option” of the Global Reporting Initiative (GRI) as the world's leading standard for sustainability reporting. For the definition and selection of key non-financial indicators and the report's content, we were also guided by the European Eco-Management and Audit Scheme (EMAS).

The materiality analysis, carried out by our sustainability team in 2021, provided the basis for a systematic selection of the content reported. In this analysis, we assessed both the economic, environmental and social impacts of our business

activities (“inside-out perspective”) as well as the relevance of different sustainability aspects for our business performance (“outside-in perspective”). A systematic determination of the stakeholder perspective is planned for 2022.

#### Reporting period, reporting scope and boundaries, and data collection

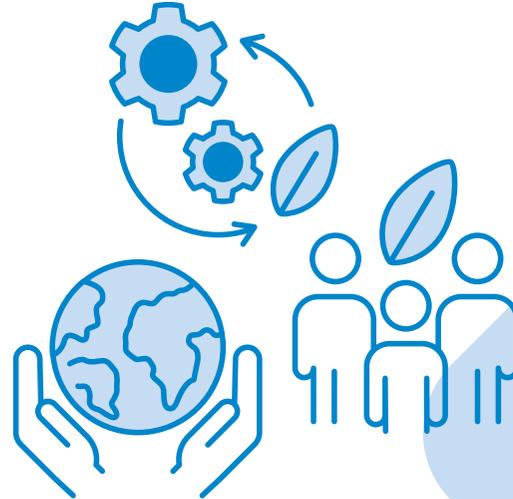
This report contains our sustainability performance for the fiscal and calendar year 2021. The closing date for all data and facts was December 31, 2021. To demonstrate the development of our sustainability performance, we also provide information from previous years on individual topics. We published our last comprehensive sustainability report in 2017, and abridged versions were published in 2018 and 2019. With this sustainability report, we aim to provide a holistic, transparent and comprehensive insight into our sustainability strategy. Compared to the reports of previous years, we have been able to significantly expand the reporting scope for this reporting period. Due to this extension, no comparative figures from previous years are available for some indicators on social and environmental aspects.

The report encompasses Schülke & Mayr GmbH and all its subsidiaries with the exception of AktivWelt GmbH, whose business is being discontinued. In cases where information only pertains to certain business units, we indicate this accordingly.

Sustainability indicators are recorded by us in various business units. We have compiled the information for this sustainability report with utmost care. All information is provided to the best of our knowledge, free of material errors or omissions, regarding the information collection processes itself, the nature of the information, and the measurement, calculation and estimation methods used. In this context, the collection and evaluation of environmental indicators and data on resource consumption along our value chain remain to be a particular challenge. In order to address this issue and to ensure that the respective data is as encompassing and accurate as possible, we are continuously optimizing the data collection methods used at our production sites.

In some parts, our report contains forward-looking statements relating to activities and projects planned. These are identified by words such as “we plan”, “we intend” or “we want”. Such forward-looking statements are subject to a number of risks and uncertainties in the dynamic and volatile business environment of today and tomorrow. Despite these challenges, we endeavor to make estimates based on realistic and probable assumptions.

Nevertheless, the assumptions we make may prove to be incorrect due to uncertainties and unforeseeable occurrences, which in turn may lead to a deviation from the objectives and results projected.



»The aim of our sustainability report is to meet the expectations that different stakeholder groups and the public have with regard to a profound reporting.«

## Company profile

### What you should know about schülke

schülke has been one of the pioneers and leading companies in the field of infection prevention and control for more than 130 years. Through our wide range of innovative, high quality products and the services and reliability ensured by our experts, we provide holistic concepts for infection prevention in professional healthcare, but also for consumers and the pharmaceutical sector.

In our three main strategic business units – healthcare, over-the-counter and industrial hygiene – more than 1,100 employees (as of December 31, 2021) actively contribute to the safety and protection of people's health every day. Thanks to strong brands such as octenisept®, desderman® and microshield®, we are among the international market leaders, and generated sales of €389<sup>1</sup> million across our entire group in the reporting year. The global orientation of our business model is deeply anchored in the DNA of our company and is clearly expressed in our mission to protect life worldwide. Committed to this principle, we contributed to the protection of patients and healthcare professionals from infections in hospitals through more than three billion applications of our products in 2021. Our scope already extends to 80 countries worldwide, and we are continuously evaluating entries into new markets.

In 2020, we found an owner in the internationally operating investment group EQT who shares our approach and our global perspective. Building on sustainable values, we will jointly shape further growth and innovation in order to continuously strengthen schülke's brands and market positions worldwide.

Due to our global business activities and the diversity of our products, ranging from pharmaceuticals and medical devices to biocides, we are confronted with many different legal and regulatory requirements. Complying with these is as fundamental for us as keeping our high quality standards.

Our experience of more than 130 years as well as our values and convictions guide us every day in living up to our standards and to what we expect from ourselves. They provide the foundation of a globally active company that is shaped and developed by our dedicated employees in all our sites.

<sup>1</sup>Consolidated financial statement of schülke Topco GmbH according to German GAAP (HGB) as of Dec. 31, 2021.



## Our locations

schülke's headquarters have been in Norderstedt to the north of Hamburg since 1963. In the reporting period, 740 employees (as of December 31, 2021) worked at this location in a wide variety of areas such as production, logistics, research and development, and marketing and sales. Norderstedt, our largest location, is home to a factory, office buildings and our logistics center.

Here, state-of-the-art storage and fire protection technologies guarantee the safe and environmentally friendly storage of our finished goods and packaging materials.

In addition to Norderstedt, we operate two other production sites. Our subsidiary Vic Pharma, where 108 people are employed, is located in Taquaritinga (Brazil). Bioxal, based in Chalon-sur-Saône (France), employs 40 people. In addition, there are 14 subsidiaries worldwide, which primarily perform sales activities.

**Headquarters Germany**  
Schülke & Mayr GmbH, Norderstedt

**Europe**  
Germany  
France  
United Kingdom  
Netherlands  
Austria  
Poland  
Czech Republic  
Switzerland  
Slovakia

**South America**  
Brazil

**Asia/Pacific**  
Australia  
India  
Japan  
Malaysia  
New Zealand  
Singapore



## Strategic business areas

The globalized world of today is characterized by strong economic and technological ties, and connected through international transportation and travel. Overcoming great distances in the shortest possible time has become a given. What is often forgotten in this context: Microorganisms always travel with us as invisibly and unrecognized as blind passengers. The Corona pandemic has impressively demonstrated the vulnerability of hygiene chains. Often only symptoms are addressed without taking a closer look at the causes.

Our aim is to close the relevant gaps through a holistic approach. In addition to effective products, this also includes a large portfolio of services, in particular customer centric advice. Protecting people from infections and materials from contamination is our primary goal, because for us, prevention always enjoys priority over infection treatment.

To pursue this approach and to meet the needs of our customers, we offer innovative products, technologies and services in three divisions: Healthcare, Over the Counter and Industrial Hygiene.

### Healthcare

#### Broad portfolio of products and services to ensure the highest level of hygiene

**Selected areas of application:**

- hospitals
- medical/dental practices
- rescue services
- nursing services
- geriatric care
- cosmetic studios
- care boxes

**Products for, for example,**

- hand hygiene
- surface hygiene
- instrument reprocessing
- skin antiseptics
- wound management
- oral antiseptics
- decontamination of multidrug-resistant pathogens
- skin and body care
- hygiene technology and application aids
- kitchen hygiene

**Services, for example:**

- hygiene planning and consulting
- education and training
- product application consulting
- technical services

### Over the Counter

#### Solutions for private users to meet everyday hygiene requirements

**Areas of application, for example:**

- primarily end consumers
- pharmacies

**Products for, for example,**

- wound care
- oral antiseptics
- vaginal antiseptics
- hand and surface disinfection

**Services, for example:**

- trainings

### Industrial Hygiene

#### Comprehensive range of hygiene products and services for industrial needs

**Areas of application, for example:**

- pharmaceutical manufacturing
- medical device manufacturing
- cosmetics industry
- food processing industry
- animal husbandry
- laboratories

**Products for for example,**

- surface disinfection and cleaning (ready to use, concentrates, wipes)
- surface disinfection in the clean room
- disinfection and cleaning of industrial production areas
- personal hygiene (hand disinfection, skin care, wound care)
- disinfection and cleaning of equipment and instruments
- accessories (hygiene technology/application aids)

**Services, for example:**

- production inspections and audits
- hygiene and product trainings
- GMP consulting in the area of disinfection

In the area of **healthcare**, the largest of our three business areas, we offer comprehensive solutions for professional users. For them, it is essential to be able to work at the highest hygienic standards. A diverse and constantly changing spectrum of germs places considerable demands on hygiene management. Equally demanding are the cleaning and disinfection of the various medical devices and instruments needed for treatments or for professional care. It is our task to develop products and services that match the individual needs and demands of our customers across different disciplines.

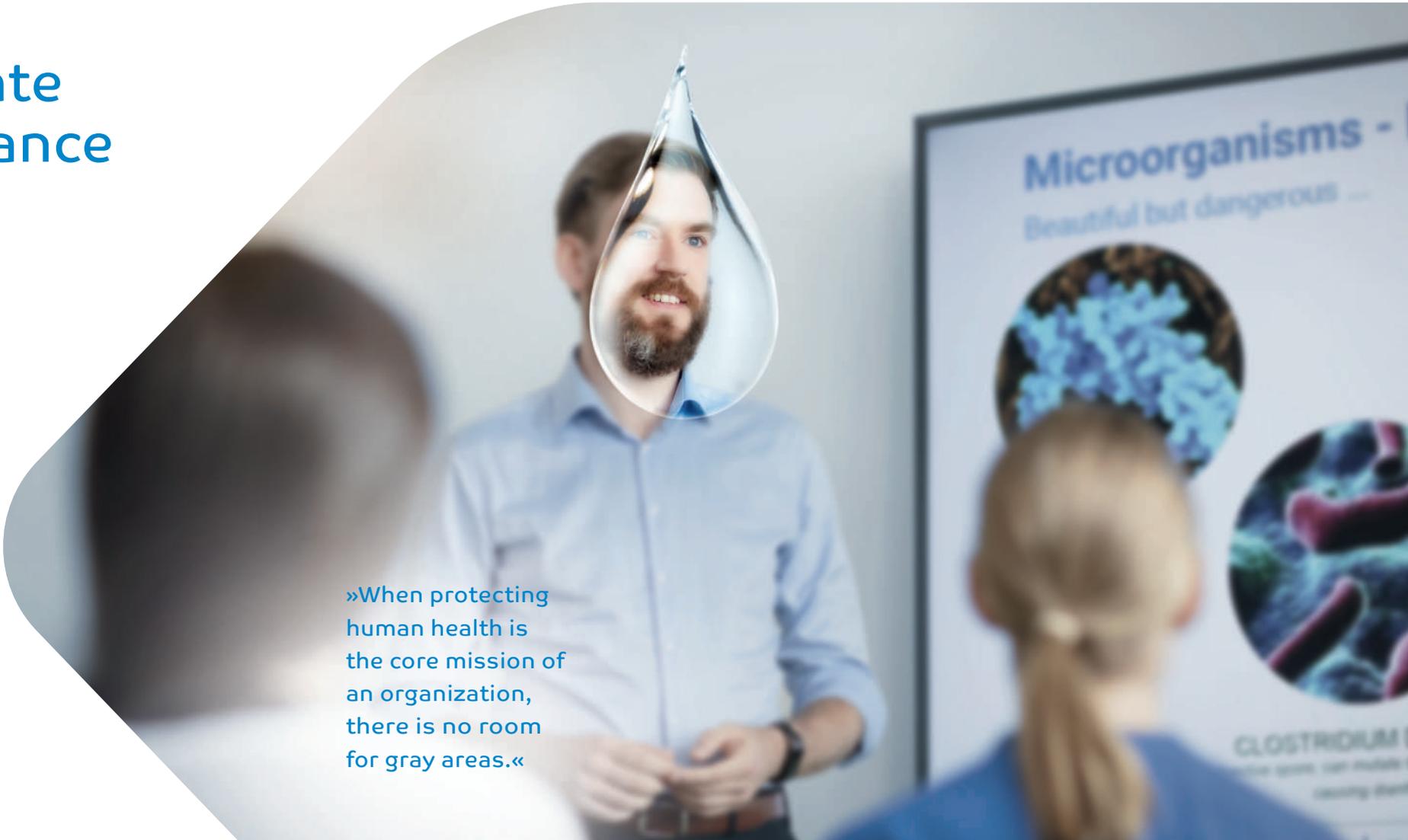
In our **over-the-counter** business unit, we provide a wide range of products for private users, primarily available in pharmacies, because even the small injuries of everyday life require fast and effective treatment. In addition to solutions for disinfecting minor wounds, we also offer products to promote the healing of wounds, and to effectively and gently prevent and treat further infections – so that people are perfectly protected in their everyday lives.

For our customers from the area of **manufacturing**, such as the production of pharmaceuticals, our business unit **industrial hygiene** provides products and services that are aligned to their specific needs. The effectiveness of the measures taken to decontaminate or reduce hazards in sensitive work areas generally depends on the perfect interplay of disinfection products, technology and individual advice. The development of tailor-made hygiene concepts in collaboration with our customers thus is a fundamental component of our range of services.

»The development of tailor-made hygiene concepts in collaboration with our customers thus is a fundamental component of our range of services.«



# Good corporate governance



»When protecting human health is the core mission of an organization, there is no room for gray areas.«

»We are committed to a shared understanding of values based on transparency and integrity.«

## Integrity and compliance are our foundation

Actions guided by values and compliance with rules are fundamental for schülke. Our corporate culture is characterized by trust, honesty and fair interactions with all our stakeholders. When protecting human health is the core mission of an organization, there is no room for gray areas. We therefore expect all our employees to always act in accordance with our value system, internal policies and legal requirements.

### Our approach to good corporate governance

At schülke, good corporate governance stands for value-guided actions as well as a rule-based regulatory framework for the management and supervision of our company. Complying with ethical principles and renowned quality, social and environmental standards that exceed legal requirements – within and beyond the boundaries of our factory premises – is binding for us. This commitment in turn is an essential component of our business success.

The consistent consideration of ESG aspects (environment, social, governance) and an evaluation of the opportunities and risks connected to them are an integral part of the work performed by our management and supervisory boards. They are leading an organization that is striving for financially sustainable as well as environmentally and socially responsible value creation at all business levels.

To ensure a coherent implementation of our principles, we have developed a series of instruments to meet our high standards of good corporate governance, as illustrated by the following examples: We analyze and report potential and pending litigation on a monthly basis, which enables us to identify and counter legal risks. This also entails maintaining and monitoring legal documentation. This is why we archive all corporate legal documents systematically, and intend to implement a new, comprehensive contract management system in 2022.

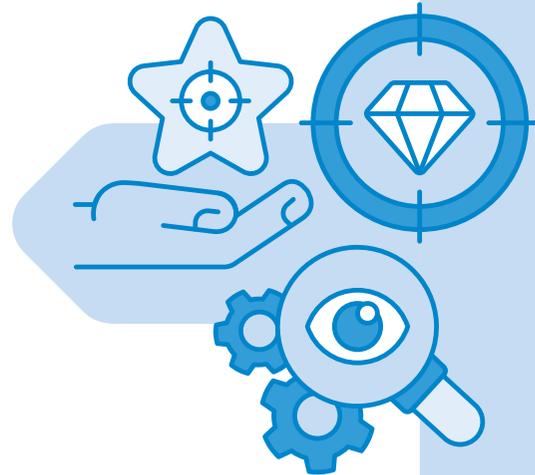
For us, good corporate governance also includes showing attitude and clearly communicating the importance of our corporate values and goals. We rely on a shared understanding of values based on transparency and integrity. In a corporate culture characterized by short paths and open doors, we build on flat hierarchies that not only enable efficient decision-making but also the communication of our corporate values in our daily business.

## Our values

For us, our values are the cornerstone of acting with integrity. They describe what we stand for as a company, strengthening identification and motivation. Moreover, they provide guidance for our employees and a basis for decision-making for our managers. This is why they constitute an essential part of how we do business at schülke.

However, our values do not only provide a foundation for us internally. With regard to our external stakeholder relations, our customers and business partners can be sure that we are a fair and reliable partner driven by finding the best solution.

»For us, our values are  
the cornerstone of behavior  
with integrity.«



We have explicitly anchored these beliefs in our values, explaining what they mean to us:

### **reliable. tried and tested.**

Our solutions and application expertise meet the highest of standards. With more than a century of experience, we create trust – the foundation for long-term partnerships and global growth. With schülke, our customers can count on tried and tested products and superlative quality.

### **co-operative. competent.**

The combination of effective products, competent advice and all-round service makes us a professional partner and advisor. With schülke, our customers are offered value added in many different ways – far beyond first-class products.

### **initiative. innovative.**

We spot the opportunities and challenges of tomorrow, and develop both innovative and sustainable solutions. We think and act proactively. With schülke, our customers are one step ahead.

Among our employees, we create awareness of our values through active communication and training sessions. Right from the start, new employees are engaged with our values as soon as they join our company. To make our values even more tangible for everyone, we have translated them into a code of conduct.

**We produce in accordance with advanced, safe and environmentally friendly processes.** For us, economic criteria are just as important as strict compliance with high quality standards. We are always aware of the social relevance of our actions.

**We always act in compliance with the law and observe the rules of free competition.** We fundamentally reject any form of corruption and exceed the legal requirements in the area of anti-corruption.

**In all our actions, we strive for continuous improvement and long-term value enhancement for our company.** Our profitability provides us with the possibility to address future requirements and challenges already today. Innovative thinking is an essential pillar of our international growth strategy and our success. Through the digitalization of our business processes, we drive the continuous expansion of our international market share.

**The relationship with our suppliers is based on a frequent and objective assessment of their performance in terms of quality and competitiveness of their products and services, as well as their compliance with international social and environmental standards.** The cooperation with our suppliers and business partners is built on partnership and dialog.

**In our international growth strategy, we are aware of our social responsibility in the regions in which we operate.** With measures such as signing the Diversity Charter ("Charta der Vielfalt"), we commit ourselves to a respectful working environment without prejudice.



## Our corporate principles

The demands and expectations we place upon ourselves as an international pioneer in our fields of business are anchored in our corporate principles. They create the foundation for respectful interaction among our employees and with our external stakeholders. They make a substantial contribution to schülke, operating on high ethical standards and acting as a fair and reliable partner. Adhering to our principles across the entire value chain is decisive for the way we do business.

Based on our principles, we assume social responsibility as a sustainable company and seek to be respected for our contribution to the protection of human health. Internally and externally, we aim to address the needs and concerns of our stakeholders in a dialog characterized by respect and openness, even when difficult or controversial issues are concerned.

**»Values and principles are most effective in a company when they are supported by viable systems and made applicable in everyday life. Our management systems make an important contribution to this aim.«**

## Our management systems

Meeting the highest standards that go beyond what is demanded by laws and regulatory requirements is what we expect from ourselves. As early as 1996, schülke was one of the first companies in its industry to introduce and integrate certified systems for quality (ISO 9001) and environmental management (ISO 14001). By doing so, we do not only meet internationally recognized standards, but also utilize synergies that result from the data collection and identical process steps required by both systems. Moreover, we ensure that the structures and processes in both areas are in line with our corporate principles and our organizational values.

In addition to internal processes, they also determine other factors of relevance to us. These include, among others, meeting the high quality requirements of our customers, establishing occupational safety as well as ensuring the conservation of natural resources and the consistent avoidance of negative environmental impacts.

Since their introduction, we have been expanding our management systems steadily to achieve continuous improvement in line with our total quality concept. This is why we are also working on the integration of management systems

used in areas other than quality and environmental management. By doing so, we establish binding processes and requirements for all departments at our headquarters and for all subsidiaries. The following three areas are of particular importance in this regard:

- Human resource management
- Occupational safety management
- Risk management

»Particularly in an industry where trust is the most important asset for business success, an effective system spanning units and divisions is key to ensure the identification and reduction of behavior-induced risks.«





## How we create effective compliance

Strict compliance with laws and internal guidelines is a matter of course for schülke and is decisive for all employees at all times. We follow through on violations of legal requirements, standards and our codes of conduct, also on a legal level if necessary. We do not accept non-compliant behavior at any time and in any place.

Due to our global approach, we operate in different legal and value systems. Even in countries with an increased risk of corruption, schülke does not tolerate any legal violations or unfair or dubious business practices. In order to communicate clear rules of conduct to our employees and to prepare them for possible conflicts of interest, we conduct regular training sessions at all of our locations. We expect our managers to act as role models and to lead by example in all situations.

Beyond the geographical dimension, complexity arises from the multitude of laws, norms and standards that affect our extensive product portfolio of pharmaceuticals, medical devices, biocides and cosmetics. These specifications are constantly being adapted by governmental actors, so the requirements resulting for us change continuously. schülke has built the necessary organizational structures and expertise in its individual departments in order to meet these complex requirements throughout the company.

In addition, we carry out a permanent market monitoring, the so-called post-market surveillance (PMS), to meet further requirements, such as those arising from ISO 13485 and ISO 14971. PMS describes a systematic process which makes information about products already available on the market accessible. Our systematic market surveillance and reporting system enable us to derive corrective and preventive measures that lead to the continuous improvement of our medical products as part of our quality management process. Through our compliance system, we seek to prevent against any violation of requirements, and to ensure the safety of our products and their continuous development. This is one of the foundations of our business success. In line with ISO standards, we are constantly developing our compliance management across our divisions by identifying and analyzing the main compliance issues together with employees from the relevant areas. This in turn permits deriving viable solutions. The decisive next building block in this context is the establishment of a high-performance reporting system that provides the basis for effective internal and external communication.

Successful communication also includes regular training in our company on relevant topics. For all our employees, it is mandatory to complete a compliance training session on an annual basis. The trainings comprise different kinds of questions on knowledge and application. To ensure a wide coverage, they are conducted as an online format via our

digital tool "SuccessFactors". Tracking performance allows us to follow through and make adjustments if necessary. In addition to questions about our Code of Conduct and anti-corruption measures, we also address the increasingly important issue of cyber security. Since cyber attacks represent significant risks for companies, corresponding training is also mandatory at schülke.

**»Non-compliant behavior is not accepted by us at any time and in any place.«**

## Compliance rates in the context of compliance training in 2021\*

Training	Target group	Compliance rate
Code of Conduct	All employees of schülke Group	99.1 %
Anti-Bribery	Relevant business units, for example, procurement, supply chain management	99.3 %
Cyber Security	All employees of schülke Group	98.7 %

Our Code of Conduct plays a central role in our organization. It defines rules for how we cooperate, that go beyond legal requirements, and reflects our responsibility toward all our stakeholders. The code is binding and guiding for all employees. We ensure that everyone is always up to date through mandatory annual training sessions.

In the code, we have firmly and clearly anchored full legal compliance and respect for fair competition, respectful, unprejudiced treatment of people and protection of their health, preservation of the natural environment, protection of data as well as transparency and integrity of financial, accounting and management information.

\*As of December 15, 2021.

Our Supplier Code of Conduct is also based on the standards of behavior, established by our Code of Conduct, ensuring consistency and reinforcing our principles beyond our factory gates in our supply chain. We provide more detail on our respective actions in the chapter on "Responsibility in the supply chain".

To actively involve our employees in shaping compliance effectively, we will also set up a system for reporting infringements of European Law in 2022. This will provide employees with the opportunity to report potential violations of product safety, compliance, environmental and consumer protection by phone or email. The reports are sent directly to our external ombudsman's office which treats them confidentially and, after an initial review, forwards them to our internal compliance office (Head of Legal) for further action. Through this system, we will fully protect the anonymity of whistleblowers.

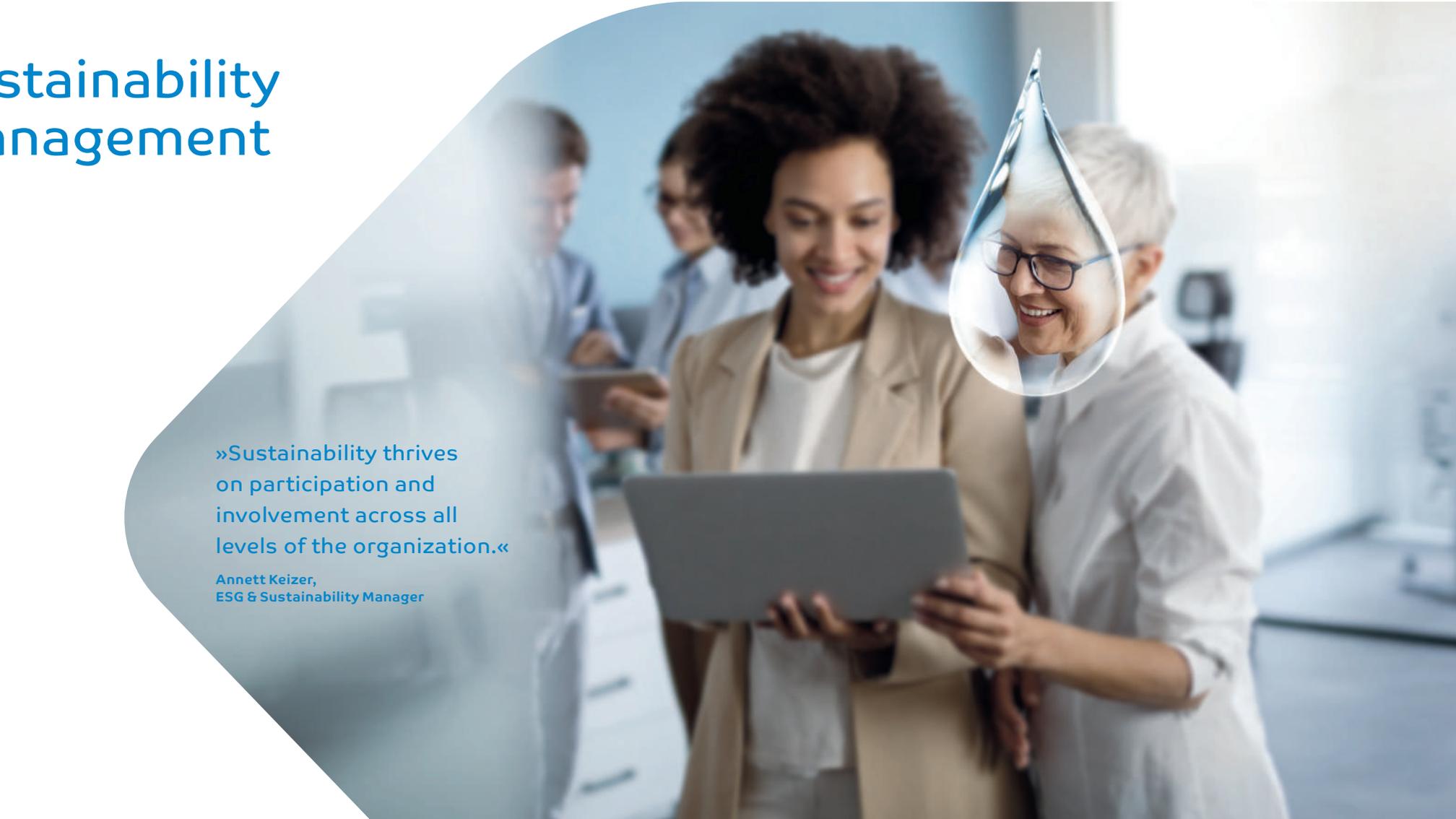
The whistleblower system helps us to identify shortcomings at an early stage, determine and reduce the corresponding risks, and initiate improvements based on the information obtained. We also see this system as an instrument to strengthen our corporate culture which is characterized by openness and constructive criticism.





»To shape an effective compliance system, we actively integrate our employees in programs and measures.«

# Sustainability management



»Sustainability thrives on participation and involvement across all levels of the organization.«

Annett Keizer,  
ESG & Sustainability Manager

»At schülke, our management is in charge of sustainability – but not only!«

## How we organize and live sustainability at schülke

For schülke, holistic sustainability management is an essential component of responsible business behavior and leadership. Our approach to sustainability is based on the conviction that our financial success does not only depend on innovative products and services as well as a strong customer orientation, but also on fair dealings with all our stakeholders and the protection of our natural environment. To reflect this conviction, we have created structures and processes to firmly anchor sustainability in our organization and strategy, and to implement it effectively through state-of-the-art management systems.

### Our sustainability organization

At schülke, the responsibility for sustainability lies in the hands of the company management, but not only! The involvement of our employees is also an essential part of our management approach, as we are convinced that sustainability thrives on participation and commitment across all levels of the company. Our employees are constantly developing ideas from their daily tasks on how we can create new solutions, make products better and design processes more efficiently. We want to leverage this potential and foster our sustainability management across the entire organization.

Sustainability is of strategic importance to us, which is why our management board has overall responsibility for our sustainability management. This comprises providing the necessary resources, including personnel, as well as a clear commitment to a sustainable path. This commitment at the top management level sends a clear signal to our organization that we do not regard sustainability as an accessory but as an essential building block in the strategic alignment of our company.

The Executive Board is in constant contact with our Supervisory Board and thus also with our investor EQT. Close cooperation also takes place with our Chief Sustainability Officer, who, together with her team, is responsible for developing, managing and shaping our sustainability strategy. To ensure constant coordination and short communication channels, the sustainability function is organized as a unit that reports directly to the Executive Board. This ensures that the Chief Sustainability Officer and her team regularly inform the management, report on progress but also on obstacles, and can set new impulses in the process. Regular presentations to the management and the owners support our internal communication on sustainability.

To further strengthen our sustainability organization, we have invested in the future and created an additional position. Our ESG & Sustainability Manager has started work as of July 2022. Together with the Chief Sustainability Officer, she will further develop schülke's sustainability strategy and guide its operational implementation. To this end, she forms the interface with important internal and external partners. We seek to foster sustainability along our entire value chain in close cooperation with customers and suppliers. Jointly with our sustainability team, the ESG & Sustainability Manager is responsible for coordinating with our departments to ensure that our sustainability strategy is implemented consistently throughout our entire organization.

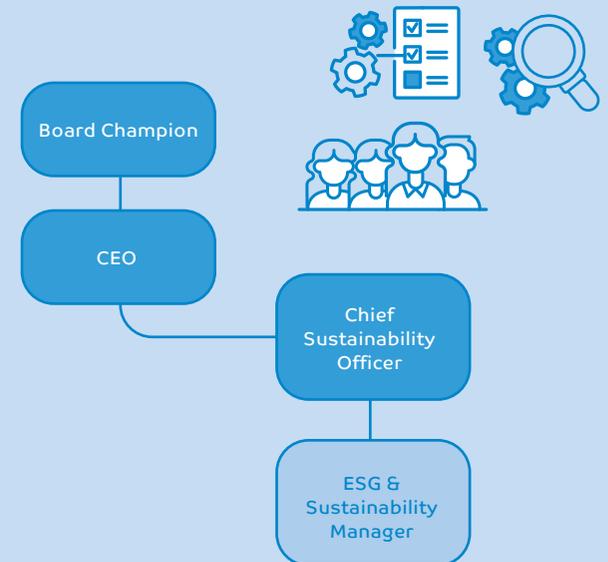
The members of the sustainability team also act as multipliers by ensuring coordination across our individual business units. Corresponding sustainability champions have been appointed in each division and department to act as points of contact for employees. This approach ensures an overarching concept and coordination in the development and implementation of individual measures and activities. After all, it is our clear goal to act in a coordinated manner and to avoid an isolated approach to sustainability limited to only a few selected areas.

Accordingly, the sustainability team manages all sustainability activities, the respective collection of data as well as internal and external communication with our various stakeholders. The team is also responsible for steering various project groups on specific topics for which we

involve other employees with the relevant knowledge and skills. Goals and measures are continuously evaluated and modified and supplemented, if necessary, to ensure adjustment to internal and external changes. Due to the great dynamics and complexity inherent to sustainability, the capability and willingness to continuously adapt are also crucial for a successful strategy and implementation.

To ensure effective communication at all levels, we have made sustainability a permanent part of the monthly meetings between our Executive Board and international management team. Through this global approach, we ensure that all of our locations and employees are a part of the communication loop. In a next step, our managers play an important role as multipliers. We need them to raise all employees' awareness for the importance of acting sustainably, to answer questions and to convince them in case of doubts about the business benefit of sustainability. At schülke, we are well aware that the topic is not always approached with openness and that skepticism may be encountered. Therefore, it is the task of our managers in particular to create awareness and to dispel potential concerns.

## Our sustainability organization



## Our management approaches

While our structures and processes establish the formal basis for managing sustainability, our management approaches describe how we do this. They entail all management systems that have a direct link to ESG-related topics, and thus are relevant for managing environmental, social as well as governance aspects.

To this end, we operate an integrated management system that comprises all relevant organizational entities, and provides a basis for strategic decisions and programs. It serves to systematically identify and minimize risks for the company, its owners and employees as well as for society and the environment at large. At schülke, we have been implementing sustainable management in a systematic but pragmatic way for many years. Our company philosophy, which is the foundation for all our actions in everyday business, is based on a holistic concept of quality, which does not only pertain to product quality in a traditional sense, but also encompasses all aspects that have an influence on the business process and its individual steps.

Accordingly, we pursue the following goals through the continuous improvement of products, processes and services:

- **Financial success**
- **Customer and employee satisfaction**
- **Safe and responsible actions**
- **Compliance with legal requirements**

This approach reflects that we do not view the individual management systems in isolation but always in interaction with one another. Just as we do with our sustainability organization itself, we also strive for an overarching, holistic understanding in our management approaches, and seek to create symbioses between systems and make efficient use of them.

For schülke, the careful management of the environmental and social impacts of our actions and the related risks is an essential component of our comprehensive quality management.

### Hence, our quality management approach is based on the conviction that quality ...

- ... extends beyond products and services to processes, working conditions and the environment;
- ... is a systematic and planned process that affects the entire company across departments and goes beyond purely technical issues;
- ... must be managed systematically to ensure best practice in the individual workplace, in the cooperation between departments and even beyond company boundaries;
- ... in the case of products and services, is ultimately a question of how our customers evaluate them;
- ... can only be optimized through the efforts of all employees; therefore, a high level of acceptance and motivation is required from all those involved in the value creation process.

To implement the various management approaches, we seek to integrate and further develop them in line with our "Total Quality Management" process which is certified according to ISO standards 9001 (quality management), 13485 (quality management for the design and manufacture of medical devices) and 14001 (environmental management), among others. The management system also reflects the requirements of product legislation and contains the management tools needed to meet the respective requirements. It is linked to our system for monitoring and control risk which serves to identify and reduce all possible economic and non-economic risks regarding the procurement and manufacturing of medical products. For this purpose, we review all identified risks annually and adjust them with regard to sustainability. We are currently paying particular attention to the successful mitigation of risks to innovation and production, to continuously ensure the highest quality standards for our products and services.

It is essential for our sustainability management to not only take an inside perspective on our organization and approaches. We also integrate an outside perspective by soliciting external input and advice. We do not hesitate to seek support from partners when necessary, and enter into various forms of cooperation, as we did in the preparation of this report. At schülke, we do not regard this as a weakness but rather as an approach based on partnership that also fosters our own gradual learning process.

In addition, we actively exchange with our stakeholder groups. We are always open for constructive criticism and for suggestions on how we can further improve our sustainability management.

### Stakeholder management

Since we are a manufacturing company as well as a service provider operating globally, our activities affect the interests of a large number of people in different areas and countries. Thus, when taking strategic decisions or implementing operational measures, we see an obligation to also consider the impact of our actions on people not involved in our core business. To meet this obligation, we seek a continuous exchange with our internal and external stakeholders. And we always do this at eye level, openly and respectfully. The systematic integration of schülke's various stakeholder groups into our business and decision-making processes is a challenge that we readily accept, as it is not only of

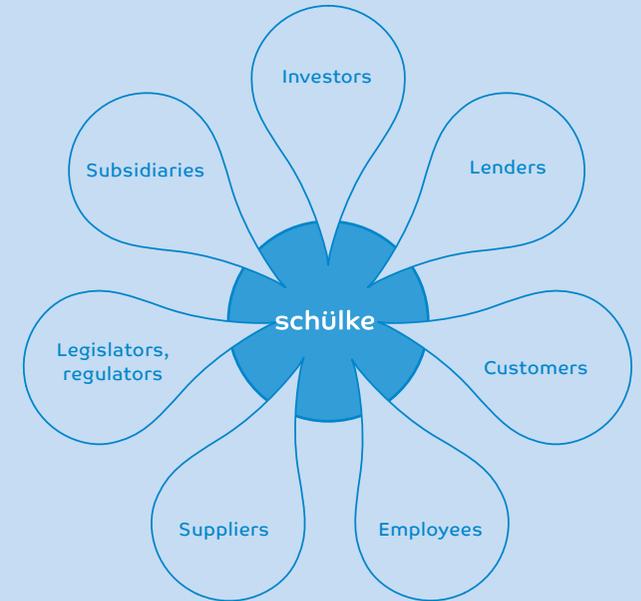
crucial importance for the future performance and viability of our company but also for our contribution to a sustainable development.

This overall approach is supported by the conviction that sustainable development can best be achieved through a partnership-driven approach, as demanded by Goal No. 17 of the United Nations' "Sustainable Development Goals". To follow up, an important element of our stakeholder management is to define the stakeholder groups that we systematically take into account as part of our sustainability management. Fundamental to this stakeholder assessment are the recurring evaluation of the degree of influence they can enact on our company and the extent of information they seek.



»The systematic integration of schülke's various stakeholder groups into our business and decision-making processes is a challenge that we readily accept.«

The following key stakeholder groups have been identified through our recent stakeholder identification and assessment:







We use various forms of dialog to promote an open exchange with our stakeholders. In addition to personal talks, which we unfortunately had to reduce during the pandemic, we regularly conduct surveys among our stakeholders. In 2021, for example, we asked the managing directors of our European subsidiaries to assess the importance of sustainability in their day-to-day business. 75 % of respondents felt that sustainability plays an important or very important role. Almost 90 % assumed that its importance would continue to increase over the next three years. This is also reflected in tendering procedures, in which, according to the respondents, the issue of sustainability is already being comprehensively taken into account, also with an increasing trend.

The expectations that customers have of us with regard to sustainability are high. However, we have found that the willingness to pay for more sustainability is only slowly increasing. A survey of 70 key customers in Germany revealed that the acceptance of additional cost for carbon-neutral shipping of goods is still rather weak. Nonetheless, at least in one of our three business areas, a majority of respondents was willing to accept a price premium for sustainability.

The continuous dialog with our stakeholder groups enables to track such developments and changes in attitude, and to address them strategically. That is why the active dialog with our stakeholders is a key element in the development of our sustainability strategy. Due to its importance, we intend to further expand it and include more stakeholders in the coming years.

»The expectations that customers have of us in terms of sustainability are high.«

# Sustainability strategy



»Our strategic direction is perfectly expressed by our mission statement: protecting lives worldwide.«

»We want to make our contribution to protecting the basis of life for future generations through responsible, long-term business practices.«

## Creating holistic growth

schülke's sustainability strategy is supported by a clear overriding objective: We want to create value through our actions – for our stakeholders and for ourselves. For us, holistic growth is based on the responsible and economically successful development of our company. This ensures our future viability in the face of international competition and the conscious alignment of our business decisions to sustainable development.

### Our strategic approach

Our strategic direction is perfectly expressed by our mission statement: protecting lives worldwide. All of our business decisions are guided by this purpose. For us, protecting life has many dimensions. Today, through our products and services, we protect people around the world from diseases, infections and contamination before they occur. We also want to make our contribution to protecting the basis of life for future generations through responsible, long-term business activities. For us, safeguarding this foundation for our children and children's children is inextricably linked to protecting our natural environment and preserving earth's biodiversity.

The purpose of our business forms the foundation of our sustainability strategy. Building on more than 130 years of experience and innovative strength, we protect the lives of millions of people through our products and services,

and thus contribute to the economic sustainability of our company. For us, business success and responsibility for society and the environment are not mutually exclusive. On the contrary: We can only be successful if we succeed in contributing to a sustainable transformation of the economy and society. With our products and services, we already make a valuable contribution to human health which is the essence of economic and social welfare. The COVID-19 pandemic has shown how much both dimensions suffer from threats to human health.

However, we are not resting on our achievements. In the coming years, we want to make an even greater contribution to society as a whole and to our stakeholders. We want to continuously expand and refine our sustainability strategy. In particular, we seek to develop quantitative targets in important areas of action and corresponding indicators which enable us to consistently measure and monitor the degree to which we reach our targets.

By doing so, we can determine how effectively and efficiently we are using our resources. For us, using resources wisely is also an elementary building block of our approach to sustainability.

schülke's approach to sustainability is not characterized by addressing as many issues as possible indiscriminately. From our business activities, we know that it is crucial to identify the critical topics and to take a "well-dosed" approach.

For this reason, conducting a systematic analysis to identify material sustainability topics and associated risks is an important step in our strategic process. To obtain a broader perspective, we do not act in isolation but in cooperation with our stakeholders. We are also guided by internationally recognized frameworks, in particular the United Nations Sustainable Development Goals (SDGs). In view of the serious economic, environmental and social challenges of the 21st century, they emphasize the need for a sustainable transformation, and specify 17 goals to be achieved in this context. An explanation of the nature and content of the goals can be obtained by clicking on the illustration below. We carefully analyze to which of these goals we can contribute best, considering our business model, our tangible and intangible resources, and the geographic scope of our business.

In the following section of our report, we have included the icons of the SDGs at the beginning of each chapter to indicate to which of the goals schülke is contributing. A detailed explanation of the individual goals is provided by clicking on the illustration below.



## Our strategy process

At the beginning of our strategy process, we took a comprehensive inventory of two things: the instruments and measures we already use as part of our sustainability management, and the related organizational responsibilities, structures and processes. This internal analysis enabled us to take a critical look at ourselves, and helped us to determine our strengths and weaknesses with regard to sustainability aspects. Looking ahead, it will also provide a valuable basis for improving the design of future activities.

As a further component of our strategic analysis, we conducted an external analysis to identify political, economic, social, legal and technological conditions and developments that potentially have an impact on our sustainability strategy. This analysis also included a risk assessment from schülke's perspective and a benchmarking with selected competitors, as we wanted to get a clear picture on where we stand in our industry.

In order to obtain diverse and differentiated input, we involved various stakeholders from our company in the process under the leadership of our sustainability team. The assessments of our management, executives and experts as well as our main shareholder EQT were particularly important to us with regard to the determination of issues we need to address in our sustainability strategy.

The final synthesis of the analyses conducted revealed five topics of an economic, environmental and social nature that are at the core of our sustainability strategy. As this is the first time we have undertaken such a strategy process, we took the conscious decision to focus our strengths and capabilities on a smaller number of topics. As pointed out above, it is characteristic for our strategic approach to deploy our resources in areas where we need to act and can generate the best positive impact. The areas of greatest relevance to us are "Product responsibility", being a "responsible and attractive employer" and "climate and environmental management". In addition, we also seek to strategically address our "responsibility in the supply chain" and our "corporate citizenship". These five topics thus are to be found in schülke's materiality matrix.

## Our materiality matrix

In order to prioritize the five material topics identified with regard to their strategic importance for schülke, we first analyzed what influence they have on our business model, our business units and our products. For this "outside-in" analysis, we deliberately chose a management perspective in order to determine the relevance of the individual topics for the success of our business, and to ensure coherence between schülke's corporate strategy and sustainability strategy. For this dimension, which we show on the x-axis of our materiality matrix, the close exchange with management and executives was decisive.

As part of an “inside-out” analysis, we asked ourselves what positive and negative impacts of an economic, ecological and social nature emanate from schülke’s business activities. By doing so, we are able to determine in which areas we can increase our positive contributions to a sustainable development and where we can reduce negative ones. In order to also undertake this assessment based on a recognized standard, we have applied the SDGs and evaluated to which goals we can contribute most effectively, based on our capabilities and resources.

This scope of influence or impact constitutes the second dimension of schülke’s materiality matrix, and we illustrate it through circles of different sizes. The underlying evaluation was primarily carried out qualitatively. However, the continuous enhancement of our sustainability management, in particular the enlarged measurement of our ESG performance, will provide us with a stronger quantitative basis for this process in the future.

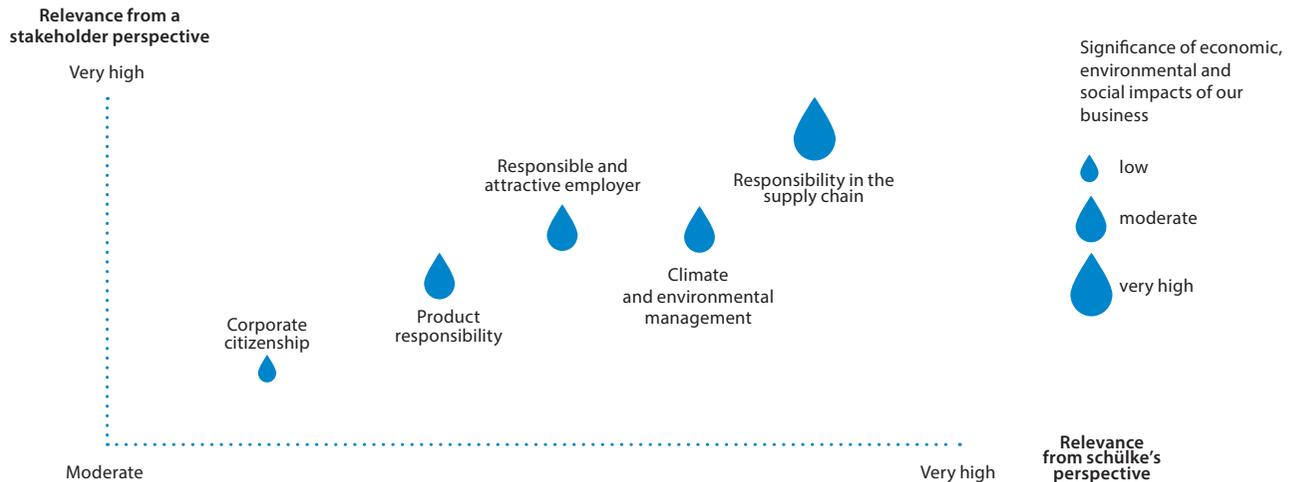
The third dimension of the matrix, which we illustrate on the y-axis, is based on the stakeholders’ assessment of how relevant the individual topics should be for schülke. Although we already maintain a close exchange with our stakeholders, we did not have the opportunity to have them conduct such an assessment in 2021. Therefore, we simulated this stakeholder perspective by asking executives and our subject matter experts who are in contact with the respective stakeholders to assess the relevance of the topics from their perspective. We will improve this process in the

future to ensure consistent consideration of our stakeholders, and conduct a systematic stakeholder dialog on materiality.

Overall, the identification and classification of material topics enable schülke to give its sustainability strategy the necessary focus and set priorities accordingly. In order to ensure that the issues material to us are filled with life, the next step of our strategic process consisted of defining goals that we want to achieve with regard to the individual topics. Clearly defined goals enable us to deploy our resources in a concise manner and derive effective measures to achieve them. The

goals we have defined and the measures we want to conduct are explained in the following chapters of this report, whose structure is also based on our materiality matrix.

### Our materiality matrix



# Product responsibility

»schülke stands for safe and high quality products – without exceptions. That is the foundation of the performance promise we make to all users of our products.«



»Our products meet the highest standards to ensure the safety of patients and healthcare professionals.«

## Taking responsibility for seamless protection

The protection of patients and healthcare professionals as the core of schülke's mission is inseparably linked to the safety of our products. Without exception, they have to be of highest quality, while providing value added to human health and the preservation of our natural environment throughout their entire product life cycle. To achieve this, we do not only comply fully with the relevant national quality and safety standards. We also take a wide range of measures to ensure that our customers and users receive the protection they expect from our products.

### Our management approach

We are committed to providing our customers with innovative products and solutions for infection prevention and treatment. Products and services that are safe and of high quality are key to this, and thus we do not tolerate any blind spots: Our product responsibility stretches from research and development all the way to the handling of the products at the end of their life cycle. We also accompany the entire production process, sales measures and the application by users in a sustainable and encompassing manner.

To ensure product responsibility, we have established a comprehensive quality and risk management system. Considering ecological and social aspects along the value chain, we continuously review and optimize our approaches to sustainability. It is our clear goal to make continuous improvements with regard to the materials we use, our production processes and the use of alternative technologies.

The exchange with our customers is an essential element of our management approach to guarantee the quality and functionality of our products. We want to offer them expert advice as well as obtain their feedback to enable continuous improvement of our products. In turn, our experts are available for answering all questions regarding product application, material behavior, occupational safety, compatibility and environmental protection. Their continuous training ensures that they can always find the best solutions for our customers' individual needs. Since we offer more than 700 products, there always is a wealth of aspects to consider: from the selection of the right product, material compatibility and correct dosing to the cost-efficient and ecologically friendly use.

Equally essential for us is complete compliance with the regulations that we face on a daily basis. Our diverse product portfolio of pharmaceuticals, medical devices, biocides and cosmetics requires compliance with a large number of international and national laws, regulations, norms and standards.

In the case of pharmaceuticals, these include European Good Manufacturing Practice (GMP) and Good Distribution Practice (GDP), among others. At the federal level, our work is governed by both the German Medicinal Products Act (“Arzneimittelgesetz”) and the German Drugs and Active Ingredient Manufacturing Ordinance (“Arzneimittel- und Wirkstoffherstellungsverordnung”). With regard to the approval of our products, the Federal Institute for Drugs and Medical Devices (“Bundesinstitut für Arzneimittel und Medizinprodukte”) is in charge. Medical devices, on the other hand, have a different legal basis, which we observe and implement in equal measure. Of particular importance here are Regulation (EU) 2017/745 on medical devices and the Medical Device Law Implementation Act (“Medizinproduktrecht-Durchführungsgesetz”). We also supplement our quality management by implementing internationally recognized standards, such as ISO 9001 (quality management), ISO 13485 (quality management system for the design and manufacture of medical devices) and ISO 14001 (environmental management).

In order to effectively implement the diverse regulatory and voluntary requirements regarding product responsibility, we have created the necessary organizational responsibilities as well as the structures and processes needed to allow for effective implementation. When doing so, we work across departments and locations to ensure continuous communication and cooperation.

### Patient and product safety

All substances and finished products used by schülke undergo systematic evaluation and testing in the interest of product efficacy and safety, since they are elementary for the safety of patients and the further use of our products, for example, in the cleanroom. We consistently adhere to the precautionary principle in order to reduce potential hazards or even damage to human health or the natural environment. However, their complete exclusion is neither possible nor desirable. Rather, the decisive factor is a careful assessment of the related benefits and risks in order to create the greatest possible value added for patients or users in industry.

To ensure safety throughout the entire product life cycle, we analyze and evaluate potential active ingredients and all other substances that find their way into a product as early as the research and development stage. As part of our development activities, we take great care to comply with legal and regulatory requirements, also with regard to the respective national requirements.

As a research-based company, clinical trials are initiated by the medical-scientific department. When doing so, schülke follows the principles of Good Clinical Practice. They comprise internationally recognized rules for planning, conducting, documenting and reporting on clinical studies, which were established according to ethical and scientific aspects. They ensure the protection and well-being of the study participants, their informed consent and the quality of the results of the studies.

In order to make the information we generate as useful as possible, we provide selected experts with access to scientific information about our products through an encrypted platform. This platform and its contents are intended exclusively for persons who are registered under § 2 of the Health Services and Products Advertising Act (“Heilmittelwerbegesetz”). We grant them access to expert opinions, summaries of published studies and observational studies on product application.

Regarding the pharmaceutical industry, we have initiated a pharma club to create a network for industry experts, and pass on knowledge about disinfection and hygiene to users. Our field experts also provide support for the introduction of new products and offer various on-site trainings. Moreover, we support our customers' in-house validation processes through cooperation with external laboratories.



During the production stage, which follows product development in case of successful approval, our production facilities operate in accordance with the rules of Good Manufacturing Practice. In the area of biocides, they meet the hygienic requirements regarding the use in cleanrooms. They include guidelines for process- and environment-related quality assurance and control in the production of pharmaceuticals, medical devices and biocides, among others. In addition to these guidelines, the ISO standards mentioned above complete our quality assurance systems. Within this framework, the quality department of schülke, building on its expertise and laboratories, ensures that the quality of our products is continuously tested and maintained. This is our approach to meeting the expectations of users, patients, customers and authorities.

The consistent recording of adverse drug reactions (ADRs) and complaints concerning product quality is a key element of our quality management in the market phase of our products. We take all indications of quality deficiencies or ADRs seriously, and systematically record all respective reports. In a next step, they are evaluated by our experts who initiate the necessary corrective measures if required. This applies to our pharmaceutical products in particular, as it is our ethical and legal obligation to continuously collect and evaluate all safety-relevant information, and to forward it to authorities globally. In order to meet the requirements of our various stakeholders and to respond to ever-changing environmental

conditions, we at schülke are constantly working on the development of new products and the improvement of existing ones. When doing so, we do not only aim at increasing efficiency and effectiveness, but also at improving the protection of our natural environment.

»A high-performance quality management is an integral part of our product responsibility.«



## Sustainability in product development and optimization

We pursue the goal of continuously developing our product portfolio and making it more sustainable. This does not only pertain to the products themselves and the packaging material but also to related aspects, such as a maximum of durability and stability after opening, which ensure a long shelf life during use. This prevents products from having to be disposed of after a short time, and thus avoids unnecessary product waste.

In the area of sterile disinfectants for manufacturers in the pharmaceutical industry, we place the highest emphasis on safety in the production and manufacturing process of our customers. We also support our customers operating in a GMP environment to make their processes more sustainable. schülke strives to increase the sustainability of existing as well as newly developed products in its portfolio by using recyclable materials and packaging, while maintaining consistently high product quality and safety. In particular, we aim to replace plastics with more sustainable materials wherever possible. With regard to packaging, however, this represents a challenge that should not be underestimated. Packing makes a significant contribution to product safety, which reduces the options in its design.

As a result, the raw materials used for the primary packaging materials of our medical and biocidal products must be certified for direct food contact in accordance with regulatory

requirements. With regard to the use of plastic raw materials, this requirement limits the choice to polyethylene terephthalate (PET), a plastic belonging to the polyester family. However, the materials we use for reasons of product safety and quality, high-density polyethylene and polypropylene, are not available as recyclates. For this reason, we are optimizing the use of post industrial recyclat (PIR) in cooperation with our suppliers of packaging materials.

In some cases, the application in very sensitive medical areas, such as wards for immunosuppressed patients or premature baby wards as examples of very vulnerable patient groups, also limits the use of closed-loop solutions in product design. For this reason, we sometimes deliberately offer single-use products, for example the hyclick® closure system for hand disinfection, or wipe systems for surface disinfection such as our mikrozid universal wipes®. This is the only way to ensure the required product quality and to prevent (cross) contamination and infections. Here, the protection of human life enjoys unrestricted priority for schülke.

In the pharmaceutical industry, packaging waste cannot always be avoided due to the funneling process. In such cases, we rely on completely recyclable materials, and have optimized the dimensions and material thickness of the bags for our alcohols from the perform® series. By switching the sterilization process from gamma to X-ray radiation, we have reduced the use of cobalt as radioactive resource. Furthermore, in various supply chain projects, we are striving to set

up logistics in a way that meets our sustainable vision in manufacturing.

There – and wherever medical and hygienic requirements also permit – we seek to design or optimize our products with particular regard to ecological aspects. In order to harmonize the individual dimensions, we consistently involve both our R & D department and the engineers in the packaging department in our holistic innovation process. We will now illustrate the success of this approach by giving three examples.

### Hands on sustainable product design

Wipe systems for disinfecting surfaces combine maximum user friendliness and safety. However, their production is often plastic-based, and PET is used as material for the wipes. We have taken up this challenge. The market launch of a biodegradable wipe system by schülke with a corresponding certification will complement our portfolio, constituting a quantum leap for the environment.

However, we are continuously looking for ways to improve not only the materials but also the formats of our wipes with regard to their environmental friendliness. Our aim is to minimize the use of resources, and enhance the performance of our products without sacrificing their fit for purpose or quality. In 2021, we achieved this goal with our mikrozid® AF Jumbo wipes which have been part of our portfolio for a remarkable 24 years. By changing the format of the

individual wipes and optimizing their impregnation quantity, we were able to achieve a PET saving of around 18 % per can or refill. This does not only save approximately 48 tons of PET plastic material per year, but also leads to a benefit for our customers who now even have more wipes available in one container without a change in the range of application.

»Our mission is our responsibility. This also includes acting sustainably. Sustainability is also becoming increasingly important for our customers. We see sustainability as a driving force and thus have developed a clear agenda that we promote ceaselessly. And, of course, sustainable products play a key role in this. We are all the more proud that our project to improve mikrozid® AF Jumbo wipes was realized in such a short time. It is particularly impressive that the team was able to optimize the product, while making a vital contribution to ecological sustainability at the same time. My respect and thanks for this achievement.«

Dr. Nicole Steinhorst, Chief Sustainability Officer



In order to pursue a holistic approach, we strive to optimize not only the use of materials and formats but also the disposal of products. Our Safe & Easy Wipes are dry wipe systems for impregnation with selected surface disinfectants to ensure optimum protection against contamination. Due to their very easy handling as well as the single use of a bucket without a bag, the Safe & Easy Wipes are particularly suitable for use in areas with a high risk of transmission of pathogenic germs, for example, in isolation rooms, operating rooms and neonatology. Surfaces close to patients or with frequent hand or skin contact are the focus of the application. Since the bucket for disposal can only be used once for hygienic reasons, we thought about ways to improve its sustainability. With the introduction of a new lid that weighs only 26 grams instead of 55 grams, we reduced the plastic input by over 50 %. This alone avoided 40 tons of PP in one year, which is equivalent to more than 3 million PP bottles. Beyond the material savings, the plastic we use has very good recycling capabilities. 99.5 % of the packaging can be reused, which was confirmed by Eurofins Scientific, a leading international laboratory group, after extensive testing.

We try to take a holistic approach not only in the downstream but also in the upstream supply chain of our products. Our octenisan® set for decontaminating the entire body prior to surgery helps to reduce the risk of infection around surgery. Since surgery breaks the skin's natural protective barrier, germs can get inside the body and cause infections. With the octenisan® set, patients can already take effective prophylaxis at home and reduce the risk of infection during surgery.

We have transferred the octenisan® set from the original plastic bag, which was delivered over long sea routes, into locally produced outer packaging made of cardboard, which can be recycled completely. The new packaging will allow us to save a total of 31 tons of plastic from 2021 to 2025, and reduce schülke's CO<sub>2</sub> footprint through local production and shorter delivery routes.

### Enhancing sustainability through digital services

Although we at schülke put focus on the safety and sustainability of our physical products, we also seek sustainable, customer-friendly solutions when it comes to our services.

In the pursuit of this goal, we have identified an essential starting point in the creation and updating of hygiene and disinfection plans, which are a basis for the daily work of many of our customers. Among other things, they define what, with what, when and how often something must be cleaned or disinfected. While these characteristics differ across customer groups and their specific requirements, they all need hygiene and disinfection plans, regardless of whether they are a hospital, a doctor's office, a beauty salon or hairdresser, a pharmacy, a food or pharmaceutical company or a medical retailer.

The creation of the plans is by no means trivial, because they do not only have to meet the individual needs of the customers, but also fulfill legal requirements, such as those

anchored in the Infection Protection Act and the regulations put forth by professional associations. Due to the resulting complexity, we at schülke support our customers by developing detailed hygiene plans for their quality management, which are perfectly adapted to their individual needs and the varying regulatory requirements.

In addition, we have developed a digital service that can be used by all our customer groups to make their work easier: @ [www.mein-hygieneplan.de](http://www.mein-hygieneplan.de)

On this website, users can select a disinfection or hygiene plan suitable for their industry, which can be used in a standardized way, or customized according to individual needs.

Once the plan has been created, it can be printed out as a pdf or sent to the relevant people in the company.

The plans are password-protected, and can be maintained and modified continuously, in particular when new requirements arise due to changes in regulation. To ensure that changes in the regulatory framework are taken into account, we have integrated a service that automatically notifies users of changes in the law. Moreover, individual review intervals can be set up with a reminder function, so that nothing is overlooked.

Due to the high relevance of the plans for all our customers, they do not only provide us with a great possibility for increasing satisfaction and efficiency in the workflow, but also for promoting environmental sustainability. A well-designed hygiene and disinfection plan prevents unnecessary cleaning procedures and a waste of valuable resources.

When it comes to the application of the standards of Good Manufacturing Practice, the requirements regarding disinfection and hygiene, and the underlying knowledge are even more complex. This is why we provide our customers in the pharmaceutical sector with a great deal of information, in addition to supplying sterile disinfectants. What used to be available only in printed form, which lead to costs for printing and later disposal as well as a slow updating process, has been available in a digital form since 2021 at [@ https://schuelke-publish.blaetterkatalog.de/frontend/mvc/catalog/by-name/3080?catalogName=Industriekatalog](https://schuelke-publish.blaetterkatalog.de/frontend/mvc/catalog/by-name/3080?catalogName=Industriekatalog).

To keep knowledge up to date, we offer other digital formats, such as the pharma club where participants are provided with state-of-the-art knowledge @ <https://www.schuelke.com/de-de/registrierung/pharmaClub> as well as our matching podcast @ <https://anchor.fm/schlke-mayr-gmbh>.



## Our performance and our services

At schülke, we strive to determine our sustainability performance as precisely as possible – not only because we, as a science-based company, have a passion for accuracy, but predominantly because it allows us to determine where we stand, and to generate improvements.

To benchmark our performance against our mission to protect lives worldwide, we have developed our own key performance indicator (KPI): the number of product applications that contribute to reducing hospital-acquired infections. In 2021, we registered more than 3 billion applications of our products worldwide that protected patients and healthcare professionals from infections in hospitals. This is the number we measure ourselves by, year after year.

For us, determining the status quo also includes the development and review of strategic goals concerning the topics material to us. With regard to product responsibility, we have defined the following targets (see page 39).

In the coming years, we seek to define more targets and to develop additional indicators in order to make our sustainability performance in the area of product responsibility measurable, and to further improve it. By doing so, we at schülke are following up on our conviction that sustainability – just like our core business – can only be pursued successfully if there is a willingness to change.



### Our schülke-specific KPI – protection against hospital-acquired infections

#### Our mission

We are protecting lives worldwide.

#### Our schülke-specific KPI

Number of applications of our products that contribute to the reduction of hospital infections.

#### Result

In accordance with our mission, we contributed to the protection of patients and healthcare professionals from infections in hospitals through **more than 3 billion** applications of our products globally in 2021.

General information		When	Measures
Products	Using biodegradable materials	From 2022	Market launch of a certified biodegradable wipe system by schülke
	Using sustainable input materials	From 2023	Integration of sustainable materials into our innovation processes
	Reducing material usage	From 2021	Reduction of material input, for example, through optimized formats of wipes, while maintaining performance and quality of the products
Packaging	Using recyclable materials	From 2021	Increased usage of recyclable materials and foils, while maintaining product quality and safety
	Reducing the use of plastics	From 2021	Optimization of packaging components like lids or opening to reduce the use of plastics

»At schülke, we strive to determine our sustainability performance quantitatively, because that allows us to make measurable improvements.«



# Responsible and attractive employer

»The protection and well-being of our employees are binding for us.«





»Fairness and open exchange at eye level are an essential part of schülke’s corporate culture.«

## Promoting partnership and appreciation

As a people-driven company, we cultivate a respectful and appreciative organizational culture. This includes ensuring the protection and safety of our employees – at all of our locations in Germany and abroad. Due to our international orientation, a diverse workforce is an important building block for our culture but also for our competitiveness. In order to maintain and increase our position in the market, developing the individual skills of our employees and helping them to reach their full potential is of great importance to schülke, now and in the future.

### Employee Data

In 2021, more than 1,100 people were working for schülke worldwide, two thirds of them in Germany. Across all employees, women already make up 40 % of our workforce, but we want to further increase their share in the coming years, particularly in management positions.

### Numbers of employees in 2021

As of Dec. 31, 2021

Global total	1,127
internationally	387
in Germany	740
women (total)	455
men (total)	672
New hires	94
Employee turnover	25.3 %
Voluntary employee turnover (departure based on their own decision)	8.5 %
Employees on parental leave	26
Incidents of discrimination and corrective actions taken	No reported or known cases
Temporary employees	47
Permanent employees	1,080 (including apprenticeships)



## Our management approach

The success of our company is driven by the knowledge of our employees, their skills and their commitment. At schülke, responsibility for our people is dear to us in all aspects. The foundation of our management approach is our corporate culture, which is characterized by openness, respect and tolerance. When joining our company, all new employees commit to our Code of Conduct, which is based on diversity and equal opportunity. It sets out the expectations we have for our employees, domestically and abroad, and the way we cooperate. Our leadership principles, which are binding for all schülke managers, also reflect the principles of our Code of Conduct. In order to make these principles a part of daily leadership tasks, our new managers receive regular training on various HR development topics. This is our way to implement our philosophy of leadership profoundly and sustainably.

The development of our employees through consistent training programs is of crucial importance to us, and so is sensitizing and preparing them for new tasks within our sustainability management. Since we operate in a highly dynamic competitive environment in which the economic, ecological, technological, and regulatory framework is changing at great speed, the continuous development of our employees' knowledge and skills is vital for their and our success.

At schülke, we know that development and career opportunities are important factors in attracting and retaining talent. For our employees, this approach opens up a wealth of individual prospects in our organization. For us as a company, it creates the certainty that we can build on highly qualified and motivated employees.

In order to increase our attractiveness as an employer beyond the professional realm, we provide numerous possibilities to promote a healthy work-life balance, such as flexible time models and the possibility of working remotely. By doing so, we also seek to contribute to solving great social challenges that arise from the demographic change characteristic for all industrialized countries.

Protecting the health and safety of our employees is not only an important part of our responsibility as an employer. The heart of our mission to protect life worldwide is binding for us both externally and internally. This is why we ensure that the protection we provide to our customers around the world through our products can also be enjoyed by our employees – in times of a pandemic and beyond.

## Promoting diversity

At schülke, we constantly work on shaping a corporate culture that fosters the integration of people with different backgrounds and perspectives. In pursuing this aim, we apply a multidimensional understanding of diversity that includes age, gender, sexual orientation, nationality, ethnicity, religion, and disability. For us, however, diversity means more than creating variety and ensuring equality along the aforementioned dimensions. We want to build on the diverse experiences, perspectives and abilities of our global team and promote individual strengths and capabilities. By doing so, we allow our employees to develop along their individual potential and make a valuable contribution to our company.

In January 2021, we underlined our commitment by signing the Diversity Charter. This is an employer initiative to foster diversity in companies, the aim of which is “to promote the recognition, appreciation and integration of diversity into Germany’s business culture.”

»Our mission to protect lives worldwide, we pursue externally and internally.«

### By signing the Diversity Charter, we have committed to

1. cultivate an organizational culture, characterized by mutual respect and appreciation. We create the foundations for managers and employees to acknowledge, share and live these values. They are in fact accorded particular responsibility to do so.
2. review our human resource processes, and ensure they live up to the diverse competencies and talents of all employees as well as satisfy our performance expectations.
3. recognize diversity within and outside our organization, appreciating the intrinsic potential residing in this diversity, and utilizing it advantageously for our business or organization.
4. make the content of the Charter the topic of internal and external dialog.
5. provide information about our activities and progress in promoting diversity and appreciation on an annual basis.
6. keep our staff informed about the value of diversity and involve them in implementing the Charter.

To translate these principles into our daily business, we have defined a wide variety of measures in our strategic diversity roadmap for 2025 through which we want to make diversity at schülke visible, promote and benefit from it. One of the core elements is to increase equal opportunities for women and to increase the share of women in our workforce. Our roadmap is divided into three stages which include short-term goals (until the end of 2021) as well as mid-term (until 2023) and long-term (until the end of 2025) measures and goals.

Part of our agenda consists of enlarging our talent management for women. This includes customized training and mentoring programs but also the establishment of a Women's Roundtable to improve the networking and exchange of women at schülke. The roundtable takes place quarterly and involves women from different departments, age groups and hierarchy levels from all the countries where we do business. It also serves as a platform for women who have only recently joined our company, and supports them in establishing contacts and building a network.

With regard to recruiting, we are also working continuously to promote equal opportunities and to attract women to schülke. Our clear aim is to close the gender pay gap in order to meet our responsibility as a fair employer, and to increase our attractiveness for the female workforce. To this end, we have carried out a corresponding analysis and initiated adjustments, which we will disclose on in our next report. Concerning management positions, our goal is to achieve

a 42 % share of women at the second and third management levels by 2025. By 2030, we seek to have established parity. And also at the first management level, we are striving to increase the proportion of women.

We regard discrimination of any kind as a violation of our diversity principles. We act based on our Code of Conduct and mutual respect. We encourage the use of our reporting system, which allows reporting potential cases of discrimination to our compliance office that investigates and, if necessary, determines appropriate sanctions. Cases of discrimination were neither reported to us nor came to our attention otherwise in this reporting period.

»We act based on our Code of Conduct and mutual respect.«

## Human resources development

In order to fulfill our mission of protecting lives worldwide, a wide range of skills and comprehensive knowledge are required. These need to be constantly expanded and renewed. While our mission provides orientation and stability, the conditions under which we pursue our mission are changing ever faster. For us, it is therefore both a task and an obligation to continuously develop our employees through a broad portfolio of advanced learning and training programs.

To meet individual needs as far as possible, schülke develops an annual training portfolio and various training programs. In addition, our employees have the possibility to participate in external trainings. Evaluation and feedback meetings are held on a regular basis, since our aim is to design medium- and long-term career development plans and prospects that correspond to both individual and corporate plans. Despite the COVID-19 pandemic, we were able to maintain the trainings offered to our employees for the most part, although we had to register a slight decline. Our goal is to reach and exceed the pre-pandemic level as soon as possible.

Employee development	2018	2019	2020	2021
Expenditures for employee development (for example, training programs) (€)	554,255	675,323	548,479	502,408
Total days of training	3,196	5,589	4,400	4,500

However, we do not only strive for constant enhancement when it comes to the fit of our HR development. We are also leveraging potential with regard to the management and administration of our portfolio. The introduction of our cloud-based HCM software “SAP SuccessFactors” has been a milestone in the digitalization of our processes. Since Q2 2021, the system has enabled us to map all recruitment processes, discussions with employees, annual target agreements and trainings worldwide in one digital tool. This enables us to track all relevant content easily and avoid redundancies.

## Recruitment and development of young talent

In order to recruit highly qualified specialists, managers and young talents for our company, we have developed a clear recruitment strategy. Based on objective criteria, we strive to build the most diversified employee structure possible, also with regard to professional experience. To generate enthusiasm for the different units of our company among young talents, we pursue an encompassing campus management strategy: To make our employee recruitment future-proof, we cooperate with selected universities, and offer various internship programs.

Developing young people is of great importance to us, and a good opportunity to create shared value. While meeting our demand for skilled workers, we help to strengthen the vocational training system. We therefore invest a great deal of expertise and time in promoting young talent. In cooperation with the Nordakademie and many other institutions involved in the vocational education system, we offer apprenticeships and dual study programs in many fields, to provide young people with a solid foundation for starting their careers. The fact that we have focused on commercial and technical training since 2016 is driven by the aim of preventing a shortage of skilled workers. In order to promote the innovative spirit of our employees by providing the right impulse and input, we also support training courses for career advancement at the level of “Meister:in”, “Fachwirt:in” as well as bachelor’s and master’s degrees. Our efforts are reflected by the fact that, in 2021, 21 apprentices (as of 12/31/21) – including students at the Nordakademie in Elms-horn – were employed by our company.

Apprentices	2018	2019	2020	2021
Number	23	27	26	21

To ensure a smooth start in our company after the recruitment process, we provide numerous programs and measures. In the early stage, mentors offer support regarding job-related aspects and personal integration. Likewise, we offer a systematic mentoring program to young leaders, where long-term employees provide advice on daily business issues and facilitate building a network. The mentors in turn benefit from this intensive exchange through new ideas and impulses.

### Occupational health and safety

Offers on health and well-being are an increasingly important factor for successful recruiting of talent but also for the motivation and satisfaction of our employees. The range of services offered within our occupational health management is broad and extends from promoting healthy nutrition and ergonomic measures to various sports activities. Our aim is to connect our core topics of nutrition, exercise and psychological well-being. We want to communicate a health-conscious lifestyle to our employees and to actively draw attention to the respective offers through our internal corporate communications.

In October 2021, we took an innovative step by introducing JobRad. This concept of bicycle leasing creates the opportunity for all employees to get a customized JobRad – with or without electric drive – conveniently and inexpensively via schülke, and to make use of a comprehensive service package. Through JobRad, we promote the health and mobility of our

employees, and at the same time make a valuable contribution to environmental protection. “We are pleased to offer schülke employees the JobRad option and create a win-win situation. We do not only protect the environment, but also cycle past traffic jams in a relaxed manner and keep fit at the same time,” says Ilja König, Director Human Resources & Corporate Communications.

Fundamental to the health of our employees is ensuring occupational safety and health, which is an integral component of our management systems. We fully comply with all legal and regulatory requirements and consistently pursue a preventive approach. Our focus is on preventive rather than reactive action. In addition, recurring training courses and briefings, firmly defined rules of conduct and regular equipment checks are the primary means of ensuring the safety of our employees. The continuously low number of occupational accidents at schülke reflects the effectiveness of our instruments. This also becomes clear when doing an intra-industry comparison with other companies belonging to the Employer's Liability Insurance Association for Raw Materials and the Chemical Industry. In 2021, our Lost Time Injury Frequency Rate was one ninth of the industry average.

Occupational accidents	2020	2021
Number of occupational accidents with time lost	3	3
Number of occupational accidents without time lost	6	6
Total	9	9
Lost Time Injury Frequency Rate (number of accidents with time loss per 1 million working hours)	1.32	1.54

»Our approach to health and safety focuses on prevention and not on reaction.«



# Climate and environmental management

»We support the Paris Agreement and the associated goal of limiting global warming to well below two degrees Celsius compared to pre-industrial levels.«



schülke



»At schülke, we assume responsibility for the protection of people and the natural environment, because the two are inextricably linked.«

## Preserving a world worth living in

We see the protection of climate and environment as an important part of our social responsibility. Climate change, the accelerating scarcity of natural raw materials, and the increasing loss of biodiversity are among the greatest challenges of the 21st century. The reduction of greenhouse gases and the careful use of resources to continuously reduce our ecological footprint are priorities for schülke. We support the Paris Agreement and the associated goal of limiting global warming to well below two degrees Celsius compared to pre-industrial levels.

### Our management approach

Our climate and environmental management pursues three primary goals: protecting our climate, preventing negative environmental impacts, and conserving resources. It therefore encompasses both energy management and environmental protection, which we aim to progressively link, since we seek to act holistically. In both areas, our approach – like our business model – is based on the principle of prevention: We take climate and environmental protection into account right from the start when we set out to plan new sites, measures and processes.

As early as 1996, we introduced an environmental management system in accordance with ISO 14001 and EMAS. These are internationally recognized standards defining requirements for environmental management systems. They include guidelines for handling materials, water and waste as well as emissions. The introduction of such systems helps us to firmly anchor environmental protection in our organization through adequate structures and processes, to comply with legal obligations and to continuously improve our environmental performance.

The management logic of our system is based on the “Plan-Do-Check-Act-Cycle”. The first step of this process consists of setting company-specific environmental goals, and determining appropriate measures and responsibilities for their implementation (“planning”). This is followed by the implementation of the identified measures and the use of respective instruments (“implementation”). As part of a review, we continuously determine the extent to which we are achieving the defined goals and whether we have taken the right measures (“control”). This comparison between targets and actual performance allows us, if necessary, to adjust our measures and targets, thus starting the process anew in the sense of continuous optimization (“acting”). Overall, our management system supports us in determining essential environmental aspects for activities, products and services of schülke.

These aspects can either have a direct impact on the environment within our sphere of influence, such as the electricity or heat consumption of schülke, or an indirect through transportation or application processes at our customers'. In turn, we regularly determine the materiality of individual aspects based on their environmental impacts. For this purpose, we use certain core indicators, such as the specific electricity consumption per unit of quantity. The determination and measurement of key indicators are of great importance to us, as they allow us to quantitatively assess our performance and thus to continuously monitor progress.

In order to use collected data efficiently, we at schülke strive for a consistent integration of our management systems. We have already linked our environmental management system with our quality management system, which is also ISO-certified, for a good reason: Ecologically responsible production is also a quality feature for us. This includes specific safety analyses and regular emergency drills, through which we minimize the risk of operational breakdowns that could have a potentially negative impact on the environment.

As part of our risk management, we consider not only what potential hazards to the natural environment arise from our business activities ("inside-out perspective"), but also what risks could affect schülke as a result of developments such as climate change or resource scarcity ("outside-in perspective"). This is why we are also striving to link our risk and environmental management more closely in the years to come. We do not see economic and ecological goals as

detrimental to each other but in alignment. Reducing our energy consumption and switching to renewable resources not only secure our energy supply, but also contribute directly to climate protection.

### How we protect our climate

Systematic energy management is of central importance to schülke. In order to firmly anchor it within our organization and to create clear accountability, we created the position of an energy manager who was trained in accordance with ISO 50001 in 2021. In addition, we established a technical energy team in Q1/2022. Jointly with our energy providers, it actively supports us in identifying energy-saving potentials in the different areas of our company and in the development of new processes.

The overriding objective of all our measures is to reduce our carbon footprint. For this reason, in 2022 we officially committed to participating in the [@sciencebasedtargets.org/companies-taking-action](https://sciencebasedtargets.org/companies-taking-action) and set clear targets on emissions reduction for schülke. These targets, in turn, are based on the amount of emissions that must be reduced in order to achieve the Paris Agreement's goal of limiting global warming.

With the support of Schneider Electric as the global market leader in the digital transformation of energy management, we have already evaluated our Scope 1, 2 and 3 emissions for 2019, 2020 and for 2021. During 2022, a technical on-site audit was conducted in Germany and France by an expert

from Schneider Electric to define and establish further opportunities for optimizing direct and indirect emissions (Scope 1 and 2). An online survey will be conducted for all other schülke units. With regard to the upstream and downstream value chain (Scope 3), we are currently evaluating different methods for optimizing emissions data collection as part of SBTi.

For our Scope 1, 2 and 3 emissions, we are currently developing targets for reducing our CO<sub>2</sub> emissions. To underscore how important these targets are to us, we will submit them to the SBTi as soon as possible.

In recent years, we have already implemented numerous large-scale as well as specific measures to advance climate protection at schülke. At many office locations as well as at our large production sites in Germany and Brazil, the energy supply was switched to green electricity, increasing its share in our electricity mix overall.



In 2021, the share of electricity from renewable energies at schülke was only about 17 %. This clearly is not satisfactory for us. For 2022, we are striving to switch to green electricity as far as possible. For our plant in Norderstedt, by far our largest site, we have already established a holistic roadmap for reducing energy consumption, and are implementing it in the ongoing operation of the plant. At its heart is an intelligent software system that measures and optimizes the consumption of electricity, water, gas and other raw materials.

Energy data for our Norderstedt site	2019	2020	2021
Total energy consumption [kWh/year]	9,164,835	9,198,089	8,803,526
Energy consumption (site) per ton produced [kWh/t]	229	218	249
Heating consumption [kWh/year]	7,956,940	7,607,219	8,155,321
Heating degree days [h]	3,185.5	2,978.9	3461.6
Steam [kWh/year]	10,275,906	9,371,016	8,363,877
Steam per ton produced [kWh/t]	232	222	236

»We strive to continuously reduce the consumption of natural resources on the basis of sustainability considerations and the use of state-of-the-art technologies.«



In 2021, we registered an increase in consumption per weight unit compared to 2020. This is due to several causes. Among others, the following criteria were of influence:

- **Adjustment of cleaning validation and installation of a new ventilation system**
- **Return to the “normal” portfolio (in 2020, an increasing number of low-energy products were produced)**
- **Production in smaller batches (more cleaning effort)**

One striking aspect of the evaluation of the energy data is that compliance with the regulations on good manufacturing practice and occupational safety and health is a key factor which leads to a high energy consumption also on weekends. Although there is no production activity, the consumption amounts to about 75 % of the total energy demand. The aim is to identify the main consumers of the base load, to take countermeasures and to achieve a good balance between base load and production load.

We are also planning and reviewing the modernization of our heating systems, which we seek to optimize further and reduce our heating energy consumption. It was slightly higher in 2021 than in previous years due to lower outside temperatures. We have already implemented the switch from conventional lighting to LED lamps to a large degree. By doing so, we not only reduce our electricity consumption but also minimize the risk of occupational accidents due to the lower changeover frequency of LED lights. As far as heating and cooling are concerned, we are also exploiting

different potentials. The heat generated during compressed air generation is recovered and used for heating purposes, while the renewal and expansion of our ventilation systems have resulted in the use of modern air-conditioning technology with impressively high efficiency levels. In order to also include our value chain, → we will offset the emissions of our outbound logistics in Germany from 2022 onwards; Deliveries and parcel shipments from schülke via our transport partner companies Schenker and trans-o-flex will be delivered in a climate-neutral manner within Germany. Even though a climate and environmentally friendly production gives us great leverage as a manufacturing company, it is our clear goal to reduce or completely avoid our impact on the climate and environment along the value chain in cooperation with our suppliers, customers and service providers.

### Conserving resources

Water is a fundamental component of many of our products. In 2020 and 2021, our water consumption increased in comparison to 2019. One reason is the expansion of production in the wake of the SARS-CoV-2 pandemic. However, the additional water consumption is mainly due to the strong increase in production of ultrapure water, known as “Aqua Purificata” (AP). Its use is a requirement we must comply with as part of Good Manufacturing Practice. To ensure the security of the supply essential to our production, we made major investments to extend our production capacity in 2020, and achieved an increase by 50 %. Inevitably, the increased in-house production leads to a higher water consumption.

Even the modern technology we use only also allows a maximum utilization rate of 25 %. This is accompanied by a higher wastewater content, which means that from 3 liters of raw water, we produce 2 liters of “Aqua Purificata” (AP) and 1 liter of wastewater.



Water-related data for our Norderstedt site	2019	2020	2021
Total water consumption (m <sup>3</sup> )	68,793	81,015	92,356
Water consumption per ton produced (m <sup>3</sup> /t)	1,72	1,90	2,60
Water discharged (m <sup>3</sup> )	34,009	36,752	39,264

In order to further reduce waste along our value chain, we avoid unnecessary packaging, optimize packaging sizes, and increasingly use recycled and recyclable materials where the regulatory framework for product protection and patient safety permits (see our chapter on “product responsibility”). Our quality management also contributes to the avoidance of waste by ensuring product quality and the associated reduction of rejects.

Thanks to our efforts, we were able to significantly reduce the total amount of waste in 2021 compared to previous years. In addition, we have achieved that more than 20 % of our waste (660 t) are recovered or recycled and thus remain in the material cycle as far as possible.

Waste-related data for our Norderstedt site	2019	2020	2021
Total waste (t)	3,618	3,541	3,179
Waste per ton produced (kg/t)	90.3	83.74	89.78

We have also achieved a conservation of precious natural resources through digitalization in the HR area. Since the introduction of our “SuccessFactors” system in the second quarter of 2021, many processes in our HR administration and HR development have been mapped exclusively in a digital form. As a result, we avoid using around 13,000 sheets of paper per year, which corresponds to savings of 58 kg of CO<sub>2</sub>.

We try to live up to our environmental responsibility not only within our factory gates but also in cooperation with our partners along the value chain. Therefore, we also demand sustainable actions from our suppliers. How schülke is doing this, will be explained in the following chapter.

»We strive to protect our natural environment along our entire value chain.«



schülke once again a pioneer:  
EMAS-certified environmental management  
for more than 25 years

# Responsibility in the supply chain



»We also assume social and environmental responsibility in our supply chain to contribute to sustainable development.«



»We work with our suppliers  
on a long-term basis  
and always as equals.«

## Ensuring sustainable procurement

For schülke, social responsibility already begins in the upstream value chain. This is why we not only expect reliability and quality from our suppliers but also business practices that protect people and the environment. Our goal is to establish long-term business relationships with our suppliers that are characterized by fairness and a relationship of equals. We want to contribute to sustainable development by working together across our corporate boundaries.

### Our management approach

In the recent past, sustainability in the supply chain has attracted increasing attention from business, politics and the public. We are convinced that a comprehensive corporate approach to this issue is necessary for two overriding reasons. First, we share responsibility for labor and environmental conditions as well as business practices in our supply chain. Second, it is our responsibility to identify potential risks in our upstream value chain that could jeopardize the stability of our supply chains or our reputation. The trust that our stakeholders place in us is also bound to the expectation that we will ensure sustainable procurement.

Our holistic approach to responsible supply chain management includes respect for human and labor rights, safe working conditions, protection of the natural environment and combating corruption. As we do with regard to all

material topics, we also take an integrative approach to supply chain responsibility. This is why we link our corresponding activities with our quality management. Together with our supply chain management, it not only supports the development and implementation of QM regulations with our suppliers but also the development, harmonization and optimization of structures and processes in our internal supplier management.

Another element of schülke's management approach is the promotion of regional procurement. Suppliers from Germany accounted for 75 % of our procurement volume of € 200 million in 2021, which is distributed among approximately 2,500 suppliers. Short distances not only reduce our environmental impact, but also increase flexibility and security of supply. This in turn enables us to meet our obligations to our customers in the best possible way.

## Integration into structures and processes

Our current goal is to make ESG aspects an integral part of our supplier selection and evaluation. In addition to criteria relating to supplier capabilities in terms of reliability and delivery quantities, quality and price, we also want to assess the sustainability performance of potential and existing suppliers in a structured way when making procurement decisions.

We will set up processes in our supply chain management that include the identification and evaluation of relevant criteria. As part of a corresponding process model, we will define in a first step, which potential or existing suppliers should be evaluated. As a medium-sized company, we have to make meaningful use of our resources – also when considering the large number of suppliers we have. Thus, we will primarily evaluate those companies that supply us with critical goods or handle larger volumes with us. In this regard, we are currently developing criteria to evaluate our suppliers.

The next step is the supplier evaluation itself. Based on the environmental, social and governance criteria defined, we can undertake an objective assessment. We are also considering linking our assessment to internationally recognized standards such as ISO 9001, ISO 14001 or SA 8000, and

requesting certification to certain standards from our suppliers. Moreover, we need to determine to what extent, at which intervals and by whom the necessary audits will be carried out. For strategic reasons, we consider a cooperation with external experts to assure the reliability of the assessments carried out.

A comprehensive and reliable assessment subsequently enables us to identify specific shortcomings and develop suggestions for improvement. As we strive for long-term cooperation with our suppliers, constant supplier development is of central importance to us. It is in our common interest to continuously improve the sustainability performance of our partners. This win-win approach increases their attractiveness as suppliers and employers, and ensures both stability and quality in our supply chain. In generating this shared value, schülke relies on a collaborative approach in the sense of sustainable cooperation.

An important building block across all three steps is to raise awareness among our employees, particularly in our procurement unit. We will provide adequate training, also to ensure that the ESG aspects to be defined by us are applied

consistently when procurement decisions are made. In addition, we want to create awareness among all employees, and make it clear that sustainability in the supply chain is an essential part of our business. After all, failure to comply with environmental, social or governance standards not only damages the reputation of our suppliers but also that of schülke.



Our transport partner Schenker offsets CO<sub>2</sub> emissions that cannot be avoided in cooperation with atmosfair.



»Sustainability in the supply chain constitutes a major part of our reputational capital.«

# Corporate citizenship



»Being closely tied to the locations where we operate, and being aware of the capabilities we have, we derive an obligation to give back to the people in our communities.«

Ilja König,  
Director Human Resources  
& Corporate Communications





»Commitment to social well-being and science is firmly anchored in schülke's DNA.«

## Assuming responsibility beyond our core business

Strengthening communities and science has a long tradition for schülke. Therefore, we support charitable and scientific causes beyond our business activities. The guiding principle for us is the self-expectation to always act as a good corporate citizen. We derive the obligation to give something back to the people in our communities from our ties to the locations where we operate, and from our capabilities.

### Our conviction

We are driven by the conviction to always make a meaningful contribution to society. We do this primarily through our products and services, which protect people around the world against infectious agents. But we also want to contribute to social well-being beyond our actual business activities, guided by our belief that we can also contribute to sustainable development beyond our own value creation.

As a medium-sized company, we see a special responsibility towards our home region in southern Schleswig-Holstein. Based on this regional focus, we want to actively promote the economic development of our region, alleviate social and environmental problems, strengthen social cohesion and support science.

Where possible, we always do this in cooperation with our stakeholders, as we are convinced that engagement is most effective in a network. Our partners often know more about

specific problems and challenges than we do, which in turn helps us to focus our engagement. That is why we are committed to leveraging our resources, expertise and experience in our community engagement efforts. In this way, we ensure the effectiveness of our corporate citizenship, which is in society's interest and our own. Our mission to protect life worldwide thus also guides the direction of our corporate citizenship activities.

### In the name of hygiene: the Rudolf Schülke Foundation

The close connection between our mission and our social commitment is illustrated by the @ [Rudolf Schülke Foundation](#). It is named after Rudolf Schülke, one of the co-founders of Schülke & Mayr GmbH, and was officially established on October 18, 1972, in Norderstedt. The mission of the foundation is to promote hygiene and microbiology with a focus on the prevention and control of communicable diseases. This includes, in particular, the development and application of prevention strategies and of antimicrobial or antiviral substances and processes for antiseptics, disinfection and cleaning, as well as their significance for patient safety. The declared goal of the foundation is to support interdisciplinary research and to strengthen the cooperation with universities.

In line with this objective, the foundation biannually organizes workshops and talks with scientists, who do research and publish on current topics in the fields of hygiene and microbiology. The results of the respective meetings are

published in renowned journals in order to make them accessible internationally and thus promote the exchange of knowledge. The Network Future of Hygiene, established by the foundation in 2003, also serves the purpose of knowledge transfer. This network offers physicians a platform where they can regularly exchange information on topics in the fields of hygiene, environmental medicine and infection prevention.

An important part of the foundation's work is the Hygiene Award. Every two years, it is given to scientists who have made a particularly valuable contribution in the fields of hygiene, microbiology and preventive medicine. In addition to the Hygiene Award, the foundation also awards the Hygieia Medal biannually. It is awarded to individuals who have dedicated their life's work to hygiene and microbiology. In May 2022, we awarded both the Hygiene Prize and the Hygieia Medal at the ceremony marking the 50th anniversary of the Rudolf Schülke Foundation.

»Every two years, the Hygiene Prize is awarded to scientists who have made a special contribution to fields of hygiene, microbiology and preventive medicine.«



### The Hygieia Medal – Health is an Olympic discipline

The medal is named after the Greek goddess Hygieia. Her father was Asclepius, the god of medicine, her Mother Epione, the celestial responsible for relieving pain. Hygieia's duties included strengthening and maintaining health and preventing disease. Accordingly, the word "hygiene," derived from her name, referred to a comprehensive doctrine of health as well as a health-promoting lifestyle among the ancient Greeks. Right at the beginning of Hippocrates' Oath, the goddess is invoked: "I swear by Apollo, the physician, and by Asclepius, Hygieia and Panakeia, and invoking all the gods and goddesses ...".

## Commitment to and for the region

In order to support charitable organizations in our home region in collaboration with our employees, schülke already entered into a company agreement on payroll giving in 2013. Through the so-called "leftover cent donation", the monthly salary of an employee is rounded up by a maximum of 99 cents by schülke. This difference can then be donated to a charitable institution.

In the reporting year 2021, € 1,002.42 each were donated to the Tafel Norderstedt e. V. (collection of food for people in need) and to the Elterninitiative Paulinchen e. V. (support for parents of children with burn injuries).

Although we focus our commitment on our home region around Norderstedt, we also promote corporate citizenship at our subsidiaries. All employees of our French subsidiary at the Chalon site took part in European Disability Employment Week in November 2021. The aim of this initiative is to integrate people with disabilities into existing work processes. The action week, which is organized by "L'association pour l'insertion sociale et professionnelle des personnes handicapées", explicitly focuses on measures to facilitate the integration of people with disabilities in a work context.

In addition, employees in Chalon prepared Christmas gifts for people in need, and took part in a large-scale annual campaign to donate blood in December 2021. This shows that we are living our mission to protect lives around the world, even outside our core business.

»Although we focus our commitment on our home region around Norderstedt, we also promote corporate citizenship at our subsidiaries.«



»We are convinced that only companies that make the protection of the natural environment and fair treatment of their stakeholders an integral part of their business model will be successful in the long term.«

## Looking ahead – mastering the challenges of the future

Given the massive challenges our society is facing, a blatantly optimistic view of the future would not be appropriate. Climate change and resource scarcity will continue to advance, increasing in momentum as they do. Moreover, demographic change in Germany poses additional challenges, particularly with regard to attracting qualified workers.

Despite all the current economic difficulties, a “business as usual” approach is not the solution, neither on the social nor on the business level. This is why we at schülke will intensify our efforts to contribute to sustainable development. We are driven by the conviction that economic premises on the one side and ecological as well as social objectives on the other side are not detrimental to each other. On the contrary, we are convinced that only companies that make the protection of the natural environment and fair treatment of their stakeholders an integral part of their business model will be successful in the long term.

So what will we do to live up to our goal of sustainable transformation? We will further expand the measurement of our sustainability performance in general. We will define and continuously determine key performance indicators for different ESG aspects. As a science-based company, we always strive to base our decisions on a solid data foundation that allows for careful analysis and the derivation of appropriate courses of action.

We also consider it fundamental to create even more awareness among our employees for the importance of sustainability and its integration into our products, structures and processes. Our goal is to make sustainability a key part of our daily actions and decisions. Therefore, we will continue to expand trainings and workshops we offer in this area.

Knowledge we also seek to extend beyond the topic of sustainability. In an increasingly dynamic and complex competitive environment, today's knowledge will be yesterday's knowledge tomorrow. Lifelong learning is to become an integral part of schülke's organizational culture, which is why we will expand our HR development. In alignment with these efforts, we will also strengthen diversity in our company and promote women in management positions. We have set ourselves the ambitious goal of achieving gender parity at the second and third management levels by 2030. All these measures will contribute to our attractiveness as an employer and to our innovative strength, which will be even more decisive for our competitive success in the future.

Although we have made considerable progress in recent years in making our products more environmentally friendly, we have not yet exhausted all of our potential. Particularly with regard to the use of recyclable materials for our packaging, we see numerous opportunities to further improve our environmental performance.

We are also striving to do this in our operations. For this reason, we will define binding targets for our CO<sub>2</sub> emissions by 2030. Pursuing holistic improvement, we will consider and analyze our upstream and downstream value chain. This is why we want to build the capacity enabling us to determine our Scope 3 emissions, and we are already working on developing a suitable calculation method.

We also think beyond our factory gates with regard to our responsibility in the supply chain. The consistent integration of ESG aspects into procurement decisions will be an important field of action for us. We want to ensure compliance with human rights in our supply chain, because also in the future we will be guided by our mission to protect human life comprehensively.



## GRI Content Index (GRI 2016)

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## Additional information

In case of questions or comments on our sustainability report, please feel free to contact our sustainability team. We are looking forward to hearing from you.

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