

**ESG REPORT**

**2025**

**Selectchemie AG**



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## Foreword

In 2025, Selectchemie once again operated in a demanding and volatile global environment. Compared with the exceptionally positive pandemic years, market conditions remained significantly more challenging. Economic stagnation in parts of Europe, particularly in Germany, persistent geopolitical tensions, increasing fragmentation of global markets and economic instability in certain regions all contributed to continued uncertainty. Although transport costs partly normalised, international supply chains remained fragile, not least due to ongoing instability on key trade routes such as the Red Sea.

Against this backdrop, we continued to move forward with focus and determination. At the same time, we made further progress in the areas of environmental, social and corporate governance, which are becoming increasingly important for the long-term resilience, credibility and responsible development of our business. This report provides an overview of the measures taken, the progress achieved and the priorities that will continue to guide our actions.

As an asset-light company, Selectchemie's direct environmental footprint is comparatively limited, since production and large parts of logistics are managed through specialised external partners. Nevertheless, we remain committed to continuously improving our environmental performance and increasing transparency regarding our impacts.

This is our second report to include information on direct emissions arising from our own business activities. We regard this as an important step towards greater transparency and

accountability. At the same time, we are preparing to expand our reporting to include Scope 3 emissions from 2026 onwards, initially focusing on API manufacturing and transportation to our warehouses and onwards to our customers. We are fully aware that the reliable measurement of Scope 3 emissions is a complex and long-term undertaking, particularly in a highly fragmented and largely outsourced business model such as ours. We therefore see this as an iterative process and are confident that the quality, consistency and robustness of our data will continue to improve over the coming years.

Our supply chain remains a central focus of our approach. The manufacturing of our finished dosage forms is outsourced to three contract manufacturing sites, while storage and transport of our product portfolio are managed through a focused network of three contracted warehouses. Within this structure, we place particular emphasis on compliance with social and environmental standards throughout the supply chain. A key element in this context is our Supplier Code of Conduct, which sets out clear expectations for responsible and compliant business behaviour and serves as an important reference point in our cooperation with partners.

Responsibility at Selectchemie extends well beyond environmental matters alone. Customers in around 70 countries rely on us to supply important medicines and to uphold the highest standards of product quality and safety. These responsibilities remain at the core of our business and form an integral part of how we understand sustainability in practice. At

the same time, we are committed to strengthening our position as an attractive employer and to ensuring that we are well prepared for future competition for talent.

In support of this objective, we partnered with external experts from CultureMatcher in to conduct an anonymised culture survey. CultureMatcher is designed to assess and compare the cultural fit between individuals and organisations, helping to align personal values with corporate culture and thereby supporting better hiring decisions and stronger job satisfaction. Building on these insights, we continued in 2025 with an extended management training programme consisting of six modules for directors, managers and team leaders.

In addition to corporate culture, it is equally important to us that our values are clearly understood and actively lived by all employees. For this reason, all Selectchemie AG employees were invited to participate in a full-day values workshop followed by a team-building event. We are convinced that strong leadership, a shared sense of purpose and a common understanding of values form an essential foundation for the company's long-term success.

As an international company, we are fully aware of the impact our business activities have on the environment and society. It is therefore our ambition to act in the most socially and environmentally responsible way possible and to report regularly and transparently on both environmental and social matters.

This report is based on established standards and frameworks. We are guided by the principles and criteria of the Global Reporting Initiative (GRI). Although these standards are not legally binding for Swiss companies such as Selectchemie, alignment with GRI supports a structured and transparent reporting approach and helps us prepare for possible future regulatory requirements. In addition, we are already disclosing selected ESRS indicators for the reporting year as part of our preparation for future developments in sustainability reporting. Our strategy defines the key pillars for the areas of Environment, Social and Governance. A particular focus lies on the supply chain: due to our asset-light business model, we rely on close cooperation with numerous partner companies and therefore place strong emphasis on ensuring that social and environmental standards are upheld throughout our broader value chain.

This report provides deeper insight into our activities, presents relevant key figures, highlights selected initiatives and outlines the progress achieved compared with previous years. In the section “Environment and climate protection”, we present Selectchemie’s key environmental indicators and their development. Under “Product, society and social issues”, we describe how we ensure the highest quality standards for our products and their manufacture, how we fulfil our responsibilities towards patients and employees, and how we address matters such as 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 refer to further guidelines in this area.

Overall, 2025 was a year in which we continued to advance our journey in a focused, pragmatic and transparent manner. While we are fully aware that substantial work still lies ahead, we are convinced that the progress made so far provides a solid basis for the further development of our strategy, reporting and data processes in the years to come.

We would like to thank our employees, customers, suppliers and business partners for their continued trust, commitment and support. Their contribution is essential to the responsible and sustainable development of Selectchemie and to the progress we are making together.



Tatjana Sjeverac  
Chairwoman of the Board of Directors



Dr. Oliver P. Kühn  
Chief Executive Officer

## About this ESG report

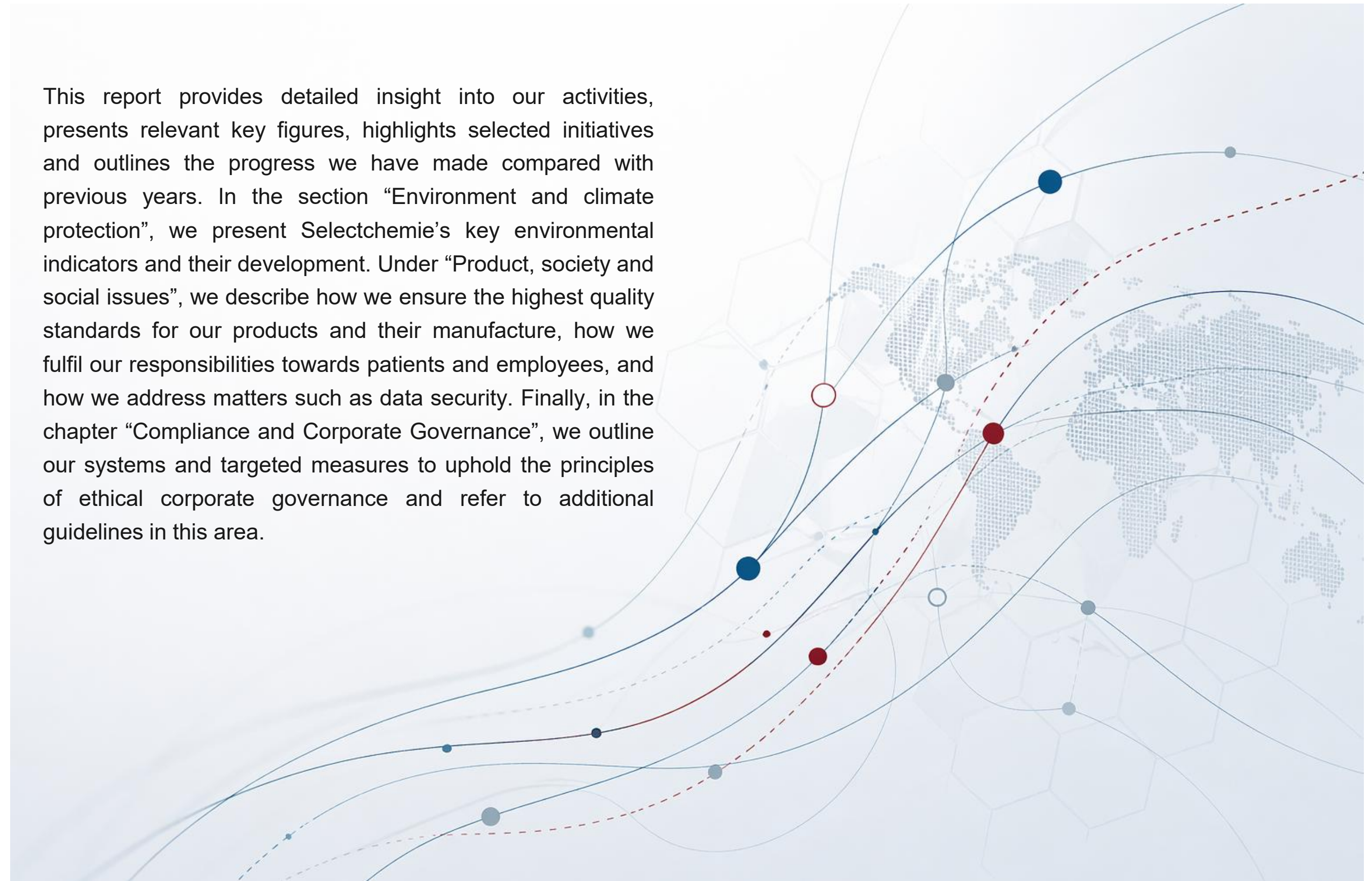
As an international company, we are aware of the impact our business activities have on the environment and society. We therefore aim to act in a socially and environmentally responsible manner and to report regularly and transparently on relevant environmental, social and governance matters.

This report is based on established sustainability standards and frameworks. We are guided by the principles and criteria of the Global Reporting Initiative (GRI). Although these standards are not legally binding for Swiss companies such as Selectchemie, alignment with GRI supports a structured and transparent reporting approach, helps us prepare for possible future mandatory reporting requirements, and underlines our commitment to sustainability.

As part of this preparation, we are already reporting selected ESRS indicators for the reporting year. Our ESG strategy defines the key pillars of our approach in the areas of Environment, Social and Governance and provides the framework for the continued development of our activities in these fields.

A particular focus of our approach lies on the supply chain. Due to our asset-light business model, we work closely with numerous external partners and therefore place strong emphasis on ensuring that social and environmental standards are upheld throughout our broader value chain.

This report provides detailed insight into our activities, presents relevant key figures, highlights selected initiatives and outlines the progress we have made compared with previous years. In the section “Environment and climate protection”, we present Selectchemie’s key environmental indicators and their development. Under “Product, society and social issues”, we describe how we ensure the highest quality standards for our products and their manufacture, how we fulfil our responsibilities towards patients and employees, and how we address matters such as 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 refer to additional guidelines in this area.



## About Selectchemie

Selectchemie is an independent Swiss company that has served the pharmaceutical and nutrition industries since 1969. As a leading supplier of high-quality ingredients and generic finished dosage forms, we create added value through comprehensive technical, scientific, regulatory and commercial support across the entire value chain.

Our business is built on a versatile platform and an asset-light model that combines strong in-house expertise in key functions with a global network of specialised external partners. As a non-research-based organisation, we outsource the manufacturing, storage and distribution of our products. Our developed products are manufactured by three Contract Manufacturing Organisations (CMOs) in the EU. In parallel, we store and distribute around 800 active pharmaceutical ingredients (APIs) and excipients, sourced from more than 500 suppliers, through three warehouses located in the EU.

Through this platform, we serve more than 700 customers in around 80 countries and maintain long-standing, trusted relationships throughout our international network. While our direct environmental footprint is comparatively limited, we attach great importance to maintaining high environmental, social and governance standards across our entire value chain.



## Our ESG strategy

Our ESG strategy is rooted in Selectchemie’s core corporate values:

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

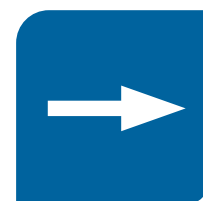
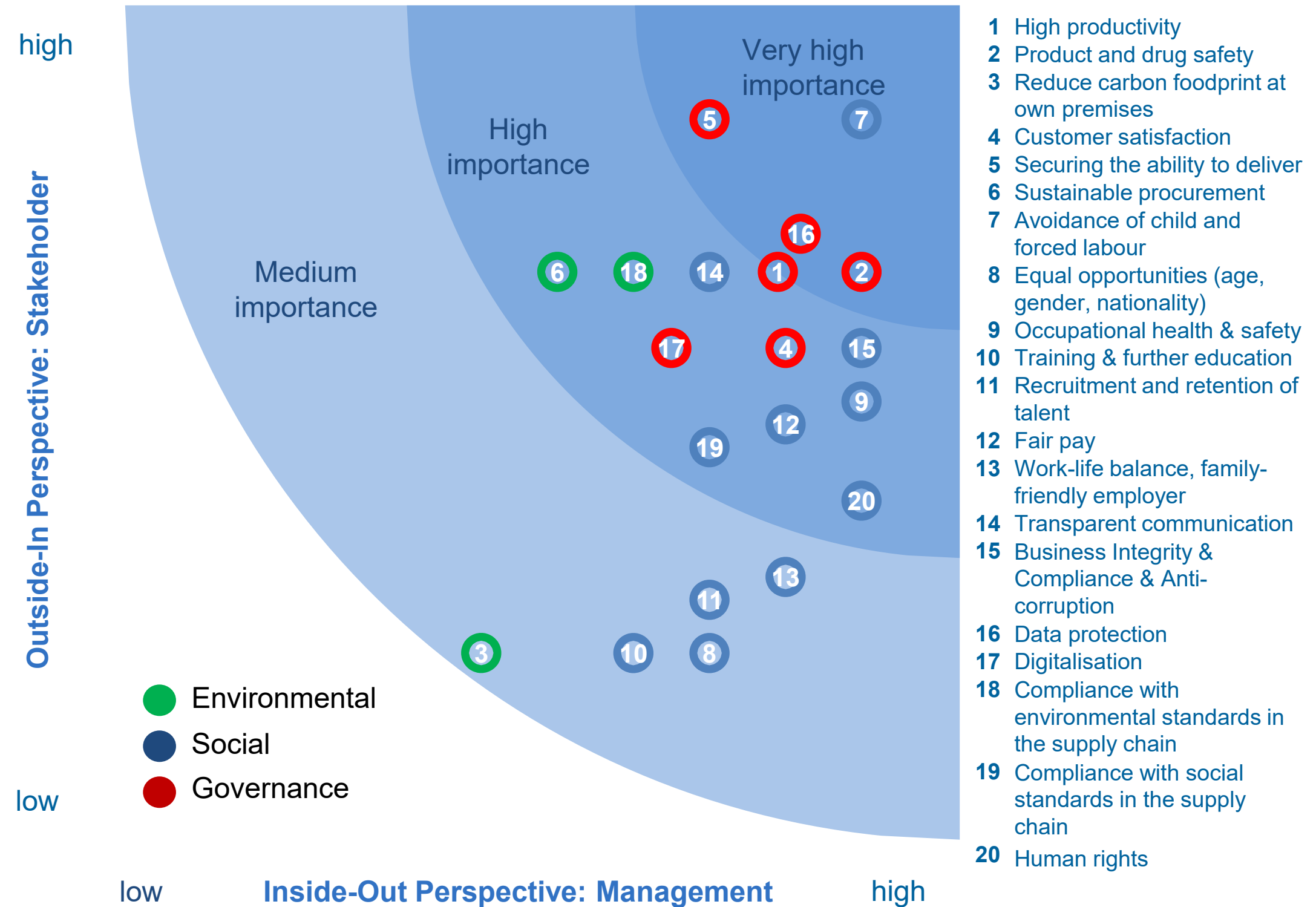
These values define how we conduct business and how we engage with our stakeholders. We bring them to life by building strong and resilient partnerships and by maintaining close, open and constructive communication with those who have a stake in our business..

### Current strategy definition and outlook

Through strategy workshops with the Executive Board and a series of discussions within the management team, we identified a range of measures that will shape the further development of our ESG approach in the years ahead. These measures are designed to reflect the expectations of key stakeholder groups, particularly customers, employees and the capital market, while also addressing the growing relevance of regulatory developments.

Building on these discussions, we carried out a materiality analysis to identify the ESG topics that are most significant to Selectchemie from both the company’s and our stakeholders’ perspective. This process has helped us align our priorities with internationally recognised reporting frameworks, including the Global Reporting Initiative (GRI). The resulting focus topics provide an important foundation for preparing Selectchemie to meet future challenges and for further strengthening the resilience, responsibility and long-term sustainability of our business.

## Materiality Analysis Selectchemie



In the years ahead, the ESG measures outlined above will be reviewed on an annual basis and, where necessary, further refined at Executive Board level to ensure their continued development in line with evolving stakeholder expectations.

### 1. Focus on clients

Our activities are guided by the World Health Organization’s globally recognised standards for the ethical promotion of medicinal products, as reflected in the Ethical Criteria for Medicinal Drug Promotion. Following the introduction of our Supplier Code of Conduct, we also published a Child Labour Due Diligence Statement for our clients in the same year. Our policy is aligned with ILO Conventions Nos. 138 and 182, and we follow the ILO-IOE Child Labour Guidance Tool for Business.

### 2. Attractiveness as an employer

Selectchemie operates in a dynamic market environment shaped by volatility and global challenges. Against this backdrop, we have implemented a range of measures to ensure that we remain well positioned to compete for talent in the future. In particular, we are addressing key topics such as talent acquisition and retention, work-life balance and employee participation.

Building on an initial employee survey already conducted in 2023 in collaboration with CultureMatcher, we assessed and compared the cultural fit between individuals and the organisation. This tool helps ensure alignment between personal values and corporate culture, thereby supporting better hiring decisions and stronger job satisfaction.

Our Townhall meetings are held in the format of SelectUpdate meetings. During these meetings, management provides employees with deeper insight into the company structure as well as the status of current and planned projects. At the same time, they offer an open platform where employees can raise critical questions and receive transparent and honest answers.

As part of an HR project, we worked with our external partner Korn Ferry to conduct a company-wide job mapping exercise. All positions were assigned to defined salary bands based on their complexity and level of responsibility. As a result, certain salaries were structurally adjusted in order to support a fair and transparent remuneration framework.

Further information on internal communication, remuneration and social benefits, as well as on our flexible and individual working models, including remote working and part-time arrangements, can be found on pages 17-19 of this report.

### 3. Product quality und safety

Our products and their handling have long been subject to rigorous quality and safety standards, monitored through a wide range of internal and external controls. One of our objectives is therefore to further increase transparency around the guidelines, measures and key indicators already in place at Selectchemie AG. This report supports that aim, including through the section on

product quality and safety.

### 4. Social and ecological supply chain

During the financial year under review, we carried out an internal analysis of our supplier base to better understand the environmental and social impacts associated with our supply chain.

To further strengthen supply chain standards and assess ESG-related risks in a more comprehensive manner, we will review our existing supplier training and audit processes. In future, these will be expanded to include selected ESG criteria in order to improve the monitoring of sustainability-related aspects across 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, combining strong in-house expertise in key functions with a global network of external partners. As a non-research organisation, we fully outsource the manufacturing, storage and distribution of our products.

Our business is based on the sourcing and supply of around 800 pharmaceutical and nutrition-related ingredients from more than 500 suppliers to over 700 customers in approximately 70 countries. The manufacturing of our finished dosage forms (FDFs) is entrusted to a focused network of three contract manufacturing organisations (CMOs) and one API supplier.

These figures underline the strategic importance of our supply chain to Selectchemie’s business model and long-term success. Our supplier base ranges from small local service providers to large international pharmaceutical groups. A diversified and resilient supply chain is essential to support continuity of supply and maintain the high standards of quality and reliability expected by our customers and partners.

A substantial share of the goods and services we procure originates from companies headquartered and manufacturing in China and India. As a company with a globally distributed sourcing model, we recognise that effective supplier oversight

is essential for quality, compliance and the management of environmental and social risks across the value chain. Given the varying levels of regulatory and sustainability maturity across markets, we place particular emphasis on systematic supplier monitoring and ongoing dialogue. At the time of preparing this report, no material environmental or social violations had been identified within the reviewed supplier population.



Since 2023, Selectchemie has been a member of SEDEX (Supplier Ethical Data Exchange) as a supplier member. We intend to make increasing use of this framework to further strengthen the definition, assessment and monitoring of minimum standards within our supply chain and to enhance the comprehensiveness of our supplier ESG risk assessments.

Through the regular review of our supply chain, we increase transparency in a business area of critical importance to Selectchemie while further strengthening our ability to support product quality, safety and availability. In this context, our Supplier Code of Conduct, introduced in 2024, sets out clear expectations that suppliers are required to acknowledge and follow. A central element of the Code is our commitment to quality and safety, underlining the importance of product integrity and security of supply.

We view supply chain assessment as a continuous process. A key next step is the establishment of a regular and comprehensive analysis of our supply chains. To classify and monitor supply chain risks, we survey our key Tier 1 partners on environmental and social topics using standardised questionnaires and collect information on relevant sustainability standards, measures and targets.

As part of our latest supplier survey, we asked more than 100 companies in our supply chain, representing 90% of our total sales volume in 2025, to acknowledge and comply with our Supplier Code of Conduct. With responses covering 86% of sales volume, we achieved a strong level of participation and established an important basis for the further development of our supply chain due diligence activities.

**90%**

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

**86%**

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

## Environmental and climate protection

As outlined earlier, Selectchemie operates an asset-light business model. This makes it particularly important for us to also consider the sustainability performance of key service partners within our supply chain.

One of our most important partners is DP World, our main contracted warehouse and logistics partner in Hamburg, Germany. DP World is a global logistics company headquartered in Dubai, United Arab Emirates, with activities spanning cargo logistics, port terminal operations, maritime services and free trade zones. The company operates in more than 60 countries across six continents and manages over 80 terminals worldwide.

DP World has made sustainability a clear strategic priority. Among its reported achievements are a reduction in emissions, the increased use of renewable energy in its operations and a long-term commitment to achieving net-zero carbon emissions by 2050. The company has also announced substantial investments in the electrification of equipment as well as in environmental and community-related initiatives.

Our second key distribution partner, Kühne + Nagel in Switzerland, is likewise highly active in the area of sustainability. The company has maintained carbon neutrality

in its direct operations (Scopes 1 and 2) since 2020 and has also made significant progress in reducing emissions across its broader value chain. In addition, it continues to expand environmentally friendly logistics solutions, including the use of alternative fuels in sea freight.

Addressing climate change and its consequences is one of the major challenges of our time. Although Selectchemie AG's own environmental footprint is comparatively limited due to its asset-light business model with outsourced production and distribution processes, environmental protection remains a matter of great importance to us. We aim not only to continuously reduce our own emissions and waste, but also to encourage our suppliers and service partners to pursue the same objective. At the same time, we are committed to using natural resources and energy as efficiently and responsibly as possible.

As a company, we seek to continue growing dynamically and profitably while making the most efficient use of energy. This commitment is also reflected in our headquarters in Zurich, which provides space for more than 80 workstations. The building was originally constructed in the 1960s and no longer met modern Swiss energy standards. A decision was therefore

taken to comprehensively renovate the main building and fully insulate the façades in line with current technical standards. This renovation was carried out in 2022 and 2023, during the Covid-19 period, and resulted in significant heating energy savings, thereby contributing to a reduction in Scope 1 emissions.

As part of this refurbishment, older air-conditioning systems in certain areas were replaced with newer, more efficient units using refrigerants with a lower impact on the ozone layer. In addition, the automatic operating times of the lighting and the switching times of the heating systems were optimised in order to further improve energy efficiency.

In this way, we seek to combine operational growth with responsible resource use and to strengthen sustainability both within our own operations and across our wider partner network.

### Energy consumption and efficiency

At Selectchemie AG, energy consumption within our own operations is primarily attributable to electricity used for general office activities and natural gas used for heating. The data presented below relates to our Swiss headquarters, which in 2025 continued to represent the company’s principal operational site and the workplace of the majority of employees.

In 2025, electricity consumption increased by 15.4% year on year to 76,189 kWh, compared with 66,022 kWh in 2024. Electricity consumption intensity rose slightly from 880 kWh to 1’088 kWh per employee per year, but remained at a comparatively low level, reflecting the company’s asset-light business model. The increase was mainly driven by higher

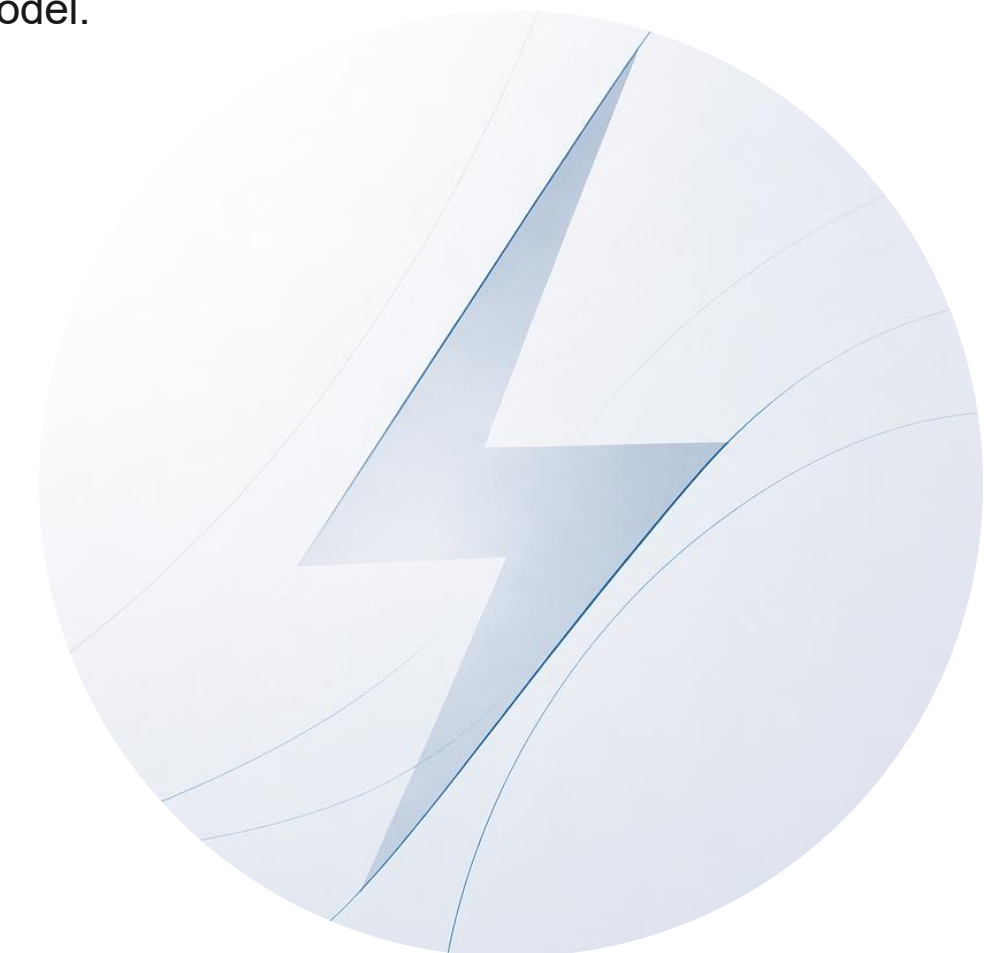
office occupancy following revised home office rules requiring employees to work on site for at least 60% of their working time. As electricity use in an office-based environment correlates closely with employee presence, greater occupancy resulted in increased demand for lighting, IT infrastructure, meeting room equipment, kitchen facilities and other general building services. Seasonal factors and a longer average period of active building use also contributed to the year-on-year increase.

Natural gas consumption for heating amounted to 7,870 m<sup>3</sup> in 2025, equivalent to 84,732 kWh, compared with 6,465 m<sup>3</sup> or 69,608 kWh in the previous year. This corresponds to an increase of more than 20%. The rise was primarily attributable

to less favourable weather conditions and a longer heating season, which led to higher heating demand at headquarters. Increased office attendance also played a role, as heated office space was used more consistently throughout the week. Taken together, the energy consumption underlying both Scope 1 and Scope 2 emissions increased in 2025. Total energy intensity per employee and year rose significantly to 2.30 kWh, compared with 1.81 kWh in 2024. Despite this increase, the overall energy profile of Selectchemie AG remained moderate and aligned with the company’s non-manufacturing, service-oriented and asset-light operating model.

**Table 1: Energy consumption at Selectchemie AG**

	Unit	2024	2025	Δ
<b>Energy consumption</b>	<b>kWh</b>	<b>135’630</b>	<b>160’921</b>	<b>+18.6%</b>
Natural Gas m <sup>3</sup> (scope 1); Bio share 30%	m <sup>3</sup>	6’465	7’870	+21.7%
Natural Gas kWh (scope 1); Bio share 30%	kWh	69’608	84’732	+21,7%
Electricity consumption (scope 2)	kWh	66’022	76’189	+15.4%
<b>Energy consumption intensity headquarters</b>	<b>kWh per employee</b>	<b>1.81</b>	<b>2.30</b>	<b>+27.1%</b>



### CO<sub>2</sub> and climate protection

During the 2025 financial year, Selectchemie AG continued to enhance the robustness and granularity of its environmental data base. For the second consecutive year, the company quantified its Scope 1 emissions, covering direct greenhouse gas emissions from sources under its operational control, and reported its Scope 2 emissions associated with purchased electricity.

Scope 1 emissions amounted to 15.4 tCO<sub>2</sub> in 2025 and were primarily attributable to natural gas used for heating at headquarters. Compared with 12.7 tCO<sub>2</sub> in 2024, this corresponds to an increase of more than 21%. Scope 2 emissions from purchased electricity reached 1.5 tCO<sub>2</sub>, up from 1.3 tCO<sub>2</sub> in the previous year. This development was mainly driven by revised home office requirements, under which employees are expected to be present

on site for at least 60% of their working time. The resulting increase in office occupancy led to a higher use of building-related energy, including heating, lighting and ventilation. In addition, weather conditions, including a longer heating season, also contributed to the higher energy demand.

Notwithstanding this year-on-year increase, Selectchemie AG’s direct operational carbon footprint remained low in absolute and relative terms. Owing to its asset-light business model and the absence of own production activities, CO<sub>2</sub> intensity from the company’s own operations remained limited at 0.16 tonnes of CO<sub>2</sub> per million CHF in revenue in 2025, compared with 0.13 tonnes in the previous year.

**Table 2: Emission Sources Scope 1 + 2**

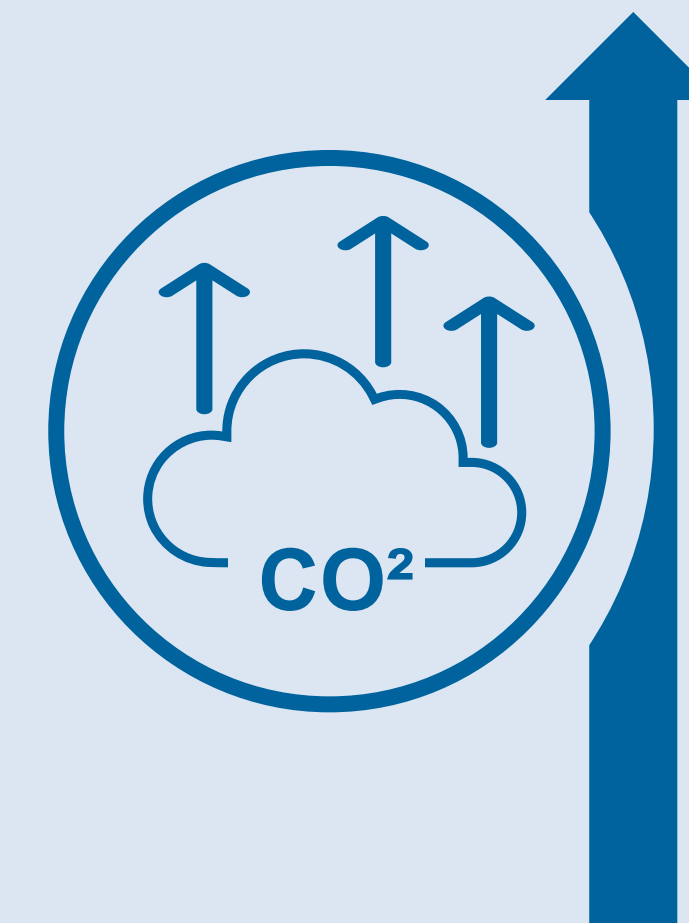
	Unit	2024	2025	Δ
<b>Carbon dioxide emission</b>	tCO <sub>2</sub>	<b>14.0</b>	<b>16.9</b>	<b>+20.7%</b>
<b>Scope 1 total</b>				
Natural gas (1 m <sup>3</sup> gas corresponds to 1.96 kg CO <sub>2</sub> )	tCO <sub>2</sub>	12.7	15.4	+21.3%
<b>Scope 2 total</b>				
Electricity consumption (1 kWh corresponds to 20 CO <sub>2</sub> )*	tCO <sub>2</sub>	1,3	1.5	+15.4%
<b>Carbon dioxide emission intensity headquarters</b>	<b>Kg CO<sub>2</sub> per employee</b>	<b>187</b>	<b>241</b>	<b>+28.9%</b>

\* In Switzerland, one kilowatt-hour of electricity generates an average of approximately 20 grams of CO<sub>2</sub>, which is significantly lower than the European average of around 460 grams of CO<sub>2</sub> per kWh. This is primarily because Switzerland’s energy production relies heavily on low-CO<sub>2</sub> sources like hydropower and nuclear energy.

## CO<sub>2</sub> emission

### Scope 1 + 2

**2025**      **241 kg**



**2024**      **187 kg**

**Intensity headquarters  
(kg CO<sub>2</sub> per employee)**

Although our own CO<sub>2</sub> footprint is comparatively low, emissions within our supply chain are significantly more substantial. For this reason, a key next step will be to evaluate the CO<sub>2</sub> intensity of our main suppliers, with a particular focus on Scope 1 and Scope 2 emissions.

Many of the suppliers included in this assessment have already established specific waste reduction targets, and some have implemented tangible CO<sub>2</sub> reduction initiatives under certified environmental management systems such as ISO 14001 or equivalent standards. The next stage will be to translate these efforts into measurable carbon footprint data and verifiable CO<sub>2</sub> reduction outcomes.

As Selectchemie AG does not operate its own production facilities, wastewater volumes largely correspond to freshwater withdrawal. In 2025, total water withdrawal at headquarters amounted to 134 m<sup>3</sup>, compared with 110 m<sup>3</sup> in the previous year.

The increase primarily reflects revised home office regulations requiring employees to be present on site for at least 60% of their working time.

Given the close link between water consumption and employee presence at headquarters, this translated into a per capita consumption of 1.91 m<sup>3</sup> per employee in 2025.



**Table 4: Water consumption at Selectchemie AG**

	Unit	2024	2025	Δ
Water	m <sup>3</sup>	110	134	+22%
Water intensity	m <sup>3</sup> per employee	1.47	1.91	+30%

## Product, corporate and social issues

Selectchemie AG offers a broadly diversified portfolio of around 800 established active and inactive pharmaceutical ingredients, complemented by three finished pharmaceutical products for antifungal treatment. In doing so, we make an important contribution to the reliable supply of medicinal products. As a result, our customers, and ultimately millions of patients, place a particularly high level of trust in our performance and reliability.

Maintaining this trust requires consistently high standards of quality, compliance and product safety. We therefore perform regular and comprehensive quality controls in line with applicable GxP requirements. New employees are trained on core company processes as part of onboarding, while all employees complete annual training on legally relevant procedures and compliance topics. Additional training needs are addressed according to individual responsibilities, and employees are also supported in undertaking external professional development.

Product safety across the supply chain is a key priority. For our finished pharmaceutical products, we conduct regular audits either internally or as part of GMP inspections. Our contract manufacturing organisations prepare annual quality reports for each product, which we review, consolidate and share with customers as appropriate. In addition, key manufacturing partners for finished dosage forms are audited on a three-year cycle, or more frequently where risk considerations require it.

All suppliers of active pharmaceutical ingredients (APIs) are subject to regular compliance assessments. In the event of non-compliance, suppliers are immediately blocked in our systems until compliance has been fully restored.

The safe transport and storage of pharmaceutical products are equally critical. Selectchemie AG is fully committed to Good Distribution Practice (GDP) and has established corresponding Standard Operating Procedures (SOPs) to ensure consistent distribution processes and supply chain integrity. Shipment histories remain traceable through documentation and validated systems, enabling the early identification and withdrawal of potentially counterfeit products where necessary.



As part of our EU import procedures, each delivery is reviewed by in-house specialists for compliance with all applicable legal and regulatory requirements. The effectiveness of these controls is reflected in our performance indicators: in the

reporting year, there were no product recalls and no quality-related returns, in line with the strong results achieved in 2024. Before products are dispatched, Selectchemie AG defines appropriate handling requirements based on risk assessments to ensure suitable conditions throughout the distribution process. Depending on product needs, this may include temperature-controlled transport, insulated packaging solutions and the use of temperature data loggers to verify transport conditions and compliance with specification requirements. Appropriate training for all parties involved in handling temperature-sensitive products is an essential part of this approach, with responsibilities clearly set out in written procedures and customer agreements.

The oversight of outsourced activities is supported by a well-established quality management system and corresponding quality agreements with external partners, including contracted warehouses.

Selectchemie AG also conducts annual Management Review Meetings, during which senior management formally assesses the effectiveness and performance of the Quality Management System and broader operations.

This process, aligned with GMP and ISO 9001 requirements, is a key instrument for ensuring compliance, operational efficiency and continuous improvement.

### Workforce and corporate culture

In 2025, we not only sought to return to our former dynamic growth trajectory but also continued the transformation into a more flexible and better organised company. Over recent years, we have established our existing locations in China, Poland, Serbia and Turkey as legal entities. By the end of the reporting year, 120 employees were working for Selectchemie. Of these, 70 were based at our headquarters in Switzerland, while the remainder were employed in our subsidiaries: 2 in Argentina, 6 in Brazil, 5 in China, 1 in France, 4 in Germany, 4 in India, 8 in Istanbul, 4 in Poland and 7 in Serbia. Compared with the previous year, the workforce decreased due to some restructuring by ca. 7% (2024: 129 employees).

Looking at the age structure of our workforce, the group aged 31 to 50 years accounted for by far the largest share, representing around 62% of all employees. Slightly more than 8% of the workforce was aged 30 or younger, while around 30% were over 50 years of age. No employees reported a disability in the reporting year.

The employee turnover rate, calculated according to the BDA formula, declined across all locations to 7.3% in the reporting year (2024: 11%). This development reflects various measures implemented following our culture-matching analysis, aimed at further enhancing our attractiveness as an employer.

The global absenteeism rate among our employees was 1.57% (2024: 2.88%). Of this, 1.29% was attributable to illness, while 0.28% related to parental leave or family care.

Remaining absences were due to maternity leave or the care of sick children. With regard to illness-related absences, for which reliable comparative data are available, we remained well below the Swiss average of 3.8% (2025; figures for the reporting year are not yet available).

As a medium-sized company with flat hierarchies, Selectchemie AG promotes a culture of teamwork, expertise, professionalism and pragmatism. We treat our employees, patients, partners and stakeholders with respect and are committed to an attractive, stable and internationally connected working environment shaped by responsibility, integrity and reliability.

**Table 4: Age structure of the employees**

Age	< 30	31-50	> 50
<b>Employees total</b>	<b>10</b>	<b>74</b>	<b>36</b>
<b>In % of the total workforce</b>	<b>8%</b>	<b>62%</b>	<b>30%</b>

We value strong collaboration and a healthy, motivating workplace. Employees benefit from modern offices across all locations and the flexibility to work remotely with suitable equipment. To reduce our CO<sub>2</sub> footprint, we actively encourage the use of public transport instead of offering free parking spaces or additional charging stations. In Switzerland, this includes financing a half-fare travelcard for employees, which may be used for both commuting and private travel on public transport.

**Table 5: Fluctuation rate according to BDA formula**

	2024	2025
<b>Average staff level</b>	<b>129</b>	<b>120</b>
<b>Total voluntary departures</b>	<b>14</b>	<b>11</b>
<b>Fluctuation rate for the observation period</b>	<b>11%</b>	<b>7.3%</b>

## Talent development, employee retention and workplace flexibility

Selectchemie AG offers its employees a broad range of interesting and varied career opportunities. Our aim is not only to attract talented people, but also to support their continuous development and retain them over the long term. We are committed to helping our employees realise their individual potential and achieve their personal career goals. In 2025, average training expenditure amounted to around CHF 860 per employee.

We support the professional and personal development of our employees through structured qualification agreements and targeted development measures. In order to promote employees in a sustainable way and strengthen long-term retention, Selectchemie AG generally offers both specialist and management career paths. In addition, variable salary components are linked to defined company and departmental goals. Our managers also benefit from digital and in-person training programmes, while employees taking on new roles receive targeted additional training to support them in their transition and development.

Wherever possible, we avoid the use of short-term or fixed-term employment contracts. As a result, only 1.6% of employees at Selectchemie AG were employed on a fixed-

term basis in the 2025 financial year. We also make only very limited use of atypical employment arrangements such as temporary work or service contracts, and only in exceptional cases (2025: 1.6%).

Selectchemie AG also works with TwoJobs to attract talented employees for the future. Through this cooperation, we aim to strengthen our reach in social media recruiting and to address suitable candidates in an innovative and targeted way. In the 2025 financial year, we recruited 1 trainee through the relevant programme, with the objective of supporting their professional and personal development and, ideally, retaining them over the long term. We also position ourselves as an attractive employer for future talent by offering opportunities for working students, supervising academic theses and participating in events for students.

Across recruitment, development and long-term talent retention, Selectchemie AG places clear emphasis on equal opportunities, including through the promotion of a family-friendly working environment.

Part-time models (part-time rate 2025: 23%) and flexible working hours are a natural part of our employment approach and help our employees reconcile professional and family responsibilities. We do not operate shift work and do not require employees to be on call. Every employee is entitled to at least two days of remote work per week. Subject to

individual agreement with the direct supervisor, remote working arrangements may be extended beyond this. In addition, employees have the option to work remotely from another location in Europe for up to 20 days per year.

We also seek to support our employees beyond statutory minimum requirements. At our Swiss headquarters, employees are entitled to at least 25 days of annual leave, plus two additional public holidays. We also grant additional benefits in certain life situations, such as the birth of a child, marriage or after several years of service, in the form of extra leave or financial contributions. Employees may also take additional leave for family-related reasons; in 2025, around 23 of all employees made use of this option.

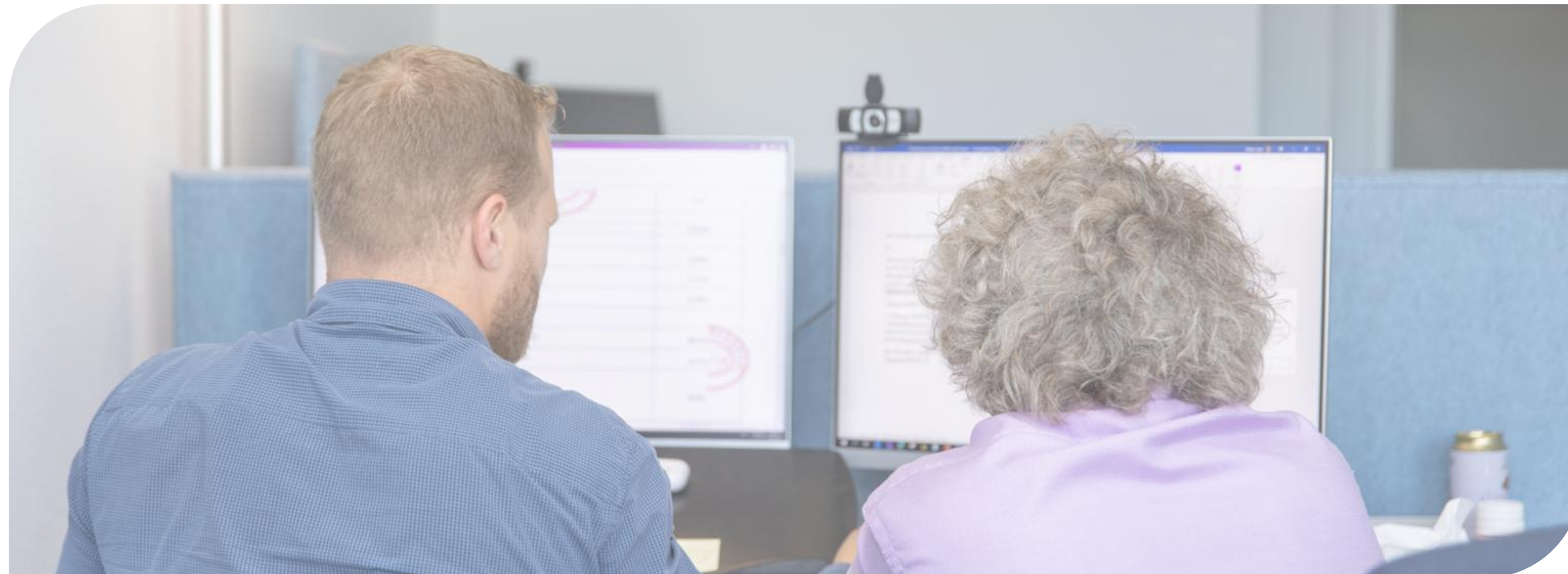
To support parents in balancing work and family life, Selectchemie AG offers an 80% home office allowance during the first year after the birth of a child. In addition, we organise an annual summer barbecue to thank our employees for their commitment and to create opportunities for informal exchange beyond day-to-day work.

Furthermore, we have implemented various measures to strengthen our attractiveness as an employer, based on the findings of the CultureMatcher employee survey. To improve internal communication, we introduced regular SelectUpdate Meetings, creating an open two-way dialogue between the Board and employees. This helps ensure that staff are kept informed about key operational and strategic developments while also providing an opportunity to voice their own concerns. Important company and personnel decisions are also communicated through Board mailings and our HiBob HR platform.

In addition, HiBob supports a culture of communication, inclusion and

belonging, particularly in remote and hybrid working environments, while also enabling employees to manage their own data and reducing administrative effort for HR.

We also place great importance on a feedback culture based on openness and mutual respect. Structured feedback discussions are conducted both at the end of the probation period and at year-end, using a competency model linked to the fulfilment of expectations. This process supports reflection, continuous development and clear alignment on future priorities.



**89%**  
Participants  
CultureMatcher  
survey

**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, equity and inclusion

At Selectchemie, we foster a corporate culture in which all employees should have equal opportunities, regardless of ethnic origin, gender, sexual identity or any other personal characteristic. We believe that diversity strengthens our organisation by broadening perspectives, enhancing collaboration and helping us address complex challenges more effectively. In this sense, diversity is an important driver of our success.

We are committed to creating a working environment in which every individual, irrespective of background, identity or viewpoint, is valued, respected and empowered to contribute to our collective success. Our commitment to diversity, equity and inclusion goes beyond compliance with legal and regulatory requirements. We actively seek to promote equal opportunities, reduce barriers and cultivate a sense of belonging for employees, partners and other stakeholders alike. As part of an international business environment, we are conscious that meaningful progress requires continuous learning, open dialogue and shared responsibility across the organisation.

A visible expression of this commitment is our new Diversity, Equity & Inclusion Policy, of which we are particularly proud. It provides an important framework for embedding these principles more firmly in our organisation and for further developing our culture in a conscious and structured way.

By the end of 2025, Selectchemie AG employed people from more than 20 different countries, underlining the international character of our

workforce. Diversity is also reflected in our gender structure. As in the previous year, exactly 60% of employees at our Swiss locations were women. At several of our other locations, the proportion of female employees was even higher, including 80% in China, 75% in Germany, 25% in India, 50% in Poland, 83% in São Paulo, 89% in Serbia and 78% in Turkey. Across the Group as a whole, women represented 68% of our workforce in 2025. The proportion of women in leadership positions was 40% globally. At the first and second management levels, women accounted for 35%, which remains above the benchmark of 20% reported for the boards of the 100 largest Swiss companies by value added in 2025.

In our core functions, female representation was also above average, reaching 56% in Sourcing and 74% in Sales.

With regard to equal pay, we worked with our external partner Korn Ferry to conduct a company-wide job mapping exercise. All positions were assigned to defined salary bands based on their complexity and level of responsibility. As a result, certain salaries were structurally adjusted in order to support a fair and transparent compensation framework.

Through these measures, we aim to strengthen a workplace culture in which diversity is recognised as a source of strength and equal opportunity is embedded as a core principle of responsible leadership.

**68%**

**Proportion of women globally at Selectchemie**

**40%**

**Proportion of women in leadership positions**

**74%**

**Proportion of women in key Sales function**

## Health and Safety

As Selectchemie is not a manufacturing company, our operational risk profile is comparatively limited. Owing to the presence of a small raw material warehouse containing solid materials, including hazardous substances, Selectchemie is classified as a low-hazard operation and, more specifically, as an operation with special hazards on a small scale. In accordance with EKAS Guideline 6508, the key criterion for this classification is the existence of specific hazards for individual employees in certain work areas. The applicable framework is based on the Swiss Accident Insurance Act (UVG) and the Ordinance on the Prevention of Accidents and Occupational Diseases (VUV). To address these requirements, important work processes and internal rules for the handling of hazardous substances, including CLP classification and material safety data sheets (MSDS), as well as a dedicated storage concept, form part of our training programme and are embedded in our quality management system.

Health and safety are equally important in our office-based working environment. Our approach extends beyond the prevention of workplace accidents and immediate hazard control to include measures that support employee well-being and a healthy working environment. This includes, for example, ergonomically designed workstations. To ensure that employees benefit from the best possible working conditions, a designated internal representative is responsible for identifying and implementing appropriate solutions, supported by external

specialists where required. In addition, regular workplace risk assessments are carried out either by independent external experts or by our internally trained HSE specialist.



In our overarching occupational health and safety management, we closely follow the guidance of the Swiss National Accident Insurance Fund (SUVA). SUVA plays a central role in Switzerland in the prevention of occupational accidents and diseases, as well as in the rehabilitation and insurance of employees.

In addition to the ten elements of the operational safety system, key components of our occupational safety framework include a

risk analysis, a functional responsibility chart, an automated external defibrillator (AED), and an emergency manual containing the site plan, location details and emergency contact numbers. All new employees at the Zurich site receive introductory training in this area, including a site tour, while all other employees participate in comprehensive occupational safety training on an annual basis.

Any violations of occupational health and safety requirements are addressed consistently and, where necessary, sanctioned. At the same time, prevention remains our primary objective. We therefore expect all employees to familiarise themselves with the relevant internal regulations and guidelines and to comply with them in full. The basis for this is our Code of Conduct, together with various standard operating procedures that apply equally to all employees. The Code of Conduct and its underlying values also form part of mandatory compliance training for all employees.

The key figures underline the effectiveness of these measures. In 2025, no accidents and no work-related absences were recorded at our headquarters. With a total of 340 days of absence in 2025, the overall employee absence rate due to illness amounted to 1.29% (2024: 1.43%), remaining significantly below the Swiss average of 3.8% (figures for 2025 are not yet available).

## Information security and data protection

The growing number and increasing sophistication of cyberattacks on IT infrastructures and systems worldwide also represent a significant risk for companies such as Selectchemie. To minimise the risk of business interruption and to safeguard the data of our stakeholders, Selectchemie AG applies a comprehensive set of measures covering IT, information and data security. These include the continuous monitoring of systems, clearly defined internal guidelines, and regular training for all employees. The secure use of IT systems, access management for facilities and buildings, and compliance with internal security requirements form an integral part of our preventive approach. All relevant guidelines must be acknowledged by employees, and the corresponding training records are maintained in our central document management system, ConSense. In particular, IT awareness training remains a key priority and is mandatory for all employees each year.

Phishing continues to be one of the most significant cyber threats, with the vast majority of cyberattacks originating from deceptive emails. In response, we have implemented mandatory phishing awareness training for all employees. As phishing attempts become increasingly sophisticated, including through the use of AI-generated content, continuous learning is essential. Our training programmes are designed not only to inform, but also to engage employees and strengthen their ability to identify and respond appropriately to

potential threats.

Selectchemie AG has outsourced key elements of its data security processes to an external service provider with recognised certifications, including ISO/IEC 20000-1:2018, ISO 22301:2019 and ISO/IEC 27001:2013. This provider is responsible for a range of critical services, including cloud services, ERP services, cybersecurity and core IT infrastructure.

These services also include comprehensive emergency plans and procedures for responding to IT and information security incidents. In this context, our business continuity plan and our guideline for handling information security incidents are of particular importance. The effectiveness of these emergency mechanisms is tested regularly. In addition, restoration procedures, backup systems and uninterruptible power supply (UPS) systems are reviewed and tested annually.

Alongside these technical and organisational safeguards, Selectchemie AG maintains a regular Internal Control System (ICS) covering all relevant processes for financial reporting with significant risk potential. Once a year, an ICS risk report is prepared for the Executive Board and the Board of Directors, summarising the results of the relevant process controls.

All service providers engaged by Selectchemie AG undergo a qualification process based on self-disclosure and consent to background checks. In addition, the procurement and

implementation of software are subject to extensive requirements, including appropriate validation by our internal experts. Restrictive password policies, close control of digital identities, and careful management of authorisation concepts and user roles form further key elements of our information security framework. In this area, we also take into account the applicable recommendations of the Swiss National Cyber Security Centre (NCSC), particularly with regard to password management.

Selectchemie AG also attaches great importance to the protection of personal data relating to all stakeholders. We comply with the requirements of the Swiss Federal Act on Data Protection (FADP), which is closely aligned with the principles of the European General Data Protection Regulation (GDPR). Where necessary, consent to the processing, disclosure or storage of confidential information is obtained and documented appropriately. If personal data collected in paper form must be destroyed, this is carried out in accordance with applicable data protection requirements using designated disposal processes.

Thanks to these measures to protect our IT infrastructure, systems and data, Selectchemie AG did not record any severe information security incident during the 2025 financial year.

## Human Rights and Social Standards in the Supply Chain

Respect for human rights is a fundamental principle of Selectchemie's business conduct and an integral part of responsible supply chain management. As an internationally active company, we consider the protection of human rights and the promotion of fair working conditions across the value chain to be of central importance. We expect our business partners to uphold the same standards and to ensure safe, fair, and dignified working conditions throughout their operations. Selectchemie maintains a clear zero-tolerance stance towards forced labour, child labour, discrimination, and other forms of exploitation.

Our expectations are formalised in a dedicated Human Rights Policy as well as in our Code of Conduct and Supplier Code of Conduct. Together, these documents define the principles and behavioural standards that guide our organisation and our external partners. As part of the supplier qualification process, suppliers are required to acknowledge and sign the relevant Code of Conduct. In this way, human rights, integrity, and responsible business conduct are embedded from the outset of the business relationship.

Where deficiencies in social standards are identified, Selectchemie seeks constructive dialogue and appropriate corrective action with the aim of achieving sustainable improvement. This approach reflects our preference for partnership-based development where possible. At the same time, we maintain a clear expectation that shortcomings must

be addressed effectively and within an appropriate timeframe. Where meaningful progress is not achieved, Selectchemie reserves the right to reassess or discontinue the business relationship.

Beyond compliance with applicable local labour and employment laws, we expect suppliers to align with internationally recognised principles, including the core standards of the International Labour Organization (ILO). These principles cover key aspects such as the prohibition of forced and child labour, non-discrimination, fair treatment, and occupational health and safety. In our view, adherence to these standards is an essential element of a resilient and responsible supply chain.

Oversight of human rights and social standards within the supply chain is anchored within Quality and supervised by its ESG sub-department. This governance structure reflects the close connection between compliance, responsible sourcing, and sustainable business practice. It also supports the integration of social responsibility considerations into supplier oversight and broader ESG management.

Since 2023, Selectchemie has also been a supplier member of SEDEX, a globally recognised platform that supports companies in strengthening social and environmental standards across supply chains. While SEDEX was not yet used as an assessment tool during the reporting year, the membership

provides an important foundation for the further development of our approach to supply chain transparency, minimum standards, and ESG risk management. We see this as a relevant step in progressively strengthening our sustainability framework over time.

During the reporting year, more than 80% of suppliers were covered by a review of social standards as part of qualification activities. No significant observations were identified. In addition, Selectchemie maintains a whistleblowing process that is accessible to internal and external stakeholders alike, thereby supporting transparent reporting of potential misconduct or compliance concerns across the wider business environment.

Overall, this framework reflects our commitment to embedding human rights and social responsibility into our governance structures, supplier relationships, and long-term value creation.

## Compliance and corporate governance

Sound and sustainable corporate governance is a fundamental prerequisite for long-term business success. At Selectchemie AG, we therefore rely on appropriate supervisory structures and a comprehensive, effective compliance management system. We are convinced that lasting success is only possible if we maintain the trust of our internal and external stakeholders. For this reason, we continuously review and further develop our governance and compliance structures in order to strengthen this trust over the long term.

To ensure an appropriate governance framework, Selectchemie AG has established a dual governance structure consisting of a Management Board and a Board of Directors. This two-tier system provides a clear separation between operational management and supervisory oversight. The Board of Directors monitors the activities of management through regular reporting and comprehensive control mechanisms. Where appropriate, it may also involve internal or external audit bodies to support compliance with applicable requirements. Together, these structures contribute to the integrity, accountability and effectiveness of our corporate governance.

In the 2025 financial year, the Board of Directors of Selectchemie AG consisted of five members, of whom 20% were women. Its members bring broad expertise in

healthcare, finance and accounting, as well as experience gained from other board mandates.

At Selectchemie, we distinguish between GxP compliance and general corporate compliance. GxP compliance relates to the regulatory requirements directly applicable to our business activities, such as GMP, GDP and other relevant standards. It is regularly reviewed by competent authorities and through numerous customer audits and is continuously enhanced as part of our quality-driven approach.

General corporate compliance, by contrast, covers all internal and external rules and regulations that are not directly linked to specific GxP requirements but are nevertheless essential for the proper management and operation of the company. Compliance management in this broader sense plays a central role in protecting both the company and its employees from legal, financial and reputational risks. At the same time, it supports sound corporate governance and helps preserve the trust placed in us by our stakeholders. Our compliance management system is designed primarily to prevent violations. Where issues nevertheless arise, the objective is to identify them at an early stage and respond in a consistent and effective manner.

Accordingly, compliance risks are intended to be identified as early as possible and addressed through a structured and consistent approach. The compliance management system at

Selectchemie AG focuses in particular 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

Given our asset-light business model and our reliance on external partners across significant parts of the value chain, corruption and bribery represent particularly relevant risk areas. Responsibility for the prevention of corruption and bribery lies at Board level. In addition, we have implemented a range of preventive measures, including:

- 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, and fraud are unacceptable at Selectchemie AG. This commitment is reflected not only in the measures described above, but also in a range of internal and external compliance guidelines and standards designed to prevent unlawful and unethical behaviour. These guidelines apply across the company and must be observed by our employees and, where relevant, by our business partners. Among the most important are:

- 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 of these guidelines are subject to regular review, adapted where necessary to reflect changing circumstances, and subsequently approved by the Board.

In the 2025 financial year, no confirmed cases of corruption were recorded at Selectchemie AG, nor were any charges brought or fines imposed for violations of anti-corruption or anti-bribery laws.

Our compliance management system defines the framework

for compliant conduct throughout Selectchemie AG. A key element of this framework is mandatory compliance training, which all employees are required to complete. As employees in Sales and Supply are exposed to a comparatively higher risk of encountering corruption-related situations, they receive additional targeted training in this area. Employees also have continuous access to the relevant compliance guidelines. In addition, we regularly implement awareness and communication measures on compliance-related topics, including harassment in the workplace.

Another essential component of our compliance framework is our company-wide Code of Conduct. It safeguards the integrity of Selectchemie AG by setting out the company's core values and defining the standards of lawful, ethical and policy-compliant behaviour expected across the organisation. We expect both our employees and our business partners to act in line with these principles. Our objective is to prevent potential harm to Selectchemie AG and its employees, as well as to patients, business partners, investors and other third parties. This includes, for example, the protection of intellectual property, the prevention of insider trading and the consistent rejection of corruption.

The Code of Conduct also forms part of our mandatory compliance training, ensuring that all employees are familiar with its content and practical relevance. It is publicly available in German and English on our corporate website.

Compliance with laws and regulations, as well as a strong culture of integrity, requires the attention and willingness of all stakeholders to report suspected misconduct. Against this background, we are introducing an electronically protected whistleblower system. This system is available in our company languages, German and English, and will in future also be rolled out in the languages of the countries in which Selectchemie AG maintains registered business entities.

The system enables employees and third parties connected to our value chain to report suspected misconduct either anonymously or by providing their contact details. It is fully digital, accessible at any time via our corporate website, and available across all devices.

Regardless of whether a report is submitted anonymously or by name, it is handled confidentially and with due regard for the protection of whistleblowers and all persons concerned. In addition, suspected violations may also be reported directly to our Compliance Officer in any language. At the request of the reporting person, such reports may also be submitted anonymously. The whistleblower system will also form part of mandatory compliance training for all employees.

To support the effective use of the whistleblower system, our employees will receive dedicated training on its purpose, scope and proper application. In addition, comprehensive information on compliance in general, and on the whistleblower system in particular, will be made available on our corporate website in both German and English for employees and external stakeholders alike.

With the introduction of a fully protected whistleblower system in 2025, Selectchemie AG aims to provide a secure framework that enables employees and stakeholders to report suspected misconduct confidentially and, where permitted, anonymously, without fear of retaliation.

In the 2025 financial year, Selectchemie AG recorded no confirmed cases of discrimination and received no complaints through the Swiss National Contact Point (NCP) for Responsible Business Conduct, the Swiss counterpart to the OECD contact point for multinational enterprises.

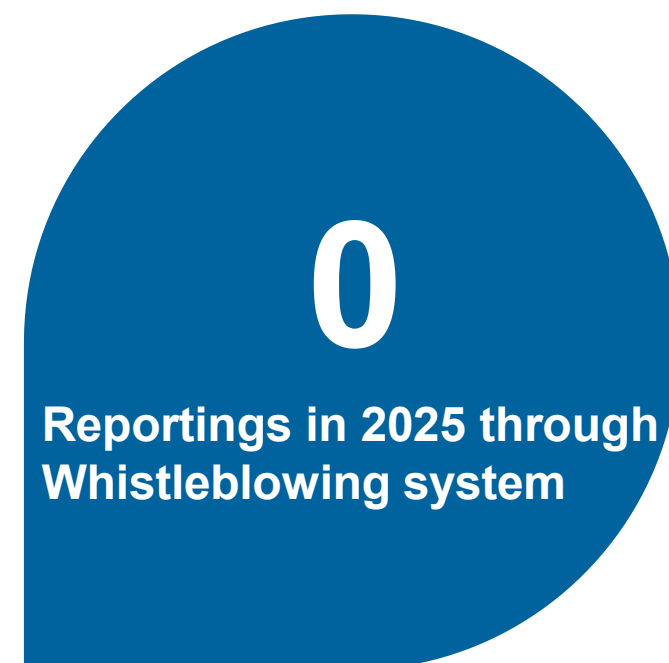
In principle, all incidents relating to bribery, fraud, money laundering, discrimination or harassment are investigated and addressed in accordance with a clearly defined investigation process. Depending on the nature of the case, the responsible personnel apply appropriate investigative methods.

Throughout this process, strict confidentiality, clearly defined communication channels and compliance with legal

requirements and internal guidelines remain essential principles.

At a later stage of the process, appropriate sanctions may be determined and follow-up measures implemented, for example in the form of process improvements or additional training. In cases of confirmed discrimination, Selectchemie AG may also take remedial measures such as compensation payments, paid leave or transfers, where appropriate.

Transparency and integrity are also of fundamental importance to us in financial and public affairs. Selectchemie AG does not engage in tax avoidance or in practices that could be regarded as profit shifting. Nor do we make political donations or participate in lobbying activities. Furthermore, Selectchemie AG did not receive any direct government support, such as subsidies, during the reporting period.



## 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.

### CO<sub>2</sub>

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 (CSRD)

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 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub> emissions that are associated with purchased goods and services. Downstream emissions are indirect CO<sub>2</sub> 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.

# Impressum

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