

# Sustainability Report 2023



# Sustainability Report

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This is an excerpt of Siegfried's Annual Report 2023.  
All chapters can be found on our Investor Relations portal:  
[www.ir.siegfried.ch](http://www.ir.siegfried.ch)

# About this Report

This non-financial report (Sustainability Report) is a conceptual part of Siegfried's Annual Report and complements the Progress Report, the Financial Report, the Corporate Governance Report and the Remuneration Report. This report is intended to enable readers to develop a comprehensive and differentiated understanding of Siegfried's commitment to sustainability. It explains how non-financial aspects are implemented in Siegfried's strategy, business model and organization.

Siegfried's reporting for the 2023 reporting year was prepared in accordance with the GRI Standards. This represents a further development compared to last year's reporting, as this was only based on the GRI Standards. Siegfried's non-financial report was also prepared this year in accordance with the new legal requirements for large Swiss public companies.

In order to meet the requirements of the GRI Standards in a reader-friendly and comprehensible manner, the report is divided into basic information and reporting on the key topics. A reference table (p.44) shows which reporting elements cover the information required by the Swiss Code of Obligations.

Siegfried's non-financial report is published once a year in German and English and can be viewed on the company's website ([www.siegfried.com/sustainability](http://www.siegfried.com/sustainability)).

This report was published on February 20, 2024. The final approval is incumbent on the General Meeting of Shareholders (April 18, 2024). Contact point for questions and suggestions regarding the report is:

Siegfried AG  
Luca Dalla Torre  
General Counsel  
Untere Bruehlstrasse 4  
4800 Zofingen  
Switzerland  
Phone: +41 62 746 11 46

# Sustainability at Siegfried

Siegfried's purpose is to take the innovations of its customers to industrial scale, producing safe medicines to ensure the continuity of treatment for millions of patients worldwide. Improving patient health is at the heart of Siegfried's mission. Beyond this, however, the company is committed to fulfilling its responsibilities as a manufacturing company, avoiding or at least mitigating negative impacts on economy, environment, people and society, and creating transparency in this regard.

Due to the great responsibility that Siegfried and other pharmaceutical companies bear for patient safety, as well as that of politics, society, authorities and customers, the issue of sustainability is more relevant than ever before. Siegfried complies with international regulations and legal requirements that enable the company to strengthen its reputation as a safe and reliable manufacturer of chemical products.

Siegfried believes that integrating material ESG topics into its strategy and enterprise risk management framework is the most effective way to meet business needs and stakeholder expectations. Therefore, Siegfried takes an integrated approach to the management of environmental, social and governance (ESG) issues that are considered material to its business.

## Sustainable Development Goals

As part of its sustainability management, Siegfried aims to contribute globally to sustainable development. Therefore, it also refers to the 17 global goals and 169 targets of Sustainable Development Goals (SDGs), prioritizing the SDGs where it contributes in particular.

Further information about Siegfried's contribution to SDGs: Sustainability Report 2023, p. 5

# Materiality

## Materiality Analysis

In 2022, Siegfried performed a group wide materiality assessment led by the Sustainability Board. The aim was to identify and evaluate:

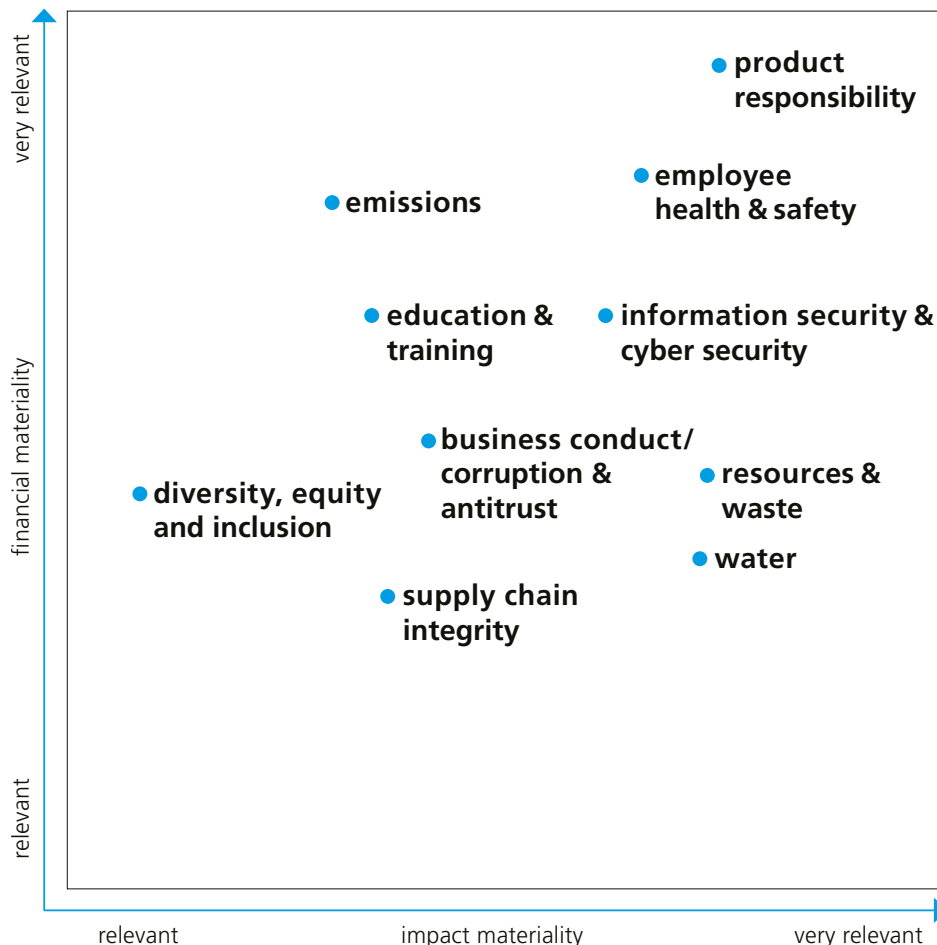
1. Impact materiality: ESG topics in which Siegfried has a significant impact on the economy, environment, people and society as a result of its business operations.
2. Financial materiality: ESG topics from which Siegfried faces significant risks and opportunities for the company's development, performance, and position.

Initially, experts from outside the company developed a long list of ESG topics, which was approved by the Sustainability Board, in order to identify and assess the most relevant fields of action. Using this list, a comprehensive online survey was distributed to 150 high- and mid-level managers at one of Siegfried's global sites who were in charge of corporate and site management operations. The survey participants included not only employees with primary (local or global) responsibility for sustainability, such as Safety, Health and Environment (SHE), HR or Integrity and Compliance, but also members of the Business Development and Sales department, representing the customer's perspective, the Quality department, representing the patient's perspective, the Engineering and Operations department, representing Siegfried's core business activities, as well as other global or local departments and functions. Each member of management rated and commented on two materiality dimensions: the impact of Siegfried's business activities from within the company and the impact of relevant issues on Siegfried's business from outside.

Based on these results, the Sustainability Board then discussed, grouped, assessed, and rated each individual ESG issue on both dimensions during a full-day workshop, using the results of the survey and raw data generated. The survey results and subsequent evaluations were presented to the Board of Directors of the Siegfried group during the Board's 2022 Strategy Retreat, and ultimately approved.

For the 2023 reporting year, Siegfried re-assessed the timeliness of its material topics and their compliance with Swiss legal requirements for non-financial reporting, starting by benchmarking against Siegfried's peers and then compared with the new legal requirements. Based on this analysis, Siegfried made minor adjustments to the material topics, regrouped or renamed some of them. For 2024, Siegfried plans to conduct a materiality analysis, incorporating the European legislation outlined in the Corporate Sustainability Reporting Directive.

List of Material Topics



Reference to the Sustainable Development Goals

As part of its sustainability management, Siegfried aims to contribute globally to sustainable development in line with the Sustainable Development Goals of the United Nations (SDGs). From the 17 global goals and 169 targets, Siegfried prioritizes the SDGs to which it contributes in particular and links them with the material topics. Siegfried identified two core SDGs on which Siegfried may have a significant positive impact through its business activities: SDG 3 “Good Health and Well-Being” and SDG 12 “Responsible Production”.

SDG 3, which aims to “Ensure healthy lives and promoting well-being for all ages” is central to Siegfried’s purpose to produce safe drugs that help ensure the continuity of treatment for millions of patients worldwide.

- Target 3.5: Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol.  
→ For more information on how Siegfried contributes to target 3.5: [Statement on Ethical Use of Prescription Opioids](#)

- Target 3.9: By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.  
→ For more information on how Siegfried contributes to target 3.9: Sustainability Report p.7, p.10, p.12 (Material Topics Emissions, Resources & Waste and Water)

SDG 12 aims to “Ensure sustainable consumption and production patterns”. As a manufacturing company, Siegfried understands its responsibility to mitigate negative impacts. And through its expertise in process optimization, it makes API production more sustainable.

- Target 12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment
- Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

- For more information on how Siegfried contributes to targets 12.4 and 12.5: Sustainability Report 2023 p.10 (Material Topic Resources & Waste)

Additional SDGs were identified for fields in which Siegfried may also contribute to the achievement of the targets defined by the United Nations:

#### **SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all**

- Target 4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship
- Target 4.5: By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations
- Target 4.7: By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.
  - For more information on how Siegfried contributes to targets 4.4, 4.5, and 4.7: Sustainability Report 2023 p.17 (Material Topic Education and Training)

#### **SDG 5: Achieve gender equality and empower all women and girls**

- Target 5.1: End all forms of discrimination against all women and girls everywhere.
- Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.
- Target 5.C: Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.
  - For more information on how Siegfried contributes to targets 5.1, 5.5 and 5.C: Sustainability Report 2023 p.19 (Material Topic Diversity, Equity and Inclusion)

#### **SDG 6: Ensure availability and sustainable management of water and sanitation for all**

- Target 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.
- Target 6.4: By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.
- Target 6.5: By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate.
  - For more information on how Siegfried contributes to targets 6.3, 6.4 and 6.5: Sustainability Report 2023 p. 12 (Material Topic Water)

#### **SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**

- Target 8.7: Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms.
  - For more information on how Siegfried contributes to target 8.7: Sustainability Report 2023 p.21 (Material Topic Supply Chain Integrity)
- Target 8.8: Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.
  - For more information on how Siegfried contributes to target 8.8: Sustainability Report p.14 (Material Topic Employee Health and Safety)

# Reporting on Material Topics

## Environment

### Emissions

#### 2023 performance in the field of emissions

**+1.3%** Scope 1 & 2 CO<sub>2</sub> emissions/  
Mio CHF Sales vs. 2022

**-32.1%** Absolute Scope 1 & 2 CO<sub>2eq</sub>  
emissions vs. 2020

**-4.8%** Energy Use / Mio CHF Sales  
vs. 2022

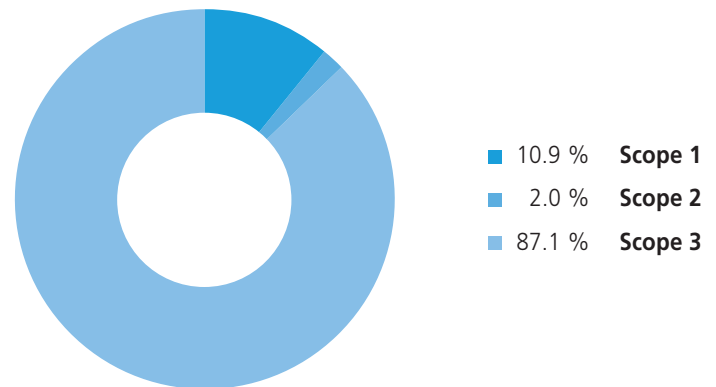
The production of active pharmaceutical ingredients and intermediates causes emissions of greenhouse gases and involves several chemical and physical steps that require considerable amounts of energy. Due to the energy sources used – mainly natural gas and electricity – significant CO<sub>2</sub> emissions are associated with energy consumption. In 2021, Siegfried committed to reducing the carbon footprint of its Scope 1 and 2 emissions for the period up to 2030 by 50% normalized against sales. Since then, Siegfried successfully

managed to considerably reduce Scope 1 and Scope 2 emissions by a total of 37.7 % even in absolute terms. However, the emissions associated with Siegfried's business arise primarily in the production of the resources required for the products (Scope 3), as many raw materials used by Siegfried originate, in whole or in part, from the petrochemical industry.

Like other manufacturing industries, pharmaceutical production has an impact on the environment. Siegfried is aware of all the emissions for which it is responsible. When it comes to CO<sub>2</sub> and other GHG emissions, every stage of the pharmaceutical supply chain has a CO<sub>2eq</sub> footprint.

Of the 527.9 kilotons of CO<sub>2eq</sub> emissions in 2023, 11% come from Scope 1 (direct emissions from operations), 2% from Scope 2 (emissions caused by the production of purchased electricity and steam). In addition, Siegfried also takes its upstream and downstream emissions in account: the company estimated Scope 3 emissions in 2022 at 462 kT of CO<sub>2eq</sub>. This corresponded to approximately 88% of the total CO<sub>2eq</sub> emissions of 527 kT CO<sub>2eq</sub>. Scope 3 emissions for 2023 have been initially estimated at 459.7 kT CO<sub>2eq</sub> and will be updated in full detail in the scope of Siegfried's 2024 CDP reporting.

#### Scope 1–3 Distribution



## Impacts

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

The upstream and own chemical and pharmaceutical production of Siegfried's products requires significant amounts of fossil fuels. Both their primary production and their consumption in Siegfried's sites cause emissions that contribute to the company's carbon footprint and can have negative impacts on the environment.

### **Other Air Emissions**

#### **Volatile organic compounds (VOC):**

VOCs are mainly generated in chemical manufacturing, where large amounts of organic solvents are used to dissolve solid materials, to facilitate reactions or to clean equipment. Although the off-gas streams are cleaned via charcoal filters, scrubbers or by incineration, a small amount of VOCs are still emitted into the atmosphere.

#### **Nitrogen oxides (NOx):**

Nitrogen oxides are either formed during the combustion of fossil fuels or solvents, or during chemical reactions (e. g. ammonia oxidation). NOx emissions contribute to air pollution.

#### **Sulfur dioxide (SO<sub>2</sub>)**

Sulfur dioxide (SO<sub>2</sub>) emissions are primarily formed through the burning of fossil fuels (like oil and natural gas) or the processing of sulfur-containing materials. SO<sub>2</sub> emissions can contribute to acid rain, respiratory problems, and other environmental issues.

## Risks and Opportunities

As part of a climate risk analysis, Siegfried has identified risks with an emissions context:

#### **Costs to transition to lower emissions technology:**

Manufacturing may become subject to tighter environmental and regulatory standards, requiring updates to existing assets or investments in new ones. Technological changes may also prompt additional approvals under GMP regulations.

#### **Increased pricing of GHG emissions:**

A rise in manufacturing costs, coupled with an increase in raw material costs, may pose challenges. Furthermore, the need for additional internal resources to manage greenhouse gas (GHG) monitoring, reporting, and verification may become imperative.

#### **Enhanced emission reporting obligations:**

Escalating costs to meet national and international reporting obligations, coupled with the inherent risk of non-compliance within complex regulatory frameworks may pose challenges.

Detailed information on climate-related risks in Siegfried's business model can be found in the TCFD report p. 41

## Concept

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

In 2021, the management committed to significantly reducing the carbon footprint for the period up to 2030. The company is aiming for a 50% reduction in its CO<sub>2</sub> emissions by 2030 (CO<sub>2eq</sub>, normalized to sales) and is also planning long-term measures to meet the Net Zero Target, which has a net balance of zero greenhouse gases emitted by its operations (Scope 1 and 2) and greenhouse gases removed from the atmosphere by company actions.

The goal is to be achieved by conducting a comprehensive analysis of all Siegfried locations concerning CO<sub>2</sub> emissions, combined with a list of suitable measures that have been effective since the 2021 financial year. Siegfried is focusing both on measures to reduce energy consumption and on the gradual switch to lower-emission energy sources.

The consumption of electrical and thermal energy is to be reduced by optimizing processes and systems and increasing the equipment's energy efficiency.

### **Renewable electricity**

One key focus of Siegfried's carbon reduction measures is the purchase of sustainable electricity. Siegfried has concluded a significant proportion of sustainable power purchase agreements (PPAs) and currently achieves a share of approximately 71% sustainable electricity. These PPAs are backed up by official, site specific Guarantee of Origin (GO) certificates or Renewable Energy Certificates (REC).

### **Scope 3**

Siegfried newly reports also its Scope 3 footprint. Approximately 87% of Siegfried's CO<sub>2</sub> and GHG emissions occur in its value chain, outside of its own operations. Siegfried's influence on emissions in the upstream value chain through its suppliers is limited and rather complex. The company therefore focuses current measures on its own production sites but has started to engage with suppliers and customers on reducing the footprint along the entire value chain since Siegfried's reach into the product life cycle is rather limited. Siegfried's main focus in this regard is on process optimization to reduce solvents, as an example, and alternative sourcing of green raw materials.

Since 2022, Siegfried is committed to the principles of the Science Based Target initiative and intends to develop SBTi verified targets until the end of 2024.

### **Other Air Emissions (VOCs, NOx and SO<sub>2</sub>)**

All manufacturing sites of Siegfried comply with VOC, NOx and SO<sub>2</sub> emission limits at all times. The relevant initiatives and projects are managed locally on a site level. All Siegfried sites are equipped with NOx reducing infrastructure (burners, scrubbers) to limit NOx emissions to a minimum and to meet regulatory standards. Also, Siegfried's sites employ pollution control technologies like flue-gas desulfurization, catalytic converters, and scrubbers to reduce the amount of sulfur dioxide released into the atmosphere. The definition of global targets to further reduce VOC, NOx and SO<sub>2</sub> emissions is in progress.



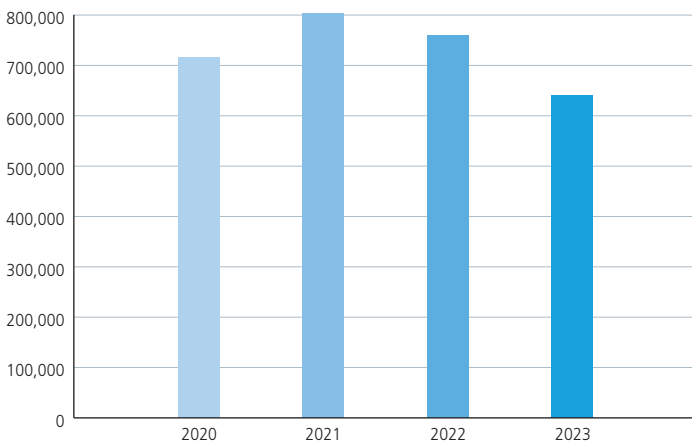
## Measures, Progress and Key Indicators

In order to account for changes in business activity, Siegfried focuses on emission development in relation to sales figures. Siegfried saw a slight increase in business volume in 2023, nevertheless, the total energy consumption per Mio CHF sales decreased by 4.8%. The sales-based Scope 1 & 2 CO<sub>2eq</sub> emissions increased by 1.3%. This is primarily due to a strategic shift away from natural gas towards more CO<sub>2</sub> intense fuels, e.g. LPG and light fuel oil. Thanks to many site energy initiatives targeted at reducing the consumption of electricity and natural gas, the increase in Scope 1 & 2 remained limited.

### Dependence on Gas Further Reduced

The most significant energy sources for Siegfried are natural gas and electricity. In a combined effort to increase energy efficiency and to decrease the dependence on natural gas, sites could reduce the consumption of natural gas in 2023 by 15.7%. This was partly due to the installation of additional capacity on alternative fuels, most notably liquefied petroleum gas (LPG) and light heating oil. Nevertheless, Siegfried's overall fossil fuel-based CO<sub>2eq</sub> footprint (Scope 1) increased in 2023 versus 2022 by 4.0%.

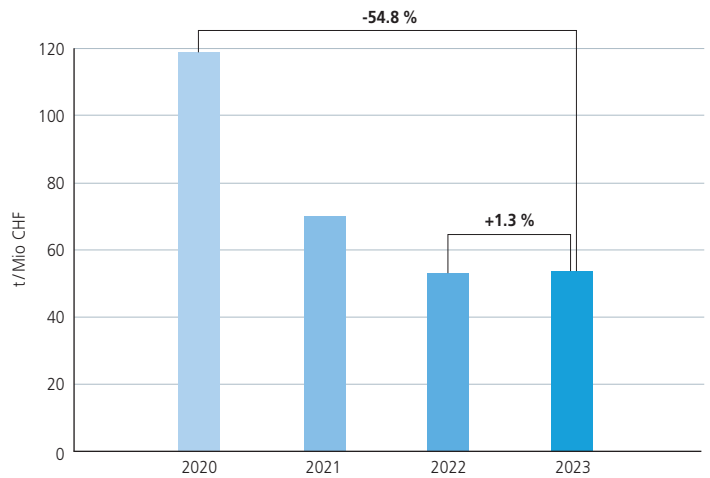
### Natural Gas Consumption / GJ



### CO<sub>2</sub> and Other Air Emissions

Siegfried slightly increased its sales based Scope 1 & 2 carbon footprint in 2023 by 1.3%. However, relative to the base year 2020, a reduction of 54.8% achieved so far, which is fully in line with Siegfried's 2050 net zero ambitions. This remarkable achievement is the result of a proactive purchasing strategy on renewable electricity, combined with great efforts in energy saving initiatives by all sites, coordinated by a global energy task force.

### CO<sub>2</sub> Scope 1 & 2 / tons per Mio CHF



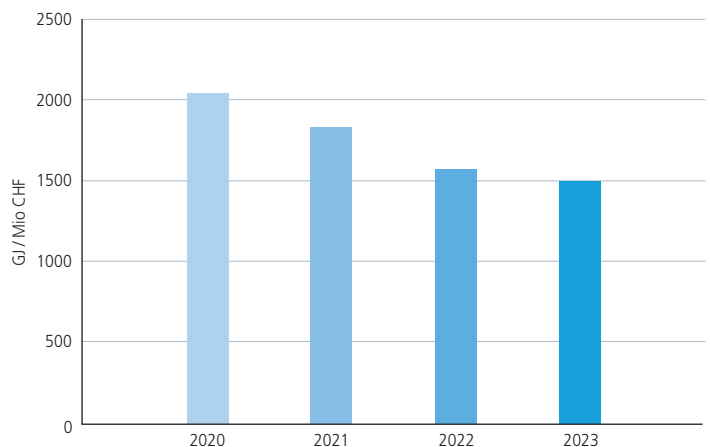
Air emissions other than CO<sub>2</sub> (VOC, NOx, CO) contribute only marginally to the overall GWP of Siegfried (0.19% in 2023). The non-CO<sub>2</sub>-based GWP decreased by 68% compared to 2022, while the sales based 100 year GWP increased slightly by 0.8%, mirroring the CO<sub>2eq</sub> emissions reported above.

For direct (Scope 1) and indirect (Scope 2) GHG emissions in absolute numbers → ESG data table p.49

### Energy and Electricity Usage

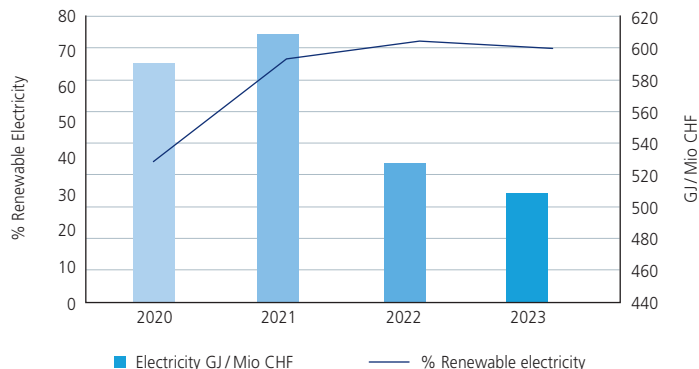
Successfully driven by the global energy management program, an absolute energy use reduction could be achieved, despite an increase in business activity. Energy use per Mio CHF decreased by 4.8% or in absolute terms by 29.7 TJ. For a further breakdown of energy use in absolute numbers → ESG data table p.49

### Total Energy Usage / GJ per Mio CHF



The total electricity consumption per Mio CHF sales decreased by 3.7%, or by 2.7 TJ in absolute terms. The percentage of renewable electricity remained nearly constant and is now at 71% of the total electricity use.

### Total Electricity Consumption / GJ per Mio CHF



### Certifications and Programs

The two sites in Germany, Hameln and Minden, were successfully re-certified for ISO 50001 (energy management). Both sites continue their long-standing energy reduction efforts. The Hameln site has already come very close to being the first carbon neutral site in the Siegfried network (Scope 1 & 2).

For further metrics → ESG data table p.49

### Resources & Waste

Chemicals are the primary resource required for the production of active ingredients and pharmaceutical products. Where possible, Siegfried has started to collaborate with its clients and suppliers to develop more ecologically friendly second generation processes or to source more sustainable alternatives to fossil fuel, respectively fuel based raw materials. Second in line are materials for packaging, primarily primary and secondary packaging materials for finished pharmaceutical products. Due to the significant impact associated with the resources used, responsible use of resources also means closing cycles and avoiding waste.

#### 2023 performance in the field of resources & waste

**+2.6%** Total waste per Mio CHF sales vs. 2022

**+7.5%** Hazardous waste per Mio CHF sales vs. 2022

**-20.1%** Non-hazardous waste per Mio CHF sales vs. 2022

### Impacts

The key environmental impacts of chemical-pharmaceutical manufacturing can be grouped into three areas:

- Resource depletion: The extraction and utilization of raw materials, including rare minerals and other elements for drug manufacturing can lead to the depletion of these natural resources.
- Water usage and pollution: Large volumes of water are used in manufacturing processes, and the discharge of untreated or improperly treated wastewater can lead to water pollution, affecting aquatic ecosystems and potable water sources.
- Chemical waste: The production of pharmaceuticals generates hazardous chemical waste, which can contaminate soil and water if not properly managed, leading to long-term environmental damage.

The majority of the carbon footprint caused by Siegfried (> 75 %) is attributable to the raw materials purchased. This is partly due to the chemicals that Siegfried needs to manufacture its products, because they are largely based on petroleum. Chemical and pharmaceutical manufacturing often involves energy and resource intense processes. These raw materials as well as packaging materials and liquid and solid waste from chemical and pharmaceutical production contribute to Siegfried’s footprint and can have an impact on the environment and on human health. Possible impacts of improperly handled chemical waste, especially hazardous waste include:

- Environmental contamination (local or through the food chain)
- Human health risks (direct or long-term exposure)
- Clean-up costs for decontamination
- Legal and reputational consequences

Siegfried therefore puts great emphasis on waste separation and, if possible, reusing and recycling this waste. As a last option, waste is treated according to best practice and legal requirements (e.g. by licensed incineration).

### Risks and Opportunities

Dependence on petroleum-based raw materials entails various risks. Siegfried is mainly exposed to risks regarding legislative obligations, because regulatory and stakeholder expectations rise for chemical and pharmaceutical manufacturing processes to lower their carbon footprint. The corresponding development measures can result in significant costs. Failure to meet these requirements can result in reputational damage and loss of customer orders.

In general, dependence on fossil-based raw materials represents a business risk. This is due in particular to increasing price volatility and as a result of regulatory changes, prices may rise generally. An early switch to more sustainable alternatives (e.g. bioethanol) could help to ensure Siegfried’s financial stability and to avoid reputational risks arising from market trends.

Packaging materials also play a significant role in Siegfried’s environmental footprint. However, the options to reduce the environmental footprint of Siegfried’s packaging materials are limited by very strict regulatory requirements (GMP) for primary and many sec-

ondary packaging materials. Their aim is patient safety and product quality. However, Siegfried is looking into opportunities with secondary and tertiary packaging materials to use e.g. recycled cardboard or recycled plastic materials.

By contrast, Siegfried can influence some of the impacts associated with the materials used by handling waste in its own sites, particularly the solid and liquid wastes from chemical and pharmaceutical manufacturing processes. Siegfried is striving to minimize waste by separating, recycling and re-using e.g. organic solvents or chemical catalysts. However, for the transport and disposal of the non-recyclable waste, Siegfried relies heavily on a functioning disposal logistics, operated by specialized, licensed third parties. The costs and complexity of these operations is a strong driver for Siegfried to keep the amount of waste at an absolute minimum.

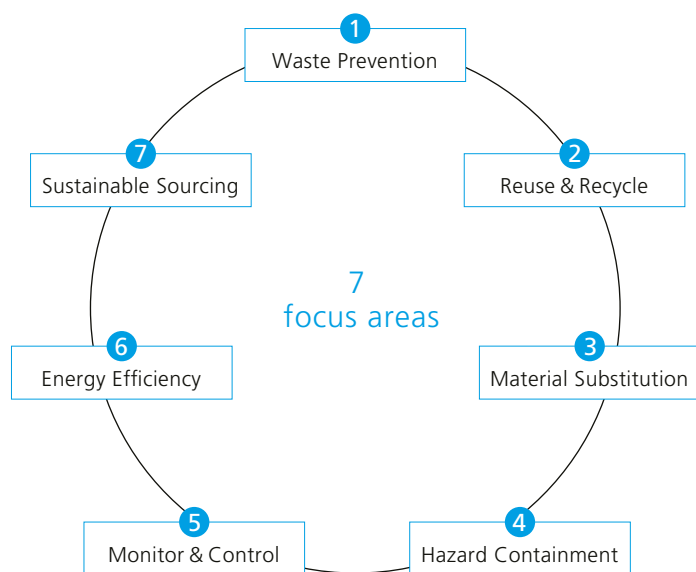
## Concept

Siegfried fully recognizes the importance of a circular economy and is in an internal target setting process for global environmental key performance indicators, on top of the existing carbon net zero target. The future targets will include waste and resource efficiency.

### Materials Used for Production

Since Siegfried does not design nor market new drug products, it focuses mainly on the process development and manufacturing life cycle approach. The products require energy and resource intense processes and can also generate significant amounts of waste. Siegfried therefore aims to reduce its environmental impact by working closely with its clients, and by continuously educating its process development experts on the principles of resource efficiency, most notably on the seven green chemistry principles:

### The 7 focus areas in support of the green chemistry principles



Green chemistry is an area of chemistry focused on designing products and processes that minimize or eliminate the use and generation of hazardous substances. It aims to create more environmentally friendly and sustainable chemical practices, with an emphasis on safety, efficiency, and waste reduction.

Additionally, as indicated by public targets and net zero commitments, Siegfried's suppliers are committed to reducing the resources consumed in the manufacturing of their products, for example through more efficient processes, innovative technologies and the use of renewable and recycled raw materials. They also continuously investigate whether fossil and petrochemical resources can be replaced with non-fossil alternatives. However, this can bring various conflicting goals with it, for example, when the increased consumption of renewable raw materials leads to greater land use.

### Materials Used for Packaging

Siegfried uses packaging materials for the delivery of raw materials, for the internal transport and storage of liquid and solid intermediates and finished products, and most of all for the primary and secondary packaging of finished form pharmaceutical products, such as blisters, glass vials, cardboard boxes etc. Siegfried closely monitors the amounts used in its manufacturing processes and is setting quantitative reduction targets.

### Waste

The pharmaceutical production sites in Barberà del Vallès and El Masnou are certified according to ISO 14001 (environmental management) this also includes constant improvements on waste management processes and tonnages.

The current optimizations focus in the DS area is on the main waste category, waste solvents. To this end, interdisciplinary project groups are set up at various locations, which are made up of employees from the Business Excellence, Chemical Production, Waste Management and Safety and Environmental Protection departments. The proportion of regenerated solvents is to be increased, particularly for the solvents used for plant cleaning. This initiative led by OPEX will reduce the number of waste solvents to be disposed of.

## Measures, Progress and Key Indicators

### New guidelines for the Sustainability of the Production Process

In 2023, Siegfried issued a comprehensive internal manufacturing process sustainability guidance document and trained its global process chemistry expert community. The document contains an excerpt of directly applicable green chemistry pharmaceutical industry knowledge, condensed to 42 pages.

Among the most important topics included are:

- A solvent selection guide to optimize recycling opportunities
- A selection guides for reagents, acids and bases
- A "fate of waste" cost and criticality calculator
- Reagent sustainability guidance (complexity and scarcity etc.)

### Online Knowledge Repository for Green Chemistry

Additionally, an online knowledge repository was created by Siegfried's R&D department, guiding process chemists on key green chemistry principles and process greening opportunities. It provides process chemists with a suite of tools to e.g. predict the waste footprint of a synthesis route, avoid controversial or restricted chemicals, or to find better suitable reagents or solvents. The toolbox, e.g. the iGAL 2.0 Scorecard Calculator, has mostly been developed through partnerships between the pharmaceutical industry and the American Chemical Society – Green Chemistry Institute – Pharmaceutical Roundtable.

### Selected Site Initiatives

*Investment in tank farm for better separation of waste solvents in Zofingen:*

Almost CHF 2 million was invested together with Siegfried's local waste and energy partner in the expansion of the waste solvents tank farm. The solvents, e.g. ethanol or dichloromethane, are used in many of Siegfried's chemical processes. In Zofingen alone, the quantity of waste solvents amounts to several thousand tons per year. The new tank farm will allow a better separation of waste solvents, preventing the incineration of many hard to recycle solvent mixtures. This helps Siegfried save costs on new solvents and on waste treatment while also having a positive impact on its Scope 3 footprint.

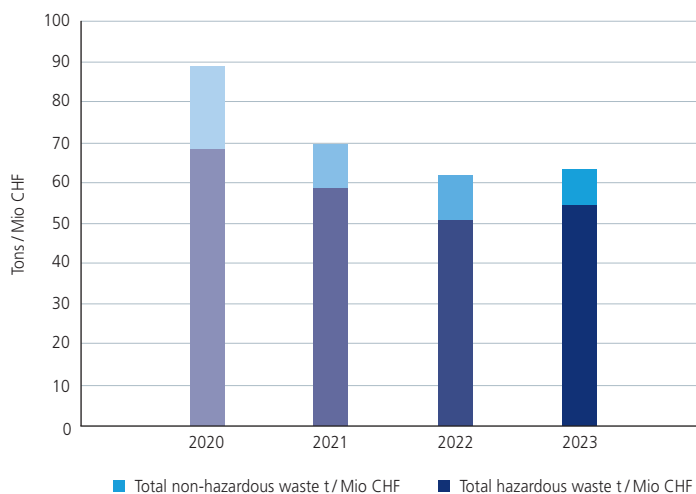
*Improving the wastewater treatment station in Barberà del Vallès, Spain/Catalunya:*

The site's wastewater treatment station was equipped with a press filter to reduce the volume of aqueous waste for incineration. This has already reduced the volume of hazardous waste for incineration by an initial 5% and will lead to more significant reductions in the future.

### Development of Waste Volumes

The absolute amounts of total waste, hazardous and non-hazardous waste are currently increasing, this is likely due to portfolio changes to more resource intense products → ESG data table p.50. When taking the growth of the business into consideration, hazardous waste intensity was growing moderately vs. 2022 (+7.5%), while non-hazardous waste is decreasing (-20.1%). This reflects the fact that many sites are already engaged in local initiatives to reduce waste, e.g. by increasing recycling rates or by finding solutions for re-use. Siegfried is in the process of analyzing the hazardous waste streams in detail and setting quantitative global targets for waste reduction.

### Total Waste (tons per Mio CHF sales)



For further metrics → ESG data table p.50

### Water

Water is an important resource for Siegfried. On the one hand, it is used as a starting material, in most cases as a solvent, and also as a cleaning agent. In addition, water is also required to cool reactors, motors and compressors, and to dissipate heat released directly in the processes. Effluent water quality, especially the levels of pharmaceuticals in the environment, and most recently the risk of water scarcity and flooding are equally important water topics for Siegfried.

### 2023 performance in the field of water

+1.7%

Water Use per Mio CHF  
vs. 2022

+6.6%

Increase in TOC load  
vs. 2022

### Impacts, Risks and Opportunities

Both Siegfried's water consumption and the wastewater resulting from production processes can have an impact on the environment and people living near Siegfried's production facilities. Above all, groundwater, self-pumped water, and drinking water obtained from the local waterworks are used. At specific locations, there is a proportion of spring water in the drinking water obtained from waterworks. The countries in which Siegfried operates production facilities show great differences in water availability and in the specifications for the handling of water and wastewater by industry. The sites in Barberà del Vallès, El Masnou and Irvine are exposed to

the risk of water shortages. Accordingly, Siegfried's water consumption poses a risk to the local environment and population. However, water scarcity also represents a business risk for Siegfried. Thus, effective water management is necessary.

The wastewater from Siegfried's production plants contains chemical and pharmaceutical pollutants, which need to be treated and removed by an industrial wastewater treatment plant (WWTP).

On the risk side, flood risks are increasingly coming into focus, due to more extreme weather events in Europe and North America. These sites are constantly updating their emergency and business continuity plans to protect Siegfried's people and operations from flooding and other environmental risks.

## **Concept**

Siegfried's water related efforts are focused on three impact scenarios: water scarcity, flooding and effluent water quality.

Siegfried strives for a continuous reduction in water consumption. The three sites in water scarce areas (Barberà del Vallès, El Masnou and Irvine) address this issue by implementing water action plans.

### **Wastewater Treatment**

In addition to efforts to reduce water consumption, the discharge of pollutants into water bodies is also to be reduced on an ongoing basis. In particular, the chemical and pharmaceutical pollutants need to be treated and removed by an industrial WWTP. These processes are constantly being optimized. The first step is always the avoidance of aqueous losses of chemicals and pharmaceuticals into local wastewater, followed by regular water quality checks. Except for uncontaminated cooling wastewater, which can be fed into the local watercourse, polluted sewage is treated in wastewater treatment plants to be discharged into local waters. The situation differs depending on the plant. All chemical sites, except Zofingen, operate their wastewater treatment plant for industrial wastewater. The wastewater of all sites goes either through an internal wastewater treatment, or to a municipal wastewater treatment plant. The Pennsville and Evionnaz manufacturing plants have their own wastewater treatment plants. Many sites use activated carbon treatment to remove trace contaminants. The wastewater from the Zofingen plant is pre-cleaned in a separate biological stage before it is mixed with municipal sewage. The wastewater from the drug product plants is cleaned in municipal wastewater treatment plants. Several of Siegfried's plants have activated carbon filter equipment, which helps to remove residual active pharmaceutical ingredients from the wastewater stream.

### **Dialogue with Local Authorities on Wastewater Management**

Siegfried follows the specified environmental standards and regularly engages with the environmental authorities responsible. Several Siegfried sites have active cooperation agreements with local authorities. These agreements typically result in site specific emission specifications, while the sites proactively report irregularities and give authorities access to their analytical data.

The sites in acutely water scarce areas (Barberà del Vallès & El Masnou (Spain) and Irvine (California)) have strict local water targets and water action plans in place, which are closely aligned with local authorities. The same applies for the site in St. Vulbas (France).

Siegfried also uses the global water risk tool of its insurance company to improve local water risk management plans.

### **Pharmaceuticals in the Environment (PiE)**

To assure the levels of active pharmaceuticals in the production wastewater are not causing any negative effects in the local or regional environment, sites engage both with pharmaceutical industry clients as well as local authorities to assure state of the art principles of PiE are applied:

- Siegfried follows the risk based pharmaceutical industry standards issued by the European Federation of Pharmaceutical Industries and Associations (EFPIA) and by the Pharmaceutical Supply Chain Initiative (PSCI).
- All sites collaborate with their clients or with the PSCI to assure client expectations and best practice standards on PiE are met. This is assured through regular audits.
- Sites collaborate closely with local authorities and follow risk management plans, which include as a minimum a defined set of substances to test, a maximum allowable level for each substance, and a testing interval. The implementation of the plans is checked by the authorities as well as by Corporate SHE audits. In the event of an exceedance of agreed levels, corrective actions are taken, and internal and external follow-up is assured.

## **Measures**

### **Zofingen, Switzerland**

In Zofingen, a study was carried out at the municipal wastewater treatment plant, where Siegfried discharges the wastewater, to clarify how biological wastewater treatment can be improved. This study was successful and led to an optimization of the wastewater treatment plant, minimizing the risk of an impact of Siegfried's wastewater on its biological treatment efficiency. The modernized system has been in operation since mid-2023.

### **Barberà, Spain/Catalunya**

Increase of water recovery: The site is using the rejected water from its reverse osmosis process as blowdown water in the cooling towers. This has a significant water saving effect (around 20% of the site's water use). The site also installed an online nitrate monitoring system to allow faster reaction in case of internal peak emissions, ultimately leading to lower nitrate release into the environment.

## **Progress and Key Indicators**

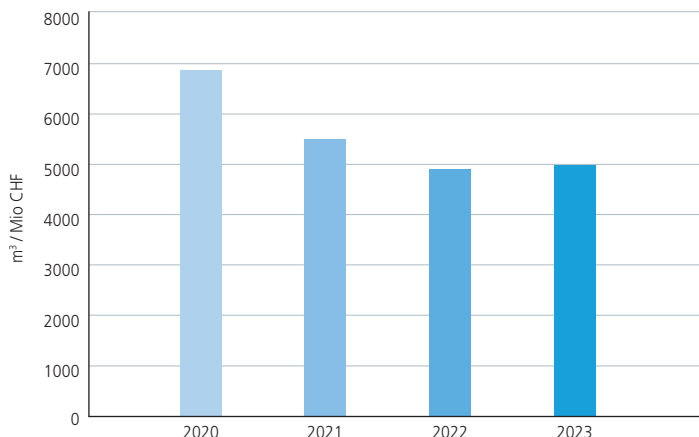
### **Development of Water Consumption**

Water intensity per sales volume has steadily decreased since 2018. In 2023, this trend has turned, and the sales-based water use has increased slightly by 1.7%. This is due to mostly two factors: most sites have implemented water saving activities over the years, and it

is becoming increasingly difficult to further increase water efficiency. Secondly, the cleaning requirements before and after a production campaign are very strict. In 2023, many sites had an increase in campaign changes, but also an increase in internal cleaning requirements. Siegfried is analyzing the root causes in detail and will put counter action measures in place.

For absolute numbers → ESG data table p.50

**Water consumption m3 / Mio CHF**



**Pollutants Load**

Siegfried is conscious of the Total Organic Carbon (TOC), Nitrogen and Phosphorus loads in its site’s wastewater effluents. The TOC load has increased by 6.6% to an absolute 136 t in 2023. This is most likely a consequence of increased production volume, combined with water saving efforts. The sales adjusted nitrogen load in Siegfried’s site’s wastewater effluents has slightly decreased by 0.6% to an absolute 73 t in 2023. Additionally, the sales adjusted load of phosphorus in Siegfried’s site’s wastewater effluents has increased by 72.2% to an absolute 3.3 t in 2023. The change is largely attributable to a change in the P load calculation method at the Pennsville site, rather than an increase in P emissions. The site is in close contact with the local authorities on this topic. Compliance with regulatory requirements is assured.

For further metrics → ESG data table p.50

# Social

## Employee Health and Safety

Safety and health of employees have a high priority for Siegfried and are firmly anchored in the company’s mission statement. Avoiding accidents is not only an obligation towards the employees, but it also reduces the risks of work and production interruptions and increases the availability of Siegfried’s systems.

**2023 performance in the field of employee health and safety**

**-11%** Lost Time Injury Frequency Rate per Mio work hours

**-13%** Accident Points per Mio work hours

**+4%** Accidents/1000 FTEs

**Impacts, Risks and Opportunities**

For Siegfried, quality is a key success factor, and good safety management is a key contributor. Savings and lapses in safety and health protection not only have a negative impact on employees but can also have a negative effect on Siegfried’s performance and damage its success in the long term.

**Concept**

Siegfried manages health, safety and environmental topics through a network of local Safety, Health and Environment (SHE) teams on each site, supported and coordinated by the corporate SHE function, which reports to the corporate Chief Compliance Officer, but also has dotted lines to the Chief Operation Officers (COO) of both business areas. The key principles 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 ensures that SHE is understood and practiced at all levels. The goals and programs for safety and environmental protection are regularly developed and reviewed as part of corporate and executive management reviews. The implementation of the safety and environmental policy and compliance with regulations is primarily the responsibility of the sites. Managers at all levels of the organization are responsible for ensuring that safety

awareness is owned and promoted by all line functions, most notably operations. In addition to global SHE campaigns, the individual Siegfried sites may also launch site-specific initiatives or carry out certifications.

Siegfried's SHE organization comprises more than 80 full-time employees. They are supported in their function by global and local SHE and safety committees, with employee representatives also involved. A global SHE department with direct access to the management is responsible for the further development and harmonization of the company's programs.

### Certifications and Programs

Siegfried does not currently pursue a global certification strategy in the field of employee health and safety. The two sites in Spain – acquired in 2021 – are certified (ISO 45001, ISO 14001). In addition, Siegfried is a member of various organizations and initiatives in the field of employee health and safety, including;

#### *Responsible Care® in Zofingen, Evionnaz and St-Vulbas sites*

An initiative of the chemical-pharmaceutical industry to strive for constant improvement in safety, health, and the environment, independently of legal requirements, and to regularly publicize this progress. 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, plant and product safety, and the possible effects of processes, products and waste on people and the environment. Close cooperation and dialogue with authorities and third parties is just as important as supporting Siegfried's business partners in complying with high safety and environmental standards in transporting, handling, using and disposing raw materials, intermediate and finished products.

#### *ChemStewards® program in Pennsville*

An environmental, health, safety, and security (EHS&S) performance improvement program of The Society of Chemical Manufacturers & Affiliates® (SOCMA). The program strives to improve employee safety, employee, and community health, reduce a facility's environmental footprint and continuously improve the safety of the facility and the entire supply chain.

### Siegfried's Safety Rules

The most important goal of any occupational safety management system is to prevent serious or fatal accidents. That's why Siegfried has established five key safety rules, which are enforced throughout Siegfried:

- Consistent use of personal protective equipment
- Completion of required pre-employment safety training for new employees
- Fall protection when working from a height of two meters and above
- Securing the system before starting maintenance work: lock-out/ tagout (LOTO)
- No removal or by-passing of safety devices

### Substance Hazard Classification

Siegfried continues to protect its employees through a global system of five exposure categories to assess material hazards at the workplace. Substances are assigned to an exposure category based on factors such as toxicity or pharmacological activity, and a maximum occupational exposure limit is set by a multi-disciplinary committee. Based on monitoring investigations, workplaces are assessed, and production facilities are classified. The production facilities are summarized in a facility exposure register. With the help of this information, the plant operator or product chemist can assess in advance whether additional measures are required concerning exposure when changing products. If necessary, monitoring is carried out again.

### Emergency Management and Accident Prevention

As part of accident prevention, accident scenarios in chemical substances' production, storage, and internal transport are subjected to a comprehensive risk analysis for each location. The results are summarized in a report and checked by the authorities during an annual inspection. For emergencies such as explosions, fires or chemical incidents, in-house emergency organizations are available in Siegfried's production plants. The chemical and plant fire brigade in Zofingen and the plant fire brigade in Minden each have more than one hundred members, comprised of professional firefighters and volunteers from all departments. As an additional task, these organizations take on the function of a chemical defense base for operations outside the plant area on behalf of the authorities. The sites in Evionnaz and St. Vulbas also have their internal emergency organization.

### Management of Occupational Accidents and Illnesses

In all Siegfried sites, the employer is legally obliged to investigate all accidents at work and derive measures to reduce accidents in the long term. To investigate these incidents, internal occupational safety experts are deployed to carry out an investigation together with those affected and derive improvement measures from this. The implementation of and compliance with global and local SHE guidelines is regularly reviewed through corporate audits. Internal audit specialists inspect the individual sites in safety audits lasting several days.

### “Passion for Zero”: Siegfried's Occupational Safety Program

To further promote the safety culture and sustainably reduce the number of accidents, Siegfried introduced the global safety campaign “Passion for Zero” in 2022. The program applies to both Siegfried employees and contractors and was the result of a detailed situation analysis. It consists of four elements:

- 1) Shape: introduce leading KPIs, strengthen the SHE governance, introduce globally harmonized safety processes and systems.
- 2) Share: fast and standardized sharing and investigation of accidents and incidents. A global collaboration platform based on MS TEAMS was set up for this purpose.
- 3) Care: enhance the impact of the existing STOP® program, which was established in 2013 and promote the five binding cardinal security rules.

4) Comply: assure regulatory, external and internal SHE compliance through strong audit and CAPA management processes and systems.

**Employee Wellbeing**

Many sites have started to develop health and wellbeing initiatives at local level and under the umbrella of Siegfried’s “Great Workplace to Grow” initiative launched in 2022. The measures include sporting activities, nutrition, and sleep issues.

**Measures**

**mySTOP Program**

In 2023, Siegfried expanded the well-established STOP® initiative into the mySTOP initiative, which added a few key elements to the STOP® program: while STOP® focuses strongly on walkthroughs, standardized safety observations, discussions and paper-based documentation, mySTOP modifies those elements, and adds an additional emphasis on digital tracking and analysis, pragmatic solution finding and implementation of solutions to address unsafe solutions or behaviors. By redefining S-T-O-P as “See – Track – Own – Push for action”, mySTOP has been successfully piloted in three sites (Malta, Evionnaz, Irvine) in 2023 and will be rolled out to the entire network in 2024. In 2023, during almost 9,500 safety walkthroughs, more than 2,300 unsafe situations or near misses were observed, reported, and developed into local Corrective and Preventive Action (CAPA) plans. The CAPA plans are regularly reviewed during global SHE compliance audits and business reviews.

**Safety Trainings**

The need for training results from the job requirements, at the request and suggestion of employees or in the event of errors in the execution of the work. The in-house training courses on safety and environmental protection are free of charge for the participants and run during working hours. The attendance and quality of the training is monitored.

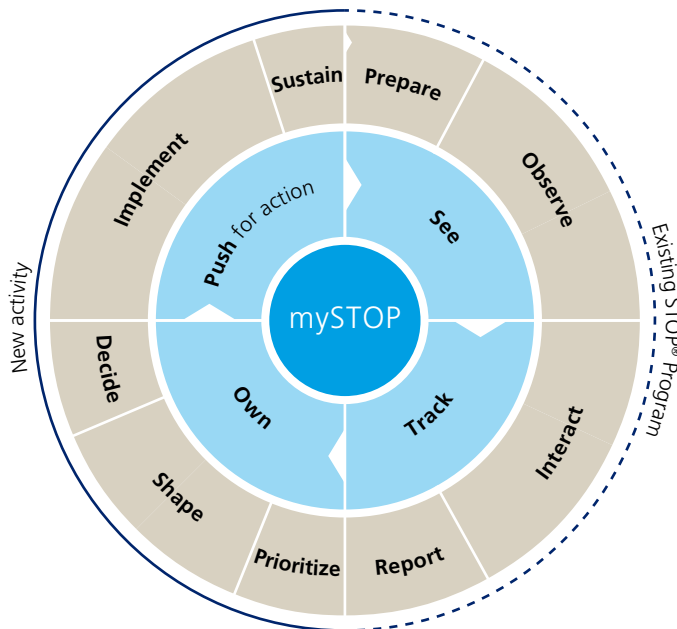
Safety training courses and workshops on various topics were offered to company employees.

For example:

- Safety day for trainees in laboratory occupations and chemical and pharmaceutical technologists (CPT)
- SHE introductory course for new skilled workers (CPT) in production and new employees from “non-chemical professions” (lateral entrants)
- Workshop with over 200 production employees about safety and quality
- Mandatory training courses in the handling and use of small extinguishing devices for over 2,000 employees
- Safety training for construction site personnel
- Information events and exchange of experiences for those responsible for building security
- Introductory event “Chemical classification” (hazardous substances/exposure) and correct alarming/behavior in the event of an alarm for new learners

- Training water and wastewater cycle in the chemical plant “What do I have to pay attention to?”

**The Siegfried mySTOP safety cycle**



**Progress and Key Indicators**

In determining key figures and corrective measures, Siegfried also uses key performance indicators (KPI) in the SHE area to steer the management processes, review targets, and define corrective actions. In 2022, so-called “Leading Safety Indicators” were introduced:

- Near misses and unsafe situations
- Unsafe behaviors
- SHE walkthrough compliance
- CAPA compliance

Siegfried uses these indicators only for internal effectiveness monitoring.

**Accident Points**

To measure its SHE performance, Siegfried uses a combination of the number of lost time accidents and the lost days per accident to create a combined, lagging key performance indicator: accident points per million work hours. Each lost time accident and each lost day count as a point (max. 10 points per accident).

The data shows that the lost time accidents per 1000 FTEs increased by 4% for the Siegfried group, and 22% for the DS cluster, while the DP cluster could reduce this metric by 32%. The difference between the work hour based and the FTE based accident rate may be related to an increase in less experienced employees in the workforce, in the context of a current challenge to find and retain highly qualified, skilled workers.



**Accident Points per Mio work hours**

	2022	2023	% Change
Siegfried	30.0	26.1	-13%
DS Cluster	37.7	32.2	-15%
DP Cluster	20.7	20.8	-0%

**Accidents per 1000 Full-time Employees**

This key performance indicator measures the number of lost time accidents vs, the number of employees working on a site (calculated per 1000 full time equivalents or FTEs).

**Accidents per 1000 FTEs**

	2022	2023	% Change
Siegfried	9.0	9.3	+4%
DS Cluster	10	12	+22%
DP Cluster	9	6	-32%

**Occupational Diseases and Work-related Deaths**

No occupational diseases or work-related deaths were recorded in 2023.

For further metrics → ESG data table p.51

*Education and Training*

The quality of Siegfried’s products and services is based on the quality of its employees and their work. It is the responsibility of the company to create the structures for the further training and personal development of its employees. That is why Siegfried offers development opportunities at all levels: Training and programs for junior staff, the Siegfried Academy and leadership training.

Siegfried employs around 3 800 people worldwide. The departments with the most employees are manufacturing, which includes direct labor and indirect manufacturing, technical projects, which comprises research and development (R&D) and science and technology, and quality control. The majority of Siegfried’s employees (67%) attained an upper secondary education, while 30% hold a university degree.

**2023 performance in the field of education and training**

16

Hours of training per employee

~CHF  
2 Mio

Spent on training and development worldwide

100%

Percentage of employees who had an annual performance review

**Impacts, Risks and Opportunities**

Investments in employee training and development are primarily associated with positive effects for all parties involved. Such measures are generally perceived by employees as a sign of appreciation. Empowerment can also lead to employees enjoying their work more and being more motivated and satisfied. In addition, training and further education strengthen the employability of employees, which can lead to individual economic security.

Siegfried is aware that the demographic change in some jobs will lead to many retirements in the coming years. As such, Siegfried acknowledges the importance of recruiting new talent and actively promoting employees as a pillar of Siegfried’s good image as an employer. By keeping the technical and management knowledge of its employees up to date, Siegfried remains innovative and is well prepared for market changes and new demands in the world of work.

Training is also a current Good Manufacturing Practice (cGMP) and safety, health and environment (SHE) requirement. Siegfried ensures that its operators are fully trained for the activities that they are performing at the production sites. Also, technical and leadership upskilling and re-skilling Siegfried's workforce are key aspects of the people strategy since they sustainably support both the organic and inorganic growth ambitions.

## **Concept**

Siegfried is committed to supporting the external training and development of its employees, offering both financial support and time flexibility for such opportunities. The responsibility lies with the line managers and Human Resources, for evaluating and approving the necessary time off and financial assistance needed. Internally, particular emphasis is placed on the talent management of junior staff and the further training of managers.

Ensuring inclusive, equitable and high-quality education and lifelong learning opportunities for all, Siegfried makes a significant contribution in internally developing employees and junior staff, both at the level of apprentices through apprenticeships in various job profiles, its specific rotational graduate 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.

### **Siegfried Academy**

The Siegfried Academy builds an integral part of Siegfried's human resources strategy. It aims to ensure that all employees will successfully master the current and future changes in the work environment and secure their capability to deal with their future and the employment market. Based on the six pillars Social Skills, Business Skills, Technical Skills, Development Tools, Leadership Programs and Horizons, the Academy supports employees in their individual development and growth, while at the same time supporting Siegfried's strategy and growth ambitions. Using the "Spot Learning" offering, employees can take advantage of an available budget and one workday per year to participate in an online course.

### **Leadership Training**

Siegfried is convinced that good leadership on all levels is a key element for the quality of the workplace. For this reason, Siegfried implemented a Leadership Education Advancement Program (LEAP) in 2020. LEAP is carried out globally, in shop floor management, for first-level leaders and senior management. The leadership program LEAP was launched in 2020 in English, German and French. In the meantime, it is also available in Spanish and as of April 2024 also in Mandarin. The numbers of participants in the leadership program increase every year. The program continued to progress in 2023: 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.

LEAP contains three different leadership programs. At a local level: LEAP on site; at the international level for the middle management: LEAP 1; and at the international level for senior management: LEAP 2. These programs follow global standards with local adaptation when required. The governance lays within the global HR department. Line managers nominate potential candidates during the yearly Talent Management meetings where employees' performance and potential are assessed, and succession planning are discussed.

### **Global Talent Management**

Well-trained junior staff is an indispensable aspect for Siegfried, mainly because the demographic change in some jobs will lead to many retirements in the coming years. A new global talent management process was developed and rolled out at all sites. This process aims to systematically build Siegfried's junior staff at all levels to be more independent of the labor market. In connection with the performance management process, the managers are obligated to hold individual development and feedback meetings with every employee. In these meetings, development goals and progress are discussed, and specific actions are defined and documented.

An important element of building a strong talent pipeline is and will continue to be, the training of apprentices and the development of young people in Siegfried's graduate programs, particularly in the production and laboratory areas.

### **Basic / First Education**

Siegfried offers apprenticeship programs in Germany and Switzerland, both for adolescents as well as for adults. Additionally, a specific education is offered in the field of production for career changer without prior chemical knowledge. This training prepares them for entry-level operator positions. These programs are designed and offered locally.

## **Measures**

### **New Performance Management**

In 2023, Siegfried implemented a new approach to performance management based on continuous feedback and development of the employees' skills. Not only what has been achieved (job execution and collaboration) is key, but also how these activities have been completed (values and leadership principles and personal growth).

### **E-learning Hub**

Siegfried established "bright blue", an e-learning hub for curated learning content ensuring that key topics for Siegfried are available to all employees. The e-learning hub offers modules on Siegfried values, integrity, cybersecurity, talent management, coaching, feedback training and performance management. The hub is complemented by a range of (online) development tools, such as a personality questionnaire, deductive reasoning, motivation questionnaires or 360° feedback. It also offers certification for HR professionals to provide professional feedback on development gaps and potential.

**Leadership Training**

In 2023, a concept for “Transversal Leadership Training” was developed. The goal is to improve communication, stakeholder management and leadership skills of employees who lead people functionally within a matrix organization and in projects. The program was implemented in Zofingen in November 2023 and is planned to be rolled out for other sites in 2024.

**Progress and Key Indicators**

On average, the employees of the Siegfried Group attended approximately two days of internal and external continuing training and education in the reporting year.

In 2023, Siegfried spent CHF 1 971 032 on training and development worldwide. This corresponds to an average of CHF 535 per FTE. On average Siegfried’s employees completed 16 hours of training.

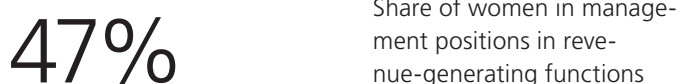
For further metrics → ESG data table p.51

*Diversity, Equity and Inclusion*

Siegfried values a work environment with equal opportunities and equal rights – among others in terms of wages, social benefits, recruitment or retirement rules. Siegfried’s culture is guided by clear values and follows strict ethical standards that are defined both in the Code of Conduct and Diversity, Inclusion and Equality Policy.

Siegfried considers diversity, equity and inclusion as the basis for a positive culture and therefore the prerequisite for innovation. Thus, Siegfried promotes equity of all genders, supports compatibility between family and work (offering part-time work, job sharing and parental leave as some examples) and aims for a diverse workforce concerning gender, age, education, nationality or cultural background. Promoting diversity, inclusion and equity is central to Siegfried at all hierarchical levels. People from different socioeconomic backgrounds are treated fairly and equitably so that every employee has the opportunity to develop. Equity also means that Siegfried as a company responds to the different needs of employees, addresses any inequalities and pays fair wages.

**2023 performance in the field of diversity, equity and inclusion**



**Impacts**

Siegfried actively works to maintain a working environment in which equal opportunities prevail, directly supporting the personal and professional development of employees to contribute to satisfaction and well-being in the workplace. Siegfried also believes that an equal opportunity work environment is critical for driving innovation and its future success.

**Risks and Opportunities**

A diverse workforce is a key factor in succeeding as a company in today’s rapidly changing conditions and associated challenges. As a globally active company and employer, Siegfried considers diversity to be an enrichment in the interactions between the employees and a prerequisite for innovation and positive, balanced and suitable solutions and results. Diversity, equity and inclusion enable flexibility, adaptability and the willingness to think innovatively, and to learn and to operate in a dynamic and sometimes uncertain environment. In this way, a diverse workforce in an atmosphere of equity, inclusion and solidarity contributes to the long-term success of the company. A clear strategy to promote diversity, equity and inclusion is paramount for attracting and retaining key talent, the loss of which could result in financial losses and have a negative impact on its commitment to sustainability.

**Concept**

The principle of “non-discrimination” is defined in Siegfried’s → [Code of Business Conduct](#) and the → [Siegfried Diversity, Inclusion and Equality Policy](#).

Siegfried does not tolerate any form of discrimination based on gender, age, nationality, ethnicity, race, skin color, physical and psychological characteristics or limitations, faith, caste, language, physical disability, membership in an organization, health condition, civil status, maternity, sexual orientation, religion, union membership or

political affiliation. The company communicates clearly and ensures 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.

In case of complaints or for a report of violations of Siegfried's values, → [Code of Business Conduct](#), → [Siegfried Diversity, Inclusion and Equality Policy](#), internal instructions or laws, employees have a variety of channels available, such as their line managers, the HR department, the employee representatives, ombudspersons, or the Integrity Officer via an external speak up line offering the option for anonymous reporting. All reports concerning violations are systematically handled by the Integrity Office consisting of the Head of Integrity, the General Counsel and the Chief HR Officer of the Siegfried Group. The safe and confidential handling of sensitive matters and the personal protection of the informant are guaranteed at all times.

## Measures

### Equal Pay Checked

In order to ensure equity of all genders respectively equal pay, 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) with the results valid for five years. At all sites, equal pay was examined based either on legal or internal analyses. These analyses have not revealed any type of statistically relevant pay discrimination based on gender-specific characteristics at any of the Siegfried sites.

In 2023, the equal pay analysis in France and Spain also showed no statistically relevant pay discrimination based on gender-specific characteristics.

## Progress and Key Indicators

### Diversity of governance bodies and employees

Siegfried's commitment to a diverse workforce and equal opportunities is also reflected in its highest body, the Board of Directors which plays an exemplary role. The diversity of the board of directors as well as the executive committee is shown in detail in the → Corporate Governance Report, page 9.

The gender distribution and share of women in different positions and management levels are shown in the table below.

### Share of women per region (based on permanent employees):

	2023			
	#male	#female	Total	% female
Europe	2158	1045	3203	32.6%
USA	226	101	327	30.9%
Asia	214	56	270	20.7%
<b>Group</b>	<b>2598</b>	<b>1202</b>	<b>3800</b>	<b>31.6%</b>
	2022			
	#male	#female	Total	% female
Europe	2061	1029	3090	33.3%
USA	220	96	316	30.4%
Asia	218	56	274	20.4%
<b>Group</b>	<b>2499</b>	<b>1181</b>	<b>3680</b>	<b>32.1%</b>
	2023	2022	Change	
	% female	% female	Change	
Europe	32.6%	33.3%	-0.7%	
USA	30.9%	30.4%	0.5%	
Asia	20.7%	20.4%	0.3%	
<b>Group</b>	<b>31.6%</b>	<b>32.1%</b>	<b>-0.5%</b>	

### Share of women in management & specific positions

Share of women in all management positions (as % of total management positions)	27%
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	28%
Share of women in top management positions (as % of total top management positions)	11%
Share of women in management positions in revenue-generating functions (e.g. sales) as % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)	47%
Share of women in STEM*-related positions (as % of total STEM positions)	43%

**Incidents of discrimination and corrective actions taken**

In 2023, ten cases (previous year: three) of discrimination were reported to the Siegfried Integrity office. Two of them resulted in the termination of an employment contract due to a violation of Siegfried’s Code (discriminatory or harassing behavior by Siegfried employees toward colleagues in violation of principle no 9 of the Code).

For further metrics → ESG data table p.51

## Governance

### Supply Chain Integrity

For Siegfried, compliance with sustainability standards in the supply chain is an elementary value-added factor. Therefore, suppliers play a key role in the sustainability of Siegfried’s business, which is why working with them must be based on shared beliefs. Furthermore, the safe transport of materials and products is also central. This is the only way to ensure product safety.

Compliance with sustainability standards in the supply chain is an elementary value-added factor and an important risk management tool. It requires joint efforts and long-term, value-oriented action to ensure product quality and social and environmental compatibility. Siegfried is convinced that sustainability in the supply chain can only be achieved through clear rules when selecting and qualifying suppliers and in close cooperation with established suppliers.

**2023 performance in the field of supply chain integrity**

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2.3%

Percentage of high sustainability impact suppliers out of total supplier database

100%

Percentage of high sustainability impact suppliers assessed or audited with agreed corrective action or improvement plan

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**Impacts, Risks and Opportunities**

In its commitment to sustainability, Siegfried recognizes the critical role of supply chain management in shaping its environmental, social, and economic footprint (see chapters “Resources & Waste” and “Emissions”). The following sections delve into the impacts, risks, and opportunities associated with Siegfried’s upstream and downstream operations and its responsibility towards various stakeholder groups (selection below). Understanding these stakeholder groups and the timing and reasons behind their potential exposure allows Siegfried to proactively manage and mitigate risks while capitalizing

on opportunities to strengthen its supply chain and overall sustainability efforts.

Siegfried is committed to closely monitoring the sourcing of raw materials and active pharmaceutical ingredients (APIs) to prevent potential environmental damage and ensure responsible practices. In Siegfried’s supply chain due diligence, the company is attentive to risks that could arise from inappropriate labor practices, such as exploitation and unsafe working conditions. Siegfried also keeps a close watch on political instability, natural disasters, or geopolitical events in regions where raw materials are sourced, as these factors could potentially disrupt the supply chain and affect production schedules. Additionally, Siegfried is proactive in adapting to changes in environmental or labor regulations, understanding that these could pose challenges to its suppliers and potentially lead to disruptions or increased costs.

**Upstream:**

- Local communities: Environmental impacts such as pollution in connection with the extraction of raw materials/resources and production of APIs.
- Employees along the entire supply chain: Poor labor conditions and unethical practices in the upstream operations can negatively impact Siegfried’s reputation and the trust the stakeholders place in Siegfried.

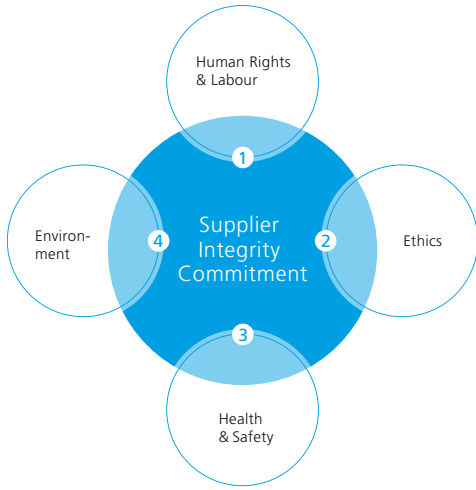
**Concept**

As a supplier to the pharmaceutical industry and a group company that is active worldwide, Siegfried is committed to the highest legal and ethical standards in all business relationships.

Siegfried expects that its partners should meet the same ecological and social standards, be it compliance with internationally recognized human and labor rights, the prohibition of any discrimination or harassment, compliance with environmental standards, the consistent prevention of any bribery or the sustainable use of raw materials. A common understanding and the consistent integration of Siegfried’s sustainability claim in all production and business processes represents a challenge given the global, complex supply chains and the large number of suppliers and sub-suppliers.

All major Siegfried suppliers were informed of the → [Supplier Integrity Commitment](#). This supplier code defines Siegfried’s expectations to suppliers relating to human rights & labor, ethics, health & safety and environment.

**Elements of Siegfried’s Supplier Integrity Program**

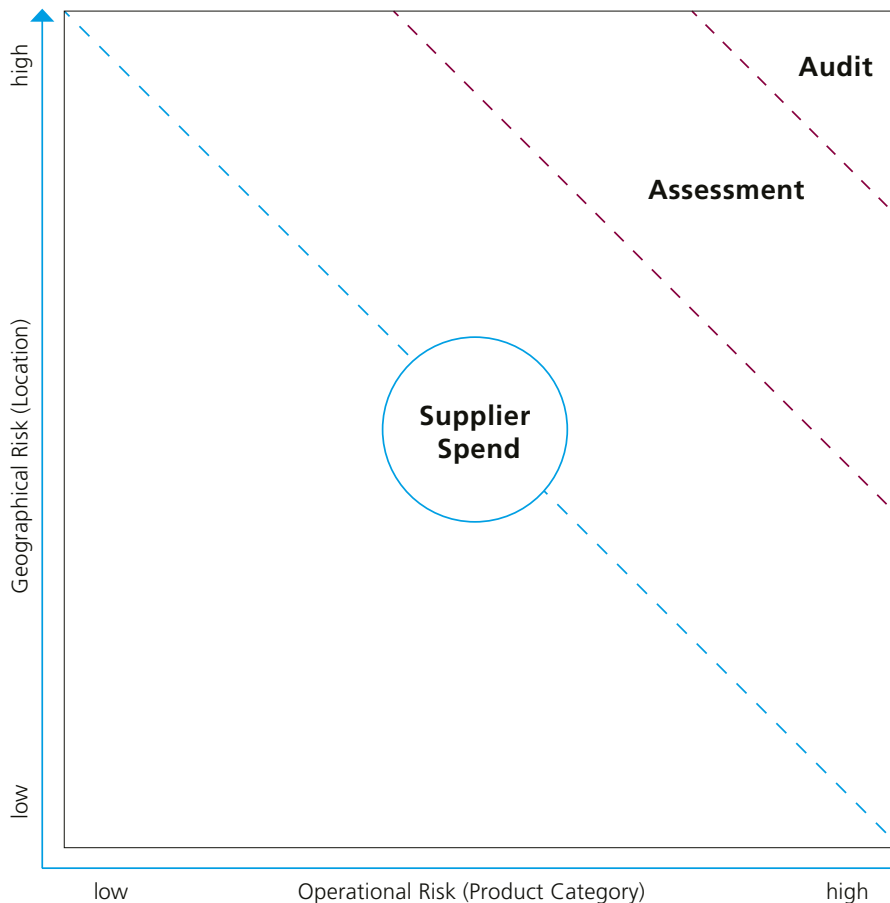


Siegfried has implemented a risk-based approach to supplier due diligence and supplier management, including an internal guideline to assess the sustainability risk of suppliers with a focus on human rights, including all relevant issues related to child labor, and conflict minerals → [Supplier Integrity Risk Assessment](#)

All Siegfried suppliers are assessed in terms of:

- the operational risk (type of goods/services supplied to Siegfried) and
- the geographical risk (location of goods/services supplied to Siegfried).

**Supplier Sustainability Risk Heat Map**



Sustainability Risk	Definition	Assessment Depth
Low	Supplier with low relevance for Siegfried’s sustainability risk	Supplier to acknowledge or contractually agree to the Siegfried Supplier Integrity Commitment in writing.
Medium	Supplier with moderate relevance for Siegfried’s sustainability risk	Paper-based assessment provided by an independent and reputable third party such as Dun & Bradstreet or EcoVadis.
High	Supplier with high relevance for Siegfried’s sustainability risk	On site audit conducted by Siegfried or an independent and reputable third party.

The score of both dimensions is assigned to a specific sustainability risk level (low, medium or high) and visualized in a dedicated heat map, from which Siegfried derives the recommended depth of supplier sustainability due diligence. As a general rule, Siegfried endeavors to include the Siegfried Supplier Integrity Commitment in all contractual agreements with Suppliers, whenever possible. In addition, all high-risk suppliers are required to provide Siegfried with additional sustainability assurance through an internationally recognized external third party assessment or, alternatively, to complete a Siegfried-specific sustainability questionnaire covering the four areas described (see table below). A cross-functional team of sustainability experts evaluates all feedback received. Where necessary, follow-up actions are addressed and discussed with the supplier. In case of non-response or non-compliance, Siegfried reserves the right to terminate the business relationship with the supplier.

**Human Rights and Conflict Minerals**

Siegfried has implemented a due diligence process to comply with the Swiss Ordinance on Due Diligence and Transparency regarding Minerals and Metals from Conflict-Affected Areas and Child Labor (DDTrO). In addition, Siegfried’s Supplier Sustainability Risk Assessment Manual includes a thorough assessment of potential risks along its supply chain, with a particular focus on human rights issues, including the risk of child labor and conflict minerals.

Siegfried is fully committed to support the protection of internationally proclaimed human rights as defined in the UN-Global Compact and the International Labour Organization (ILO) policies and recommendations and takes its suppliers to task: All suppliers, agents and distributors of Siegfried are required to prevent or mitigate adverse human rights and labor standards impacts as further specified in the → [Human Rights & Labor Standards Commitment](#). Additionally, Siegfried conducts an annual internal human rights employee self-assessment to monitor the correct implementation of this policy and identify potential gaps and areas for improvement. Based on Siegfried’s due diligence process, Siegfried certifies that there is no reasonable suspicion of child labor in connection with the products or services provided to Siegfried.

Working with the procurement team, Siegfried also confirms that the only conflict mineral specified by the DDTrO that is potentially relevant to its operations is Tantalum. It is important to note that Siegfried’s Tantalum volumes are well below the import and processing thresholds defined in the DDTrO, which underscores Siegfried’s commitment to responsible sourcing and therefore exempts Siegfried from the extensive due diligence.

**Measures, Progress and Key Indicators**

**New Supplier Sustainability Risk Assessment Guideline**

In 2023, Siegfried implemented a supplier sustainability risk assessment guideline with a focus on human rights, especially child labor and conflict minerals, and started the assessment of all Siegfried suppliers based on this guideline. Subsequently, Siegfried analyzed the results and defined appropriate levels of due diligence and screening, including working with new external partners such as Dun & Bradstreet in this area. Due diligence activities have just start-

ed in a cross-functional team with members from Quality, Procurement, Safety Health and Environment (SHE) and Legal.

**Qualification of Suppliers**

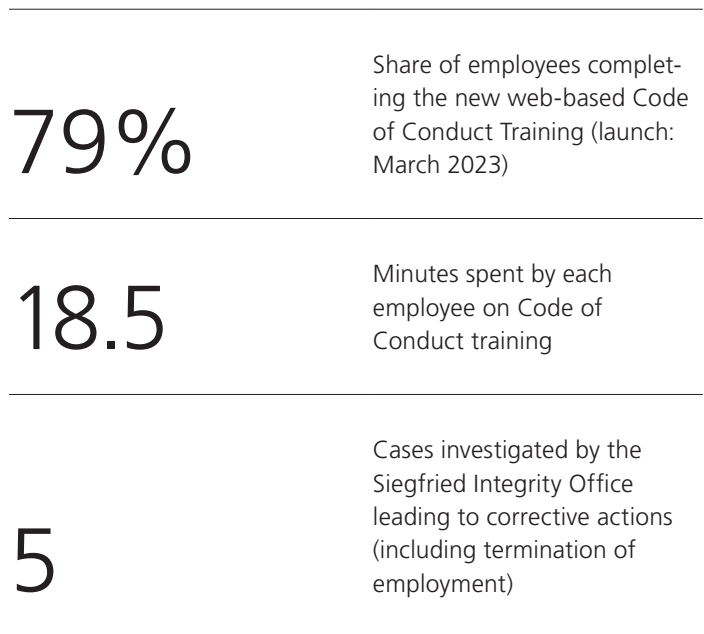
Siegfried periodically and systematically reviews all suppliers to assess their quality and sustainability risks. Suppliers are assessed through paper-based audits or through physical, on-site audits. In 2023, approximately 210 suppliers were qualified with 140 conducted through on-site audits and 70 by paper audits (previous year: 191).

For further metrics → ESG data table p.52

*Business Conduct, Corruption and Antitrust*

As a supplier to the pharmaceutical industry 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 ensures that employees and intermediaries comply with all legal provisions when carrying out business activities. This and rejecting unfair and unethical business conduct are the basis of Siegfried’s daily work.

**2023 performance in the field of business conduct, corruption and antitrust**



**Impacts, Risks and Opportunities**

Legal violations, particularly those relating to corruption and anti-trust laws, are a complex phenomenon that can significantly threaten the global health care ecosystem. Bribery and corruption in which Siegfried employees, distributors or agents are involved could significantly harm Siegfried’s reputation and trust with clients, partners, and stakeholders, potentially causing lasting damage. Failure to address these issues could result in legal consequences, including

fines and regulatory actions, disrupting Siegfried's regular operations.

Bribery and corruption incidents can also disrupt Siegfried's operations, leading to inefficiencies, increased costs, and potential project delays. Operating internationally exposes Siegfried to diverse anti-corruption regulations, requiring ongoing efforts to ensure compliance across various regions. Siegfried's global supply chain and business in regions with a higher corruption risk introduces vulnerabilities, with the potential for corruption in logistics, distribution, and procurement, leading to disruptions and reputational damage. When conducting business, diverse cultural contexts may pose additional challenges in ensuring a uniform ethical standard, potentially leading to unintentional compliance breaches.

Improving corporate governance practices fortifies Siegfried's commitment to ethical conduct and minimizes corruption risks. Fostering a culture of integrity and transparency attracts business partners who prioritize ethical practices, contributing to sustainable and trustworthy relationships.

## Concept

Siegfried is a globally active company with twelve sites in six countries on three continents. This business model comprises a variety of business relationships, regionally, nationally, and internationally. "We set the highest standards and are committed to acting ethically, lawfully and responsibly." This commitment to integrity is essential to Siegfried. It is anchored in the → [Code of Business Conduct](#). It provides the framework for Siegfried's business operations in the five company languages Mandarin, German, English, French and Spanish. The Code is designed to address all areas important for the comprehension and strengthening of awareness regarding Siegfried's integrity program:

1. Lawful business conduct
2. Bribery and corruption
3. Competition law
4. Insider trading
5. Fraud, offenses against property and data integrity
6. Confidentiality and data protection
7. Conflicts of interest
8. Trade controls and embargoes
9. Discrimination and harassment

### Anti-corruption and Anti-bribery

Siegfried explicitly prohibits any form of corrupt business conduct, particularly the active and passive bribery of public and private officeholders and decision-makers. This specifically includes:

- The OECD Anti-Bribery Convention
- US Foreign Corrupt Practices Act 1977
- UK Bribery Act 2010

### Antitrust and Anti-competitive Behavior

Any conduct that violates national or supranational legislation protecting free and fair competition is prohibited for Siegfried's suppliers and employees. All their actions must mandatorily be fully com-

pliant and 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.

Siegfried conducts periodical training sessions for the employees to ensure understanding and adherence to the applicable laws and Siegfried's Code of Business Conduct.

### Grievance Mechanism and Cases of Violations against the Code of Business Conduct

Various reporting channels are open to internal stakeholders and third parties. All stakeholders have the possibility and are encouraged to use Siegfried's web-based and third-party-operated reporting channel to submit concerns or reports and receive follow-up on an anonymous basis and in the reporter's preferred Siegfried language. All cases are investigated by the permanent members of the Integrity Office under the lead of the Head Integrity. Where necessary, internal and/or external experts are consulted on an ad hoc basis as required. The speak-up channels are embedded in Siegfried's corporate risk management system. Siegfried regularly reviews and, if necessary, adapts the grievance mechanisms to the needs of the stakeholders. The effectiveness of the grievance mechanisms is monitored through regular checks and reviews in various areas.

### Siegfried Integrity Office

The Siegfried Integrity Office is responsible for the definition and implementation of the Siegfried integrity program, including the three pillars of prevention, detection, and enforcement. The Integrity Office consists of three permanent members (Chief Human Resources Officer, General Counsel, Head Integrity), and it is committed to creating an environment where anyone can speak up in good faith without any fear of retaliation. Establishing a robust whistleblower protection mechanism encourages employees to report suspicious activities, fostering a proactive approach to identifying and addressing corruption risks.

The operational responsibility for the integrity program lies with the Head Integrity of the Siegfried Group. He is the first point of contact for Siegfried employees and third parties to raise questions or concerns using one of the various reporting channels (physical or virtual meeting, e-mail, phone, and letter). All reports are treated confidentially.

## Measures, Progress and Key Indicators

### Anti-competitive Behavior and Antitrust

Siegfried has implemented a zero-tolerance policy for violations in the field of anti-competitive behavior and antitrust. In line with said target, during the reporting period, no company of the Siegfried Group was involved in administrative or legal proceedings for anti-competitive behavior or violation of antitrust law in the year under review or in any other year in the company's history.



**Bribery and Corruption**

Siegfried has implemented a zero-tolerance policy for violations in the field of bribery and corruption. In line with said target, during the reporting period, no employee, distributor or agent of the Siegfried Group was involved in administrative or legal proceedings related to bribery or corruption, neither in the year under review nor in any other year in the company’s history.

**Violation of the Code of Business Conduct**

In the reporting year, 27 cases of suspected misconduct (previous year: 25) were reported to the Siegfried Integrity Office. Two cases (previous year: not reported) led to corrective action by the Integrity Office other than termination of employment. Three cases (previous year: two) resulted in the termination of an employment contract due to a violation of Siegfried’s Code of Business Conduct (discriminatory or harassing behavior by Siegfried employees toward colleagues in violation of principle no 9 of the Code). No cases (previous year: none) resulted in monetary fines or other non-monetary sanctions against Siegfried.

**Launch of the Integrity Training Center**

Regular training ensures that all employees understand the importance of avoiding bribery and corruption, fostering a vigilant and compliant workforce. In 2023, a web-based training tool was rolled out globally to raise awareness and harmonize understanding of legal and ethical business conduct among all Siegfried employees. In addition, all members of the senior management and the local site leadership teams receive specific integrity training that includes Siegfried’s Code of Business Conduct.

Since the launch in March 2023, more than 3 100 employees (79%) completed the new web-based training on the Code of Business Conduct. In total, each Siegfried employee spent approximately 18 minutes on integrity-related trainings.

For further metrics → ESG data table p.52

*Product Responsibility*

Product responsibility is paramount to Siegfried’s business as it ensures high-performance products that meet strict quality and safety standards at all times. Siegfried’s main objective is to support its customers with integrated products and services and to manufacture safe drugs for patients worldwide.

Products manufactured by Siegfried for its customers reach approximately 300 million patients worldwide every year. Therefore, it is crucial that these products are manufactured in a way that does not compromise product safety and quality. All products have to meet relevant product quality standards and comply with applicable laws and regulations throughout the value chain. As part of product responsibility, Siegfried commits management and employees to full compliance with the requirements of the current Good Manufacturing Practice (cGMP) and relies on continuous improvement and review through internal and external audits.

**2023 performance in the field of product responsibility**

12 Successful authority inspections at Siegfried sites

>500 Quality contracts concluded, revised or in negotiation

>100 Customer and corporate audits at the Siegfried sites

**Impacts**

Siegfried’s products and services are used in various pharmaceutical areas by our customers: in non-communicable diseases such as diabetes, respiratory and cardiovascular diseases, mental illnesses such as depression and bipolarity, and as vaccines. With its products Siegfried creates the basis for people’s physical and mental health.

Ensuring that Siegfried’s products are in accordance with applicable quality standards and compliant with laws and regulation is essential to avoid endangering patients and the environment.

**Risks and Opportunities**

As a contract development and manufacturing organization (CDMO), Siegfried operates in a highly regulated business environment. Non-compliance with those regulations may negatively impact Siegfried’s business relationships, which may result in financial losses, reputational damages and eventually compromise the company’s status in the pharmaceutical sector.

These risks highlight the importance of stringent quality assurance and quality control and adherence to growing industry norms and laws. Effectively managing these risks is crucial to preserving Siegfried’s performance and reputation in the pharmaceutical sector.

**Concept**

Siegfried has implemented a comprehensive management system for quality compliance along the entire value chain. The elements of the management system ensure that Siegfried produces in compliance with cGMP quality standards, acts economically and ecologically responsibly, and evaluates new technologies according to their contribution to sustainability. These procedures mainly deal with the aspects for product quality and safety and the same principles of the management system are used to cover the areas of finance, safety, health and the environment, legal compliance issues, communication, and employee behavior. Both national and international standards and guidelines are benchmarks for the further development of the systems.

Siegfried's quality management system is based on the process thinking of ISO 9001 for quality management and fully covers all applicable and internationally valid guidelines for cGMP, including:

- GMP Guidelines in the EU and US (21 CFR part 210-211)
- Guidelines of the "International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use" (ICH)
- Pharmaceutical Inspection Co-operation (PIC)-GMP
- All applicable national drug laws
- Guidelines of the "World Health Organization"
- United States, European, British and Japanese Pharmacopoeias (USP, EP, BP, JP)

### Compliance Committee

Siegfried has a Compliance Committee (ComCom) responsible for all global compliance, standardization, and harmonization along Siegfried's value chains for Active Pharmaceutical Ingredients (APIs) and finished pharmaceutical products.

The ComCom defines quality and safety-related goals, management systems, initiatives and measures and adopts the guidelines that apply to Siegfried. Its work is based on the international cGMP standards but also considers national regulations if they are relevant to the export of products.

The committee meets monthly under the direction of the Chief Compliance Officer.

### Compliance Checks and Audits

Siegfried regularly checks that its guidelines are up-to-date and relevant, and checks compliance using corporate audits.

Official inspections and customer audits focus on the quality of all products manufactured and supplied by Siegfried to ensure the highest protection of consumer health. The inspections and audits therefore check compliance with the binding rules for manufacturing, quality control and logistics processes. Open and continuous communication with authorities, notified bodies, customers and suppliers is essential for a functioning cooperation.

### Quality Requirements and Certifications

The number of tests to be carried out and certificates required by the pharmaceutical industry is constantly increasing. This is due in part to increasing quality awareness and requirements on the part of customers, but also because of counterfeiting and sub-mixtures. In addition to the long-established analysis certificates (with statements on e.g. the appearance, content, purity or physical properties), data and certificates on genotoxic impurities, freedom from genetically modified components, elemental impurities, free from BSE and TSE (prion diseases that can attack the brains of animals and humans), freedom from melamine or freedom from benzene are required.

The issue of nitrosamine impurities in APIs and finished medicinal products is relevant to all manufacturers: the health authorities are demanding that all active ingredients and finished medicinal products are to be checked for the absence of nitrosamines. This is initially done through risk assessments and if a potential risk is iden-

tified, through analytical procedures in the laboratory. The range of nitrosamines to be addressed in the reviews has grown steadily over the past two years. Siegfried has met all official requirements and deadlines at all times.

### Customer Dialogue and Complaints System

Siegfried has a formal customer complaint system. All external questions and complaints are followed up, systematically recording the type and number of complaints. The individual cases are examined and evaluated under the leadership of the local quality managers. If necessary, changes are initiated. Critical or strategic issues are escalated to the Chief Compliance Officer and the Chief Operations Officers of Drug Substance and Drug Product operations. The customers receive the results or interim reports of the tests as quickly as possible, after 30 days at the latest.

### Quality Contracts with Customers

Siegfried is proud of its high-quality standards meeting the increasing and diverse requirements of its customers. To meet all the expectation from Siegfried's customers quality contracts fulfill the important task to delimitate the responsibilities that governs in detail the allocation of responsibilities with respect to the contractually agreed upon services and requested standards. Together with its customers, the quality contracts are regularly revised and new quality contracts are put into effect before work is carried out on product realization.

The number of contracts with customers including periodic revisions is shown in the table below.

Quality Contracts with customers	2020	2021	2022	2023
New quality contracts concluded or revised with our partners for the Siegfried sites	App. 200	App. 200	App. 200	App. 230
Contracts in the pipeline for negotiation or periodic review	App. 100	App. 250	App. 300	App. 330

### Integrity in Logistics and Sales

Responsible action is also a high priority in the areas of logistics and sales. The safe transport of materials and products is central; Product safety is guaranteed along the entire value chain and thus meets national and international standards and, in particular, the Good Distribution Practice (GDP) guidelines that are widespread in the pharmaceutical industry.

The Good Distribution Practice (GDP) guidelines introduced a few years ago are intended to ensure that the entire supply chain for materials is protected against improper transport and storage conditions and fraudulent counterfeiting attempts. Since then, Siegfried has fulfilled these guidelines and the associated requirements for the measurement and documentation of transport and storage conditions. In addition, Siegfried must ensure that the delivered goods only reach authorized recipients. Embargoes and sanctions imposed for example by the UNO, USA or EU must also be consistently considered.

All Siegfried sites are also inspected internally by the Corporate Compliance Department to ensure that the Siegfried sites comply with the cGMP standards, the Corporate Quality Management System is implemented, and that processes and systems are harmonized throughout the Siegfried sites.

Internal Audits are also conducted by local Quality Assurance as self-inspection programs required by the cGMP rules.

All inspections by authorities in the reporting year were successful and without critical observations. The same applies to customer audits. All feedback from such inspections and audits is formally recorded in TrackWise™ and accompanied by an action plan. Not only the individual case is considered. The same improvement measures are also defined for similar or analogous cases and processes to improve the entire system.

For further metrics → ESG data table p.52

## Measures, Progress and Key Indicators

### Inspections and Audits

The good results of customer audits and official inspections make Siegfried's performance transparent. The following authorities inspected the Siegfried sites in 2023:

Barberà del Vallès	Generalitat de Catalunya, AEMPS
El Masnou	Generalitat de Catalunya
Evionnaz	US-FDA
Hameln	Korean FDA
Irvine	US-FDA
Malta	MMA
Minden	Regional Council Detmold
Nantong	Nantong FDA
Pennsville	US-FDA
St. Vulbas	ANSM
Zofingen	Japan MAFF

	2020	2021	2022	2023
<b>Inspection by Authorities</b>				
All Siegfried sites	7	7	12	12
<b>Internal Audits on Site</b>				
Corporate GMP Audits annually as system audits	6*	10*	10*	11*
<b>Internal Audits performed by local QA</b>	all areas and departments are covered annually			
Customer Audits	90–150 per year (all sites)			

\* Physical audits on site were not possible due to travel restrictions during the COVID pandemic; nevertheless the surveillance was ensured by periodic virtual sessions and audit follow-up

## Information Security and Cyber Security

Information security and cyber security have become major topics for all types of companies in recent years, as the threat of cyber-attacks has grown exponentially. Social engineering, ransomware, data leak, phishing, CEO fraud or business e-mail compromise are all on the rise and have caused various issues for companies from all industries, including breaches of confidentiality, data loss and outages of core IT systems. Due to the high level of digitalization and the great importance of information security, Siegfried pays great attention to this topic.

### In 2023 Siegfried continued its journey to enhance information security

2021

- System based awareness training
- Hardening of perimeter
- IT / OT separation

2022

- Improved IT security testing
- Improved IT incident handling
- Enhance Privileged Access Mgmt.

2023

- Improved internal attack simulation
- Enhanced E-mail security
- Improved awareness training

## Impacts, Risks and Opportunities

Information and cyber security represent a fundamental field of action for the entire pharmaceutical industry, as they are associated with management of major risks. At Siegfried, significant cyber risks arise from the high degree of digitalization of the entire company, the large portfolio of applications in use and the distributed network of production sites, where cross-site collaboration and communication is a key element of Siegfried's strategy. Siegfried manages sensitive information to a significant extent. This because as a Contract Development and Manufacturing Organization (CDMO), Siegfried handles intellectual property about production processes and products, owned by strategic customers or by Siegfried. A leak of this information would threaten Siegfried's reputation as a reliable partner to the pharmaceutical industry as well as diminish competitive advantages arising from know-how that was build up in Siegfried's 150 years of experience.

### Concept

#### Governance and Responsibility

At Siegfried, the responsibility for cyber security and data protection is assigned to the Chief Financial Officer. The Information Security Board, headed by Siegfried's Chief Information Security Officer, proactively oversees these matters and provides regular reports to the Executive Committee.

As part of Siegfried's Quality Management System, which meets all requirements for good practice (GxP), all relevant IT processes are outlined in Standard Operating Procedures (SOPs). This ensures that not only IT security principles are upheld, but also that

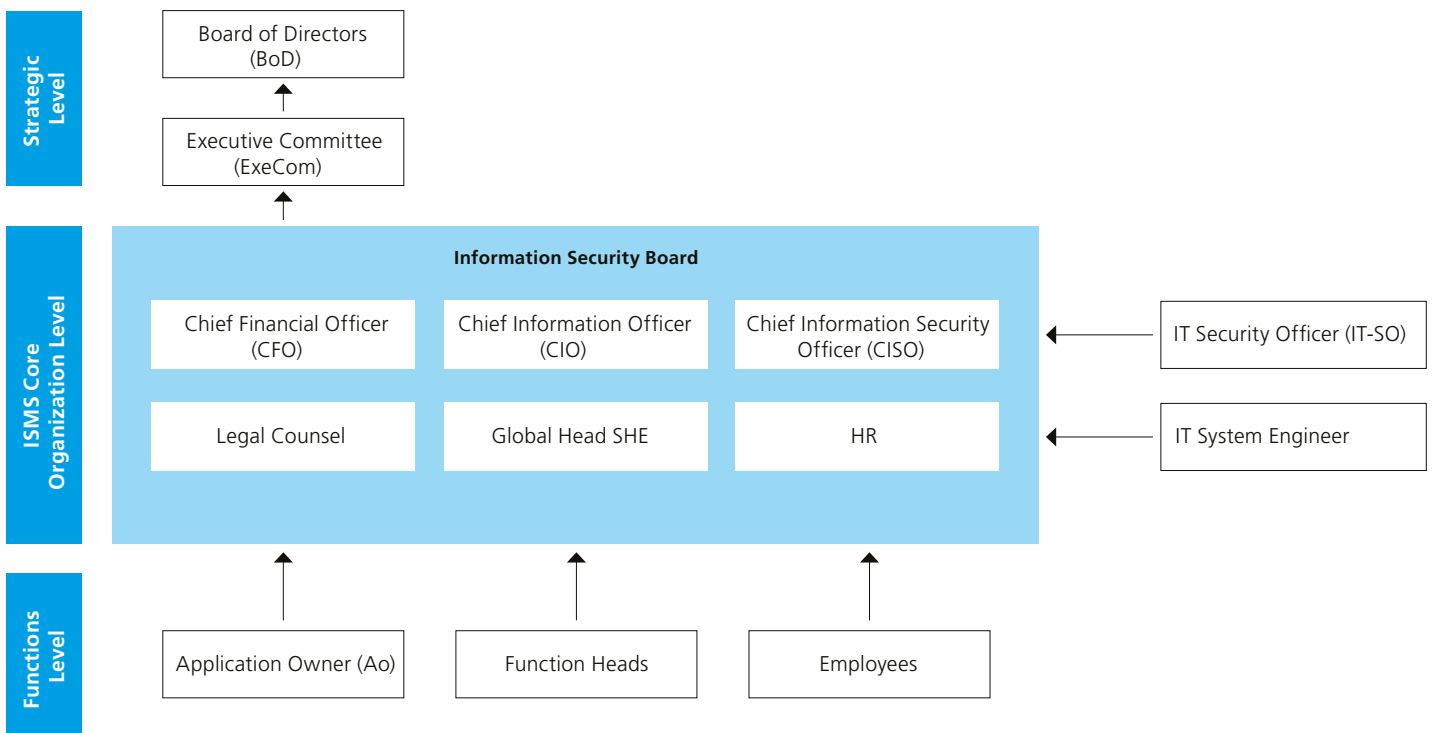


Figure 1: Information Security Board is embedded in Siegfried's Governance Structure

processes are properly implemented, and all Siegfried employees and their strategic partners are trained.

Human Resources, Legal and Safety Health and Environment departments have worked together to build an Information Security Management System (ISMS) to define and manage data protection across the board.

Based on the framework of the National Institute of Standards and Technology (NIST) and the ISO 27001 standard (information technology), and with the support of specialized consultants, Siegfried has implemented a Data Classification System to distinguish various categories of data protection from each other. An Information Security Manual was created to provide standards and guidelines for implementing processes and systems that form a multi-layer security architecture. This information security manual lays out how to comply with all legal regulations, such as Swiss Data Security Law (DSG/DSV), European General Data Protection Regulation (DSGVO).

Besides the Information Security Management System and Data Classification, Siegfried has implemented a Cloud Strategy that outlines explicit standards for selecting potential outsourcing partners for IT services and onboarding Cloud Service Providers (CSPs). Before any new CSP is onboarded, it must undergo an individual assessment. Decisions to host Siegfried IT systems on-premises or in the cloud are driven by business cases.

Siegfried's Security Operations Center (SOC), which included procuring and managing external SOC services, monitors all critical network activities, reviews all kinds of log files and assesses all critical access activities, resulting in faster qualification and handling of incidents.

Periodic reviews, external and internal attack simulation and investigations conducted by multiple strategic customers in the pharmaceutical industry, together with continual testing by internal and external experts, ensure that Siegfried's standards incorporated in the Information Security Management System (ISMS) are fully implemented and hence the ISMS meets industry best-practice and complies with regulations specified by authorities.

## **Measures, Progress, and Key indicators**

Siegfried defines key initiatives to improve data and cyber security on a yearly basis. Priorities for these initiatives are defined by the ISMS in alignment with input from IT strategy, customer and authority audits as well as external and internal security testing:

- During 2023, a change of the established awareness platform was successfully completed as well as enhancement of E-mail security by deploying a new E-mail security platform.
- Additionally progress in roll-out of a Cloud Access Security Broker (CASB) solution as well as enhancement of Privileged Access Management can be reported.
- Continuous monitoring and auditing of the active directory on premise and in the cloud as well as renewal of the established certificate authority was completed in the past year as well.

Defined initiatives were monitored and reported to the ISMS and were rated as in line with project plan that was set up at the beginning of the year. At the same time, relentless efforts for continuous improvement in data and cyber security will continue resulting in new priorities for 2024.

More than 50 audits and assessments per year are a constant source for lessons learned and adaptation of security architecture, standard operating procedures as well as information security management systems are profiting from this kind of dialog with external professionals. Progress made in data and cyber security were reflected in positive feedback both from strategic customers and authorities in the form of written audit reports. In addition, audit conducted for renewal of cyber security insurance policy concluded an improved protection level resulting in below average price premiums that Siegfried had to pay for cyber and ransomware insurance.

Awareness Training for all Siegfried employees and external partners working for Siegfried has been a key initiative since the launch of Siegfried's first awareness training platform. Constant improvement of awareness and pattern recognition of critical cyber threats are seen as levers to improve behavior and effectiveness of employees with respect to handling of potential cyber-attacks. In 2023, five training campaigns were conducted addressing topics of basic awareness training, phishing simulation, fraud, and social engineering. Monitoring of completion rate on senior management level, as well as establishing follow-up processes for incomplete trainings or failed testing following the awareness training campaigns were key focuses for the security team in the previous year.

### **Substantiated complaints concerning breaches of customer privacy and losses of customer data**

In 2023, no substantiated complaints or incidents concerning breaches of privacy or data losses have been reported, including but not limited to customer-related data.

For further metrics → ESG data table p.52

# General Disclosures

## 1. The Organization and its Reporting Practices

### 2-1 Organizational Details

Siegfried Holding AG (Siegfried), headquartered in Zofingen (Switzerland), is specialized on the development and production of drug substances and their intermediates (DS) as well as drug products (tablets, capsules, sterile vials, ampoules, cartridges and ointments, DP) for the pharmaceutical industry.

Siegfried’s facilities are located in Switzerland (Zofingen (DS), Evionnaz (DS), Zurich (Viral Vectors)), the USA (Pennsville (DS), Irvine (DP), Malta (Hal Far, DP), China (Nantong, DS), Germany (Hameln (DS), Minden (DP)), France (St. Vulbas (DS)) and Spain (Barberà del Vallès (DP), El Masnou (DP)).

→ detailed description of the locations (<https://www.siegfried.ch/locations>)

### 2-2 Entities Included in the Organization’s Sustainability Reporting

Non-financial reporting – analogous to financial reporting – includes all consolidated companies. Any deviations from this are declared at the point of information.

→ list of consolidated companies: Financial Report 2023, p. 17

### 2-3 Reporting Period, Frequency and Contact Point

Siegfried has published an annual sustainability report since 2006.

The reporting period of the non-financial reporting coincides with the reporting period of the financial reporting (January 1 to December 31). The point of contact point for inquiries regarding the non-financial reporting is: Luca Dalla Torre, General Counsel, [luca.dallatorre@siegfried.ch](mailto:luca.dallatorre@siegfried.ch)

### 2-4 Restatements of Information

Siegfried must restate the “CO<sub>2</sub> emissions” figures reported in its 2022 report (Sustainability Report 2022, p. 62). The reported number was based on an incorrect assertion that the steam delivered to the Minden plant is considered to be entirely CO<sub>2</sub> free. Instead, the steam delivered to the Minden site has a low carbon footprint of 55g of CO<sub>2e</sub>/kWh of steam. Hence, the corrected Scope 2 emissions for 2022 are 4257 GJ (32%) higher than previously reported. Scope 2 data has been corrected back to 2020, Siegfried’s reference year for its carbon net zero target. The corrected 2020 Scope 1 & 2 baseline is therefore at 105 191 GJ.

Additionally, as a result of a calculating error, Siegfried restates the 2022 figure given for the number of FTEs of external resources deployed at Siegfried (Sustainability Report 2022, p. 70). The corrected figure is approximately 110 FTEs of external resources, this is 45% lower than previously stated.

### 2-5 External Assurance

This non-financial report has not been subjected to an external audit. PricewaterhouseCoopers AG (PwC) as auditors reviewed Siegfried Holding AG’s Consolidated Financial Statements and the Remuneration Report (tables with remark “audited”) for the financial year ending December 31, 2023.

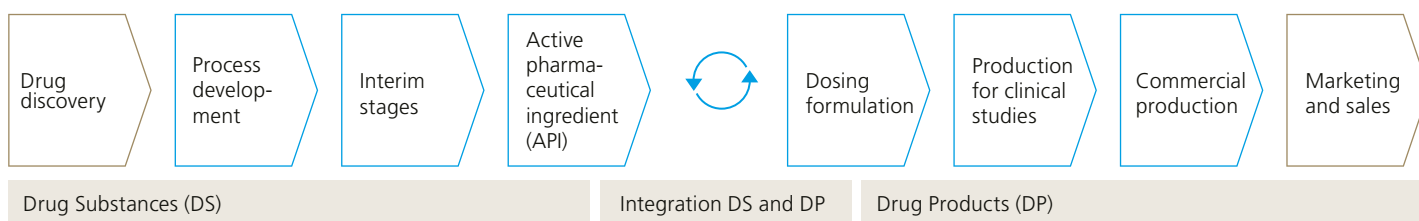
→ report of the statutory auditor: Financial Report 2023, p. 34–36  
 → report of the statutory auditor: Remuneration Report 2023, p. 23–24

### 2-6 Activities, Value Chain and Other Business Relationships

Siegfried was founded in 1873 by a Swiss pharmacist. Today, Siegfried is a Contract Development and Manufacturing Organization (CDMO), providing a wide range of services related to the development, manufacturing, and testing of pharmaceuticals. Siegfried operates twelve production sites in Switzerland, the United States, Malta, China, Germany, France and Spain.

Siegfried is active in both primary and secondary drug manufacturing. The company develops and produces pharmaceutical active ingredients for the research-based pharmaceutical industry and corresponding intermediates, and additionally offers development as well as manufacturing services for finished formulated drugs including sterile filling.

## The CDMO value chain



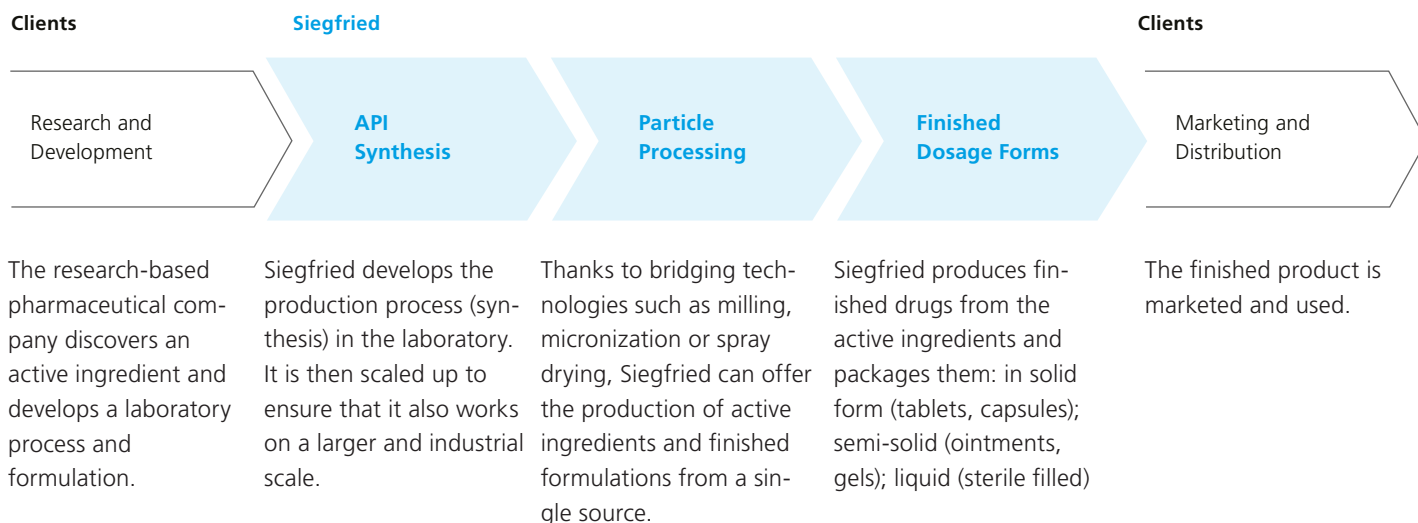
### Siegfried's Upstream Value Chain

- Siegfried's operations involve direct and indirect procurement:
- Direct procurement includes everything that goes into the Bill of Materials of the products manufactured by Siegfried, mainly basic chemicals (solvents & commodities), chemical intermediates, active pharmaceutical ingredients (APIs), and excipients packaging (primary, secondary). The origin of direct materials is mainly OECD countries (big volumes chemicals like solvents & commodities) as well as China, India and Taiwan (high value chemical intermediates and APIs).
  - The indirect procurement means everything which is necessary for the operations of the Siegfried sites (reactors, production equipment such as filling lines, IT hardware/software, office equipment).

### Siegfried's Internal Value Chain

- Siegfried has two strategic pillars:
- Drug substances (ca. 60 % of Siegfried's sales) encompasses the development and production of active pharmaceutical ingredients (APIs) and intermediates. Siegfried's services in this field cover:
    - Exclusive Synthesis: development and production of custom-made active pharmaceutical ingredients and intermediates for innovative customers of the pharmaceutical industry;
    - API Portfolio Offering: production of a wide portfolio of APIs that are no longer protected by patents. In this field Siegfried's focus lies on anesthetics, pain and addiction treatment applications, central nervous and respiratory diseases as well as caffeine for human health and nutrition.
  - Drug products (ca. 40 % of Siegfried's sales) are finished dosage forms (e.g. tablets, capsules, sterile vials, ampoules, cartridges and ointments). They are the delivery method to get an API into the body to perform its intended effect.

### Siegfried's Business Model



→ Further information on Siegfried's product categories: [www.siegfried.ch](http://www.siegfried.ch) > Products & Services > [our offering](#)

### Siegfried's Downstream Value Chain

Siegfried sells its products to customers in the pharmaceutical industry. Outsourcing certain aspects of drug development and manufacturing to CDMOs, enables pharmaceutical industry customers to focus on their core competencies of drug discovery as well as marketing and distribution. Outsourcing also allows them to gain access to expertise and capabilities that they do not have in-house. Siegfried does not sell drugs directly to hospitals, physicians, pharmacies or end consumers.

### 2-7 Employees

Siegfried employs globally – at twelve locations in seven countries – 3 800 people permanently (prior year: 3 680) and 270 people temporarily (prior year: 288), in total 4 070 (prior year: 3 968). Additionally, Siegfried takes care of the education and training of 110 apprentices (prior year: 110).

Employees (December 31) (permanent & temporary)	2023		
	Female	Male	Total
Europe	1142	2318	3460
USA	109	231	340
Asia	56	214	270
<b>Group</b>	<b>1307</b>	<b>2763</b>	<b>4070</b>

Siegfried newly acquired a site in Zurich, Schlieren (Switzerland) in 2023, adding a new location and 13 employees to the Siegfried network.

Permanent employees (December 31)	2023			2022		
	Female	Male	Total	Female	Male	Total
Europe	1045	2158	3203	1030	2063	3093
USA	101	226	327	95	218	313
Asia	56	214	270	56	218	274
<b>Group</b>	<b>1202</b>	<b>2598</b>	<b>3800</b>	<b>1181</b>	<b>2499</b>	<b>3680</b>
Temporary employees (December 31)						
Europe	97	160	257	74	198	272
USA	8	5	13	7	7	14
Asia	0	0	0	0	2	2
<b>Group</b>	<b>105</b>	<b>165</b>	<b>270</b>	<b>81</b>	<b>207</b>	<b>288</b>
Full-time employees* (December 31)						
Europe	945	2273	3218	807	2017	2824
USA	103	227	330	95	218	313
Asia	57	214	271	56	218	274
<b>Group</b>	<b>1105</b>	<b>2714</b>	<b>3819</b>	<b>958</b>	<b>2453</b>	<b>3411</b>
Part-time employees** (December 31)						
Europe	199	49	248	221	45	266
USA	2	1	3	1	2	3
Asia	0	0	0	0	0	0
<b>Group</b>	<b>201</b>	<b>50</b>	<b>251</b>	<b>222</b>	<b>47</b>	<b>269</b>

All employees (December 31)	2023		2022	
	#	% of all employees	#	% of all employees
Full time employees*	3819	91%	3411	90%
Part-time employees**	251	6%	269	7%
Apprentices	110	3%	110	3%

\*100% / \*\* <100%



2-8 Workers who are not employees

Siegfried employs external staff mainly to compensate for fluctuations in production, in connection with projects or to cover absences. Typical areas of deployment are production, laboratory, maintenance, facility management or IT. Over the year, an average of approximately 120 FTEs (prior year: approx. 110) of external resources are deployed at Siegfried.

All partners of Siegfried concerning external employees comply with legal regulations and minimum wage requirements. The basic salaries of external employees are comparable to those of Siegfried's

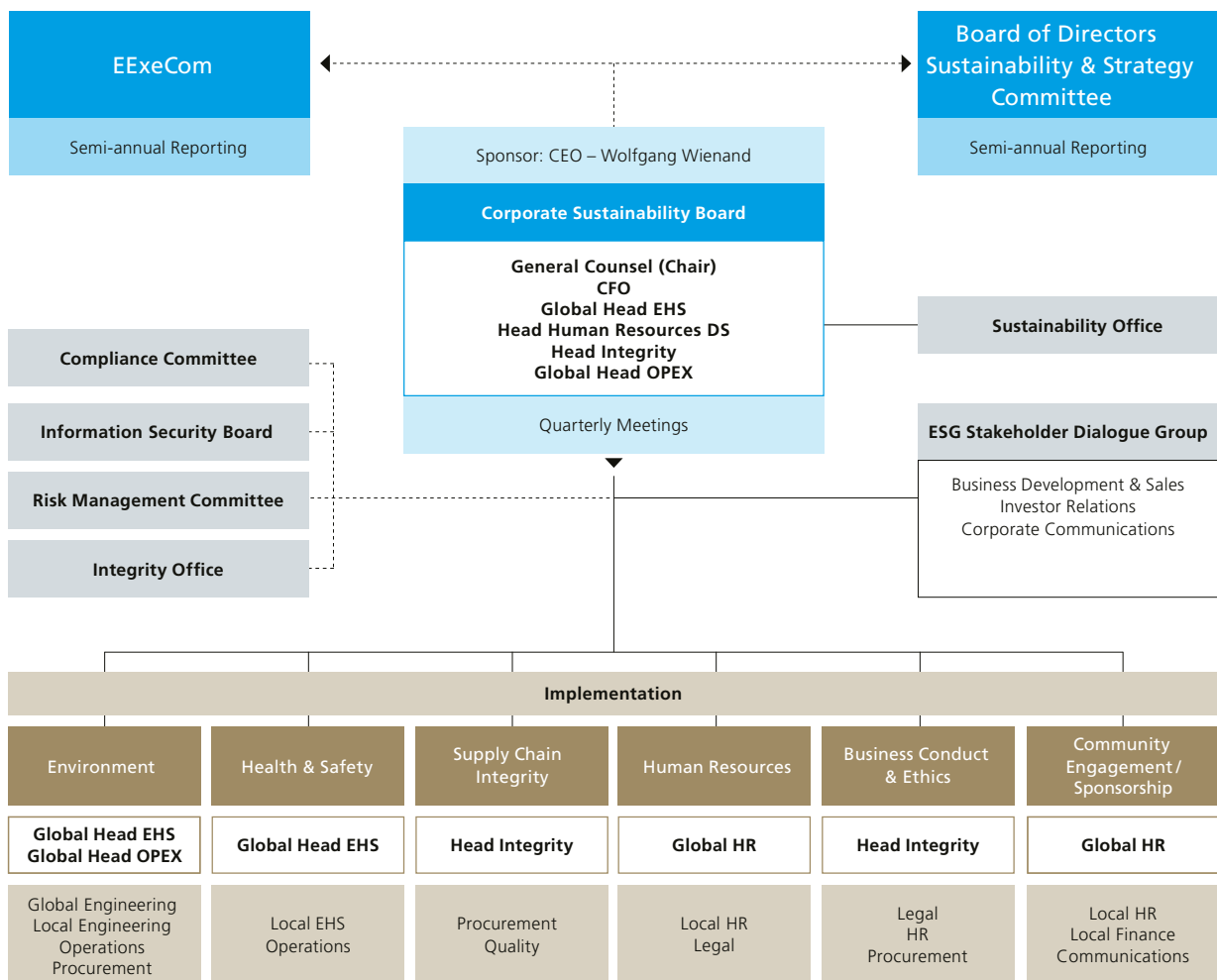
employees. If qualified, external employees working for Siegfried are given preference when internal positions become available.

2. Governance

2-9 Governance structure and composition

→ Information on Siegfried's overarching governance structure: Corporate Governance Report 2023, p. 3; and [Organizational Regulations](#).

Organizational structure with regard to sustainability at Siegfried



### Board Level: Strategy & Sustainability Committee

The ultimate responsibility for the definition of the strategy, the governance and the risk management of the Siegfried Group in the area of sustainability lies with the Board of Directors. The Board has delegated the preparatory work in the field of ESG to its "Strategy & Sustainability Committee" but retains all decision-making authority.

The Strategy & Sustainability Committee comprises three members of the Board of Directors, one of whom chairs the Committee. The Committee meets as often as necessary, but at least three times a year.

In particular, the Strategy & Sustainability Committee and, ultimately the Board of Directors, is responsible for the following matters;

- Environmental and social impacts of Siegfried's business activities, including climate change, human rights, ethics & compliance, responsible sourcing and employee issue.
- Assessing the impact, both in terms of opportunities and risks, of environmental and social developments on the Siegfried Group's business, financial position and strategy in the medium and long term.
- Oversight of Siegfried's Supply Chain Integrity program.
- Monitoring regulatory developments regarding environmental and social issues and their applicability to implementation by the Siegfried Group.
- Monitoring of management incentives and performance of the company concerning sustainability goals based on internal metrics and external sustainability indices.
- Non-financial reporting and its accuracy, completeness and conformity with respect to financial and non-financial disclosures.

### Corporate Level: Corporate Sustainability Board

In 2021, Siegfried introduced a Corporate Sustainability Board on Group corporate level. The Corporate Sustainability Board is the governing body for the definition, oversight and implementation of Siegfried's sustainability program on an operational level and supports the operations in their sustainability work. The sponsor of the Sustainability Board is the CEO, who gets regularly involved in strategic sustainability discussions.

The General Counsel of the Siegfried Group chairs the Corporate Sustainability Board. It is further composed of representatives of the relevant Siegfried departments with direct responsibility for ESG issues (the CFO, the Global Head SHE, the Global Head OPEX, the Head of Integrity, and the Global Head of HR DS) and oversees six main ESG Working Groups, each led by one member of this Board:

- Environment
- Health & Safety
- Supply Chain Integrity
- Human Resources
- Business Ethics
- Community Engagement

The Corporate Sustainability Board regularly reports to the Executive Committee on operational ESG issues and to the Board of Directors or the Strategy & Sustainability Committee on ESG strategical and governance issues. In addition, the Corporate Sustainability Board closely interacts with the ESG Stakeholder Dialogue Group and other internal steering bodies such as the Integrity Office, the Compliance Committee, the Information Security Board and the Risk Management Committee. The Sustainability Board meets at least four times annually.

Information on ESG Stakeholder Dialogue Group: Sustainability Report 2023, p. 39 (GRI 2-29)

### 2-10 Nomination and Selection of the Highest Governance Body

→ Information on the election of the Board of Directors: Corporate Governance Report 2023, p. 12-13; and [Articles of Incorporation](#)

### 2-11 Chair of the Highest Governance Body

Siegfried's Chairman of the Board of Directors is non-executive and independent.

→ Further information on the Chairman of the Board of Directors: Corporate Governance Report 2023, p. 10

### 2-12 Role of the Highest Governance Body in Overseeing the Management of Impacts

The ultimate responsibility for the definition of the strategy, the governance and the risk management of the Siegfried Group in the area of sustainability, in particular on the topics of "Environment, Social and Governance" ("ESG"), lies with the Board of Directors.

→ Further information on the Board of Directors' responsibility for ESG topics: Sustainability Report 2023, p. 33 (GRI 2-9); and [Organizational Regulations](#)

### 2-13 Delegation of Responsibility for Managing Impacts

The Board has delegated the preparatory work in the field of ESG to its "Strategy & Sustainability Committee" but retains all decision-making authority.

→ Further information on the delegation of ESG responsibilities: Sustainability Report 2023, p. 33 (GRI 2-9)

### 2-14 Role of the Highest Governance Body in Sustainability Reporting

The Board of Directors has delegated the preparatory tasks relating to non-financial reporting to the Strategy & Sustainability Committee. As required by the Swiss Code of Obligations, the Board of Directors of Siegfried approved this report on non-financial matters at an ordinary Board meeting. The report will be submitted to the Annual General Meeting of Shareholders for approval on April 18, 2024.

→ Statement signed by the Board of Directors confirming that this report on non-financial matters has been approved: Sustainability Report 2023, p. 44

→ Further information on the role of the Board of Directors: [Organizational Regulations](#).

### 2-15 Conflicts of Interest

All members of the Board of Directors of the current term of office 2023/2024 qualify as non-executive and independent within the meaning of the Swiss Code of Best Practice for Corporate Governance. None of the current members ever held a position in the Executive Committee of Siegfried or any other company of the Siegfried Group, nor did they, or the companies or organizations they represent, ever have any significant business relationship with Siegfried. Comprehensive rules on conflicts of interests are also stated in the → [Organizational Regulations](#)

→ Further information about the independence of Siegfried's Board of Directors: Corporate Governance Report 2023, p. 8

### 2-16 Communication of Critical Concerns

The responsibility for reporting critical concerns about the organization's potential and actual negative impacts on stakeholders is with the Chief Executive Officer who has a direct reporting line to the Chairman of the Board of Directors. The responsibility for informing the Board of Directors about critical matters in the field of sustainability lies with the Chairman of the Sustainability Board. As General Counsel of the Siegfried Group, the Chairman of the Sustainability Board also serves as Secretary of the Board of Directors, and, as such, has a direct reporting line to the Chairman of the Board of Directors.

### 2-17 Collective Knowledge of the Highest Governance Body

→ Information on the professional background of the members of the Board of Directors: Corporate Governance Report 2023, p. 10-12

→ Analysis of the competences of the Board of Directors: Corporate Governance Report 2023, p. 9

### 2-18 Evaluation of the Performance of the Highest Governance Body

The Board regularly conducts a self-assessment of the performance of its members as well as its processes and organization, with the target to improve the governance, enhance efficacy, identify gaps in the skill sets and diversity and define future priorities. The latest self-assessment was conducted in 2023.

### 2-19 Remuneration Policies

→ Information about Siegfried's remuneration policy and remuneration elements: Remuneration Report 2023, p. 7-13

### 2-20 Process to Determine Remuneration

→ Information about Siegfried's remuneration procedures: Remuneration Report 2023, p. 6-7

### 2-21 Annual Total Compensation Ratio

At Siegfried, the individual with the highest remuneration is the CEO. Detailed information on the remuneration of Group Management and the Board of Directors can be found in the Remuneration Report 2023 from p. 16

The calculation includes the total, maximum remuneration including variable components. The ratio between the annual remuneration of the highest-paid individual and the median annual remuneration is calculated using the remuneration of employees in Switzerland, as this is the CEO's place of residence and work. In Siegfried's opinion, a comparison with the remuneration of employees in other countries distorts the informative value of this ratio.

In the year under review the ratio was 34 (mean) resp. 26 (average).

## 3. Strategy, Policies and Practices

### 2-22 Statement on Sustainable Development Strategy

→ Statement of Siegfried's Chief Executive Officer: Progress Report 2023, p. 18-19

### 2-23 Policy Commitments

#### 2-24 Embedding Policy Commitments

The Code of Business Conduct is the baseline for all further policy commitments by Siegfried in the field of business integrity. Employees and business partners of Siegfried are informed of the various policies when applicable to them. Implementation, integration into strategy, and training employees in relation to policy commitments lies in the responsibility of the relevant member of the Sustainability Board. For more information: Sustainability Report 2023, p.33 (GRI 2-9).

For more information on how Siegfried's internal training is structured: Sustainability Report 2023 p.17

### Code of Business Conduct

As a global pharmaceutical supplier, Siegfried is dedicated to adhering to rigorous legal and ethical standards in all its business relationships. It ensures that the employees, and business partners are informed of relevant legal regulations and act in accordance with the law, ethical standards and with a sense of responsibility while conducting all business activities. Siegfried's Code of Business Conduct serves as a guide, highlighting critical legal areas and applicable laws

including but not limited to human rights adherence, bribery and corruption, and trade controls and embargoes. This policy was approved by the Executive Committee.

→ [Access the policy](#)

### Supplier Integrity Commitment

Siegfried applies the highest standards when it comes to sustainability and expects the same commitments to be shared by all parties along its supply chain. Sharing a common understanding of quality, reliability of supply, ethical, social and ecological standards in all production and business processes adds ecological and economic value for Siegfried's clients while minimizing risk. The Supplier Integrity Commitment provides Siegfried's suppliers, contractors, service-providers, agents and distributors a binding code that guides them in supporting the sustainability and integrity efforts in the supply chain. This policy was approved by Executive Committee.

→ [Access the policy](#)

### Ethical and Responsible Marketing Commitment

Siegfried's Ethical and Responsible Marketing Commitment establishes four key principles guiding Siegfried's actions in marketing, product advertising, and promotion. Applicable to all Siegfried sites, employees, and third parties representing Siegfried, this commitment underscores Siegfried's dedication to responsible marketing practices. Emphasizing respect for customers and fostering long-term growth, Siegfried's approach reflects an unwavering commitment to ethical standards in all facets of its marketing endeavors. This policy was approved by the Sustainability Board.

→ [Access the policy](#)

### Human Rights and Labor Standards Commitment

This policy outlines Siegfried's full commitment to support the protection of internationally proclaimed human rights as defined in (i) the UN-Global Compact and (ii) the International Labour Organization (ILO) policies and recommendations. Together with employee representatives and trade unions, Siegfried has transferred these principles to its working environment. This ensures that the business activities of Siegfried do not cause or contribute to any negative impacts on human rights. In case such effects occur, they are immediately eliminated upon their detection. Siegfried's commitments to human rights and compliance with internationally recognized labor standards are endorsed at the highest level by the Board of Directors and Executive Committee.

→ [Access the policy](#)

### Donation and Sponsorship Policy

Siegfried is committed to responsible corporate behavior and social responsibility. As a global company with strong local roots, the communities Siegfried operates in are a vital factor to its success. Siegfried gives back by supporting projects that have a positive effect on society. Siegfried believes that what it does matters, and support

activities aligned with this core belief. This policy covers the guidelines and delineates the roles and responsibilities with regard to the realization of donations and sponsorships by all Siegfried entities. This policy was approved by the Executive Committee.

→ [Access the policy](#)

### Global Tax Principles Policy

This policy outlines Siegfried's commitment to being a good corporate fiscal citizen. Siegfried respects the local tax legislation and administrative practices in the countries where it operates and is liable to taxation. Siegfried ensures cooperation with all tax authorities and other relevant bodies in a proactive and transparent manner. The company maintains and follows a strict transfer pricing policy, based on the OECD Transfer Pricing Guidelines and on the Base Erosion and Profit Shifting (BEPS) project deliverables. Siegfried files a country-by-country report to the Swiss Tax Administration, containing aggregated tax information per country relating to the global allocation of income, taxes paid, among other indicators. This tax policy has been approved by the Board of Directors of Siegfried.

→ [Access the policy](#)

### Safety, Health and Environment Policy

This policy covers Siegfried's commitment to excellence and leadership in protecting the health and safety of its employees, customers and the public as well as the environment. Siegfried's objective is to reduce injuries to its employees, reduce waste and emissions to the environment, and increase the awareness of safety, health and environmental (SHE) issues with the employees, contractors, customers and the public. This policy was approved by the Executive Committee.

→ [Access the policy](#)

### Diversity, Inclusion and Equality Policy

This policy outlines Siegfried's commitment to fostering diversity, inclusion and equity internally as well as along its supply chain. Siegfried does not tolerate any form of discrimination and takes any complaints relating to bullying, harassment, victimization and unlawful discrimination seriously. The company values and treats everyone equally regardless of gender and gender identity, disability, race, ethnicity, national origin, cultural and social background, sexual orientation, age, tenure, marital and parental status, language, professional and industry background, veteran status, geographical experience, personal characteristics, religious belief, and diversity of thought. Siegfried's commitments to diversity, inclusion and equity are endorsed at the highest level by the Board of Directors and Executive Committee.

→ [Access the policy](#)

### UN Global Compact

Siegfried supports the UN Global Compact Initiative with a mission

to better the world and care for customers, patients, and society. As of 2022, Siegfried's Communication on Progress qualifies as "GC Advanced".

### **Sustainable Development Goals**

As part of its sustainability management, Siegfried aims to contribute globally to sustainable development. Therefore, it also refers to the 17 global goals and 169 targets of Sustainable Development Goals (SDGs), prioritizing the SDGs where it contributes in particular

→ Further information about Siegfried's contribution to SDGs: Sustainability Report 2023, p. 5

### *2-25 Processes to Remediate Negative Impacts*

By complying with all applicable laws and legislations as well as internal policies and guidelines, Siegfried strives to avoid any negative impacts. When facing any negative impact, Siegfried is committed to mitigating such impact by strictly adhering to all applicable laws and regulations.

Siegfried endeavors to avoid negative effects by regularly reviewing and, if necessary, adapting the grievance mechanisms to the needs of the stakeholders. The effectiveness of the grievance mechanisms is monitored through regular checks and reviews in various areas.

### *2-26 Mechanisms for Seeking Advice and Raising Concerns*

As a supplier to the pharmaceutical industry and a group of companies that is active worldwide, Siegfried is committed to the highest legal and ethical standards in all business relationships.

Siegfried employees and third parties can use various channels to raise questions or concerns. First point of contact is Siegfried's integrity office, which is described under the material topic Business conduct, corruption and antitrust, Sustainability Report 2023, p. 22

### *2-27 Compliance with Laws and Regulations*

During the reporting period, Siegfried did not have significant instances of non-compliance with laws and regulations.

## 2-28 Membership Associations

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 (CEPIC))
		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
		Active Pharmaceutical Ingredients Committee (APIC)
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
		Groupement d'Entreprises du Chablais
		Association Valaisanne des Industries chimiques(AVIC)
Hameln	Germany	AdU
		Chemie Nord Arbeitgeberverband
		Creditreform Hameln Bolte KG
		IHK Hannover
		Weserbergland Aktiengesellschaft
		BME e. V.
		Bundesverband der Energie-Abnehmer
		Heacon Service GmbH (pharmaplace AG)
		DGRA-Dt.Ges.für Regulatory Affairs
		Europäisches Patentamt
		VPP-Geschäftsstelle
		Allgemeine Arbeitgebervereinigung
		HSW (Hochschule Weserbergland)
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
Irvine	USA	Chemical Council of New Jersey
		International Society of Pharmaceutical Engineers (ISPE)
		Parenteral Drug Association (PDA)
		American Society of Quality (ASQ)
Nantong	China	California Chamber of Commerce
		SwissCham Shanghai
		Nantong Pharmaceutical Association
Barberà	Spain	Nantong Biopharmaceutical Industry Union
		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	Spanish Commercial Codification Association (Asociación Española de Codificación Comercial -AECOC-)
		AEFI Asociación española de farmaceuticos de la industria (Spanish Association of Pharmacists from the Industry)
		Collegi de Farmacèutics (Pharmacists College)
		COASHIQ
		Parental Drug Association (PDA)

## 4. Stakeholder Engagement

### *2-29 Approach to Stakeholder Engagement*

Siegfried attaches great importance to regular contact and ongoing dialog with its stakeholder groups at both the local and the global level. Siegfried thus pursues the goal of creating a better mutual understanding and a basis of trust. The aim is to closely link the stakeholders' interests with the company's business strategy and to recognize early trends so they can be incorporated into the strategy process.

Siegfried uses a stakeholder map for a specific and systematic stakeholder dialog (see "Siegfried in Dialog" below). The categories of organizations listed therein are not final. They were selected based on their relevance and possible influence on Siegfried.

The company's 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. The stakeholder dialog includes communication and active interaction with individual target groups and issue-related multi-stakeholder events.

## 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, advertise- ments, 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 asso- ciations as well as professional and knowledge sharing groups

### 2-30 Collective Bargaining Agreements

At all sites, Siegfried unconditionally respects the local statutory regulations concerning labor and the universal international standards of the International Labor Organization (ILO). The salaries are above the legal minimum wage at all sites.

Siegfried respects the right of every employee to join an employee representation, works council or a union without suffering any negative consequences, such as termination, discrimination or retaliation. New employees will be contacted and informed by the relevant employee representation, works councils or unions. Siegfried cultivates 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 participation in employee-relevant aspects occur at each site regularly.

Collective labor agreements are available to substantial groups of employees in Switzerland, Germany, France, Malta, Spain, China, and the USA. Overall, 2822 employees, or 68%, (prior year: 2736/72%) are subject to a collective labor agreement. In addition, Siegfried inaugurated a European Works Council in 2023. The council is an important forum for exchange and consultation on transnational issues relating to Siegfried sites within the European Community.

The rights of co-determination of each employee representation are defined in the respective contracts and regulate the participation rights relevant to the applicable negotiations. All employees not covered by a collective agreement – mainly middle, upper and senior management will benefit from working conditions in line with collective agreements and market practice.



# TCFD Report

In 2023, Siegfried dealt with the requirements of the Taskforce on Climate-related Financial Disclosures (TCFD). Risks and opportunities and their impact on the business strategy were analyzed in a multi-stage process. The main risks for Siegfried lie in potential supply chain disruptions and extreme weather events that could affect Siegfried's production sites.

## Governance

Siegfried's organizational structure is based on a clear delineation of tasks, competencies, and responsibilities. The ultimate responsibility for the definition of the strategy and the risk lies with the Board of Directors of the Siegfried Group. This includes risks from both financial and non-financial issues.

The Board has delegated certain preparatory responsibilities to the "Strategy & Sustainability Committee" (details see page 34). On the Board level, the responsibility for assessing the climate-related risks and opportunities on Siegfried's business, financial impacts and strategy over different time horizons lies with the Strategy & Sustainability Committee. The operational implementation is delegated to Siegfried's Corporate Sustainability Board, which regularly reports to the Strategy & Sustainability Committee on climate-related risks. For such purposes, the Corporate Sustainability Board closely interacts with the Risk Management Committee of the Siegfried Group. Climate-related Risks have been identified as one of five main risk pillars of Siegfried's risk management program. Ultimately, the Corporate Sustainability Board is responsible for the strategic implementation of climate-related matters into the Group.

## Strategy

According to TCFD recommendations, a distinction is made between climate-related physical and transitional risks as well as opportunities. Physical risks arise from direct climate and weather events and therefore may potentially impact Siegfried's operating activities as well as its supply chain. Transitory risks, on the other hand, arise from the decarbonization of the economy and from the resulting legal, social, economic or technological conditions. Siegfried assessed risks in both categories and further categorized them based on likelihood and severity. These identified risks as well as their potential impact on Siegfried and selected mitigation measures are summarized in table 1.

Risk	Tier	Potential Impact on Siegfried	Mitigation Measures
Availability and increased costs of raw materials	I	<ul style="list-style-type: none"> <li>Supply chain disruptions may delay or interrupt – manufacturing</li> <li>Higher raw material cost leads to increase in Cost of Goods Sold</li> <li>Supply chain management may require additional resources</li> </ul>	<ul style="list-style-type: none"> <li>Offer dual or triple sourcing of critical raw materials to customer</li> <li>Build-up of safety stock in alignment with customers</li> <li>Long-term supply agreements with critical suppliers</li> </ul>
Acute Physical Risks – Extreme weather events, such as hurricanes, or floods	I	<ul style="list-style-type: none"> <li>Extreme weather events may lead to production interruptions</li> <li>Danger to employees and/or assets</li> </ul>	<ul style="list-style-type: none"> <li>Multi-site offering to customers</li> <li>Site- and risk-specific business continuity planning</li> <li>CAPEX in preventive measures such as fire protection, flood protection</li> <li>Insurance risk engineering/property &amp; business-interruption insurance policies</li> </ul>
Costs to transition to lower emissions technology	II	<ul style="list-style-type: none"> <li>Manufacture of products may become subject to -tighter environmental/regulatory framework that requires replacement of existing or investment in new manufacturing assets</li> <li>Changes in technology may trigger additional approval requirements under GMP regulations</li> </ul>	<ul style="list-style-type: none"> <li>Long-term CAPEX planning process</li> <li>Green engineering for expansion CAPEX and -replacement CAPEX</li> <li>Enhanced focus on operational excellence</li> <li>R&amp;D in circular economy</li> </ul>
Changing customer and shareholder –behavior and priorities	II	<ul style="list-style-type: none"> <li>Customers’ focus on environmental footprint may lead to customer expectations beyond regulatory or legal requirements</li> <li>Customer may require substitution of services with lower emissions options</li> <li>Additional internal resources for management of customer requirements with respect monitoring and reporting on ESG issues</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced focus on environmental footprint in line with –customer expectations in order to stay ahead of competition</li> <li>Offering of (optional) sustainable sourcing and low emission –manufacturing services</li> <li>Development of second and third generation processes for eco-friendly and efficiency enhanced manufacturing of products</li> <li>Transparent long-term ESG dialogue with key -customers, shareholders and other stakeholders</li> </ul>
Increased pricing of GHG emissions	III	<ul style="list-style-type: none"> <li>Increase in manufacturing costs</li> <li>Increase in raw material costs</li> <li>Additional internal resources for management of GHG monitoring, reporting and verification may become necessary</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of Scope 2 GHG emissions through purchase of green/ renewable energy and certified energy management system</li> <li>Green engineering for expansion CAPEX and replacement CAPEX</li> <li>Active participation in emission trading systems</li> </ul>
Chronic Weather Risks – Longer-term shifts in climate patterns that may cause sea level rise or chronic heat waves	III	<ul style="list-style-type: none"> <li>Rise in sea levels may expose sites close to the shore to flooding</li> <li>Permanent increase in temperatures could lead to quantitative limits on water consumption for cooling</li> </ul>	<ul style="list-style-type: none"> <li>Long-term investment in preventive measures, in cooperation with local authorities</li> <li>Water consumption reduction programs</li> </ul>
Enhanced emission--reporting obligations	III	<ul style="list-style-type: none"> <li>Increased costs to comply with national and international reporting obligations</li> <li>Risk of non-compliance with complex regulatory framework</li> </ul>	<ul style="list-style-type: none"> <li>Early adaption and compliance with Swiss- and EU-reporting standards</li> <li>Introduction of technology based data analytics and reporting capabilities</li> </ul>

Risk Type: ■ Legal & Regulatory ■ Technology ■ Market ■ Physical

**Strategic Actions to Respond to Climate-related Risks on Siegfried’s Business**

In anticipation of the potential impact of extreme weather events, Siegfried diversifies its operations across different locations, reducing vulnerability to localized disruptions. Locations with a certain level of risk are Nantong, Barberà del Vallès, El Masnou and Evionnaz.

As part of the Capital Expenditure (CapEx) strategy, Siegfried makes significant investments in preventive measures, such as fire and flood protection. In the long term, Siegfried plans to invest more in preventative measures. This primarily concerns the sites in coastal areas, specifically in Nantong, Barberà del Vallès and El Masnou. In the frame of their business continuity management activities, sites implement flood protection measures in close collaboration with Siegfried’s risk insurer and local authorities. Typical measures include

the installation or upgrade of flood barriers and drainage systems, putting critical infrastructure at elevated levels above known flood levels. Where possible and necessary (for example for sites located close to open water bodies and during infrastructure extension activities), strategic landscaping and natural defenses are used to minimize the risk of flooding.

Also, due to climate change, there is a risk of drought or water scarcity, which plays a crucial role in Siegfried’s manufacturing, e.g. cooling. To address this risk, projects to reduce water consumption are planned (also see Sustainability Report 2023, p. 12).

To address the anticipated transition costs to lower emissions technologies the CapEx strategy is also being adapted. Additionally, with an intensified focus on operational excellence, Siegfried enhances efficiency and cost-effectiveness in the transition process. Also, R&D initiatives in circular economy were initiated to make man-

ufacturing processes more efficient and thus reducing emissions. For example, thanks to sophisticated distillation processes, more solvents can be reused. Furthermore, Siegfried has rolled out a new standardized procedure for the methodical assessment of the level of sustainability of chemistry-based manufacturing processes. This includes the identification of process steps with high energy use (scopes one and two), or opportunities to reduce the use of raw materials and their associated scope-three emissions. Projects can then be selected with the greatest benefit. With an enhanced focus on environmental footprint, Siegfried is also aiming at facing the customers’ increasing priorities for sustainable production. In 2023, this entailed the development of a matrix to measure the sustain-

ability of the production processes, which helps to identify the priority areas that should be addressed first as well as the measures described in chapter “Emissions” (p. 7). By purchasing renewable energy, Siegfried also reduces its Scope 2 GHG emissions, which can reduce potential carbon taxes.

**Climate-related Opportunities**

Aside the risks, Siegfried also identified climate-related opportunities with a potential substantive impact on its business. These are shown in Table 2.

Issue	Opportunity for Siegfried
Resource Efficiency	<ul style="list-style-type: none"> <li>– Pro-active energy management, improvement of recycling of high-volume waste streams (e. g. solvents) and additional research &amp; development focus on circular economy may lead to lower manufacturing costs and higher margins</li> </ul>
Energy Sourcing	<ul style="list-style-type: none"> <li>– Pro-active management of energy sourcing activities and long term power purchase agreements may lead to a more sustainable sourcing at lower manufacturing costs and higher margins</li> </ul>
Products and Services	<ul style="list-style-type: none"> <li>– Focus on environmental footprint of manufacturing activities in line with pharma customer expectations may lead to competitive advantage</li> <li>– Offering of additional services such as development of more sustainable second or third generation manufacturing processes may lead to additional business (sales) and positive perception in the markets</li> <li>– Offering of risk minimized sourcing options (dual/triple sourced raw materials) may lead to additional business (sales) and competitive advantage</li> <li>– Offering of sustainable and eco-friendly options (e. g. in the field of sourcing) to customer may strengthen customer relationship and improve customer retention</li> </ul>
Resilience	<ul style="list-style-type: none"> <li>– Demonstrating resilience in the field of climate-related and other risks (e. g. cyber risks) and offering site-specific or multi-site business continuity plans may allow for differentiation against competitors and higher reliability and resilience of services provided</li> <li>– Siegfried’s multi-site strategy allows customer to mitigate risks by double-sourcing from different Siegfried sites, and hence, allows for better customer retention and competitive advantage</li> </ul>

**Risk Management**

Siegfried has integrated climate-related risks into its risk management process. The Corporate Sustainability Board is responsible for the Group-wide coordination, while final responsibility in assessing climate-related risks lies with the Board of Directors.

The initial assessment of climate related risks and opportunities is conducted in a multi-step approach: In the first phase, a comprehensive questionnaire was filled out by risk owners in the senior and mid-level management of the organization to obtain broad feedback. In a second phase, the Sustainability Board evaluates and compiles this data to create a heat map and risk register of climate-related risks and opportunities that could be used for future monitoring efforts and possible mitigation actions. In addition, Siegfried assesses acute and chronic climate-related risks at all Siegfried sites based on physical climate risks insights provided by the Swiss Re RDS Sustainability Compass tool.

Based on the results of (i) the management questionnaire, (ii) the compilation in a climate-related risk register by the Corporate Sustainability Board and (iii) the insights provided by the Swiss Re RDS Sustainability Compass tool, Siegfried assesses the climate-related risks under three different future scenarios (SSP1-2.6, SSP2-4.5 and SSP5-8.5). The three scenarios consider the trajectories of greenhouse gas concentration in the atmosphere and refer to a 1.5°C–2°C, 2°C–3°C and >4°C increase in global average surface

temperature in 2100 respectively. The Swiss Re RDS Sustainability Compass tool allows Siegfried to display and assess all sites of the Siegfried network in terms of changes of acute physical climate hazards such as floods, wind, precipitation, heat and drought and the change of level of risk in ten-year steps until 2100. Relevant findings are included and continuously monitored in Siegfried’s risk register and the impact on Siegfried’s assets and resilience will be subject to an in-depth analysis together with the local site management teams in the future.

**Metrics and Targets**

Siegfried’s performance indicators relating to climate and the targets can be found in the chapter on the material topic “Emissions” (p.7).

# Reference Table Swiss Code of Obligations

This Sustainability Report includes reporting on non-financial matters in accordance with the Swiss Code of Obligations. As it is based on the material topics for Siegfried, the following Code of Obligations reference table is used to allocate the material topics to non-financial matters in accordance with art. 964b of the Swiss Code of Obligations.

Non-financial matter according to art. 964b CO	Material topic for Siegfried
Ecological matter	Emissions p.7
	Resources & Waste p.10
	Water p.12
Social issues	Product Responsibility p.25
	Information Security & Cyber Security p.28
	Supply Chain Integrity p.21
Employee-related issues	Employee Health & Safety p.14
	Education & Training p.17
	Diversity, Equity & Inclusion p.19
Respect for human rights	Supply Chain Integrity p.21
Combating corruption	Business Conduct, Corruption & Antitrust p.23

## Statement of Board of Directors

The Board of Directors of Siegfried Holding AG is responsible for the preparation of the report on non-financial matters in accordance with the applicable provisions of the Swiss Code of Obligations referenced in the above table.

The Board of Directors of Siegfried Holding AG has approved the report on non-financial matters pursuant to the Swiss Code of Obligations for the year 2023 at its meeting on February 15, 2024.

For the Board of Directors:



Dr. Andreas Casutt  
Chairman of the Board of Directors



Prof. Dr. Wolfram Carius  
Chairman of the Strategy & Sustainability Committee

Zofingen, 15.02.2024

# GRI Content Index



Siegfried AG has reported in accordance with the GRI Standards for the period January 1, 2023 to December 31, 2023. For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. The service was performed on the English version of the report.

**GRI 1 used**

Applicable GRI Sector Standard

**GRI 1: Foundation 2021**

none

**General Disclosures**

GRI Standard / other source	Disclosure	Information / location	Omission
<b>1. The Organization and its Reporting Practices</b>			
GRI 2: General Disclosures 2021	2-1 Organizational details	p. 30	
	2-2 Entities included in the organization’s sustainability reporting	p. 30	
	2-3 Reporting period, frequency and contact point	p. 30	
	2-4 Restatements of information	p. 30	
	2-5 External assurance	p. 30	
<b>2. Operations and Workers</b>			
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	p. 30	
	2-7 Employees	p. 31–32	
	2-8 Workers who are not employees	p. 33	
<b>3. Governance</b>			
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	p. 33	
	2-10 Nomination and selection of the highest governance body	p. 34	
	2-11 Chair of the highest governance body	p. 34	
	2-12 Role of the highest governance body in overseeing the management of impacts	p. 34	
	2-13 Delegation of responsibility for managing impacts	p. 34	
	2-14 Role of the highest governance body in sustainability reporting	p. 34	
	2-15 Conflicts of interest	p. 35	
	2-16 Communication of critical concerns	p. 35	
	2-17 Collective knowledge of the highest governance body	p. 35	
	2-18 Evaluation of the performance of the highest governance body	p. 35	
	2-19 Remuneration policies	p. 35	
2-20 Process to determine remuneration	p. 35		
2-21 Annual total compensation ratio	p. 35		

#### 4. Strategy, Policies and Practices

GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	p. 35
	2-23 Policy commitments	p. 35
	2-24 Embedding policy commitments	p. 35–36
	2-25 Processes to remediate negative impacts	p. 37
	2-26 Mechanisms for seeking advice and raising concerns	p. 37
	2-27 Compliance with laws and regulations	p. 37
	2-28 Membership associations	p. 38–39

#### 5. Stakeholder Engagement

GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	p. 39-40
	2-30 Collective bargaining agreements	p. 40

#### Material topics

##### Materiality analysis and list of material topics

GRI 3: Material Topics 2021	3-1 Process to determine material topics	p. 4
	3-2 List of material topics	p. 5

#### Emissions

GRI 3: Material Topics 2021	3-3 Management of material topics	p. 7–9
GRI 301: Materials 2016	301-1 Materials used by weight or volume	p. 9
GRI 302: Energy 2016	302-1 Energy consumption within the organization	p. 49
	302-2 Energy consumption outside of the organization	p.49
	302-3 Energy intensity	p. 9
	302-4 Reduction of energy consumption	p. 9, p.49
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	p. 49
	305-2 Energy indirect (Scope 2) GHG emissions	p. 49
	305-3 Other indirect (Scope 3) GHG emissions	p. 49
	305-4 GHG emissions intensity	p. 49
	305-5 Reduction of GHG emissions	p. 9, p.49
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	p. 49

#### Resources & Waste

GRI 3: Material Topics 2021	3-3 Management of material topics	p. 10–12
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	p. 10–12
	306-2 Management of significant waste-related impacts	p.10–12
	306-3 Waste generated	p. 12, p. 50
	306-4 Waste diverted from disposal	p. 50
	306-5 Waste directed to disposal	p. 50

#### Water

GRI 3: Material Topics 2021	3-3 Management of material topics	p.12–14
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GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	p. 12–14
	303-3 Water withdrawal	p. 50
	303-4 Water discharge	p. 50
	303-5 Water consumption	p. 14, p. 50
<b>Employee Health &amp; Safety</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 14–16
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	p. 14–16
	403-2 Hazard identification, risk assessment, and incident investigation	p. 14–16
	403-5 Worker training on occupational health and safety	p. 16
	403-8 Workers covered by an occupational health and safety management system	p. 51
	403-9 Work-related injuries	p. 16–17, p. 51
	403-10 Work-related ill health	p. 51
<b>Education &amp; Training</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 17–19
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	p. 19
	404-2 Programs for upgrading employee skills and transition assistance programs	p. 18-19
	404-3 Percentage of employees receiving regular performance and career development reviews	p. 51
<b>Diversity, Equity &amp; Inclusion</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 19–20
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	p. 20, p. 51
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	p. 21
<b>Supply Chain Integrity</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 21–23
Own indicators	High ESG impact suppliers qualified (% of spend or number)	p. 52
	Suppliers sustainability audits of high impact suppliers (paperbased/on site)	p. 52
	Paper-based GMP audits of suppliers	p. 23, p. 52
	On-site GMP audits of suppliers	p. 23, p. 52
<b>Business Conduct, Corruption &amp; Antitrust</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 23–25
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	p. 23, p. 25
	205-3 Confirmed incidents of corruption and actions taken	p. 25
Own indicator	Time spent on integrity training per FTE	p. 52
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p. 24
<b>Product Responsibility</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 25–27
Own indicators	Internal Corporate GMP Audits	p. 27
	Inspections by Authorities	p. 27

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**Information Security & Cyber Security**

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GRI 3: Material Topics 2021	3-3 Management of material topics	p. 28–29
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GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 29
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Own indicator	Number of awareness campaigns conducted in a year	p. 52
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# Appendix

## ESG Data Table

Environment							
Emissions	Unit	2021 (Unit)	2021 (Intensity*)	2022 (Unit)	2022 (Intensity*)	2023 (Unit)	2023 (Intensity*)
Total Scope 1 + Scope 2 emissions	t CO <sub>2</sub> eq	77 273	70.12	65 114	52.98	68 166	53.65
Total Scope 1 emissions	t CO <sub>2</sub> eq	59 411	53.91	55 520	45.17	57 688	45.39
Total Scope 2 emissions: Location Based	t CO <sub>2</sub> eq	17 863	16.21	9 663	7.86	10 478	8.24
Total Scope 3 emissions	t CO <sub>2</sub> eq	–	–	462 005	375.92	459 700	361.68
Scope 3 CO <sub>2</sub> e emissions: Purchased goods and services	t CO <sub>2</sub> eq	–	–	343 863	279.79	343 900	270.57
Scope 3 CO <sub>2</sub> e emissions: Capital goods	t CO <sub>2</sub> eq	–	–	29 800	24.25	27 696	21.79
Scope 3 CO <sub>2</sub> e emissions: Fuel and energy related activities	t CO <sub>2</sub> eq	–	–	14 987	12.19	12 501	9.84
Scope 3 CO <sub>2</sub> e emissions: Upstream transportation and distribution	t CO <sub>2</sub> eq	–	–	17 879	14.55	18 000	14.16
Scope 3 CO <sub>2</sub> e emissions: Waste and Recycling	t CO <sub>2</sub> eq	–	–	49 075	39.93	52 020	40.93
Scope 3 CO <sub>2</sub> e emissions: Business Travel	t CO <sub>2</sub> eq	–	–	795	0.65	426	0.34
Scope 3 CO <sub>2</sub> e emissions: Employee Commuting	t CO <sub>2</sub> eq	–	–	5 223	4.25	5 200	4.09
Energy consumption total	GJ	2 045 000	1855.72	1 942 100	1 580.23	1 901 627	1496.17
Total Electric energy	GJ	670 076	608.05	646 579	526.10	643 837	506.56
Electrical energy (renewable) consumption	GJ	445 516	404.28	482 488	392.59	455 141	358.10
Electrical energy (non-renewable) consumption	GJ	224 560	203.77	164 091	133.52	188 695	148.46
Natural gas consumption	GJ	797 400	723.59	757 499	616.35	638 622	502.46
LPG	GJ	8 600	7.80	20 477	16.66	90 487	71.19
Heating oil	GJ	82 800	75.14	80 033	65.12	128 408	101.03
Diesel	GJ	1 500	1.36	2 169	1.76	2 110	1.66
Alternative fuels (solvents)	GJ	75 600	68.60	41 618	33.86	57 650	45.36
VOC Incineration	GJ	49 500	44.92	52 775	42.94	50 617	39.82
Supplied steam	GJ	372 300	337.84	370 254	301.26	330 582	260.10
Air Emissions: CO <sub>2</sub>	Ton	77 273	70.12	65 114	52.98	57 688	45.39
Air Emissions: CO	Ton	7.9	41.33	8.2	36.88	8	0.01
Air Emissions: Total Nox	Ton	38	0.03	30	0.02	28	0.02
Air Emissions: Total SO <sub>2</sub>	Ton	1.4	41.18	1.3	36.90	1.3	0.00
Air Emissions: Total VOC	Ton	99	0.09	139	0.11	84	0.07
Nitrogen emissions	Ton	54.8	0.05	70.9	0.06	72.9	0.06
TOC emissions	Ton	124	0.11	123	0.10	136	0.11
Phosphorous emissions	Ton	1.9	41.32	1.9	37.05	3.2	0.00
GWP, 100 year time horizon	Ton	77 316	70.16	65 491	53.29	68 253	53.70

<b>Resources &amp; Waste</b>	<b>Unit</b>	<b>2021</b> (Unit)	<b>2021</b> (Intensity*)	<b>2022</b> (Unit)	<b>2022</b> (Intensity*)	<b>2023</b> (Unit)	<b>2023</b> (Intensity*)
Total waste disposed	Ton	76 710	69.61	75 987	61.83	80 605	63.42
Total hazardous waste	Ton	64 884	58.88	62 485	50.84	69 455	54.65
Hazardous waste recycled	Ton	4 592	4.17	5 556	4.52	5 737	4.51
Hazardous waste landfilled	Ton	80	0.07	80	0.07	106	0.08
Hazardous waste incinerated	Ton	33 049	29.99	18 482	15.04	23 984	18.87
Hazardous waste treated	Ton	26 892	24.4	38 222	31.1	39 474	31.06
Total non-hazardous waste	Ton	11 771	10.68	13 502	10.99	11 150	8.77
Non-hazardous waste incinerated	Ton	5 870	5.33	6 290	5.12	5 841	4.60
Non-hazardous waste landfilled	Ton	891	0.81	3 196	2.60	1 828	1.44
Non-hazardous waste recycled	Ton	2 944	2.67	2 766	2.25	2 775	2.18
Non-hazardous waste treated	Ton	2 550	2.31	1 341	1.09	775	0.61
Non-hazardous waste reutilized	Ton	89	0.08	483	0.39	493	0.39
Recycling solvents	Ton	20 500	18.60	19 345	15.74	21 721	17.09
<b>Water</b>	<b>Unit</b>	<b>2021</b> (Unit)	<b>2021</b> (Intensity*)	<b>2022</b> (Unit)	<b>2022</b> (Intensity*)	<b>2023</b> (Unit)	<b>2023</b> (Intensity*)
Disposal to external wastewater plant	Ton	0	0.00	0	0.00	0	0
Total water withdrawal	Mm <sup>3</sup>	6 052	5.49	6 019	4.90	6 329	4.98
Total freshwater withdrawal	Mm <sup>3</sup>	6 052	5.49	6 019	4.90	6 329	4.98
Total freshwater withdrawal from groundwater	Mm <sup>3</sup>	4 805	4.36	4859	3.95	5 172	4.07
Total freshwater withdrawal from municipal water supplies or third parties	Mm <sup>3</sup>	1 188	1.08	1 114	0.91	1 091	0.86
Total water consumption	Mm <sup>3</sup>	6 052	5.49	6 019	4.90	6 329	4.98
Total water discharged	Mm <sup>3</sup>	5 195	4.71	5 357	4.36	5 639	4.44
Water discharged to offsite treatment or third parties	Mm <sup>3</sup>	2 594	2.35	2 690	2.19	2 747	2.16

\*Unit/ CHF Mio

## Social

<b>Employee Health &amp; Safety</b>	<b>Unit</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Workers covered by an occupational health and safety management system	%	100	100	100
Fatalities: Employees	#	0	0	0
Fatalities: Contractors	#	0	0	0
LTIFR employees and contractors onsite (work related accidents): # of LTIs per million work hours	#	9.34	5.30	4.72
Total lost working days	#	–	571	500
Lost working days per employee	#	–	0.16	0.13
<b>Diversity, Equity &amp; Inclusion</b>	<b>Unit</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Women at senior management level	%	12	23	25
Women in middle and lower management	%	28.9	35	35
Women at non-management levels	%	32.7	34	34
Women on the Board of Directors	%	29	43	43
Women in total workforce	#	1 163	1 181	1 202
<b>Education &amp; Training</b>	<b>Unit</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Hours of training per employee (management level)	#	–	16	16
Hours of training per employee (non-management level)	#	–	16	16
Full Time employees	%	91.8	93	94
Part Time employees	%	8.2	7	6
Permanent employees	#	3 637	3 680	3 800
Fixed Term contract employees	#	373	288	270
Employees between 31 and 50	%	57.8	56	56
Employees up to the age of 30	%	13.9	15	16
Employees above 50	%	28.2	29	28
Managers who had an annual performance review	%	–	100	100
Non-Managers who had an annual performance review	%	–	100	100
<b>Additional Social Metrics</b>	<b>Unit</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Overall employee turnover rate	%	13.1	13.44	10.49
Voluntary employee turnover rate	%	–	8.57	6.13
Involuntary employee turnover rate	%	–	4.87	4.36
Hiring	#	–	590	554
Employees subcontracted	%	–	2.8	2.9
Social relations: Employees covered by collective agreements	%	58.9	72	68
Social initiative: total contribution to create positive impact	CHF thousands	19 000	29 600	111 750

## Governance

	Unit	2021	2022	2023
<b>Supply Chain Integrity</b>				
Suppliers: High ESG impact suppliers identified	%	–	–	2.3
Suppliers: Suppliers sustainability audits of high impact suppliers (paperbased/on site)	%	–	–	55.2
Paper-based GMP audits of suppliers	#	60	100	70
On-site GMP audits of suppliers	#	83	91	140
<b>Business Conduct, Corruption &amp; Antitrust</b>				
Ethics: Number of reports	#	10	25	27
Ethics: Number of employees terminated due to unethical behavior	#	1	2	3
Ethics: reports resulting in monetary fines and or other non-monetary sanctions	#	0	0	0
Ethics: New hires completing compliance onboarding training	%	–	–	79
Ethics: Time spent on integrity training per FTE	mins	–	–	18.5
<b>Product Responsibility</b>				
Internal corporate GMP audits	#	10	10	11
External GxP inspections by health authorities	#	7	12	12
<b>Information Security &amp; Cyber Security</b>				
Substantiated complaints concerning breaches of customer privacy and losses of customer data	#	1	0	0
Number of awareness campaigns conducted in a year	#	2	4	4

## Cautionary Statement regarding Forward-Looking Statements

This Annual Report contains certain forward-looking statements identified by words such as “believes”, “expects”, “anticipates”, “projects”, “intends”, “should”, “seeks”, “estimates”, “future” or similar expressions or by discussion of, among other things, strategy, goals, plans or intentions. Various factors may cause actual results to differ materially in the future from those reflected in forward looking statements contained in this Annual Report, among others: (1) pricing and product initiatives of competitors; (2) legislative and regulatory developments and economic conditions; (3) delay or inability in obtaining regulatory approvals or bringing products to market; (4) fluctuations in currency exchange rates and general financial market conditions; (5) uncertainties in the discovery, development or marketing of new products or new uses of existing products, including without limitation negative results of clinical trials or research projects, unexpected side-effects of pipeline or marketed products; (6) increased government pricing pressures; (7) interruptions in production; (8) loss of or inability to obtain adequate protection for intellectual property rights; (9) litigation; (10) loss of key executives or other employees; and (11) adverse publicity and news coverage. The statement regarding earnings per share growth is not a profit forecast and should not be interpreted to mean that Siegfried’s earnings or earnings per share for 2024 or any subsequent period will necessarily match or exceed the historical published earnings or earnings per share of Siegfried.

## Publisher’s Note

This Annual Report is published in German and English.

This is an excerpt of Siegfried’s Annual Report 2023.

All chapters can be downloaded at [Siegfried.ch/investors/reports](https://www.siegfried.ch/investors/reports)

### **Concept and layout:**

SOURCE Associates AG, Zurich

### **Publishing System:**

mms solutions ag, Zurich

### **Realization:**

NeidhartSchön AG, Zurich

### **Publisher:**

Siegfried Holding AG, Zofingen

### **Support and advice ESG reporting:**

Sustainserv GmbH, Boston, Frankfurt, Nashville, Zurich

Siegfried Holding AG  
Headquarters  
Untere Bruehlstrasse 4  
CH-4800 Zofingen  
Switzerland  
Phone + 41 62 746 11 11

[www.siegfried.ch](https://www.siegfried.ch)

