



# SUSTAINABILITY REPORT

2018

## CONTACT

**Eckert & Ziegler**  
**Strahlen- und Medizintechnik AG**

Robert-Rössle-Straße 10  
13125 Berlin, Germany

Karolin Riehle, Investor Relations  
Phone + 49 30 94 10 84 – 0  
Fax + 49 30 94 10 84 – 112  
info@ezag.de  
www.ezag.com

**Note:**

This report has been prepared in orientation towards the German Sustainability Code.

We have used the traditional plural form when referring to men, women and others to streamline the language used and facilitate reading. It goes without saying that everyone is included.

*Deadline: 28 February 2019*



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## BUSINESS MODEL

The Eckert & Ziegler Group (Eckert & Ziegler) is an internationally active producer of isotope-based components for medical, scientific, and industrial applications. Besides Eckert & Ziegler Strahlen- und Medizintechnik AG, a listed Aktiengesellschaft (joint-stock company) under German law with headquarters in Berlin, the Group has minority interests in a further 38 companies. The Group is managed by the Executive Board, which is supported by the extended Group Executive Committee in its decisions. It comprises the Executive Board of Eckert & Ziegler AG and the heads of selected Group segments.

The company's core business includes handling and processing of isotope-based materials in specially equipped and approved production facilities in Europe and the United States. In addition, Eckert & Ziegler develops, produces, and sells medical devices for cancer therapy as well as generators and synthesis equipment for the production of radiopharmaceuticals. Plant engineering and the retrieval of isotope-related waste from hospitals and research institutions round off the portfolio.

There are relatively few providers in the international markets in which Eckert & Ziegler operates. Eckert & Ziegler has no direct competitor that offers the same wide range of products. Its competitors each only serve special market niches. There are considerable barriers to market entry due to strict regulatory requirements.

Subsidiaries in the three segments – Radiation Therapy, Radiopharma, and Isotope Products – are responsible for the operating business activities. With their various product groups, the subsidiaries are oriented towards diverse customer groups. Internal Group services such as radiation protection, accounting, IT, and human resources are pooled at the holding company.

## STRATEGY (1 – 4)

### 1 STRATEGIC ANALYSIS AND ACTION

*The company declares whether or not it pursues a sustainability strategy. It explains what concrete measures it is undertaking to operate in compliance with key recognised sector-specific, national and international standards.*

Eckert & Ziegler is one of the world's largest providers of isotope technology for radiotherapy and nuclear medicine. We set ourselves the objective of sustainably aligning our corporate activities with a balanced relationship between economic, social and ecological aspects. Along with the risk management system, the internal control system and the compliance management system, opportunities and risks that affect the sustainable development of the company are recorded and evaluated. For the use of isotope technology, the disposal of which generally leads to an economic and ecological burden on society, Eckert & Ziegler strives for a circulation principle wherever this makes sense and is possible.

### 2 MATERIALITY

*The company discloses the aspects of its business operations that have a significant impact on sustainability issues and what material impact sustainability issues have on its operations. It analyses the positive and negative effects and provides information as to how these insights are integrated into the company's processes.*

To us, sustainability means thinking holistically and in the long term as well as acting responsibly, especially in the following fields of action:

#### Employees

As an international company, we live diversity and place great value on appreciative communication as an important component of our corporate culture. It also means that we of course comply with all labour and co-determination laws and regulations of the respective countries and maintain regular, constructive and trusting dialogue with the relevant committees. We have committed ourselves to this in our transnational Code of Conduct. In addition, binding standards for all employees are contained in a large number of works agreements of the Group companies.

#### Environment

Caring for the environment is an important objective of Eckert & Ziegler. With our actions, our processes and our products, we accept our responsibility to people, the environment and the future. From production to disposal of our products, we focus on resource conservation and recycling.

#### Products

Comprehensive quality management and other regulations ensure that we provide patients with safe, effective and high-quality products.

#### Company

We consciously fulfil our social responsibility and are involved in early childhood science education as well as local, non-profit projects at individual company locations.

### 3 OBJECTIVES

*The company discloses what qualitative and/or quantitative as well as temporally defined sustainability goals have been set and operationalised and how their level of achievement is monitored.*

We work together on the framework conditions for responsible and sustainable corporate governance. To reinforce the grounding of the topic, we have different areas on our agenda that we want to promote in the future. They are qualitative in nature and provide an outlook on future developments. The achievement of the objectives is determined by qualitative or quantitative standards.

In the area of economics, we focus on profitability, good corporate governance and responsible sourcing. In the area of social affairs, the spotlight is on diversity and integration, continuous development, responsible leadership, working conditions and local commitment. In terms of the environment, the focus is on the reuse of components as much as possible, on waste prevention and safer disposal.

Some of our objectives to be achieved by 2020:

- In the area of environmental services, investment in new technologies should speed up the assessment of radioactive waste. As a result, it can be supplied faster to the further disposal paths. This accelerates the process cycle and shortens the residual materials stay on the company premises.
- In the production of new radioactive sources, more and more activity from old sources should be used and the recycling rate therefore increased.
- In order to ensure the preservation of professional competence in radiation protection in Germany, the expertise of our radiation protection specialists should also be made available to a broader group of experts. As the phasing out of nuclear energy means that there is an increasing lack of young skilled physicists in radiation physics, Eckert & Ziegler is involved in active committees to ensure that the company's knowledge about radiation protection topics remains intact.
- A more frequent use of videoconferencing technology is intended to reduce the number of business trips.
- Advertising materials and other information are to be made available more frequently in digital form.

### 4 DEPTH OF THE VALUE CHAIN

*The company states what significance aspects of sustainability have for added value and how deep in the value chain the sustainability criteria are verified.*

Our services include the individual areas of the value chain development, procurement, production, marketing and sales. As an internationally active and expanding company with high product diversity, we have an ever more complex value-added chain. We use the most environmentally friendly, resource-efficient and innovative technologies possible for all areas and place great value on fairness and transparency.

A large part of our purchasing volume comes from the immediate vicinity of the respective production site. In this way, we ensure more transparent and low-risk supply chains, shorter transport routes, lower emissions and faster delivery times. When selecting suppliers, we take into account economic criteria such as quality, price and availability as well as aspects such as safety, environmental protection and short transport routes. Most upstream supply chain companies are based in the EU, the USA or Canada, so the strict national guidelines and laws in relation to labour and human rights are complied with. With a compliance screening check, we ensure that legal requirements are fulfilled and dubious business contacts are rejected.

In terms of product properties, the tumour irradiation device SagiNova® is particularly sustainable. SagiNova® is equipped with Cobalt-60 technology, which gives the equipment a longer life and makes it lasts 15 times longer than comparable Iridium-192 devices. The customer service or logistics costs are also accordingly reduced.

## PROCESS MANAGEMENT (5 – 10)

### 5 RESPONSIBILITY

*Accountability within corporate management with regard to sustainability is disclosed.*

The overall responsibility for sustainability rests with the Executive Board of Eckert & Ziegler AG. This document embodies the first report. Sustainability issues are also the subject of the Executive Board and Supervisory Board meetings.

### 6 RULES AND PROCESSES

*The company discloses how the sustainability strategy is implemented in the operational business by way of rules and processes.*

Sustainability is an essential objective of our quality policy, which is anchored in the company through a QM system. All procedures and processes are regulated by and implemented on the basis of this QM system. It is part of the corporate culture that every employee acts independently and responsibly in the interests of the company. This includes environmental, social and economic action in accordance with sustainable principles. The involvement of all employees is the key success factor of the company's sustainability strategy. Sustainability aspects are regularly discussed in Executive Board and Supervisory Board.

The Corporate Communications department is responsible for the preparation of the sustainability report. The review and approval of the sustainability report is carried out by the Supervisory Board.

### 7 CONTROL

*The company states how and what performance indicators related to sustainability are integrated into its periodical internal planning and control processes. It discloses how suitable processes ensure reliability, comparability and consistency of the data used for internal management and external communication.*

Due to our sustainable business model, many regulations and processes that secure the company's success already contribute to the implementation of sustainability [DIN EN ISO 9001:2015; DIN EN ISO 13485:2016; ISO/IEC 17025:2005; cGMP; GMP; PAL, among others]

The Code of Conduct and a related compliance management system provides employees with a guideline for compliant decisions in their daily work. All employees can consult the Eckert & Ziegler AG guidelines specified there.

## 8 INCENTIVE SCHEMES

*The company discloses how target agreements and remuneration schemes for executives and employees are also geared towards the achievement of sustainability goals and how they are aligned with long-term value creation. It discloses the extent to which the achievement of these goals forms part of the evaluation of the top managerial level (board/managing directors) conducted by the monitoring body (supervisory board/advisory board).*

The Executive Board remuneration structure is oriented toward providing an incentive for long-term successful and sustainable corporate development. Executive Board contracts were amended as of fiscal year 2011 according to the provisions of the German Act on the Appropriateness of Management Board Compensation (Gesetz zur Angemessenheit der Vorstandsvergütung, VorstAG).

Therefore, it is a significant aspect of the remuneration structure to agree on variable compensation components with a multi-year measurement basis in addition to fixed compensation components. This combination ensures that remuneration of the Members of the Executive Board appropriately reflects both positive and negative developments. The Supervisory Board determines the total remuneration of the individual Members of the Executive Board as well as the remuneration structure for a period of several years and performs regular reviews.

The area of responsibility and the individual performance of the respective Member of the Executive Board are of particular importance when it comes to specifying total remuneration and splitting remuneration between various components. The financial position, success and future outlook of the company are also included in this evaluation. Ultimately, remuneration should be attractive and appropriate compared to competitors and within the context of the remuneration structure at Eckert & Ziegler, both with regard to upper management and the workforce. For further information, please refer to the remuneration report in the annual financial statements.

Executives and employees who assume additional responsibilities within our companies beyond their actual activities receive, among other things, additional incentives such as function allowances or rewards or bonus systems.

Regular discussions are held between executives and employees in order to secure the long-term success of the Eckert & Ziegler Group. These include target-setting discussions that take place at least once a year, as well as situational discussions and consultations that arise from day-to-day business.

In the annual, structured appraisal interview, various topics are addressed:

- Target agreements: What objectives were achieved in the previous year and with which objectives for the coming year can the employee contribute to the company's success?
- Performance assessment: How did the employee achieve their objectives and complete their tasks?
- Skills assessment: How did the employee fulfil the requirements set for them? What are their strengths and where is there still development potential?
- Conduct assessment: How does the exchange with the supervisor, with colleagues and external contacts take place?
- Development perspectives: How successfully were the training courses conducted in the previous year? What development opportunities does the employee want and what further development is necessary from the perspective of the company? Which training courses are planned for the coming year?

## 9 STAKEHOLDER ENGAGEMENT

*The company discloses how the socially and economically relevant stakeholders are identified and integrated into the sustainability process. It states whether and how an ongoing dialogue takes place with them and how the results are integrated into the sustainability process.*

Eckert & Ziegler AG's stakeholders include customers, suppliers, employees, shareholders, supervisory authorities, the media, national and international expert committees, standardisation committees, citizens' initiatives and the general public. The company is in regular exchange with them all. Eckert & Ziegler AG sees the dialogue as a continuous process in order to put its actions and plans to the test over and over again and, if necessary, introduce changes. Clarity, openness and continuity are crucial factors in learning from each other and developing, but also in creating understanding and building as well as maintaining trust.

## 10 INNOVATION AND PRODUCT MANAGEMENT

*The company discloses how innovations in products and services are enhanced through suitable processes which improve sustainability with respect to the company's utilisation of resources and with regard to users. Likewise, a further statement is made with regard to if and how the current and future impact of the key products and services in the value chain and in the product life cycle are assessed.*

The extent to which a general innovation orientation characterises Eckert & Ziegler is illustrated by the fact that in 2018 the innovation rate was 30%. This key figure tells us that the percentage of revenue which was achieved from products added to the Group's portfolio within the last two years.

When we develop products and services, on the one hand we pay attention to international requirements and, on the other hand, have to keep an eye on individual market requirements and find country-specific solutions. At the same time, the following applies to all our products: They must be safe for people and the environment and meet the highest quality standards. The quality management systems mentioned under point 7 ensure safe processes and reliable products.

At the end of their lifetime, we ensure the professional separation and the proper disposal of our products. By taking back used radiation sources and processing them for new products, valuable resources can be returned to the recycling cycle, thereby making a further contribution to environmental protection. This recycling is extremely useful for all parties involved and helps conserve resources.

There are currently no fixed processes at Eckert & Ziegler for improving sustainability with innovations in products and services when it comes to its own use of resources and sustainability with users. However, we have set ourselves the long-term objective of strengthening our sustainability management and innovative capability through appropriate measures.

## ENVIRONMENTAL MATTERS (11 – 13)

### 11 USAGE OF NATURAL RESOURCES

*The company discloses the extent to which natural resources are used for the company's business activities. Possible options here are materials, the input and output of water, soil, waste, energy, land and biodiversity as well as emissions for the life cycles of products and services.*

The Eckert & Ziegler Group is considered to be part of the metalworking or chemical and pharmaceutical industries. Like all industrial companies, it is subject to comprehensive rules and regulations that include guidelines on environmental impact. These rules and regulations often prescribe both limits on emissions as well as their monitoring. The guidelines usually stipulate that independent third parties or even government authorities should be responsible for recording. The quality of the data can therefore be considered to be of high quality. In the period under review, there were no incidents that led to limits being exceeded. Furthermore, no serious deviations from requirements were recorded in the period under review in terms of the quality management system (DIN EN ISO 9001:2015; DIN EN ISO 13485:2016; ISO/IEC 17025:2005; MDSAP; cGMP; GMP; PAL etc.).

In addition, a separate report for environmental monitoring is published every year for the production site in Braunschweig. The report is available here: [http://www.ezag.com/de/startseite/presse/weitere\\_publicationen/](http://www.ezag.com/de/startseite/presse/weitere_publicationen/)

By taking back used sources and processing them for new products, Eckert & Ziegler is making an additional contribution to environmental conservation. This recycling is extremely useful for all parties involved and helps conserve resources.

### 12 RESOURCE MANAGEMENT

*The company discloses what qualitative and quantitative goals it has set itself with regard to its resource efficiency, in particular its use of renewables, the increase in raw material productivity and the reduction in the usage of ecosystem services, which measures and strategies it is pursuing to this end, how these are or will be achieved, and where it sees there to be risks.*

In 2015, an energy audit was prepared for the German subsidiaries of Eckert & Ziegler in accordance with DIN EN 16247-1. An actual recording of the energy consumption (electricity, gas, heat, fuel) within the company was determined and potential savings were shown. In analysing the energy consumption, all subsidiaries could be grouped into the category with the lowest possible savings. In particular, auditors certified a high energy efficiency for the building of the Group headquarters in Berlin-Buch with only a low savings potential. The recommendations made after the analysis to increase energy efficiency at the remaining company locations will be examined and successively implemented as far as possible.

We focus on energy-saving design and construction for new buildings and renovations. The Group headquarters in Berlin-Buch, which we moved into in 2012, is a prime example. The sustainable construction and operation concept there combines different procedures: Improved insulation standards for the building envelope; district heating generated by combined heat and power; solar water heating for service water; solar-fed power from a photovoltaic system; and ventilation system with highly efficient heat recovery. Thanks to these measures, the building's calculated specific primary energy consumption of 154 kWh/m<sup>2</sup>a is 25 % lower than required by the strict conditions set forth in the Energy Conservation Regulation (Energieeinsparungsverordnung – EnEV).

In addition, the garden architecture of the approximately 8,000 m<sup>2</sup> of outdoor facilities next to the corporate headquarters in Berlin-Buch has been designed with sustainability in mind. In addition to a representative area, there is a wild garden (Barnim garden) with high biodiversity, a location-adapted wild seeds area, dry grasslands, deadwood, infiltration troughs, small hills, herbaceous wild plants, and a meeting space for

employees. Here, in addition to existing plants, species were selected that are native to the Barnim Nature Park. The Barnimer Wildgarten is characterised by its biodiversity and is a self-sufficient habitat for a variety of plant and animal species. It is a sanctuary for crop and medicinal plants and has a wetland habitat with its infiltration troughs. In order to counteract light pollution, lighting was dispensed with in the centre of the wild garden; in the remaining parts of the outdoor area the light is dimmed down from 10 pm. The small wooden bridges are made of Hungarian robinia; the use of tropical woods was deliberately omitted. Water-bound path covers with vegetable-based binders and a rain-permeable artificial resin area ensure a low degree of sealing throughout the garden. Irrigation takes place via a sprinkler system fed with groundwater (well).

In order to increase raw material productivity, professional recycling of used sources takes place at several company locations. This includes, for example, the recycling of ionisation smoke detectors. For the sustainable reuse of the radionuclides contained therein, smoke detectors are received throughout Europe, the materials used are separated and the contamination-free residual materials are returned to the economic cycle. The radionuclide is chemically recovered and used in the production process for new industrial sources. So far over 1 million ionisation smoke detectors have been used.

Also with americium and americium beryllium sources, at the end of the product life cycle there is a reuse of the residual activity. Thanks to professional recycling, this feeds directly into the production process of new sources. On average, 20% of the activity of the new sources consists of processed old sources.

Packaging material is also recycled. At our US sites alone, around 700 m<sup>3</sup> of cardboard are recycled each year. When it comes to lead, it is around 21 tonnes per year. Lead shields are used for shipping sources.

### 13 CLIMATE-RELEVANT EMISSIONS

*The company discloses the GHG emissions in accordance with the Greenhouse Gas (GHG) Protocol or standards based on it and states the goals it has set itself to reduce emissions, as well as its results thus far.*

In 2015, an energy audit was prepared for the German subsidiaries of Eckert & Ziegler in accordance with DIN EN 16247-1. An actual recording of the energy consumption (electricity, gas, heat, fuel) within the company was determined and potential savings were shown. In analysing the energy consumption, all subsidiaries could be grouped into the category with the lowest possible savings. In particular, auditors certified a high energy efficiency for the building of the Group headquarters in Berlin-Buch with only a low savings potential. The recommendations made after the analysis to increase energy efficiency at the remaining company locations will be examined and successively implemented as far as possible.

A large part of the premises is rented. We are in contact with the building management in order to make more use of regenerative energy and to select energy suppliers according to these criteria.

We focus on energy-saving design and construction for our own new buildings and renovations. The Group headquarters in Berlin-Buch, which we moved into in 2012, is a prime example. The sustainable construction and operation concept there combines different procedures: Improved insulation standards for the building envelope; district heating generated by combined heat and power; solar water heating for service water; energy-efficient lighting systems with sensor technology; solar-fed power from a photovoltaic system; and ventilation system with highly efficient heat recovery. Thanks to these measures, the building's calculated specific primary energy consumption of 154 kWh/m<sup>2</sup>a is 25% lower than required by the strict conditions set forth in the Energy Conservation Regulation (Energieeinsparungsverordnung – EnEV).

A large number of Eckert & Ziegler company locations are easily accessible by public transport. There is a large bicycle cellar available at the company headquarters in Berlin-Buch. Employees are therefore encouraged to cycle to work during the warmer months. To get from the train station to the company headquarters in Berlin-Buch employees have access to around 50 rental bikes, which can be used free of charge during the first 30 minutes. This service is offered since June 2018. Employees who frequently travel receive a BahnCard, which they are also allowed to use privately.

**SOCIETY (14–20)****EMPLOYEE-RELATED MATTERS (14–16)****14 EMPLOYEE RIGHTS**

*The company reports on how it complies with nationally and internationally recognised standards relating to employee rights as well as on how it fosters staff involvement in the company and in sustainability management, what goals it has set itself in this regard.*

Our employees and their development are at the heart of the companies of the Eckert & Ziegler Group, because only with motivated and qualified employees can the tasks of our various companies be carried out at a high quality while taking into account the increasing regulatory and legal requirements as well as changing customer needs.

As an international company, we live diversity and place great value on appreciative communication as an important component of our corporate culture. It also means that we of course comply with all labour and co-determination laws and regulations as well as the data protection laws and regulation of the respective countries and maintain regular, constructive and trusting dialogue with the relevant committees. We have committed ourselves to this in our transnational Code of Conduct. In addition, binding standards for all employees are contained in a large number of works agreements of the Group companies.

**15 EQUAL OPPORTUNITIES**

*The company discloses in what way it has implemented national and international processes and what goals it has for the promotion of equal opportunities and diversity, occupational health and safety, participation rights, the integration of migrants and people with disabilities, fair pay as well as a work-life balance and how it will achieve these.*

The legal requirements applicable to us for the promotion of equal opportunities and diversity, occupational health and safety, the integration of migrants and people with disabilities, fair pay as well as a work-life balance, are considered essential at all of our sites.

In particular, the compatibility of family and work is an important concern for us in order to keep motivated and satisfied employees at the Eckert & Ziegler Group. As early as 2005, Eckert & Ziegler received the award for “Familienfreundlichster Betrieb Pankow” [the most family-friendly business in Pankow].

We offer attractive work time models with flexible daily and weekly working hours, generous core and frame working hours, and part-time models, each tailored to the individual needs of the employees. This ensures the good integration of child care in professional life.

Depending on the type of activity, a fixed salary system or a system consisting of a fixed and a variable component is used. Since we operate in different locations worldwide and also within Germany, the remuneration is in principle based on local conditions and set standards. In addition, there are various bonus systems and company agreements for participation in the company’s success.

Long-standing and experienced employees are the solid basis of our company. For this reason, Eckert & Ziegler expresses its thanks with additional benefits on the occasion of company anniversaries. This can be e.g. special payments or additional holidays.

Active and healthy employees are in turn the basis of our performance and competitiveness. Both the employer and the employee have a duty to take care of their health. As an employer, we provide health-promoting operational structures and processes (for example, through appropriate leadership skills, ergonomic workplaces, fitness training courses and operational health management).

Employees of various nationalities work in our global companies and contribute to the cultural diversity of the Eckert & Ziegler Group. Within the individual segments, the companies network with each other via modern communication solutions, in order to promote effective cooperation, to exchange know-how and resources, independent of the location, the organisational unit or the hierarchy level, and therefore be able to compete effectively.

The Eckert & Ziegler Group respects and protects the rights of its employees. The focus here is on maintaining high standards for a safe and healthy work environment and fair working conditions. We do not tolerate any discrimination of employees based on skin colour, gender, age, nationality or religion, social background, disability or sexual orientation. This applies to hiring employees, existing employment relationships and career advancement. Only performance, personality, skills and aptitude are decisive for this. New employees are informed on the issue of equal treatment pursuant to the German General Equal Treatment Act (Allgemeines Gleichbehandlungsgesetz; AGG) as early as the recruitment process and are referred to our principles as part of their induction.

Violations of any kind can be reported internally to the Compliance Officer as well as to an externally appointed body (anonymously) as part of our compliance organisation. In the period under review, there were no discrimination incidents.

Protecting our employees from occupational risks has top priority at Eckert & Ziegler. An evaluation of the workplaces in the context of risk assessments as well as a network of qualified occupational safety officers ensures that all employees are made aware through regular training and possible risks are identified and remedied during workplace inspections and audits. As part of the mental risk assessment, a professionally accompanied employee survey with subsequent workshops was conducted with employee participation. The proposals for preventive measures jointly developed in this context will be presented, decided upon and implemented as part of a management concept. In addition, the topics occupational safety and radiation protection are taught online via a training software. The answering of test questions at the end of each training session serves to check the understanding of the content covered. The final meeting with the supervisor in the annual appraisal interview completes the instruction of the employee. In line with their specific requirements, the companies and locations are also developing suitable improvement tools.

## 16 QUALIFICATIONS

*The company discloses what goals it has taken to promote the employability of all employees, i.e. the ability of all employees to participate in the working and professional world, and in view of adapting to demographic change, and where risks are seen.*

The sustainable competence assurance of our employees is an important concern of the Eckert & Ziegler Group. In addition to the numerous legally prescribed training measures, individual further development and qualification options are therefore also discussed in annual employee appraisals, documented and, if possible, promptly implemented. As an employer, we also support private continued education initiatives by individually coordinating with the employee, to what extent, for example, financial support can be granted or new opportunities can arise within the company or group of companies.

Our personnel and succession planning is geared to attracting executives from within our own ranks and preparing them for the new tasks as part of individual development plans, both through internal and external measures.

In addition, the Eckert & Ziegler Group is always interested in recruiting new talents on the job market and is also focusing on the training of junior staff. For example, we offer high school graduates the opportunity to complete a 2.5-year apprenticeship to become an industrial clerk as well as an apprenticeship as an IT specialist for system integration. In doing so, we endeavour to offer all apprentices a job after passing the exam and to keep their skills within the company.

In order to make the training in our companies even more attractive and to strengthen the employer brand of Eckert & Ziegler, we strive to obtain the seal for excellent training quality of the IHK Berlin.

## 17 HUMAN RIGHTS

*The company discloses what measures it takes, strategies it pursues and targets it sets for itself and for the supply chain for ensuring that human rights are respected globally and that forced and child labour as well as all forms of exploitation are prevented. Information also be provided on the results of the measures and on any material risks.*

Eckert & Ziegler is committed to the ten principles of the UN Global Compact.

The Eckert & Ziegler Group only produces in Europe and in the USA and according to high industrial standards and in compliance with all applicable laws. In these countries, the likelihood of child labour or the exploitation of labour is negligible. In addition, both our own employees and those of our suppliers require a high degree of specialisation.

## 18 CORPORATE CITIZENSHIP

*The company discloses how it contributes to corporate citizenship in the regions in which it conducts its core business activities.*

At its various locations, Eckert & Ziegler is engaged in projects and initiatives through financial support and the personal commitment of its employees. In this respect, we have set strategic priorities. In particular, the company supports initiatives for education, science, and research, as well as other projects in the region of individual company locations.

Several years ago, Eckert & Ziegler launched the “Forschergarten” project ([www.forschergarten.de](http://www.forschergarten.de)) in cooperation with the Life Science Learning Lab Gläsernes Labor in Berlin-Buch and the Friedrich-Fröbel School for Social Education in order to promote science education among young children. The idea of this initiative is to make science and technology come alive for children in nurseries and schools, reduce their fear of the unknown and enhance the quality of education during early childhood. Due to increased demand, the course range has been enhanced and now includes physics classes. Under the motto “Atoms you can touch,” courses have been offered that aim to convey the basics of radiation to high school students in a practical and visual manner. Among other things, the students are allowed to detect natural radioactivity in everyday objects such as building materials, cigarette ash or fertilizer using a Geiger counter, and gain an insight into the use of radiation in medicine.

We sponsor a project on environmental education at the Berlin location. Eckert & Ziegler has supported the initiative “Bucher Füchse” (Buch foxes) for several years, a local environmental education project that enables primary school students in Berlin to undertake scientific explorations in woods and fields. A nature educator accompanies the children on their expeditions through flora and fauna and explains natural phenomena.

Eckert & Ziegler sponsors and donates to a team of American employees who raised donations by taking part in the National Multiple Sclerosis Society’s annual “Walk MS” against multiple sclerosis. The donations will go towards research into fighting the disease, which is still incurable, while those afflicted with the disease will receive financial support. The fundraising campaign has been one of our projects for many years. At our Californian subsidiary, employees also volunteered at a children’s charity. We support this voluntary commitment and supplement the donations of our employees.

**ANTI-CORRUPTION AND BRIBERY MATTERS (19 – 20)****19 POLITICAL INFLUENCE**

*All significant input relating to legislative procedures, all entries in lobby lists, all significant payments of membership fees, all contributions to governments as well as all donations to political parties and politicians should be disclosed by country in a differentiated way.*

The operating subsidiaries of Eckert & Ziegler AG are members of trade and industry associations. By means of these memberships they individually comment on current legislative procedures. This is usually done by writing position papers that are publicly brought into the political discussion.

The trade and industry associations include in particular: American Society for Radiation Oncology (ASTRO), Bundesverband Medizintechnologie e.V. (BVmed), Deutsche Gesellschaft für Radioonkologie e.V. (DEGRO), European Association of Nuclear Medicine (EANM), European Society for Radiotherapy and Oncology (ESTRO), Ophthalmic Oncology Group (OOG), Society of Nuclear Medicine and Molecular Imaging (SNMMI), World Association of Radiopharmaceutical and Molecular Therapy (WARMTH).

In addition, the company does not make any cash contributions nor contributions in kind to e.g. standards committees, political parties, politicians and related institutions. The management rejects any kind of political influence and does not pursue such by supporting any interest organisations.

## 20 CONDUCT THAT COMPLIES WITH THE LAW AND POLICY

*The company discloses which measures, standards, systems and processes are in place to prevent unlawful conduct and, in particular, corruption, how they are verified, which results have been achieved to date and where it sees there to be material risks. The company depicts how corruption and other contraventions in the company are prevented and exposed and what sanctions are imposed.*

The Eckert & Ziegler Group has a Code of Conduct and a related compliance management system which is binding for all employees of the Group and which specifies the focus of particular practical relevance.

The Group conducts its business responsibly and in accordance with the legal and regulatory requirements of the countries in which the company operates. The Group Executive Board is fully committed to the statutory and company-specific regulations on responsible and lawful actions, as well as to the renunciation of any business that conflicts with the principles defined in the Code of Conduct. The Eckert & Ziegler Group respects applicable laws and expects the same from its employees and business partners. The company offers its employees the use of the necessary sources of information and advice in order to avoid violations of laws and regulations. In addition, the Group Compliance Officer is available for questions. Each supervisor organises their area to ensure compliance with these principles, company rules and legal requirements.

Violations of the Code of Conduct can be reported internally, in German or English – even anonymously – or via a designated ombudsman.

The World Bank conducted an audit of Eckert & Ziegler BEBIG SA, Belgium, in the second half of 2015. Within the scope of this audit, the World Bank asked the company's management for further information related to a public tendering procedure for an investment project in Bangladesh during 2012 and 2013. In December 2016, the World Bank informed the company that it considered it likely that within the project, the provisions of the World Bank's Health Sector Development Program were not fully complied with. Although the Executive Board does not share this view, it has voluntarily agreed with the World Bank to review the Group's compliance management system with external experts. This review has been successfully completed at the end of 2018. In this context, the Group-wide guidelines for compliant behavior were reviewed, completed and improved.

In 2018 there were four reports of allegedly irregular conduct. However, the reports could not be confirmed during the subsequent examination and proved to be unfounded.

## EFFAS PERFORMANCE INDICATORS (EUROPEAN FEDERATION OF FINANCIAL ANALYSTS SOCIETIES)

### Performance indicators for criteria 5 to 7

Key Performance Indicator EFFAS S06 – 01

Percentage of total suppliers and supply chain partners screened for compliance in accordance with ESG-criteria.

*Currently, our suppliers are not assessed for their compliance with ESG-criteria.*

### Performance indicators for criterion 10

Key Performance Indicator EFFAS E13 – 01

Improvement rate of product energy efficiency compared to previous year.

*Statistical data on the energy efficiency of our products is currently not collected because radioactive components do not consume energy.*

Key Performance Indicator EFFAS V04 – 12

Total investments in research on ESG relevant aspects of business as defined by company such as e.g. eco-design, eco-efficient production processes, decreasing impact on biodiversity, improving health and safety conditions of employees or supply chain partners, consulting on integration of ESG aspects in change management, development of products to exploit ESG opportunities etc. in monetary terms, i.e. currency as a percentage of revenue.

*Thus far, data on investment (CapEx) in research for ESG-relevant areas of the business model has not been collected.*

### Performance indicators for criteria 11 to 12

Key Performance Indicator EFFAS E04 – 01

Total waste in tonnes.

*Currently, the total weight for radioactive waste generated in production is not collected since this key performance indicator cannot be depicted correctly, due to e.g. the use of shielding components (lead).*

Key Performance Indicator EFFAS E05 – 01

Percentage of total waste which is recycled.

*Radioactive waste is generally not suitable for recycling.*

Key Performance Indicator EFFAS E01 – 01

Energy consumption, total.

*As part of the energy audit report based on DIN EN 16247-1, the following total energy consumption was calculated for the 2014 fiscal year at the German sites in Berlin and Braunschweig: 4,583,100 kWh/a*

### Performance indicators for criterion 13

Key Performance Indicator EFFAS E02 – 01

GHG emissions, total (Scope 1, 2).

*The total value of GHG emissions has not been collected thus far due to the large number of branches and the associated high effort that would need to be expended.*

### Performance indicators for criteria 14 to 16

Key Performance Indicator EFFAS S03 – 01

Age structure/distribution (number of FTEs per age group, 10-year intervals).

<i>Employees (FTE, Full Time Equivalent), who work full-time:</i>	<i>Employees (FTE), who do not work full-time:</i>
<i>aged &lt; 20 years</i> 4	<i>aged &lt; 20 years</i> 0
<i>aged 20 – 29 years</i> 67	<i>aged 20 – 29 years</i> 7
<i>aged 30 – 39 years</i> 169	<i>aged 30 – 39 years</i> 30
<i>aged 40 – 49 years</i> 148	<i>aged 40 – 49 years</i> 24
<i>aged 50 – 59 years</i> 187	<i>aged 50 – 59 years</i> 26
<i>aged &gt; 60 years:</i> 60	<i>aged &gt; 60 years:</i> 13

*These figures for the 2017 fiscal year refer to the Eckert & Ziegler Group without the Gamma Service Group, which was acquired in 2017.*

Key Performance Indicator EFFAS S10 – 01

Percentage of female employees in relation to total employees.

*35 % of the FTEs in the total workforce are female.*

Key Performance Indicator EFFAS S10 – 02

Percentage of female FTEs in senior positions in relation to total FTEs in senior positions.

*In fiscal year 2018, a total of 137 FTEs were employed in management positions; 44 of them were female.*

*This corresponds to a share of 38 percent*

Key Performance Indicator EFFAS S02 – 02

Average expenses on training per FTE p.a.

*2018: Euro 423 per FTE*

### Performance indicators for criterion 17

Key Performance Indicator EFFAS S07 – 02 II

Percentage of total facilities certificated according to SA 8000 standard.

*Our production sites, which are located exclusively in Europe and the USA, are not certified in accordance with SA 8000. They are each subject to a number of national social standards governing employees' working conditions, such as the Occupational Safety Act, General Equal Treatment Act, Basic Law, Child Protection Act, and many more.*

### Performance indicators for criterion 19

Key Performance Indicator EFFAS G01 – 01

Contributions to political parties as a percentage of total revenues.

*None*

### Performance indicators for criterion 20

Key Performance Indicator EFFAS V01 – 01

Expenses and fines on filings, law suits related to anti-competitive behaviour, anti-trust and monopoly practices.

*None*

Key Performance Indicator EFFAS V02 – 01

Percentage of revenues in regions with Transparency International corruption index below 60.

*In countries with a Transparency International Corruption Index lower than 60, the Eckert & Ziegler Group generated sales of Euro 25,3 Mio. in the 2018 fiscal year. This corresponds to a share of about 15 % of total sales.*

Eckert & Ziegler  
Strahlen- und Medizintechnik AG  
Robert-Rössle-Str. 10  
13125 Berlin, Germany

[www.ezag.com](http://www.ezag.com)