



# STADA Sustainability Policy and ESG Commitments

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The purpose of this **Sustainability Policy and ESG Commitments** (the “**Policy**”) is to provide the framework for STADA’s approach to sustainability and specific commitments to relevant ESG issues. It ensures that all business activities of STADA are conducted in line with these principles and commitments. Thus, this Policy aims to help living STADA’s pledge given as signatory of the UN Global Compact to sustainable development. Based on its mission “Caring for People’s Health as a Trusted Partner” STADA strives to further develop and improve the implementation of its sustainability goals for the benefits of its customers, partners, of society and ultimately of the planet as the source of all life.

This Policy is binding and shall apply globally to all executive board members, directors and all employees of STADA, as well as all persons who work for STADA on the basis of a service contract (either embedded in the organization of a STADA Company or obliged by the service contract to comply with internal regulations of the STADA); all of them are referred to as “**Addressees**”. All Addressees are required to comply with this Policy as part of their employment, engagement, appointment or similar contractual relationship with a STADA Company.

## | FURTHER DEFINITIONS

**ESG:** Environmental, Social and Governance.

**UN SDGs:** United Nation Sustainable Development Goals

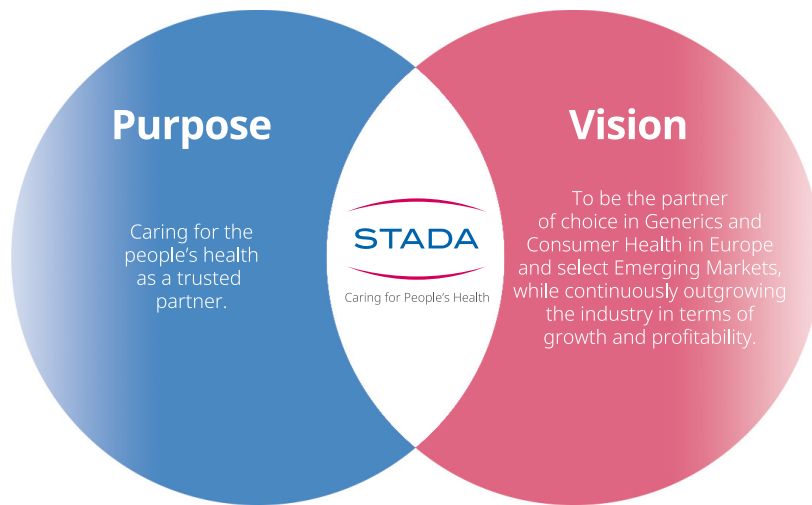
**STADA Group or STADA:** STADA Arzneimittel AG and any direct or indirect subsidiary of STADA Arzneimittel AG. The legal entities of the STADA Group including STADA Arzneimittel AG are each referred to as a “STADA Company”.



# STADA Sustainability Policy

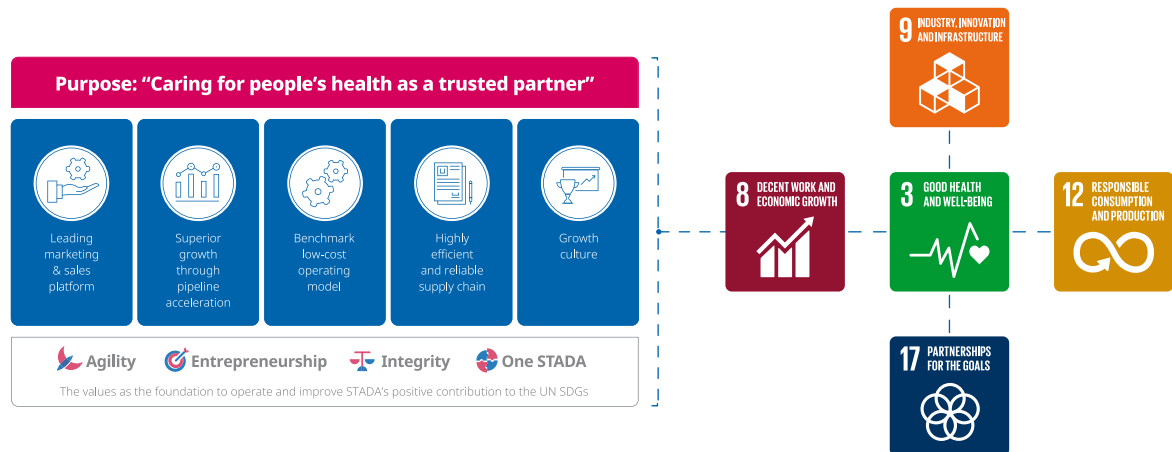
At STADA, we respect and value our personnel, investors, partners and those who use our products, the communities in which we work and the natural environment. Each and every one of us constantly strives to make a positive impact on the world around us by focusing on the way we work.

## From Our Purpose and Vision to Our Sustainability



Achieving our purpose and vision is based on full commitment to sustainable and responsible business. That is why sustainable principles and values are an integral part of our business strategy and everything we do. STADA is dedicated to the implementation of the UN 2030 Agenda for Sustainable Development, in line with the SDGs and the Ten Principles of the UN Global Compact.

Our strategic priorities and values are the basis of our entire commitment to sustainable development in order to lead sustainable business and growth, while achieving a positive impact on people and their health, the economy and the environment. And we bring these to life every day.





For us, caring for people's health is more than providing support for prevention and treatment through a complete range of STADA's quality, reliable and affordable pharmaceutical products. It also involves raising awareness of personal health care and healthy lifestyles, while supporting public health care systems. Further, it is our civic duty to act as responsible citizens - we as individuals, we as a team and a society. This is exactly what makes us a partner of trust and choice when it comes to people's health.

At STADA, each and everyone of us contribute to applying this Policy within all our business operations and growth ambitions, in all countries where we operate, while striving to meet defined STADA ESG commitments within our business operations and its impacts.

## STADA ESG commitments

To strengthening our strong corporate beliefs and standards, STADA's Sustainability Policy is supported by a set of ESG commitments in the form of concrete action measures. As a responsible company, STADA pays special attention to all key ESG aspects relevant for its business activities and to improving the impact on the environment and the society.

### **ENVIRONMENTAL COMMITMENTS**

We are committed reducing the environmental impact of our operations, along our supply chain and of our product.

- **Decarbonization and Climate change** – STADA is committed to reducing its scope 1 and 2 carbon emissions by -42% (2020-2030) in support of the +1.5°C temperature goals of the Paris Agreement. We have the aspiration to achieve net zero carbon emissions by 2050 from our operations and to increase our energy supply from renewable sources to 50% of our total electricity consumption by 2030. We are committed to evaluating our scope 3 emissions, defining targets in line with the Science Based Targets initiative (SBTi) and disclosing respective information.
- **Responsible operations, use of resources and waste management** - STADA is committed to applying the principle of “less is more” when it comes to the use of natural resources within our operations and along the supply chain. STADA is also committed to implementing waste management measures, reducing the generation of waste at source (hazardous and non-hazardous waste) and applying the reuse and recycling principle over the general use of resources and the disposal of waste.
- **Management of Water Resources** – STADA recognizes the importance of water conservation and responsible water management. The organization aims to minimize water consumption in operations, prioritize responsible water sourcing, and implement water recycling, and treatment measures in order to reduce emissions. STADA's efforts includes the assessment of water use, aiming for a sustainable balance between business needs and environmental stewardship with a particular focus on high-stress locations.
- **Sustainable products** – STADA recognizes the importance of product end-of-life management and therefore strives to reduce the environmental footprint of its products by product innovation, applying the 5R strategy (Remove, Reduce, Reuse, Recycle, Refill) in product and packaging design in order to support the development of a circular economy and adequate mindset among its stakeholders and partners (starting with employees, to supply chain and ending with products' users). Through industry associations we aim to work to educate customers and stakeholders on the responsible disposal of products and proper disposal practices.



- **Biodiversity and Ecosystems** – STADA considers biodiversity and ecosystem conservation as one component of sustainable development and is committed to integrating the objective of conservation in its activities through employee awareness and stakeholder engagement.
- **Air pollutants** – STADA is dedicated to reducing air pollution and is committing to continuously improving manufacturing processes, investing in cleaner technologies, and reducing emissions.

## **SOCIAL COMMITMENTS**

We are committed to providing and living a fair and motivating working environment based on respect for human rights, anti-discrimination, diversity and inclusion, as inter alia set out in our Code of Conduct.

- **Human Rights** – Our purpose “Caring for people’s health as a trusted partner” underlines, that we respect and promote human rights in accordance with the UN Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights and the ILO Fundamental Principles and Rights at Work - among employees, suppliers and all stakeholders, wherever STADA operates. At the same time, we are increasing awareness of the importance to respecting human rights in the communities in which we operate. In particular and where appropriate, we monitor, assess and engage in taking action to ensure the protection of human rights.
- **Anti-discrimination** - At STADA and its affiliates we prohibit discrimination or harassment based on the following grounds, and any combination of these grounds: age, religion, sex, sexual orientation, gender identity and expression, family status, marital status, disability, race, color and ethnicity, ancestry, place of origin and citizenship; association or relationship with a person identified by one of the above grounds; perception that one of the above grounds applies.
- **Diversity, Inclusion and Gender equality** – STADA respects and advances the diversity and inclusion of our workforce not only by offering equal opportunities. We provide workplaces that are free from discrimination or harassment on the basis of race, sex, color, national or social origin, ethnicity, religion, age, disability, sexual orientation, gender identification or expression, political opinion or any other similar status. The basis for recruitment, hiring, placement, development, promotion, training, compensation, and advancement at STADA is based on the relevant qualifications, performance, skills, and experience. We do not tolerate disrespectful or inappropriate behaviour, unfair treatment, harassment or retaliation of any kind. This applies in our business operations as well for work related circumstances outside the workplace. Gender equality is important for STADA and we have targets in place that aim for gender balance in management positions at all management levels.
- **Gender Equality Pay** - STADA is committed to providing gender equality pay to its employees ensuring that our employees receive equal pay for work of equal or comparable value, in particular if: a) employees perform the same work, or b) employees perform different work of equal or comparable value. However, different but reasonable levels of compensation may exist for work that is of a different value. For STADA, gender equality pay is not just about equal wages, but considers discretionary pay, allowances, performance-related payments / incentives, merit and bonus payments as well as major benefits such as pensions or mobility. We ensure that our compensation elements and conditions of work are assessed in a non-discriminatory way (by valuing skills, major tasks and responsibilities and working conditions in each job/job type) and compensating our employees accordingly. We also ensure that the workplace's related organizational structures and processes do not impede employees' access to work-based training, promotions or flexible working arrangements according to gender.
- **Career Management** – STADA values its employees and is committed to providing a supportive and inclusive work environment, investing in career development and training opportunities, and ensuring that employees can reach their full potential. Commitments include promoting a culture of continuous learning and growth for all team members, with efficient procedures on training and evaluation of performance.



- **Workplace Environment** – STADA places the well-being of its employees at the forefront of its operations. The business is committed to providing adequate work-life balance and fair working conditions, creating a workplace that fosters physical and psychological well-being. This commitment establishes an environment that fosters both the physical and mental health of its employees, further enhanced by the provision of social benefits.
- **Freedom of Association and Collective Bargaining** - STADA respects its employees' right to join, a labour union or to implement a works council without fear of reprisal, intimidation or harassment. Where employees are represented by a legally recognized union, we are committed to establishing a constructive dialogue with their freely chosen representatives and committed to negotiate collective bargaining in good faith with such representatives.
- **Customer Safety** - STADA is committed to minimizing health and safety impacts of its products on customers. The company tracks Adverse Drug Reaction (ADR) cases in line with pharmacovigilance requirements and invests in R&D to reduce the number of cases.
- **Safe, Healthy and Secure Workplace** - The safety, health and security of our employees and contractors is of paramount importance. STADA provides a safe and healthy workplace and complies with applicable safety and health laws and regulations, as well as internal requirements. In consultation with our employees, we are addressing and remediating identified risks of accidents, injury and health impacts. We are committed to maintain a workplace that is free from violence, harassment, intimidation and other unsafe or disruptive conditions and we also expect the same from our suppliers and partners. Also, STADA is dedicated to respecting human rights across all relationships with external stakeholders. The company is committed to working with organizations and industry peers to promote and protect human rights at all levels of the supply chain.
- **Forced Labor, Human Trafficking and Child Labor** - STADA prohibits the use of all forms of forced labor, including prison labor, indentured labor, bonded labor, military labor, compulsory labor, child labor, modern forms of slavery and any form of human trafficking. STADA is committed to upholding human rights standards across its supply chain, including active engagement in eliminating child labor and supporting organizations that work to protect the rights and well-being of children worldwide by setting a minimum age below the age at which compulsory education ends across its supply chain.



## **GOVERNANCE, COMPLIANCE AND ETHICAL COMMITMENTS**

We are committed to offering a high level of responsibility within our workforce, the society and the environment by following all relevant and applicable ethical principles and STADA's rules, as well as being transparent, honest and supportive for each voice to be heard.

- **Transparency, accountability and corporate governance** - The STADA Executive Board manages STADA with the aim to generate sustainable added value in consideration of the concerns of the shareholders, its employees and other groups connected to STADA. The members of the Executive Board are jointly responsible for the corporate governance. The Executive Board runs the businesses in accordance with the legal requirements, the Articles of Incorporation, the rules of procedure and the schedule of responsibilities. The Executive Board oversees appropriate reporting to stakeholders about the STADA's performance and financial position. Transactions between related parties, if required, are disclosed to stakeholders. If required and in accordance with applicable laws and regulations, remuneration and other benefits of management and employees are disclosed to stakeholders.
- **Anti-corruption, Anti-bribery and Anti-money laundering** - STADA's employees, in all positions and at all levels, are prohibited from engaging in corrupt practices, by e.g. promising, offering, making or authorizing anything of value in order to gain any improper advantage or by seeking any influence by improper means directly or through a third party. This holds true for any kind of business partners, including Healthcare Professionals (HCPs) and irrespective of the classification of the business partner as Public Official. All employees are required to familiarize themselves with global policies and will be regularly trained. During the term of employment, any conviction of STADA's employees in the context of corruption, bribery and money-laundering will be subject to disciplinary measures.
- **Whistleblowing** - STADA encourages its employees, business partners and third parties to report in good faith suspected violations of laws and regulations within the STADA Group via established reporting channels (e.g. STADA's Compliance Department, STADA's Speak-up Portal). Every employee is encouraged to speak up and raise any concerns without the fear of retaliation. In particular, a person raising concerns in good faith will not be retaliated by dismissal, demotion, loss of benefits, threats, harassment, discrimination, or bias. STADA will make every reasonable effort to ensure confidentiality and protect the identity of the reporting party.
- **Ethical Marketing, Access to medicines and Equitable pricing** - In line with its corporate value of Integrity, STADA is committed to comply with applicable laws, regulations and good business practices which also applies when it comes to ethical marketing. STADA's marketing activities conform with the relevant standards set by external regulations, including applicable laws and regulations dealing with marketing practices, the applicable global, regional and local industry codes relevant for pharma business (e.g., Code of Conduct from Medicine of Europe and ABPI Code of Practice), as well as compliance with applicable privacy and data protection regulation of customer data.

STADA's ethical marketing relies on promotion focusing on (a) clarity - no misleading statements; (b) accuracy - all relevant advertising to undergo internal review for accuracy and compliance; (c) transparency - evaluation of risks and proper information about any risk associated to STADA products in accordance with specific industry practices and relevant legal requirements; (d) consistency - if underlying circumstances remain consistent, irrespective of form and forum (e.g. press information, social media, customer letter)) and (e) good ethical behavior and transparent business practices.

Access to medicines is intrinsically linked with the principles of equality and non-discrimination, transparency, participation, and accountability. That is why STADA strives to provide uninterrupted supply of medicines to all its markets and patients in need, while respecting drugs' quality as a category without compromise. STADA is also committed to the concept of equitable pricing where applicable - pricing of generic products in different markets according to the consumers' ability to pay as measured by their income levels, which is usually defined by local laws and regulatory authorities in those markets.



- **Responsible Procurement** - Responsible procurement is to ensure compliance with regulations, secure its sourcing, respect human rights, mitigate environmental impacts, and create shared value for the society. While providing fair opportunities to all its supplier, STADA is applying processes to evaluate its suppliers ESG performance through external ESG assessment platforms. The procurement process must be based on integrity, transparency, and respect of legal requirements and internal procedures.
- **Clinical trials** - STADA's objective is to support high quality trials that are well designed and well executed, ensuring that: the rights, safety, integrity and confidentiality of trial subjects are protected, and data and reported results are valid. Clinical trials supported by STADA and involving human participants shall (a) have outcomes that shall lead to health benefits with applicability to the target populations/regions; (b) be research that could have a 'global public benefit'; (c) not compromise the public health response to an outbreak or the provision of appropriate clinical care and (d); have the sponsor of the trial outline the potential benefits for the community or individuals as part of the study implementation. Together with adequate ethical standards, STADA complies to all applicable national/international laws and regulations relevant for clinical trials (i.e. The Declaration of Helsinki by The World Medical Association, the International Ethical Guidelines for Health-related Research Involving Humans published by the Council for International Organizations of Medical Sciences (CIOMS), the Nuremberg Code, etc.).
- **Animal testing** – STADA respects the intrinsic value of animals and does not carry out animal testing unless required by law and no reliable authorised alternatives are available. If animal testing is the only solution, we cooperate with certified contract research organizations or laboratories that strictly adhere to national and international laws, standards and principles of guaranteeing animal welfare. In parallel, we actively support the application of alternatives to animal testing following the 3R principles (Reduction, Refinement, Replacement).

STADA also applies the following set of actions in order to achieve sustainable environment, society and business operations:

- **Risk Assessment and Management** - Identify, evaluate, and address ESG risks and emerging trends. Use regular, periodic, and objective assessments to ensure compliance with applicable legal and STADA requirements and incorporate material risks into the group-wide risk management system.
- **Engaging Employees and Stakeholders** - Provide clearly defined roles and responsibilities, training, communication systems and participation opportunities to promote effective ESG engagement from employees at all levels. Collaborate (as appropriate) with public and private entities (including governments, non-governmental organizations, other businesses, and local communities) to advance ESG initiatives.
- **Objectives, Targets and Performance Tracking with ESG Reporting** - Establish and track STADA's ESG performance objectives and quantitative targets. Regularly report on our ESG priorities and progress through annual reporting, including metrics assurance conducted by recognized, credible third-party certification organizations. Create ESG awareness through internal/external communication channels. Set realistic and traceable ESG targets to provide a medium-long term vision to all contributing entities.



The STADA Executive Board extended by the SEC members (STADA Executive Committee) and/or delegated internal workstreams, are responsible for all sustainability aspects, targets, risk decisions and relevant strategic/decision-making processes, including delegating of data collecting and disclosing. The CTO of STADA is responsible for managing ESG aspects and implementation of ESG strategy, together with selected SEC members, who form the STADA ESG Steering Committee that operationalizes the ESG strategy and performance. STADA's ESG outlook, including ESG target and KPIs, is regularly analysed and updated.

Other topics not covered in this document or expanded within the associated global policies and operational procedures, are defined within STADA's Code of Conduct, in line with STADA's purpose and corporate values.

SIGNATORIES/ APPROVALS:		
 <b>Miguel Pagan Fernandez</b> Chief Technical Officer (CTO)	 <b>Dr. Christoph Dengler</b> Executive Vice President Global Legal / General Counsel & Head of Corporate Policy Committee	 <b>Simone Berger</b> Chief People Officer (CPO)

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## GOVERNANCE AND REVIEW

The Global Health, Safety, and Environment department ("Global HSE") is responsible for the drafting, formalization, publishing, and revision of this Policy.

This Policy and the entire system implemented to assess its effectiveness are reviewed by Global HSE every two years in order to identify any need for further updates or enhancements.