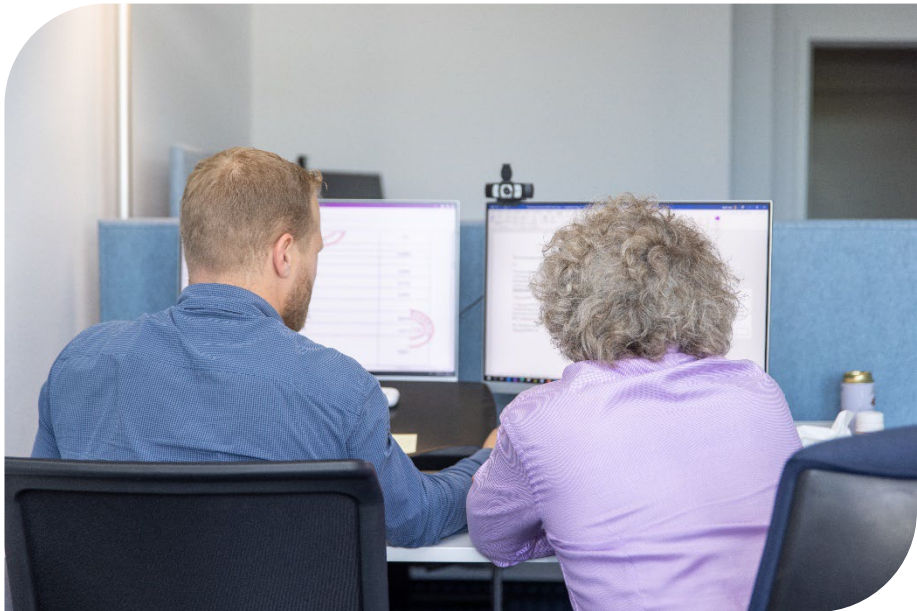


ESG REPORT

2024

Selectchemie AG





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Dear readers,

In 2024, we were exposed to a challenging global environment with several growth inhibitors compared to the pandemic years (which were extremely positive for us). Europe, particularly Germany, is stagnating and won't recover until 2025. Global conflicts (Ukraine, Middle East, China), increased bloc formation, and faltering South American economies (e.g., Argentina's hyperinflation) are causing market uncertainty. Despite recovering transport costs, supply chains remain weak due to unstable routes like the Red Sea.

Irrespective of this, we have continued our efforts to make significant progress in the areas of environmental, social and corporate governance, which we would like to briefly summarise below:

Selectchemie's direct ecological impact is low: production and transport processes are outsourced as part of our asset-light business model. In addition, in the past years we successfully implemented effective measures to protect the environment and improve our transparency. In 2022/23, we completely renovated our building and installed external insulation to enhance energy efficiency. During the interior renovation, we also upgraded all our lighting to LED technology. These improvements have resulted in a significant reduction of over 20% in our CO₂ emissions from purchased gas and energy, encompassing both Scope 1 and Scope 2 emissions.

This first report also contains information on direct emissions from our own business activities (so-called Scope 1 emissions), which we will also communicate transparently from now on.

We have outsourced the manufacturing of our finished dosage forms to 3 contract manufacturing sites and storage and transport of our entire product portfolio to a small network of 3 contracted warehouses placing a particular focus on compliance with social and environmental standards along our supply chain. A key control element here is our Supplier Code of Conduct, in which we define clear guidelines. Since 2023 we are also member of SEDEX (Supplier Ethical Data Exchange) as a supplier member. SEDEX is a global non-profit organization that helps businesses manage their social and environmental performance and improve working conditions throughout their supply chains. It provides a platform for companies to store, analyse, share, and report on sustainability practices, aiming to create more ethical and sustainable supply chains. In future and with the support of SEDEX we want to significantly strengthened the definition and monitoring of minimum standards in our supply chain. Among other things, this will enable us to assess the ESG risks of our suppliers even more comprehensively. Social aspects also play a central role for Selectchemie outside of our supply chain.

Our clients from around 70 countries trust us to ensure that we supply them with important medicines - and to ensure the highest product quality and safety, which we describe in detail in this report. At the same time, we want to become even more attractive as an employer and have implemented various measures to ensure that we are as well positioned as possible in the competition for the best talent in the future.

For this purpose, we have partnered with the external experts at CultureMatcher to conduct an anonymized culture survey. CultureMatcher is a tool that measures and compares the cultural fit between job candidates and companies. It helps ensure that a candidate's values align with the company's culture, leading to better hiring decisions and job satisfaction.

Building on the CultureMatcher, we also carried out an extended management training programme consisting of 6 training modules and including director level as well as management and team leaders.

In addition to the corporate culture, it is also very important to us that the corporate values are well understood and lived by all employees. For this reason, we invited all Selectchemie AG employees to a full-day values workshop followed by a team-building event.

Key cornerstones of sustainable corporate governance are anchored in our constantly evolving compliance management system. The main elements of the system are a binding, company-wide Code of Conduct, several internal and external compliance guidelines, mandatory compliance trainings for all employees, our multilingual, electronically protected whistleblower system and, last but not least, numerous measures to prevent corruption and bribery. To further increase our transparency in this regard in the future, we have once again updated and trained our internal regulation “Integrity in Business Transactions” dealing with anti-corruption and bribery at Selectchemie and made them available for every employee in our company.

Last year, we also achieved an improvement for the sustainability milestones: Again, we were able to improve our position in ESG ratings that compare us with other companies in the pharmaceutical industry in the area of sustainability - for example, with the globally renowned rating agency EcoVadis.

And we want to improve even further: We are now focusing on the future regulatory sustainability requirements that we will have to meet from the 2029 financial year, but we want to comply already earlier. In particular, we will focus on the requirements of the EU's Corporate Sustainability Directive (CSRD) which will significantly impact Swiss companies, especially those with strong ties to the EU market. As a first step we need to ensure “Reporting Compliance” with the European Sustainability Reporting Standards (ESRS). This

includes detailed disclosures on environmental, social, and governance (ESG) issues. As a second step we have to deal with data collection and analysis: Companies will need to gather and analyse relevant data to meet the reporting requirements.

This involves setting up systems to track sustainability metrics and ensuring data accuracy and completeness. Further steps will be stakeholder engagement, including investors, customers, and suppliers as well as internal training and awareness of all employees and raising awareness about the new reporting requirements and sustainability practices.

The results of this analysis will form both the future reporting framework and the basis for the targeted further development of our ESG strategy and data collection in 2025.

As you can see, we are continuing to forge ahead with determination. We invite all stakeholders to continue to actively accompany us on this journey - and would like to thank all stakeholders who actively support us in our sustainability endeavours. This applies in particular to our employees and suppliers, who are committed to greater sustainability at our company and in our supply chain every day.

T. Sjeverac

Oliver P. Kühn



Tatjana Sjeverac
Chairwoman of the Board of Directors



Dr. Oliver P. Kühn
Chief Executive Officer

About this ESG report

As an international company, we are aware of the impact that our business activities have on the environment and society. It is therefore our aim to act in the most socially and ecologically sustainable way possible - and to report regularly on both environmental and social issues.

This report is based on established ESG standards and frameworks: We are guided by the ESG criteria of the Global Reporting Initiative (GRI). Although these standards are not legally binding for Swiss companies like Selectchemie, adopting GRI standards helps us to prepare for other mandatory reporting requirements, such as the CSRD, and demonstrate a commitment to sustainability.

In preparation for future requirements, we are already reporting on selected ESRS indicators for the past year 2024. In our ESG strategy, we set out the fundamental cornerstones for the areas E (=Environment), S (=Social) and G (=Governance).

We are particularly focused on the supply chain: due to our asset-light business model, we rely on cooperation with numerous partner companies and need to ensure that they comply with social and environmental standards ecological standards.

We also provide in-depth insights into our ESG work and report on relevant key figures, highlight stories and the progress we have made compared to previous years. The 'Environment and climate protection' section contains Selectchemie's key environmental indicators and their development. Under 'Product, society and social issues', we show how we ensure the highest quality standards for our products and their manufacture, how we are committed to patients and our employees and how we implement data security. Finally, in the chapter 'Compliance and Corporate Governance', we outline our systems and targeted measures to uphold the principles of ethical corporate governance and reference additional guidelines on the topic.

About Selectchemie

Selectchemie is an independent Swiss company serving the pharmaceutical and nutrition industries since 1969 as a premier supplier of high-quality ingredients and generic finished dosages forms. As a full-service provider, we create added value by offering comprehensive technical, scientific, regulatory and commercial support along the entire value chain.

Selectchemie has a versatile platform and operates an ‘asset-light’ business model that combines internal expertise in key functions with a global network of external partners. We are a non-research organization that has outsourced the manufacturing, storage, and distribution of our products. Three Contract Manufacturing Organizations (CMOs) based in the EU produce our developed products. We store and distribute approximately 800 Active Pharmaceutical Ingredients (APIs) and excipients, which are manufactured by over 500 suppliers, through three warehouses in the EU.

Our products are distributed through an extensive global network of over 500 suppliers in around 50 countries to more than 700 customers in about 80 countries, with whom we have built trusted relationships over many years. Although our direct ecological footprint is small, maintaining high environmental, social, and governance standards throughout our entire value chain is very important to us.



Our ESG strategy

The foundation of our ESG strategy is formed by our core corporate values of

- We live quality
- We are honest and reliable
- We cherish entrepreneurship and empowerment
- We are team players

We embody these values by focusing on strong and resilient partnerships and maintaining close communication with our stakeholders.

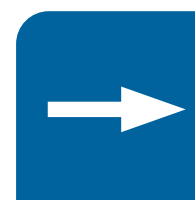
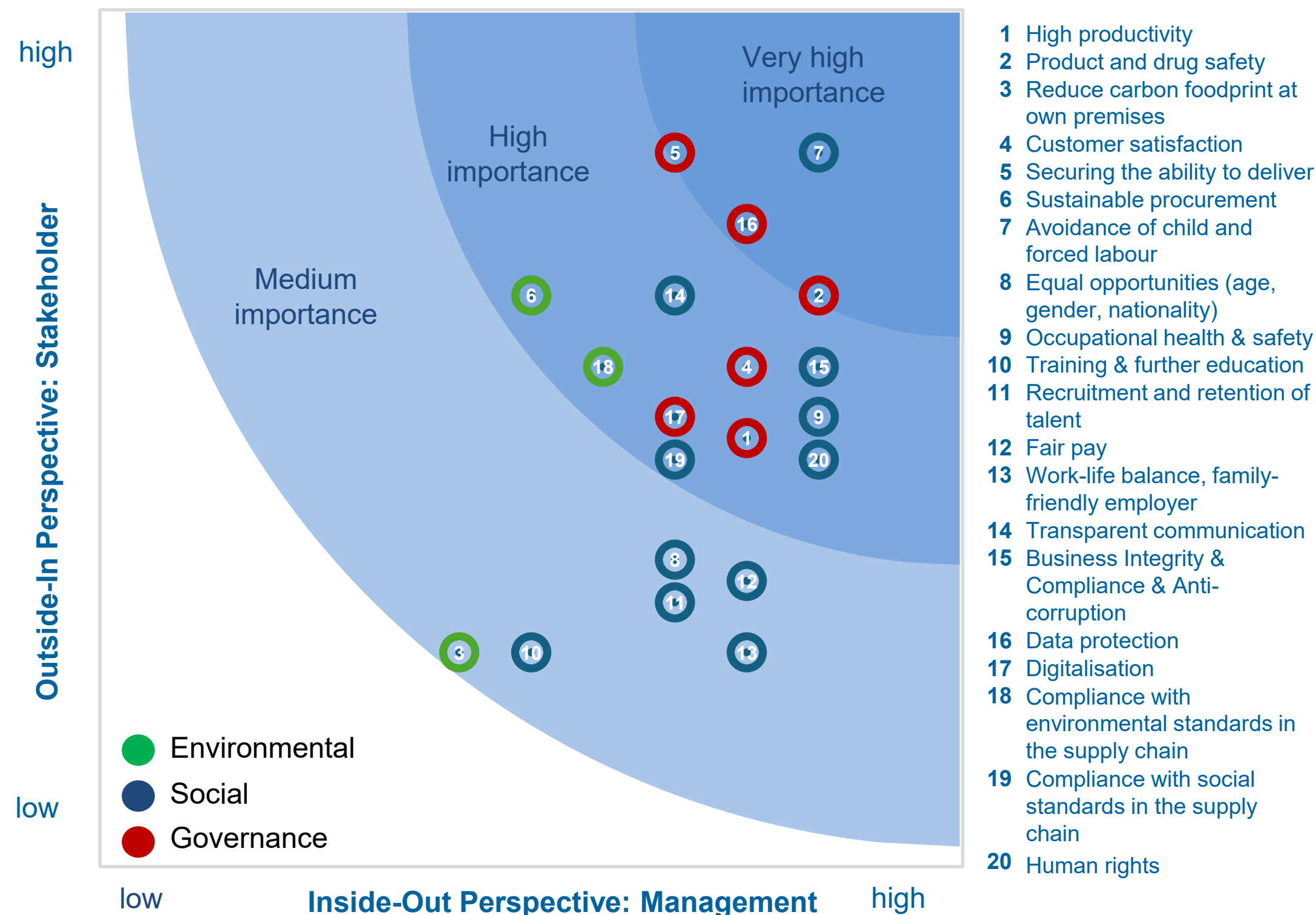
Current strategy definition and outlook

During strategy workshops with the Executive Board and various strategy meetings within the management team, we discussed various ESG measures for the coming years. These measures are designed to primarily reflect the interests of customers, employees, and the capital market, as well as to address the anticipated increase in regulatory requirements.

Based on these discussions, we conducted a materiality analysis to identify the ESG issues that are most important to us from both the company's and our stakeholders' perspectives. This analysis has enabled us to meet the current requirements of internationally accepted frameworks, such as the Global Reporting Initiative (GRI).

The following ESG focus topics are essential for preparing Selectchemie to meet future challenges:

Materiality Analysis Selectchemie



In future, the ESG measures mentioned will be subject to an annual review and, if necessary, adjusted in further strategy meetings at Executive Board level and continuously expanded to include further activities in line with the expectations of our stakeholders.

1. Focus on clients

Our activities focus on the WHO's globally recognised criteria for the ethical marketing of medicinal products (the Ethical criteria for medicinal drug promotion). Having rolled out a code of conduct for suppliers in 2024, we also issued a Child Labour Due Diligence Statement for our clients in the same year. Our policy aligns with the International Labour Organization (ILO) Conventions Nos. 138 and 182, and we adhere to the ILO-IOE Child Labour Guidance Tool for Business

2. Attractiveness as an employer

Selectchemie is in a permanent state of flux due to the volatility of the market and global challenges. As a consequence, we have implemented various measures to ensure that we are in the best possible position to continue competing for the best talent in the future. In doing so, we are addressing the key issues of 'recruiting and retaining talent', 'work-life balance' and 'co-determination'. Based on an initial survey among our employees in 2023, called CultureMatcher, we measured and compared the cultural fit between job candidates and companies. It helps to ensure that a candidate's values align with the company's culture, leading to better hiring decisions and job satisfaction.

In 2024, we transformed our former Townhall meetings into SelectUpdate meetings. During these meetings, the management

provides in-depth insights into the company structure and the status of all current and planned projects. Additionally, these meetings offer a platform where all employees can ask critical questions openly and receive honest answers.

As part of an HR project, we collaborated with our external partner, Korn Ferry, to conduct job mapping for all positions within the company. Each position was assigned to specific salary bands based on its complexity and level of responsibility. Consequently, some salaries were structurally adjusted.

For more detailed information on our internal communication, remuneration and social benefits, as well as our flexible and customized working models (such as remote working or part-time options), please refer to pages 18-20 of this report.

3. Product quality und safety

Our products and their handling have always adhered to strict quality and safety criteria, monitored through numerous internal and external procedures. Therefore, the goal is to further enhance the transparency of existing guidelines, measures, and statistics at Selectchemie AG. This is addressed, among other things, in this report (see the section on product quality and safety).

4. Social and ecological supply chain

For the 2024 financial year, we have conducted an internal analysis of our suppliers in order to better understand the impact of our supply chain on environmental and social issues.

To further enhance standards in our supply chain and comprehensively assess ESG risks, we will need to review our existing training and audits for suppliers. In the future, we will expand these to include selected ESG criteria to better monitor sustainability aspects within our supply chain.



WE LIVE QUALITY



WE CHERISH ENTREPRENEURSHIP
AND EMPOWERMENT



WE ARE HONEST AND
RELIABLE



WE ARE TEAM PLAYERS

**Our
values**

In focus: Our supply chain

Selectchemie operates an ‘asset-light’ business model that combines internal expertise in key functions with a global network of external partners. As a non-research organization, we have outsourced the manufacturing, storage, and distribution of our products.

Selectchemie purchases and sells around 800 pharmaceutical ingredients, including active pharmaceutical ingredients, precursors, excipients, food ingredients from more than 500 suppliers to more than 700 customer in ca. 80 countries.

The manufacturing of our finished products is outsourced to a small network of three CMOs and one API supplier.

Theses figures clearly demonstrate the critical role of the supply chain in our company's success.

The size of the companies in our supply chain varies from small, local contract service providers to large, internationally active pharmaceutical groups. A diversified, flexible and resilient supply chain is essential to ensure security of supply for our patients. We currently procure the majority of our supplied goods and services from companies whose headquarters and manufacturing sites are located in China and India. Since these companies are not always subject to

stringent requirements regarding the quality and sustainability of pharmaceutical products, we must closely monitor them.

At the time of preparing this report we are not aware of any environmental or social violations of applicable regulations.

By regularly reviewing our supply chain, we not only gain an overview of sustainability in this very important area for us but also gain additional leverage to ensure the highest quality and safety of our products.



In this context, we are particularly proud of our Supplier Code of Conduct, introduced in 2024, which sets clear guidelines for our suppliers that they are required to acknowledge and adhere to. A key focus of the Code is on our overarching

commitment to ‘Quality and Safety,’ emphasizing the critical importance of product safety and drug availability.

We see the review of our entire supply chain as a continuous process that we initiate and drive forward with determination.

In the future, we will initiate a key part of this process by establishing a regular and comprehensive analysis of our supply chains. To classify and monitor the risk potential of our supply chains, we will survey our most important Tier 1 partner companies on environmental and social issues using standardized questionnaires. In addition to general data on the size, field of activity, and structure of our suppliers, we will collect information on the fulfilment of relevant sustainability standards as well as current sustainability measures and targets.

As part of our latest supplier survey, we asked more than 100 companies from our supply chain, which account for 90% of our total sales volume in 2024, to accept our Code of Conduct and ensure compliance with it. With coverage of 83% of our sales volume, we have achieved a very good response rate.

90%

**Surveillance of our
Supply Chain**
(measured by sales volume)

83%

**Coverage of our
Supply Chain data**
(measured by sales volume)

Environmental and climate protection

As mentioned earlier, we are an asset-light company, making it crucial to also focus on our service partners within our supply chain. Our most important partner is our carrier and contracted main warehouse, DP World, located in Hamburg, Germany. DP World is a global logistics company headquartered in Dubai, UAE, specializing in cargo logistics, port terminal operations, maritime services, and free trade zones. The company operates in over 60 countries across six continents, managing more than 80 terminals worldwide.

DP World is highly active in ESG initiatives, achieving a 13% emissions reduction, powering 61% of operations with renewable energy, and aiming for net-zero carbon emissions by 2050. They are investing \$500 million to electrify equipment by 2027, pledging to positively impact 100 water-stressed basins by 2030, and have invested \$10.5 million in community schemes benefiting 486,000 people.

Our second key distribution partner Kühne + Nagel in Switzerland is also very active in ESG initiatives.

K+N maintained carbon neutrality in their direct operations (Scopes 1 and 2) since 2020, they achieved a 33% reduction in CO₂ emissions across their operations, including their suppliers' and customers' footprints (Scope 3) and they continued to offer environmentally friendly logistics solutions, such as using biofuels for sea logistics.

Combating man-made climate change and its negative consequences is one of the greatest social challenges of our time. Even though Selectchemie AG itself only has a small ecological footprint due to its asset-light business model with outsourced production and sales processes, the issue of environmental protection is very important to us.

We not only want to continuously reduce our own emissions and waste but also encourage our suppliers to do the same. We are also committed to using natural resources and energy as efficiently and sustainably as possible.

As a company, we want to continue to grow dynamically and profitably while utilising energy as efficiently as possible. This is also reflected in our latest office building at our headquarters in Zürich, which provides space for over 80 workstations.

Our building was erected in the 60ies and did not fulfil any of the new energy standards for Switzerland.

There was a decision to fully renovate the main building and to fully insulate the facades acc. to the latest state of technology. The renovation took place in the years 2022 and 2023 during Covid-19 times and lead to significant savings in energy for heating (scope 1 emissions).

During this renovation and insulation, we also replaced old air conditioning systems at some locations with new, more efficient units that also use a refrigerant that is less harmful to the ozone layer. We also optimised the automatic switch-on times of our lighting and the switching times of our heating systems.

We have also replaced all existing incandescent and energy-saving light bulbs with LED technology.

Energy consumption and efficiency

At Selectchemie AG, our energy consumption includes the use of electricity for general operations and gas for heating purposes. We provide data specifically for our Swiss headquarters, which houses the majority of our employees in 2024.

Electricity consumption increased in absolute figures by 10.0% in 2024 compared to the previous year, reaching 66'000 kWh (2023: 60'000 kWh). The electricity consumption intensity increased slightly from 800 kWh to 880 kWh per employee per year and is thus still at a low level thanks to our asset-light business model. However, two points must be taken into account with regard to the increased electricity costs: Firstly,

the increased costs still include the energy consumption for the energy-efficient refurbishment. Secondly, there was another home office regulation. In the 2023 financial year, only two office days in Zurich were mandatory, whereas in 2024, all employees were required to be present at headquarters for at least three days.

As electricity consumption, in contrast to heating, correlates strongly with the presence of employees, a correlation factor of 1.5 (3/2) must be applied for 2023 figures to do justice to the increased employee presence in the office. The additional consumption for the renovation was not separately measured and therefore not considered for the further calculation.

Our gas consumption amounted to a total of 6'465 m³ representing 69'608 kWh in 2024 and was due to the significantly below the previous year's figure (2023: 8'125 m³ representing 87'529 kWh). That is a remarkable reduction in gas consumption of more than 20%.

Taking the energy consumption of both the scope 1 and scope 2 emissions together the energy consumption intensity per employee and year has decreased on this basis to 1.81 kWh (2023: 2.37 kWh).

Table 1: Energy consumption at Selectchemie AG

	Unit	2023	2024	Δ
Energy consumption	kWh	177'529	135'630	23.6%
Natural Gas m ³ (scope 1); Bio share 30%	m ³	8'125	6'465	-20.4%
Natural Gas kWh (scope 1); Bio share 30%	kWh	87'529	69'608	-20.4%
Electricity consumption (scope 2)	kWh	60'000	66'022	+10.0%
Electricity consumption (scope 2); home office corrected; factor 1.5 for 2023	kWh	90'000	66'022	-26.7%
Energy consumption intensity headquarters	kWh per employee	2.37	1.81	-23.6%

CO₂ and climate protection

In the financial year 2024, we were able to further improve our data availability, and for the first time, determine CO₂ emissions for Scope 1 (directly controlled emission sources) and report on our Scope 2 emissions (from purchased energy).

Our Scope 1 emissions in 2024 consist of 12.7 tCO₂ from natural gas for heating purposes and are more than 20% lower than in 2023 (15.9 tCO₂).

Our Scope 2 emissions in 2024 consist of 1.3 tCO₂ from purchased electricity also sunk home-office adjusted by more than 26% to 1.3t

CO₂ compared to 2023 (1.8 tCO₂).
The significant reduction in scope 1 emissions was primarily due to the complete renovation of the main building and the full insulation of the facades according to the latest technological standards. The reduction in scope 2 emissions was mainly attributed to increased energy-saving awareness and the complete transition to LED lighting throughout the entire office building..

Overall, this resulted in a very low CO₂ intensity from our own business operations of 0.13 tons of CO₂ per million CHF in revenue (2023: 0.15 tons of CO₂ per million euros in revenue).

Table 2: Emission Sources Scope 1+2

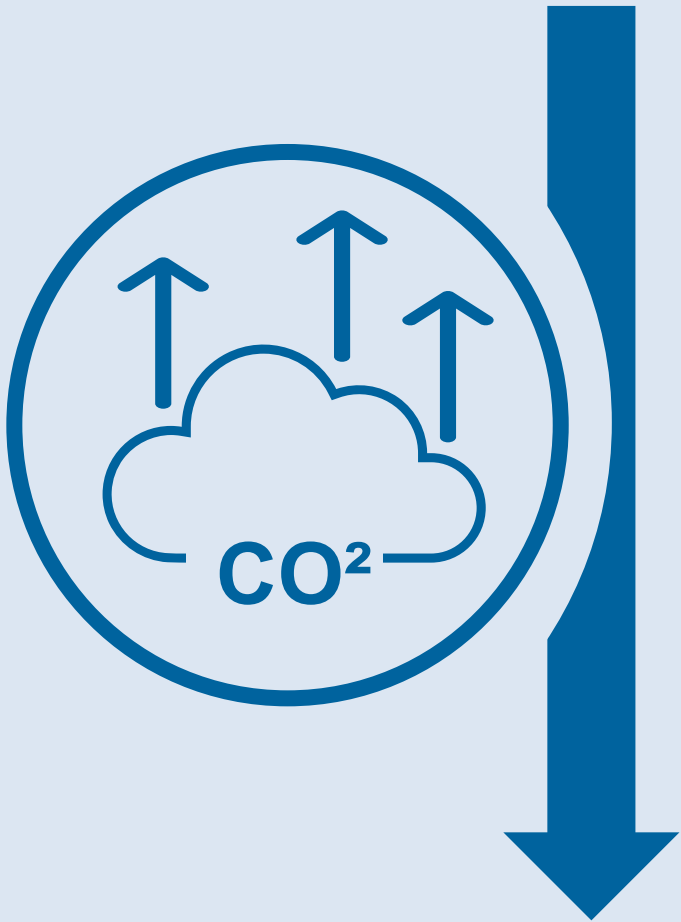
	Unit	2023	2024	Δ
Carbon dioxide emission	tCO ₂	17.7	14.0	-20.9%
Scope 1 total				
Natural gas (1 m ³ gas corresponds to 1.96 kg CO ₂)	tCO ₂	15.9	12.7	-20.4%
Scope 2 total				
Electricity consumption (1 kWh corresponds to 20 CO ₂)*	tCO ₂	1,8	1.3	-26.7%
Carbon dioxide emission intensity headquarters	Kg CO ₂ per employee	24	17	-23.6%

* In Switzerland, one kilowatt-hour of electricity generates an average of approximately 20 grams of CO₂, which is significantly lower than the European average of around 460 grams of CO₂ per kWh. This is primarily because Switzerland's energy production relies heavily on low-CO₂ sources like hydropower and nuclear energy.

CO₂ emission

Intensity headquarters
(kg CO₂ per employee)

2023 24 kg



2024 17 kg

Intensity headquarters
(kg CO₂ per employee)

While our own CO₂ footprint is relatively small, it is significantly higher for the companies in our supply chain:

In the future, we will also need to measure the CO₂ intensity of our key suppliers within our supply chain (Scope 1+2). Many of the included companies have set specific waste reduction targets, and some have already implemented concrete CO₂ reduction strategies based on a certified environmental management system, such as ISO 14001 or a comparable standard. The next step is to quantify these efforts in terms of carbon footprint and CO₂ reduction.

Waste quantities and water consumption

The recorded (household) waste quantities remained relatively low in 2024, at 69.1 L per employee (2023: 70.2 L per

employee). The total amount of waste (including residual waste) slightly decreased in 2024 to 8'920 L from 9'120 L in the previous year, of which 5'280 L (59%) were recycled.

To minimize waste, we are implementing various measures. To increase our recycling rate, we have contracted the service provider "MR. GREEN." This company handles the recycling of glass, PET bottles, paper, cardboard, aluminium, batteries, electronic waste, PE containers, and all types of plastics. This has already helped reduce the amount of residual waste. Our employees are regularly informed about these efforts during SelectUpdate meetings.

A topic of particular relevance in the pharmaceutical industry is the appropriate management of potentially hazardous toxic pharmaceutical residues in wastewater generated during production. As Selectchemie AG has outsourced production

processes, we do not generate any toxic emissions ourselves. In the future, we will also measure the waste intensity generated by the surveyed suppliers per million euros of our purchasing volume. Many of the companies included have set specific waste reduction targets, and some have already implemented concrete waste reduction strategies. The next step is to quantify these efforts.

Table 3: Waste generation at Selectchemie AG

		Unit	2023	2024	Δ
Total amount of waste		L	9'120	8'920	-2.2%
Recyclable		L	5'060	5'280	+4.2%
Non-recyclable		L	4'060	3'640	-11.5%
Waste intensity headquarters	L per employee		70.2	69.1	-1.6%



As Selectchemie AG does not have its own production, our wastewater volume essentially corresponds to the amount of fresh water drawn. Our water extraction in 2024 was 673 m³, which is similar to the 675 m³ extracted in the previous year. Since our water consumption is closely tied to the number of employees at the headquarters, we had a per capita consumption of 5.22 m³ per employee in 2024 (5.19 m³ in 2023).

Table 4: Water consumption at Selectchemie AG

	Unit	2023	2024	Δ
Water	m³	675	673	-0.3%
Water intensity	m³ per employee	5.19	5.22	+0.6%



Product, corporate and social issues

Selectchemie AG has a broadly diversified portfolio of around 800 different established active and non-active pharmaceutical ingredients as well as 3 finished products which are used in the antifungal medication.

We ensure the security of supply for many medicinal products – which is why many customers and as a consequence millions of patients can and must trust us to a special degree.

To uphold this trust, we conduct regular and comprehensive quality checks on our products. Additionally, we are legally required to perform these checks in compliance with GxP standards.

We train new employees as part of the onboarding process on the common processes of our company. Furthermore, the entire workforce is trained annually on the procedural instructions of a pharmaceutical company in accordance with legal requirements. Notably, topics such as export control and dual use in general are mentioned. Any additional training needs of employees arise from their respective areas of activity. The relevant training materials are stored in our internal document management system ConSense and are accessible at any time.

Furthermore, we provide employees with the opportunity to undertake individual training with external providers. Selectchemie AG also regularly conducts safety audits for our

finished pharmaceutical products. These are carried out either through internal audits or as part of GMP inspections. We prioritize product safety throughout the supply chain of the finished dosage forms we provide to our customers and finally marketing authorization holders. Our Contract Manufacturing Organizations (CMOs) are required to produce annual quality reports for each product. In this process, we gather all relevant data, process and analyse it, and prepare the annual quality reports for our CMOs, which are ultimately shared with our customers.

To ensure product quality also include auditing the processes of our key contractual manufacturers and partners for the finished dosage forms on a three-year cycle or more frequently if there are suspicions of violations. These audits are conducted by external certified auditors sometimes accompanied by our trained specialists.

All of our suppliers of active pharmaceutical substances (APIs) are subject to regular compliance checks. Should any instance of non-compliance be identified, the supplier is immediately blocked in our system and cannot be used again until full compliance has been restored.

The transport and storage security of pharmaceutical products are also of great importance. Selectchemie AG is committed to

Good Distribution Practices (GDP) for the pharmaceutical industry. These guidelines for the good distribution practice of human medicines define minimum standards for the quality and integrity of medicines throughout the supply chain. In this context, Selectchemie AG has also adopted so-called Standard Operating Procedures (SOP), which explicitly describe the standardised approach for the distribution of our medicines.

To ensure the high standards of transport and storage safety for the comprehensive global network of distribution partners of Selectchemie AG, we ensure compliance with GDP guidelines and other recognised quality standards. In principle, the history of each of our shipments can be traced through documents, records and corresponding computer systems, allowing for the identification and early withdrawal of potentially counterfeit medicines.

As part of our comprehensive EU import procedures, our in-house specialists meticulously review each individual delivery to ensure compliance with all applicable legal requirements. The effectiveness of this process is clearly reflected in our performance indicators: there were no product recalls or quality-related returns in the 2024 financial year, mirroring the strong results achieved in 2023.

Furthermore, Selectchemie AG defines methods for appropriate product handling based on risk assessments even before the products are dispatched, to ensure suitable conditions throughout the distribution process. Examples include the establishment of temperature-controlled transport conditions or the selection of suitable packaging methods (e.g. the use of temperature insulation boxes and/or the provision of temperature data loggers). The mentioned temperature data loggers allow for the verification of the temperature profiles of the products after transport, ensuring continuous compliance with the relevant specifications. Selectchemie AG places great importance on ensuring that all individuals involved in the distribution of temperature-sensitive products are trained in the appropriate handling. We define the exact responsibilities in written procedures and corresponding customer contracts.

For the monitoring and control of outsourced activities, Selectchemie AG also relies on a well-established quality management system, which is embedded in the quality

assurance agreements of contracts with partner companies such as contracted warehouses.

We also conduct annually Management Review Meetings (MRV). This a formal, structured process where senior management evaluates the performance and effectiveness of

the organization's Quality Management System (QMS) and overall operations. It is a key requirement under Good Manufacturing Practice (GMP) and ISO 9001 standards.

The MRV is our strategic tool to ensure that our company remains compliant, efficient, and continuously improving in a highly regulated environment



Workforce and corporate culture

In 2024, we not only tried to get back into our former dynamic growth trajectory but also advanced the transformation into a more flexible and even better organized company. In the last years, we turned our existing locations in China, Poland, Serbia and Turkey into legal entities. By the end of the 2024 financial year, 129 employees were employed by Selectchemie. Of these, 75 employees were in our headquarters in Switzerland, in our subsidiaries 2 in Argentina, 6 in Brazil, 5 in China, 1 in France, 3 in Germany, 4 in India, 8 in Istanbul, 4 in Poland, and 8 in Serbia. Compared to the previous year, the workforce changed by less than 1%, thus a quite stable situation (2023: 130 employees).

Looking at the age structure of our workforce, the age group between 31 and 50 years accounts for by far the largest share (around 61% of all employees). Furthermore, just over one eighth of the workforce is 30 years old or younger, while just about 26% of employees are older than 50 years. None of our employees reported a disability for 2024.

The turnover rate (calculated according to the BDA formula) over all locations has decreased to 11% in 2024, thanks to various measures implemented as part of our “Culture matching” analysis to enhance our attractiveness as an employer, compared to the previous year (2023:

13%).

The absenteeism rate among our employees was globally 2.88% (2023: 1.09%). A total of 1.43% was due to illness, while 1.45% were on parental leave or family care. The remaining absences were due to maternity leave, or the care of sick children. In terms of illness-related absences, for which there are reliable figures, we also remained well significantly below the Swiss average rate of 3.4% (2023; figures for 2024 are not yet available).

As a medium-sized company with flat hierarchies, Selectchemie AG fosters a culture of teamwork, expertise, professionalism, and pragmatism. We treat our employees, patients, partners, and stakeholders

Table 4: Age structure of the employees

Age	< 30	31-50	> 50
Employees total	16	79	34
In % of the total workforce	13%	61%	26%

with responsibility, integrity, and reliability. We value good collaboration and a motivating, healthy work environment. Our staff enjoys modern offices at all locations and the flexibility to work remotely with optimal equipment In order to reduce our CO₂ footprint, we have

Table 5: Fluctuation rate according to BDA formula

	2023	2024
Average staff level	130	129
Total voluntary departures	17	14
Fluctuation rate for the observation period	13%	11%

decided to encourage our employees to use public transport, which is already excellent in Switzerland, instead of free parking spaces and additional charging stations. For this reason, we are financing a half-fare travelcard for our staff in Switzerland. Employees can use this travelcard not only for journeys from home to the office and back, but also for private journeys on public transport throughout Switzerland.

Through regular surveys, we aim to better understand the mood of our workforce as well as their needs and derive concrete measures from this to further increase employee satisfaction.

In the second quarter of the current financial year 2025 we will conduct a satisfaction survey which allows us to assess the success of previous measures and identify any further areas for improvement. Our goal is that minimum 90% of the employees will participate.

Career and further education

Selectchemie AG offers its employees interesting and varied career opportunities. Our goal is to continuously promote, further educate, and particularly retain our workforce in the long term. We support our employees in optimally developing their individual potential and achieving personal career goals. In 2024, we recorded an average of around CHF 1'100 in training costs per employee.

We offer our staff the opportunity for professional and personal development through qualification agreements. To specifically promote employees and retain them in the long term, Selectchemie AG fundamentally provides the possibility to pursue specialist or management careers. In addition, we link variable salary components of our employees to defined company and departmental goals. Furthermore, we have a digital and analogue training programme for our managers, offer additional training to employees in new roles.

We try to avoid employment contracts with short or fixed terms wherever possible. As a result, in the financial year 2024, only 0.8% of employees at Selectchemie AG were employed on a fixed-term basis. We also only rely on irregular employment relationships such as temporary work or service contracts in exceptional cases (2024: 1.6%).

Furthermore, Selectchemie AG collaborates with TwoJobs to attract talented employees in the future. TwoJobs is a leading provider of social media recruiting services, helping employers reach and engage passive job seekers through innovative and targeted methods. As a result, in the 2024 financial year, we have taken on 3 trainees or apprentices as part of the relevant programme to support them in their professional and personal development as best as possible and ideally to retain them in the long term. We also present ourselves as an attractive employer for the talents of tomorrow by offering positions for student workers, supervising theses, and hosting various events for students. As part of the recruitment, training and development, as well as the long-term retention of talent, Selectchemie AG focuses on equal opportunities by, for example, promoting a family-friendly working environment.

Part-time models (part-time rate 2024: 22%) and flexible working hours are a matter of course to enable the compatibility of work and family. We also completely refrain from shift work and do not expect our staff to be on call. Every employee is entitled to at least 2 days of remote work per week. By individual agreement with the direct supervisor, remote work can also extend beyond this. In addition, our employees have the option to work from abroad in Europe for

up to 20 days per year.

We want to support our workforce beyond the statutory minimum and therefore offer for our Swiss headquarters at least 25 holiday days per year as well as 2 add. bank holidays. Upon the birth of a child, in a case of a wedding, and after several years of service, we provide additional benefits such as holiday days or financial contributions. Our employees also have the option to take additional holiday days for family reasons. In 2024, around 17% of all employees made use of this. To enable parents to achieve a good balance between family and work, Selectchemie AG supports them in offering them 80% home office allowance during the first year after birth. In addition, we organise an annual summer barbecue event to thank our employees for their work, motivation and commitment, while also creating space for exchange outside of the work environment.

Furthermore, we have implemented various measures to further strengthen our attractiveness as an employer. The basis for this was the aforementioned survey (CultureMatcher) among our employees (details above). With regard to internal communication, town hall meetings (SelectUpdate Meetings) held several times a year have been implemented, allowing for open two-way communication between the board and staff. This ensures that our employees are always informed about the latest operational and strategic developments of the company and can also openly communicate their own concerns. Additionally, our staff is regularly informed about important company and personnel decisions through board mailings or through our HR platform HiBob.

With HiBob we foster a culture of communication, inclusion, and belonging, which is essential for remote and hybrid work environments. HiBob also empowers employees to manage their own data, reducing the administrative workload on HR and promoting self-sufficiency.

We are convinced that an open and purposeful dialogue can only take place on an equal footing. Therefore, we conduct feedback discussions with our employees both at the end of the probation period and again at the end of the year, based on a competency model that reflects the fulfilment of expectations. This feedback culture offers both sides the opportunity for further development in the following year.



Min. 2 days
mobile working weekly

Up to 20 days
Working from abroad within the EU/EFTA/CH is possible.

Min. 25
Vacation days at
Selectchemie AG



Diversity and inclusion

We live a corporate culture in which all employees should have equal opportunities – regardless of ethnic origin, gender, sexual identity or other characteristics. Diversity enables us as a team to better tackle many challenges and is therefore one of the main drivers of our success. At Selectchemie, we recognize that fostering a diverse, equitable, and inclusive environment is essential for a thriving and innovative workplace. We are committed to creating a culture where everyone—regardless of background, identity, or viewpoint—is valued, respected, and empowered to contribute to our collective success. Our commitment to DEI extends beyond compliance with legal and regulatory standards. We actively strive to promote equal opportunities, eliminate barriers, and cultivate an environment of belonging for all employees, partners, and stakeholders. By embracing diversity, we strengthen our ability to innovate, collaborate, and positively impact the environment in which we operate. As part of a global network, we understand that meaningful change requires collective effort. Achieving true inclusion is a shared responsibility—one that calls for continuous learning, open dialogue, and conscious action from all involved.

We live a corporate culture in which all employees should have equal opportunities—regardless of ethnic origin, gender, sexual identity, or other characteristics. Diversity enables us as a team to better tackle many challenges and is therefore one of the main drivers of our success. In this context, we are particularly proud of our new Diversity, Equity & Inclusion policy.

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Selectchemie AG employed staff from more than 20 different countries by the end of 2024. Furthermore, the diversity of our workforce is also reflected in the gender distribution. As in the previous year, exact 60% of our employees at our Swiss locations were female. At our other locations, the proportion of female staff was often higher (China 80%, Germany: 100%, India 25%, Poland 50%, Sao Paolo 100% Serbia 88%, Turkey: 75%,). Globally, the proportion of women at Selectchemie is 65%.

The proportion of women in leading positions was globally exact 50%. At the first and second management level, it was 35%, which remains above average compared to the proportion of women on the boards of the 100 largest Swiss companies by value added (2024: 20%).

In our core departments, the proportion of women was also above average: 60% in the Sourcing department and 71% in the Sales area.

Regarding equal pay we collaborated with our external partner, Korn Ferry, to conduct job mapping for all positions within the company. Each position was assigned to specific salary bands based on its complexity and level of responsibility. Consequently, some salaries were structurally adjusted.

65%

Proportion of women globally at Selectchemie

50%

Proportion of women in leading positions

71%

Proportion of women in key Sales function

Health and Safety

Selectchemie is not a production company and does not harbour any risks from this perspective. Selectchemie is a 'low hazard operation' due to a small raw material warehouse with solid raw materials, including hazardous substances, Selectchemie is an 'operation with special hazards on a small scale'. According to EKAS Guideline 6508, the decisive criterion for such a company is the presence of special hazards for individual employees in certain areas. This EKAS guidelines based on the Accident Insurance Act (UVG) and the Ordinance on the Prevention of Accidents and Occupational Accidents and Occupational Diseases (VUV). Important work processes and internal guidelines for handling 'hazardous substances / CLP / MSDS' as well as a storage concept are part of the training programme and are implemented in the quality management system.

Also for our office workplaces health and safety are of great importance at Selectchemie AG. We address not only the prevention of workplace accidents and immediate protection against hazards, but also the support of a healthy lifestyle in the workplace, for example through ergonomically designed workstations. To provide our employees with the best possible working environment, a designated representative is tasked with finding solutions, supported by external experts, if required. Furthermore, we conduct regular so-called risk assessments of the workplaces – these are carried out either by independent external representatives or our internally trained specialist from

the HSE department.

In the overarching occupational and health safety management, we closely align ourselves with the guidelines of the "Swiss National Accident Insurance Fund" (SUVA).

SUVA is responsible for the prevention of occupational accidents and diseases, as well as for the rehabilitation and insurance of workers.

In addition to the 10 elements of the operational safety system, key components of occupational safety include a risk analysis, a function diagram, an automated external defibrillator (AED1) and an emergency manual with a site plan, location information and emergency numbers. All new employees at the Zurich site are introduced to this area during a training course including a tour of the site, all other employees receive comprehensive training on occupational safety once a year.

Should any violations of occupational and health protection regulations occur, we will pursue and sanction these consistently. To prevent this from happening in the first place, we expect our employees to familiarise themselves with the applicable internal regulations and guidelines and to adhere to them. The basis for this is our Code of Conduct as well as various standard operating procedures that must be observed by all employees equally. The Code of Conduct and its values are part of a mandatory compliance training for all employees.

The figures confirm our efforts:

In 2024, we had no accidents or operational absences at our headquarters. With 408 working days in 2024, the total employee absence rate due to illness was 1.43% (2023: 1.09%), which is significantly below the Swiss average of 3.4% (2023; figures for 2024 are not yet available).



Ensuring IT security

The increasing number of cyber attacks on IT infrastructures and systems worldwide also represents a significant risk for companies. Selectchemie AG manages business interruptions and ensures data security for stakeholders by consistently monitoring systems and implementing a large number of guidelines and training courses on IT, information and data security for all employees. The handling of IT systems and access management to facilities and buildings are also part of our precautionary measures. The guidelines and measures must be read by all employees and the corresponding training certificates are stored in our central document management system ConSense. IT awareness training in particular is a priority and is mandatory for all employees every year.

Companies face increasingly complex phishing attacks, with over 90% of cyberattacks starting with a phishing email. To protect our organization, we have implemented mandatory phishing security training for all employees. As phishing attacks become more sophisticated, often using AI-generated content, continuous learning is essential. Our training sessions are designed to be engaging and fun, helping to minimize the risk of cyberattacks.

Selectchemie AG has outsourced some major parts of data security with its corresponding processes to an external service provider which harbours several certificates as

ISO/IEC 20000-1:2018, ISO/IEC, ISO 22301:2019 and 27001:2013.

This service provider oversees Cloud Services, ERP Services, Cybersecurity and IT Infrastructure.

The services comprise among others also various emergency plans and procedures to respond to IT and data security incidents. In this context, a comprehensive business continuity plan and a guideline for dealing with information security incidents are particularly worth mentioning. Regular testing of the emergency mechanisms is carried out.

In addition to an annual inspection of the restoration, corresponding back-ups and emergency power systems (UPS) are also tested on an annual base.

Furthermore, Selectchemie AG regularly maintains an ICS (Internal Control System), which includes all relevant processes for financial reporting that contain significant risk potential. Once a year, an ICS risk report is prepared for the Executive Board and the Board of Directors, which contains the results of the process controls.

All service providers at Selectchemie AG go through a qualification process in the form of a self-disclosure and consent to background checks. For safety in the handling of purchased software, there are already extensive requirements during the procurement process and later by a proper validation, which is conducted by our experts. In addition to

restrictive password policies, our IT specialists closely control the use of digital identities as well as the handling of authorisation concepts and user roles. In addition, we are guided by the applicable recommendations of the National Cyber Security Centre (NCSC) with regard to password guidelines.

Selectchemie AG also attaches great importance to the protection of personal data of all stakeholders and adheres to the legal requirements of the Swiss Federal Act on Data Protection (FADP) which aligns closely with the European General Data Protection Regulation (GDPR) to ensure that Switzerland maintains an adequate level of data protection recognized by the European Union. In order to obtain consent to the processing, disclosure and storage of confidential information, for example, we ask for consent in a direct (telephone) conversation and note it accordingly. If personal data has been collected in paper form and destruction of this data is necessary, the destruction is carried out in specially made paper bins in accordance with data protection regulations.

Thanks to the above-mentioned measures to protect our IT infrastructure and systems, Selectchemie AG again did not report any severe incident in the area of information security in the 2024 financial year.

Social standards in the supply chain

We work with a variety of international companies, so the unrestricted respect for universal human rights throughout our entire value chain is of great relevance to us. We condemn any form of exploitation, particularly forced and child labour, and advocate for dignified working conditions as well as fair pay. We expect the same from our supplying companies.

Should deficiencies regarding social standards arise within the existing supply chain, Selectchemie AG initially aims for a collaboratively developed improvement of the situation. If suppliers show no interest in an improvement plan or do not implement it, Selectchemie AG reserves the right to reassess the suppliers – up to and including possible termination of the contract.

Compliance with local laws regarding employee rights at our suppliers is a matter of course for us. We place great importance on the implementation of further employee rights, which are established, for example, by the general standards of the International Labour Organization (ILO). These standards place particular importance on the safety of products and employees in the manufacture of pharmaceutical products. We also expect our suppliers to fully respect these standards.

Last but not least, we would like to refer once again to our central codes of conduct: Our Code of Conduct and our Supplier Code of Conduct summarise the core values of

Selectchemie AG and define legal and regulatory compliant behaviour – both documents are publicly accessible on our website for our employees, suppliers, and distribution partners, as well as all other stakeholders, and must be adhered to. Selectchemie AG reserves the right to audit suppliers every three years and, if sufficient evidence is provided, to commission an external audit.

Compliance and corporate governance

To ensure good and sustainable corporate governance, we at Selectchemie AG rely on adequate supervisory structures as well as a comprehensive and effective compliance management system. We are convinced that we can only be sustainably successful with the trust of our external and internal stakeholders. Therefore, we continuously work to further improve our supervisory and compliance structures in order to strengthen and secure the trust of our stakeholders in our company in the long term.

To ensure an adequate supervisory structure, Selectchemie AG has implemented a dualistic system, consisting of a management board and a board of directors.

This so-called Two-Tier System allows for a separation between management and its oversight.

The board of directors oversees the management of board of Selectchemie through regular reporting and comprehensive control. It can employ internal and external audit bodies to ensure compliance with regulations. These measures guarantee the integrity and efficiency of corporate governance.

The board of directors of Selectchemie AG in the financial year 2024 consisted of five members and had a female quota of 20%. Our Supervisory Board members have extensive expertise in the areas of healthcare, as well as finance and

accounting, and also bring experience from various other supervisory board mandates.

When we talk about compliance at Selectchemie, we distinguish between GxP compliance and general corporate compliance, which is not directly linked to specific GxP requirements (such as GMP, GLP, GDP), but is nevertheless essential for the proper management and operation of the company.

Our GxP compliance is regularly reviewed by the relevant authorities and numerous customer audits and is also consistently improved.

But the general corporate compliance with all internal and external regulations and rules is also a central task of the compliance management at Selectchemie AG. This protects our company and our employees from penalties and reputational damage, ensuring good and sustainable corporate governance as well as the trust of our stakeholders. The system primarily aims to prevent compliance violations. Should violations occur despite the various implemented measures, the goal is to detect them as early as possible and respond consistently and efficiently.

In principle, compliance risks should be identified at an early stage and a consistent response ensured. The compliance management system at Selectchemie AG focuses on the

following key risk areas.:

- Money laundering
- Corruption and bribery
- Fraud and embezzlement
- Foreign trade law or customs and export control
- Data protection law
- IT security
- Compliance culture

As Selectchemie AG has outsourced many processes in the value chain, corruption and bribery in particular pose potentially significant risks for us. The responsibility for preventing corruption and bribery lies at the board level. Additionally, we have implemented several measures to prevent corruption and bribery:

- Awareness training for our employees
- Due diligence checks by third parties
- Assessments of corruption risks in the form of risk analyses
- Checks of control procedures (e.g. accounting, procurement)
- Four-eyes principle for contract conclusions
- Four-eyes principle for any invoice approval
- Anti-corruption clauses in contracts

Legal violations, corruption, bribery (including facilitation payments) or fraud are unacceptable to us. This is reflected not only in the measures mentioned above but also in numerous internal and external compliance guidelines and standards aimed at preventing unlawful behaviour. The compliance guidelines apply company-wide and must be adhered to by both our employees and, where applicable, all business partners. Among the most important guidelines are the following:

- Code of Conduct
- Supplier Code of Conduct
- Child Labour Due Diligence
- Diversity, Equity & Inclusion Policy
- Integrity in Business Transactions Regulation including:
 - Anti-Bribery
 - Anti-Money Laundering
 - Anti-Corruption

All these mentioned guidelines will be subjected to a regular review, adjusted as necessary to changed circumstances, and subsequently approved by the board.

In the financial year 2024, there were neither confirmed cases of corruption at Selectchemie AG nor charges and/or fines for violations of anti-corruption and bribery laws.

The compliance management system sets the framework for compliant behaviour for all employees of Selectchemie AG. A

key component is a comprehensive training on compliance, which all employees are required to complete. As the Sales and Supply areas are at a higher risk of encountering corruption, employees from these departments receive additional training on this topic. Furthermore, employees always have access to the relevant compliance guidelines (see above). In addition, we regularly implement various awareness-raising and communication measures, including on the topic of harassment in the workplace.

Another essential element of our compliance management system is our company-wide code of conduct. Our code of conduct protects our integrity as a company by defining and summarising the core values of Selectchemie AG as well as legal and policy-compliant behaviour. We expect our employees and business partners to act in accordance with these values. Our primary goal is to avoid potential harm to Selectchemie AG and its employees, as well as to our patients, business partners, investors, and third parties. Examples include the protection of intellectual property rights and the prevention of insider trading and corruption. Furthermore, our code of conduct is the subject of the mandatory compliance training, ensuring that all employees are trained on the contents of the code. Our Code of Conduct is available in German and English on our corporate website:

<https://www.selectchemie.com/>

Compliance with laws and regulations, as well as ensuring integrity, is essential for Selectchemie AG. To achieve this, the attention and willingness of all stakeholders to report suspected violations is required. Against this background, we will from now on rely on an electronically protected whistleblower system, available in our company languages English and German. The system will in future also be available in all the languages of the countries where Selectchemie AG has its registered business entities. This will allow our employees, as well as third parties involved in our value chain, to report suspected cases of misconduct anonymously or by providing their contact details. Access to our fully digital whistleblower system will be available through our corporate website and can be accessed at any time on all devices.

Regardless of whether a report is made anonymously or with a name, it will always be treated confidentially, ensuring the protection of whistleblowers and those always affected. Additionally, a report can also be made directly to our Compliance Officer in any language, a report of a suspected violation can be made anonymously at the request of the reporter. Our whistleblower system will furthermore be part of compliance training, which all employees are required to complete.

Moreover, our staff will be trained on the proper use of the system in specially set up training sessions. Last but not least, we will provide extensive information on compliance in general as well as our whistleblower system in particular for both our employees and all other stakeholders on our corporate website in German and English.

In the 2024 financial year, we only had one email address for reporting internal compliance issues, which did not allow anonymity. This could have led to unreported cases due to the lack of anonymity. With the introduction of a true whistleblowing system in 2025, we will ensure full anonymity and encourage our employees and stakeholders to report violations without the risk of being prosecuted.

Furthermore, in the financial year 2024, Selectchemie AG recorded no cases of confirmed discrimination nor received any complaints at the contact point of the National Contact Point (NCP) for Responsible Business Conduct. Which is the Swiss counterpart of the Organisation for Economic Co-operation and Development (OECD) for multinational enterprises.

In principle, any incidents of bribery, fraud, money laundering,

discrimination or harassment at Selectchemie AG are investigated and systematically addressed according to a clearly defined investigation process. The responsible staff employ various investigative methods. In this context, the strict maintenance of confidentiality and clear communication channels are established principles that Selectchemie AG adheres to based on legal requirements and self-imposed guidelines.

The process also includes, in one of the final steps, the determination of appropriate sanctions as well as the implementation of follow-up measures (e.g. process changes or training needs). In the event of confirmed discrimination, Selectchemie AG has the option to resort to various remedial measures such as compensation payments, paid leave or transfers.

Transparency and honesty are of utmost importance to us, especially regarding the proper payment of taxes. Selectchemie AG neither engages in tax avoidance nor any activities that could be considered as so-called 'profit shifting'.

We also do not make political donations, nor are we involved in lobbying activities. Furthermore, Selectchemie AG did not receive any direct government support (e.g. in the form of subsidies) during the reporting period.

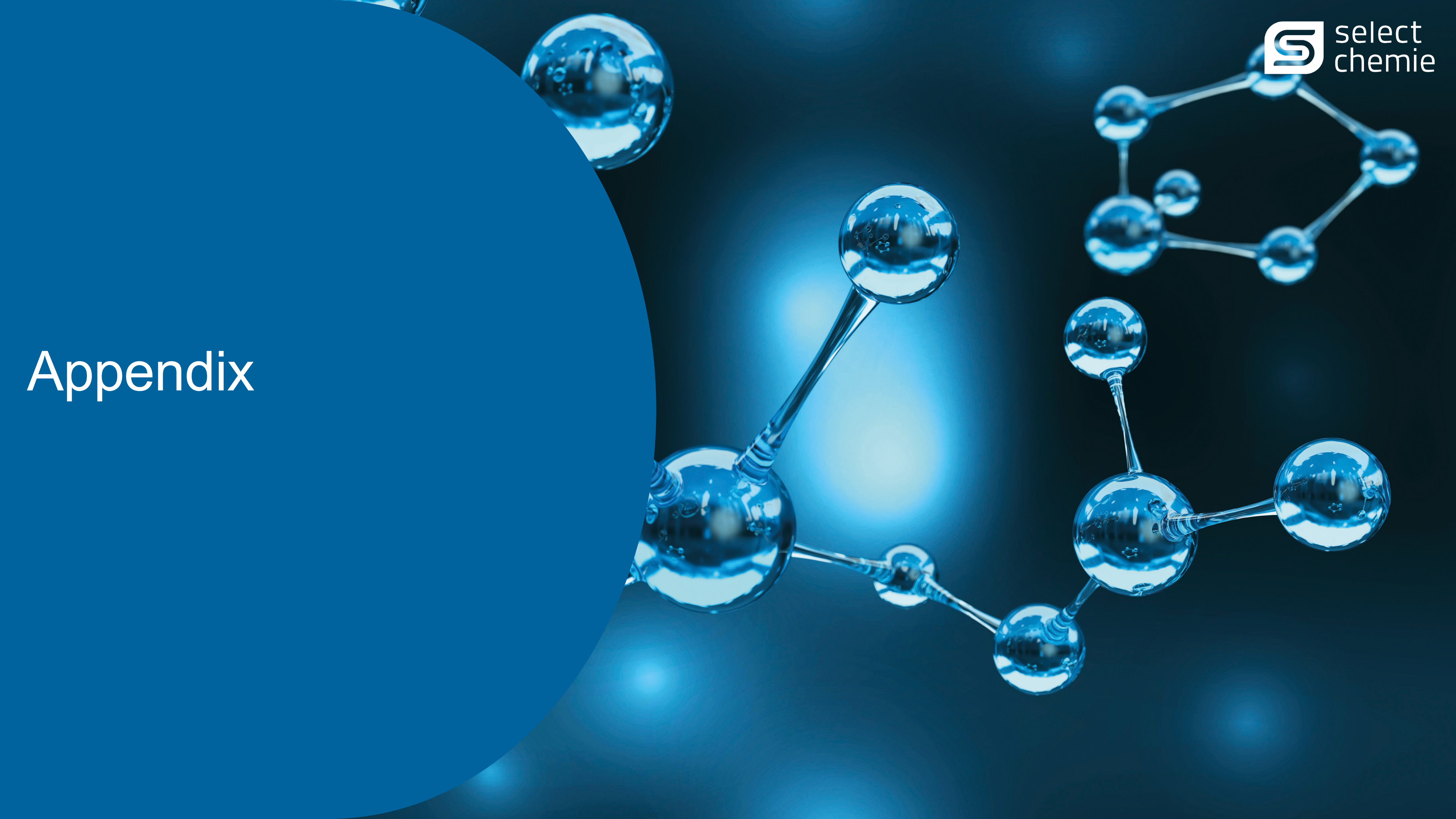
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Our whistleblower system

- 24/7 Availability
- Access for employees and 3rd parties
- Complete confidentiality
- Information in all company languages



Appendix

Glossary

API

An Active Pharmaceutical Ingredient (API) is the active pharmaceutical ingredient of a drug. It produces the biological effect and can be present in one or more parts of a drug. The quality and safety of a drug depend on the quality of the API.

CMO

Contract Manufacturing Organizations (CMOs) are contract manufacturing companies in the pharmaceutical industry that produce various intermediates or the final product.

CO₂

Carbon dioxide is the most important greenhouse gas and is produced, among other things, by the combustion of fossil fuels such as coal or natural gas. Greenhouse gases are measured in a global and standardized framework, the Greenhouse Gas Protocol (GHG Protocol).

Compliance-Officer

A compliance officer oversees and manages compliance with regulations within an organization.

Corporate Sustainability Reporting Directive

The CSRD was developed on the basis of the ESRS (European Sustainability Reporting Standards) and represents reporting

requirements for European companies, which will be mandatory for the first time from 2024 for the first time in replacement of the CSR-RUG – and for Selectchemie AG probably from 2025.

CSR-RUG

The CSR Directive Implementation Act requires the disclosure of information on non-financial aspects, at least on environmental, employee and social issues, respect for human rights and the fight against corruption and bribery.

ESG

The acronym "ESG" stands for environmental, social and governance. ESG refers to non-financial factors that investors primarily use to evaluate potential investments.

They also refer to the sustainability impacts and contributions of a particular company and the associated risks and opportunities for the company. Companies are increasingly expected to report on these ESG factors.

Global Reporting Initiative (GRI)

GRI is an international standardization organization for sustainability reports. It is internationally accepted and represents the de facto standard for sustainability reports worldwide.

Good Distribution Practices (GDP)

The European Commission's Good Distribution Practices provide guidelines for good distribution practices of human medicinal products and define minimum standards for the quality and integrity of medicinal products throughout the supply chain.

Good Manufacturing Practices (GMP)

The World Health Organization's Good Manufacturing Practices are designed to ensure that products are manufactured and controlled consistently according to quality standards. The aim is to minimize risks in the manufacture of medicines that would not be detected when testing the final product.

Whistleblower system

A whistleblower system helps employees and other people associated with the company to report misconduct and unethical or illegal behaviour in the workplace.

International Labour Organization (ILO)

The International Labour Organization is the oldest specialized agency of the United Nations. It is the only organization of the United Nations that is not made up exclusively of states. In addition to the governments of the member states, it also includes workers' and employers' organizations.

Scope 1, 2 und 3 emissions

Scopes 1, 2 and 3 describe the different categorizations of a company's CO₂ emissions.

Scope 1 includes emissions from sources that are directly managed or controlled by the company in question. This includes emissions from energy sources at the company's location such as natural gas and fuels, coolants, as well as emissions from the operation of boilers and furnaces. Scope 1 also includes emissions from the company's own vehicle fleet (e.g. cars, delivery vans, trucks or helicopters for hospitals, for example).

Scope 2 emissions are indirect CO₂ emissions from purchased energy, such as electricity, water vapor, district heating or cooling, that are generated outside the company but consumed within the company.

Scope 3 includes all emissions that arise along a company's value chain. A distinction is made between upstream emissions and downstream emissions. Upstream emissions are indirect CO₂ emissions that are associated with purchased goods and services. Downstream emissions are indirect CO₂ emissions that are associated with sold goods and services and only arise after the sale.

Sustainability Accounting Standards Board (SASB)

The Sustainability Accounting Standards Board is a non-profit organization that has developed industry-specific ESG

indicators. The organization is part of the IFRS Sustainability Disclosure Standards and provides standards for almost 80 different industries.

Stakeholder

Stakeholders are basically all parties (groups or individuals) who are involved in or affected by the company's activities, have an interest in them or can potentially influence them. They are also often referred to as claimant or interest groups.

SDGs

The United Nations Sustainable Development Goals (SDGs) are a collection of 17 global goals that are intended to be "a blueprint for achieving a better and more sustainable future for all by 2030". They were published under the title "Transforming our world: The 2030 Agenda for Sustainable Development" (short: Agenda 2030). The call for companies to participate comes primarily from the international community, in Europe mainly from the EU member states and the EU Commission, from individual initiatives such as the UN Global Compact, the Global Reporting Initiative (GRI) and the World Business Council for Sustainable Development (WBCSD), but also from investor groups, and is reflected in legal requirements and corresponding standards.

Code of conduct

A code of conduct is a collection of behaviours that apply to the employees of a company. A code of conduct contains guidelines

on how employees should behave in a socially, ethically and legally correct manner.

Materiality analysis

A materiality analysis is a process for determining the most important (material) economic, ecological and social issues and challenges facing a company. A materiality analysis generally has several functions. It helps to identify the relevant stakeholders and thus the recipients of sustainability reporting. In addition, a materiality analysis enables the prioritization of areas of responsibility and fields of action, thereby reducing complexity. It also helps in the selection of suitable strategic goals, policies, certifications, key figures or rating priorities. In the best case, the process also provides input for operational optimizations, organizational restructuring or systemic changes with the aim of increasing sales, reducing costs, increasing brand value or optimizing risk management.

World Health Organization (WHO)

The World Health Organization is a specialized agency under the umbrella of the United Nations and focuses on issues relating to the global public health system.

World Economic Forum (WEF)

The World Economic Forum is an international organization for public-private collaboration. The Forum brings together leading figures from politics, business, culture and other sectors of society to shape global, regional and industry agendas on ESG.

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