

Sustainability Report 2023



1988

Founded in
Buxtehude

Jens Saß

Managing
partner

~ 720

Employees

106.110.000 €

Revenue 2023

Sustainability Report 2023

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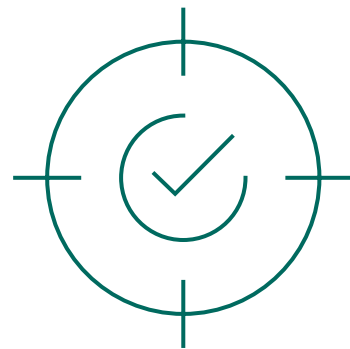
Foreword

A sustainability report is an important tool for making a company's sustainability performance transparent and informing stakeholders about environmental impacts, social responsibilities, and economic developments. In a world where sustainability is becoming increasingly important, it is crucial that enterprises illustrate their commitment to sustainable business practices and demonstrate accountability for their performance and objectives.

Mission

As **implantcast GmbH**, we are committed to promoting sustainable business practices and minimizing our environmental, social, and economic footprint.

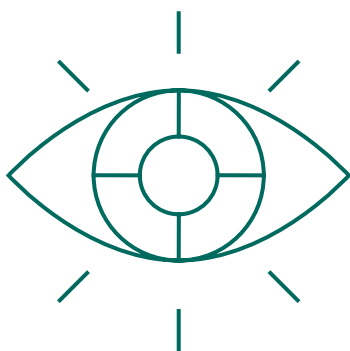
This report will illustrate our efforts to reduce greenhouse gas emissions, promote human rights and working conditions, and support communities. This is not just about providing a retrospect on our performance. It is also about taking a step toward continuously improving our sustainability performance.



Vision

We firmly believe that enterprises can and should play an important role in solving global sustainability problems. Although the medical device sector is doing well overall compared with other sectors when it comes to environmental and social factors, there is nonetheless a need to address the challenges and further bolster sustainability efforts.

We hope that this report will help promote dialog with our stakeholders as we join forces to bring about positive changes in our world.



To aid readability, we avoid simultaneously using the male, female, and diverse (m/f/d) forms. All references to persons apply equally to all genders.

Company profile

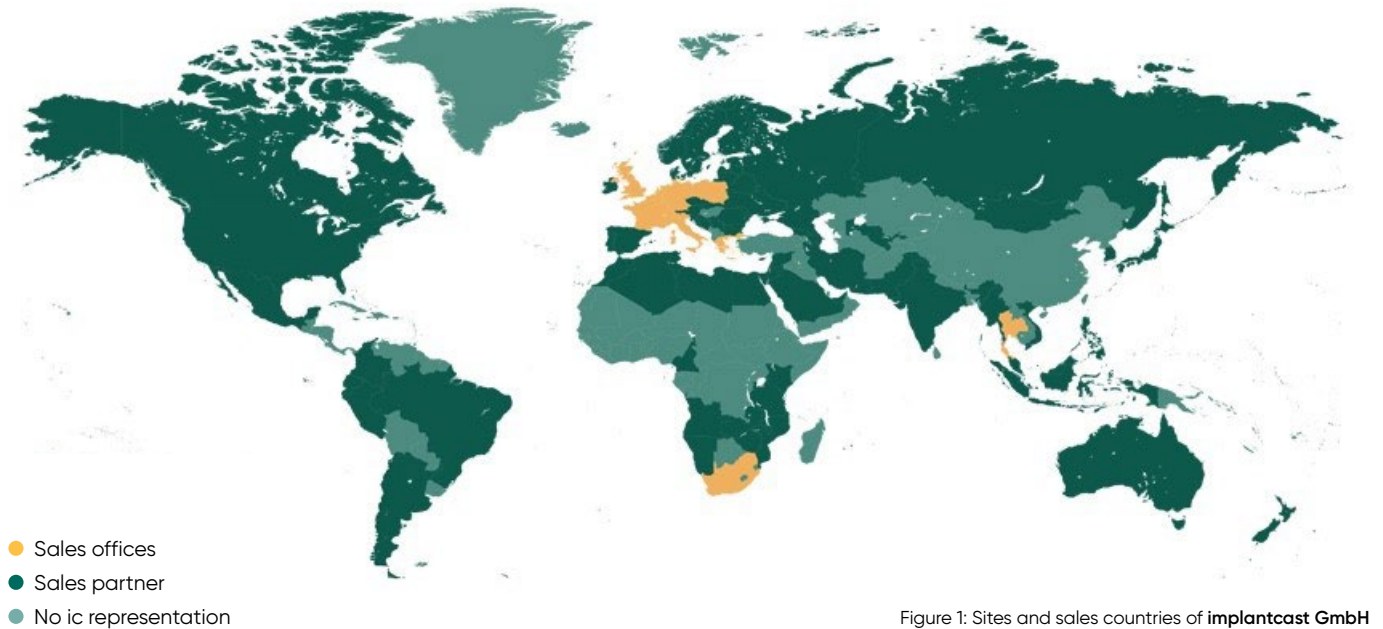


Figure 1: Sites and sales countries of **implantcast GmbH**

Organization and associated reporting

implantcast GmbH is an owner-operated German company founded in 1988. Since then, it has become a highly specialized and innovative medical device company with headquarters in Buxtehude, Germany. The headquarters in Buxtehude have been constantly upgraded over the past few years and will be extended even further in the future. This necessary step will allow the company to meet its growing export requirements to over 66 countries. Our headquarters in Buxtehude supply the required products to ten direct sales offices and a host of other cooperation partners.

At **implantcast**, we have set ourselves the goal of improving the quality of life for patients and combining the highest medical standards with sustainability to achieve this. For this reason, we now aim to publish an annual sustainability report and report on our current challenges and measures to ensure sustainable development. As a member of the German Medical Technology Association (BVMed), we abide by its statutes and codes of conduct.

Activities

With around 720 employees, we are involved in the areas of development, production, sterile packaging, and sales and distribution of primary, revision, and tumor endoprostheses so that we can offer the optimum solution for each individual patient anywhere in the world. The broad range of products is being continually extended and tailored to increasing demands—in close collaboration with leading orthopedic surgeons, trauma surgeons, and other specialists.

Besides conventional manufacturing methods, we use 3D printing technology to manufacture implants, making us a pioneer in this segment. We have our own 3D printers and are able to manufacture individual implants for specific patient needs. This technology provides a better precision fit and ensures faster patient recovery. To meet the highest quality standards, a quality management system was rolled out and certified to ISO 13485.



Figure 2: Extract from the **implantcast GmbH** product portfolio

When procuring basic goods, we consistently aim to keep supply chains as short as possible. We manufacture all implants at our production site in Buxtehude. All instruments are developed in collaboration with suppliers from the EU and Europe. We already source 72.57 % of instruments, raw materials, operating materials, and services from partners in Germany, 12% from partners in the EU not including Germany, and aim to further shorten the supply and value chains to make them more robust and reduce susceptibility to global crises. Short transport routes also reduce transport costs and cut CO₂ emissions substantially.

Employees

As of the reporting date December 31, 2023, a total of 720 employees from 38 different countries were working at our main site in Buxtehude. The following figure breaks down the number of employees by gender and between full and part-time:

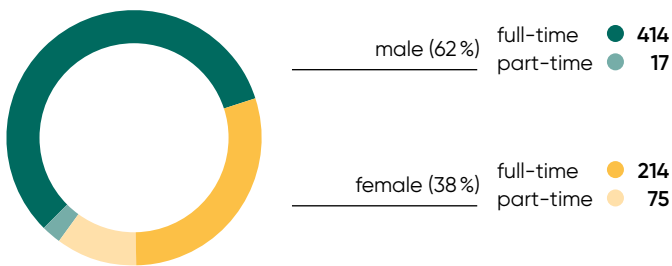


Figure 3: Workforce breakdown

Our aim is to be as attractive as possible as an employer so that our employees will be happy working at **implantcast GmbH** for as long as possible. For this reason, we will also endeavor this year to steadily reduce the staff turnover rate of 7.47 % from 2023.

We are also striving to constantly improve our remuneration system. Even though the company is not governed by collective agreements, we are nonetheless committed to a fair, transparent, and clear remuneration system. With that in mind, we have created our own uniform remuneration framework where each job has its own job descriptions and pay classification forms to assess the specific position. This way, we ensure that our employees are remunerated fairly with no salary discrepancies between the various units and departments. A clear salary review process in May each year with departmental budgets, salary comparisons, and benchmarks ensures that everyone who performs well benefits and receives fair remuneration. The uniform remuneration framework includes salary grades with bands that leave scope sufficient for additional rewards for above-average performance.

Environmental issues

Energy and emissions

The reduction of energy consumption and emissions is crucial for our society and our environment. Energy consumption and emissions are inseparably linked, as most emissions come from burning fossil fuels to generate energy. These emissions contribute to climate change and other environmental problems that threaten life on Earth. Besides the environmental impacts, today's increasing energy costs also feed through into economic issues. These in turn underscore the importance of reducing energy consumption.

At **implantcast GmbH**, we aim to gradually cut our CO₂ footprint, thus reducing our impact on the environment. We intend to present our value chain as transparently as possible and regularly publish the details of all greenhouse gas (GHG) emissions. As an initial step for doing so, we calculated our Scope 1 and Scope 2 greenhouse gas emissions from 2023 in accordance with the Greenhouse Gas Protocol Corporate Standard:

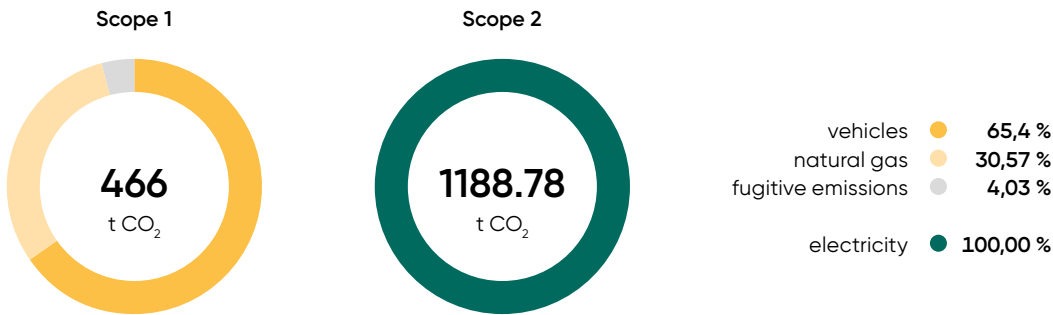


Figure 4: **implantcast GmbH** Scope 1 and 2 emissions in 2023

65.4% of our organization's Scope 1 emissions come from operating our fleet, 30.57% from the consumption of natural gas, and 4.03% from fugitive emissions. 100% of our Scope 2 emissions come from the electricity we purchase. Our aim in the near future is to also record **implantcast's** Scope 3 GHG emissions.

We have already adopted some measures required to steadily reduce our CO₂ footprint:

- Ongoing conversion of our fleet to more environmentally friendly vehicle models: hybrid and electric vehicles
- Retrofitting LED lamps for the lighting at our location
- New compressor station, resulting in power savings and heat recovery
- Insulation of air ducts
- New heating system

We estimated these measures would generate savings of 25% for gas, which we were slightly short of with 21% of real savings. Moreover, we calculated electricity savings of 4%, but we consumed 30% more electricity in 2023 than in 2022. This increase can be traced back to the acquisition of additional new machinery.

The patchy charging infrastructure in Germany means that we cannot dispense entirely with ICE vehicles, particularly in the sales-force arena. Nonetheless, our aim is to move toward climate neutrality and so we have put in place guidelines for these vehicles. In the future, newly acquired vehicles must not exceed the figure of 155 g/km in accordance with the Worldwide Harmonized Light Vehicles Test Procedure (WLTP). Besides the measures already in place, a project with major savings potential is now in the pipeline. The largest continuous photovoltaic system in the Stade district will be installed on the roofs of two of our production buildings. We estimate this project will be completed no later than 2025.

On this basis, our plan envisages the 2000-plus modules generating an estimated 680,000 kWh of electricity per year. Consequently, we will be able to reduce our share of externally sourced power with self-generated green electricity. The resulting emissions savings are roughly equivalent to:



Figure 5: Equivalents to savings from the photovoltaic system

Our power consumption at our headquarters in Buxtehude totaled 5,943,894 kWh in 2023. In the near future, we plan to switch to green electricity in another major step toward decarbonization.

Materials

Materials and sustainability are closely intertwined as the selection of materials has a substantial influence on the environmental impacts of products and services. Sustainable materials can help reduce the environmental footprint and promote a circular economy, while unsustainable materials can substantially increase the environmental footprint. The following table shows the key figures for our consumed raw and packaging materials from 2023:

Material raw materials	Quantity
Chrome-cobalt-molybdenum cast material	70,870.34 kg
Steel cast material	706.50 kg
Polyethylene (PE)	40,159.00 kg
Chrome-cobalt-molybdenum bar stock	11,856.95 kg
Steel bar stock	1,983.70 kg
Titanium bar stock	30,012.76 kg
Titanium powder	3,605.00 kg

Packaging materials	Quantity
Outer packaging – various sizes	approx. 7,900 pcs.
Device box – various sizes	approx. 431,000 pcs.
Blister, transparent, pressure lock bags	approx. 1,300,000 pcs.
Cardboard box filler made of recycled paper	approx. 32,000 pcs.
Rolls of wet adhesive tape	approx. 45 pcs.
Delivery note pouch made of paper	approx. 280 pcs.

Table 1: Used materials 2023

With our goal of making **implantcast** a more sustainable company, we are currently identifying all critical areas and resolving problems step-by-step. Over the past few years, we have already switched from conventional packaging materials to sustainable alternatives.

The following measures were adopted in this regard:

- Switching our outer packaging to grass board packaging
- Introduction of wet adhesive tape to seal cardboard boxes
- Introduction of paper delivery note pouches
- Switching of cardboard box filler to recycled paper

For 2023, the use of blister packaging was reduced and there was a switchover for our device boxes. The gradual switchover of our device boxes to recyclable corrugated board is a fluid transition to first use up the already existing material in the spirit of sustainability.

A measure due to be implemented in the near future is the reduction or, ideally, elimination of our instructions for use and surgical techniques printed on paper. Digitization of the documents would substantially reduce our paper consumption. Due to the nature of the medical device industry, we are bound in this regard by certain regulations that only allow a change under certain conditions. We are currently in the process of fulfilling these conditions.

Another measure for the coming year aimed at waste reduction is a new packaging system. Once the previously used packaging materials have been depleted and the new system is authorized, the sterile barrier system is to be reduced from three to two peel pouches as of Q3/2024. The new packaging system will be produced with a new packaging machine. For products sterilized using gamma radiation, a prolonged shelf life of seven to ten years can be realized for some groups, extending the cycles for re-sterilization and reducing packaging waste.

Waste

A manufacturing company cannot avoid producing waste. Good waste management is therefore vital, particularly for this company. This includes all measures to reduce, recycle, and dispose of waste generated as part of the company's business operations. At **implantcast**, we are endeavoring to reduce and recycle our waste in order to subsequently reuse it in the same or in another area. Our machining facility is already taking advantage of the resulting circular economy. Here, the generated cobalt-chrome chips are collected and then sent back to the raw material manufacturer for reprocessing. The chips are smelted there and can then be reused to produce new raw materials.

We have also optimized our powder handling system in additive manufacturing. As a result, we are able to fully reuse our titanium powder as raw material, eliminating any material losses in this area. In 2023, this amounted to a savings of 700 kg of raw materials.

To reduce plastic waste from returnable bottles and ensure an adequate water supply for our employees, we installed several water dispensers at our location a few years ago. These are well received by our employees and dispense both carbonated and still water. We implement strict waste separation in those areas where waste cannot be completely eliminated yet. In 2023, we generated the following quantities of waste:

Waste type	Quantity
Municipal waste	1,250 kg
Food waste	9,000 l
PE film	170 m ³
Cardboard	25,700 kg
Titanium chips	9,840 kg
Mixed scrap	5,578 kg
Grinding bodies and grinding materials, filter dust	60.605 kg
Wood	8,000 kg
Used emulsion	66,280 kg
Refuse containers: primarily casting molds	60,020 kg
Plastic containers with residues	1,016 kg
Electrical waste	528 kg
Absorbents and filter materials	842 kg

Table 2: Waste volumes 2023

Environmental assessment of suppliers

We expect our suppliers to counter any soil contamination, water pollution, air pollution, harmful noise emissions, or excessive water consumption. To evaluate and monitor our supply chain and fulfill our due diligence obligations under the German Supply Chain Responsibility Act (Lieferkettensorgfaltspflichtengesetz – LkSG), we are planning to set up and anchor risk management in all key business processes. Part of risk management envisages regular ad-hoc and suspicion-related risk analysis to determine environment-related risks along our supply chain. As part of this analysis, we intend to focus on those risks which, from our experience, predominate in the medical device sector. Here we plan to consider the following aspects:

- Investigation of the production site
- Evaluation of the used raw materials and their origin
- Sounding out partners, where possible and feasible; preference given to companies that share our self-commitments by virtue of the site or relevant statements and, where applicable, internal audits

The results of the environmental evaluation of suppliers will help improve our supply chain and minimize the risk of environmental problems in the supply chain.

Social topics

Employment & employer-employee relationship

A good employer-employee relationship is important for the success of a company and the satisfaction of its employees. It leads to greater motivation, better performance, lower absence rates, higher employee loyalty, and a positive working environment. We at **implantcast** would not be where we are today without the unwavering dedication of our employees over the past almost 35 years. As thanks and as a reward for employee's dedication and commitment, attractive additional and special benefits have become an integral part of our corporate culture. In this way, we have introduced benefits over the past few years such as:

- Subsidy for the gym and the Deutschland Ticket
- Company pension
- Flextime system in office/administrative activities
- Regular salary reviews
- Lunch subsidy in a staff canteen within walking distance

As the last major project, our HR team set up a company-wide bike leasing scheme in late 2022. This gives our employees the opportunity to acquire their dream bike under good terms and conditions. Along the way, it also contributes to reducing traffic-related emissions. In 2023, 34 employees chose to get a company bike. To meet the increased volume of bikes, a new bike garage is to be built on the West site in 2024. The bike garage will accommodate enough parking spaces as well as a charging station for e-bikes and an innovative service station for DIY bike repairs.

implantcast decided to put the HR department on a broader footing across the board in 2018/2019. Important components of our HR policy have been added since 2019, such as setting up management training courses, the joint development of a mission statement, and the appropriate enlargement of the management structure by introducing unit management levels and more team managers to provide better control, further development, and supervision of the teams.

Furthermore, **implantcast** has introduced important components of HR management and regularly implements these. These include the introduction of structured interviews following the return to work after illness and company integration management. In addition, annual employee reviews were established that also envisage measures and target agreements which, in turn, give rise to so-called qualification matrices in the units and departments. The level of knowledge of the workforce becomes more visible, thus facilitating job rotation opportunities and targeted HR development measures. Exit interviews have also established themselves as a tool for specifically documenting reasons for staff turnover.



Figure 6: First bike from bike leasing, beginning of November 2022

Occupational safety and health

People lie at the heart of our corporate philosophy, be they patients, customers, partners, or employees. As such, we care about the occupational safety and health of our personnel. Healthy employees form the basis for achieving the best possible work results. By introducing guidelines, measures, and various offerings, the HSE team has constantly bolstered health and safety within the company over the past few years:

- Acquisition and regular customization of personal protective equipment (PPE)
- Work goggles
- Customized hearing protection (earmolds)
- On-site medical checkups by a company physician
- Influenza vaccine
- The company physician is regularly at the company for at least one half-day per week and is available as a point of contact
- Establishment of an occupational safety and health department
- Providing work-from-home equipment
- Height-adjustable desks where necessary
- Hazard assessments
- Regular employee training
- Training and appointing first aiders, fire marshals, safety officers, laser and radiation protection officers
- Acquisition of new ergonomic chairs for employees in production and administration
- Ergonomic consulting for production employees by a physiotherapist
- Conducting courses on back training
- Implementation of the company integration management (CIM)
- Subsidies for fitness studios and sports teams
- Offer of bicycle leasing

We work in close collaboration with our partners and contacts, such as health insurance companies and employers' liability insurance associations, to continuously expand the areas of occupational safety and health and launch new projects in these areas.

Training and continuing education



Figure 7: **implantcast** training

As a medium-sized enterprise with some 720 employees, training young people is a key issue for us. As an attractive employer we not only want to fill our training slots. We also want to ensure the long-term retention of these young recruits in the company. Besides internships and trainee programs, we also offer training positions, which were filled in 2023 as follows: two of the three possible industrial clerk trainee positions were filled. On top of that, of the ten possible training positions as a cutting machine operator, six were successfully filled. Additionally, training positions in the Logistics department at **implantcast** are available.

To make young people aware of **implantcast** as early as possible, we have been involved with Girls' and Boys' Day for several years. Here, a large number of school students are given the opportunity once a year to shadow our employees in the various departments. We are also represented at local educational fairs so we can meet face-to-face with prospective new recruits. Through collaboration with the "Frühstarter" university initiative, we are fortunately able to provide young people regularly with insights into our company through study visits.

The constantly changing world of work provides a constant stream of new demands and tasks for our company. To ensure we remain competitive, we attach a great deal of importance to the professional and personal further development of our employees and managers. We therefore continually optimize and extend our training system. Our range of training courses and advanced courses not only includes internal training courses, workshops, and advanced training courses. We also support our employees with external advanced training courses. Through the introduction of annual feedback and development reviews, our employees receive structured feedback on their performance and any emerging professional opportunities. In this way, they can get actively involved in shaping their future. In our own training and advanced training center, "academic", we not only offer courses for our employees, but also for our international sales partners and health care professionals. Our "academic courses" convey practical knowledge regarding the use of our products in various topic areas. We are proud to support our employees and partners through targeted training courses and advanced courses, thus contributing to our company's success.

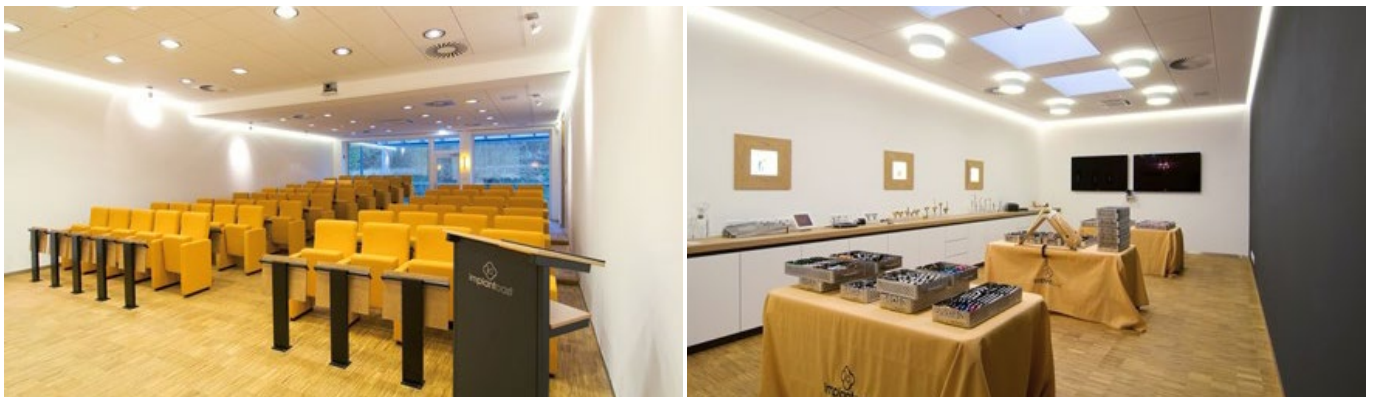


Figure 8: "academic" training facilities

Discrimination & child and forced labor

At **implantcast**, we condemn discrimination and child and forced labor in all its forms. We are committed to respecting human rights within our entire supply chain and regard the protection of human rights as a crucial element. Our regularly updated Code of Conduct sets out all our expectations regarding the conduct of our employees. Every employee at **implantcast** is required to embrace this Code of Conduct and to be accountable for complying with it. To guarantee compliance with human rights in our supply chain as well, we plan to regularly assess our suppliers as part of risk management regarding compliance with our due diligence obligations under the German Supply Chain Responsibility Act (LkSG). In the future, besides the environmental assessment, suppliers will also be reviewed in terms of their compliance with human rights. If an infringement of a human rights-related or an environment-related obligation is identified as part of the investigation, measures are taken immediately and the relevant supplier is supported wherever possible to remedy any shortcomings.

Economic issues

Economic performance

The company success of **implantcast GmbH** is based on its history, running back almost 35 years as an owner-managed company, and the values that have grown over time. Our values are enshrined in a mission statement and form the basis for daily business operations and as a guideline in dealing with colleagues, business partners, and customers. Taking into account the six core values

- Respect and trust
- Transparency and communication
- Structure and rules
- Progress and personal initiative
- Team spirit and identification
- Sustainability and future viability

implantcast GmbH will also strive in the future to deliver long-term economic and sustainable company success. The company's current economic success can be seen in the **implantcast GmbH** 2023 annual report. Part of the income is invested each year in measures that promote the company's sustainable development.

Fight against corruption

Corruption has a detrimental effect on economic growth and development, distorts competition, and causes substantial economic losses. Corruption not only damages the economy as a whole but also has criminal and civil law repercussions for the companies involved. In addition, corruption can also have a negative effect on the morale and ethics of society. Openness and fairness when dealing with our various business partners are paramount at **implantcast**. We tolerate no form of corruption, bribery, or similar behavior. Our Code of Conduct also prohibits any form of corruption.

Our guidelines regarding the acceptance and provision of gifts are worded clearly and unambiguously to define what is reasonable and what is not. We also have arrangements in place governing payments to third parties and for business trips. Our Compliance department regularly updates these documents in accordance with current conditions. We are determined to maintain and defend our values and principles with regard to corruption. We are aware of just how important our behavior in this area is and will continue to take measures to ensure our business practices are transparent and free of any form of corruption. This is especially imperative in the field of medicine since patients whose well-being comes first and must come first suffer in the event of misconduct.

walk with us

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