

# ESG REPORT

**LINET**

2022



# ABOUT LINET

Brand Vision	3
Values	4
ESG	6
Environment	8
Carbon Footprint	9
Product Life Cycle	10
Initiatives	11
Waste Management	11
Water	12
Materials and Packaging	12
Shipping and Transport	12
Compliance with laws and regulations	13
Social	14
Employee Feedback	15
Employee Support	15
Respect and Confidence	15
Initiatives	
Solidarity with Ukraine, Response to Covid-19	16
Education Support	16
Transparency	17
Health and Safety	17
Discrimination and Harassment	17
Governance	18
Customer Approach	
Code of Conduct	19
Net Promoter Score	20
Innovation	22
Internal Processes	
Supplier Selection	23
Financial Transparency	23



# BRAND VISION



## Be an object of desire, not just choice.

LINET has proved its resilience, discipline and determination as a company founded in the Czech Republic, which has grown into a leading manufacturer of advanced care beds worldwide. Since 2011, LINET spol. s r.o. has been a division of the multinational holding organisation LINET Group SE, with registered offices in the Netherlands. With 70 years of experience and strong relations with our business partners, LINET Group act transparently and strive for ties based on mutual respect and shared values. Our sophisticated products deliver an exciting experience inspired by the flawless connection between state-of-the-art technology and attractive design. With our portfolio, meeting the needs of all specialisations and finding a suitable solution for everyone is a matter of moment.

Our mission is to be instrumental in improving the standard of healthcare, nursing services, and customers' comfort. We take pride in our work and what our products and solutions offer the industry. Our unique product development approach considers customers' everyday problems and puts their needs first while delivering innovation and technological advances to healthcare.

At LINET, negotiation is replaced with discussion, and together with the customer, we are looking for a way to achieve mutual satisfaction and fulfilment of expectations from our products. Our most advanced solutions were developed in close cooperation with nurses and medical staff to ensure the most effective and practical design and technology. We are the technological leader in the field, and innovation is an integral part of our DNA.



**70,000**  
Customers worldwide

**70**  
Years of Experience

**120**  
Countries

**2,000**  
Employees

**1,200,000**  
Beds Installed

**13%**  
Revenue Growth

# VALUES

While performing all business operations, LINET is characterized by its brand values based on the foundational beliefs we stand by.

## UNIQUENESS

*We will outdo ourselves*

Our primary focus in the market is not the pricing strategy but the desire for technological lead and an exceptional approach to innovation. With 72 patents and 94 trademarks, we can guarantee that each of our products and service includes unique features that the customer cannot get from the competition.

## SIMPLICITY

*One look is enough to understand*

The technological features of our products and services align with our clients' everyday reality. 100 LINET specialists in research and development constantly work to provide the most efficient, practical, uncomplicated product characteristics. Our products offer an immediate and simple answer to customers' problems.







## CONFIDENCE

We don't compete, we complete

Believing in ourselves and the quality of our products moves us forward, motivates us and makes us unstoppable. We don't compare ourselves to our competitors as we base our sales arguments solely on a perfect knowledge of the client's needs.

## TRUST

We play by the rules

We want to declare that we consider compliance with the law and avoidance of unfair business practices as our company's fundamental standard and priority. We act with consideration, mutual respect, and fairness with customers, employees, and business partners.

## PASSION

We know what clients need. We give them what they desire

Transparency and direct relations with customers are essential for LINET. Questions are never left unanswered, and we are strongly committed to our promises. Customers are not only going into business deals with us, but they enter a collective experience charged with positive emotions and trust.



# ESG





LINET recognises that sustainability is the key to a better future, and managing risks and opportunities around sustainability issues is critical. Sustainability demands well-balanced economic activity, social justice and the efficient use of all resources. To meet these criteria and contribute to improving the world around us, LINET is proactively working on its social responsibility strategy. We are strongly committed to setting our values and goals towards focusing on social and environmental issues as we do on profits and economic growth. Protecting the environment, improving safe working conditions and providing excellent governance are consistently among the company's top priorities.





# ENVIRONMENT



The environment around us does not only provide us with a place to live but with everything that keeps us alive. Being a part of the healthcare industry, we understand the importance of the natural environment to human health. We at LINET recognise that today, it is more than essential for companies to take steps toward more innovative and greener solutions in order to take better care of the planet and provide a better life for the people. For us, responsibility means, among other things, combining commitments to provide the highest possible quality of our products and services and minimising the impact of business activities on the environment and people's lives. That is why LINET operates with reliable principles and always considers the potential impact of our decisions, strategies and investments on the environment.

With the application of the following policies, LINET aims to eliminate or significantly limit potential hazards to the environment.





## Carbon Footprint



Commitment to reduce the carbon footprint by at least 55% by 2030

As part of LINET, we created a work team to perform the first part of the analysis on energy consumption and conducted the first proposals and projects to reduce the carbon footprint. These include targets for reducing CO<sub>2</sub> and other greenhouse gas emissions released during the life cycle of a product. LINET is committed to following the **plan to reduce the carbon footprint by at least 55% by 2030**, while the goal is to reduce it to zero by 2050. We constantly seek measures aimed at carbon neutrality while reducing the consumption of energy and natural resources, raw materials and waste generation to maximise the use of renewable resources. In 2022, we expect to complete the more advanced part of the carbon footprint analysis, focused mainly on our suppliers, transport and shipping. We are currently collecting data for Scope 3 calculations. Based on the results, we will determine the main areas of interest. In the meantime, several initiatives are taking place intending to reduce the consumption of gas and electricity, which will contribute to the reduction of CO<sub>2</sub> and efficient use of financial resources.

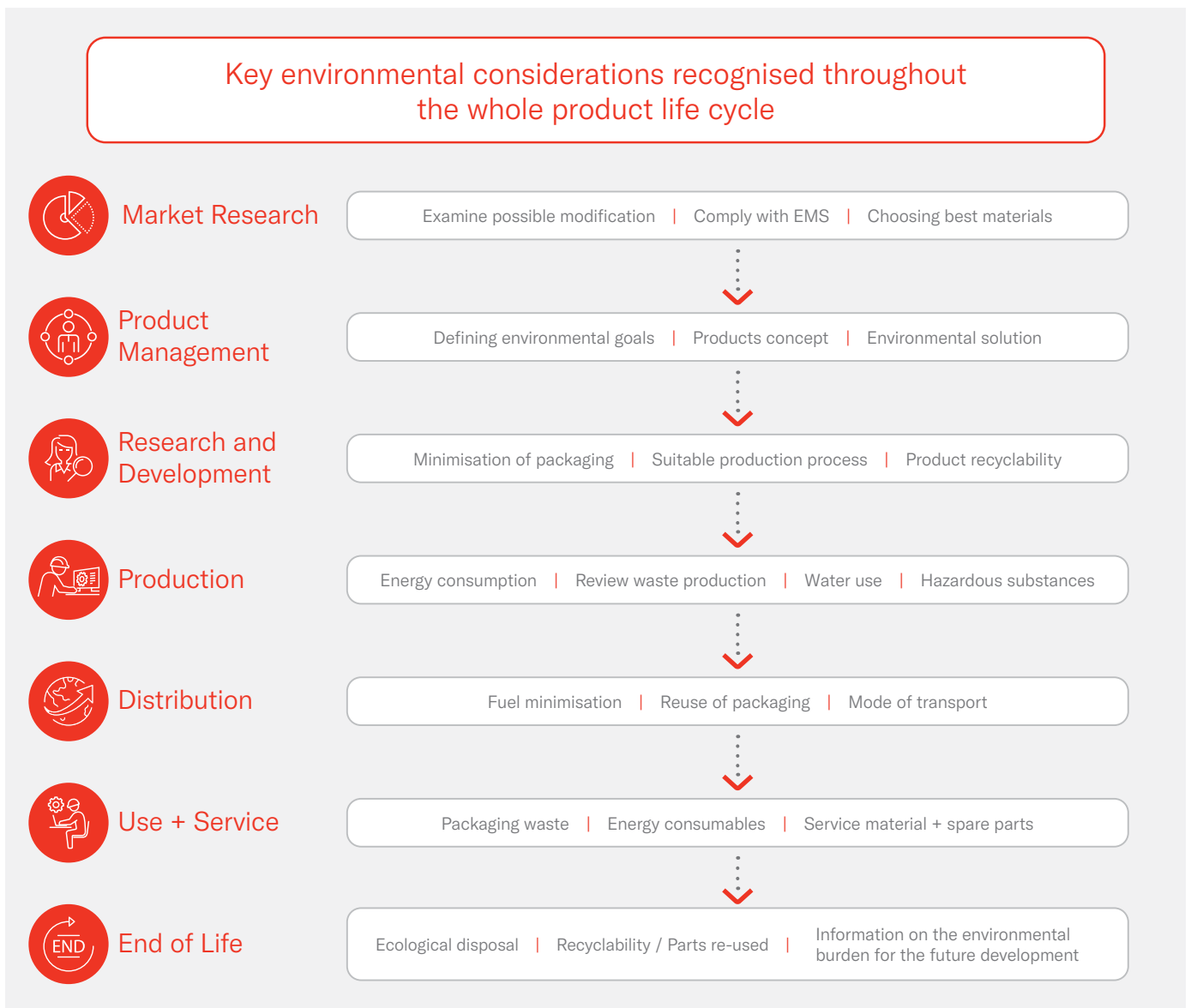
We are dedicated to improving the efficiency of LINET's operations and saving energy in individual production activities.

## Product life-cycle

Our approach to the entire process of developing and producing our products proves our serious commitment to environmentally friendly solutions. We strive to extend the life of our products through high-quality materials, technologies, and professional and reliable AfterSales service. With this, we engage in activities that contribute to the circular economy and have a less significant overall impact on our products than the other effects created during the individual steps of the production process.

From the conceptualisation and selection of materials through the development, production and storage to the disposal, we search for all types of possibly hazardous environmental impacts that can be minimised.

Thinking responsibly throughout the whole product life-cycle process



## Initiatives

Although our operations comply with every relevant legislation, mandatory regulation and policy promoting ecological standards, LINET and its employees also take voluntary steps toward environmental goals. We actively support initiatives that work on activities contributing to helping the natural environment, and we regularly try to develop new ideas for more ecological behaviour in the company. We provide continuous training and incentives to encourage employees to adopt the principles of environmental protection as their own. The fundamental for us is waste sorting and choosing energy-saving solutions in all company spaces. During corporate events, we strictly avoid non-recyclable disposable items, and even when assembling complementary gifts, we choose products of local production, ecological packaging and practical use.

We strive to maximise the efficiency of using electric energy through more economical devices such as energy-efficient lighting and a solution for recovering waste heat from technology. When purchasing company vehicles, we prefer investments in electric cars and plug-in hybrids.



## Waste management

A fundamental concern when handling waste at Linet is minimising its environmental impact. The aim of the company is, among other things, to ensure that the largest possible share of the waste generated is transferred for material or energy recovery. We want to step away from any landfilling by 2030 and find a use for all of our waste. Right now, all waste is handled in the company in accordance with applicable legislation, which is elaborated in the internal documentation.

Only 11% of LINET's waste production goes to landfill, 85% is recyclable waste, and 4% of waste is used for energy.

Landfilling can be reduced by adequately sorting and utilising waste materials, e.g. by dismantling the beds at the end of their useful life. We save primary sources of raw materials thanks to material recycling and, simultaneously, protect our environment from possible unsustainable handling.







## Water

The quality of wastewater released is monitored regularly at a frequency and to the extent stipulated in the integrated decision of an external, authorised laboratory. The amount of wastewater released into the natural environment aligns with LINET's long-term water management goals. The quality of wastewater remains at a sustainable level due to compliance with the currently permissible levels of pollutants. We want to improve the quality of discharge by operating a new wastewater treatment plant and strictly avoid emergencies that result in deterioration of the condition or endangerment of underground or surface water.



## Materials and Packaging

LINET produces only from materials with minimal environmental impact - they do not contain dangerous substances based on cadmium, mercury, asbestos, polychlorinated biphenyls or freons.

None of the wooden parts is made from tropical woods (such as mahogany, rosewood, ebony, teak, etc.) or wood originating from the Amazon region or similar rainforests. Products contain recyclable steel, plastic and electronic components - for the purpose of optimal recycling at the end of the product's life cycle.

## Transport and Shipping

We are working on creating a distribution network that is efficient, safe and environmentally friendly - we are committed to reducing fuel consumption, so we are working with suppliers on two-sided improvements as much as possible. We also encourage using low-carbon corporate cars and actively encourage employees to ride bicycles or cars together and use public transport.

# Compliance with laws and regulations

Continuous improvement of the company's impact on the environment within its economic possibilities should be considered a minimum standard and priority. We comply fully with national and international legislative developments and participate in many workplace initiatives to make the company and its actions more responsible.

In LINET Group, we have implemented an integrated management system to ensure the highest possible quality of our products, and independent international certification authorities have confirmed its effectiveness. **LINET proudly holds QMS (Quality System Management) and EMS (Environmental Management System) certificates** according to the international standards **ISO, MDSAP and MDR**. We operate under the environmental management system that complies with the internationally recognised **ISO 14001** standards. We continuously work to improve internal processes and procedures to ensure compliance and retain a high-class quality management system.

LINET proudly holds QMS, EMS, ISO, MDSAP and MDR certificates



# SOCIAL



LINET values people and recognises that we owe the success of our company mainly to our employees and business partners. That is why we strive to support and strengthen our relationships and communication and provide services supporting satisfaction, health and safety for our people. We are constantly working to improve human resource management processes and develop new ways to make people feel comfortable and supported in the workplace. LINET also contributes to the broader society with its community-supporting initiatives and prompt responses to world events. We are proud of LINET's reputation as a humane and ethical company that constantly cares for and prioritises people and their welfare.

We are proud holders of the Healthy Company and Family Friendly Company certificates. We also conducted a Gender Audit that assessed equal opportunities in personnel processes, work-life balance and corporate culture.



Gender Audit Certificate



Health Promoting Enterprise Certificate



Family Friendly Society Certificate





## Employee Feedback

At LINET, we believe that employees' happiness and satisfaction significantly impact their performance. Our VOICE of Employee platform helps us execute regular biannual satisfaction surveys among employees to respond better and faster to our people's needs and the company's overall atmosphere. These statistics allow us to track employee engagement and measure the impact of our people and culture initiatives. **The current rate of our employee engagement to the company (eNPS) indicator is 77%**, which we consider a satisfying result, but we are constantly looking for ways to improve it. We are tracking records to prepare effective action plans and adjust our next steps because satisfied and loyal.

## Employee Support

As we do not ignore the mental health issue and understand our employees' personal problems, we have introduced a new employee benefit, the non-stop assistance line People Care, free to employees and their families. The service assists with solving mental problems, provides financial advice and helps with legal issues.

“No problem is insignificant and deserves attention. We strongly believe the People Care program will support all employees and their family members and help those who need it.”

*Vladimíra Michnová,  
HR Director*

## Respect and Confidence

As we value people who have worked for LINET for a long time, we reward them for their loyalty and dedication to our company. Some employees celebrate their 25th and 30th anniversary in the company, which we consider the most significant proof of their satisfaction with working for LINET. In the same way, we reward people when they retire, contribute to supplementary pension insurance and try to make everyone reflect on their cooperation with LINET with praise.

We build relationships on trust and gratitude.

We believe that a large part of the happiness of our employees also derives from the ability to balance work with private life. That's why we like to adapt to the needs of individuals and allow flexible working arrangements. We also strongly support our employees who are on parental leave and even offer the services of a corporate nursery, Linetka, which provides care for our employees' children right on the company site.



## Solidarity with Ukraine

The situation in Ukraine shocked the whole world, especially in Eastern European countries; it brought a feeling of fear and empathy. From the beginning, LINET considered it natural to help the families of our Ukrainian colleagues who decided to leave their home country and come to the Czech Republic. We arranged transport, continuously searched for accommodation capacities, provided meals, our products, and medical support and helped them find employment on the labour market. The entire LINET Group immediately offered a helping hand and actively cooperated with the organisation People in Need, which was helping directly in Ukraine. To receive targeted and organised aid, LINET cooperated with the United Nations World Bank (UNOPS), whose mission was to deliver the necessary equipment to Ukraine.



## Response to Covid-19

The Covid-19 pandemic was a big challenge for everyone. We had to adapt to this situation and provide the best and safest conditions for our employees. At the same time, as part of the healthcare industry, we were under pressure, and had to work hard to provide products for which there was an unprecedented demand. One of the biggest challenges hit us in October 2020 when Czech Prime Minister approached us with an order of 4,000 beds for the planned field hospital in Prague. Even though we are the largest manufacturer of medical beds in Europe in terms of capacity, we must admit that the unexpected order from the Government took us by surprise. However, we did not hesitate. We have adapted our management and production to the situation and implemented many measures to meet the requirements of everyone who needed our help. The pandemic crisis has challenged our resilience, responsibility and selflessness, and we have also pushed our abilities and overcome our limits.



## Education Support

We recognise that supporting the development of individuals and investing in education is crucial for business affecting the wider society. The entire LINET Group contributes to various forms of cooperation with secondary schools, universities and other educational institutions in many countries. Students have opportunities to access various forms of scholarships as well as leadership and research assistance from our experts. We invite young people to collaborate on specific projects that they can carry out directly in a real business environment. In this way, we help young people integrate into the industry and also gain access to young talent.



## Transparency

LINET is an honest company, and business transparency has always been natural to us. We are proud of our origin and own two production sites in the Czech Republic.

With transparency,  
we foster a sense of  
trust.

Although LINET has grown into a global company, we keep the production solely in Europe and work on efficient and safe methods of transportation and shipment of our products worldwide. Fundamental ethical principles, human rights and legal guidelines are strictly followed in every LINET worksite. Our factories are available for tour to all our customers and business partners, and we stand by our working conditions and environment.

## Health and Safety

Protecting our employees and providing them with safe, healthy and comfortable work conditions is the least we can do to thank them for their work. Research shows that workers are more productive and committed in workplaces engaged in health and safety practices. LINET complies with European health, safety, and hygiene standards as specified by the Labour Code and associated legislation.

We keep the goal of  
1.5 accidents per 100  
employees.

We regularly evaluate employee health risks and measures adopted to reduce work-related injuries. Every year, we assess the number of occupational accidents among our employees. When analysing injuries, it is necessary to point out the types and locations of the most frequent occurrences. Such statistics help us introduce

protective measures and training to prevent similar situations in the future and increase safety.

We strongly encourage people to join our LINET Health Day, where we offer free complex health examinations, blood pressure, eye checks, dermatological treatments, blood tests and vaccinations to everyone. AT LINET, we also provide our employees with a free online medical consultation with the option of arranging an appointment with a doctor.

## Discrimination and Harassment

Our company has committed to providing each of us with a workplace free from unlawful discrimination or harassment. In recruiting, hiring, employee development and promotion – all employment processes – decisions are made without regard to gender, race, colour, nationality, citizenship, ancestry, religion, age, physical or mental disability, medical condition, sexual orientation, gender identity or gender expression, or marital status.



# GOVERNANCE

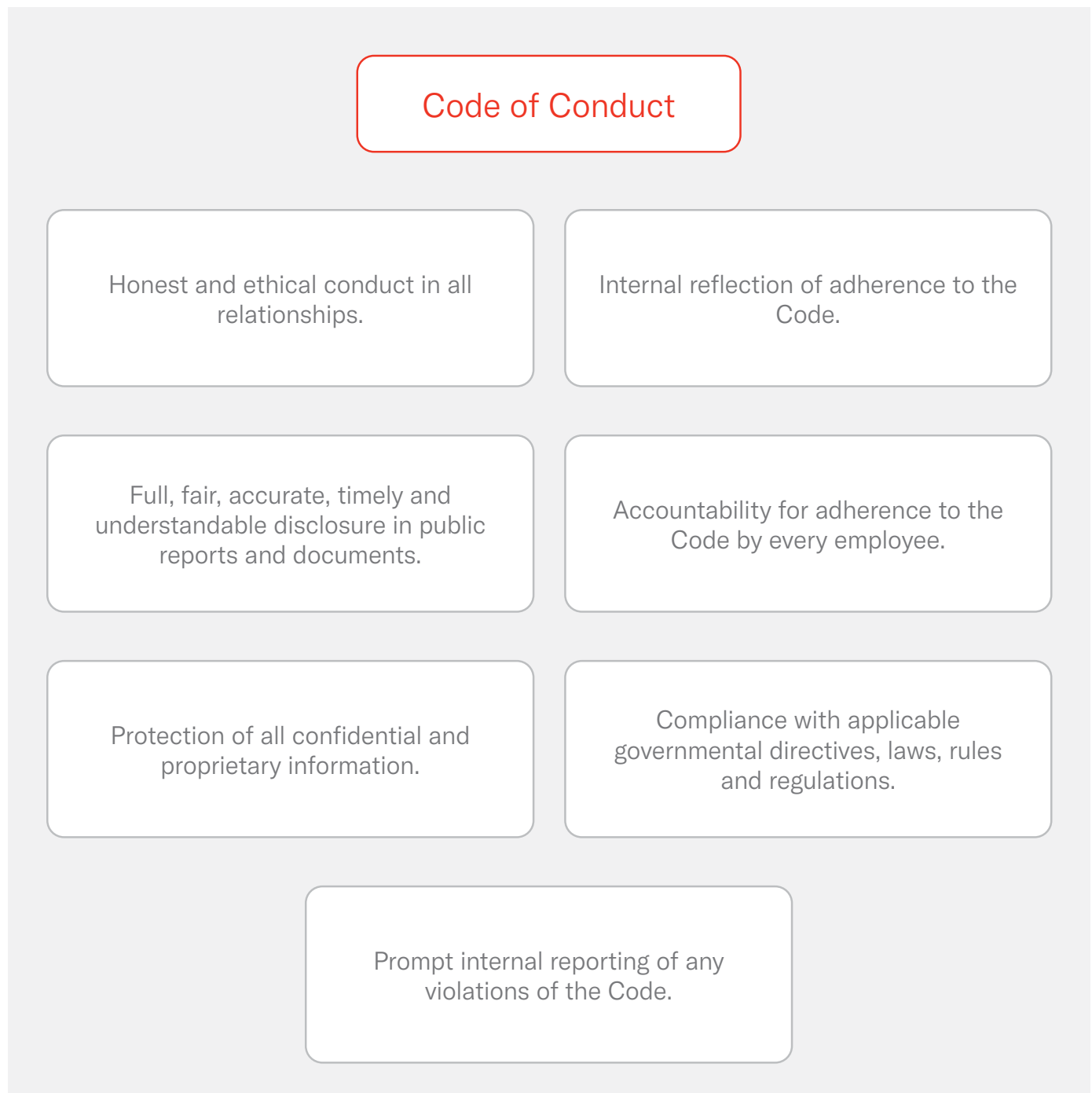


Corporate governance essentially involves balancing the interests of a company's many stakeholders, such as shareholders, senior management executives, customers, suppliers, financiers, the government, and the community. LINET Group consists of several branches, and governance is uniform across all legal entities. The headquarters manages, directs and controls the governance systems, policies and processes that all entities follow and are governed by. Our governance approach is a priority since it represents the foundation for effective business ESG management, corporate transparency and business efficiency.



## Code of Conduct

Our Code of Business Conduct (“the Code”) sets forth the guidelines we need to follow in order to uphold the law and act according to the highest ethical standards in our daily business activities. We are responsible for adhering to these guidelines in all our interactions with our key stakeholders—our customers, colleagues, communities in which we work or suppliers. We are expected to know and follow these unique rules that ensure our ethical interactions with each stakeholder group.



## Customer Satisfaction

Because customer feedback is critical to us, we launched a customer satisfaction survey that measures the Net Promoter Score (NPS). Net Promoter Score (NPS) is a metric used to measure customer satisfaction to understand how our customers perceive our products and services. We aim to gather as much data and feedback about all the customer contact areas, including sales, delivery and installation, after-sales service, product, and branding and communication. We sent out an NPS survey to all recent customers in February, asking them to evaluate LINET on multiple dimensions. With responses from numerous accounts from various countries and markets, we obtained an overview of the degree of customer satisfaction with individual areas of our services. Nevertheless, it also helped us define the weak points we need to focus on and improve.

Overall NPS results of 32, considered above average in B2B businesses





## Business continuity

LINET Business Continuity Plan ensures the continuation of business during and following any critical incident that results in disruption to normal operational capability.

The Plan incorporates the Prevention, Preparedness, Response and Recovery during critical incident and its effect.

The objectives of this plan are to:

- undertake risk management assessment
- define and prioritise critical business functions
- detail immediate response to a critical incident
- detail strategies and actions to be taken to enable LINET to stay in business

The Plan assigns Emergency responsibilities to designated employees to ensure that the plan has been activated, implemented, communicated to key stakeholders and keep key staff apprised of any changes to situation.

The Plan incorporates the Prevention, Preparedness, Response and Recovery during critical incident and its effect



## Innovation

We believe that innovation and creative thinking have brought LINET to the top of the market. We constantly look for new technical solutions and improvements that make us unique and unbeatable. However, we still stand by our goal to maintain focus on enhancing patient outcomes and improving caregiver workflow. Therefore, our products are designed so a customer can make maximum use of the technological and functional potential of LINET products.

## Solutions designed to help you care

Our concept of 360° intensive care solutions incorporates a full complement of products, including bed frames, mattresses, furniture and accessories that help enhance patient care, staff workflow and hospital management efficiency.



## Innovations aligned with customer needs

### Enhanced Patient Outcomes

-  Improve Pulmonary Outcomes
-  Early Mobilization
-  Pressure Injury Prevention
-  Falls Prevention
-  Improve Patient Experience



### Improved Caregiver & Hospital Workflow

-  Safe Patient Moving & Handling
-  Easy Patient Transportation
-  Simplify Caregiver Procedures
-  Hospital Operations Efficiency

## LINET patents and trademarks

72 Patents

94 Trademarks



Telescopic column



Frame based lateral tilt



i-Brake®



i-Drive Power®



Mobi-Lift® Handle

## Supplier Selection

Relationships with all our suppliers are built on trust and mutual responsibility. Therefore, we put great effort into the selection process and follow certain principles. Before establishing every partnership, we perform an audit that inspects the supplier's compliance with our criteria. We review their business credibility, workplace environment and production operations. Naturally, we consider the specifications of individual offers, contracts and the quality and certifications of the products.

With our key suppliers, we operate an automatic monthly feedback system that comprehensively evaluates suppliers' performance. The system is based on assessing satisfaction with the cooperation regarding the quality of provided products, logistics and customer satisfaction. In case of dissatisfaction, we require individual suppliers to submit an action plan to correct the weaknesses.

This system provides a regular overview and streamlines communication with our suppliers. Therefore, we can step in time and fix or improve processes within the supply chain.

80–90%  
of suppliers  
from  
the EU

## Financial Reporting

At LINET, we establish and maintain internal controls over financial reporting to manage and preserve our business and assets and to ensure the integrity and reliability of our financial reporting processes and information.

The foundation of this control shall be rooted in the following five components:

1. Control Environment, including the integrity, ethical values and competence of the company's people; management's philosophy and operating style; the way management assigns authority and responsibility and organises and develops its people; and the attention and direction provided by the Board of Directors.
2. Risk Assessment, including identifying and analysing relevant risks to achieving objectives, forms a basis for determining how the risks should be managed.
3. Control Activities ensure that necessary actions are taken to address risks to the achievement of the objectives.
4. Information and Communication, including steps that ensure information is delivered and communication is provided down, across and up the organisation.
5. Monitoring to assess the system's quality over time through ongoing monitoring and separate evaluations, including thorough regular management supervision, with reports of deficiencies upstream.







---

Members of LINET Group

**LINET spol. s r.o.**

Želevčice 5 | 274 01 Slaný | Czech Republic

tel.: +420 312 576 400 | fax: +420 312 522 668 | e-mail: [info@linet.com](mailto:info@linet.com) | [www.linet.com](http://www.linet.com)



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