

Sustainability Report 2021

“To survive in a constantly changing market, you have to think ahead and satisfy the requirements of all stakeholders with this in mind. Siegfried is in a very good position for this.”

—
Andreas Casutt, Chairman
of the Board of Directors Siegfried

“The sustainable development of our company is the core of our corporate strategy, not an add-on.”

—
Wolfgang Wienand,
Chief Executive Officer Siegfried

Sustainability Report

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This is an excerpt of Siegfried's Annual Report 2021.
All chapters of Siegfried's Annual Report 2021 can be
downloaded at **report.siegfried.ch**.

In terms of sustainability, the Siegfried Group focuses on compliance and quality, corporate social responsibility, safety, health and environmental protection, and on its role as a responsible employer.

Dear Stakeholders
and Friends of the Company,

In 2021, we were again very active in the area of sustainability and also developed further organizationally in addition to other topics. We called into life the Corporate Sustainability Board, an interdisciplinary body that coordinates and pools our sustainability activities. Owing to the significance of the topic of sustainability for Siegfried – sustainability has been one of our company's five core values since 2019 – I am myself a sponsor of this body, which will report to the Board of Directors on its activities and progress made.

Siegfried will soon look back on a 150-year history, which we are committed to and which we aim to continue and develop. Sustainability and sustainable management are not a burdensome duty for us. Rather, "Sustainability" and "Integrity" represent two of our five corporate values and represent the basis for our daily work and our entrepreneurial activity. We are thus expressly committed to sustainable corporate management:

We are pleased to confirm that Siegfried continues to support the aims of the UN Global Compact as set out by the United Nations in the year 2000 and advocates environmental protection, the protection of human rights, compliance with labor standards, and the fight against bribery and corruption. To this effect, we have launched initiatives and projects company-wide to advance the aims of the UN within our sphere of influence. In this document we describe our annual progress and commit ourselves to continue these efforts in the future.

As reported earlier, Siegfried has in the past years launched numerous efforts and initiatives, resulting in progress and success in the area of sustainability, and which we continued in 2021. And I am very pleased to report that our efforts are being recognized by external parties and independent institutions. In addition to certifications such as the ISS ESG Rating and the MSCI ESG Rating, Siegfried 2021 has also been included in the Dow Jones Sustainability Index Europe. We look upon this as confirmation of our activity and a request to forge ahead. At Siegfried we are well aware of our responsibility and the different expectations of our stakeholders, also and especially in the regulatory area, and we act accordingly.

On this basis, we approach the next steps with confidence: In 2022, in a structured process, we shall review the issues identified as essential for Siegfried in 2016 and integrate internal and external stakeholders. In the area of SHE (Safety, Health & Environment), we adjusted the organization and shall introduce a global function "Global Head SHE" in 2022. This will give due consideration to the significance of the area and the topic at hand for our global organization. Furthermore, we continue to work toward our ambitious goal of reducing Siegfried's CO₂-footprint by 50 percent by 2030 (compared to 2020, on a revenue adjusted basis).

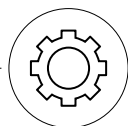
We are proud of what we have achieved so far while aware that that there is still a lot to be done.

With kind regards

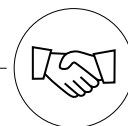
A handwritten signature in black ink, reading "W. Wienand." with a stylized, cursive script.

Wolfgang Wienand
Chief Executive Officer

Our Highlights 2021



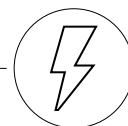
Established a Sustainability Board and set up a regular reporting line



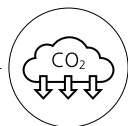
Joined the United Nations Global Impact



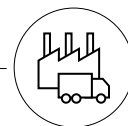
Inclusion in the Dow Jones Sustainability Index



ISO certification Hameln for energy management, ISO 50 001



Clear commitment to reduce the CO₂ footprint and implementation of long-term activities in agreement with the net-zero goal for greenhouse gas emissions by 2050 to limit global warming to 1.5° C



Introduction of the Siegfried supplier code of conduct

Our most important distinctions

ISS ESG



Dow Jones Sustainability Index S&P Global



MSCI ESG Rating



A Further Successful ESG Rating

In 2021, as in the previous year, Siegfried was awarded Prime Status by Institutional Shareholder Services Inc. (ISS), a leading global proxy consulting company. The status is conferred only upon companies that meet demanding criteria and ensure high sustainability performance. Siegfried shares this rating with the best 10 percent of all companies in the life-science industry certified by ISS. The securities issued by Siegfried Holding AG, therefore, fulfil the criteria for responsible investing.

Inclusion in Dow Jones Sustainability Index Europe

In 2021, Siegfried was included in the Dow Jones Sustainability Index Europe (DJSI). DJSI is a widely recognized standard used to measure performance of companies in the areas of the Environment, Social and Governance (ESG) in various industries and has for 20 years awarded companies successfully managed in accordance with sustainable principles.

MSCI ESG Evaluation

With an "A" evaluation in MSCI's ESG rating, Siegfried in 2021 joined the top 45 percent of evaluated companies. MSCI's ESG rating was developed to measure a company's resilience concerning long-term, industry-specific environmental, social and governance-related risks (ESG) measured and compared to competitors. In this regard, Siegfried holds its ground very well.

1. Sustainability at Siegfried

Current status of sustainability activities

Siegfried has been complying with the principles of sustainable management for many years and assumes the responsibility for its economic activities and their effects on the ecological, social and economic environment. Because of the significant responsibilities that Siegfried and other companies in the pharmaceutical and life science industry have, sustainability has been a key issue for a long time. At the same time, the market participants are also under increased scrutiny by politicians, society, the authorities, and customers. Siegfried is already highly regulated due to relevance and complexity and complies with a multitude of different regulations and legal requirements to protect the patients who have confidence in the products we manufacture and the employees who are part of an energy-intensive and chemical production process.

Siegfried takes the needs of all stakeholders seriously, especially where transparency and integrity are concerned. To maintain the high quality claim, the Board of Directors and the Executive Committee are also actively involved in generating the report and are always open to improvements.

Siegfried's sustainability report complies with GRI Standards

The 2021 Sustainability Report provides insight into our engagement and performance with regard to our most important sustainability issues. This report is based on the work completed for earlier sustainability reports, including the materiality analysis. The latter defines the priorities, topics, initiatives, and focal points that best support the sustainable development of Siegfried.

Long-term binding obligations for climate targets

Siegfried accepts its responsibilities as a manufacturing company and commits to binding sustainability targets. By 2030, the company will reduce its CO₂ footprint by 50 percent. The basis for this is the revenue-normalized value of 2020. In addition, Siegfried will introduce long-term activities conforming to the so-called net-zero target 2050 to limit global warming to 1.5°C via the reduction of greenhouse gas emissions.

Inclusion in the Dow Jones Sustainability Index

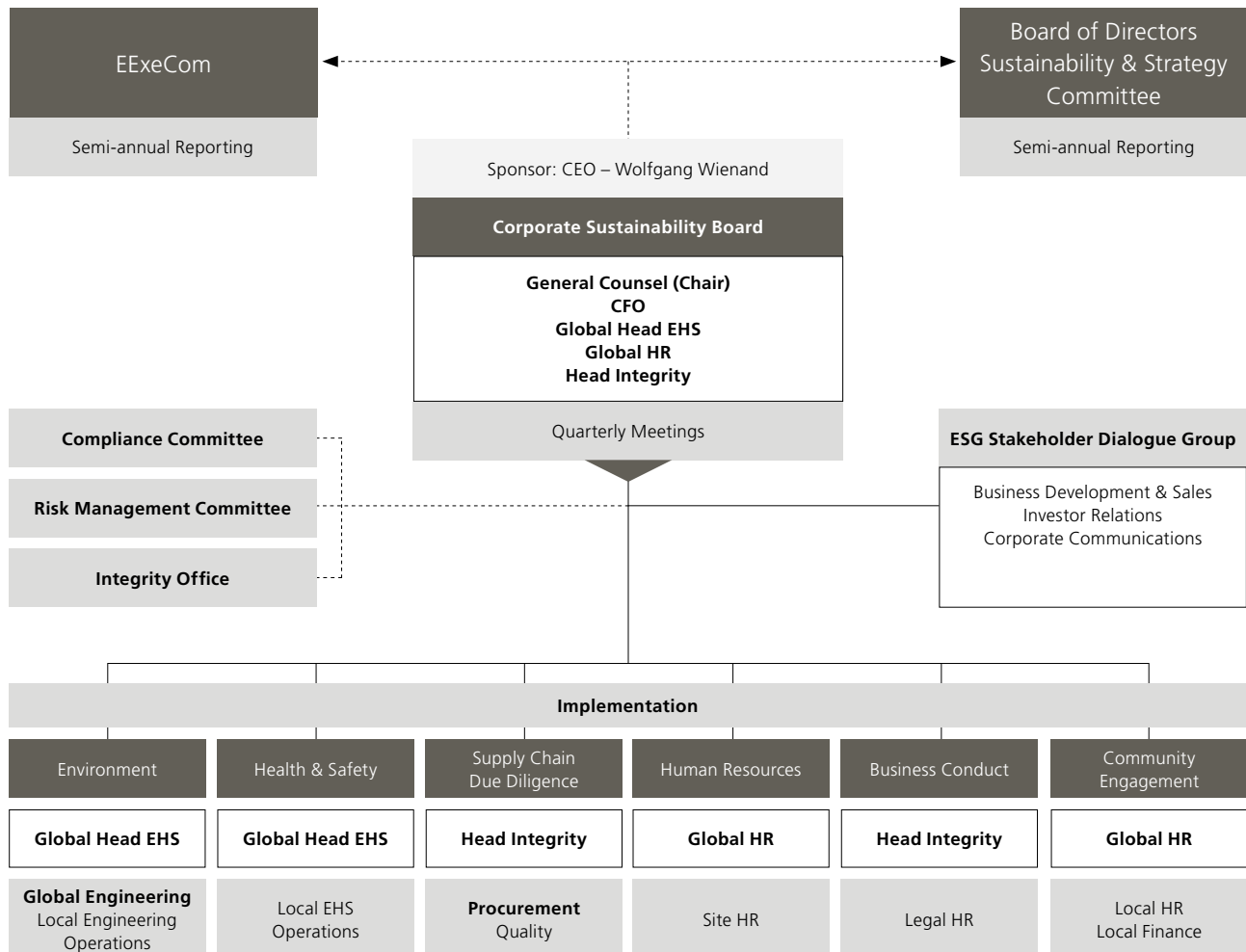
Another milestone and a confirmation of goals already achieved was the inclusion of Siegfried in the Dow Jones Sustainability Index Europe (DJSI) in 2021. The DJSI is a widely recognized standard to measure the progress of companies engaged in the fields of Environment, Social, and Governance (ESG) in various industries. For 20 years it has been honoring companies doing particularly sustainable business.

1.1 Organization of Sustainability Management

Siegfried strives to further standardize and professionalize its sustainability management in terms of substance and personnel (see Outlook on page 13). In the past, the implementation and fulfillment of activities and projects have been the sole responsibility of the individual divisions which, in turn, reported to the ExeCom. In 2021, the Corporate Sustainability Board was introduced to add support owing to the increasing importance of this topic for Siegfried. The Corporate Sustainability Board meets at least four times annually and twice a year it reports to the Executive Committee and the Board of Directors. The Chairman of the Corporate Sustainability Board also communicates at regular intervals with the CEO, who is the sponsor of the Sustainability Board, to discuss strategic sustainability issues.

The implementation of compliance and quality standards as well as the Safety, Health and Environment (SHE) division are the responsibility of the Chief Compliance Committee (ComCom) and/or the Chief Compliance Officer (CCO). The ComCom holds monthly meetings chaired by the CCO.

Organizational structure with regard to sustainability at Siegfried





Continued Development of Siegfried's Sustainability Organization

Luca Dalla Torre is Group General Counsel at Siegfried and manages the Sustainability Board established in 2021. Read the entire interview in the 2021 Annual Report, pages 12–13.

What is the significance of sustainability at Siegfried?

Luca Dalla Torre: Sustainability is one of Siegfried's five corporate values and an important aspect of its corporate management. Siegfried was founded nearly 150 years ago, and we spare no effort to ensure success for the company in the coming years and continue to play an important role in the production of drug substances and drug products. What

we do is important – for our customers, for many patients worldwide and finally also for society as a whole. For this to succeed it is imperative that our company produces sustainably and acts wisely. Today, this is more important than ever.

Has the new organization had any success yet?

Luca Dalla Torre: In the year under review, based on a comprehensive deficit analysis, we addressed various topics that have shown initial success. They included, for instance, embedding the sustainability analysis in investment projects, introducing a new integrity codex for suppliers, and

joining the United Nations Global Compact Program.

Encouragingly, Siegfried was accepted for the first time in the Dow Jones Sustainability Index Europe. This recognition means a lot to us, and it shows that we are on the right track.

1.2 Leadership and Values

Siegfried has rolled out globally standardized guidelines on the topic of "Leadership and Values". The corporate values of excellence, passion, integrity, quality, and sustainability form the core of the leadership model contained therein.

These five core values are the joint basis of our actions and connect all stakeholders with each other. They shape Siegfried's corporate culture across national borders at all eleven sites worldwide. They shed light where needed and form a bond between us. They provide the basis for understanding the cultural differences at Siegfried. As such, they contribute significantly to the success of the globally acting Group. The five corporate values are a tool to translate our strategy and our brand into a specific conduct and they serve as an internal compass.

The leadership principles were developed and determined jointly with the executives at all sites. Workshops were conducted at every site to explain the leadership principles to the employees by using different interactive modules. The goal was the individual implementation and application within the teams so as to work even better together. The leadership model will be conveyed annually at every site by means of a training program, practical contents and selected learning sequences to ensure a successful application in the day-to-day work. This program will continue to be expanded in the future. It is especially beneficial for new locations to establish another high-quality site.

Intensive interaction within the Group

During the reporting year, CEO Wolfgang Wienand and the other members of the ExeCom interacted closely with all sites. Some meetings took place by videoconference. In connection with this, the corporate values were also addressed and discussed in detail. With regard to the two new plants in Spain, all Siegfried sites around the world will introduce themselves in no particular order. A video call

will be held every two to three months, which will be open to all employees in Spain. This also primarily involves the company's values and the understanding of Siegfried's leadership philosophy.

Memberships in associations and organizations enable Siegfried to network and advance

The structural basis of the company's sustainable actions is complemented by various memberships in associations and organizations related to sustainability, particularly in connection with the membership in the economic association scienceindustries and its "Responsible Care" program. Responsible Care is the standard global initiative of the chemical and pharmaceutical industry concerning the safe handling of its products across their entire lifecycle. This voluntary initiative of the industry emphasizes its contribution to the improvement of the quality of life and to sustainable development. Additionally, Siegfried is committed to the goals of the UN Global Compact (see Highlights 2021).

Our Values: we strive for top performance

"Our values and leadership principles are the basis for being the best team in our industry."



Excellence

"We excel in everything we do"



Passion

"We deeply care about what we do and how we do it"



Integrity

"We act responsibly, reliably, respectfully and live up to our own standards"



Quality

"We do it right first time"



Sustainability

"We do not only think about tomorrow, but far beyond"

Annual assessment of the sites via the EcoVadis rating

A few years ago Siegfried decided to conduct a Corporate Social Responsibility (CSR) assessment every year at all sites and use a recognized label to acknowledge our commitment and the work we do as a company in the field of sustainability. EcoVadis was selected as our partner. The rating focuses on 21 sustainability criteria, which are grouped into four categories: environment, labor and human rights, ethics, and sustainable procurement. The methodology that EcoVadis applied to the CSR rating is based on international standards, such as the conventions of the International Labor Organization (ILO), the ten principles of the UN Global Compact, the GRI Standards, and the ISO 26000 standard. The rating is updated on an ongoing basis. Therefore, every Siegfried subsidiary submits to an annual rating review. The most recent results are shown in the overview, although the 2021 rating has not yet been completed for every site. The Zofingen, St. Vulbas and Barberà del Vallès sites achieved a GOLD rating, while the other sites were rated "SILVER".

Site	Ecovadis-Rating
Minden	Silber (2022)
St. Vulbas	Gold (2020)*
Zofingen	Gold (2020)*
Evionnaz	Silber (2020)*
Hameln	Silber (2020)*
Irvine	Silber (2020)*
Malta	Silber (2020)*
Pennsville	Silber (2020)*
Nantong	Silber (2021)
Barberà del Vallès	Gold (2021)
El Masnou	Silber (2021)

* The annual evaluation process for 2021 is in progress



Procedure Involved for Certification by EcoVadis Taking St. Vulbas as an Example

"Since 2016, the SHE department in St. Vulbas has received an annual questionnaire which serves to measure the site's CSR performance. Questions concerning environment, social, governance, ethics, and responsible purchasing are answered in cooperation with the human resources, purchasing, and supply-chain departments in compliance with the company's CSR guidelines and confirmed by supporting evidence. EcoVadis experts check the answers supplied and, depending on the number of points achieved between 1 and 100, award a bronze, silver or gold medal. Upon request, the result may be shared with our customers. For our customers, maintaining the standards by the company and, by extension, the certification, is an important criterion. Our site has been awarded a gold medal since 2016, corresponding to between 62 and 69 of a possible 100 points."

— Fabrice Ogé, Responsable EHS, HSE, St. Vulbas



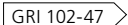
1.3 Materiality Analysis

The 2016 materiality analysis is the basis for the current relevant topics

This report is based on the relevant topics defined in 2016, but a reevaluation process is scheduled for 2022 (see Outlook).

In 2016, Siegfried identified nine topics as being relevant according to a multi-level process, in consideration of the effects of Siegfried's activities on environment, society and economy, the UN Sustainable Development Goals and industry-specific sustainability issues. This materiality analysis was based on an environmental analysis which identified all the topics that are potentially relevant for Siegfried. In a next step, a materiality workshop was held to prioritize the topics with the applicable divisions according to two perspectives: relevance for Siegfried and relevance for the stakeholders.

The defined relevant topics form the basis for Siegfried's sustainability report and the company's commitment. For this purpose, sustainability refers to a holistic approach, applied along the entire value chain (also see Siegfried "Topic Boundaries" in the GRI Content Index, page 72).

The following topics were defined as relevant in the 2016 materiality analysis (listed according to relevance): 

- Product Safety
- Waste and Contamination
- Fair Working Conditions
- Sustainability in the Supply Chain
- Occupational Health and Safety
- Local Population
- Energy and Climate Change
- Political Representation of Interest
- Corruption and Anti-competitive Conduct

Outlook:

Reevaluation of the sustainability strategy in 2022

The ever growing interest of the public, investors and international institutions in the topic of sustainability shows that Siegfried's approach to establish sustainability as an integral part of its corporate strategy from the outset is paying off. The questions that are justifiably asked today by far exceed the earlier focus on reducing emissions and energy consumption. Siegfried is prepared to accept this new development. In 2022, the company will conduct an extensive reevaluation process to adapt the previous sustainability strategy and align it with the corporate strategy.

In consideration of regulatory developments, trends and conformity with the GRI Standards, Siegfried will carry out an extensive process in 2022 to review and, if necessary, update the relevant topics. We are planning a materiality analysis according to the principle of double materiality. For one, this includes the identification and examination of Siegfried's effects on the economy, the environment and people, including human rights, and for another, the identification of the chances and risks related to sustainability. Possible changes in the relevant topics, adjustments in processes and initiatives will be shown in detail in the 2023 sustainability report.

Staff reinforcement at all levels of the sustainability division

The establishment in 2021 of a cross-functional Corporate Sustainability Board, which meets four times per year, is a further step toward constitutionalizing the sustainability process at Siegfried (see presentation on page 8). In addition, the Board of Directors will increase its capacities in the field of sustainability and propose to elect chemist Dr. Alexandra Brand as a member of the Board of Directors. She has held leadership positions at Syngenta since 2015, first as Chief Sustainability Officer of the Syngenta Group until 2020 and subsequently as Head of Crop Protection EAME of Syngenta. This step again emphasizes and reinforces the importance of the topic for Siegfried. The pertinent division will be expanded and strengthened by additional capacities. Siegfried will also make changes at the management level by establishing the new position of Global Head SHE in February 2022. The operational implementation of sustainability projects and initiatives will be promoted even more than in the past by using local project teams at the site level. Best Practices are shared regularly and made accessible to all employees, including via the internal newsletter Insight and in various staff meetings.






1.4 Sustainable Development Goals

As part of its sustainability management, it is Siegfried's aim to make a global contribution to sustainable development. Therefore, it also refers to the 17 global goals and 169 targets of SDG (Sustainable Development Goals). To prioritize the SDG to which we contribute in particular, we have already linked the SDG with our relevant topics in the 2019 fiscal year. In a second step, we have identified five SDG on which we have a particularly positive or negative impact, considering our business and sustainability activities. In this Sustainability Report we address our intent to reduce the negative effects and enhance the positive effects (see explanation on page 14).

An SDG, which is not part of our relevant topics, but a key component of our business model, is SDG 9 "Industry, Innovation and Infrastructure". An important strategic value driver for Siegfried is technology and process innovation to cover the entire range of services from active ingredient to the finished medicinal product with our chemical and pharmaceutical capabilities. This contributes particularly to SDG 9 as the purpose of target 9.5 is to encourage innovation and increase private and public spending for research and development.

Important developments in 2021

In 2021 Siegfried focused on the further expansion of our global production network, the integration of the El Masnou and Barberà del Vallès plants near Barcelona, Spain which recently joined Siegfried, the handling of the effects of the COVID-19 pandemic, and the reinforcement of interdisciplinary collaboration across the sites.

Goal	Our Contribution	Potential Effects	Status	Future Activities as of 2022
3 GOOD HEALTH AND WELL-BEING 	Ensure healthy lives and promote well-being for all at all ages.	<ul style="list-style-type: none"> + Our products can help people, support the recovery process or relieve negative symptoms. With our products, we reach approx. 40 million patients per year. - Negative effects may occur in production, such as occupational accidents or chemical incidents. In extreme cases, the population at our production sites may be at risk, in addition to our employees. 	<p>We consistently invest in our network to ensure uninterrupted supply by applying the dual sourcing strategy.</p> <p>We pay particular attention to matters of compliance und SHE to protect our employees and the population. To do so, we are internally using DuPont's STOPTM program to prevent any accidents.</p>	<p>We are strengthening our network with specific investments and with training programs designed to improve the tech transfer capabilities.</p> <p>We are setting clear goals with regard to plant safety. Safety is also a bonus-relevant criterion regarding the annual objectives of our executives.</p>
4 QUALITY EDUCATION 	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	<ul style="list-style-type: none"> + We offer an extensive training and education program to our employees and trainees. It is not only intended for trainees and junior staff. It also promotes lifelong learning in the pharmaceutical and chemical field. 	<p>With Siegfried Academy Siegfried has established an extensive training and education program, which also makes Siegfried a more attractive employer.</p> <p>Since 2020 we have implemented a range of activities in connection with the "Great Workplace" initiative to make Siegfried a more attractive employer. The campaign continued in the reporting year with various activities, including the Global Value Awards, which were awarded for the first time in 2021, Value Kudos were introduced and the #everystepmatters initiative was conducted to connect employees.</p>	<p>We are planning to continue expanding the Siegfried Academy program for the benefit of our employees.</p>
7 AFFORDABLE AND CLEAN ENERGY 	Ensure access to affordable, reliable, sustainable and modern energy for all.	<ul style="list-style-type: none"> + We are increasing the use of renewable energies as well as our energy efficiency to contribute to the use of clean energy. - In effect, we depend on the use of energy. However, the consumption of fossil energy sources causes greenhouse gas emissions. The challenge for Siegfried is to completely disengage operational growth from emissions. 	<p>Siegfried strives to consistently reduce the use of fossil energy sources by increasingly relying on renewable energies. The revenue-normalized emission values are pointing in the right direction.</p>	<p>Sustainability is an integral component of the Group Management agenda.</p> <p>We set goals or reduction targets in the areas of energy efficiency and a decrease in the carbon footprint for all our sites.</p>
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	<ul style="list-style-type: none"> + We continuously develop new products and improve our processes to offer the best possible products to our customers. Our R&D activities contribute to the innovative strength at our sites. - Age of the infrastructure 	<p>Siegfried invests in a high-performance global production network. Due to tech transfers the products are manufactured at the most appropriate site. The "Centers of Excellence" for our R&D activities are located in Zofingen and Evionnaz.</p> <p>Siegfried includes energy-reducing opportunities already in the planning phase for new production and development buildings to save even more energy in their operation (Green Engineering).</p>	<p>The further expansion of our R&D and production network and the close cooperation between the sites will be further intensified. In 2022 we will build a Center of Excellence in Barcelona for the pharmaceutical R&D.</p>
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	Ensure sustainable consumption and production patterns.	<ul style="list-style-type: none"> - Chemical and pharmaceutical additives are subject to negative upstream effects which are based on petrochemical products. - As a result of the complex, multi-step manufacturing processes for active pharmaceutical ingredients, Siegfried incurs a certain amount of waste. 	<p>We have launched various projects to sustainably reduce the amount of waste and to increase the share of regenerated solvents. Initial results are promising. Additionally, we also intend to further decrease our dependence on petrochemical products.</p>	<p>We are consistently working on further minimizing the amount of waste at all sites. Hazardous waste is one of our priorities.</p>

1.5 Stakeholder Dialog

Siegfried attaches great importance to regular contact and ongoing dialog with its stakeholder groups at both the local and the global level. We consider the close involvement of our stakeholders to be an important element of our corporate conduct and we thus pursue the goal of creating a better mutual understanding and a basis of trust to enhance our partnership regarding Siegfried's work and products. The aim is to closely link the stakeholders' interests with the company's business strategy and to recognize trends early so that they can be incorporated into the strategy process.

We use a stakeholder map for a specific and systematic stakeholder dialog (see "Siegfried in Dialog" below). The categories of people listed therein are not final. They were selected based on their relevance and possible influence on our company. Regular stakeholder mapping further allows us to recognize changes in expectations and interests in order to adjust the relevant topics, messages and communication platforms accordingly.

Our stakeholder activities include specific dialogs on the local, national and international levels, involvement in committees and professional panels, comprehensive information programs, and participation in international initiatives and collaborations. Global stakeholder engagement is therefore of great importance to us. The stakeholder dialog includes both communication and active interaction with individual target groups as well as issue-related multi-stakeholder events. We want to understand the different perspectives held by our stakeholders and to address them effectively.

GRI 102-40
GRI 102-42
GRI 102-43
GRI 102-44

Siegfried in Dialog

Stakeholder Group	Topics	Platforms
Media	News and results	Media conferences, media releases, direct contact with CorpCom
Capital market	Results, business models / product range, news	Financial analyst conference, direct contact with CEO and CFO, roadshows
Customers	Business model / product range, technological innovations, sustainability	Meetings, visits, symposiums, trade fairs
Local stakeholders	Jobs, safety and environmental protection	Direct contact with site managers, advertisements, social media and sponsorships
Employees	Working conditions and course of business, safety and environmental protection	Information / town hall meetings, "Insight" employee magazine, Intranet, Internet, internal memos, information cascade via line management
Trade unions	Working conditions	Information meetings with HR, direct contact with line management
Supervisory and regulatory authorities	Compliance, safety and environmental protection	Direct contact, audits, training events, information letters
Political decision-makers	Economic framework and specific concerns of the company	Company visits, seats on the board of professional associations (industry associations, chambers of commerce, etc.), involvement of site management
Suppliers	Order security	Visits, supplier audits, trade fairs
Science	Technological innovations and development of trainees	Direct contact with universities and advanced technical colleges, symposiums
Associations	Economic framework and specific concerns of the company	Seat on leadership committees of various associations as well as professional and knowledge sharing groups

2. Integrity

Classification of Legal Integrity in Siegfried's Canon of Values

As a supplier to the pharmaceutical industry, Siegfried also views itself as having a special responsibility with regard to the business conduct of employees, managers and suppliers. Upholding all applicable legal provisions and the rejection of any unfair and unethical business conduct are therefore the basis of everyday work. This self-concept and commitment to integrity is so central for Siegfried and is shared by all stakeholders to such a high degree that "integrity" has been selected as one of our five company values: We set high standards and are committed to acting ethically, lawfully and responsibly.



SDG article

This is in line with another SDG, which we have not selected as essential for us, but which nevertheless has a high relevance for Siegfried: SDG 16 means the promotion of peaceful and inclusive societies for sustainable development, to give all people access to legal assistance and to provide effective support at all levels. Building accountable and inclusive institutions.

Among the sub-objectives of SDG 16, two are particularly relevant for Siegfried: 16.5 "Significantly restrict corruption and bribery in all its forms", and 16.10 "Ensure public access to information and protect fundamental freedoms in accordance with national law and international agreements".

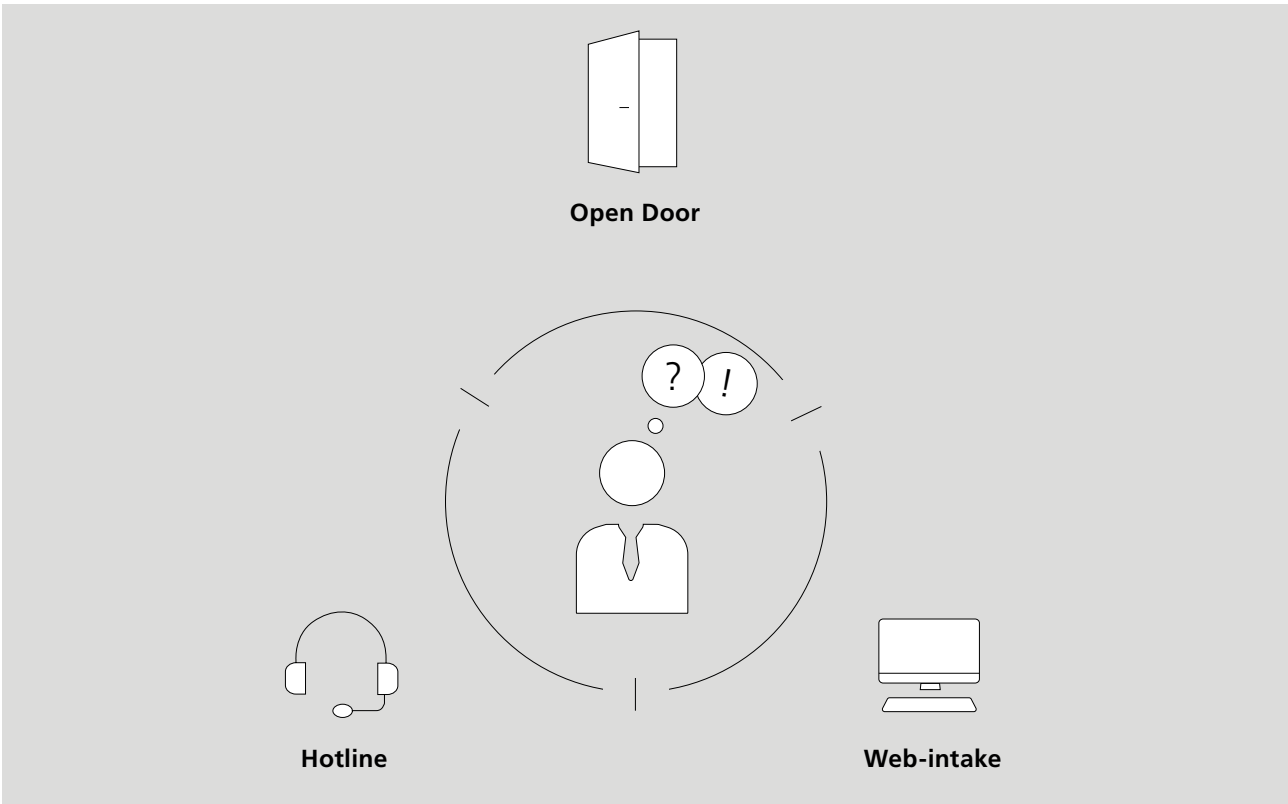
Code of Conduct as a Frame of Reference and in Accordance with SDG 16

Siegfried's code of conduct provides the framework for conduct in business operations. It is available in the five company languages: Mandarin, German, English, French and Spanish. All topic areas are addressed, which are important for the comprehension and strengthening of awareness with regard to legal compliance. One focus is on the areas of bribery and corruption, antitrust and competition law, insider trading prohibition, fraud and other property crimes, as well as data integrity, secrecy and data protection, conflicts of interest, trade controls and trade bans, in addition to discrimination and harassment. The code is freely accessible on the Siegfried website at <https://www.siegfried.ch/corporate-governance-de?acc=4920>.

As a pharmaceutical supplier and a group company that is active worldwide, Siegfried is committed to high legal and ethical standards in all business relationships. In the context of these standards, Siegfried undertakes to ensure that employees and intermediaries comply with all legal provisions when carrying out business activities.

On the basis of the code of conduct, a legal integrity program has been set up and continuously extended at all Siegfried Group sites in recent years. The aim was to make all employees at Siegfried aware of lawful and honest conduct in business transactions and to harmonize their understanding of this. In addition, the processes and measures implemented efficiently and effectively prevent and punish violations of laws. The Legal Integrity Office has the task of coordinating the application and communication of the Legal Integrity Program and investigating or punishing possible violations. Siegfried employees thus have a fixed point of contact for questions or potential violations. In order to make contact via the legal compliance helpline as easy as possible, notifications and clarification of status may be made in all company languages.

Integrity Helpline



The Integrity Helpline is a fixed contact point for Siegfried employees and third parties

Explicit Prohibition of Corruption and Anti-competitive Behavior

Siegfried manages a globally active company with eleven sites in six countries on three continents, and conducts a variety of business relationships, regionally, nationally and internationally. Siegfried employees and suppliers are familiar with the legal framework with regard to corruption and anti-competitive behavior and are obliged to comply with them.

- Legal principles on prohibiting corruption
Siegfried explicitly prohibits any form of corrupt business conduct, in particular the active and passive bribery of public and private officeholders and decision makers.

This specifically includes:

- The OECD Anti-Bribery Convention
- US Foreign Corruption Practices Act 1977
- UK Bribery Act 2010, and
- the relevant provisions of national law, in particular the Swiss Criminal Code on the bribery of public officials and the Federal Act against Unfair Competition for private individuals (in each case in its valid and current version)
- Protection of free and fair competition
Any conduct that violates national and/or supranational legislation protecting free and fair competition is prohibited for Siegfried's suppliers and employees. Their actions must obligatorily be within the limits of European competition law, US antitrust law, Chinese antitrust law and all other competition rules that apply according to the effects doctrine.

Cases of Violations against the Code of Conduct

Neither in the reporting year nor in any other year in the company's history was a Siegfried Group company involved in administrative or legal proceedings concerning anti-competitive conduct or a violation of antitrust law.

In the reporting year, ten cases of suspected misconduct were reported to the Legal Compliance Office across the group, which were analyzed as part of the internal investigations. One case resulted in the termination of an employment contract due to a violation of Siegfried's code of conduct.

Review of the Reporting Year and Outlook

First training courses adopted according to the planning basis of the Legal Compliance Office in 2020 and designed for several years were successfully implemented. For example, the members of the Site Leadership Teams of the two new sites of Barberà and El Masnou conducted training courses in the area of the code of conduct and legal compliance reporting channels. In this context, site-specific questions and inquiries from the participants' fields were also addressed. Another point is the regular evaluation of the risk profiles (including corruption risks) for all sites (see the chapter on risk management).



Questions to Manuel Cozzolino, responsible for legal integrity at Siegfried

What is the significance of legal integrity for Siegfried?

Legal integrity means promoting compliance with applicable laws and guidelines in the company and thus avoiding possible misconduct by all parties involved. An effective legal integrity program helps Siegfried employees behave ethically and in line with Siegfried's corporate values in their daily work, or to know who to turn to in the event of uncertainty. This enables us to proactively reduce risks for employees, suppliers and thus the company, and at the same time increase efficiency. This also directly explains the importance for companies: The more clearly the course of action and legal framework conditions are defined and communicated, the easier it is to make ethically correct decisions in the interest of the company, and the faster and more efficiently work can be done.

What challenges does Siegfried face in the area of legal integrity?

The purpose of legal integrity is to minimize risks to the business while increasing efficiency. In order for us to succeed in this, all those involved in business transactions must be aware of the applicable regulations, laws and guidelines for action. Our challenge is, on the one hand, to promote knowledge of the regulations to be complied with and, with regard to Siegfried, of our code of conduct, i.e. internal communication. We achieve this very well through training and regular information on all company channels. It is important to us to reach all employees so that we have a common understanding throughout the company.

On the other hand, legal integrity has developed and professionalized rapidly in recent years. As a company in the pharmaceutical industry,

integrity is the basis for responsible and sustainable action. However, the demands of stakeholders on companies with regard to compliance with legal integrity and the corresponding reporting have also risen sharply. With this report and through continuous training of our employees, we take this into account and thus make Siegfried fit for the future.

3. Quality Compliance

3.1 Quality Compliance and Product Safety

The upholding of quality compliance and all provisions on product safety along the entire value-added chain are crucially important in the development and manufacturing of active ingredients for the pharmaceutical industry, in order to avoid impurities that are harmful to health. Our greatest asset is the health of the patients who depend on Siegfried's products. With this objective in mind, Siegfried continuously works to actively improve processes and activities and to successfully manage the company on the basis of the defined quality policy. To achieve this, we invest in the training and further education of our employees. We ensure that the defined quality policy is pursued and implemented practically each day. We therefore guarantee that we store and ship our resources and materials properly, and we carry out a careful quality check of the materials and services purchased, thereby avoiding counterfeits and resulting quality defects. Siegfried conducts business responsibly and in accordance with the legal regulations of the countries in which we operate. The quality policy is therefore an important and necessary part of the company policy.



SDG article

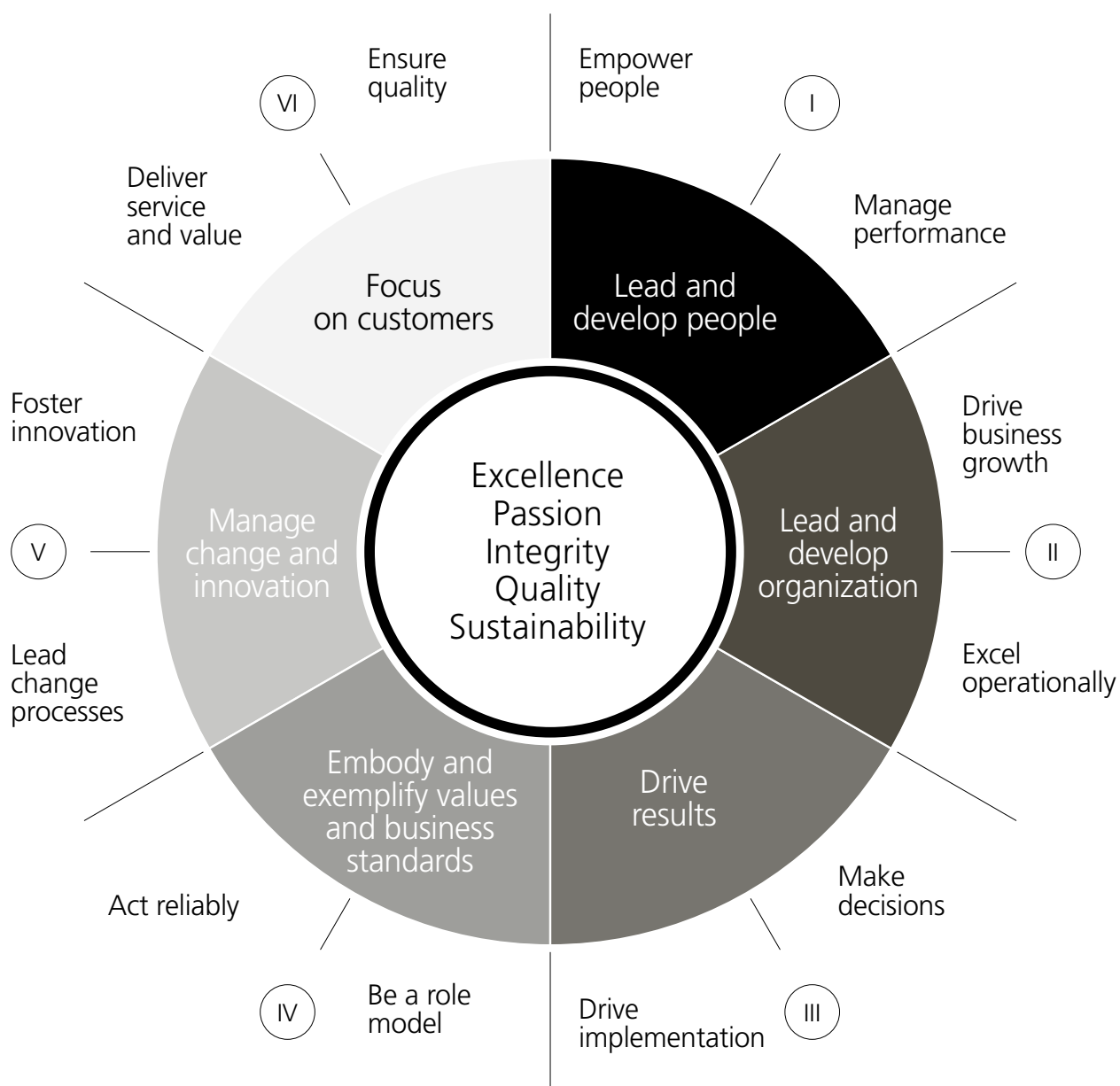
Our products and services are used in various pharmaceutical fields: in non-communicable diseases such as diabetes, respiratory and cardiovascular diseases, mental illnesses such as depression and bipolar disorder, and as vaccines to combat the COVID-19 pandemic. We expect our products to reach approximately 300 million patients worldwide. In this way, we contribute to Development Goal 3 "Ensure a healthy life for all people of all ages and promote their well-being" and sub-goal 3.4 "[...] Promote mental health and well-being".

Quality Compliance Management System

Siegfried has implemented an overall management system for quality compliance along the entire value-added chain. Among the elements of Siegfried's management system is that we produce in compliance with GMP quality standards, act in an economically and ecologically responsible way and evaluate new technologies according to their contribution to sustainability. National as well as international standards and guidelines are benchmarks for the further development of our systems, be it with regard to environmental awareness, occupational safety or other socially relevant topics. Siegfried's management system is based on the process thinking of ISO 9001 for quality management and fully covers the following internationally valid guidelines:

- Current good manufacturing practice (GMP):
https://ec.europa.eu/health/documents/eudralex/vol-4_en
- Guidelines of the "International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use" (ICH), for the authorities and pharmaceutical industry associations of America (FDA and PhRMA), Europe (EC and EFPIA), and Japan (MHLW/PMDA and JPMA) as initiators, as well as the authorities (regulatory members) of Switzerland, Canada, China, Brazil, Mexico, Saudi Arabia, South Korea, Taiwan, Turkey and Singapore, which define standards in the pharmaceutical industry
- Guidelines of the "World Health Organization" (WHO, www.who.int)

Siegfried's quality compliance model



Siegfried has a Compliance Committee (ComCom), which is responsible for all compliance, standardization and harmonization worldwide along our value-added chains for active substances and pharmaceutical finished products. This meets monthly under the direction of the chief compliance officers. The ComCom specifies quality and safety-relevant objectives, management systems, initiatives and measures and adopts the guidelines that apply to Siegfried. In its work, it complies with the international GMP standards, but also takes into account national provisions, provided they are relevant to the export of our products, for example, special provisions of the US Food and Drug Administration, the EU, the WHO, etc.

The application of an overall management system for quality compliance ensures that the quality requirements of our internal and external customers in all subsidiary companies are harmonized and standardized, and that the international guidelines are taken into account accordingly. Our long-standing compliance statement shows that this concept works and that our customers thereby benefit from a partnership with Siegfried.

We check the currency and relevance of our guidelines at regular intervals and verify their compliance by means of corporate audits. These provisions mainly deal with quality aspects, but also concern the areas of finance, safety, health and the environment, legal compliance issues, as well as communication and the conduct of employees (code of conduct in business transactions).

Quality Requirements and Quality Certificates

Prompted by growing quality awareness and the increasing quality requirements on the part of customers, but also by counterfeits and adulteration, the number of inspections and certificates required by the pharmaceutical industry in general is constantly rising. In addition to the longstanding certificates of analysis with statements on appearance, content, purity, physical properties and the GMP-compliant manufacturing of our products, data and certificates are now also required on genotoxic impurities, mixtures in heparin, freedom from genetically modified components, TSE/BSE-free, melamine-free, benzene-free, etc. With regard to product piracy, Siegfried works closely with the US FDA to combat counterfeiting and thus ensure safety for the end user.

The topic of nitrosamine impurities (classified as probably carcinogenic in humans) in active pharmaceutical ingredients and finished drugs, which first arose in 2018 in connection with the active ingredient valsartan, has been a concern for all manufacturers since then. For example, health authorities are required to check all active ingredients and finished drugs for the presence or absence of nitrosamines. This is done initially via risk assessments and, in the case of higher estimated risks, via analytical methods in the laboratory. To date, Siegfried products have not been contaminated with nitrosamines. The tests will continue, as not all the information required is available yet, and some analytical methods still have to be developed. Also, due to the COVID-19 pandemic, the time limits set by the authorities for investigations have been extended beyond the 2021 reporting year. Siegfried has been able to meet all official requirements and initial timings so far.

Initiative for the Quality Culture in Evionnaz

"In the summer of 2020, a new initiative was launched at the Evionnaz site with the aim of improving the detection and handling of incidents in production which have potential impact on quality. Thanks to this new organization, trends have already been identified and several action plans have been launched. This project pursues several objectives: First of all, to improve our responsiveness in the handling of incidents. The sooner we can intervene, the more likely it is that we can limit the effects of the incident and prevent a major nonconformity. Secondly, it is also about improving the quality of the information collected in the first moments after an incident, so that we can carry out an accurate and correct analysis afterwards, identify the causes and thus better prevent a recurrence. Finally, this project also allows us to strengthen the quality culture and to conduct a direct and regular dialogue between the production teams and QA in order to move from a reactive to a proactive mode in the prevention of quality risks."

— Florent Trouillet, Head Corporate Quality Systems, Global Quality Systems

Integration of all Sites

In 2021, two former production sites for Novartis pharmaceuticals in the Barcelona region of Spain joined the Siegfried Group: Barberà del Vallès and El Masnou. The integration activities are proceeding according to plan and are set to be fully completed by August 2022. From the quality compliance perspective, the central activities are:

- Obtaining all the official permits required for the two sites. This was achieved on schedule in 2021, with the receipt of manufacturing permits from the Spanish authority AEMPS and the issuing of GMP certificates by the local Catalan authority Generalitat de Catalunya.
- The integration of the sites into the quality management system of Siegfried through the checking, harmonization and, if required, further development and implementation of our global guidelines (quality integration project)
- Carrying out the necessary modifications and adjustments due to regulation
- Integration of the IT applications and/or data migration into the IT landscape of Siegfried. From a quality compliance perspective, these are, in particular:
 - Siegfrieds Trackwise® for the notification of modifications, deviations, inspections, observations, follow-up measures, etc. This was rolled out at both new sites in January 2021.
 - LabWare LIMS™, a modern laboratory information and laboratory management system
 - Introduction of SAP S/4 at Barberà del Vallès: Siegfried will convert its existing SAP R/3 system to SAP S/4 and thereby continue to update the quality assurance. At the same time, the new sites have to be integrated into the SAP landscape of Siegfried. The new SAP S/4 system will now be introduced in Barberà del Vallès, and the data from the Novartis SAP system migrated into it. The SAP S/4 system will be rolled out to all other Siegfried sites later. The interaction of SAP with many other applications (also with LabWare LIMS™) requires interfaces to be put in place across the many quality-relevant transactions (e.g. releases) and a great deal of information to be exchanged. With this new system landscape there is a prospect of improved and more efficient processes. At the same time, this new design also requires proper validation, which must be in line with all regulatory and official specifications.
 - SAP qualification management system for the allocation and documentation of training

Trackwise® has thus already been introduced at all sites. LabWare LIMS™ has been brought into the sites of Evionnaz, St. Vulbas, Zofingen, Nantong, Irvine, Minden and Malta. Due to the integration of both by January 1, 2021 at the Spanish sites acquired, LabWare LIMS™ will only be introduced at Pennsville and Hameln in 2022 or 2023.

Regular Inspections and Audits Attest to a High Quality Standard

As is the norm in the pharmaceutical industry, all Siegfried sites are continuously monitored and the upholding of all provisions checked. The focus of official inspections and customer audits is the quality of the products manufactured and supplied by Siegfried, to ensure the greatest possible protection of the health of consumers. Compliance with the regulations for manufacturing and quality checking and logistics processes are therefore verified at the inspections and audits.

There is a differentiation between inspections (by authorities), audits (by customers, or of suppliers by Siegfried) and internal audits. Customer audits and audits at suppliers and manufacturers are announced in advance. Official inspections and internal audits may also take place unannounced. Open and continuous communication with authorities, customers and suppliers is essential for well-functioning cooperation. The results of customer audits and official inspections make Siegfried's performance transparent.

Official inspections are usually carried out:

- in the USA by the "Food and Drug Administration" (US-FDA) and for narcotics by the Drug Enforcement Administration (DEA)
- in Switzerland by Swissmedic, which delegates the inspections to the "Regionale Heilmittelinspektorat Nordwestschweiz" (RHI) and Suisse Occidentale (ISOPTh), and by the US-FDA
- in Malta by the Medicines Authority Malta (MAM) and the US-FDA
- in Germany by the regional councils or the Trade Supervisory Board and the US-FDA
- in France by the national French authority (ANSM) and the US-FDA
- in China by the national authority CFDA (City, Province FDA), EDQM (Europe) and the US-FDA.
- in Spain by the national authority Agencia Española de Medicamentos y Productos Sanitarios (AEMPS), and the local authority Generalitat de Catalunya and the US-FDA.

The Effects of COVID-19 on Inspections and Audits

As in 2020, significantly fewer inspections by the authorities and customer audits were conducted in 2021 because of the COVID-19 pandemic. Physical inspections were only carried out by the above-mentioned authorities in Evionnaz (acceptance of the new micronization line), Irvine (on the basis of a GMP and post approval inspection) and Hameln (acceptance of the filling for the COVID-19 vaccination Comirnaty® from BioNtech). A virtual audit by the Spanish authority took place at El Masnou for the acceptance of the new dispensing area. All inspections were successful. The majority of customer audits were carried out virtually. Virtual audits always require more effort from the inspected/audited subsidiary than inspections with on-site auditors, because documents have to be provided digitally. As the possibility of walking through warehouse, production plant, laboratories, etc. is very limited, videos were created at some sites in order to offer auditors a better impression of situations, premises and equipment. At other sites, a headset was used with a camera linked to it via voice control, enabling a better inside view for those taking part in the audit.

Siegfried's radius of action for auditing suppliers of goods and services is also still considerably limited by the pandemic. Numerous planned audits had to be postponed or carried out virtually or replaced by so-called "paper audits" with questionnaires.



The Use of Headset Glasses at the Evionnaz Site for Virtual Visits and Audits

Every year, many customers visit Siegfried's sites and facilities, for example for official audits, but also to follow a specific project phase directly at the plants. In order to be able to serve customers in the best possible way despite the distance, the quality and IT teams have worked on a project that enables virtual visits in real time, thus making up for the on-site attendance that could not take place. In this context, a new tool, a voice-controlled headset, was purchased in the 2021 reporting year. These are smart glasses equipped with a software application. They meet EX safety requirements and enable real-time interaction between the wearer, who is in the factory, for example, and the people connected to the meeting, allowing them to follow what is happening in real time. In view of the very positive results of the first applications, the use of these headset glasses at the Evionnaz site will certainly be further developed and make it possible for remote audits to be carried out smoothly, as well as enabling interaction with our customers and technical support or training.

Customer Dialog and Complaints System

Siegfried operates a formal customer complaint system. We follow up on all external question or complaints. The type and number of complaints are recorded systematically. The individual cases are evaluated at quality assurance meetings run by the local quality manager. If necessary, changes will be initiated. In cases of a critical or strategic nature question, the Compliance Committee will be involved. Customers receive the results or, at least, an interim report on the investigations within the shortest time possible, but no later than 30 days.

Quality Agreements with Customers

Siegfried is proud of its high quality standard, especially since the requirements set out by customers are diverse and are constantly increasing. The company also addresses the adoption of specific standards requested by the customer within the scope of the options. Not infrequently, therefore, the prescribed quality agreements between Siegfried and its customers represent a challenge for the company. With a few hundred active customers, it is not possible for several parallel and at the same time customer-specific quality management systems to be implemented in day-to-day operations. This is why Siegfried's quality management system must be of such a high standard that it meets a wide range of customer requirements. In 2021, around 200 quality contracts were concluded with our partners for the Siegfried sites. Around 250 quality contracts are in the pipeline and need to be reviewed or negotiated. All Siegfried sites are therefore fully integrated into the Siegfried system, so that agreements are often concluded between our customers and several sites.

Outlook

The high cGMP (current good manufacturing practice) standard and Siegfried's quality image enjoy international recognition. Siegfried will continue the efforts associated with maintaining this high level, because we are very aware of the importance of our good reputation and the responsibility for the patients who trust in our products. Since guidelines and customers place constantly increasing demands on us, we observe and evaluate our performance attentively at all times and are always ready to take all necessary measures.

The COVID-19 pandemic continues to be seen as a hurdle, which will go on presenting us with considerable challenges in terms of coordination in 2022, especially when it comes to audit and inspection management.

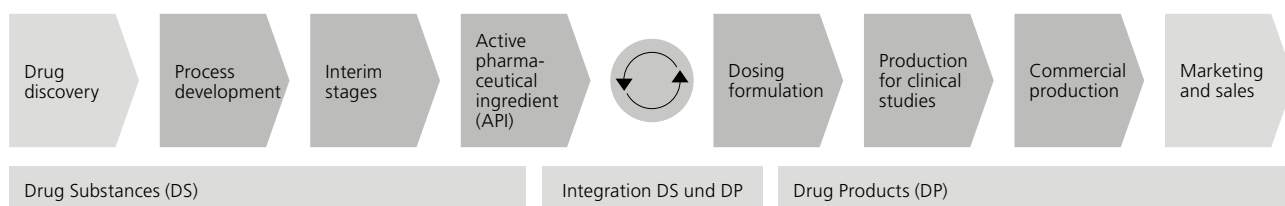
The two new Spanish sites have a very high quality standard. In integrating the two Spanish sites, we strive to align the high quality standards so that we can provide our customers with a consistently good range of products and services.

3.2 Sustainability in the Supply Chain

Siegfried has many years of experience in the fields of active ingredients and finished products and can look back on a proven, independent pharmaceutical and chemical tradition. As a result, the customer is able to count on a partner that combines both service areas integrated under one roof, and which offers real added value through synergies and comprehensive knowledge along the value chain. This means reduced complexity of the supply chain and simplified communication, an interface with the provider and reduced external and internal time requirements. In addition, Siegfried project management creates synergies between the service areas and supports optimal project progress and adherence to schedules, the best performance in formulation through combined and coordinated access to analytics and production, and creative life-cycle management from the development of optimized active ingredient processes to efficient cost-optimized formulations.

Our suppliers play a decisive role in the sustainability of Siegfried's business, which is why the cooperation with them must be characterized by common convictions. A shared understanding of quality, security of supply, ethical, social and ecological standards, as well as competitive prices and the consistent integration of our sustainability standards into all production and business processes, represents an enormous challenge in view of the global, complex supply chains and the large number of suppliers and subcontractors, but at the same time it is indispensable. Our partners should attain the same ecological and social standards as we do, be it upholding internationally recognized human and employment rights, the prohibition of any kind of discrimination or harassment, adherence to environmental standards, the consistent prevention of any form of bribery or the sustainable use of raw materials. Compliance with sustainability standards in the supply chain is an elementary value creation factor and at the same time an important lever for the implementation of our "Code of conduct in business transactions" and for risk minimization. This requires joint efforts and long-term, value-oriented action to ensure product quality as well as social and environmental compatibility. We are convinced that sustainability in the supply chain can only be achieved through clear rules in the selection and qualification of our suppliers and in close cooperation with established suppliers.

The CDMO value added chain



We see cooperation with our suppliers as an opportunity to integrate sustainability into the entire value creation process. Siegfried primarily purchases raw materials, pharmaceutical excipients, packaging materials and active ingredient components from its suppliers. Manufacturers from this supplier group are particularly relevant to our business. They come mainly from other European countries as well as India, China and Taiwan. In the areas of logistics and sales, responsible action is also a high priority. The safe transport of materials and products is crucial; product safety is guaranteed throughout the entire value chain and thus meets national and international standards and, in particular, the good distribution practice (GDP) guideline, which is widespread in the pharmaceutical industry.



SDG article

Since we purchase pharmaceutical excipients and active ingredient components from our suppliers, they are indispensable for us to contribute to Development Goal 3. In addition to the high quality standards which we place on our suppliers, we also expect them to comply with ecological and social standards and to contribute to Development Goal 12 "Ensure responsible consumption and production patterns" by using resources and raw materials efficiently and constantly developing further resource-saving production methods to manufacture their supplier products.

Binding Supplier Code at Siegfried

In addition, a binding supplier code of conduct has been published with the "Siegfried Supplier Integrity Commitment" (available at <https://www.siegfried.ch/sustainability>). On the basis of the code, Siegfried's suppliers are also committed to integrity and sustainability and thus seamlessly support Siegfried's efforts in the area of integrity and sustainability of our supply chains.

Qualification of Suppliers and Service Providers

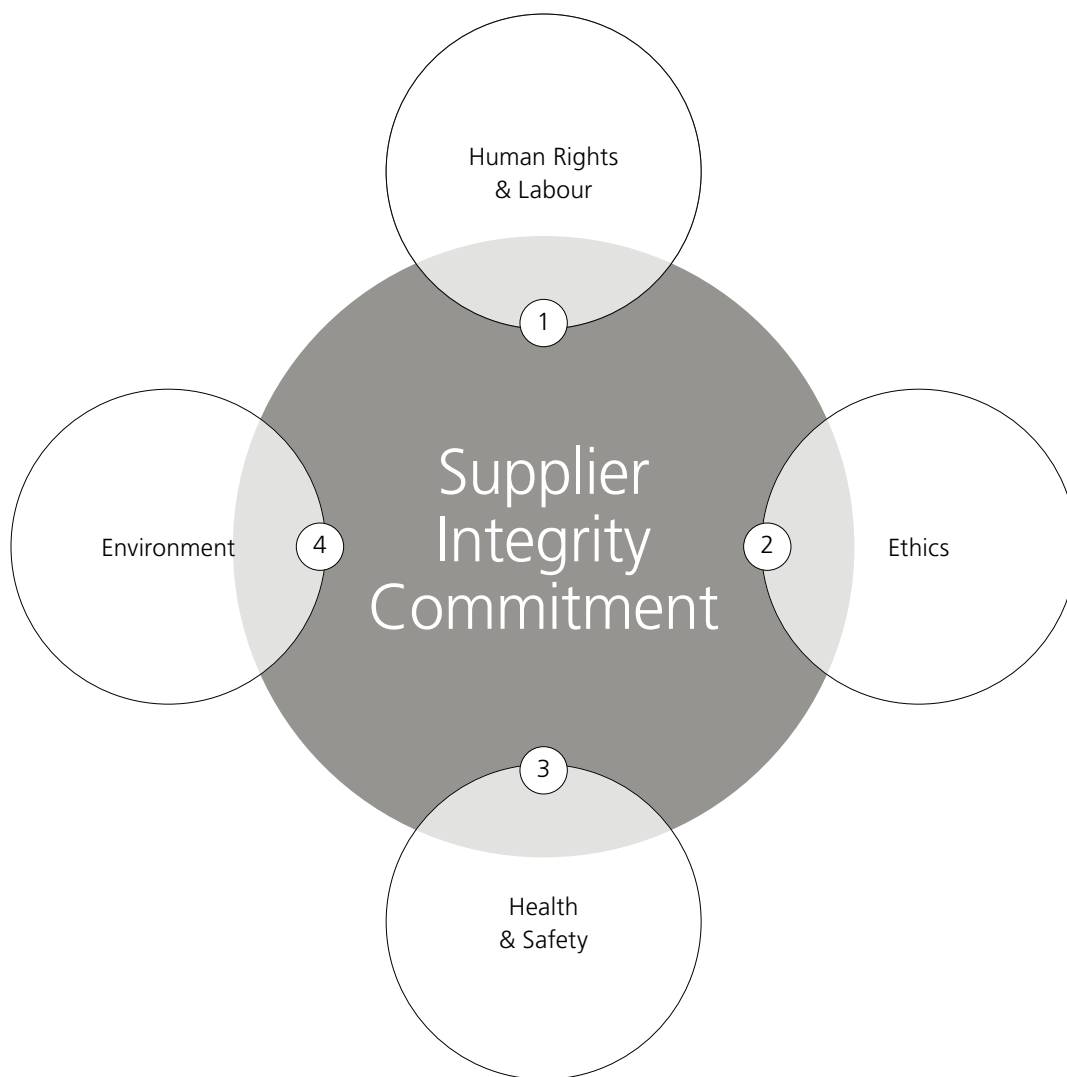
Often, raw materials, pharmaceutical excipients, packaging material, active agent components and also active agents are purchased from manufacturers and suppliers abroad and used by Siegfried for the synthesis of active pharmaceutical ingredients or the manufacture of finished medicinal products. In such cases, Siegfried is responsible for the qualification of these manufacturers/suppliers. This qualification is carried out by questioning the manufacturers/suppliers, the continuous inspection of the quality of the materials received, and by audits of the suppliers' production plants at regular intervals. Deficiencies are addressed and appropriate action is taken. Non-compliance with minimum standards results in a stoppage to deliveries or it may lead to a change in supplier. Despite COVID-19, eighty audits of suppliers and service providers were carried out in 2021. This is still considerably fewer than before the pandemic but nevertheless a pleasing and necessary improvement compared to the previous year. Where an audit was not possible, paper-based qualifications were carried out. The audits are primarily conducted by internal auditors within the group, in addition to a few that are carried out by independent external auditors.

Good Distribution Practice (GDP) in Sales

With regard to sales, our aim is to offer our customers high-quality products and services and thus build up long-term relationships with them. GDP (Good Distribution Practices) is a topic of increased significance since the introduction of new international guidelines. This should guarantee that the entire supply chain of materials from manufacturers via suppliers to Siegfried and from Siegfried to our customers is safeguarded against incorrect transportation and storage conditions as well as fraudulent attempts at counterfeiting. In doing so, an increasing number of new requirements of measurement and documentation of transportation and storage conditions need to be fulfilled. Furthermore, Siegfried must ensure that products are delivered only to the authorized recipients. Also, embargoes

Siegfried's Integrity Commitment

The Supplier Integrity Commitment shall be applicable to all our suppliers, contractors, service-providers, agents and distributors ("Suppliers") and covers the following four areas of responsibility:



We carefully monitor the adherence to the Supplier Integrity Commitment and the implementation is a key criterion in our selection and evaluation of our Suppliers. In the event that we become aware of any actions or conditions not in compliance with the Supplier Integrity Commitment, we reserve the right to request corrective actions and the right to terminate any agreement with any Supplier who does not comply with the Supplier Integrity Commitment.

to nations such as Iran have to be consistently followed. The authorities regularly examine this in their inspections. In addition, there is effective complaint management in the event of disputes (you can find out more about customer complaint management at Siegfried in the chapter on Quality Compliance, page 26).

Outlook

All of Siegfried's suppliers will continue to undergo our qualification processes. In addition to the obligatory review of the quality systems and processes of the suppliers, service providers and logistics providers, they will increasingly be assessed for their sustainability, environmental compatibility and social responsibility in the coming years. The COVID-19 pandemic has shown how important it is to have a robust supply chain, and that alternative suppliers, service providers and logistics experts must be identified and qualified, if possible, in cooperation with our customers. They should also be registered with the authorities in order to be available as replacements.

4. Safety, Health and Environment (SHE)

4.1 The significance of SHE for Siegfried

Safety, health and environmental awareness are top priorities at Siegfried and are firmly anchored in its corporate mission statement. According to this principle, our employees and teams of specialists are committed every day to the continuous improvement of safety and to minimizing negative impacts on the environment. The costs and risks regarding interruptions to work and production decrease as a result of accident prevention. The production-related consumption of water and the type and quantity of waste is continuously monitored in parallel with energy consumption. The motto here is: avoid - reduce - utilize (reuse, recycle) - dispose of professionally.

As a chemical-pharmaceutical company and a leading provider of controlled substances, Siegfried attaches great importance to plant safety, and the company works closely with professional service partners. Specialists control and monitor the situation on the company's premises around the clock and look after the company's own central alarm system. Every year, expenditure and investments in safety, health, environmental protection and plant security amount to tens of millions of Swiss francs. To carry out these tasks, more than 80 Siegfried employees work full-time in the areas of safety, health and environmental protection.

Workforce in the SHE Field

Site	Number of employees in the SHE field in 2021	
Switzerland	Zofingen (9)	Evionnaz (17)
China	Nantong (7)	
Germany	Hamel (1)	Minden (22)
France	St. Vulbas (8)	
Malta	Hal Far (1)	
Spain	Barberà del Vallès (4)	El Masnou (3)
USA	Pennsville (8)	Irvine (1)
Total	81	

Policy Guidelines and Approach to SHE at Siegfried

The principles and contents of the various programs and systems of our sites are summarized in a global SHE policy that is binding for all sites. This policy describes Siegfried's safety, health and environmental philosophy towards employees, suppliers, partner companies, customers, shareholders, authorities and the public.

Siegfried's management determines the SHE corporate policy and ensures that it is understood and practiced at all levels. The objectives and programs relating to safety are developed within the medium-term planning process and are regularly reviewed.

The implementation of our safety and environmental policy as well as compliance with regulations are primarily in the hands of our employees. They are responsible for their own safety-conscious and environmentally friendly behavior. Managers at all levels of the organization are responsible for ensuring that safety and environmental awareness is promoted through relevant framework conditions and specific measures.

Besides global SHE activities, the individual Siegfried sites also have the opportunity to roll out site-specific initiatives and take out certifications. These are specifically:

Responsible Care Program

The Zofingen and Evionnaz sites are members of the Swiss industry association Chemie Pharma Biotech ("scienceindustries Switzerland") and have co-signed the commitment to Responsible Care®. The Responsible Care program is also implemented at the St. Vulbas production plant in France.

This worldwide initiative stands for the resolve of the chemical-pharmaceutical industry, regardless of legal requirements, to strive for continuous improvement in the areas of safety, health and the environment and to regularly show this progress publicly. The initiative enshrines this as a precautionary principle in the form of voluntarily imposed regulations.

The Responsible Care program defines six principles:

- The protection of people and the environment is of the highest priority.
- Plants are operated in such a way that safety, health and environmental protection are ensured. Products are made, transported, applied and disposed of safely and in an environmentally friendly manner.
- The possible effects of processes, products and waste on people and the environment are known. It cooperates with authorities and third parties to implement the measures to protect employees, society and the environment.
- Business partners are supported in the safe transport, safe handling as well as the safe and environmentally friendly use and disposal of the products.
- A dialog is cultivated with society. This includes communication about products, processes and plants and their effects on people and the environment as well as about precautionary protective measures.
- Products, processes and plants are operated in such a way that they are ecologically, socially and economically sustainable.

ChemStewards® Program from SOCMA (Society of Chemical Manufacturers and Affiliates)

For many years, Siegfried has participated in the ChemStewards® program, which is applied at the U.S. sites. The program focuses on the key objectives of stakeholder communication, product stewardship, implementation of "Safety, Health and Environment & Security" (SHE&S) from planning to operational activities, the training and commitment of employees as well as resource management and waste minimization.

ISO 50001 Certification in the Field of Energy Management

The site in Minden has been certified for many years, and since 2021 the Hameln site has been accredited according to ISO 50001 (energy management). The focus is on the sustainable handling of energy resources, which is also associated with reducing greenhouse gases. The energy management system thereby makes a significant contribution to environmental and climate protection.

ISO 14001 and ISO 45001 Certification

The pharmaceutical production site at Barberà is certified according to ISO 14001 (environmental management) and ISO 45001 (occupational safety management). The two management systems ensure that performance in terms of safety and health at the workplace as well as operational environmental protection is implemented and continuously improved in accordance with recognized and standardized rules. ISO 45001 aims to create a safe and healthy working environment for employees. In order to achieve this goal, it is necessary to minimize all aspects that can lead to illness, injury or, in extreme cases, death. Likewise, the risk of harmful effects on the physical, mental and emotional state of a person should be prevented. ISO 45001 takes all these factors into account. Through the applications of the ISO 14001 standard, we consider environmental requirements during the development process. In addition, we optimize and improve operational processes with regard to energy

and resource efficiency, thus reducing waste streams. ISO 14001 helps us keep the impact on the environment due to operational activities as low as possible.

Continuous Improvement (CI) Program

The continuous improvement (CI) program to raise safety awareness was launched in Pennsville in 2016. This has achieved site-wide improvements through a variety of solutions from cross-functional teams. Since 2017, the DuPont™ STOP program has been introduced globally at Siegfried.

Identification of Key Performance Indicators and Corrective Measures

Siegfried also uses key performance indicators (KPIs) in the area of SHE for the control of management processes and target review and defines any corrective measures. On the basis of established accident and environmental parameters, we report on our activities and thus provide a comprehensive overview of accident occurrences. Further information is available on our website (www.siegfried.ch).

4.2 Safety and Health



SDG article

Development Goal 3 “Ensure a healthy life for all people of all ages and promote their well-being” is relevant to us, not only with regard to patients and users of our products, but also to ensure the safety and health of our employees and immediate environment. In addition to the prevention of accidents at work, we also want to contribute to “significantly reducing deaths and illnesses due to hazardous chemicals and the contamination or pollution of air, water and soil”, as stated in SDG sub-goal 3.9.

Safety Day in Minden

Plant Manager Marco Millies opened the joint safety day at the Siegfried site in Minden on October 6, 2021, together with Bernd Striegel, Site Manager of Bilfinger Engineering & Maintenance. The introductory words described the day-to-day cooperation and close integration of safety work in the course of project, repair and maintenance work. A deep understanding of safety on both sides is a prerequisite for successful team performance. Various exciting stands on the subject of safety and health awaited the participants, including the company health insurance fund, the company 3M and the plant firefighting team. In addition, 70 employees took advantage of the preventive flu vaccination offer. Finally, a training module took place on the “Du Pont STOP program”. The aim of the STOP program is to improve the safety awareness of all employees through observation and communication, so that everyone actively makes the effort to achieve a “zero accidents” culture.

Focus on Occupational Safety

Siegfried wants to create a culture in which accidents are the absolute exception. On this basis, the Siegfried Safety Program was launched worldwide. The aim of the program is to promote the safety awareness of every employee. To achieve this, management decided to initiate a global safety program that has been conducted at all sites since 2013, together with experts from DuPont Sustainable Solutions. Key points are the established STOP™ program and five binding cardinal safety rules.

The aim is for all employees, including persons who are in a contractual relationship with Siegfried or who are retained in a contract, to thereby develop an increased safety awareness and feel responsible for safety when carrying out an activity – both their own and that of their colleagues. The aim of this safety initiative was to reduce the accident rate by 80 percent by 2018 compared to the reference year 2012, and to then keep it at a low level. Based on the accident rate in 2012 – 38 occupational accidents per 1000 full-time jobs – this indicator should be reduced to less than 5 occupational accidents per 1000 full-time jobs over seven years. The target figure has not yet been reached at all sites, but since 2012, there has been a decrease in the number of accidents (see accident statistics table, page 38).

With the integration of the Evionnaz and St. Vulbas production sites into the Siegfried Group, the STOP™ program was also introduced at these plants in 2017/18 and dozens of new “STOP auditors” were trained. The STOP™ program was implemented at the production plant in Nantong in 2018. The STOP™ program launch was introduced at the Minden site in 2021. Due to the COVID pandemic, however, the training of STOP trainers will not be completed until 2022. At the two Spanish sites in Barbera and El Masnou, it is also planned to introduce the STOP™ program in the future. In El Masnou, safety-conscious behavior in the workplace is already being promoted and reviewed with an in-house program.

In Zofingen, and the STOP™ program was also further accelerated by training six new STOP auditors. A total of around 90 STOP auditors were instructed in occupational safety at 23 events and were trained for their tasks and duties. In Minden, the introduction of the STOP™ program had to be postponed to 2022 due to the COVID-19 pandemic.

Several hundred “STOP auditors” have completed their training, which sharpens their own safety awareness and enables the auditors to conduct structured dialogs with colleagues and employees on the subject of safety. These dialogs are the actual core of the initiative, as safety is always actively highlighted. It is not only about observing and naming shortcomings, but also about pointing out good behavior and good conditions and bringing them to attention.

Overcoming the Pandemic and Dealing with COVID-19 at Siegfried

Based on the Business Continuity Plan, part of the Pandemic Plan, Siegfried formed a task force right at the outbreak of the COVID-19 pandemic in January 2020: The Corporate Crisis Team (CCT), consisting of members of the Executive Board and senior management, supported by external specialists (e.g. occupational medicine), continuously analyzes the impact of the pandemic on political, health and economic development, both globally and nationally. Based on this, a COVID-19 guideline was developed, which was continuously adapted to the development and implemented as a global standard in the Siegfried Group.

In consultation with the local Corona Crisis Subteams (CCS), the rules of conduct from the guideline were adapted locally and communicated to the employees of the sites. In addition, newsletters from the CEO and the CCT as well as information and assistance from the SHE managers (e.g. correct hand sanitizing) were sent to all employees and made available on the Intranet.

In the context of pandemic management in 2021, the protection measures were further developed and adapted to the situation of the sites. For example, office workplaces were redesigned and fitted with partitions. All employees were also provided with protective masks and sanitizers free of charge at the workplace. Where possible, the option to work from home was also offered and implemented.

Siegfried actively supported and organized the participation of its employees in COVID vaccination campaigns and mass testing as well. To protect employees, a general certificate requirement based on the 3G rule (recovered, vaccinated or tested) for entering the plant premises was introduced in autumn 2021. Employees without a COVID certificate had the opportunity to take a rapid test on site and enter the company premises if the result was negative.

STOP™ Program During the COVID-19 Pandemic

Due to the COVID situation, the number of safety dialogs held in 2021 decreased compared to previous years. Nevertheless, several thousand STOP™ dialogues have taken place at the various sites in accordance with the pandemic protection measures. An evaluation of the reported STOP™ activities for 2021 shows that the vast majority of employees work in a safety-conscious way.

	Zofingen	Malta	Nantong	Hameln	Evionnaz	St. Vulbas	El Masnou
Number of reported safety dialogs	1 200	250	10	425	538	48	69
Individual observation points	34 900	1 900	10	18 300	6 100	500	n.a.
Observations evaluated as "safe"	34 500	1 550	2	18 130	5 420	430	1
Observations evaluated as "unsafe"	400	350	8	170	680	70	68
Number of STOP auditors	90	24	11	35	49	3	44

The observations focus on the actions of the employees, such as the handling of tools or machines, the use of personal protective equipment, ergonomics, contact with chemicals or hot surfaces as well as order and cleanliness. Unsafe actions are discussed and resolved in a safety dialog. The observations are continuously recorded and evaluated by work specialists. Where necessary, safety actions are launched or targeted training is carried out.

In addition to the STOP™ initiative, five cardinal rules on occupational safety were launched as part of a company-wide campaign that describes significant risks. Since 2017, these cardinal rules have been validated globally. Compliance is mandatory for all employees; non-compliance has disciplinary consequences.

Our cardinal rules, which are applicable worldwide are:

- Consistent use of personal protective equipment
- Completion of necessary safety training before starting work for new employees
- Fall protection for work from a height of two meters
- Securing the system before starting maintenance work
- No removal or bridging of safety devices.

In order to sustainably promote safety-conscious working, a wide variety of promotions and campaigns have been launched. For example, in the context of accident investigations, brief details are written up and sent to all employees internally, and this is also used for training. This brief information is also exchanged between the sites in order to sustainably promote occupational safety at Siegfried worldwide. In addition, the SHE department in Zofingen publishes monthly key topics on occupational safety, such as correct grounding, maintenance and care of personal protective equipment, personal hygiene and skin protection, proper hand sanitization, tripping/falling, working at a height, preparing and handing over process plants to maintenance, and the dangers of electricity.

Safety Training and Workshops for Employees at Siegfried

Further safety training and workshops on various topics were offered for operational employees. For example:

- A safety day for trainees in laboratory occupations and for chemical and pharmaceutical technicians (CPT)
- A SHE introductory course for new specialist workers (CPT) in production and for new employees in the “non-chemical occupations” (career changers)
- Workshops with production staff on preventing the release of substances in production facilities, for example: How do I transfer correctly? As well as correct behavior when entering narrow spaces
- Multi-day introduction and refresher course on the topic of the safe operation of industrial trucks for around 70 operational employees
- Workshop with more than 200 production employees on the topic of safety and quality
- Multi-day training for plant managers, shift managers and company chemists on the subject of management and leadership in production operations
- Obligatory training in the handling and use of small extinguishing devices for more than 2000 employees
- Safety training for site workers
- Information event and exchange of experiences for building security managers
- Introductory event “Classification of chemicals” (hazardous substances/exposure) and correct alerting/behavior in the event of alarm for new trainees
- More than 200 employees (67 percent) from production have been trained in workshops at Minden over the past six years to increase safety awareness and reduce product leakages.

Due to the COVID-19 pandemic, different SHE training events had to be postponed until 2022.

Audits

Authorities, insurance companies and customers inspected all sites in the year under review. Due to the COVID-19 pandemic, the audits were kept to a minimum and only carried out in compliance with strict protective measures if absolutely necessary. Alternatively, telephone or video conferences were increasingly used. The inspectors and customers attested to Siegfried’s good and integrated risk management system. All Siegfried plants meet the requirements with regard to operational safety and fire protection and are classified in the risk benchmark of the insurance companies in the segment of the best 10 percent.

Individual Evaluations at Audits

In 2021, the St. Vulbas production plant was inspected for the second time since 2016, whereby it was again certified as having a good safety system and adequate fire protection. The pharmaceutical production plants in Spain, Barberà del Vallès and El Masnou, which were acquired by Siegfried in 2021, were subjected to a comprehensive external risk analysis with regard to fire, explosion and natural hazards for the first time in 2021. The sites have very good, preventive fire protection and a comprehensive business continuity management system.

In 2021, the Zofingen site was checked by Intertek's international audit specialists for compliance with social standards. In a CSR (Corporate Social Responsibility) inspection lasting several days, environmental, social and employee concerns, as well as respect for human rights and the fight against corruption and bribery, were monitored. The auditor did not find any deviations from the standard specifications at any of the test points. The audit report states that in a benchmark comparison with over 700 companies, the Zofingen site is assigned to the top percentile with regard to CSR lines. In Zofingen, 14 internal safety and environmental audits were carried out. The audit teams formulated several dozen measures to improve occupational safety. Of these, more than 90 percent have already been successfully implemented in 2021. As part of hazardous goods inspections, more than 500 internal truck and rail transports were inspected. Defects and complaints were reported in less than 2 percent of the inspections, which corresponds to the previous year's result.

Several dozen internal safety and environmental audits were carried out in Nantong, recording over 300 observations. 93 percent of the defect correction has already been completed.

Testing of the Global and Local SHE Guidelines via Corporate Audits

Implementation and compliance with both global and local SHE guidelines is regularly checked by corporate audits. Internal audit specialists inspect the individual sites in safety audits lasting several days. In 2021, due to COVID-19 restrictions, only the Nantong plant in China could not undergo a corporate audit.

Safety is Continuously Monitored at the Plant Premises

As a chemical-pharmaceutical company, Siegfried places great importance upon comprehensive plant security. The plant premises are secured either with a fence or a wall, in addition to surveillance with cameras. Access to persons and vehicles is monitored and controlled (registration). All visitors are signed in and introduced to the specific rules of conduct and safety. It is only possible to visit the plant premises with a visitor pass. Employee vehicles may not be parked within the plant premises. Outside working hours, regular inspection tours are made by security staff.

LAUF Program in Minden

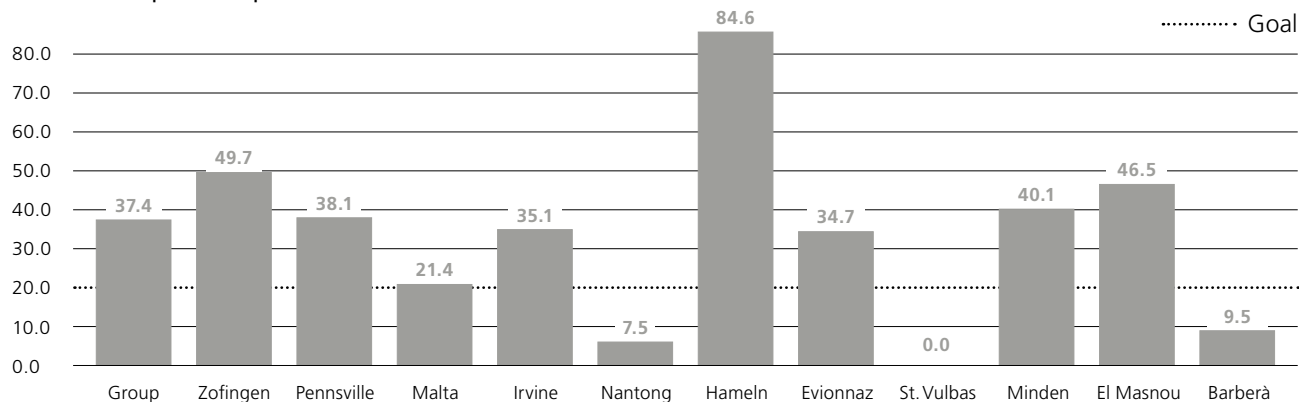
In Minden, the LAUF program (adapted here from the German acronym (English equivalent): Learning from Accidents Works) was launched. The program is intended for employees from operating and laboratory units to meet at regular intervals in groups (5-7 participants) to discuss accidents and the resulting measures. This is intended to ensure in the long term that employees continuously deal with the topic of "occupational health and safety" and that it is discussed. The program began in December 2021.

Incidents and Occupational Accidents and Illnesses

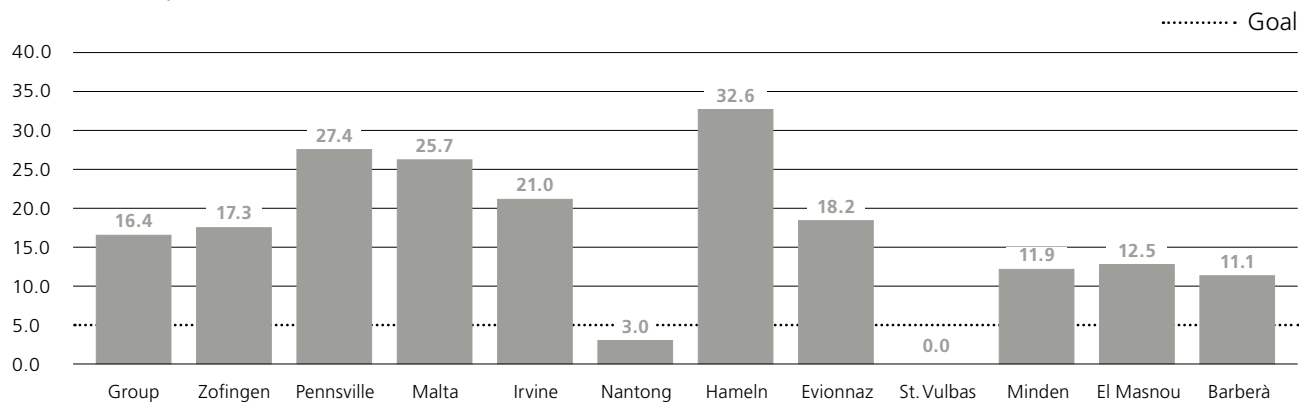
As part of an integrated risk assessment, Siegfried has been taking into account not only the accident indicators but also incidents involving property damage or environmental effects in the “accident points” parameter since 2013. The “accident points” are calculated as follows: 1 point per day of absence, 1 point per accident/occupational illness without lost days and 1 point per event with significant property damage or environmental impacts. Siegfried can use this system to report on incidents more transparently. In the case of occupational accidents with long-term absences – over several months – the downtime is limited to a maximum of 10 working days for the site comparison.

At the Evionnaz, Minden, St. Vulbas and Zofingen sites, occupational accidents involving third parties in the plant area (craftsmen and service providers) are also included in the accident statistics. These third-party companies in a contractual relationship with Siegfried have to comply with the rules on occupational safety and are therefore regarded as the company’s own operating personnel.

Accident points per 1 million hours worked for 2021



Accidents per 1000 FTEs



The graph shows the cross-comparison of the plants in 2021. The very ambitious target figure – fewer than 20 “accident points per 1 million working hours” – was undercut at two production sites, and nine sites were unable to achieve the target figure. Misconduct and the miscalculation of possible hazards were the causes of these accidents. Siegfried reacted to the accident figures and various countermeasures were taken, such as safety workshops, daily safety tours or weekly meetings for the shifts on the subject of safety.

Although the Siegfried Group did not achieve its accident target for 2021, the management teams at all sites will continue to support the goal of consistently reducing occupational accidents in 2022.

The Nantong and St. Vulbas production sites were able to reduce the number of occupational accidents (with and without lost days) compared to 2020. In Minden and Zofingen, the accident rate remained at least stable.

The opposite trend was observed at the pharmaceutical production plants in Irvine, Malta and Hameln, as well as at the Evionnaz and Pennsville chemical production plants. The rate of occupational accidents decreased. In Hameln, Irvine, Malta and Pennsville, the accident rate of occupational accidents was over 2 percent, in Barbera, El Masnou, Evionnaz, Minden and Zofingen it was 1–2 percent, and in all other plants it was below 1 percent. In a multi-year comparison, 2021 is characterized by a slightly worse accident rate across all sites.

In St. Vulbas, for the first time in several years, no occupational accident was registered. After good previous years without occupational accidents, the accident record at the Irvine and Pennsville plants in the USA decreased. With 17 occupational accidents per thousand employees, the accident rate in Zofingen is still just below the Swiss chemical and pharmaceutical industry with regard to the long-term average (2020: 190 accidents / 1000 full-time employees).

Occupational Illnesses and Work-related Deaths

In 2021, no occupational illnesses or work-related deaths were recorded.

Reason for and Handling Accident Cases

The majority of injuries are due to tripping and falling accidents. In about half of the occupational accidents, there were no absences from work. The care was provided in the company’s internal medical assistance center and the persons were able to return to work. Thanks to the good cooperation between the patient and the attending physician on the one hand and the accident insurers and employers on the other, in two cases at the Zofingen plant, a special workplace was made available for the injured employees and thus the downtime and the accident costs for all parties involved were positively influenced.

Viewed at group level, Siegfried was unable to further reduce occupational accidents on average. The occupational accident rate over the last five years has remained at 13 occupational accidents per thousand employees. Across all sites, with the exception of Evionnaz, El Masnou, Hameln, Minden

St. Vulbas article

Many new production processes have been introduced at the St. Vulbas plant in recent years. For employees, this means increased attention at the workplace and more monitoring of the systems, combined with intensive training. In addition, more production employees became involved in the plant fire department, which led to increased safety awareness, greater consideration and less unsafe work. This resulted in a significant reduction in occupational accidents in 2021 with zero accidents.

Accident Statistics from the Individual Plants from 2015 to 2021

Incidents /1000 FTE	2021	2020	2019	2018	2017	2016	2015
Zofingen	17	18	17	7	33	24	16
Pennsville	27	10	0	16	17	11	34
Malta	26	0	24	6	14	7	14
Irvine	21	13	0	7	0	8	0
Nantong	3	9	7	0	3	0	5
Hameln	33	23	8	0	8	17	24
Minden	12	12	12	8	12	16	n. a.
Evionnaz	18	14	9	9	9	11	n. a.
St. Vulbas	0	38	26	27	35	13	n. a.
Barbera	11	n.a.					
El Masnou	13	n.a.					
Group	16	16	12	7	16	15	15

Accident points /1 million working hours

Zofingen	50	39	37	15	146	49	24
Pennsville	38	26	1	8	17	87	159
Malta	21	0	43	3	19	4	42
Irvine	35	70	0	7	0	82	0
Nantong	8	15	42	2	4	1	5
Hameln	85	70	29	0	63	20	65
Minden	40	38	77	39	21	20	n. a.
Evionnaz	35	121	81	44	29	46	n. a.
St. Vulbas	0	160	86	189	228	50	n. a.
Barbera	10	n.a.					
El Masnou	47	n.a.					
Group	37	54	47	25	63	36	40

The country/gender-specific accident balance of occupational accidents/occupational illnesses is broken down as follows in 2021:

	Personal accidents without lost days		Personal accidents with lost days		Lost days	
	Men	Women	Men	Women	Men	Women
Switzerland	3	1	15	1	187	2
USA	5	3	1	3	5	10
Malta	3	1	3	1	4	2
China	1	0	0	0	0	0
Germany	22	6	18	4	279	32
France	0	0	0	0	0	0
Spain	5	2	8	3	39	9

and Zofingen, the majority of occupational accidents such as stumbling, falling, chemical contact and cuts resulted in only minor injuries, leading to no or only short-term workplace absences of a few days.

Measures to Increase Safety in the Workplace at Individual Sites

- In Pennsville, the “Safety Culture Flywheel” concept was introduced in 2019 as part of the continuous improvement process with the aim of strengthening the safety culture, avoiding unsafe actions and thus preventing accidents. In workshops, safety discussions, department meetings and employee information, incidents and accident reports are discussed and evaluated and safety-related improvement measures are initiated.
- In Zofingen, the 2020 ENHANCE program was launched. The focus is on processes such as production planning, plant cleaning, quality & GMP (Right First Time) as well as occupational safety. In several employee workshops with a total of over 200 participants, problems and opportunities for improvement on the topics of quality and safety were discussed in depth and solutions were developed. As a result, a working group was set up in the 2020 ENHANCE program, SHE section. The proposed solutions from the workshop were analyzed and converted into specific improvements.

For example

- the use of personal protective articles (PPE) has been transferred to a new PPE concept, combined with a risk assessment of individual work steps
- the responsibility and management of the roles of plant master and shift leader with regard to occupational safety has been revised and this has been practiced with those affected in training courses lasting several days
- a SHE introductory training for new employees has been implemented at Pharmapark Zofingen on a monthly basis
- as a manager and management process, a SHE council with monthly meetings for the management team has been introduced at the Zofingen plant

Ensuring Health Through the Use of Containment Systems

Siegfried has process technologies with various containment systems for the development and manufacture of highly active ingredients and finished medicinal products. Closed materials handling protects employees from excessive exposure. Since 2019, the Minden plant has invested around two million euros in process plants to enable closed material handling or enclosed plants. Where necessary, protective suits with breathing air systems are also available so that the safety of employees can be guaranteed at all times. In order to minimize the risks of material carry-over, there are decontamination points, locks and defined changing areas.

Hazard Classification Across Five Exposure Categories

Siegfried has introduced a system with five exposure categories for the assessment of material hazards at the workplace. Based on factors such as toxicity or pharmacological activity, the substance is assigned to an exposure category and a maximum occupational exposure limit value is set. Compliance with the occupational exposure limit values and the effectiveness of the technical equipment are periodically checked by SHE via monitoring.

An in-house occupational hygienist is available for work hygiene questions and problems. Workplaces are assessed and production plants are classified on the basis of monitoring studies. The production facilities are grouped together in a plant exposure register. On the basis of this information, the plant operator or product chemist can estimate in advance whether additional measures are required with regard to exposure when changing products. If necessary, monitoring is carried out again.

In 2020, for example, more than forty such occupational hygiene exposure measurements were carried out at St. Vulbas and Zofingen.

Prevention of Accidents

In the context of incident prevention, incident scenarios in the production, storage and internal transport of chemical substances are subjected to a comprehensive risk analysis for each site. The results are summarized in a report and reviewed by the authorities during an annual inspection. For emergency situations such as explosions, fires or chemical incidents, Siegfried's production plants have their own emergency organizations ready for deployment. For example, the Zofingen chemical and plant fire brigade and the Minden plant fire brigade each comprise more than one hundred members, made up of professional firefighters and volunteers from all departments. As an additional task, these organizations take on the function of chemical disaster units for operations outside the factory area on behalf of the authorities. The sites in Evionnaz and St. Vulbas also have their own emergency organization.

How do I behave correctly in an emergency? These and similar questions on the subject of fire-fighting or first aid are dealt with in regular training courses and played out practically on the basis of evacuation exercises.

Siegfried also obliges its employees to regularly participate in hand extinguisher training. In these courses with small extinguishing devices, experience with the various extinguishing agents can be gained from waste bins to PCs to solvent fires. What has been learned can be put to good use in both a professional and private environment.

In connection with preventive fire protection, the modernization of the fire and gas alarm system project was launched at the Zofingen plant in 2021. In a first stage, hundreds of fire detectors were installed in four production buildings to replace several fire alarm panels of the latest generation. With this investment of around CHF 800 000, safety in buildings and infrastructure will be improved over the long term.

New PPE Protection Measures in Zofingen

A new PPE protection concept was introduced at the Zofingen plant in 2021. All work steps in the chemical production environment, such as conveying liquids or unloading solids from a centrifuge, were included in a risk catalog. Specialists in occupational safety, together with company foremen and chemists, assessed the risks of the work steps for the operating personnel and then defined the necessary work and protective clothing in a PPE concept. This PPE protection concept is now continuously integrated into the manufacturing instructions. Employees are trained in the use of the partly new PPE. SGU supports the company trainers on site. The internal occupational safety unit evaluates new personal protection articles for a wide variety of applications, tests skin care products and compiles this information in an in-house personal protection product catalogue.

In 2021, employees in production were made aware on several occasions of maintaining the health of the respiratory tract. In flyers and monthly safety topics, they were instructed in the correct use and care of the personal protective mask. The introduction of respiratory blower units has begun as an alternative to classic respiratory filter masks.

Promotion of Healthcare through Easy Access to Vaccination Campaigns at the Sites

Also in 2021, annual flu prevention was carried out in the form of a vaccination campaign. In addition, there have been several COVID-19 vaccination campaigns. All vaccinations were free of charge for employees. In Zofingen, around 40 percent of employees took part in flu prophylaxis, which is a threefold increase compared to previous years. Through targeted vaccination appeals during the COVID-19 pandemic, Siegfried achieved an above-average vaccination rate among employees of >85 percent for COVID vaccinations. As part of the medical precautions, around 140 employees in

Zofingen were examined by the Institute of Occupational Medicine (Baden Institute of Occupational Medicine) and assessed for their ability to work. These preventive examinations are carried out by order of SUVA (Swiss national accident fund). For health promotion, the Nantong plant offers all employees the opportunity to undergo a medical “checkup”. No diseases have been diagnosed.

Sport Clubs for Siegfried Employees

To promote fitness, on some sites employees have access to the company’s own sport clubs.

Outlook

In the future, we will continue to attach great importance to reducing incidents and occupational accidents through the optimal use of the STOPTM safety program, which has been rolled out worldwide. Local initiatives and campaigns such as the Safety Culture Fly Wheel in Pennsville support safety-conscious working.

In order to be able to quickly return employees to the work process after an occupational accident, alternative workplaces are to be provided, whereby occupational health management can be optimized. Measures have been taken in this regard and are constantly being adapted individually. In close cooperation between the accident insurer, doctor and employer, individual solutions for injured employees are sought in order to be able to integrate them back into the work process in a targeted manner.

The exchange of information on SHE topics between the sites is to be further promoted. It is important to continue to harmonize safety and health standards and to implement the global SHE philosophy even more across the sites. Meetings and exchanges of experience take place among SHE specialists and are conducted on an ongoing basis.

In the practical implementation of the Responsible Care program, Siegfried strives to further promote cooperation with the authorities with regard to safety and environmental protection. In addition to project-related cooperation, there are also regular meetings between representatives of the authorities and those responsible for operations.

4.3 Environment

4.3.1 Importance for Siegfried

The production of active pharmaceutical ingredients and intermediate products is associated with a high energy expenditure, because it usually involves several chemical and physical stages. In addition to the many manufacturing steps, the temperatures required for many chemical reactions and physical processes, ranging from very low to very high, are also responsible for the considerable energy requirement.

For 2021, however, a special factor applies: The higher total energy consumption compared to the previous year is due to the fact that two additional production sites joined the Siegfried Group in January 2021 with the two new acquisitions of Barberà and El Masnou. If this one-off factor were not included in the 2021 calculation, energy consumption at the existing sites would have decreased overall.



SDG article

Many of the raw materials used by Siegfried have their origins wholly or partly in the petrochemical industry. We rely on these raw materials for the production of pharmaceuticals, which is why the careful use of these resources is of great importance for the company in order to contribute to Development Goal 12 "Ensure responsible consumption and production patterns". Above all, we want to contribute to sub-goal 12.2, which aims at the management and efficient use of natural resources. However, it is not only about the availability of raw materials, Siegfried is also interested in reducing global warming and limiting the negative effects associated with it.

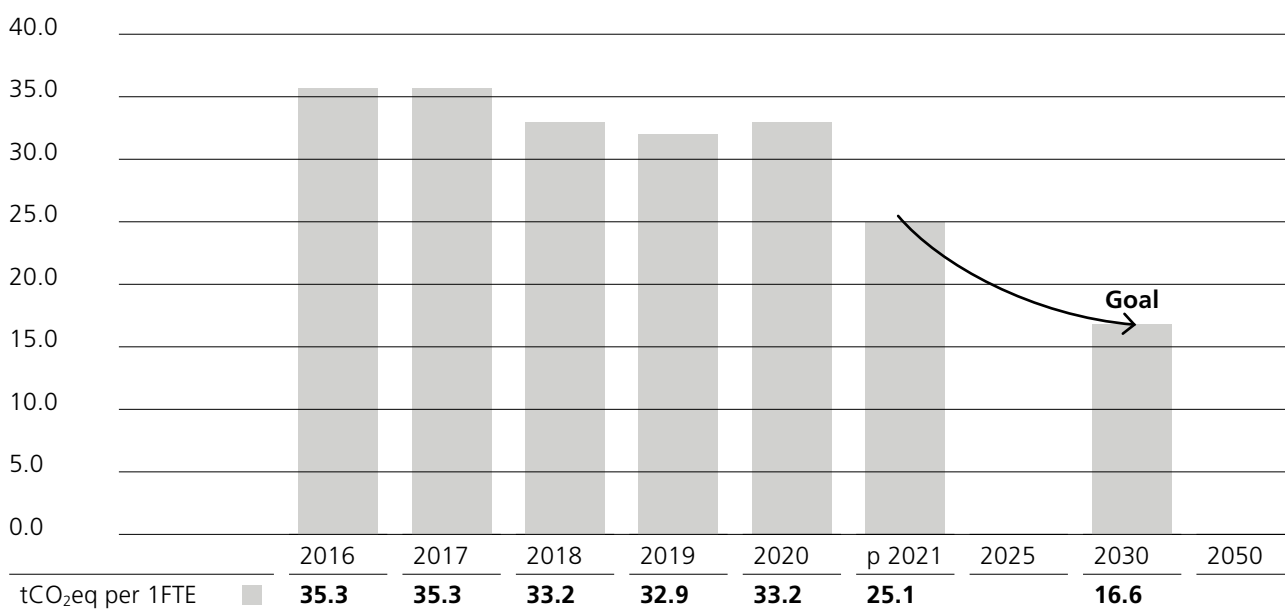
4.2.2 Energy Consumption and Emissions

Our Approach

Due to higher production capacity utilization and a product portfolio that is less favorable from an energy point of view, i.e. products where more energy is required for production, energy and water consumption increased in 2021, as did the amount of waste and, in some cases, emissions. Siegfried sees potential for improvement in the optimization of processes, but also in the decommissioning of old and therefore non-energy-efficient plants and buildings.

Siegfried is already on the right track and has implemented various measures. For example, the comparatively more environmentally friendly natural gas is used as the main energy source. Heating oil is only used to a small extent and especially where natural gas is not available. Heavy fuel oil has

CO₂ Footprint Siegfried 2016–2050



= expected value 2021 after replacement through renewable energy in NAN, MDN, HAM, ZOF, EVZ, MLT (–38%)

= reduction target 50% of 2020

not been used by Siegfried for a long time. Used solvents that can no longer be deployed in production also serve as alternative energy sources. The use of these so-called alternative fuels increased by 16.3 percent compared to the previous year; this covers about 3.7 percent of the total energy requirement. The aim is for consumption of electrical and thermal energy to be reduced by optimizing processes and systems as well as by increasing the energy efficiency of appliances.

Commitment to Reducing the CO₂ footprint

The Executive Board has committed itself in 2021 to significantly reducing the CO₂ footprint for the period up to 2030. Where possible, this should be done in close cooperation with customers, especially those who are pursuing similar initiatives themselves. The goal is to be achieved by carrying out a comprehensive analysis of all Siegfried sites with regard to CO₂ emissions, combined with a list of suitable measures that have been in effect since the 2021 financial year.

Based on the 2020 figures, the company aims to achieve a 50% reduction in its CO₂ emissions by 2030 (in CO₂ equivalents, normalized to sales) and also plans long-term measures to meet the so-called net zero target, which provides for a net balance of zero of all greenhouse gases emitted by its own business activities, and greenhouse gases being removed from the atmosphere through measures taken by the company.

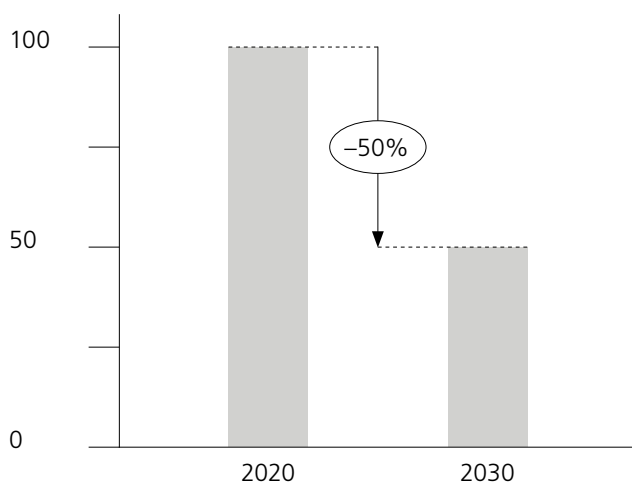
Our aim

Reduction of the CO₂ footprint by 2030 and the 2050 commitment

1

Reduction of the CO₂ equivalent by 50% by 2030

CO₂ equivalence / revenue-normalized (equals 100 in the index)



Objectives with regard to the CO₂ footprint

1

Specific reduction objective:

- Reduce Siegfried's CO₂ footprint by 50% by 2030 in comparison with 2020 (normalized to revenues)

2

Overall commitment:

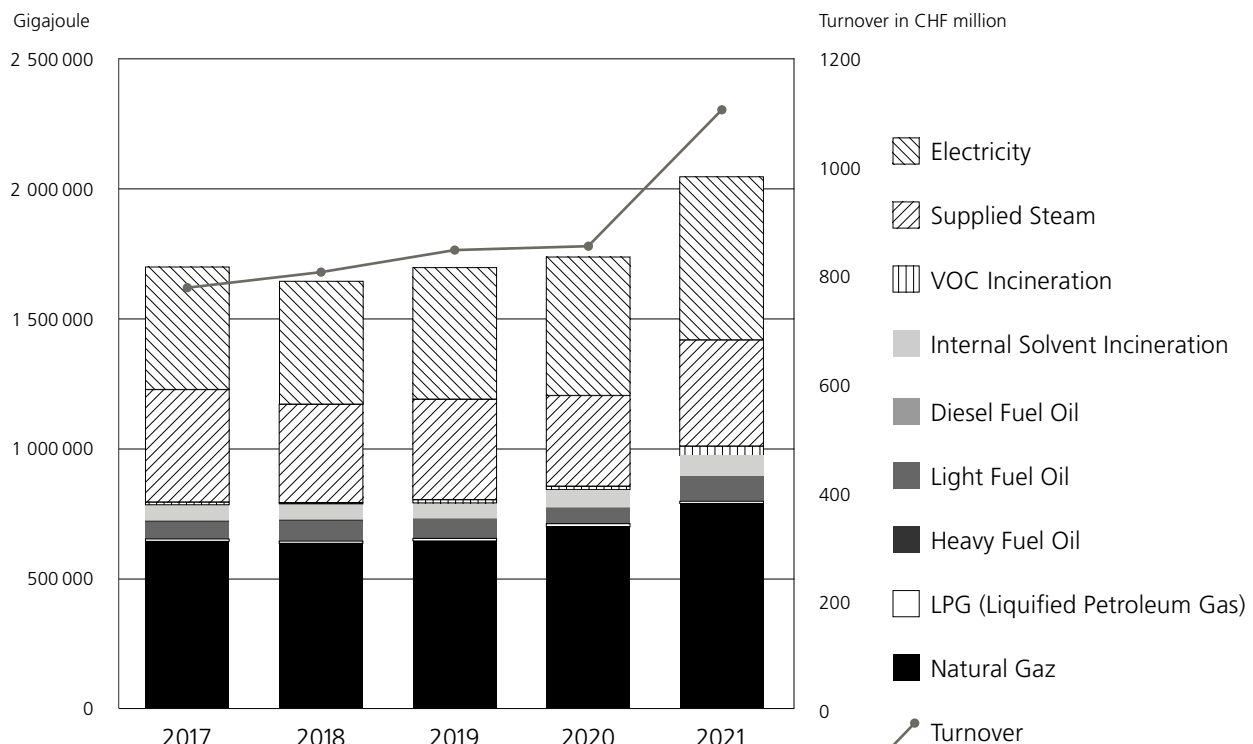
- Implementation of long-term measures in keeping with the GHG net zero target for 2050 and limiting global warming to 1.5° Celsius

Lower Energy Consumption in 2021 (Normalized to Revenues)

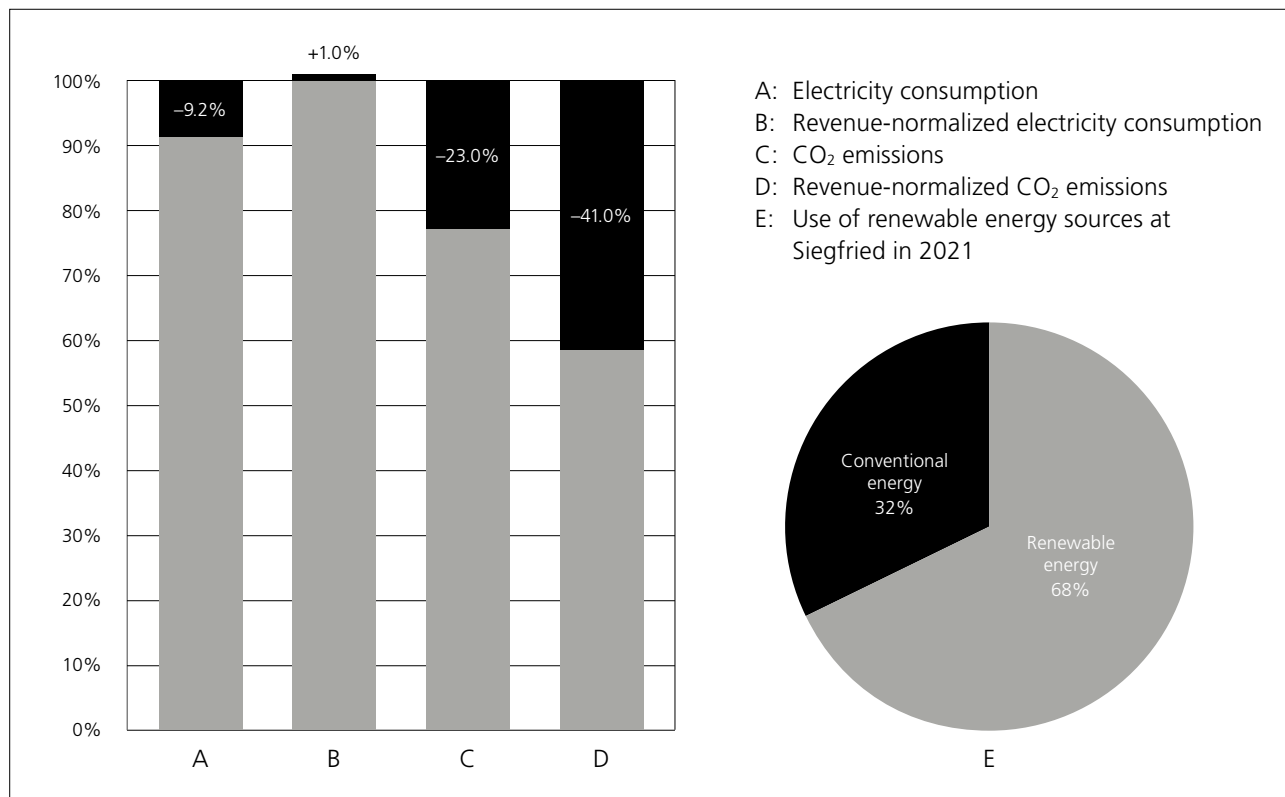
The target set for 2021 of reducing revenue-normalized energy consumption has been achieved, in part thanks to the two new Spanish pharmaceutical formulation production plants acquired by Siegfried in January. Their operation is less energy-intensive than that of the sites that carry out chemical synthesis. The decrease compared to the previous year was 9.2 percent. Revenue-normalized electricity consumption increased by 1.0 percent. Absolute CO₂ emissions were 23 percent lower, while revenue-normalized CO₂ emissions were even lower (–41 percent). This considerable decrease is mainly due to the fact that CO₂-neutral electricity was purchased at several sites from 2021. Of the Siegfried Group's total electricity consumption, 68 percent was produced from renewable energy sources.

The total consumption of electricity at all Siegfried sites amounted to 657.3 terajoules (TJ). 68.1 percent of the electricity consumed came from renewable energy sources. At 2256 GJ, the amount of electricity produced with photovoltaic systems (Barberà and El Masnou, Malta) was significantly higher than in the previous year (+138 percent), as photovoltaics are now being used to generate electricity at three sites, not just one.

Energy consumption



Energy consumption



A decrease compared to the previous year. 9.2 percent revenue-normalized electricity consumption increased by 1.0 percent. Absolute CO₂ emissions were 23 percent lower, while revenue-normalized CO₂ emissions were even lower (-41 percent).

Overall Energy Consumption Increased Despite Significant Reductions at Individual Plants

At 2045 terajoules (TJ), Siegfried's total energy consumption in 2021 was 18.5 percent higher than in the 2020 reporting year. The increase is largely attributable to the additional production sites in Spain. At the existing Siegfried plants, the increase in energy consumption was 3.3 percent. The plants in Evionnaz (+11.3 percent), Hameln (+4.6 percent), Minden (+4.9 percent), Nantong (+33.8 percent), St. Vulbas (+14.3 percent) and Zofingen (+2.9 percent) consumed more energy than in the previous year. This is due to the higher capacity utilization of these plants. However, the additional consumption was partially offset by significant savings at the Irvine (-27.1 percent), Malta (-14.4 percent) and Pennsville (-20.0 percent) plants. Overall, total energy consumption normalized to revenues was 9.2 percent lower than in the previous year.

Natural Gas Consumption Would Have Fallen Across the Group without Particular Influences in 2021

Consumption of natural gas was higher than in the previous year; the increase was 11.5 percent, although without the two new production sites, consumption would have decreased by 5.9 percent. Heating oil recorded a significant increase (+32.6 percent). This increase was mainly due to the Evionnaz plant, where heating oil is largely used for heating, as natural gas is not available at this plant. The amount of steam supplied externally was slightly higher (+4.4 percent) than in the previous year.

Environmental compatibility check in Zofingen carried out successfully

Based on the site development at the Zofingen site, the environmental risks were comprehensively assessed in 2014 as part of an environmental impact assessment (EIA) and revised in 2016 due to the new logistics center. The report stated that the requirements of environmental protection legislation are complied with in all respects. The statement in this report is still valid for 2021.

Successful ISO 50001:2018 Certification at the Hameln Site

As part of the initial ISO 50001:2018 certification, a multi-day audit took place at the Hameln production plant in 2021. In this inspection to improve energy use, energy consumption and energy efficiency, there were no deviations or complaints. The certificate was issued in December 2021 with a three-year validity. The system of internal audits and safety tours has been well established in the various plants for years.

Long-term Project for Installing Solar Panels at Irvine

Siegfried has been working with the Irvine company since 20xx to install solar panels in the production plant. This is a project taking place over several years, with preliminary implementation planned for the end of 2024.

CO₂ Emissions Fall Overall

CO₂ emissions in Scope 1 (direct emissions from operations) are based on the use of fossil fuels. Also taken into account are the CO₂ emissions in Scope 2, i.e. emissions generated during the production of purchased energy (electricity and steam). CO₂ emissions into the atmosphere decreased in comparison with the previous year, amounting to 77 273 tons (–23.0 percent). Considering the existing sites only, the decrease in CO₂ emissions would be –37.3 percent. This huge reduction was achieved by purchasing CO₂-neutral electricity at several sites since 2021. The CO₂ emissions from all plants, with the exception of St. Vulbas, were below those of the previous year. The GWP (Global Warming Potential), expressed as a CO₂ equivalent, was 77 316 tons. For the conversion of other greenhouse gas emissions into CO₂ equivalents, the GWP values for a 100-year timescale were used, according to IPCC Assessment Report 5 (AR 5) Chapter 8 (“Anthropogenic and Natural Radiative Forcing”). The direct emissions of the company and the CO₂ created by purchased energies (Scope 1 and Scope 2) were taken into account. The CO₂ emissions from biogenic sources were not included.

The Aim is for VOC Emissions to be Further Decreased

The amount of VOC emitted was 99 tons; a decrease of 185 tons compared to the previous year. VOC emissions were below the previous year’s level, especially at the Evionnaz and St. Vulbas plants. VOC emissions also went down in Zofingen. At the other plants, VOC emissions were at the level of the previous year. Siegfried in Zofingen has drawn up a VOC action plan for the years 2018–2022 with the authorities. This is intended to further reduce VOC emissions.

Scope 1 Emissions are Increasing Overall

At 38 tons, nitrous gas emissions (NOX) were 9 tons higher than in the previous year. This increase was caused by the Chinese plant in Nantong. NOx emissions decreased in Zofingen and remained at the previous year's level in the remaining plants. Sulphur dioxide emissions into the environment have been at a low level for some time. In 2020, emissions amounted to 1.4 tons, an increase of 81 percent compared to the previous year. This increase was attributable to the Nantong and Zofingen plants. The carbon monoxide emissions from all Siegfried plants amounted to 7.9 tons; 3 percent less than a year earlier. The reported greenhouse gases emitted (VOC, NOX, SO₂ and CO) are Scope 1 emissions (direct GHG emissions).

Outlook

The total energy consumption, which is normalized for turnover, is to be reduced. The same applies to the consumption of electricity. Siegfried is also setting ambitious targets for revenue-normalized CO₂ emissions.

Since the beginning of 2021, electricity from renewable energies has been purchased from the plants in Evionnaz, Hameln, Malta, Minden, Nantong and Zofingen. This will continue and will help to significantly reduce the Siegfried Group's CO₂ emissions. Based on the 2020 consumption figures, the result will be a 37 percent reduction in CO₂ emissions in 2021.

At the Nantong plant, the consumption of natural gas and external steam is to be reduced by using waste solvents for the production of steam. In addition, sodium vapor lamps are being replaced by LEDs on an ongoing basis.

A program is underway at the Zofingen plant with the aim of reducing power consumption. In 2021, the Hameln plant started systematic energy management in accordance with ISO 50001. In addition, a cooling system operated with R1234ze will be replaced by an ammonia-powered one.

In Nantong, the installation of a central VOC treatment plant for the T1 tank farm is planned for 2022, which will reduce VOC emissions at this plant.

Energy-saving target in Minden

In 2018, the Minden site set a new energy-saving target that provided for savings of at least 4 percent for the period 2018–2022 compared to 2017. Extensive measures have been initiated, such as the renovation of the steam condensate network, the automatic control of desalination in boiler feed water and the replacement of apparatus / heat exchangers / pumps / fans with better energy efficiency. In 2021, the focus was primarily on the generation of compressed air. Leakages, which caused 8 m³/h (equivalent to 0.45 GWh/a), have already been fixed. For 2022, the installation of 14 volume flow controllers is planned throughout the area, so that the compressed air network can be maintained in a more targeted manner.

Important Key Performance Indicators for Environmental Protection¹

	Unit	2021	2020	2019	2018	2017
Energy consumption						
Total energy	GJ	2 045 000	1 725 800	1 663 600	1 629 700	1 674 300
Natural gas	GJ	797 400	712 300	629 100	630 200	635 200
LPG	GJ	8 600	12 300	11 200	9 400	9 000
Heating oil	GJ	82 800	62 400	74 500	77 700	65 300
Diesel		1 500	6 000	2 300	1 800	3 100
Alternative fuels (solvents)	GJ	75 600	65 100	56 700	59 600	58 300
VOC combustion	GJ	49 500	9 300	14 000	10 300	5 600
Steam supplied	GJ	372 300	356 700	379 900	374 600	428 700
Electricity	GJ	657 300	499 025	495 900	466 200	469 100
Emissionen						
CO ₂ emissions	Tons	77 273	100 354	96 900	93 000	96 700
VOC emissions	Tons	99	284	260	92	59
CO emission	Tons	7.9	8.1	9.0	9.0	8.5
NO _x emission	Tons	38	29	49	37	40
SO ₂ emission	Tons	1.4	0.8	2.0	4.0	3.3
GWP, 100 years horizon	Tons	77 316	101 800	97 700	93 000	96 400
Water /wastewater						
Water consumption	m ³	6 052 000	5 791 000	5 776 000	5 590 000	6 493 000
TOC load	Tons	124	127	125	117	109
Nitrogen load	Tons	54.8	52.8	67.5	55.3	73.0
Phosphorous load	Tons	1.9	1.5	2.0	1.7	2.7
Waste						
Total waste	Tons	76 710	75 178	65 238	53 550	47 985
Hazardous waste	Tons	65 050	57 906	53 774	40 424	39 918
Combustion	Tons	33 517	30 000	32 115	33 866	34 055
Recycling	Tons	4 575	5 044	3 845	1 931	842
Recovery including energy	Tons	26 892	22 782	17 688	4 494	4 927
Landfill	Tons	80	80	126	110	94
Non-hazardous waste	Tons	11 660	17 272	11 464	13 125	8 067
Combustion	Tons	5 870	6 612	5 141	3 602	402
Recycling	Tons	2 895	2 226	1 989	1 729	1 670
Landfill		940	672	597	338	510
Recovery including energy	Tons	1 866	1 787	1 689	2 477	1 451
Recycling	Tons	89	43	32	42	28
Disposal at external wastewater plant	Tons	0	5 933	2 017	4 938	4 007
Recycling						
Regenerated solvents (internal and external)	Tons	20 500	22 100	22 000	23 800	23 500

The figures for CO₂ emissions and the "GWP 100-year timescale" include Scope 1 and Scope 2. In previous reports, only Scope 1 was reported. The figures were adjusted retrospectively up to 2016. The steam delivered to the Minden plant is officially confirmed CO₂-free, which is why the figures have been adjusted retrospectively to 2016.

Revenue-normalized Key Performance Indicators

	Einheit	2021	2020	2019	2018	2017
Turnover normalization						
Turnover	CHF million	1 102	845	833	794	750
Total energy consumption	GJ / CHF million	1 855	2 042	1 962	2 014	2 191
Electricity	GJ / CHF million	596	591	595	587	625
Water consumption	m ³ / CHF million	5 490	6 853	6 934	7 040	8 657
Total waste	t / CHF million	69.7	89.0	78.3	67.4	64.0
Greenhouse gas emissions (CO ₂ equivalents)	t / CHF million	70.1	118.8	121.4	122.2	129.1
GWP (Global Warming Potential)	t / CHF million	70.1	120.2	122.3	122.2	128.8

4.3 Waste and Pollution

Large quantities of waste are generated during the production of active pharmaceutical ingredients, as the manufacturing processes are complex and usually multi-stage. The waste also contains by-products that are produced with each synthesis. These by-products can be harmful to humans and the environment. This is why Siegfried does everything possible to minimize this waste. Careful handling is of great importance in order to avoid negative effects on ecosystems. Siegfried complies with all requirements of the authorities when disposing of waste and holds the corresponding licenses.

In the table "Important key performance indicators for environmental protection", the waste quantities are listed according to hazardous and non-hazardous waste, and for both types of waste are broken down by disposal type (e.g. incineration, recycling, etc.).

4.3.1 Wastewater

Water is an important commodity for Siegfried. It is used on the one hand as a starting material, in most cases as a solvent, and also as a cleaning agent. In addition, water is also required for cooling purposes, for cooling motors and compressors, but also to dissipate heat released directly in the processes. Above all, groundwater, self-pumped water and drinking water obtained from the local waterworks are used. At certain sites, spring water is contained in the drinking water obtained from waterworks.

Uncontaminated cooling wastewater can be fed into the local watercourses after quality control. The polluted wastewater is treated in wastewater treatment plants so that it can be discharged into the local waters. The situation varies depending on the plant. All chemical sites, with the exception

Successful Improvement of the Waste Recycling Quota in Minden

In 2021, 25044 tons of waste were generated. Of this, 18454 tons were recycled (74 percent). The remaining quantity of 6590 tons was properly disposed of. The recycling rate increased from 59 percent (2020) to 74 percent (2021). Through continued consistent implementation of the Commercial Waste Ordinance, the proportion of separately collected commercial municipal waste (paper, metal, electronic waste, plastic, etc.) and construction waste (concrete, wood, bricks, tiles, etc.) was increased and the recycling rate of waste from these areas was improved even further.

of Zofingen, operate an in-house wastewater treatment plant for industrial wastewater. At some plants the wastewater then goes directly into the receiving water, at others via the municipal wastewater treatment plant. The wastewater from the Zofingen plant is pre-purified in a separate biological stage before it is mixed with the municipal wastewater. The wastewater from the Drug Products plants is purified at the municipal wastewater treatment plants.

The wastewater treatment plants, whether self-operated or run by the municipality, are of a good technological standard. This means that pollutants entering the water are at a low level, thereby fulfilling the legal requirements at all times.



SDG article

By carefully using natural resources and reducing the amount of waste, we can make an active contribution to SDG sub-target 12.5, which aims to “significantly reduce waste generation through prevention, reduction, recycling and reuse”. When working with chemical and pharmaceutical excipients, it is particularly important that we prevent any discharge into the environment and wastewater and thus, according to SDG sub-goal 12.4, “keep their adverse effects on human health and the environment to a minimum [...] limit”. We ensure this through comprehensive waste and wastewater management.

Dialog with Local Authorities on Wastewater Management

Siegfried complies with the specified environmental standards and maintains a regular dialog with the environmental authorities responsible. For the headquarters in Zofingen, a cooperation agreement with the responsible cantonal environmental protection authority has been in place for many years. The focus of this agreement is on the issue of wastewater, whereby, for example, the exchange of data is regulated. Siegfried is committed to actively reporting any irregularities that might have an impact on the environment.

The reduction in the discharge of active pharmaceutical ingredients and intermediate products into wastewater at the Zofingen site was continued in 2021. Investigations were carried out into various manufacturing processes and, where necessary, wastewater treatments were introduced. The Pennsville and Evionnaz production plants have proprietary wastewater treatment plants that incorporate activated carbon treatment to remove trace contaminants. In Minden there is also an in-house wastewater treatment plant. The newly introduced, downstream denitrification stage is stable. As a carbon source for nitrification, isopropanol produced during operation could be used, which would otherwise have been deployed for combustion. In 2021, this was 151 tons. This combination made it possible to meet the requirements for internal product environmental protection.

Uncontaminated cooling water can be fed into a watercourse after inspection. All wastewater that is contaminated is purified by in-house or municipal wastewater treatment plants; sometimes both together. This ensures that the inflow of pollutants into the waters is at a low level.

Water Consumption slightly Increased Across the Group in 2021

Water consumption in 2021 was slightly higher than in the previous year. Across all plants, there was an increase of 4.5 percent, although the rise would have been only 1.4 percent without the two new plants in Spain. If water consumption is normalized to revenues, a drop of 19.9 percent was recorded. Of the chemical sites, water consumption was reduced in Minden only compared to the previous year, while water consumption at the Drug Products plants in Hameln and Irvine decreased. The water-saving project at the Zofingen plant stagnated again in 2021, with water consumption increasing by 7.8 percent in 2021. However, the project will continue, so that further savings may be made in the

future. The aim of reducing revenue-normalized water consumption was achieved. However, the goal of further savings in water consumption remains unchanged and will continue to be pursued.

TOC Emissions Decreased Slightly Overall in 2021

At all Siegfried sites combined, 124 tons of organically bound total carbon (TOC) were emitted into the waters via wastewater. This is 3 tons or 2.3 percent less than in the previous year. TOC emissions in Evionnaz and Minden were higher than in the previous year, but this was offset by reductions at the other chemical sites. At all plants, the TOC emissions after wastewater treatment, i.e. the effective TOC emissions into the environment, were balanced. The same applies to the wastewater key performance indicators for nitrogen and phosphorus load; the values were measured according to the wastewater treatment plant here as well. Nitrogen emissions into the water increased by 3.8 percent; this was 54.8 tons. The largest emitter of nitrogen is the plant in Minden, where large quantities of products containing nitrogen are produced, which is reflected in the nitrogen load in the wastewater. The increase in nitrogen emissions into wastewater is mainly due to emissions from the Evionnaz and Minden plants. Phosphorus emissions into the environment were 26 percent higher than in the previous year; however, at 1.9 tons, this is still at a low level. At the Evionnaz plant, activated carbon treatment was installed at the plant's own wastewater treatment plant in 2019 to reduce the emission of micropollutants.

Outlook

Since 2017, Siegfried's efforts to continuously reduce water consumption have been moving in the right direction. In 2017 and 2018 it was significantly reduced, in 2021 the consumption of groundwater was reduced by around 40 percent compared to the previous year, and the consumption of drinking water by around 60 percent. From 2019 to 2021, water consumption was stabilized at this significantly lower level. Further water-saving projects are planned for 2022. In addition to efforts to reduce water consumption, the discharge of pollutants into the waters is to be continuously reduced. In particular, the emission of active pharmaceutical ingredients is an issue. These processes are constantly being further optimized. In Zofingen, a study was carried out at the municipal wastewater treatment plant into which Siegfried discharges the wastewater to clarify how biological wastewater treatment can be improved. This study was successful and showed that the discharge concentrations after the wastewater treatment at the plant can be reduced by adding powdered activated carbon. The realization of this optimization is planned in 2022.

Evionnaz

A detailed study on the replacement of the sewage pipe system is currently being carried out at the Evionnaz plant. The "Pump & Treat" installation for the decontamination of the subsoil at the Evionnaz site was built and put into operation in 2021.

4.3.4 Waste

In 2021, the total amount of waste from all eleven Siegfried plants amounted to 76 797 tons, which is 2.2 percent more than in the previous year. Comparing the existing sites with the previous year, the amount of waste was slightly lower (–0.4%). If the waste is normalized to revenues, the decrease was –21.7 percent. The amount of waste was reduced, especially at the Minden and Nantong plants, while at the other sites there were larger quantities of waste than in the previous year.

The amount of waste is related to the production quantities and to the manufacturing processes, which have different ratios of product to waste. The waste is divided into 65 077 tons of hazardous and 11 720 tons of non-hazardous waste. The high proportion of hazardous waste is due to the fact that chemical production creates large quantities of waste solvents that can be classified as hazardous. On the positive side, the proportion of waste that could be recycled or reused has been further increased. In 2021, it was 50 percent (previous year, 45 percent) in relation to total waste. The proportion of regenerated solvents in total waste in 2021 was lower than in the previous year. There are two options for the regeneration of solvents, i.e. in-house solvent recycling or regeneration by external partners. A total of 20 500 tons of solvents were regenerated in 2021. The proportion of regenerated solvents in comparison with solvents that were disposed of was lower than in the previous year at a total of 44 percent.

Outlook

In the waste sector, further measures to reduce waste are planned for 2022. Optimizations are planned above all for the main waste category of waste solvents. For this purpose, interdisciplinary project groups have been set up at various sites, including employees from the departments of Business Excellence, Chemical Production, Waste Management as well as Safety and Environmental Protection. The proportion of regenerated solvents is to be increased, especially for the solvents used for plant cleaning. This initiative will reduce the amount of waste solvents to be disposed of.

Pilot study on the fermentation of industrial wastewater

From September 2020 to February 2021, a pilot study on the fermentation of industrial wastewater at the municipal wastewater treatment plant was carried out with support from FOEN (Federal Office for the Environment) and the cantonal environmental department (AfU Aargau). Technically, the anaerobic degradation of the ingredients from industrial wastewater works well, but it is not yet economically viable under the given conditions. It is currently being examined whether there are ways to improve economic feasibility.

5. Employees

Based on our mission and vision statements, we strive to be champions in science and technology and aspire to provide leadership that appreciates the value of personal growth and performance and fosters teamwork at the local and cross-functional levels within the group. The foundation of this is our staff of more than 3600 competent and motivated employees and their outstanding performance across the globe, every day and at all our sites.



SDG Contribution at Various Levels

Concerning Development Goal 4, “Ensuring inclusive, equitable and high-quality education and life-long learning opportunities for all”, Siegfried makes a large contribution by means of promoting and developing employees and junior staff, both at the level of apprentices by means of apprenticeships in various job profiles, the trainee program for university graduates and, at the employee level, with the offer of ongoing continued education at the professional and personal level of our managers and executives.

Significant pillars of this are Siegfried’s professional training and the offer of continued education oriented toward the company’s need for core competencies. The aim of the offer is to ensure that employees will successfully master the current and future changes in the work environment and to secure their capability to deal with their own future and with the employment market. By means of the “Spot Learning” initiative introduced during the pandemic, employees can take advantage of an available budget and one workday per year to participate in an online course. The aim was and remains to make available a low-threshold offering which simplifies access to knowledge, does more justice to individual needs, and strengthens employees’ individual responsibility for their personal development.

Conveyance of our mission, vision and values

The results of our daily work are high-quality active ingredients and complete medical products. They have a favorable effect on the life and health of many patients and thus on the global society as a whole. During the past year we again have invested much time to explain our mission, our vision and values to our employees to have a shared understanding of the company we strive to be and what we have to do to achieve our goals. In these discussions, it is obvious that our employees recognize the sense of purpose and the benefits of the work we perform day-in and day-out and that they work with great passion, commitment and know-how to help us realize our mission and our vision.

Regular interaction in various formats

To enable our employees to provide outstanding work every day and that they are comfortable, we cultivate a lively interaction across all levels, for example through roundtable meetings with the management, which are held at regular intervals at every site, even during the pandemic. They allow an open exchange across all hierarchies where we listen and learn from each other. We are convinced that listening carefully is an essential part of our culture and our values. Despite the restrictions related to COVID-19, we have tried to offer virtual interactions because we believe that they are important and beneficial.

In addition, the so-called pool of ideas provides all employees with the opportunity to get involved and consistently develop the organization. The goal of this is to encourage all employees to think about possible improvements and make suggestions. The supervisors – as part of their responsibility – are expected to motivate the employees to submit proposals, enhance the conditions to strengthen the teamwork within the group, assist in the development of suggestions for improvement, implement improvements quickly, and recognize creative work.

Favorable acceptance of continuing education programs

The development and performance of the leadership program LEAP (Leadership Education Advancement Program) continued to progress in 2021. In addition to the previously established programs for new executives, a global LEAP training was provided for the senior management and local programs were developed and carried out for the executives in the production environment. The plan for 2022 is to offer the programs in the United States for the first time and also at the newly integrated sites in Spain. In connection with the performance management process, the managers are obligated to hold an individual development and feedback meeting with every employee. In these meetings, development goals and progress will be discussed and specific actions will be defined and documented. On average, the employees of the Siegfried Group attended about two days of internal and external continuing training and education in the reporting year.

Development of a global talent management process

Well trained junior staff is an indispensable aspect for us, particularly because the demographic change in some occupations will lead to extensive age-related outflows in the coming years. As a result of this, a new global talent management process was developed and pilot tested and will be rolled out globally in the course of 2022. The goal of this process is to systematically develop our own junior staff at all levels to be more independent of the labor market. An important aspect of this is and always will be the training of apprentices and lateral recruits from different industries, particularly in the areas of production and laboratory and the specific recruitment of university graduates for the company's own trainee program.

Offer of Support in the Field of Mental Health in Malta

In addition to the Employee Assistance Program (EAP), Siegfried Malta launched a program for employees that sharpens awareness for a significant aspect of our wellbeing: "Mental Health". The program was launched on 10 October 2021, the International Day of Mental Health, and continued for 30 days. Every day a practical tip was sent to each employee to strengthen awareness for the issue of mental health and promote positive coping strategies to combat problems concerning mental health.

Site	Number of apprentices	Ratio of total employees
Zofingen	24	3.8%
Evionnaz	9	2.6%
St. Vulbas	3	2.2%
Hal Far	7	4.5%
Nantong	4	1.6%
Hameln	17	3.4%
Minden	30	7.6%
Barberà del Vallès	0	0.0%
El Masnou	0	0.0%
Gesamt	94	2.6%

Great Place to Work initiative

Our priorities continue to include the need for flexible work models to make family and work compatible, flexibility in working from home, but also activities involving health and wellbeing, such as a variety of sports, flu vaccination campaigns, smoking cessation programs, and much more.

Three programs in connection with the Great Workplace Initiative were launched in 2021.

- Personal Milestones (celebrating, appreciation)
- Everystepmatters (sharing)
- Onboarding (welcoming)

In addition to the new initiatives, we place high value on ensuring the compatibility of work, family and leisure time. It is important for our employees to find a balance and to be and remain healthy, productive, creative and successful. The possibility for flexible work hours and part-time work, using a home office and the ability to take unpaid leave are key elements of this. Additionally, we support our employees when important events happen in their lives and their careers (such as important professional developments, personal crises, illness in the family, maternity/paternity and other events of consequence).

Attractive and responsible employer

The goal of the “Great Place to Work” initiative launched by Siegfried two years ago is to enhance employer attractiveness and the working conditions for the employees. On the one hand, this is an important competition and success factor for recruitment in an increasingly competitive labor market

Innovative Employer Branding in Hameln

The manpower requirement for the vaccine project carried out in Hameln triggered creative ideas concerning employer branding. As usual, advertisements for vacancies were shown on billboards and, unusually, also on a public city bus painted in Siegfried colors and displaying a specially developed slogan: A real eye-catcher!



with more and more heterogeneous requirements from different generations. On the other hand, it is also essential that the employees feel secure in the long term and are able to sustainably perform their job.

A work environment without discrimination is self-evident at Siegfried

Siegfried is not only committed to offer attractive work conditions with a competitive base salary as well as performance-based variable compensation elements and profit-sharing plans (detailed explanations are provided in the Remuneration Report, available at report.siegfried.ch), Siegfried also greatly values a work environment without discrimination where the employees are comfortable to grow personally and professionally, advance innovation and are able to deliver a top performance. We communicate clearly and ensure that all Siegfried employees have equal rights in terms of wages, social benefits, recruitment, work assignments, promotion, continuing education and training, disciplinary action, retirement rules, access to services, etc. We do not tolerate any form of discrimination based on gender, age, nationality, ethnicity, race, skin color, physical and psychological characteristics/limitations, faith, caste, language, physical disability, membership in an organization, health condition, civil status, maternity, sexual orientation, religion, union membership or political affiliation. With respect to the socially relevant issue concerning the COVID vaccination, we call upon the employees' solidarity and personal responsibility. However, we are of the opinion, that it is appropriate and important to have a dialog to explore the boundaries of individual freedom, the protection of all, and compliance with the applicable laws and regulations, and fulfillment of the economic interest in the best way possible. The principle of "non-discrimination" is also defined in our Code of Conduct and strengthened by the corporate value of "integrity" and actively practiced and required on a daily basis.

As an employer, Siegfried promotes equality of women and men and supports compatibility between family and work. In this context, it should be mentioned that the legally established compliance with equal pay in Switzerland was systematically reviewed and confirmed for the first time in 2020 by an external audit company (PwC). At all other sites, equal pay was examined based either on legal or internal analyses. These analyses have not resulted in any statistically relevant discrimination based on gender-specific characteristics at any of the Siegfried sites.

As a globally active company and employer, we consider diversity with regard to gender, age, education, nationality and cultural background, etc. to be an enrichment in the interactions between the employees and a prerequisite for positive, balanced and suitable solutions and results. Since we firmly believe that diversity makes us a better company, these aspects are a significant criterion of relevant personnel decisions

Campaigns Organized for International Women's Day on 8 May

Both of our new Spanish sites in Barcelona run a diversity and integration group which actively supported the 2021 International Women's Day on 8 May and participated in the global initiative, #ChooseToChallenge. Our colleagues each shared a video or a message presenting their individual challenges and contribution toward the fight against gender-specific inequalities and subconscious prejudices.



We consider our corporate culture, which is based on the values of excellence, passion, integrity, quality, and sustainability, and our Business Code of Conduct to be a valuable and binding foundation of our teamwork.

Social partnership at Siegfried GRI 102-41

An open and solution-based social partnership has a long tradition at Siegfried. Siegfried respects the right of every employee to join an employee representation or a union without suffering any negative consequences, such as termination, discrimination or retaliation. New employees will be contacted and informed directly by the applicable employee representation. We cultivate a direct, transparent and constructive dialog with all employee and union representatives. Joint information meetings and discussions concerning Siegfried's business development and workplace-related decisions and the participation in employee-relevant aspects take place at regular intervals. Collective labor agreements are available to substantial groups of employees in Switzerland, Germany, France, Malta, Spain, China, and the USA. Overall, 2142 employees, or 58.9%, are subject to a collective labor agreement. The rights of co-determination of each employee representation are defined in the respective agreements and regulate the participation rights which are relevant to the applicable negotiations. In 2022, the process of establishing Siegfried's first European Advisory Board will begin. The goal is to negotiate and complete a collaboration agreement in the coming months and to employ this Advisory Board as a forum for the communication and discussion of transnational topics with the employee representations of the European sites.

In the event of complaints or for a report of violations of our values, internal instructions or laws, the employees have a variety of channels available, such as their supervisors, the employee representatives, ombudspersons or the Integrity Officer via an external reporting office. All reports concerning violations are systematically handled. The safe and confidential handling of sensitive matters and the personal protection of the informant are guaranteed at all times (also see the section on Integrity on page 17–18).

At all sites we unconditionally respect the local statutory regulations concerning labor and the universal international standards of the International Labor Organization (ILO). The salaries Siegfried pays its employees are above the legal minimum wage at all sites and the company does not employ minors and prohibits any type of forced labor. With respect to the employment conditions, Siegfried's own part-time employees and employees with a fixed-term work contract are treated the same as full-time employees.

Staff development

As at December 31, 2021, the Siegfried Group had 3637 employees worldwide (prior year: 2583). The number has increased compared to the previous year due to growth in business. The group-wide fluctuation rate increased to 13.1% in the reporting year (prior year: 9.6%). It includes all terminations of contract (either on the part of the employee or the employer), outsourcing as well as retirements and deaths. In addition to the staff reduction related to the shutdown of the pharmaceutical production in Zofingen, which was announced in December 2019, no extensive staff reductions occurred in the year under review. About half of the approximately 50 employees affected by the reduction were re-assigned to other employment within the Siegfried Group. In every case of unavoidable staff reduction in the past, plans were made early enough to allow affected employees to be retrained and transferred internally, wherever possible.

Personnel structure

Siegfried employs approximately 972 external staff worldwide, or approximately 27% of all employees. They are mainly employed in production and production-related areas such as laboratory and warehouse to cover for production peaks and long-term absences. All of Siegfried's partners relating to external employees comply with the legal regulations and minimum wage requirements. The base salaries of external employees are comparable to those of Siegfried's own employees. If qualified, external employees working for Siegfried are given preference in the event a job opens up internally.

Outlook

In the months ahead, we will primarily continue to focus on empowering our employees and the leadership.

Under the heading "Great Workplace to Grow", we will focus on the issue of Employee Engagement in the coming year and introduce a global platform for employee surveys. The purpose is to obtain additional information from within the organization through this anonymous channel, which may provide ideas as to how we can further improve as an employer.

Implementation of an Equal-Pay Analysis in Zofingen and Evionnaz

With effect from 1 July 2020, revised federal legislation came into force concerning gender equality in conjunction with the duty to implement a corporate equal-pay analysis for employees. The aim of the analysis is to enforce the constitutional right to equal pay for equal work. Between 1 July 2020 and 30 June 2021, companies with 100 or more employees had to implement an internal equal-pay analysis in accordance with a scientific and legally compliant method and have it validated by an independent body. Siegfried carried out the equal-pay analysis at the Swiss sites of Zofingen and Evionnaz in fall 2020 and had it validated by the PWC firm of auditors. The analysis, for which the standard analysis tool provided by the federal government was used, confirmed that Siegfried complied with the equal-pay guidelines. The result confirms that Siegfried lives and practices the principle of equal pay, which it has always felt an obligation toward. The results were shared and discussed with the human-resources departments. Based on legislation, Siegfried is not obliged to carry out an equal-pay analysis in the coming years. In order to maintain transparency, Siegfried decided to implement voluntary analyses every five years including verification by PWC and to share the result with the employees and shareholders.

Sustainability Figures

Employees as of 31 December¹

		2021		2020	
Permanent employees					
Zofingen, Switzerland	Number/total	634		594	
Evionnaz, Switzerland	Number/total	343		316	
St. Vulbas, France	Number/total	136		125	
Pennsville, USA	Number/total	205		175	
Irvine, USA	Number/total	133		143	
Hal Far, Malta	Number/total	155		161	
Nantong, China	Number/total	250		241	
Hameln, Germany	Number/total	495		457	
Minden, Germany	Number/total	394		371	
Barberà del Vallès, Spain	Number/total	515		–	
El Masnou, Spain	Number/total	377		–	
Siegfried Group	Number/total	3 637		2 583	
Full-time employees	Number/%	3 338	91.8%	2 368	91.7%
Part-time employees	Number/%	299	8.2%	215	8.3%
Temporary employees based on total employment	Number/%	373	10.3%	326	12.6%
Apprentices/number of apprentices based on total employment	Number/%	94	2.6%	112	4.3%
Temporary employees					
Zofingen, Switzerland	Number/total	32		54	
Evionnaz, Switzerland	Number/total	19		34	
St. Vulbas, France	Number/total	23		38	
Pennsville, USA	Number/total	6		1	
Irvine, USA	Number/total	11		2	
Hal Far, Malta	Number/total	0		1	
Nantong, China	Number/total	8		19	
Hameln, Germany	Number/total	117		98	
Minden, Germany	Number/total	69		79	
Barberà del Vallès, Spain	Number/total	70		–	
El Masnou, Spain	Number/total	18		–	
Siegfried Group	Number/total	373		326	
Diversity²					
Female employees	Number/%	1 163	32.0%	731	28.3%
Male employees	Number/%	2 474	68.0%	1 852	71.7%
Female employees in upper management	Number/%	6	12.0%	6	11.8%
Male employees in upper management	Number/%	44	88.0%	45	88.2%
Female employees in middle and lower management	Number/%	123	28.9%	111	29.4%
Male employees in middle and lower management	Number/%	302	71.1%	267	70.6%
Female full-time employees	Number/%	922	79.3%	550	75.2%
Female part-time employees	Number/%	241	20.7%	181	24.8%
Male full-time employees	Number/%	2 416	97.7%	1 818	98.2%
Male part-time employees	Number/%	58	2.3%	34	1.8%
Demographics					
Employees up to age 30	Number/%	507	13.9%	422	16.3%
Employees between age 31 and 50	Number/%	2 103	57.8%	1 388	53.7%
Employees above age 50	Number/%	1 027	28.2%	773	29.9%
Average age of employees	Age	42.3		41.7	
Fluctuation					
Exits/fluctuation women		173	4.8%	68	2.6%
Exits/fluctuation men		303	8.3%	181	7.0%
Total exits / total fluctuation rate		476	13.1%	249	9.6%
Lost working days due to accidents and illnesses					
Lost working days due to work-related illness/rate	Number of days/%	82.0	0.2%	0.0	0.0%
Lost working days due to illness ³ /rate	Number of days/%	39 843.8	88.3%	32 175.2	91.1%
Lost working days due to work-related accidents/quota of days lost in %	Number of days/%	1 049.8	2.3%	616.7	1.7%
Lost working days due to non-work-related accidents/quota of days lost in % ³	Number of days/%	4 128.2	9.2%	2 518.5	7.1%
Total lost working days/quota of days lost in %	Number of days/%	45 103.8	100.0%	35 310.4	100.0%
Total lost working days per employee	Ø days per employee/%	12.4	5.6%	13.7	6.2%

¹ Source: Siegfried ERP System (SAP HR), as per 31.12.

² related to permanent employees

³ Hameln and Minden sites: non-work-related accidents are included in "lost working days due to illness"

6. Corporate Social Responsibility

6.1 Local population

In connection with corporate social responsibility Siegfried maintains contact with the authorities and other responsible parties and also directly with the population at the various sites. Since Siegfried is considered and appreciated as an important employer at most of the sites all parties are interested in doing so. The contacts are primarily cultivated by the site management, but the top management of the Siegfried Group also periodically meets with the regional and local political leadership.

A key component of such communication is the topic of education and training. Siegfried provides internal training positions and internships and is willing to support primarily science-oriented educational institutions in various ways, based on the professional training systems and/or academic educational institutions involved. Where gaps exist, Siegfried also provides internal training or retraining. Furthermore, Siegfried supports institutions where students are exposed to the sciences at an early age. One example is the initiative “simply science” in Switzerland (www.simplyscience.ch).

Other vital topics discussed in close communication with the authorities concern the subject of safety and environmental protection. Siegfried is doing its utmost to meet all corresponding rules and regulations. Therefore, it maintains sizeable firefighting and chemical disaster units at all sites. If the authorities wish, these units are prepared to also serve outside the company property, especially in cases concerning chemical substances.

Siegfried is also engaged in the social and cultural environment and supports related employee activities with financial contributions at many sites. This includes the participation of company teams in charity events, such as “Race for life” or “Powerman Charity”. The company also grants financial support to social engagements and to activities volunteered by employees for people with physical disabilities. The same applies to volunteer activities in the field of sports and junior sports. In 2021 a separate global position was created specifically for sponsoring, contributions and lobbying. Local contacts are responsible for coordination at the production sites. A separate budget item for local engagements is available at every site.

Joint Research Project with University of Applied Sciences

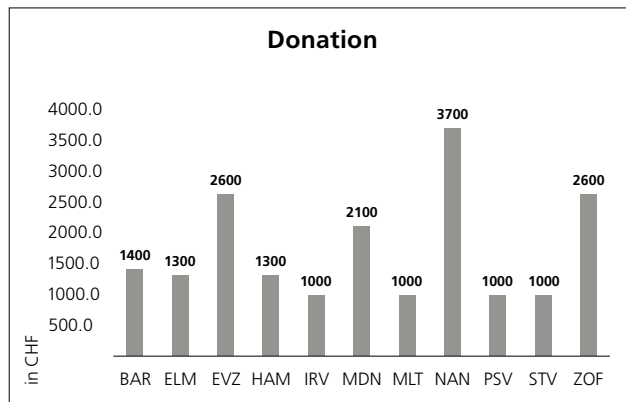
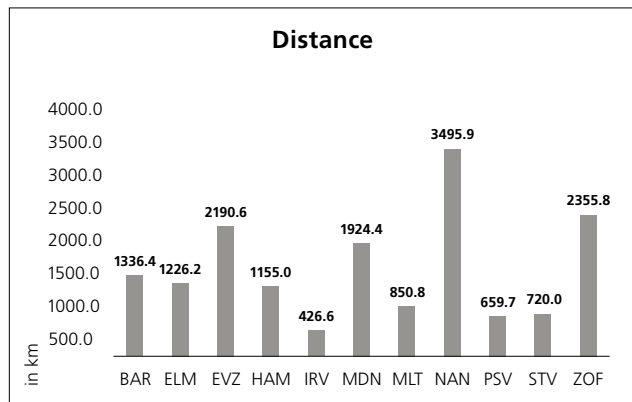
Together with the University of Applied Sciences Northwestern Switzerland, Siegfried won the “Scale up H2” research-fund project and awarded 97 000 Swiss francs. Siegfried’s cooperation with the university within the parameters of bachelor and master’s theses began many years ago. Mid-2020 we entered and won a shared project publicized by the Canton of Aargau Research Fund, which we are all proud of. The project began in February and has made good progress.

Overview of the memberships of the Siegfried Group and its companies at each individual site:

Group		European Fine Chemical Group (EFCG) (Sector group of the European Chemical Industry Council (CEFIC)) scienceindustries Chemie Pharma Biotech, Swiss economic umbrella organization Swiss-American Chamber of Commerce Swiss-Chinese Chamber of Commerce The Association of Swiss Enterprises in Germany (VSUD) Avenir Suisse UN Global Compact Network Switzerland & Liechtenstein DCAT Drug, Chemical, & Associated Technologies Association, USA
Zofingen	Switzerland	Aargau Chamber of Commerce and Industry (AIHK) Zofingen Regional Economic Association (WRZ) Park InnovAARE
Evionnaz	Switzerland	Chambre Valaisanne de Commerce et d'Industrie Groupement Romand Industrie Pharma Union Industriels Valaisans
Hameln	Germany	AdU (Employers' Association of Business in Weserbergland) Chamber of Commerce and Industry of Hannover ChemNord (Employers' Association of the Chemical Industry in Northern Germany) BME (Bundesverband Materialwirtschaft, Einkauf und Logistik) Weserbergland AG (network of businesses)
Minden	Germany	Arbeitgeberverband für die Chemische Industrie Ostwestfalen-Lippe e.V. East Westphalia Chamber of Industry and Commerce (IHK) Association of the Chemical Industry (VCI)
St. Vulbas	France	France Chimie Auvergne Rhône-Alpes Mouvement des entreprises de France (MEDEF) Syndicat Mixte du Parc Industriel de la Plaine de l'Ain (SMPIPA)
Hal Far	Malta	Malta Chamber of Commerce Malta Employers' Association Foundation for Human Resources Development
Pennsville	USA	SOCMA Society of Chemical Manufacturers and Affiliates NJBIA (New Jersey Business & Industry Association) Salem County Chamber of Commerce Employers' Association of New Jersey Chemical Council of New Jersey
Irvine	USA	International Society of Pharmaceutical Engineers (ISPE) Parenteral Drug Association (PDA) American Society of Quality (ASQ) California Chamber of Commerce
Nantong	China	SwissCham Shanghai Nantong Pharmaceutical Association Nantong Biopharmaceutical Industry Union
Barberà	Spain	Col.legi de Farmacèutics (Pharmacists College) COASHIQ AEFI Asociación española de farmacéuticos de la industria (Spanish Association of Pharmacists from the Industry)
El Masnou	Spain	AEFI Asociación española de farmacéuticos de la industria (Spanish Association of Pharmacists from the Industry) Collegi de Farmacèutics (Pharmacists College)

#everystepmatters

The #everystepmatters charity run was carried out at all sites worldwide. Based on the distance ran by employees, Siegfried made a donation to local charity organizations chosen by employees.



16 341 km

CHF 19 000

Two Local Initiatives at the Nantong Site

Siegfried helped local fruit farmers, whose business had suffered from lower sales during the corona pandemic, by purchasing fruit as a present to employees. Moreover, the proceeds from the Charity Run were used to support five poor pupils and some disabled children in the region.

Blood Donor Day in Malta

On 17 December, Siegfried Malta organized a Blood Donor Day at the site initiated by the Recreation Committee. Implementation was carried out in cooperation with the Maltese Blood Transfusion Service, which made available a blood-donation vehicle including medical staff at the site. Fifteen Siegfried employees participated and two companies in the industrial park were invited to participate.



Outlook

The Siegfried Group will continue to fulfill its social responsibility, for example in the form of various memberships, and will cultivate the contact with the local population at all sites. The goal is to increasingly establish such engagements across the sites to make better use of the resulting synergies between the various sites, countries and regions.

6.2 Political Representations of Interests

For Siegfried, the purpose of communicating with political bodies and decision-makers is to establish favorable conditions for business in general and the chemical-pharmaceutical industry in particular. We make every effort to develop a competitive site, an innovative environment as a basis for research and development, and an excellent educational system in relation to both work and academics. Free market access worldwide is of great importance to Siegfried.

Important current topics include the following:

- Research and innovation
- Education
- Free movement of people and thus the possibility for Siegfried to acquire employees with top capabilities
- Free movement of goods
- Comparable conditions for all manufacturers worldwide, including the regulatory environment

These are the issues that Siegfried supports worldwide, at the company's headquarters in Switzerland and at every site. At the European level, Siegfried is actively involved in EFCG (European Fine Chemical Group), a sector group within CEFIC (European Chemical Industry Council).

In Switzerland, Siegfried occasionally supports – primarily in connection with popular votes – political parties or candidates who share the company's political goals. Siegfried also participates in popular votes in Switzerland concerning the interests of business in general and companies in the chemical and pharmaceutical industry in particular. Siegfried's direct support of pro-business parties amounted to CHF 5000 in 2021.

Furthermore, Siegfried is a member of

- Avenir Suisse
- "Scienceindustries"
- Chemie Pharma Life Sciences and
- SCS (Swiss Chemical Society)

Siegfried is also a member of Park InnovAare, an organization which brings business and science together in the Canton Aargau, where Siegfried is located.

In addition, the Head of Pharmapark Zofingen has a seat on the Board/Board Committee of the Swiss economic umbrella organization *economiesuisse* (as a representative of "scienceindustries"), and on the Board of "scienceindustries", the economic association Chemie, Pharma, Life Science Switzerland. He is also the Vice President of the Aargau Chamber of Industry and Commerce AIHK and the President of the Zofingen Regional Economic Association (WRZ).

7. Contacts

For general questions regarding sustainability

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GRI Content Index

GRI Standard	Disclosure	Page	Comments	UNGC
GRI 101	101	Foundation (2016)		
		Organizational Profile		
GRI 102		General Disclosures (2016)		
	102-1	Name of the organization	SR 74	
	102-2	Activities, brands, products, and services	AR 9	
	102-3	Location of headquarters	AR 8	
	102-4	Location of operations	AR 8	
	102-5	Ownership and legal form	FR 49–52	
	102-6	Markets served	AR 8, 10–11	
	102-7	Scale of the organization	AR 6–7	
	102-8	Information on employees and other workers	SR 61	Principle 6
	102-9	Supply chain	SR 27–30	Principles 1, 2, 3, 4, 5, 6, 7, 8, 9, 10
	102-10	Significant changes to the organization and its supply chain	FR 24	
	102-11	Precautionary Principle or approach	FR 20–22, 33	
	102-12	External initiatives	SR 13–14, 32	Principles 6, 7, 8, 9
	102-13	Membership of associations	SR 10, 63	
		Strategy		
	102-14	Statement from senior decision-maker	SR 3–4	
		Ethics and integrity		
	102-16	Values, principles, standards, and norms of behavior	SR 9–11, 17, 22 AR 11	Principles 1, 2, 3, 4, 5, 6, 7, 8, 9, 10
		Governance		
	102-18	Governance structure	CG 3, SR 7–8, 13	

AR = Annual Report (Newsletter)
CG = Corporate Governance
RR = Remuneration Report
FR = Financial Report
SR = Sustainability Report

For the Materiality Disclosures Service, GRI Services reviewed that the GRI Content Index is clearly pre-sented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. This GRI service was conducted on the German version of this report.

GRI Standard	Disclosure	Page	Comments	UNGC
	Stakeholder engagement			
102-40	List of stakeholder groups	SR 16		
102-41	Collective bargaining agreements	SR 59		Principle 3
102-42	Identifying and selecting stakeholders	SR 15–16		
102-43	Approach to stakeholder engagement	SR 15–16		
102-44	Key topics and concerns raised	SR 16		
	Reporting practice			
102-45	Entities included in the consolidated financial statements	FR 24		
102-46	Defining report content and topic boundaries	SR 12, 73		
102-47	List of material topics	SR 12, 73		
102-48	Restatements of information		No reformulations were required.	
102-49	Changes in reporting		There were no changes to the material topics and topic boundaries.	
102-50	Reporting period	SR 74		
102-51	Date of most recent report	SR 74		
102-52	Reporting cycle	SR 74		
102-53	Contact point for questions regarding the report	SR 66		
102-54	Claims of reporting in accordance with the GRI Standards	SR 74		
102-55	GRI content index	SR 67	The GRI content index is available on the Internet at report.siegfried.ch	
102-56	External assurance		We did not have an independent external validation of the Sustainability Report drawn up by a third party.	

Material Topics

GRI Standard	Disclosure	Page	Further information and omissions	UNGC
Corruption and Anti-Competitive Behavior				
GRI 103	Management Approach (2016)			
103-1	Explanation of the material topic and its boundary	SR 17		Principle 10
103-2	The management approach and its components	SR 17–20		Principle 10
103-3	Evaluation of the management approach	SR 19–20		Principle 10
	Own disclosure			Principle 10
	Cases of violations against the Code of Conduct	SR 20		Principle 10
GRI 206	Anti-competitive behavior (2016)			Principle 10
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	SR 20		Principle 10
Product Safety				
GRI 103	Management Approach (2016)			
103-1	Explanation of the material topic and its boundary	SR 21		Principle 9
103-2	The management approach and its components	SR 21–26		Principle 9
103-3	Evaluation of the management approach	SR 25–27		Principle 9
GRI 416	Customer Health and Safety (2016)			
416-1	Assessment of the health and safety impacts of product and service categories	SR 23–25		
Supplier Environmental Assessment				
GRI 103	Management Approach (2016)			
103-1	Explanation of the material topic and its boundary	SR 27		Principles 1, 2, 3, 4, 5, 6, 7, 8, 9, 10
103-2	The management approach and its components	SR 27–30		Principles 1, 2, 3, 4, 5, 6, 7, 8, 9, 10
103-3	Evaluation of the management approach	SR 28–30		Principles 1, 2, 3, 4, 5, 6, 7, 8, 9, 10
GRI 308	Supplier Environmental Assessment (2016)			
308-1	New suppliers that were screened using environmental criteria		For the present, no data is available concerning the systematic examination of new suppliers' social and environmental criteria. Siegfried will examine the establishment of the required processes and data collection systems in the medium term.	
GRI 414	Supplier Social Assessment (2016)			
414-1	New suppliers that were screened using social criteria		For the present, no data is available concerning the systematic examination of new suppliers' social and environmental criteria. Siegfried will examine the establishment of the required processes and data collection systems in the medium term.	




























GRI Standard	Disclosure	Page	Further information and omissions	UNGC
Energy and Climate Change				
GRI 103	Management Approach (2016)			
103-1	Explanation of the material topic and its boundary	SR 31, 43–44		Principles 7, 8, 9
103-2	The management approach and its components	SR 31–33, 44–45, 48–49		Principles 7, 8, 9
103-3	Evaluation of the management approach	SR 37, 44–51		Principles 7, 8, 9
GRI 302	Energy (2016)			
302-1	Energy consumption within the organization	SR 46–47, 50–51		
GRI 305	Emissions (2016)			
305-1	Direct (Scope 1) GHG emissions	SR 44		Principles 7, 8, 9
Waste and Pollution				
GRI 103	Management Approach (2016)			
103-1	Explanation of the material topic and its boundary	SR 31, 51–52		Principles 7, 8, 9
103-2	The management approach and its components	SR 31–33, 51–54		Principles 7, 8, 9
103-3	Evaluation of the management approach	SR 50, 52–54		Principles 7, 8, 9
GRI 303	Water and Effluents (2018)			
303-1	Interactions with water as a shared resource	SR 51–53		Principles 7, 8, 9
303-2	Management of water discharge-related impacts	SR 50–53		Principles 7, 8, 9
303-5	Water consumption	SR 50–51		Principles 7, 8, 9
GRI 306	Waste (2020)			
306-1	Waste generation and significant waste-related impacts	SR 50–51, 54		Principles 7, 8, 9
306-2	Management of significant waste-related impacts	SR 51, 54		Principles 7, 8, 9
306-3	Waste generated	SR 50–51		Principles 7, 8, 9

GRI Standard	Disclosure	Page	Further information and omissions	UNGC
Occupational Health and Safety				
GRI 103	Management Approach (2016)			
103-1	Explanation of the material topic and its boundary	SR 31, 33–34, 38		
103-2	The management approach and its components	SR 31–38, 41–43		
103-3	Evaluation of the management approach	SR 34–40, 43		
GRI 403	Occupational Health and Safety (2018)			
403-1	Occupational health and safety management system	SR 32–33, 35, 42		
403-2	Hazard identification, risk assessment, and incident investigation	SR 36–42		
403-3	Occupational health services	SR 34–35, 42–43		
403-4	Worker participation, consultation, and communication on occupational health and safety	SR 34–36		
403-5	Worker training on occupational health and safety	SR 35–36, 42		
403-6	Promotion of worker health	SR 34–35, 41–43, 56–57		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR 34, 38, 41–42		
403-9	Work-related injuries	SR 34, 38–40		

GRI Standard	Disclosure	Page	Further information and omissions	UNGC
Fair Working Conditions				
GRI 103	Management Approach (2016)			
103-1	Explanation of the material topic and its boundary	SR 55		Principles 1, 2, 3, 4, 5, 6
103-2	The management approach and its components	SR 55–59		Principles 1, 2, 3, 4, 5, 6
103-3	Evaluation of the management approach	SR 59–61		Principles 1, 2, 3, 4, 5, 6
GRI 401	Employment (2016)			
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employee	SR 55–59		Principles 1, 2, 3, 4, 5, 6
Local Communities				
GRI 103	Management Approach (2016)			
103-1	Explanation of the material topic and its boundary	SR 62		Principles 6, 7
103-2	The management approach and its components	SR 62–64		Principles 6, 7
103-3	Evaluation of the management approach	SR 62–65		Principles 6, 7
GRI 413	Local Communities (2016)			
413-1	Operations with local community engagement, impact assessments, and development programs	SR 62–64		Principles 6, 7
Public Policy				
GRI 103	Management Approach (2016)			
103-1	Explanation of the material topic and its boundary	SR 65		
103-2	The management approach and its components	SR 65		
103-3	Evaluation of the management approach	SR 65		
GRI 415	Public Policy (2016)			
415-1	Political contributions	SR 65		

GRI Standards Material Topics and Topic Boundaries

GRI 102-46, GRI 102-47

Material Topics	Siegfried's Value Chain		
	Supply Chain	Siegfried	Products
Corruption and Anti-competitive Conduct			
Product Safety			
Sustainability in the Supply Chain			
Energy and Climate Change			
Waste and Contamination			
Occupational Health and Safety			
Fair Working Conditions			
Local Population			
Political Representation of Interest			

 Siegfried Topic Boundaries

The 10 Principles of Global Compact

Human Rights	
1.	Businesses should support and respect the protection of internationally proclaimed human rights.
2.	Businesses should make sure that they are not complicit in human rights abuses.
Labor Standards	
3.	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4.	Businesses should uphold the elimination of all forms of forced and compulsory labor.
5.	Businesses should uphold the effective abolition of child labor.
6.	Businesses should uphold the elimination of discrimination in respect of employment and occupation.
Environmental Protection	
7.	Businesses should support a precautionary approach to environmental challenges.
8.	Businesses should undertake initiatives to promote greater environmental responsibility.
9.	Business should encourage the development and diffusion of environmentally friendly technologies
Prevention of Corruption	
10.	Businesses should work against corruption in all its forms, including extortion and bribery.

About our Sustainability Report

Siegfried takes the responsibility of a manufacturing company to society and the environment seriously. This Sustainability Report shows our progress and projects between 1.1.2021 and 31.12.2021 according to the principles of the Global Reporting Initiative (GRI). The last sustainability report was published in February 2021. Siegfried will continue to publish an annual sustainability report. This report was prepared in compliance with the GRI Standards, option "Core". Also, the GRI Materiality Disclosures Service was carried out for the current annual report and the correctness of the GRI references 102-40 to 102-49 was confirmed by GRI. The detailed GRI Content Index is available on the Internet at report.siegfried.ch.

The process of preparing the sustainability report was supported by ELEVATE (formerly: BSD Consulting), a consulting firm specializing in the management of sustainability issues. The Sustainability Report was not examined externally.

About this Annual Report

In addition to highlighting Siegfried's business performance and its position concerning assets, finances and earnings, this report throws light on the company's commitment concerning sustainability and its interaction with society and the various stakeholders.

They are to gain a comprehensive and differentiated understanding of how Siegfried incorporates these issues into its corporate strategy and of progress achieved in this regard in the course of the year. The report appears in English and German language.

Scope

We report on the 2021 financial year ending 31 December 2021. The future-oriented topics dealt with in the report represent an exception. Siegfried's Annual Report appears annually and was last published in March 2021, both in a printed version and as PDF on our corporate website. The next report will come out in the spring of 2023.

Governance

Our statement concerning Governance describes the principles of management and the control of the Siegfried Group. Essentially, the Siegfried Group's corporate governance follows the Swiss Code of Best Practice and is subject to regular reviews and further development by the Board of Directors. Any deviations from these guidelines find mention in the report.

Principles of accounting

The Siegfried Group's financial reporting is carried out in accordance with the entire guidelines of Swiss GAAP FER and the provisions of the Swiss law.

External validation

PricewaterhouseCoopers AG (PwC) as auditors reviewed Siegfried Holding AG's Compensation Report (tables with remark "Audited") for the financial year ending 31 December 2021 and came to the conclusion that it corresponds with the law and with article 14 to 16 of the Ordinance against excessive remuneration for listed stock corporations. The process of sustainability reporting was supported by BSD Consulting, a consulting company specialized in the management of sustainability issues.

Sustainability Report in Accordance with GRI Standards

This report has been prepared in accordance with the GRI Standards: Core option. Furthermore, for the present annual report, the GRI Materiality Disclosures Service was carried out and the accuracy of the GRI references 102-40 to 102-49 confirmed. Please refer to the detailed GRI content index on the Internet at report.siegfried.ch.

Publisher's Note

This Annual Report is also available in German, being the original version.

This is an excerpt of Siegfried's Annual Report 2021. All chapters of Siegfried's Annual Report 2021 can be downloaded at report.siegfried.ch.

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