

# Due Diligence Assessment 2022

B. Braun Medical AS, 2023

# Foreword by the Managing Director

As a subsidiary of a global company, our work with the Transparency Act has brought new meaning to our core values; Trust, Accountability and Diversity, and it has highlighted the importance of our Code of Conduct, which guides B. Braun and its employees as a whole.

Our vision to "protect and improve the health of people around the world" resonates in our responsibility to ensure that all parts of the production and the supply chain protect people and the environment.

In this context, sustainability becomes an expression of the continuous process of preventing, improving, uncovering breaches, correcting and rectifying mistakes that have been made. With that, this first due diligence assessment marks the start of a binding work and a statutory work mythology.

We welcome you to contact us with any questions regarding us or our business practices.

Stefan Ruppert,  
B. Braun Medical AS  
Chairman of the Board

Michael Schock,  
Managing Director  
B. Braun Medical AS  
Member of the Board



# Foreword

As a family-owned company, B. Braun Medical AS are committed to our responsibility to protect and promote human rights, as well as to our social obligation to preserve an intact environment.

We consider the protection of human rights to be a central element of our corporate responsibility. We base our commitment to respect human rights on the United Nations Universal Declaration of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. We are committed to respecting internationally recognized human rights and to respecting them in our business activities and along our value chains. This includes, in particular, the prohibition of children and forced labour, the prohibition of all forms of slavery and discrimination, and the strengthening of freedom of association.

We are also committed to compliance with occupational health and safety, the payment of appropriate wages and the prohibition of environmental pollution, forced eviction and the deployment of security forces if their deployment is accompanied by the risk of disregard or restriction of human rights. In addition, we are guided by the UN Guiding Principles on Business and Human Rights.

Our fundamental commitment to respecting human rights and protecting the environment, which is reflected in other corporate policies. These include the B. Braun Code of Conduct and the Statement Human Rights Declaration from B. Braun SE.

We always comply with applicable national laws. In cases where international rights are restricted by local laws, we strive to promote the principles behind international standards without conflicting with local laws. To the extent that local laws go beyond international standards, we will comply with them.

This is the first reporting after the Norwegian transparency act and the report covers the period from July 1st to December 31st, 2022.

## Learn More

[B. Braun Code of Conduct](#)

[B. Braun Statement of Human Rights Declaration](#)

# Contact Information

## Point of Contact

Point of contact for questions regarding due diligence related to B. Braun Medical AS, Norway:

Michael Schock,  
Managing Director,  
B. Braun Medical AS, Norge.  
Email: michael.schock@bbraun.com  
Phone: +47 928 34 900

## Applicability

To report all human rights or environmental risks and violations/breaches of our principles of protecting human and environmental rights please contact us through the listed channels.

Phone: +47 333 51 800  
E-mail: kundeservice.no@bbraun.com

## Local Compliance Officer

Liv Dahl  
Email: liv\_a.dahl@bbraun.com

## B. Braun Whistleblower System

See also information related to complaint options regarding the B. Braun Group, including whistleblower system.  
Learn more by [clicking here](#).

# 2.0 Organization and Business Areas

B. Braun Medical AS has 39 employees and is located on Nøtterøy in Færder municipality. The company is a 100% owned subsidiary of B. Braun Melsungen AG (B. Braun Group), which is a major global player in the healthcare market with more than 66,000 employees located at production sites and in sales organizations around the world. As a subsidiary, B. Braun Medical AS adhere to the rules, regulations and guidelines established by the B. Braun Group, as well as local law.

Learn more by accessing our [corporate homepage here](#)

## Product Range and Therapy Areas

B. Braun has an extensive product range with over 5,000 different products and 120,000 items.

95% of these are produced at B. Braun's own factories, with their own employees. In-house production and employees give flexibility and good control over the planning and allocation of resources in the event of increased or changing needs. From a human rights perspective, it also ensures a harmonized policy and direct management control of compliance.

## Structure and Responsibilities

The Management Board of B. Braun SE is responsible for compliance with the human rights and environmental due diligence obligations of the B. Braun Group.

The Managing Director of B. Braun Medical AS is responsible for the Norwegian market and that we operate within the B. Braun Compliance Management System. Compliance with these rights is ensured by effective measures. Responsibilities are anchored for relevant business processes in order to monitor the fulfilment of due diligence obligations.

[Learn more here](#)

## Compliance System

In accordance with its corporate strategy, B. Braun is committed to legally compliant and socially responsible corporate management. Organizationally, compliance with these principles and values is supported by the monitoring and advisory function of the Group Compliance Office, the Group Compliance Committee and the Compliance Officer. In addition to these organizational structures, the guideline incorporates existing compliance rules, such as Code of Conduct, training, and review and communication measures.

[Learn more here](#)

## Local Compliance

Our local Compliance Officer trains and guides the local organization and participates in local management meetings with compliance topics. The local Compliance Officer is followed up and receives additional training and guidance by the central compliance organization.

[B. Braun's Code of Conduct](#)

## Additional Laws and Regulations

Additional laws and regulations affecting the B. Braun Medical AS, Norway, supply chain.

As a Germany based company, the B. Braun Group acts under the Law of Corporate Due Diligence in the Supply Chain that came into effect in February 2023. To prepare for the implementation, B. Braun companies have been contractually assuring suppliers that they will comply with human rights related and environmental expectations as early as January 2022. The European Commission also published the draft for the "Directive on Corporate Sustainability Due Diligence" in February 2022.

[Learn more here](#)

## Development, production and logistics

The divisions Hospital Care, Aesculap and Avitum, with underlying CoE's (Centers of Excellence), are responsible for development and production, as well as marketing of various product groups and portfolios of products within different therapeutic areas. The associated SCM (Supply Chain Management) and logistics units are responsible for ensuring that the right product, of the right quality and in sufficient quantity, reach our customers at the right time.

Availability of the necessary quantities of products at the right time to the end user requires good routines and processes around forecasting, raw material procurement, energy deliveries, manufacturing, sterilization capacity, transport and logistics, as well as for data management. In a company of B. Braun's size, these are critical input factors and are given equal weight. Use of long-term contracts with known partners, defined standards and thorough monitoring of both quality and delivery parameters, as well as human rights, govern all our activities.

Production sites are located in the different continents, where the focus lies on production for the respective surrounding areas by using as far as possible local workforce and centralized sourcing of raw materials. Raw materials are purchased in accordance with quality requirements and international agreements, ensuring uniform quality and control. The quality standards are the same for all production locations.

In Europe, key production sites are located in Germany, France, Switzerland, Spain and Poland.

## Local logistics

From the main warehouse in Germany, products are distributed to our joint Nordic warehouse outside Copenhagen. From there on they are sent to our customers and partners by our logistic partners. Our logistics partners must have an overview of their CO2 emissions, and transport must comply with Euronorms 5 and 6 for low emissions. As far as possible, transport routes are planned so that empty return transport is avoided. Air transport should be reduced in favour of sea and land transport.

Deliveries of surgical instruments, sutures and cardiology products are made directly from the production sites to our customers in the hospital and wholesaler market. Medicinal products are delivered to designated pharmacy wholesalers.

## 2.1 Internal Guidelines

B. Braun Medical AS, Norway is, like all other companies of the B. Braun Group, obliged to issue binding minimum rules to act sustainably in harmony with the people and the environment for our future. The B. Braun Group 's comprehensive risk management helps to identify, record, assess, monitor and manage human rights and environmental risks that may arise in its own business area and in global supply chains. The B. Braun Group approach business sustainability holistically. Comprehensively respecting and ensuring compliance with human rights is a key concern in a globalized world with complex supply and goods flows. At B. Braun, we are committed to complying with our human rights' due diligence obligations along our entire value chain through our Code of Conduct.

All employees receive documented annual training in our CoC by our local Compliance Officer and additional training in case of changes to the CoC. All new staff receives CoC training as part of their onboarding within 14 days after joining the company. Local management, as well as local/group Compliance Officer, is available for questions and guidance on an everyday basis.

The B. Braun Group has agreed on its revised Code of Conduct and thus reaffirms its commitment to legally compliant and socially responsible corporate governance. To support that commitment, the B. Braun Group launched a corporate Declaration for respecting human rights with effect of October 1, 2022, covering all B. Braun Group 's own business units as well as the global supply chains. The Declaration covers the major areas of human rights risk for workers in global supply chains.

B. Braun Medical AS is an Eco-lighthouse certified company and adhere to the requirements of mapping the social sustainability within our supply chain.

Learn more about B. Braun's work with corporate sustainability [here](#)

[Click here to find B. Braun Statement Human Rights](#)

[Learn more about the Eco-Lighthouse certification here](#)

## Organizational Structure

Sustainability can only be effective when it is firmly integrated into organizational and management systems. This is why we have spent the last several years improving the structures that allow for sustainable corporate activity in the B. Braun Group from strategy to implementation and reinforcing our sustainability management with additional personnel in many operational areas around the world. The global sustainability team, which has been responsible for the topic within the Group in its own Group Sustainability department since 2022, sets the cornerstones for sustainability at B. Braun. The department puts the necessary activities in motion and ensures their implementation. It monitors sustainability related requirements, coordinates the global sustainability network, and helps other departments exchange ideas about sustainable approaches. The department reports directly to the CEO. The Sustainability Steering Team, consisting of experts from various departments, offers advice on B. Braun's strategic direction for all sustainability topics. The departments and committees are supported by our global sustainability network of national coordinators and subject matter experts. The Executive Board is responsible for setting and documenting goals and the management review.

## Corporate Governance

Good corporate management is part of our corporate culture and shapes our day-to-day business. The legal and ethical conduct of our employees is an integral part of our value system. For the B. Braun Group, compliance does not mean just abiding by standards, it also includes ethical values such as integrity, fairness and sustainability, which we transparently live both internally and externally. Our worldwide compliance management system ensures that our employees conduct themselves according to uniform, ethical standards.

We also require our supply chain partners to respect human rights and to enforce them in their own business activities. To back up this commitment, the B. Braun Group launched a corporate declaration of respect for human rights in 2022 that includes all our business units as well as our global supply chains. It covers the major areas of human rights risks for workers in global supply chains. The updated Code of Conduct and the declaration were developed by an interdepartmental team at the B. Braun Group and are modeled closely on international human rights standards and principles.

## Risk Management

B. Braun's goal is to employ a comprehensive risk management system to help identify, document, evaluate, and minimize actual and potential risks early on that may arise in our own business operations and in global supply chains. This due diligence is a fundamental step in respecting employees' human rights as they are rooted in our declaration on human rights and Code of Conduct. The B. Braun Group's due diligence also includes the establishment of preventive measures with direct suppliers. We are currently developing a framework for compliance in our supply chains with minimum criteria to regulate our expectations of standards for suppliers and the consequences of non-compliance. This also takes into account the German law on corporate due diligence in supply chains that will enter into force in 2023 and require B. Braun to perform transparent due diligence in the supply chain with regard to human rights and the environment.

[Taken from the B. Braun Annual Report page 20-21. Read the full report here](#)



# 3.0 Due Diligence

As a company in the healthcare industry, we have the opportunity to strengthen the protection of human rights in a variety of ways. Our goal is always to protect and improve the health of people around the world. However, we are also aware of the potential human rights and environmental risks that may be associated with our business activities.

For this reason, we have implemented procedures in our business processes to minimize, prevent or terminate these risks and violations of our human and environmental obligations.

In order to comply with the due diligence obligations, B. Braun Group has established the following procedures in its own business area and, if necessary, vis-à-vis direct and indirect suppliers.

## 1. Risk Management

The risk management of the B. Braun Group contributes to the identification, documentation, assessment, monitoring and management of human rights and environmental risks that may occur in the company's own business area and global supply chains.

## 2 Risk Analysis

As part of its risk management, B. Braun Group conducts an annual and event-related risk analysis to identify human rights and environmental risks along its own supply chain, prioritizing risks in the healthcare industry.

For a comprehensive and in-depth analysis, the departments entrusted with the risk analysis work together with the provider, IntegrityNext. The platform enables a holistic assessment of the company's own business units and direct suppliers with regard to ESG (Environmental, Social, and Governance) issues based on country and industry risks, critical news monitoring and a further assessment of sustainability performance based on questionnaires.

### **Quality management and core labour standards**

B. Braun operates an extensive and connected quality management system certified by accredited bodies. It consists of a multi-step process that covers international requirements, regulations, and laws, and integrates applicable standards for products, processes and risk management. Other requirements regarding environmental protection and occupational safety have also been combined into an integrated management system.

With our global quality management system, we support all sites in the production network, working according to the same processes, requirements and principles, to meet the quality standards for our products and services. Legal standards include, for example, the European Medical Device Regulation (MDR), which was adopted in May 2017 and came into force in May 2021. In 2019, B. Braun in Germany passed its audit under the new regulation and was given an MDR certificate for our quality management system as well as for the first products that were audited within its scope.

The B. Braun Code of Conduct ensures our commitment to promote human rights and act responsibly towards society. We respect applicable core labor standards of the International Labor Organization (ILO), ensure good working conditions beyond what is legally required, and strictly reject any forms of child labor, forced labor and other forms of exploitation. To implement this transparently with long-term effectiveness, we follow the National Action Plan for Economy and Human Rights (NAP) of the German federal government. The objective of the NAP is clearly outlined: to examine labor conditions in global supply chains and collectively improve the human rights situation worldwide. B. Braun's quality management includes internal monitoring of labor standards and conditions as well as informing employees about relevant organizational changes in a timely manner.

We take a preventive approach to keep work-related accidents and illnesses at a minimum. In all divisions of the company, occupational safety is achieved by example and through employees' willingness to accept responsibility. Protecting the health of our employees also has high priority. This is why our corporate health management focuses not only on physical health but also on mental health. We focus on a broad range of preventive measures with a holistic approach that ranges from medical preventive care and maintaining physical performance, to mental health and nutrition tips. In countries with less effective health care systems, we offer nutritional advice, dental examinations, and cancer screenings. This allows us to meet the DIN EN ISO 540001 criteria in all reporting countries that manufacture medical devices. Sustainability can only be effective when it is firmly integrated into organizational and management systems. This is why we have spent the last several years improving the structures that allow for sustainable corporate activity in the B. Braun Group from strategy to implementation and reinforcing our sustainability management with additional personnel in many operational areas around the world. The global sustainability team, which has been responsible for the topic within the Group in its own Group Sustainability department since 2022, sets the cornerstones for sustainability at B. Braun. The department puts the necessary activities in motion and ensures their implementation. It monitors sustainability related requirements, coordinates the global sustainability network, and helps other departments exchange ideas about sustainable approaches. The department reports directly to the CEO. The Sustainability Steering Team, consisting of experts from various departments, offers advice on B. Braun's strategic direction for all sustainability topics. The departments and committees are supported by our global sustainability network of national coordinators and subject matter experts. The Executive Board is responsible for setting and documenting goals and the management review.

### **Establishment of Sustainability Supplier Assessment**

The required due diligence obligations of the B. Braun Group also include the anchoring of preventive measures for suppliers by use of integrated software solutions (e.g., Ecovadis, IntegrityNext) for supplier qualification and monitoring.

Both external service providers support us in evaluating our A-suppliers regarding sustainability. In total, our top 80% global third-party spend covers more than 2000 suppliers. So far, more than 400 of our suppliers have been evaluated via the EcoVadis platform. Supplier assessments via IntegrityNext started in May 2022 where currently 360 suppliers have been uploaded.

### **What are our challenges?**

Nevertheless, we noticed that the willingness of the suppliers to be assessed via a platform regarding sustainability is limited. The challenge here is to convince the suppliers to participate in the assessment. A continuous pressure should be put on these suppliers to emphasize the importance of complying to the obligations. Additionally, to be evaluated, EcoVadis or IntegrityNext require the suppliers' contact details. However, we discovered that in some cases we do not have the current contact details of the suppliers. To include more suppliers in the assessment a prioritized task will be to obtain contact details as a first step.

### **Local Supplier assessment**

B. Braun Medical AS, Norway has the B. Braun Group as its main supplier and has only a few local suppliers. We have long term relationships with the suppliers of IT, offices, cleaning, maintenance, travel, groceries, hotels etc. We actively choose certified companies and check history and references of all new vendors. B. Braun Medical AS will follow the B. Braun Group policy in case of breach or findings related to our local suppliers. We have discovered that we need to update or incorporate B. Braun's Code of Conduct in existing, as well as new partnership agreements and we are implementing procedures to enforce this.

### **Screening and self-assessment B. Braun Medical AS**

As part of the preparation of the Supply Chain Due Diligence Act the local organization B. Braun Medical AS was evaluated related to human rights risk factors by the B. Braun Group Supply Chain and has also performed a self-assessment through Integrity Next.

[Learn more here](#)

### **Eco Lighthouse Certificate**

B. Braun Medical AS holds an Eco Lighthouse certificate which was renewed in the beginning of 2023.

[Learn more about the Eco-Lighthouse certification here](#)

# Results of the Due Diligence Assessment

Because of established quality standards and in-house production, B. Braun has a large degree of control of the prerequisites for a sustainable production process. At the same time, it is evident that it requires awareness, a systematic approach and continuous follow-ups to prevent, locate or correct breaches and deviations.

As a result of our work locally, as well as our parent company's considerable work with the transparency act and the increased legal focus within Norway and the EU, we expect further increased attention and closer follow-up of due diligence and all its aspects. In the same way as we seek fair and transparent competition, we look at the due diligence act as a necessary tool for a sustainable health market.

