

SUSTAINABILITY REPORT 2024



PETER BREHM
Die Präzision in Titan
für den Menschen

TABLE OF CONTENTS

PREFACE..... 3

THE COMPANY..... 5

PROFILE..... 6

ECONOMY..... 7

ECOLOGY..... 9

NUMBERS, DATA, FACTS..... 12

SOCIAL RESPONSIBILITY..... 14

PERSPECTIVE..... 16

CERTIFICATES..... 18

PREFACE

PETER BREHM GmbH attaches the utmost importance to sustainability and is committed to an ecologically, socially and economically responsible corporate management. We strive to optimise our corporate activities in terms of sustainability. Therefore, in 2021, on the occasion of the 40th company anniversary, a tenth point was added to the corporate philosophy:



1. We serve the well-being of people.
2. We are aware of our social responsibility.
3. Our employees are our biggest asset.
4. We only work with partners we can rely on.
5. Quality and precision are our top priority.
6. Speed and reliability are our highest values.
7. Our appearance is that of a medical-technically oriented company.
8. We use state-of-the-art materials and machines.
9. The company remains financially independent.
10. We act sustainably and ecologically because protecting the environment is protecting the future.

In addition to the ten points of our corporate philosophy, our Sustainability Code is based on national laws and regulations as well as international conventions such as:

- the United Nations Universal Declaration of Human Rights
- the Guidelines on the Rights of the Child and Business Conduct,
- the United Nations Guiding Principles on “Business and Human Rights”
- the international labour standards of the International Labour Organization and
- the United Nations Global Compact.



Our Sustainability Code serves, among other things, to ensure the implementation of „The act on Corporate Due Dilligence Obligations in Supply Chains“ (LkSG), insofar as we are affected by it as a medium-sized family business. We expect our suppliers to comply with all relevant laws, ordinances and regulations as well as the requirements of standards. We agree this with our suppliers in a Code of Conduct/Code of Conduct for Suppliers.



We align our initiatives with the SDGs and continuously review our procedures in the individual areas. This keeps us constantly informed about new challenges and enables us to quickly integrate new perspectives into our actions and ensure continuous further development.

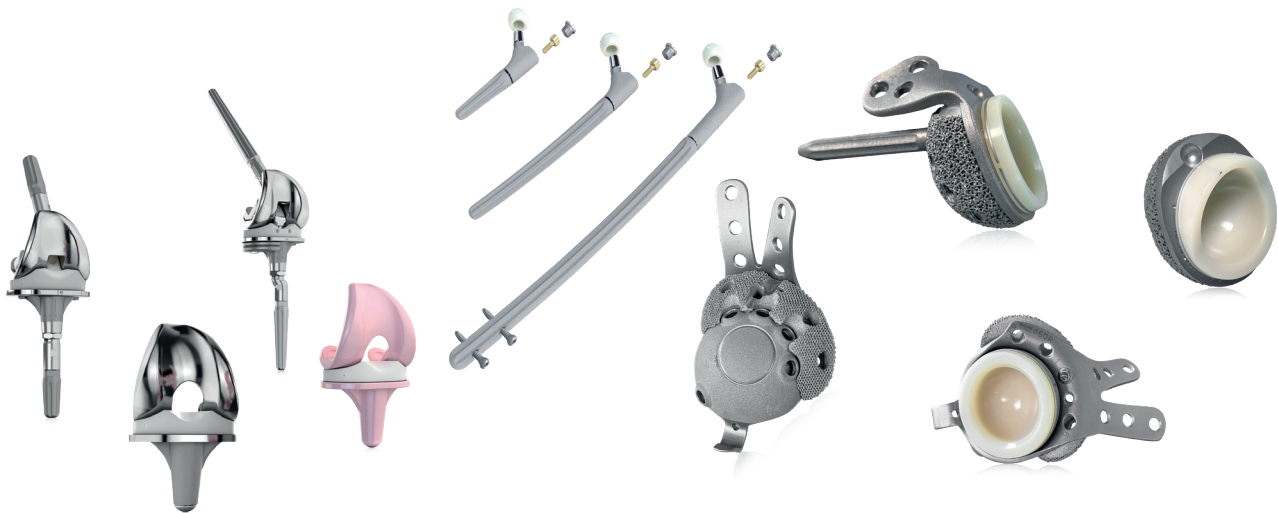
*„WE ACT SUSTAINABLY AND ECOLOGICALLY BECAUSE
PROTECTING THE ENVIRONMENT IS PROTECTING THE FUTURE.“*



THE COMPANY

Active worldwide, PETER BREHM GmbH is a family enterprise specialising in the fields of total hip and knee arthroplasty as well as spinal surgery. Our core areas of expertise lie in the development, production, and distribution of implants for primary and revision arthroplasty as well as the specialised instruments required for implantation.

For over 40 years we have manufactured innovative products from state-of-the-art materials according to the strictest quality standards. Market leading developments such as the Modular Revision Prosthesis MRP-TITAN have made history.

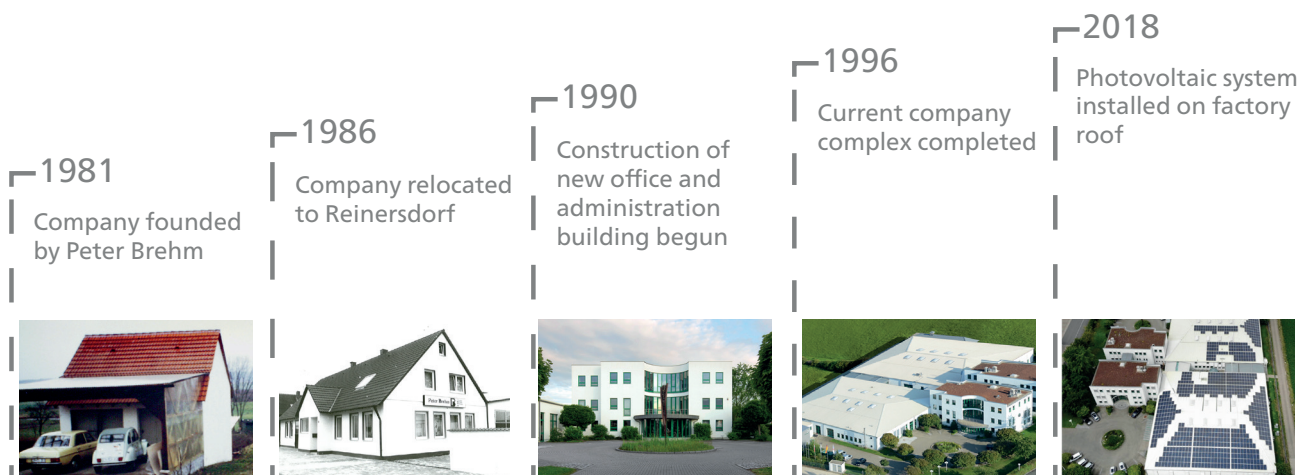


Our location in the „medical valley“ of the European metropolitan region of Nuremberg provides the ideal focus for leveraging the skills and knowledge of experts in order to be successful in the exacting field of medical technology. Our highly trained employees continue to develop through specific continuing education and advanced training programs, thus ensuring the best possible expertise.

Basing our production solely at the Weisendorf location means that all our products can bear the quality label „Made in Germany,“ as they are developed, tested, packaged, and nearly 100% manufactured in Germany¹.

¹ Some raw materials come from overseas (USA and Japan), component products for the most part from EU countries.

PROFILE



- » Development, manufacture, and distribution of implants and instruments for primary and revision arthroplasty.
- » Specialised in total hip and knee arthroplasty, spinal surgery, and custom implants.
- » 200 employees worldwide, 186 national, 14 international employees.
- » 17 apprentices in 5 apprenticeships: cutting machine operators, tool mechanics, industrial clerks, warehouse logistics specialists and IT specialists for system integration.
- » Production area of 4,200 m²: Production exclusively in Weisendorf.
- » Expenditures on research and development in the amount of 7 % of average sales of the last 5 years.
- » Investment in new plant in the amount of 7 % of average sales of the last 10 years.
- » Semifinished and finished goods sourced exclusively in Europe (EU, UK, Switzerland).
- » Our own distribution locations in Japan since 1997, Austria since 2012, Switzerland since 2016 and Luxemburg since 2024.
- » Distributors in more than 30 countries.
- » Product portfolio: 4,900 implants, 3,300 instruments.
- » Strict adherence to the 'Medical Products Code' of Bundesverband Medizintechnologie e.V. (BVMed).

ECONOMY

Every year we invest about 7 % of average sales of the last few years in new plant and technology. In the procurement process for new technical facilities, energy efficiency has been included as an essential requirement when soliciting offers. This means all new facilities must not only fulfill the highest standards with respect to technical and economical requirements but also with respect to energy efficiency and sustainability.



Here, the efficient handling of raw materials, process materials, and operating resources plays a significant role. An additive production plant, for example for 3D printing, can manufacture components of comparable strength but with using significantly less material than conventional manufacturing methods. Thanks to continuous automation, we were able to reduce the scrap rate for set parts by 63% in 2024 compared to 2019.



Figure 1: Rösler/R4/700SF drag finishing machine, semi-automated

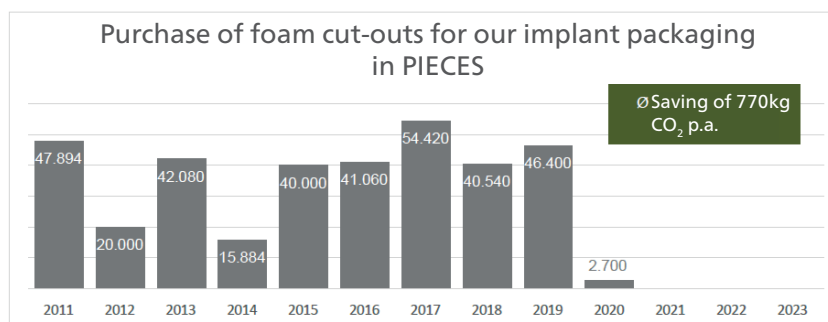


Figure 2: Hermle C22U CNC machine with RS-05 automation

ÖKONOMIE

Packaging:

Since 2015 our sterile implants no longer include printed paper instructions for use. By converting to electronic instructions for use (eIFU) we have since been able to dispense with 6,75 million printed instruction manuals, thus avoiding tonnes of paper, waste, and CO₂ emissions. Since 2020 we have used innovative cardboard packaging for repackaging and secondary packaging of our products. Not only is this safer and better protects the sterile barrier, it is also good for the environment as foam rubber is no longer needed.



Mobility:

Within our vehicle fleet, we have now equipped 6 of our company vehicles with fully electric drive technology and 7 hybrid vehicles. 10 charging stations fed by solar power from our own photovoltaic system have been installed at our location in Weisendorf. There are also 2 charging stations at the location of our subsidiary in Stetten, Austria.



Figure 3: Our lockable bicycle garage with charging facilities for electric bikes

In 2020 a company-wide bicycle leasing program was established. At the end of 2024 about 36 company bikes have been selected by our employees, nearly 100% electric bikes. A new lockable bicycle garage with a sufficient number of charging stations was specially built to provide safe storage. This is an important contribution to reducing traffic-related emissions.

ECOLOGY

„We act sustainably and ecologically because protecting the environment is protecting the future.“

This 10th point of our company philosophy emphasises how important this topic is to us and that we do not want to leave it at making vague announcements. One example is our company



photovoltaic system on the roof of our facility. Our photovoltaic system produces actually with 1089 modules an average of 280,880 kWh of solar power for our own use.

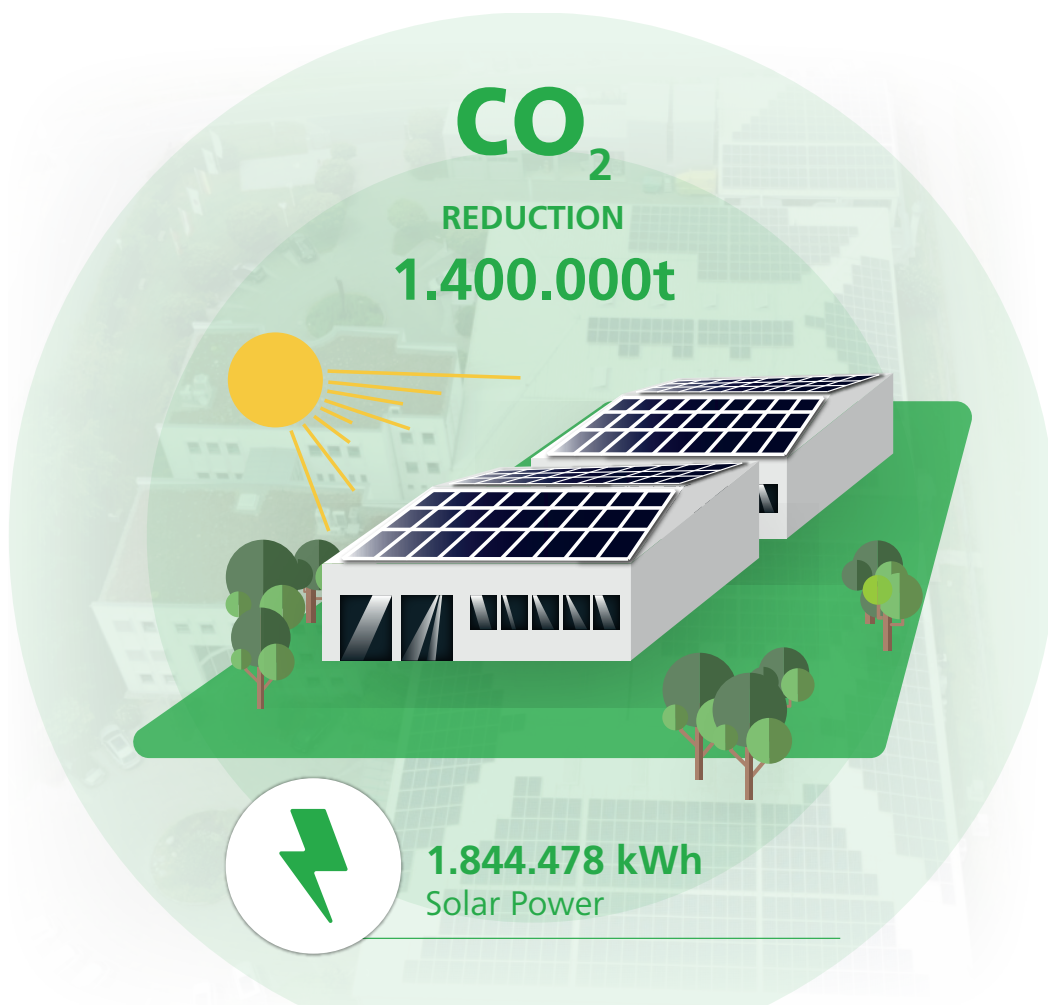


Figure 4: Photovoltaic system on the roof of the production facility

This means we draw 35% less power from the external grid. The CO₂ reduction totals 1,4 million tonnes, which approximately corresponds to:



515 tonnes of coal



426.174 liters of heating oil



98.864 trees



617.954 m³ of gas

ECOLOGY

Meadow:

On company grounds, 1,300 m² of meadows were seeded. There nature and living things can flourish freely. The land provides a habitat for insects, amphibians, and birds. The seed pods and high stalks often winter protection for beetles, wild bees, and spiders. In the years to come, this will ensure a diverse variety of invertebrate species. The fields are only mowed in the early spring before the beginning of the vegetation period.



Figure 5: Meadow along our employee parking lot

Water dispenser:

In 2016 free drinking water dispenser for all employees were installed at several sites in the company. This eliminates the need to transport and use recyclable bottles, especially plastic ones, and ensures that our employees drink enough.



ECOLOGY

Our passion project:



We are actively committed to a greener planet. In a project we are working together with our cooperation partner DEUTIM to reforest a heavily damaged forest into a climate-resistant forest.

To preserve biodiversity in our local forests we are supporting a reforestation project. This serves in accordance with Agenda 2030 the SDG for sustainable development on Carbon Dioxide Removal (CDR). We are proud and pleased to be a part of it. By planting robust tree species, we are helping to ensure that more CO₂ is offset there again. Every tree counts. Even with small changes, everyone can contribute to keeping our forests intact:



Figure 6: DEUTIM Forest project, reforestation area in the Hochsauerland

Our forests - the green lungs of the earth. But climate change is leaving its mark. Periods of drought, storms and animal pests such as the bark beetle have destroyed large areas of forest. Monocultures could not withstand the change. But we at PETER BREHM are taking action. Reforestation is the key. With DEUTIM's forest projects, we plant trees that protect our climate. Our project in the German region „Hochsauerland“ is creating new mixed forests - of Douglas fir, oak, copper beech and larch - a CO₂ reservoir and home for animals. We plant 9000 trees on 3 hectares and so we will store 1,200 tonnes of CO₂ until 2028. Together for a sustainable future - for our forests and our climate.

NUMBERS, DATA, FACTS 2024

The Greenhouse Gas (GHG) Protocol Corporate Standard categorises greenhouse gas emissions related to our enterprise's corporate carbon footprint as Scope 1, Scope 2, and Scope 3 emissions. It covers the greenhouse gases regulated by the Kyoto-Protocol.



Figure 7: Scope 1 to 3 emissions by PETER BREHM GmbH in 2024 (determined by "ecocockpit, a tool from "Effizienz-Agentur NRW")

Scope 1 emissions are emissions from sources for which the company is directly responsible or which it controls, such as emissions from energy sources at the site such as natural gas and fuels, coolants, and emissions from the operation of boilers and furnaces. Scope 1 also includes emissions from the company vehicle fleet (such as cars, vans, trucks).

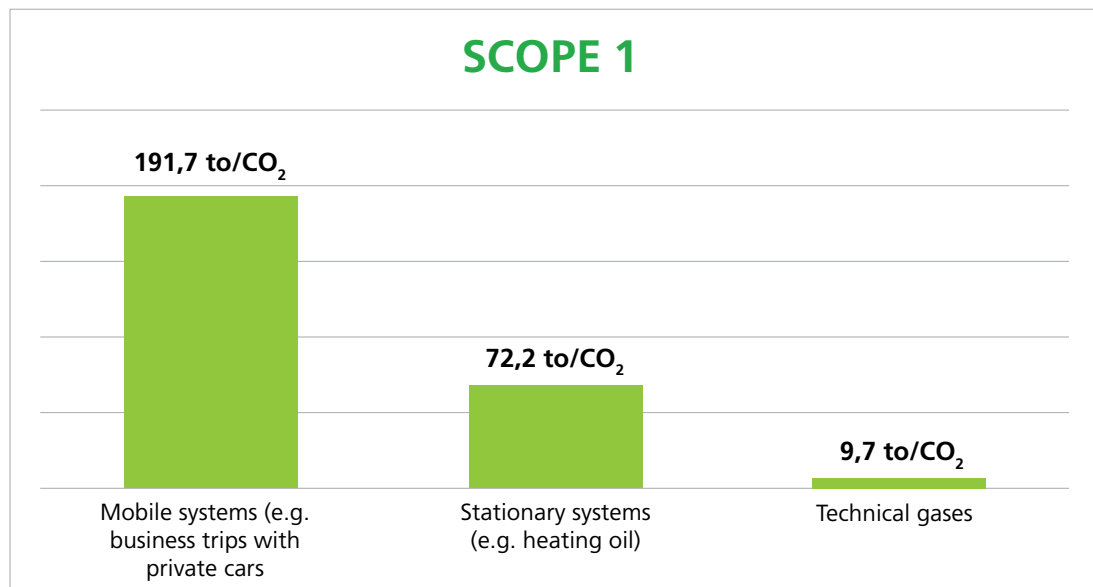


Figure 8: Scope 1 emissions by PETER BREHM in 2024 by source

NUMBERS, DATA, FACTS 2024

Scope 2 emissions are indirect greenhouse gas emissions from purchased energy such as electrical power, steam, district heating or cooling that are produced outside the company's own system boundaries but are consumed by the company.

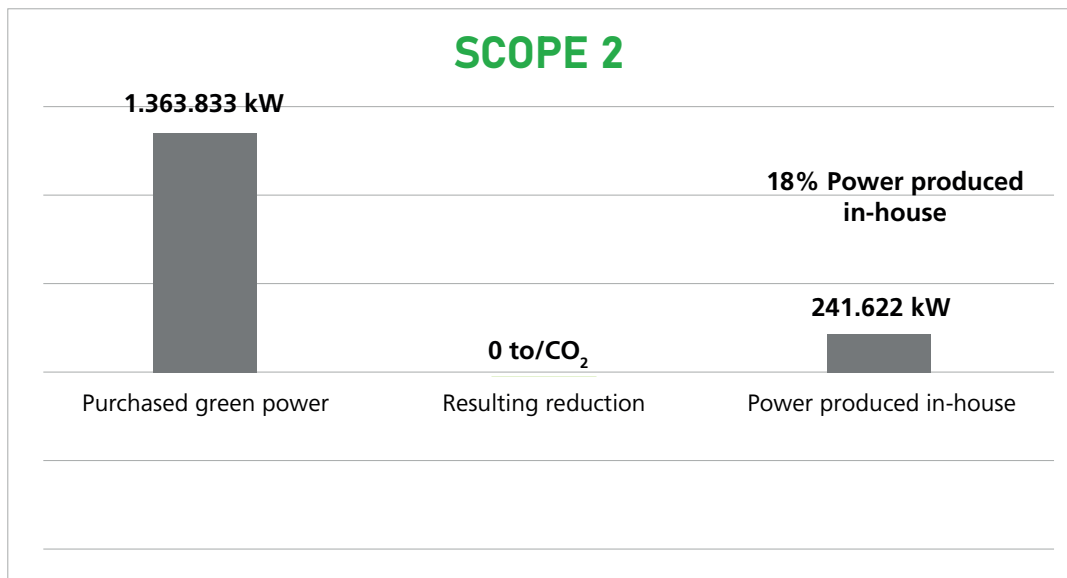


Figure 9: Scope 2 emissions by PETER BREHM GmbH in 2024 by source

Scope 3 emissions include all indirect emissions that are produced along the value-added chain. Upstream emissions include the indirect greenhouse gas emissions within a company's value-added chain that are related to purchased goods (material goods) and services (immaterial goods). Downstream emissions are the indirect greenhouse gas emissions within a company's value-added chain that are related to its sold goods and services and that occur after these goods and services have left the possession or control of the respective company.

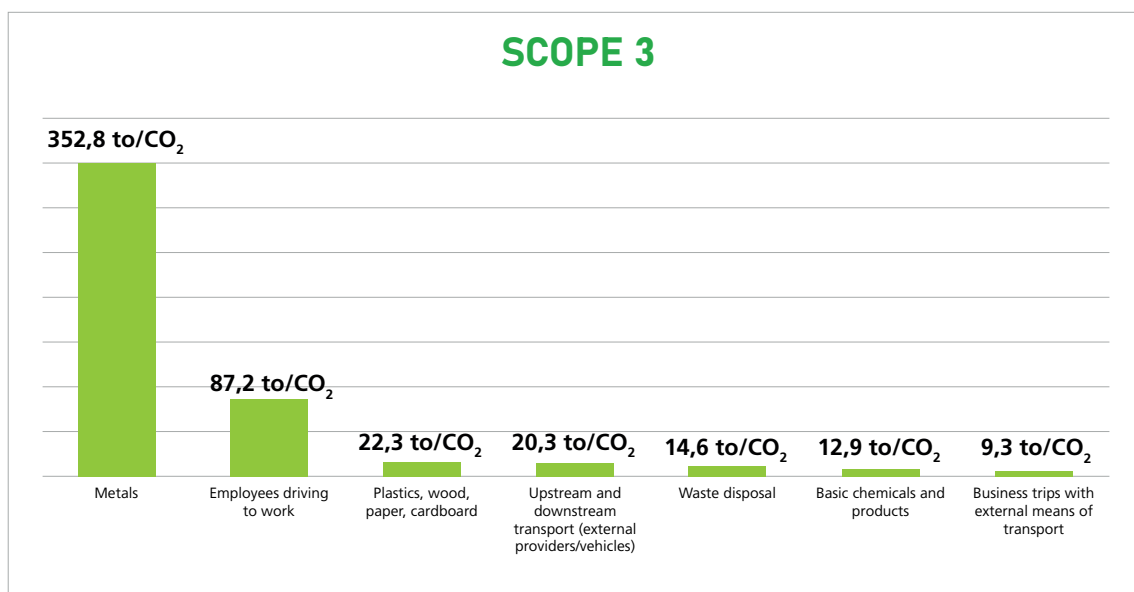


Figure 10: Scope 3 emissions by PETER BREHM GmbH in 2024 by source

SOCIAL RESPONSIBILITY

With the aid of the integrated occupational health and safety management system OHRIS we have succeeded in minimizing industrial accidents in the last few years. We are happy but also proud to report that only two reportable industrial accident occurred in 2024. However, our goal remains zero.



The company's health quota in the last 5 years has steadily improved and in 2024 was 98%. We at PETER BREHM want to protect our employees. That is why we offer an annual voluntary flu vaccination on site, which is carried out by our company doctor. In addition to comprehensive systematic occupational safety, we invest heavily in our company health management. Close cooperation with the Institute of Occupational and Social Medicine of Friedrich Alexander University Erlangen- Nürnberg is an important building block in our company health management. Since 2016 we have firmly integrated our own company health management into the enterprise as a staff position with a physical therapist and company health specialist to allow us to address this area more comprehensively.

Since 2009 we have been involved in Netzwerk Vitale Unternehmen [Network of Vital Enterprises] in the county of Erlangen-Höchstadt, and since 2011 we have received the Network's „Vitalo Award“ for exemplary implementation of company health management measures.



Figure 11: Our sports programme organised by our Corporate-Health-Management

In addition to ergonomic adjustable-height office workplaces, we offer a comprehensive range of exercise opportunities such as our in-house fitness room, courses in yoga, pilates, indoor cycling, outdoor circuit, aqua fitness, swimming, and Nordic walking, a running group as well as nutritional consulting and prophylaxis against addiction. Rounding out these opportunities are physical therapy and massages, which we offer in our own facilities on the premises. In 2024, we inaugurated our outdoor titanium calisthenics facility, which was planned, designed and built by our trainees and their trainers. We have already organised some challenges there (see picture above).

SOCIAL RESPONSIBILITY

We invest in the future by offering our employees a high level of training and further education, which enables us to attract qualified and highly committed employees. As an attractive employer in the SME sector, we offer numerous training opportunities, internships and trainee programmes as well as opportunities for dual studies (mechanical engineering/BWL).



Training opportunities 2024:

- Toolmakers
- Cutting machine operators
- Warehouse logistics specialists
- Industrial clerks
- IT specialists for system integration



Figure 12: Apprentices' training room in Reinersdorf



Figure 13: Apprentices project 2024 "Edgar"

The professional and individual training of our employees is very important to us and we support external training and further education with an annual budget of €100,000. We also regularly offer internal training programmes within the company to impart practice-oriented product knowledge, also in collaboration with medical specialists (e.g. anatomy workshops). In a constantly changing working environment, we are constantly faced with new challenges. We support our employees and teams in continuously expanding their skills and developing personally and professionally. In this way, we want to ensure that our employees are always optimally equipped for the challenges of the future.



Figure 14: Inhouse product workshop (knee endoprosthesis)

PERSPECTIVE

We issued our first sustainability report back in 2015. Since then we have structured increasing amounts of relevant data about every aspect of sustainability and evaluate these data according to a standardized procedure.

Since 2020 we have been gradually bringing our evaluation into line with international standards and regularly report these. In 2022 we will publish our sustainability report for the first time and make it available in electronic form to interested customers, employees, and other stakeholders. It helps us to implement the LkSG because it is based on the Green House Gas Protocol (GHP). From our conviction and responsibility for the coming generations we want to position our family enterprise sustainably in every respect.

We have made a start. We know where we stand. Yet we are still far from where we want to be: By 2035 we want to be climate-neutral in Scope 1 (see page 12) of the greenhouse gas protocol.

We have resolved to implement the following measures step by step by the year 2035:

- » CO₂ compensation as an offer to our customers (e.g. for climate-neutral deliveries)
- » Expansion of the photovoltaic system by a further 200 kW/p
- » Replacement of oil heating systems with heat pumps or local heating supply with the aim of avoiding the use of heating oil as an energy source and CO₂ emissions
- » Reduce CO₂ emissions from commuter traffic of employees by acquiring more e-vehicles for the vehicle fleet (incl. charging stations) and expanding bicycle leasing
- » Procurement of energy-efficient production machines
- » Use of new production technologies that enable material-saving manufacturing
- » Presence detectors for all workplaces that are not in permanent use with the aim of reducing power consumption
- » Packaging made from recycled material

PERSPECTIVE

Scope 3 in particular will present us with enormous challenges. As a small or medium-sized enterprise, our influence on global corporations, material manufacturers, and component suppliers is limited. Nonetheless we will locate appropriate sources and we anticipate appropriate offers from our partners at every point along our value-added chain.

One possible solution is the compensation of CO₂ emissions. Here we are investigating several options such as reforestation, roof or facade greening, and further measures to maintain biodiversity. Here we feel regional, permanent, and sustainable solutions are particularly important.

In addition to technical solutions we are investigating suitable organisational measures. For example, various energy-intensive processes can be carefully staggered so as to avoid or reduce peak loads. This has a positive effect on the stability of the grid. Additionally we will review all processes with respect to energy efficiency.

With a continued high quota of our employees in further education and advanced training programs, we are investing in the future and acquiring highly qualified and dedicated skilled staff.

Corporate Social Responsibility (CSR) at PETER BREHM not only has an external impact through the support of local associations and initiatives, but also internally with the aim of being a valuable partner for employees, their families, the community and the region.

CERTIFICATES



Certificate of membership in DEUTIM - Compensation of 880 tonnes of CO₂ through the retirement of certificates from emission reduction projects in accordance with the CDM standard.



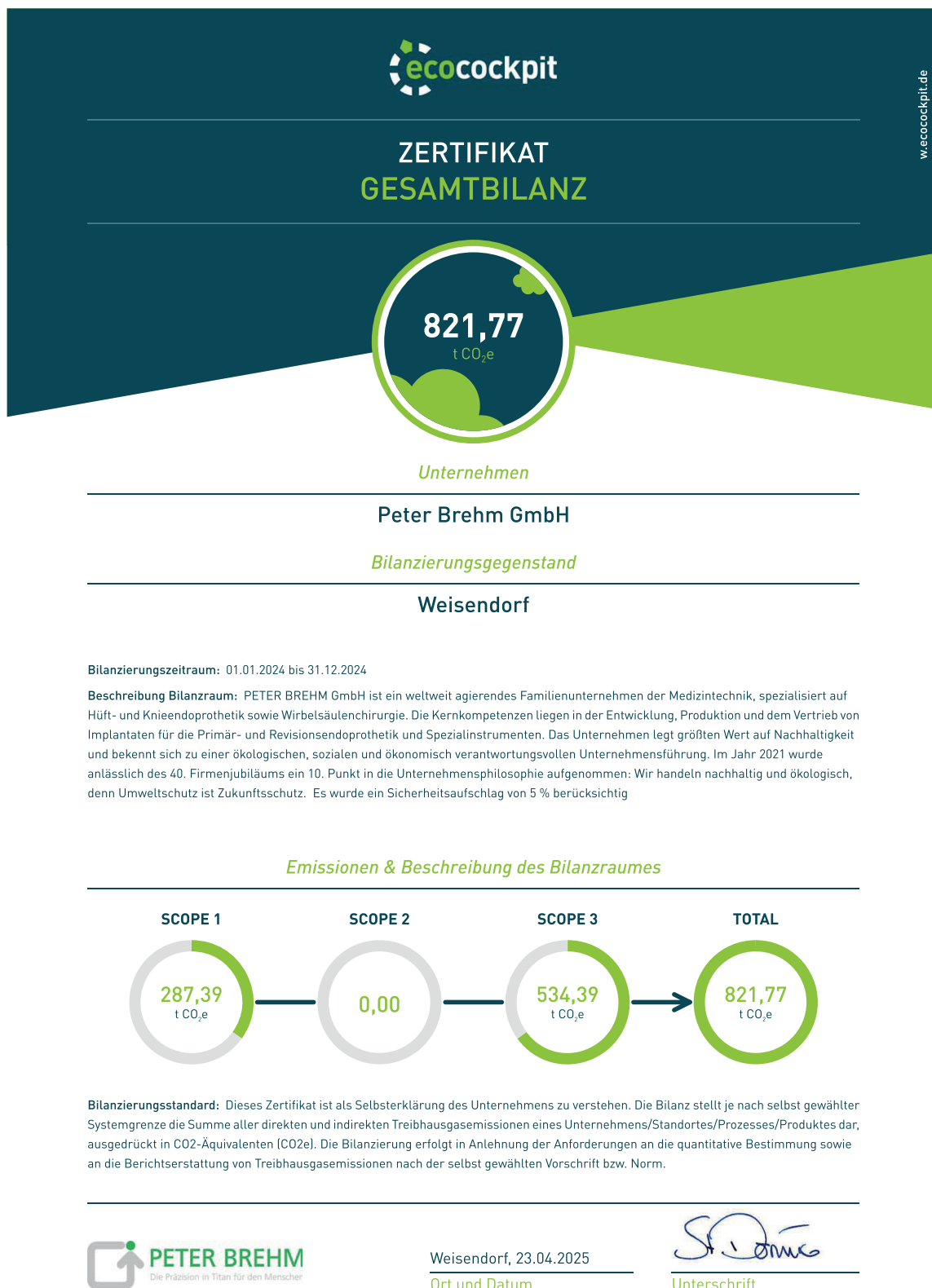
1,200 tonnes of DEUTIM CO₂ storage through reforestation and preservation of native forests (2024–2028)

CERTIFICATES



(The certification OHRIS from the Bavarian State Ministry of Family, Labour and Social Affairs hereby certifies that the enterprise Peter Brehm GmbH, Am Mühlberg 30, 91085 Weisendorf, Germany, has introduced and applied a Management System for Occupational Health and Plant Safety, that complies with requirements of the Occupational Health- and Risk-Management System OHRIS:2018 – Certificate No. 09-00384 is valid until 28th March 2026)

CERTIFICATES



Certificate from 'Ecocockpit' for the overall balance sheet (1 January 2024 – 31 December 2024)

This certificate is to be understood as a self-declaration by the company. Depending on the self-selected system boundary, the balance sheet represents the sum of all direct and indirect greenhouse gas emissions of a company/location/process/product, expressed in CO₂ equivalents (CO₂e). The balance sheet is prepared in accordance with the requirements for the quantitative determination and reporting of greenhouse gas emissions according to a self-selected regulation/standard.



PETER BREHM
Die Präzision in Titan
für den Menschen

PETER BREHM GmbH
Am Mühlberg 30
91085 Weisendorf
Germany

Telefon + 49 9135 7103-0
Fax + 49 9135 7103-16
info@peter-brehm.de

peter-brehm.de

Join us on



LBL950-40-20250710-EN