

# Sustainability Report

2024

# Sustainability Report

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This is an excerpt of Siegfried’s Annual Report 2024.  
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 2024 reporting year was prepared in accordance with the GRI Standards. 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 material topics. A reference table (p.49) shows which reporting elements cover the information required by the Swiss Code of Obligations.

This report also abides by the Ordinance on Climate Disclosures and addresses climate-related risks and opportunities in line with the Task Force on Climate-related Financial Disclosures (TCFD) guidelines (for more details see page 43).

Siegfried's non-financial report is published once a year in German and English and can be viewed on the company's website (<https://www.siegfried.ch/sustainability/>).

This report was published on February 18, 2025. The final approval is incumbent on the General Meeting of Shareholders (April 10, 2025). Contact point for questions and suggestions regarding the report is:

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# Sustainability at Siegfried

Siegfried's purpose is to take the innovations of its customers to industrial scale, producing medicine in a safe and efficient manner 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 engaged to fulfill 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.

Siegfried's sustainability strategy is centered around three key pillars. The first pillar focuses on environmental sustainability, aiming to improve operational efficiency and minimize the company's ecological impact. The second pillar emphasizes collaboration with customers to develop more sustainable products and innovative solutions. The third pillar highlights integrity, culture, and people, strengthening Siegfried's values-driven workforce and commitment to fostering a strong team. These pillars guide Siegfried's efforts to create long-term value for stakeholders and contribute to a more sustainable future.

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 national and international regulations and legal requirements that enable the company to strengthen its reputation as a safe and reliable manufacturer of chemical and pharmaceutical products.

Siegfried believes that integrating material ESG topics into its strategy, enterprise risk management framework and operational initiatives 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) topics that are considered material to its business.

# Materiality

## Materiality Analysis

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

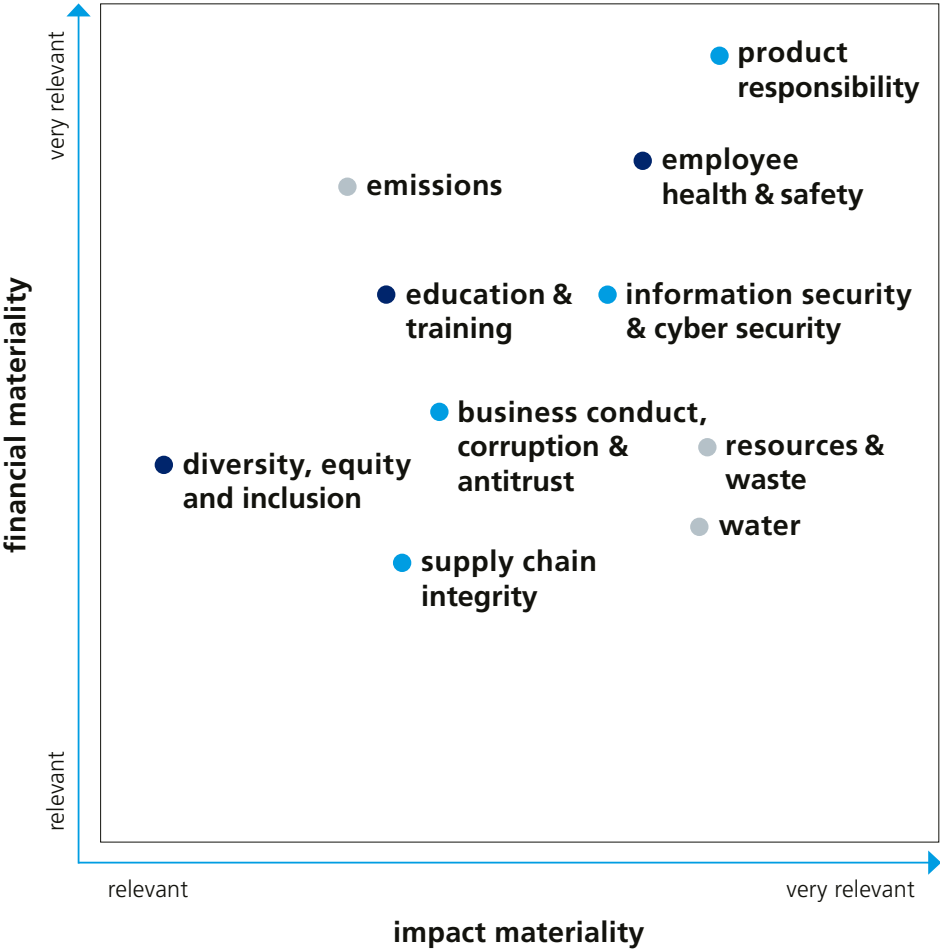
1. Impact materiality: ESG topics in which Siegfried has a significant impact on the economy, environment, people and society as a result of its business operations.
2. Financial materiality: ESG topics from which Siegfried faces significant risks and opportunities for the company's development, performance,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

Initially, outside experts developed a comprehensive list of ESG topics, which was approved by the Sustainability Board, to identify and assess the most relevant potential fields of action. Using this list, a group-wide online survey was distributed to 150 high- and mid-level managers with responsibility for corporate and site management operations at one of Siegfried's global sites. 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 departments and functions. Each member of management rated and commented on two materiality dimensions: the impact of Siegfried's business activities (inside-out) and the impact of relevant issues on Siegfried's business (outside-in).

Based on these results, the Sustainability Board then discussed, grouped, assessed, and rated each individual ESG issue on both dimensions during internal workshops, using the results of the survey and raw data generated. The survey results and subsequent evaluations resulted in the materiality matrix (below) which was presented to the Board of Directors of the Siegfried group during its 2022 Strategy Retreat, and ultimately approved.

In 2023 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 the 2024 reporting year, Siegfried's material topics remained the same as in 2023.

Materiality Matrix



Outlook

Siegfried plans to conduct a materiality analysis in 2025, incorporating the European legislation outlined in the Corporate Sustainability Reporting Directive and the European Sustainability Reporting Standards.

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 2024 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 2024 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**

- 4.4: Increase youth/adult skills for employment and entrepreneurship by 2030
- 4.5: Eliminate gender disparities and ensure equal access to education, especially for vulnerable groups
- 4.7: Promote sustainable development education, human rights, gender equality, etc. by 2030  
→ See Sustainability Report 2024, p.17 (Material Topic: Education and Training)

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

- 5.1: End discrimination against women and girls
- 5.5: Ensure women’s participation and leadership
- 5.C: Strengthen policies for gender equality and empowerment  
→ See Sustainability Report 2024, p.19 (Material Topic: Diversity, Equity and Inclusion)

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

- 6.3: Improve water quality by reducing pollution and hazardous chemical releases
- 6.4: Increase water-use efficiency and sustainable withdrawals
- 6.5: Implement integrated water management by 2030  
→ See Sustainability Report 2024, p.12 (Material Topic: Water)

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

- 8.7: Eradicate forced labor, modern slavery, human trafficking, and child labor by 2025
- 8.8: Protect labor rights and ensure safe working environments  
→ See Sustainability Report 2024, p.22 (Supply Chain Integrity) and p.14 (Employee Health and Safety)

# Reporting on Material Topics

## Environment

### Emissions

#### 2024 performance in the field of emissions

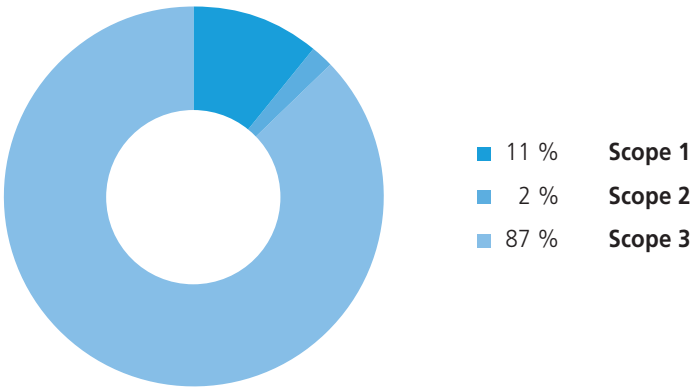
-3.6%	Scope 1 & 2 CO <sub>2</sub> emissions/ Mio CHF Sales vs. 2023
-45.7%	Absolute Scope 1 & 2 CO <sub>2</sub> eq emissions vs. 2020
-2.7%	Absolute Energy Use vs. 2023

The production of active pharmaceutical ingredients and intermediates causes direct and indirect emissions of greenhouse gases. Direct emissions (Scope 1) involve the chemical and physical transformation steps that require considerable amounts of fossil fuel-based energy. Indirect emissions (Scope 2 & 3) include the carbon footprint of purchased energy (Scope 2) as well as the emissions caused upstream and downstream of Siegfried’s own operations (Scope 3). 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. In October 2022, Siegfried signed an SBTi commitment letter and published its first comprehensive Scope 3 footprint. Since 2020 (base year), Siegfried managed to considerably reduce Scope 1 (-16.1%) and Scope 2 (-76.0%) emissions.

As an important next step in Siegfried’s sustainability roadmap and commitment, Siegfried submitted near term and net zero SBTi targets for validation in November 2024 (see p.8)

As expected, Siegfried’s overall carbon footprint consists largely of Scope 3 emissions (87%), followed by Scope 1 (11%) and Scope 2 (2%). The low Scope 2 figure reflects the high percentage of sustainable electricity used throughout Siegfried’s manufacturing network (87%). The relative contribution of Scopes 1–3 is shown below:

Scope 1–3 Distribution



Scope 1 & 2 are based on 2024 data, Scope 3 is based on 2023 data and will be updated as part of Siegfried’s CDP climate reporting cycle in 2025.

### 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 and impact climate change, which affects society as a whole.

#### 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. Excessive VOC emissions may harm local communities and workers, as well as ecosystems and wildlife, through short- and long-term effects on human and ecosystem health. VOCs can evaporate into the atmosphere, contributing to poor air quality, smog formation, and ground-level ozone. Some VOCs are also greenhouse gases, contributing to climate change. Although VOCs are regulated via tight emission standards and the off-gas streams are cleaned via charcoal filters, scrubbers or by incineration, a small amount of VOCs may still be emitted into the atmosphere.

##### Nitrogen oxides (NO<sub>x</sub>):

Nitrogen oxides are either formed during the combustion of fossil fuels or solvents, or during chemical reactions (e.g. ammonia oxidation). NO<sub>x</sub> emissions can cause health effects (e.g. irritation of the lung or chronic respiratory diseases) but also contribute to local environmental damage by enabling smog and acid rain formation. NO<sub>x</sub> indirectly contributes to climate change by enhancing the greenhouse effect through ozone production in the troposphere. Road traffic and the energy sector are the main contributors to anthropogenic NO<sub>x</sub> in the atmosphere, chemical manufacturing is another important contributor.



## 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. Siegfried is closely and proactively following the regulatory trends and is establishing a net zero technology roadmap in 2025 to address this transition risk.

### 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. Siegfried's business project management and procurement teams follow the energy and raw material costs very closely and have developed forward looking strategies to mitigate this risk to the extent possible.

### 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. Siegfried's reporting and monitoring capacities have also been adjusted to meet the increasing demand in reporting volume and complexity.

Detailed information on climate-related risks in Siegfried's business model can be found in the TCFD report p. 43

## Concept

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

As part of its sustainability commitment, Siegfried submitted near term and net zero CO<sub>2</sub> emission reduction targets to the Science-Based Targets initiative (SBTi) in November 2024. SBTi is a corporate climate action organization that enables companies and financial institutions worldwide to play their part in combating the climate crisis. The submitted climate target commitments are:

- Near Term Targets:
  - Siegfried commits to reduce absolute scope 1 and 2 GHG emissions by 66.89% by 2033 from a 2020 base year.
  - Siegfried commits that 85.00% of its suppliers by emissions covering purchased goods and services, will have science-based targets by 2029.
  - Siegfried commits to reduce absolute scope 3 GHG emissions from fuel- and energy-related activities, upstream

transportation and distribution, waste generated in operations by 32.50% by 2033 from a 2022 base year.

- Net Zero Targets:
  - Siegfried commits to reach net-zero greenhouse gas emissions across the value chain by 2050.
  - Siegfried commits to reduce absolute scope 1 and 2 GHG emissions by 90.00% by 2050 from a 2022 base year.
  - Siegfried commits to reduce absolute scope 3 GHG emissions from purchased goods and services, upstream transportation and distribution, waste generated in operations, processing of sold products, end-of-life treatment of sold products by 90.00% by 2050 from a 2022 base year.

SBTi is currently reviewing the proposed targets, feedback and target validation is expected for Q1 2025. Siegfried is expecting further relevant guidance from the SBTi Chemical sector guidance document, which has been released for public consultation in November 2024 and is expected to be published in final form by July 2025.

If validated, the new commitment will complement the earlier commitments to reduce the sales normalized carbon footprint by 50% by 2030 and to meet Net Zero by 2050.

To achieve the goal, Siegfried has conducted a comprehensive analysis of all Scope 1–3 CO<sub>2</sub> emissions. This will be combined with a list of suitable measures, which will be developed in several workshops together with all sites and external expertise in 2025. Siegfried will be focusing both on measures to reduce energy consumption, increase the use of renewable electricity and in general switching gradually to lower-emission energy sources and consider temporary carbon reduction measures (e.g. carbon capture & storage).

### Renewable Electricity

One key focus of Siegfried's carbon reduction measures is the purchase of renewable electricity. Siegfried has concluded a significant proportion of sustainable power purchase agreements (PPAs) and currently achieves a share of approximately 87% renewable electricity. These PPAs are backed up by official, site specific Guarantee of Origin (GO) certificates or Renewable Energy Certificates (REC). In the frame of its SBTi commitment, Siegfried is aiming at sourcing 100% of its electricity from certified renewable sources within the next 2–3 years.

### Scope 3

Siegfried has been reporting its Scope 3 footprint since 2022. Approximately 87% of Siegfried's CO<sub>2</sub> and GHG emissions occur in its value chain, outside of its own operations. Siegfried's Scope 3 emissions in the upstream value chain emerge largely from purchased materials and services (Scope 3.1). The company focused its past measures on its own production sites (Scope 1 & 2). In the frame of its SBTi target validation, Siegfried intends to strengthen its product carbon footprint related engagement with suppliers and customers to reduce its footprint along the entire value chain. This value chain engagement is coupled with green chemistry driven process optimization to reduce solvents, as an example, and alternative sourcing of raw materials with a lower carbon footprint.



Siegfried has submitted Scope 3 reduction targets to the Science Based Target initiative and expects to have verified targets by Q1 2025 the latest.

Siegfried’s SBTi commitment and the currently ongoing target validation presents a significant opportunity to reduce the product carbon footprint (PCF) of Siegfried’s products. Purchased goods and materials (Scope 3.1) are by far the biggest contributors to Siegfried’s global carbon footprint. As part of its SBTi commitment, Siegfried has proposed to engage with key suppliers to significantly reduce the carbon footprint of purchased goods and materials. By 2029, Siegfried proposes to bring 85% of its Scope 3.1 emissions into the SBTi framework, through direct supplier engagement.

Other Air Emissions (VOCs, NO<sub>x</sub> and SO<sub>2</sub>)

All manufacturing sites of Siegfried fully comply with VOC, NO<sub>x</sub> and SO<sub>2</sub> emission limits. The relevant initiatives and projects are managed locally on a site level. Siegfried closely monitors its VOC emissions and fully supports international reduction targets such as those in Switzerland, consistently meeting or exceeding regulatory emission standards. All Siegfried sites are equipped with NO<sub>x</sub> reducing infrastructure (burners, scrubbers) to limit NO<sub>x</sub> emissions to a minimum and to meet or exceed regulatory standards. More than 80% of the electricity used by Siegfried is renewable, further contributing to low NO<sub>x</sub> emissions. Siegfried uses low sulfur containing fossil fuels (e.g. natural gas or light fuel oil) to minimize SO<sub>2</sub> emissions. Additionally, Siegfried’s sites also employ pollution control technologies such as 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, NO<sub>x</sub> and SO<sub>2</sub> emissions is in progress.

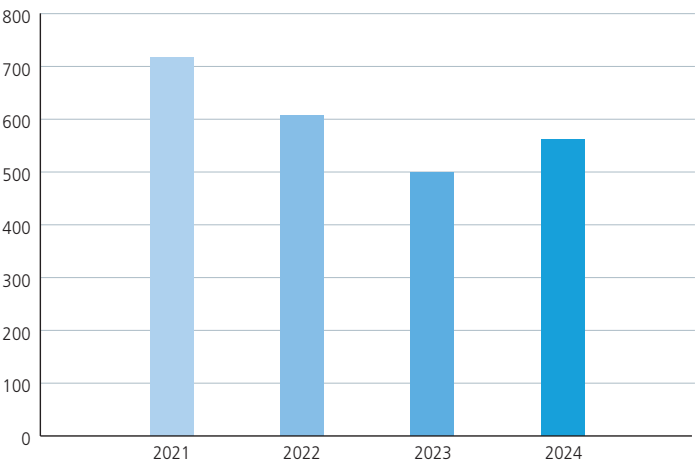
Measures, Progress and Key Indicators

Of the 531 kilotons of CO<sub>2</sub>eq emissions in 2024, 11% came from Scope 1 (direct emissions from operations), 2% from Scope 2 (emissions caused by the production of purchased electricity and steam). Scope 3 emissions (2023) were at 450 kT of CO<sub>2</sub>eq. This corresponded to approximately 87% of the total CO<sub>2</sub>eq emissions. Scope 3 emissions for 2024 will be updated in full in the frame of Siegfried’s 2025 CDP reporting cycle.

Natural Gas Consumption

The most significant energy sources for Siegfried are natural gas and electricity. In 2022/2023, geopolitical realities drove a strong and successful effort to decrease the dependence on natural gas. Siegfried could reduce the consumption of natural gas in 2023 by 15.7% compared to 2022. This was partly due to a switch to more carbon intense alternative fuels, most notably liquefied petroleum gas (LPG) and light heating oil. In 2024, the supply pressure on natural gas declined and therefore the sites reduced the supply with less carbon efficient alternatives and used more natural gas (+11.2% per Mio CHF in 2024). The change in natural gas consumption in recent years can be seen in the table below.

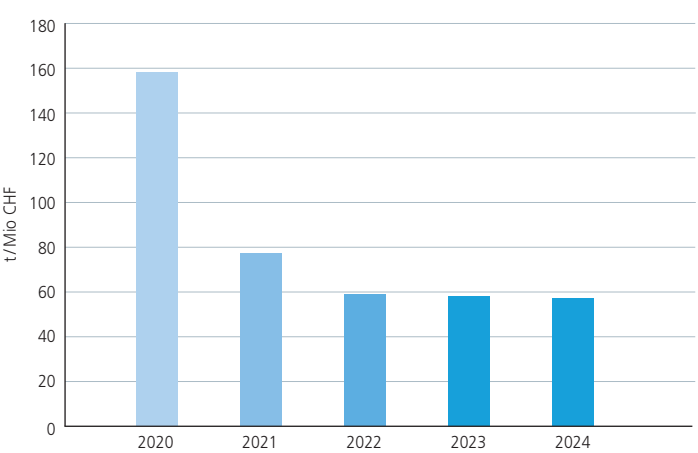
Natural Gas Consumption GJ/ Mio CHF



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

Siegfried slightly decreased the intensity of its Scope 1 & 2 emissions in 2024 by 3.6%. Relative to the base year 2020, a sales-based reduction of 64.7% has been achieved so far, which exceeds both our previous 2030 / 2050 ambitions as well our envisaged SBTi near term target path. 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



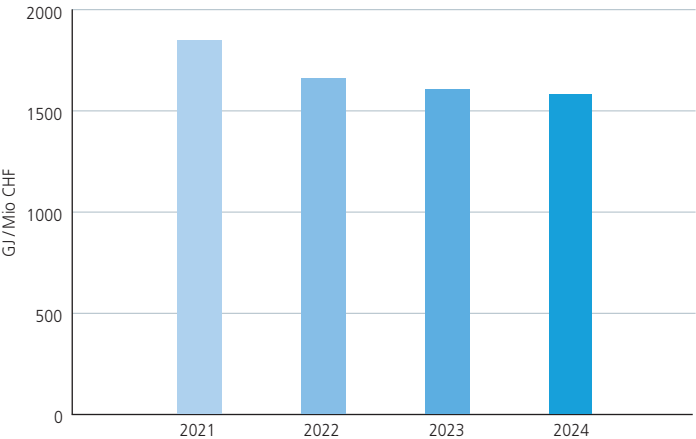
Losses of cooling agents have newly been included in Siegfried’s reporting for additional transparency and as part of its SBTi climate target validation efforts. Scope 1 & 2 global warming potential (GWP) per Mio CHF sales has been going down 28% since 2021. Air emissions other than CO<sub>2</sub> (cooling agent losses, VOC, NO<sub>x</sub>, CO) contribute only marginally to the overall GWP of Siegfried (1.04% in 2024).

For direct (Scope 1) and indirect (Scope 2) GHG emissions in absolute numbers → ESG data table p.54

Energy and Electricity Usage

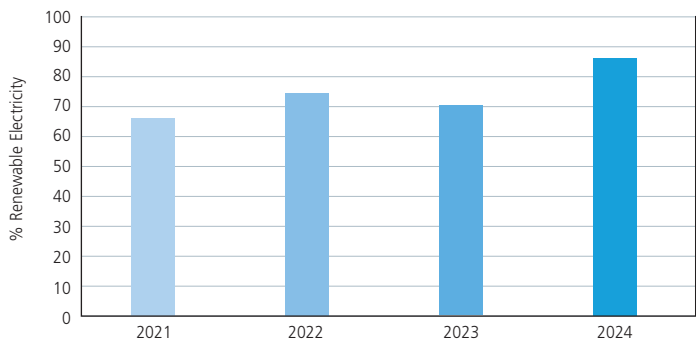
Despite a further growth in business volume, our absolute energy use went down by 52.1 TJ. This demonstrates that Siegfried’s operational excellence program showed effects and investments paid off in terms of sustainability. Energy use per Mio CHF decreased by 1.7% versus 2023. For a further breakdown of energy use in absolute numbers → ESG data table p.54

Total Energy Usage GJ/ Mio CHF



The percentage of renewable electricity increased to 87% in 2024. This is the result of solar panel installations going online in 2024 in several sites (e.g. Malta, Evionnaz), as well as the continued policy to purchase renewable electricity, in line with Siegfried’s SBTi commitment.

Share of Renewable Electricity



Certifications and Programs

All Siegfried sites have again been recognized with silver or gold medal status by ECOVADIS, Siegfried as a company moved from Bronze to Silver status in 2024.

The two sites in Germany, Hameln and Minden, were successfully re-audited for ISO 50001 (energy management) in 2024. 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 the future, Siegfried is considering more carbon emission-oriented Sustainability Management certifications, e.g. ISO 14064 – Greenhouse Gas (GHG) Emissions, or ISO 14067 – Carbon Footprint of Products.

The two Spanish sites – Barberà del Vallès and El Masnou – successfully maintained their ISO 14001 certifications (Environmental management).

For further metrics → ESG data table p.54

Resources & Waste

Chemicals are the primary resource required to produce 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.

2024 performance in the field of resources & waste

+3.7% Total waste absolute vs. 2023

+0.6% Hazardous waste per Mio CHF sales vs. 2023

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 scarce elements like tantalum or palladium for drug manufacturing can lead to the depletion of these natural resources.
- Water usage and pollution: Manufacturing processes consume significant volumes of water, and if improperly treated, wastewater can cause pollution, impacting aquatic ecosystems and contaminating 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 many of them continue to be fossil-fuel based. Chemical and pharmaceutical manufacturing often involves energy and resource intensive 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. Properly managing chemical waste, especially hazardous waste, helps prevent:

- 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

## Risks and Opportunities

Dependence on fossil fuel-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 secondary 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.

There are many opportunities to reduce waste in Siegfried's operations, driven by key concepts such as circular economy, raw material decarbonization, and green chemistry.

### Concept

Siegfried 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). 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 SBTi carbon net zero targets.

Siegfried follows two distinct approaches to achieve resource efficiency gains: through process development and in manufacturing operations.

The lead for green process development is with the global R&D team, who has developed a process efficiency dashboard, helping the project managers and product chemists and customers to evaluate the environmental efficiency and maturity of a chemical process (details see below).

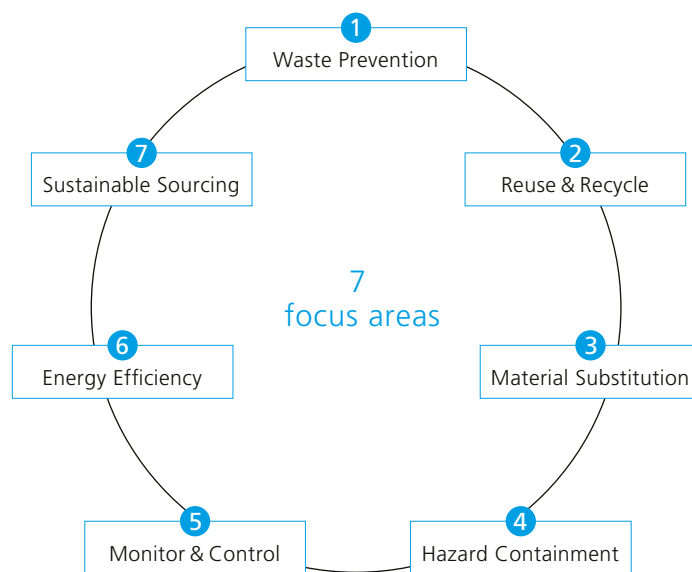
Siegfried's global operational excellence (OPEX) network, together with its manufacturing sites is responsible for the identification and implementation of efficiency and saving opportunities in manufacturing operations across the entire network. Siegfried's environmental sustainability experts support the OPEX team in developing and defining environmental sustainability KPIs, which are tracked through the monthly and quarterly business reviews.

To support this process, the Siegfried Sustainability Board is currently reviewing proposed environmental targets for water, 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 engaging closely with the R&D, business and regulatory teams of key clients on improvement opportunities, and e.g. 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.

Siegfried's sustainability specialists in R&D have developed a green chemistry dashboard, which allows the client and the chemical process specialists to assess the greenness of a given process or product. The dashboard includes industry wide accepted green chemistry criteria such as atom efficiency, reagents and solvent acceptability, predicted waste profile etc.

In one concrete example, the complex, 17-step chemical manufacturing process of a generic API was optimized using e.g. telescoping and phase transfer catalysis to result in 45% waste reduction, 50% less solvents and raw materials used, and 18% overall yield increase: As a side effect, equipment and operator hours could also be reduced by 50%, building a strong and economically viable case for a green chemistry improvement.

The team has started to assess the sustainability of Siegfried's API manufacturing processes based on a prioritized list. A key challenge of the team are time, cost and quality/regulatory restrictions that they need to consider and whenever possible resolve, in close collaboration with the client.

### 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 Drug Substance 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 Operational 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 the operational excellence team, will reduce the number of waste solvents to be disposed of.

A key challenge in these efforts lies in balancing mutually identified environmental opportunities with perceived risks, such as those related to regulations, quality, or time-to-market. To address this, Siegfried established a task force to pinpoint "safe" environmental opportunities that are minimally or only partially impacted by these risks.

## Measures, Progress and Key Indicators

### Task Force for Reduction of Use of Organic Solvents

A dedicated task force was put in place in 2024 to reduce the use of organic solvents, which are an important source of hazardous waste for Siegfried. Solvents are mostly used in chemical production sites. The task force will interact tightly with Siegfried's clients to identify improvement opportunities without negative consequences for product quality, patient outcomes and regulatory compliance.

### Guidelines for the Sustainability of the Production Process

Siegfried continued to utilize its comprehensive internal manufacturing process sustainability guidance document, issued in 2023 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:

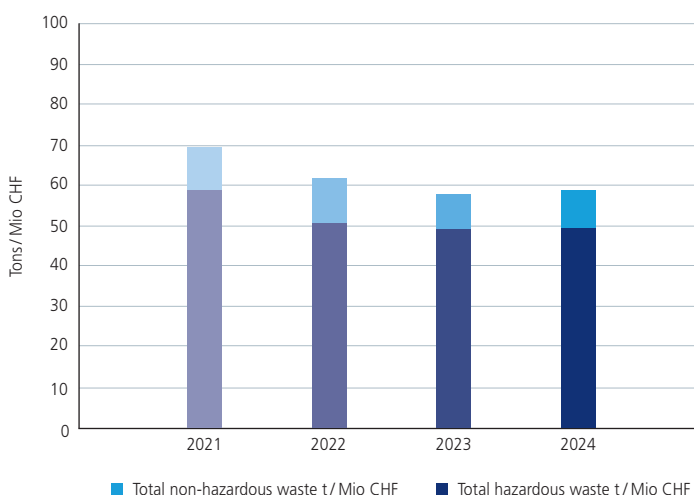
- A solvent selection guide to optimize recycling opportunities.
- A selection guide for reagents, acids and bases
- A "fate of waste" cost and criticality calculator
- Reagent sustainability guidance (complexity and scarcity etc.)

### Development of Waste Volumes

The absolute amounts of total waste, hazardous and non-hazardous waste are still increasing, partly due to portfolio changes towards more resource intensive products, partly due to a change to decrease material throughput time and reduce stocks. Sales based hazardous waste intensity remained nearly constant (+0.6% vs. 2023), while non-hazardous waste intensity increased by 10.1%. This was a change in the very positive trend from 2022 to 2023, and may be due to tighter supply chain management and stock volume reductions. Despite this negative trend, 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 strengthening its global waste policies and setting quantitative global targets for waste reduction.

For further metrics → ESG data table p.55

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



For further metrics → ESG data table p.55

## 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.

### 2024 performance in the field of water

+1.8%

Water Consumption per Mio CHF vs. 2023

100%

Of sites assessed for water risks

### Impacts, Risks and Opportunities

Water is a strategically important resource to Siegfried. 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).

More details on the climate related risks concerning water as a resource can be found in the TCFD report (p. 43)

### Concept

Siegfried's water related efforts are focused on water scarcity and effluent water quality. To reduce its impact on the important resource of water, 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 wastewater treatment plant (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 site. The wastewater of all sites goes either through an internal wastewater treatment, or to a municipal wastewater treatment plant. All chemical sites, except Zofingen (Switzerland), operate their wastewater treatment plant for industrial wastewater. The Minden (Germany), Pennsville (New Jersey) and Evionnaz (Switzerland) 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 responsible environmental authorities. 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 (see TCFD report for details).

### 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 corporate and customer 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.

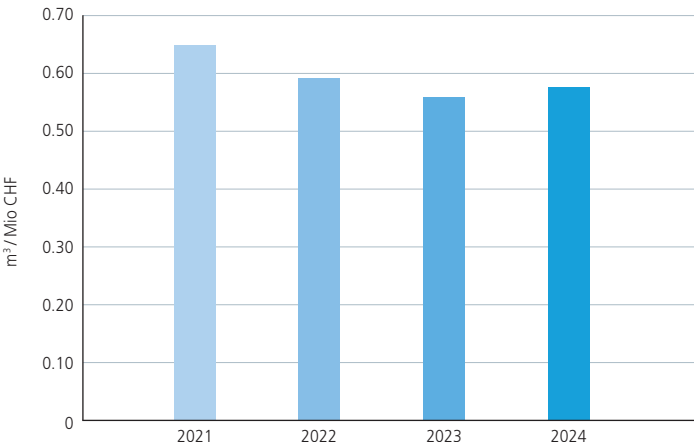
Measures, Progress and Key Indicators

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 1.8% in 2024. 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, cleaning requirements before and after a production campaign are very strict. In an effort to reduce solvents for cleaning, the use of water-based detergents for cleaning has increased.

For absolute numbers → ESG data table p.55

Water consumption m³ / Mio CHF



For further metrics → ESG data table p.55

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.

2024 performance in the field of employee health and safety

–32%

Lost Time Injury Frequency Rate per Mio work hours vs. 2023

–44%

Accident Points per Mio work hours vs. 2023

–60%

Lost Working Days vs. 2023

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 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 (New Jersey)*

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 (Switzerland) and the plant fire brigade in Minden (Germany) 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 (Switzerland) and St. Vulbas (France) 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. In addition, a global SHE Reporting Software is being rolled out to all sites by January 2025. Currently, ten sites are already actively using the system.



- 3. Care: to enhance behavior-based safety and the impact of the existing STOP® program and promote the five binding cardinal security rules a program called mySTOP was launched in 2023 and rolled out to all sites in 2024.
- 4. Comply: assure regulatory, external and internal SHE compliance through strong audit and CAPA management processes and systems.

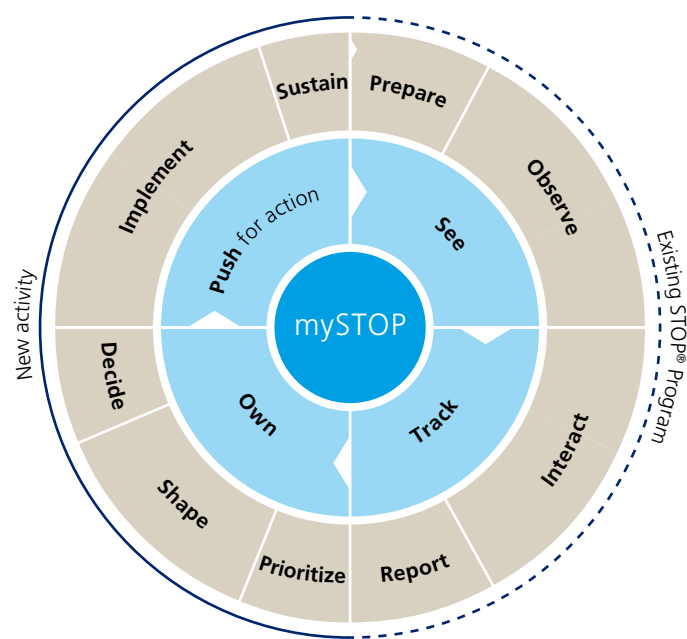
Measures, Progress and Key Indicators

mySTOP Program

In 2023, Siegfried introduced the mySTOP initiative, which added a few key elements to the long-established 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 was piloted in three sites (Malta, Evionnaz (Switzerland), Irvine (California)) in 2023 and was successfully rolled out to the entire network in 2024.

In 2024, almost 9,500 safety walkthroughs were conducted, and all unsafe situations or near misses observed were 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.

The Siegfried mySTOP safety cycle



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 2000 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?”

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. Siegfried defined so-called “Leading Safety Indicators”:

- 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). To make the comparison to global industry standards, the lost time injury frequency rate (LTIFR) per 1 Million work hours is also used.

The data shows a significant reduction in lost days due to injury (–60%) in 2024, which is also reflected in the reduction of accident points (–44%). The LTIFR per 1 Mio work hours also dropped significantly (–32%).

Safety Performance for the Siegfried Group

	2023	2024	% Change
Accident Points per Mio Work Hours	26.1	14.5	–44%
LTIFR per Mio Work hours	7.56	4.96	–32%

Occupational Diseases and Work-related Fatalities

No occupational diseases or work-related deaths were recorded in 2024.

Enhancing Employee Wellbeing and Engagement

Many sites have started to develop health and wellbeing initiatives at local level and under the umbrella of Siegfried’s “Great Workplace to Grow”. To continuously assess and improve employee engagement and satisfaction, Siegfried conducts an employee pulse survey three times a year. It aims to gather a comprehensive analysis across various dimensions including wellbeing, growth, empowerment and clarity of work.

A key finding from the 2023 Employee Pulse Surveys was the need to enhance internal communication. In response, Siegfried implemented several initiatives in 2024, including the launch of a global town hall series held twice a year and open to all employees regardless of seniority or functional level. These events feature speakers from senior leadership and various business areas, providing updates followed by open Q&A sessions. Additionally, Siegfried expanded its global intranet, introduced in 2023, to foster bottom-up communication and engagement among employees. The company also continued its popular “Ask Me Anything” sessions with the leadership team, strengthening connections between employees and management.

In January, May and October 2024, Siegfried conducted another pulse survey, achieving a participation rate of 75% (2023: 70%), which is seen as excellent (70% and above). The engagement score remains unchanged in comparison to 2023 at 68. A score of 70 and above is generally considered good, signaling a healthy level of employee engagement. Collaboration and leadership development are the two key priorities identified for 2025.

In 2024, the voluntary turnover rate dropped from 6.2% in 2023 to 4.4%. Additionally, the absenteeism also slightly decreased from 5.87% in 2023 to 5.43% (based on contractually worked hours).

For further metrics → ESG data table p.56

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 4000 people worldwide. The departments with the most employees are manufacturing, which in-

cludes 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 (60%) attained an upper secondary education, while 28% hold a university degree.

2024 performance in the field of education and training



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.

In 2025, Siegfried will formalize its commitment to employee education and training by setting clear targets and introducing a global policy.

### **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 work-day 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). LEAP is carried out globally, in shop floor management, for first-level leaders and senior management. In 2020, LEAP was launched in English, German and French. In the meantime, it is also available in Spanish and since April 2024 also in Mandarin.

Global LEAP trainings are provided for senior management, for employees in global functions as well as for employees with cross-site exposure, while local programs were developed and carried out for the employees in the production environment.

LEAP contains three different leadership programs:

- At a local level: LEAP on site and LEAP 1;
- at the international level for the middle management: LEAP 1 international;
- 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 conferences 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. Our global talent management process was rolled out at all sites for the third consecutive year. 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 accountable for holding individual development and quarterly 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 entry-level employees, 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 changers 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 late 2023, Siegfried implemented a new approach to performance management based on continuous (quarterly) feedback and a systematic 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 (personal growth as well as living values and leadership principles). Starting in 2024, all sites made use of the new Performance Management Portal which ensures a sound tracking of performance and development needs. For instance, quarterly check-ins have been conducted by nearly 100% of managers.

### **E-learning Hub**

"Bright Blue", established in 2023, is an e-learning hub for curated learning content ensuring that key topics for Siegfried are available to all employees. In 2024, Siegfried continued to use the e-learning hub to offer training on Siegfried's 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/inductive/numerical reasoning, motivation questionnaires or 360° feedback. It also offers certification for HR professionals to help assessing candidates for selection purposes and provide professional feedback on development opportunities.

### **Leadership Training**

In 2023, a concept for "Transversal Leadership Training" was developed. The goal is to improve communication, stakeholder manage-

ment and leadership skills of employees who lead people functionally within a matrix organization and in projects. The program was piloted in Zofingen (Switzerland) in November 2023 as well as in Spain in April 2024. It is planned to be rolled out for other sites in 2025.

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.

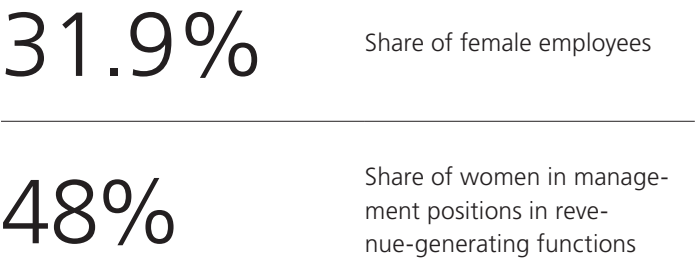
In 2024, Siegfried spent CHF 2 313 083 (2023: CHF 1 971 032) on training and development worldwide. This corresponds to an average of CHF 595 (2023: CHF 535) per FTE. On average Siegfried’s employees completed 16 hours of training.

For further metrics → ESG data table p.56

Diversity, Equity and Inclusion

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

2024 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, Progress and Key Indicators**

**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 by an external audit company (PwC) . 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 2024, the equal pay analysis in France and Spain also showed no statistically relevant pay discrimination based on gender-specific characteristics

**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):**

	2024			
	#male	#female	Total	% female
Europe	2178	1093	3271	33.4
USA*	312	136	448	30.4
Asia	220	38	258	14.7
<b>Group</b>	<b>2570</b>	<b>1407</b>	<b>3977</b>	<b>31.9</b>
	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>
	2024		2023	Change
Europe	33.4%		32.6%	0.8%
USA*	30.4%		30.9%	−0.5%
Asia	14.7%		20.7%	−6.0%
<b>Group</b>	<b>31.9%</b>		<b>31.6%</b>	<b>0.3%</b>

**Share of women in management & specific positions**

Share of women in all management positions (as % of total management positions)	28%
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	31%
Share of women in top management positions (as % of total top management positions)	13%
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.)	48%
Share of women in STEM-related positions (as % of total STEM positions)	31%

\* Siegfried Grafton is included

**Incidents of discrimination and corrective actions taken**

In 2024, 29 cases (previous year: ten) 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). The increase in the overall number of such cases may be attributed, at least in part, to the launch of the web-based integrity training platform, which has led to increased awareness of potential discriminatory and/or harassing behavior. More information on this can be found on p. 26

For further metrics → ESG data table p.56



# Governance

## Supply Chain Integrity

For Siegfried, 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. 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.

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.

### 2024 performance in the field of supply chain integrity

57.39%

of Siegfried’s suppliers with completed physical or paper-based sustainability assessment out of total supplier database (except tail risk suppliers)

100%

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

## 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 other critical materials to prevent potential environmental damage and ensure responsible practices. In Siegfried’s supply chain integrity activities, Siegfried 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 operations can have significant impacts on local communities and employees across the supply chain. Environmental issues, such as pollution caused by the extraction of raw materials and the production of APIs, can affect nearby communities. Additionally, poor labor conditions and unethical practices in upstream operations pose risks to Siegfried’s reputation and the trust placed in the company by its stakeholders.

### Concept

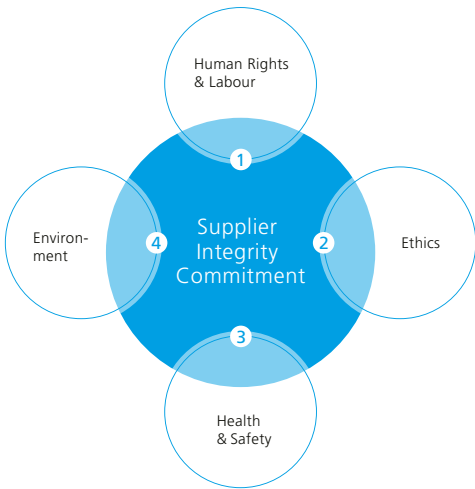
As a supplier to the pharmaceutical industry and a group company that is active worldwide, Siegfried is committed to the highest legal and ethical standards in all business relationships.

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 are 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.



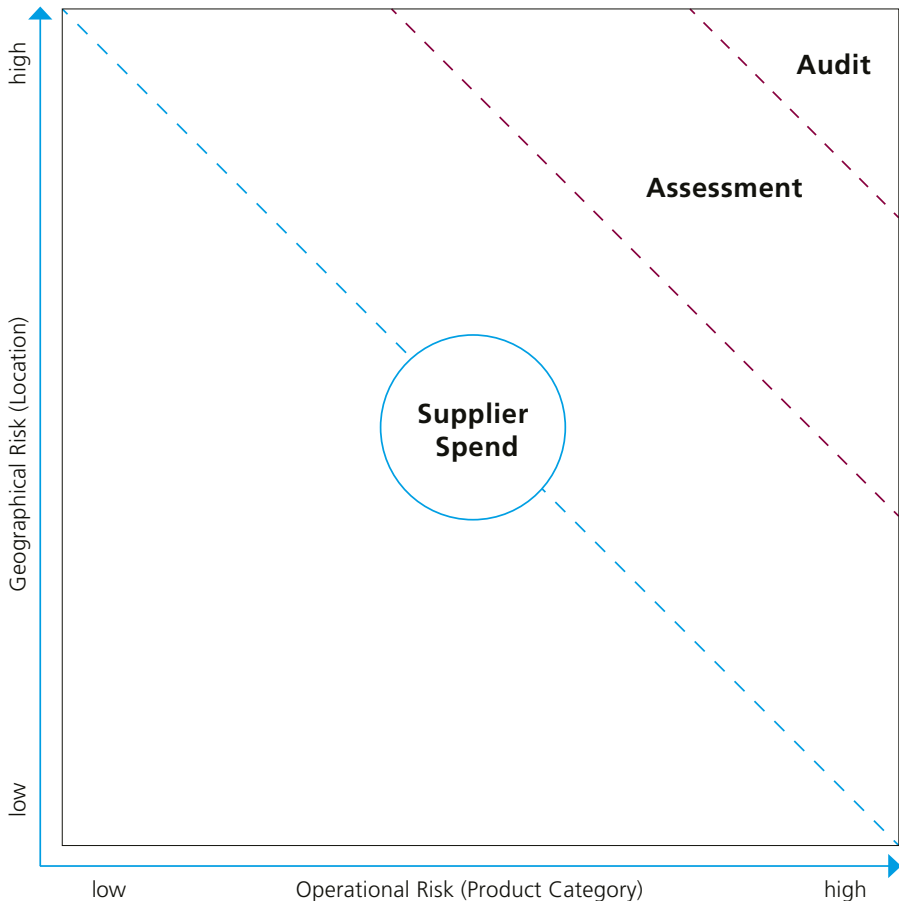
Elements of Siegfried’s Supplier Integrity Program



Siegfried has implemented a risk-based approach to sustainability 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 leads to a specific sustainability risk level (low, medium or high) and is visualized in a dedicated supplier sustainability 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.

Based on the assigned sustainability risk level, each supplier is required to undergo a specific set of due diligence activities, ranging from physical on-site audits for high sustainability risk suppliers, to paper-based assessments by internationally renowned third parties such as EcoVadis and/or Dun&Bradstreet for medium sustainability risk suppliers, to recognition of the Siegfried Supplier Integrity Commitment for tail sustainability risk suppliers. (see table above). A cross-functional team of sustainability experts evaluates all supplier 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 dedicated 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. In alignment with the International Labour Organization's (ILO) Supplier Guidance on preventing, identifying, and addressing child labor, Siegfried strives to ensure the effective implementation of these standards, including the establishment of appropriate remediation measures. 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.

In cooperation with the procurement team, Siegfried confirms that the only conflict mineral specified by the DDTrO that is materially relevant to its operations is Tantalum. Tantalum is mainly used by contracted third parties in the field of engineering and maintenance (repair of reactors). In the year under review, the quantities of Tantalum used by these contractors for Siegfried were well below the thresholds defined in the DDTrO. Irrespective of whether Siegfried is exempted from the extensive due diligence requirements due to exceeding the threshold, the third parties provided Siegfried with certificates of origin for the Tantalum used.

Regarding child labor, Siegfried has no evidence to suspect the use of child labor in its supply chains. However, far downstream in the supply chain (supplier of a supplier of a supplier), there has been one potential case concerning the alleged use of Uyghur forced labor on Chinese territory for the manufacture of solar panels that were eventually installed at one of Siegfried's sites – without Siegfried's knowledge of the allegations, which only emerged subsequently. Although Siegfried does not consider this case to trigger reporting obligations under the DDTrO, Siegfried confirms that it has thoroughly investigated this case with the supplier and the supplier's further downstream supply chain. The investigation was completed during the year under review including an agreed action plan with the supplier to improve communication and awareness of potential events triggering a reporting obligation to Siegfried.

## Measures, Progress and Key Indicators

### Continued Screening of Supply Chains based on Supplier Sustainability Risk Assessment Guideline

In 2024, Siegfried continued the screening of all suppliers based on the guidelines and risk mapping that was established in 2023. The focus of these screenings continues to be on human rights issues, including child and forced labor as well as conflict minerals.

### External Training on Human Rights Matters for Employees in Audit Functions and Sustainability Leaders

In 2024, Siegfried enhanced its commitment to human rights by implementing specialized training for employees in audit-related roles. Conducted in collaboration with Bureau Veritas, this training covered critical topics such as child labor, forced labor, and human trafficking. The initiative ensures that all employees responsible for on-site and paper-based supply chain audits are equipped with the necessary knowledge to identify and address potential human rights risks effectively.

For further metrics → ESG data table p.57

Business Conduct, Corruption and Antitrust

As a supplier to the pharmaceutical industry and a 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.

2024 performance in the field of business conduct, corruption and antitrust

95% of employees completing the web-based Code of Conduct Training

32 Minutes spent by each employee on Code of Conduct training

3 Cases investigated by the Siegfried Integrity Office leading to termination of employment

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 as indicated by the global Corruption Perceptions Index issued by Transparency International (see <https://www.transparency.org/en/cpi/2023>), 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 sites across the globe. This business model comprises a variety of business relationships, regionally, nationally, and internationally. Siegfried’s commitment to integrity including its aim to avoid becoming involved in any corrupt activities is essential to Siegfried. It is anchored in the [Code of Business Conduct](#): “We set the highest standards and are committed to acting ethically, lawfully and responsibly.” The Code provides the framework for Siegfried’s business operations and is available 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 Corruption 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 compliant 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 report-

ing 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. More information can be found at <https://www.siegfried.ethicspoint.com/>.

### 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, Chief Legal Officer, 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. She/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. Siegfried's speak-up channels also allow employees to raise concerns anonymously.

## 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, 42 cases of suspected misconduct (previous year: 27) were reported to the Siegfried Integrity Office. Three cases (previous year: three) 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). Twenty-six cases (previous year: two) led to corrective action by the Integrity Office other than termination of employment (e.g. policy/process review or training). No cases (previous year: none) resulted in monetary fines or other non-monetary sanctions against Siegfried. The overall increase in reports can be explained by the launch and continued expansion of the Integrity Training Centre, as well as additional measures to raise awareness of potential integrity issues among our employees (see below).

### Further Strengthening 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. After the successful launch of the Siegfried Integrity Training Center in 2023, a web-based training tool to globally raise awareness and harmonize understanding of legal and ethical business conduct among all Siegfried employees, a new global campaign was rolled out in 2024 focusing on anti-discrimination and anti-harassment. In addition, all members of the senior management and the local site leadership teams continue to receive specific integrity training that includes all aspects of Siegfried's Code of Business Conduct. In the reporting year, the Integrity Office also launched two global integrity awareness campaigns, using the lock screens of all Siegfried computers to draw employees' attention to our speak-up channels and generally raise awareness for the Integrity program.

Since the launch in March 2023, more than 95% of employees completed at least one web-based training on the Code of Business Conduct and more than 85% completed the training on anti-discrimination and anti-harassment. In total, each Siegfried employee spent approximately 32 minutes (previous year: 18 minutes) on integrity-related trainings

For further metrics → ESG data table p.57

## Product Responsibility

Product responsibility is paramount to Siegfried's business as it ensures high-performance products that always meet strict quality and safety standards. 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.

2024 performance in the field of product responsibility

8	Successful authority inspections at Siegfried sites
>475	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 its 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 develop-

ment of the systems. Siegfried’s Corporate Compliance team is responsible for developing the global quality management system while each site is responsible for implementing the global system and harmonize the local procedures with the global policies. 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. Currently there are more than 50 policies implemented covering GMP and non GMP related topics. These policies are governed by a Quality Manual, a SHE Manual, a Finance Manual and a Legal Manual.

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 identified, 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.

Assessing impact of ECHA proposed restrictions

In February 2023, the European Chemicals Agency (ECHA) made a proposal for restriction of Per- and polyfluoroalkyl substances (PFAS). Such a restriction would impact wide areas of the industry and, although the pharmaceutical sector is not specifically part of the current proposal, all PFAS and uses are covered, unless explicitly derogated. In the current version of the proposal, unless a time-unlimited derogation is proposed for APIs, no derogation is considered for use in the synthesis of the APIs or in production/lab/analytical equipment. Therefore, the predicted impact of such a restriction on Siegfried could be considerable due to gaps in supplies or missing replacements for different types of material, but also because re-approvals of processes with regulatory authorities would be required.

Following the screening of many comments received during the consultation, ECHA is clarifying the next steps for the proposal to restrict PFAS under REACH, the EU’s chemicals regulation. The agency’s scientific committees for Risk Assessment (RAC) and for Socio-Economic Analysis (SEAC) are reviewing the proposed restriction together with the comments from the consultation in batches, focusing on the different sectors that may be affected. In tandem, the five national authorities who prepared the proposal, are updating their initial report to address the consultation comments. This updated report will be assessed by the committees and will serve as the foundation for their opinions.

The recent progress in the RAC’s evaluation highlights the possibility of allowing the continued use of PFAS in certain circumstances e.g. where there are no suitable alternative substances or technologies available, while still ensuring that emissions into the environment are minimized. Newly identified uses and sectors may also be added to the proposal e.g. medical applications like packaging and excipients for pharmaceuticals. Alternative restrictions options, besides a full ban or a ban with time-limited derogations, are also being considered.

Siegfried is following the progress of the ECHA regulations. In parallel, Siegfried is assessing impact of upcoming regulations and the presence of PFAS in the manufacturing process and is performing PFAS-containing waste treatment risk assessments. Furthermore, Siegfried is evaluating replacement possibilities with its suppliers, working on alignment with peers in the industry and industry associations as well as staying current with the activities of its customers.

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 customer expectations, quality contracts play a crucial role in clearly defining and allocating responsibilities regarding the agreed-upon services and required standards. Together with its customers, as required by GMP regulation, 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	2020–2022	2023	2024
New quality contracts concluded or revised with our partners for the Siegfried sites	App. 200 per annum	App. 230	App. 220
Contracts in the pipeline for negotiation or periodic review	App. 100 per annum	App. 330	App. 260

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 guidelines 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.

## 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 and notified bodies inspected the Siegfried sites in 2024:

Barberà del Vallès (Spain)	Spanish Pharmaceutical Inspectorate, ISO 13485
El Masnou (Spain)	ISO 13485
Evionnaz (Switzerland)	ISOPTh / Swissmedic
Grafton (Ireland)	US-FDA
Hameln (Germany)	Staatliches Gewerbeaufsichtsamt Hannover, Ministry of Industry and Trade of the Russian Federation, DMDI Turkish Authority
Irvine (California)	ISO 13485
Malta	MMA
Minden (Germany)	ISO/FSSC 22000
Nantong (China)	US-FDA
Pennsville (New Jersey)	–
St. Vulbas (France)	–
Zofingen (Switzerland)	–

	2021	2022	2023	2024
<b>Inspection by Authorities + notified bodies</b>				
All Siegfried sites	7 + 4	12 + 4	12 + 3	8 + 4
<b>Internal Audits on Site</b>				
Corporate GMP Audits annually as system audits	10*	10*	11*	12
<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

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 and notified bodies in the reporting year were successful and without critical observations (the two US-FDA inspections resulted in "NAI" – No Action Indicated). 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.57

## 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 2024 Siegfried continued its journey to enhance information security

# 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

# 2024

- Senior Management training on incident response
- Information Security Management System
- Improved Security Operations Center
- Improved CASB

## Impacts, Risks and Opportunities

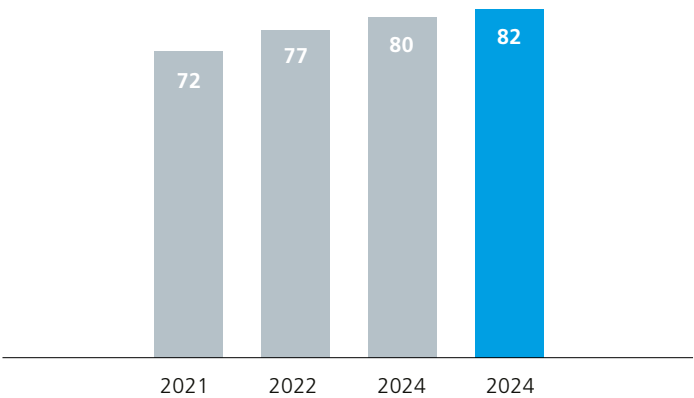
Information and cyber security represent a fundamental field of action for the entire pharmaceutical industry, as they are associated with management of major risks. At Siegfried, significant cyber risks arise from the high degree of digitalization of the entire company, the large portfolio of applications 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 more than 150 years of experience.



Concept

Siegfried is dedicated to continuously enhancing its cyber security and data protection measures, ensuring a comprehensive approach to safeguarding sensitive information and preventing data loss or misuse. Its overarching ambition is to achieve zero breaches of privacy and data losses and constantly improve Siegfried’s compound index for IT security. With a scale from 0–100, this index reflects progress in implementing preventive and corrective measures, responding quickly to emerging threats, conducting employee awareness training, and meeting the standards of audits conducted by security experts, strategic customers, and authorities.

IT Security compound index 2021–2024



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 and Board of Directors.

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 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.

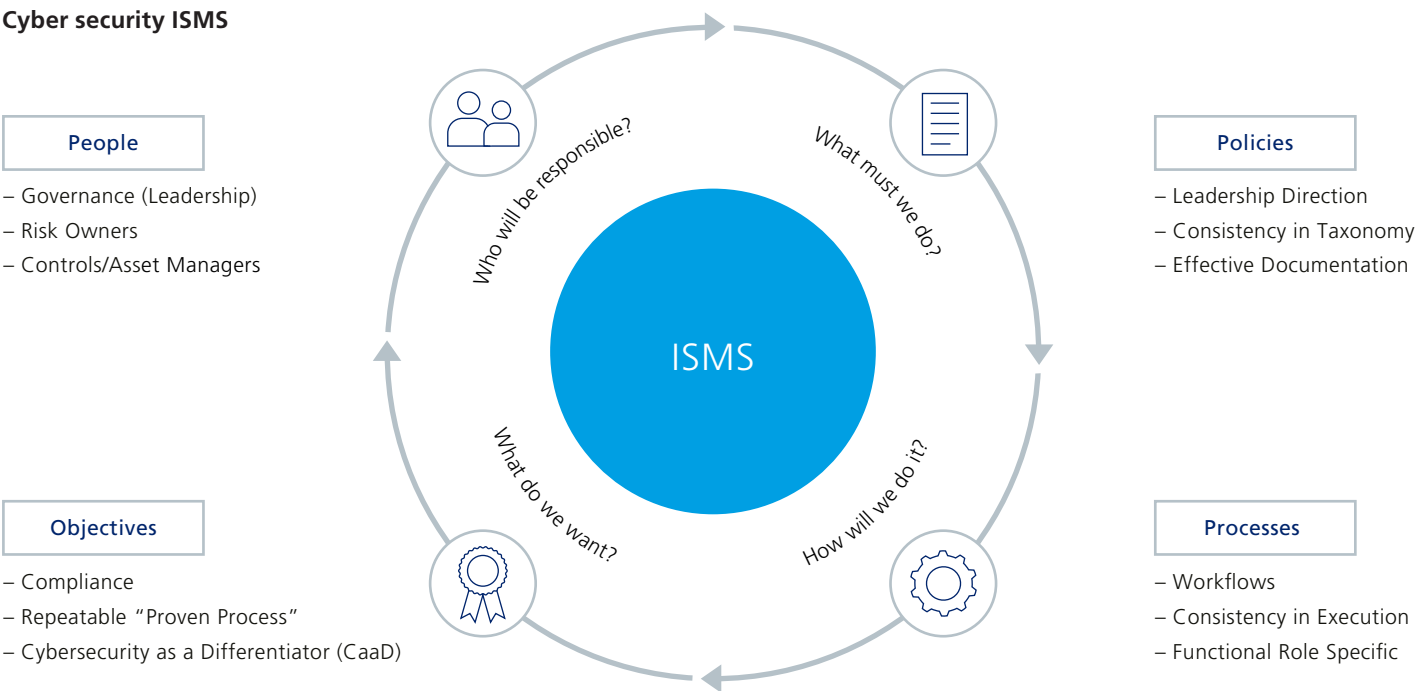
Based on the framework of the National Institute of Standards and Technology (NIST) and the ISO 27001 standard (information technology), and with the support of specialized consultants, Siegfried has implemented a Data Classification System to distinguish various categories of data protection from each 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).

The ISMS constitutes of twelve manuals, policies and guidelines which cover, amongst other topics, Siegfried’s cloud strategy, incident response management, patch management, asset management or system hardening.

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

Cyber security ISMS



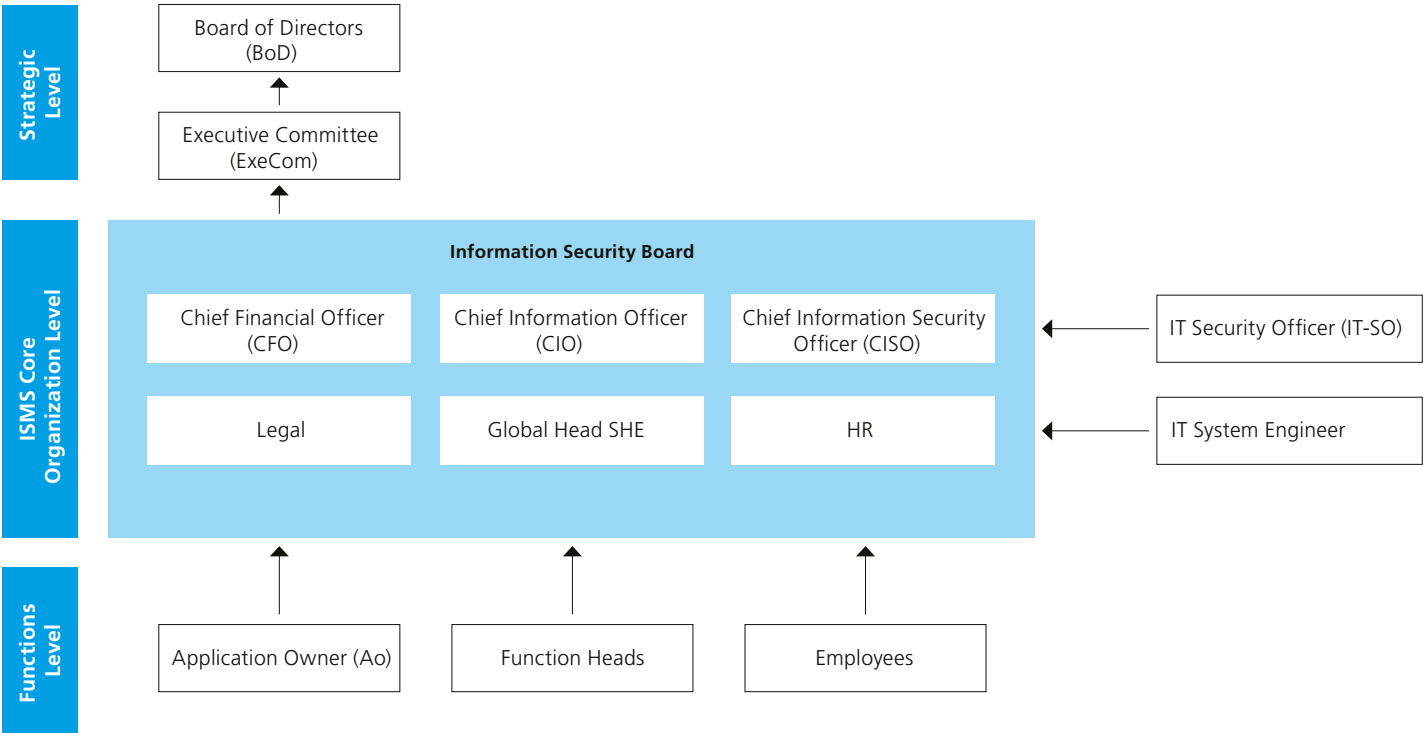


Figure 1: Information Security Board is embedded in Siegfried's Governance Structure

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:

- In 2024, additional M365 security features were deployed, as well as client-less extended detection and response (XDR) monitoring and enhanced multi-factor authentication.
- 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 2025.

Enhancing Security Operations Center Services

Enhancement of SOC services with integration of additional security systems and aligned external and internal incident management procedures have been focuses in the last 12 months. In order to improve

preparedness of Siegfried senior management to handle a potential cyber crisis, a tabletop exercise was conducted in 2024 including C-level participation.

Audits and Assessments

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, audits 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 Trainings

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 2024, six 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 2024, no substantiated complaints or incidents concerning breaches of privacy or data losses have been reported, including but not limited to customer-related data, across all Siegfried sites.

For further metrics → ESG data table p.57

# 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 (DS)), the USA (Pennsville (DS), Irvine (DP), Grafton (DS), 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 except Siegfried Grafton, as it was only acquired in Q3 2024. Any deviations from this are declared at the point of information.

→ list of consolidated companies: Financial Report 2024, 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, Chief Legal and Sustainability Officer, [luca.dallatorre@siegfried.ch](mailto:luca.dallatorre@siegfried.ch)

### 2-4 Restatements of Information

SBTi: Due to the alignment of Siegfried's climate reporting with SBTi requirements, there may be discrepancies when comparing current Scope 1 data to figures reported in previous years, as methodologies and boundaries have been updated to meet SBTi standards. In general, these discrepancies do not exceed a 5% margin of difference, unless specifically mentioned in the report.

Purchased steam: As stated in 2022, Siegfried had to correct the CO<sub>2</sub> footprint of purchased steam for its Minden site. By mistake, this was corrected in the report, but not in the 2023 data table (Scope 2 emissions).

For 2024 (and for its SBTi submission), the Scope 2 footprint has now been corrected by an average of +4.5 kT CO<sub>2</sub> eq per year.

Waste: "Total Waste" and "Total hazardous waste" figures for 2023 have to be restated due to an undetected conversion error (1306 metric tons instead of 9049 metric tons).

### 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, 2024.

→ report of the statutory auditor: Financial Report 2024, p. 37–39

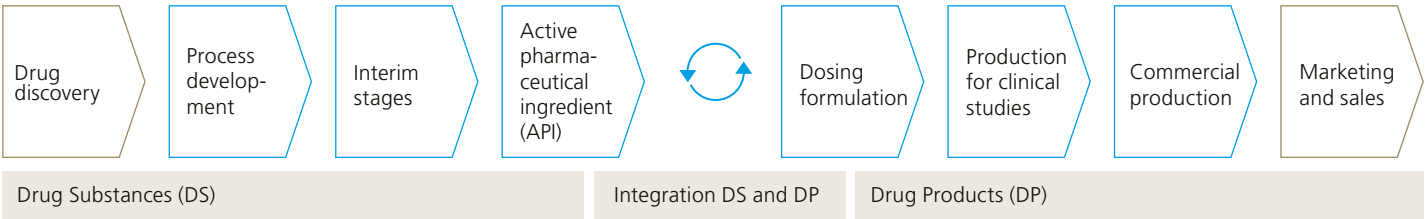
→ report of the statutory auditor: Remuneration Report 2024, p. 24–25

### 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 13 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:

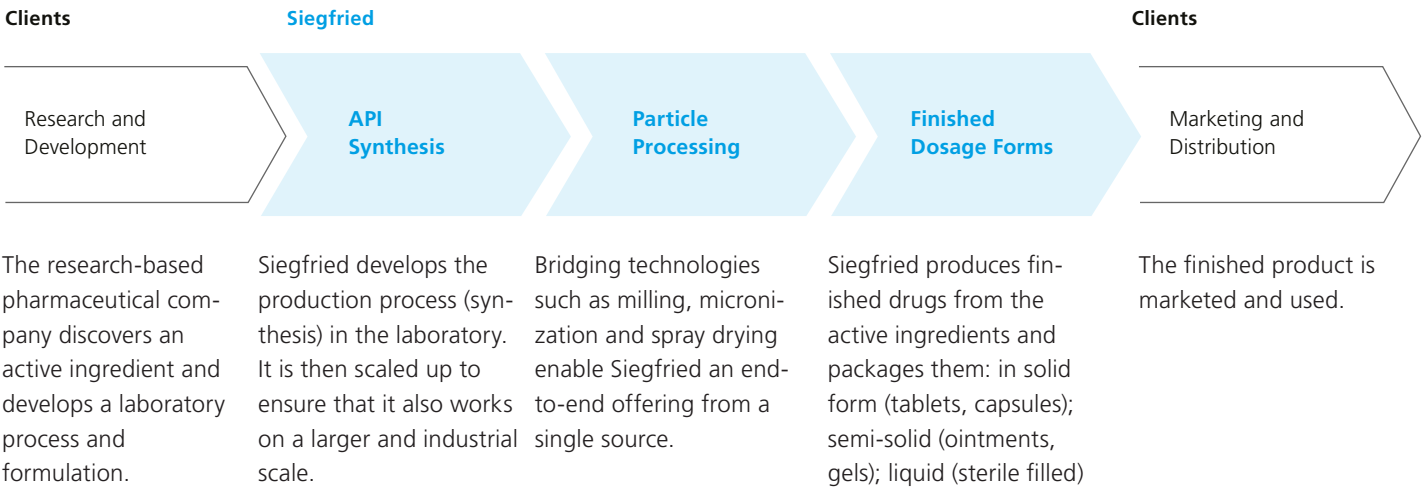
- Direct procurement includes everything that goes into the Bill of Materials of the products manufactured by Siegfried, mainly basic chemicals (solvents & commodities), chemical intermediates, active pharmaceutical ingredients (APIs), and excipients packaging (primary, secondary). The origin of direct 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. 70% 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. 30% 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/offering](http://www.siegfried.ch/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 thirteen locations in seven countries – approximately 4000 people permanently (prior year: 3800) and 235 people temporarily (prior year: 270), in total 4209 (prior year:

4070). Additionally, Siegfried takes care of the education and training of 123 apprentices (prior year: 110).

Employees (December 31) (permanent & temporary)	2024		
	Female	Male	Total
Europe	1167	2331	3498
USA***	139	312	453
Asia	38	220	258
<b>Group</b>	<b>1344</b>	<b>2865</b>	<b>4209</b>

Siegfried newly acquired a site in Grafton, Wisconsin (USA) in 2024, adding a new location and approx. 85 employees to the Siegfried network.

Permanent employees (December 31)	2024			2023		
	Female	Male	Total	Female	Male	Total
Europe	1093	2178	3271	1045	2158	3203
USA*	136	312	448	101	226	327
Asia	38	220	258	56	214	270
<b>Group</b>	<b>1267</b>	<b>2710</b>	<b>3977</b>	<b>1202</b>	<b>2598</b>	<b>3800</b>
Temporary employees (December 31)						
	Female	Male	Total	Female	Male	Total
Europe	74	156	230	97	160	257
USA***	3	2	5	8	5	13
Asia	0	0	0	0	0	0
<b>Group</b>	<b>77</b>	<b>158</b>	<b>235</b>	<b>105</b>	<b>165</b>	<b>270</b>
Full-time employees* (December 31)						
	Female	Male	Total	Female	Male	Total
Europe	952	2254	3206	945	2273	3218
USA***	135	312	447	103	227	330
Asia	38	220	258	57	214	271
<b>Group</b>	<b>1125</b>	<b>2616</b>	<b>3911</b>	<b>1105</b>	<b>2714</b>	<b>3819</b>
Part-time employees** (December 31)						
	Female	Male	Total	Female	Male	Total
Europe	236	69	305	199	49	248
USA***	2	2	4	2	1	3
Asia	0	0	0	0	0	0
<b>Group</b>	<b>238</b>	<b>71</b>	<b>309</b>	<b>201</b>	<b>50</b>	<b>251</b>

All employees (December 31)	2024		2023	
	#	% of all employees	#	% of all employees
Full time employees*	3826	96%	3819	91%
Part-time employees**	309	8%	251	6%
Apprentices	123	3%	110	3%

\*100% / \*\* <100% \*\*\*Siegfried Grafton employees included

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 95 FTEs (2023: approx. 120) 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

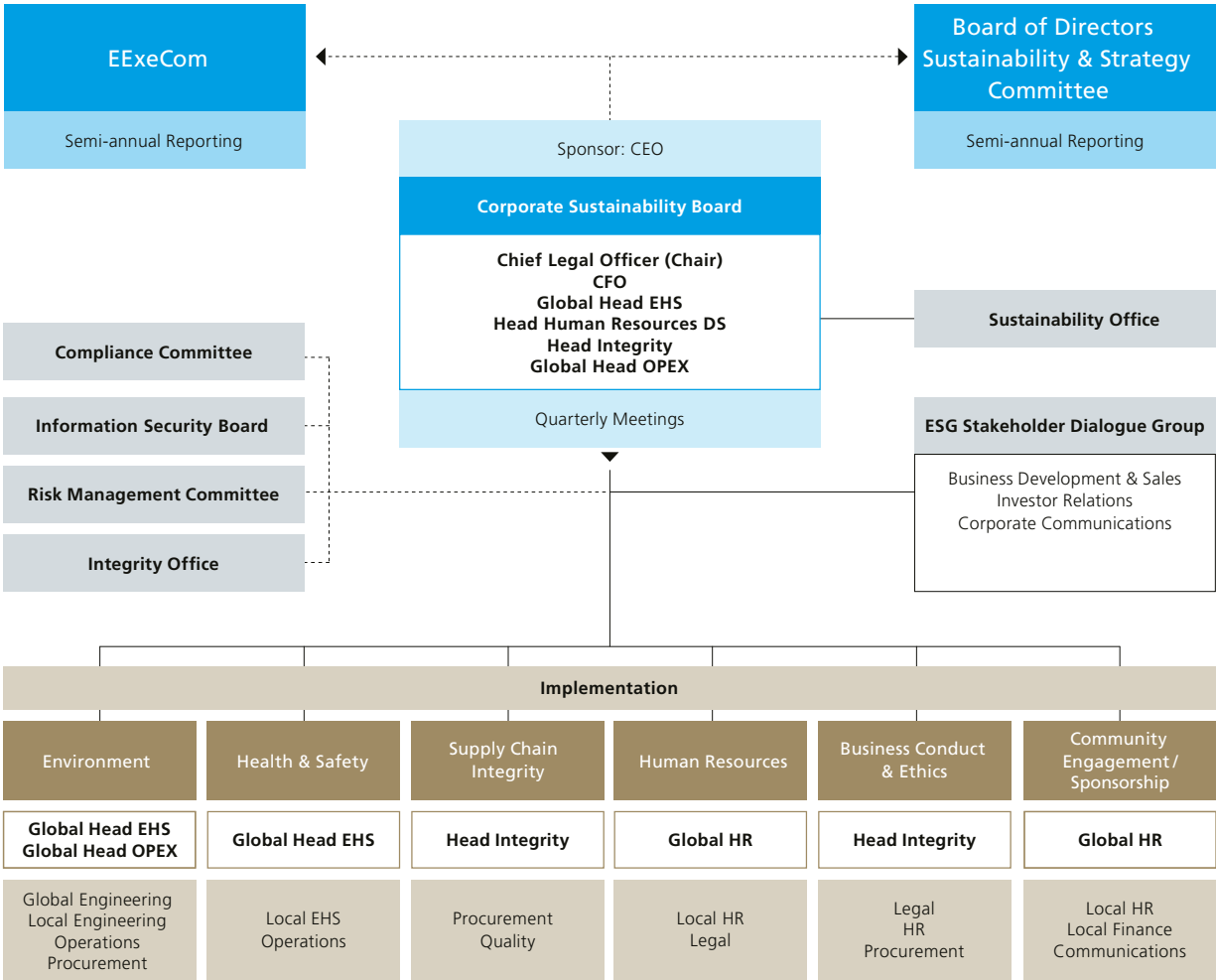
employees. If qualified, external employees working for Siegfried are given preference when internal positions become available.

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 Chief Legal Officer 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 strategic 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 2024, p. 41 (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 2024, p. 12; 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 2024, 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 2024, p. 35 (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 2024, p. 35 (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 10, 2025.

→ Statement signed by the Board of Directors confirming that this report on non-financial matters has been approved: Sustainability Report 2024, p. 49

→ 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 2024/2025 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 2024, 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 Chief Legal Officer 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 2024, p. 10–12
- Analysis of the competences of the Board of Directors: Corporate Governance Report 2024, 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 2024 p. 7–13

## 2-20 Process to Determine Remuneration

- Information about Siegfried's remuneration procedures: Remuneration Report 2024, 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 2024 from p. 18.

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 22 (mean) resp. 17 (average).

## 3. Strategy, Policies and Practices

### 2-22 Statement on Sustainable Development Strategy

- Statement of Siegfried's Chief Executive Officer: Progress Report 2024, p. 17–18

### 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 2024, p.35 (GRI 2-9).

For more information on how Siegfried's internal training is structured: Sustainability Report 2024 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 is a member of UN Global Compact since 2022. Siegfried supports the UN Global Compact Initiative with a mission to better the world and care for customers, patients, and society.

### 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 2024, 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 2024, p. 25

## *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) (Sector group of the European Chemical Industry Council (CEPIC))
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)
		Spanish Commercial Codification Association (Asociación Española de Codificación Comercial -AECOC-)
El Masnou	Spain	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, 2900 employees, or 67%, (2023: 2822/68%) are subject to a collective labor agreement. In addition, Siegfried inaugurated a European Works Council (EWC) in 2023. The council is an important forum for exchange and consultation on transnational issues relating to Siegfried sites within the European Community. In 2024, the EWC met twice, once on premise and once virtually. Swiss representatives were also invited as guests. The EWC was informed by the CEO, CFO, CHRO, etc. about topics around strategy, business development, financials, employee engagement, corporate compensation & benefits programs, HRIS suite & IT projects, etc. Siegfried also offered a full day communication training to the EWC members.

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 2024, 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

### Board of Directors Oversight

Siegfried’s organizational structure is based on a clear delineation of tasks, competencies, and responsibilities. The responsibility for the definition of the strategy and the risk lies with the Board of Directors of the Siegfried Group (“Board”) at a corporate level. This includes risks from both financial and non-financial issues and climate related risks and opportunities.

To support these responsibilities, the Board has delegated certain preparatory responsibilities to the “Strategy & Sustainability Committee” (“Committee”, details see page 35) which includes the Committee’s responsibility for assessing the climate-related risks and opportunities on Siegfried’s business, financial impacts and strategy over different time horizons. The Committee ensures that climate-related considerations are adequately integrated into Siegfried’s strategic decision-making processes at the highest level.

The Committee receives regular updates from Siegfried’s Corporate Sustainability Board, which provides detailed analyses of climate-related risks and opportunities. Additionally, the Corporate Sustainability Board works closely with the Group’s Risk Management Committee to ensure alignment with Siegfried’s overall risk management program, where climate-related risks are recognized as one of five primary risks pillars.

In 2024, Siegfried conducted a climate risk and resilience workshop with members of our Executive Committee and other key internal stakeholders of our Senior Management population, including the Multi-Site Heads DS & DP, the Global Head of Safety, Health and Environment (SHE), the Global Head Risk & Insurance and the Chair of the Sustainability Board. The workshop facilitated the identification, calibration, and prioritization of climate-related risks and opportunities as specified in the TCFD recommendations. The resulting insights informed the development of mitigation strategies and reinforced Siegfried’s commitment to enhancing resilience. These outcomes were presented to and approved by Siegfried’s Executive Committee and the Board of Directors.

### Executive Management Oversight

The operational implementation of the Board’s directives regarding climate-related matters is delegated to Siegfried’s Corporate Sustainability Board under the chair of the Chief Legal & Sustainability Officer (member of Siegfried’s ExeCom). The Sustainability Board is responsible for the strategic implementation of climate-related matters into the Group’s operations and ensures regular reporting to the Siegfrieds ExeCom and the Board’s Strategy & Sustainability Committee (see page 35).

The Corporate Sustainability Board oversees the evaluation of climate-related risks and opportunities across Siegfried’s global operations. Key risks include potential impact on infrastructure, critical company assets, and business continuity, which are assessed as part of the broader risk management framework. These assessments are informed by contribution from various teams, including Global SHE, OPEX, Engineering and the Global Insurance Team.

In the climate risk and resilience workshop, management teams collaborate to identify, calibrate, and prioritize risks based on their significance to the company’s operations and strategic goals. Key stakeholders from Siegfried’s Senior Management, (as described above in the “Governance” section), play a crucial role in analyzing the financial and operational implications and support the identification of measures to mitigate the risks and actions to leverage opportunities. The workshop outcomes ensure that Siegfried continues to strengthen its resilience against climate-related challenges.

Actions stemming from these evaluations are monitored and updated regularly through the operational business reviews to ensure continuous improvement and alignment with the company’s long-term strategy.

## 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. Transition risks, on the other hand, arise from the decarbonization of the economy and from the resulting legal, social, economic or technological conditions. Siegfried has assessed risks in both categories and further categorized them based on probability and severity, applying a consolidated view at a Group-wide level. These identified risks as well as their potential impact on Siegfried and selected mitigation measures are summarized in table 1 and 2

### Physical Risks

Scenarios for physical risk analysis	Low emissions pathway: IPCC SSP1-2.6 (central estimate for temperature rise by 2100 +1.8°C)	Medium emissions pathway: IPCC SSP2-4.5 (central estimate for temperature rise by 2100 +2.7°C)
Time Horizon	2030, 2050	
Data Sources	Intergovernmental Panel on Climate Change (IPCC), Swiss Re RDS Sustainability Compass climate tool, G20 Risk Atlas, and internal data.	

Physical Risk	Likelihood*		Description and Potential Impact	Mitigation Measures
	<2°C scenario (2030)	>2°C scenario (2050)		
Fluvial Flood	Moderate	Moderate	Risk of flooding from fluvial floods (river floods) leading to property losses or business interruption.	<ul style="list-style-type: none"> <li>– Extend or adapt flood emergency response plans</li> <li>– Insurance risk engineering/property &amp; business-interruption insurance policies</li> <li>– Evaluation of additional sites to enhance security of supply (multi-site manufacturing capability)</li> </ul>
Extreme Precipitation	High	High	Risk of heavy downpour may lead to property losses or business interruption outside of flood zones.	<ul style="list-style-type: none"> <li>– Proactive roofing and leak detection work</li> <li>– Protection of identified critical infrastructure with flood barriers</li> <li>– Elevation of vital infrastructure above critical levels</li> <li>– Insurance risk engineering/property &amp; business -interruption insurance policies</li> <li>– Evaluation of alternative sites for security of supply (multi-site manufacturing capability)</li> </ul>
Heat Stress	High	High	Risk of extreme temperatures and long-term water scarcity may lead to physical strain, health challenges, reduced productivity, or disruption of activities.	<ul style="list-style-type: none"> <li>– Multi-stage escalation plans involving authorities, municipalities and industry for groundwater and drinking / cooling water supply</li> <li>– Site heat balance studies to define cooling capacity needs and env. investments</li> <li>– Long-term investment in preventive measures, in cooperation with local authorities – Water consumption reduction programs</li> <li>– Evaluation of alternative sites for security of supply (multi-site manufacturing capability)</li> </ul>
Storm Surge	Low	Low	Risk of flooding from storm surge for coastal locations. Storm surge can cause indirect impacts such as supply chain disruptions, delays in raw materials or equipment, and regional infrastructure failures affecting logistics.	<ul style="list-style-type: none"> <li>– Offer dual or triple sourcing of critical raw materials to customer</li> <li>– Partner with logistics providers for alternative routes or methods of transportation</li> <li>– Build-up of safety stock in alignment with customers</li> <li>– Evaluation of alternative sites for security of supply (multi-site manufacturing capability)</li> </ul>

Table 1: Physical Risks (Group-wide view)

\* The likelihood levels above are directly derived from the Future Hazard Risk as provided by the Swiss Re Sustainability Compass. The Future Hazard Risk combines the current risk with projected changes based on Climate Risk Scores, which quantify the severity of risk development on a scale from stable to extreme. Thus, the Future Hazard Risk shows the overall risk level at any given point in the future for a given climate change scenario.

## Transition Risks

Siegfried categorizes transition risks and opportunities across three different time horizons: short-term, medium-term, and long-term.

- Short term: 2–3 years up until 2028;
- Medium term: 5 years until 2030;
- Long term: 10–25 years up until 2050.

Transition Risk	Time Horizon	Risk Description	Mitigation Measures
Availability and increased costs of raw materials	Short Term	<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> <li>– Internalization of the production of (raw) materials and APIs required for own operations</li> </ul>
Costs to transition to lower emissions technology	Medium Term	<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 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	Medium and Long Term	<ul style="list-style-type: none"> <li>– Customers' focus on environmental footprint may lead to customer expectations beyond regulatory or legal requirements</li> <li>– Customers 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> </ul>
Changing shareholder behaviour and priorities	Medium and Long Term	<ul style="list-style-type: none"> <li>– Increasing pressure from investors to adopt robust ESG standards and align operations with sustainability goals, potentially affecting access to capital and valuations.</li> </ul>	<ul style="list-style-type: none"> <li>– Improve transparency in sustainability reporting</li> <li>– Engage stakeholder dialogue on ESG efforts (share distinctions on key sustainability initiatives such as S&amp;P Global, EcoVadis)</li> </ul>
Enhanced emission reporting obligations	Medium Term	<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>
Increased pricing of GHG emissions	Medium and Long Term	<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>
Shortage of renewable energy supply	Medium Term	<ul style="list-style-type: none"> <li>– Insufficient renewable energy supply driven by infrastructure limitations, supply chain issues, and rising global demand poses operational and cost risks.</li> <li>– Reliance on non-renewable energy sources may hinder sustainability goals and long-term energy security.</li> </ul>	<ul style="list-style-type: none"> <li>– Proactive energy planning, investments in infrastructure, and collaboration with suppliers.</li> <li>– Long term Purchase agreements</li> </ul>

Table 2: Transition Risk (Group-wide view)

## 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 3.

Opportunity	Type	Time Horizon	Description = (our current opportunity for Siegfried)	Action
Sustainable production and cost optimization	Resource Efficiency	Medium to Long Term	Pro-active energy management, improvement of recycling of high-volume waste streams (e.g. solvents) and additional research & development focus on circular economy may lead to lower manufacturing costs and higher margins	<ul style="list-style-type: none"> <li>– Implement recycling programs</li> <li>– Launch R&amp;D projects targeting circular economy innovations</li> <li>– Enhance energy efficiency across sites.</li> </ul>
Strategic energy procurement	Energy Sourcing	Immediate to Long Term	Pro-active management of energy sourcing activities and long-term power purchase agreements leads to a more sustainable ("greener") sourcing at lower manufacturing costs and higher margins	<ul style="list-style-type: none"> <li>– Long-term Power Purchase Agreements (PPAs)</li> <li>– Switch to green electricity</li> <li>– Upgrading production infrastructure to reduce energy consumption</li> </ul>
Customer-centric innovation	Products and Services	Short to Medium Term	Focus on environmental footprint of manufacturing activities in line with pharma customer expectations may lead to competitive advantage <ul style="list-style-type: none"> <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>	<ul style="list-style-type: none"> <li>– Collaborate with customers on eco-friendly manufacturing</li> <li>– Develop sustainable production processes</li> <li>– Offer green and risk-minimized sourcing options.</li> </ul>
Risk mitigation advantage	Resilience	Immediate to Long Term	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	<ul style="list-style-type: none"> <li>– Expand multi-site sourcing options for critical materials.: 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> <li>– Strengthen site-specific business continuity plans</li> </ul>

Table 3: Climate-related opportunities (Group-wide view)

## Strategic Actions to Respond to Climate-related Risks on Siegfried's Business

Siegfried's 2024 scenario analysis indicates that climate change introduces both risks and opportunities for the business. However, Siegfried's robust strategy and financial health provide a solid foundation to withstand these challenges. The results highlight that by meeting the targets in key areas such as emissions reduction, renewable energy integration, and waste reduction, Siegfried can mitigate climate risks and enhance its ability to capitalize on emerging opportunities. All of these efforts contribute to Siegfried's long-term resilience and sustainability.

In line with these efforts to build resilience, Siegfried is also actively addressing the physical risks posed by climate change, 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. 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 insurers 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. Siegfried is embedding sustainability into CAPEX by aligning projects with the five-year plan, ensuring targeted investments in sustainable initiatives. The five-year plan will detail specific CAPEX requirements, prioritizing resources for impactful environmental projects. CO<sub>2</sub> savings initiatives will be systematically tracked using the Operation Excellence Initiative Savings tool, ensuring accountability. This approach enhances awareness of sustainability efforts, promoting data-driven reporting and transparent progress monitoring. By taking these actions, Tech Ops strengthens its commitment to sustainability and supports achieving the organization's environmental goals.

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 manufacturing 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 (Scope 1 & 2), 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 2024, this entailed the development of a matrix to measure the sustainability 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.

### Siegfried's Roadmap to Net-Zero

Siegfried's Roadmap to Net-Zero, thus the transition plan, comprises the company's approach to reduce its carbon footprint, to reduce climate-related risks and make use of climate-related opportunities. Central element to the roadmap are the CO<sub>2</sub> targets (see chapter "emissions" on p.7).

The company's actions (as listed above and in chapter "emissions" p.8) will be condensed/consolidated into a strategic roadmap. Siegfried will start to develop its strategic roadmap in 2025, engaging with all sites and internal stakeholders, as well as seeking external professional guidance and support. Its roadmap will include short, medium and long-term actions, including

- Scope 1: Operational efficiency and emissions reduction (e.g. transition to low-carbon fuels or electrification for industrial operations)
- Scope 2: Renewable energy transition (source 100% renewable electricity)
- Scope 3 Supplier and stakeholder engagement (supplier sustainability program)

Siegfried trusts this climate roadmap will position Siegfried as a fully engaged and forward-looking player in the chemical-pharmaceutical and CDMO sector. By aligning with TCFD and SBTi sector recommendations and setting ambitious, science-based targets, the company will address climate risks, capitalize on opportunities, and drive long-term value creation for stakeholders.

### Risk Management

Siegfried has integrated climate-related risks into its overall 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.

Siegfried employs a multi-step approach to identify and assess climate related risks and opportunities. In the first phase, a comprehensive questionnaire, capturing a wide spectrum of potential risks and opportunities 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 enabling targeted monitoring efforts and identification of possible mitigation actions. To enhance this process, Siegfried considers the results of its double materiality assessment, ensuring that connections between material topics and climate-related risks and opportunities are considered in the assessment process.

In 2024, Siegfried further strengthened its risk management process in accordance with best practice guidance. Siegfried enhanced the disclosure of risks by incorporating the Intergovernmental Panel on Climate Change's (IPCC) SSP1-2.6 and SSP2-4.5 scenarios for physical risk assessments. Additionally, Siegfried introduced explicit time horizons for the reporting of transition risks, enabling clearer differentiation between short-, medium-, and long-term risks and their associated impacts.

For a more precise assessment of acute and chronic climate-related risks, Siegfried employs the Swiss Re RDS Sustainability Compass tool, a sophisticated climate modeling system that analyzes physical risks.

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 two different future scenarios (SSP1-2.6 and SSP2-4.5). Both scenarios consider the trajectories of greenhouse gas concentration in the atmosphere and refer to a 1.5–2°C and 2–3°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. The below 2°C scenario was assessed in the 2030 timeframe to reflect near-term climate impacts under low-emission pathways with effective mitigation efforts. The above 2°C scenario, on the other hand, was evaluated in the 2050 time-



frame to address longer-term risks under higher-emission pathways. This approach enabled Siegfried to gain a clearer understanding of its risk exposure evolution across different timeframes and warming scenarios.

Relevant findings are included in Siegfried's risk register and continuously refined through collaboration with local site management teams, ensuring a granular understanding of site-specific impacts.

The prioritization of the identified risks considers materiality, severity, likelihood, and other relevant factors such as regulatory compliance. Accountability for mitigation measures is clearly delineated, with Siegfried's teams committing to actionable steps that ensure alignment with the company's Net Zero ambitions. To further integrate climate-related risks into the company's culture, Siegfried provides training to site management, raising awareness of the importance of these risks and embedding them into the risk management framework. Monitoring and reporting mechanisms are established to ensure transparency, drive continuous improvement, and guarantee that the measures taken remain consistent with Siegfried's long-term climate goals.

### **Key Assumptions and Uncertainties**

The scenarios used in Siegfried's analysis incorporate a variety of assumptions about how climate change and key variables – such as carbon pricing, advancements in energy efficiency, and shifts in resource demand – may evolve in the coming decades. Given the long-term nature of these factors, uncertainty is inevitable regarding how they will unfold towards 2030 and beyond. We accept this uncertainty, as the insights from this analysis are utilized to assess resilience at a high level, helping inform strategic decisions such as committing to a 1.5°C science-based target.

### **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. 26
	Information Security & Cyber Security p. 29
	Supply Chain Integrity p. 22
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. 22
Combating corruption	Business Conduct, Corruption & Antitrust p. 25
Climate disclosures	
TCFD-Report	Governance p. 43
	Strategy p. 43
	Risk Management p. 47
	Metrics and Targets p. 48

# 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 2024 at its meeting on February 14, 2025.

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, 14.02.2025

# GRI Content Index



CONTENT INDEX  
ESSENTIALS SERVICE

2025

Siegfried AG has reported in accordance with the GRI Standards for the period January 1, 2024 to December 31, 2024. 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. 32	
	2-2 Entities included in the organization's sustainability reporting	p. 32	
	2-3 Reporting period, frequency and contact point	p. 32	
	2-4 Restatements of information	p. 32	
	2-5 External assurance	p. 32	
<b>2. Operations and Workers</b>			
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	p. 32–33	
	2-7 Employees	p. 34	
	2-8 Workers who are not employees	p. 35	
<b>3. Governance</b>			
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	p. 35–36	
	2-10 Nomination and selection of the highest governance body	p. 36	
	2-11 Chair of the highest governance body	p. 36	
	2-12 Role of the highest governance body in overseeing the management of impacts	p. 36	
	2-13 Delegation of responsibility for managing impacts	p. 36	
	2-14 Role of the highest governance body in sustainability reporting	p. 36	
	2-15 Conflicts of interest	p. 36	
	2-16 Communication of critical concerns	p. 36–37	
	2-17 Collective knowledge of the highest governance body	p. 37	
	2-18 Evaluation of the performance of the highest governance body	p. 37	
	2-19 Remuneration policies	p. 37	
	2-20 Process to determine remuneration	p. 37	
	2-21 Annual total compensation ratio	p. 37	

#### 4. Strategy, Policies and Practices

GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	p. 37	
	2-23 Policy commitments	p. 37–38	
	2-24 Embedding policy commitments	p. 37–38	
	2-25 Processes to remediate negative impacts	p. 38	
	2-26 Mechanisms for seeking advice and raising concerns	p. 39	
	2-27 Compliance with laws and regulations	p. 39	
	2-28 Membership associations	p. 40–41	

#### 5. Stakeholder Engagement

GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	p. 41–42	
	2-30 Collective bargaining agreements	p. 42	

#### 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. 7–10	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	p. 9, p. 54	
	302-2 Energy consumption outside of the organization	p. 9, p. 54	
	302-3 Energy intensity	p. 9	
	302-4 Reduction of energy consumption	p. 9, p. 54	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	p. 54	
	305-2 Energy indirect (Scope 2) GHG emissions	p. 54	
	305-3 Other indirect (Scope 3) GHG emissions	p. 54	
	305-4 GHG emissions intensity	p. 9, p. 54	
	305-5 Reduction of GHG emissions	p. 9, p. 54	
	305-7 Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	p. 54	

#### 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. 55	
	306-4 Waste diverted from disposal	p. 55	
	306-5 Waste directed to disposal	p. 55	

#### 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. 55	
	303-4 Water discharge	p. 55	
	303-5 Water consumption	p. 14, p. 55	
<b>Employee Health &amp; Safety</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 14–17	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	p. 14–17	
	403-2 Hazard identification, risk assessment, and incident investigation	p. 14–17	
	403-5 Worker training on occupational health and safety	p. 16	
	403-8 Workers covered by an occupational health and safety management system	p. 56	
	403-9 Work-related injuries	p. 16–17, p. 56	
	403-10 Work-related ill health	p. 56	
<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. 56	
<b>Diversity, Equity and Inclusion</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 19–21	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	p. 20, p. 56	
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. 22–24	
Own indicators	High ESG impact suppliers qualified (% of spend or number)	p. 57	
	Suppliers sustainability audits of high impact suppliers (paperbased/on site)	p. 57	
	Paper-based GMP audits of suppliers	p. 24, p. 57	
	On-site GMP audits of suppliers	p. 24, p. 57	
<b>Business Conduct, Corruption &amp; Antitrust</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 25–26	
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	p. 26	
	205-3 Confirmed incidents of corruption and actions taken	p. 26	
Own indicator	Time spent on integrity training per FTE	p. 26, p. 57	
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p. 26	
<b>Product Responsibility</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 26–28	
Own indicators	Internal Corporate GMP Audits	p. 29, p. 57	
	Inspections by Authorities	p. 29, p. 57	

Information Security & Cyber Security			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 29–32	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 32	
Own indicator	Number of awareness campaigns conducted in a year	p. 31, p. 57	



# Appendix

## ESG Data Table

Environment							
Emissions	Unit	2022 (Unit)	2022 (Intensity*)	2023 (Unit)	2023 (Intensity*)	2024 (Unit)	2024 (Intensity*)
Total Scope 1 + Scope 2 emissions <sup>1</sup>	t CO <sub>2</sub> eq	71 324	58.03	73 028	57.46	71 793	55.52
Total Scope 1 emissions <sup>2</sup>	t CO <sub>2</sub> eq	57 074	46.44	58 411	45.96	59 171	45.76
Total Scope 2 emissions: Location Based <sup>3</sup>	t CO <sub>2</sub> eq	14 250	11.59	14 617	11.50	12 622	9.76
Total Scope 3 emissions <sup>4</sup>	t CO <sub>2</sub> eq	462 005	375.92	459 700	361.68	459 700	355.53
Energy consumption total <sup>2</sup>	GJ	1 971 911	1 604	1 942 791	1 529	1 890 673	1 462
Total Electric energy	GJ	646 579	526.10	643 837	506.56	621 552	480.71
Electrical energy (renewable) consumption	GJ	482 488	392.59	455 141	358.10	538 067	416.14
Renewable electricity from total electric energy	%	74.6	NA	70.7	NA	86.6	NA
Natural gas consumption	GJ	757 499	616.35	638 622	502.46	722 624	558.87
LPG	GJ	20 477	16.66	90 487	71.19	63 617	49.20
Heating oil	GJ	80 033	65.12	128 408	101.03	85 344	66.00
Diesel	GJ	2 169	1.76	2 110	1.66	1 836	1.42
Alternative fuels (solvents)	GJ	41 618	33.86	57 650	45.36	52 373	40.51
VOC Incineration <sup>5</sup>	GJ	52 775	42.94	50 617	39.82	57 360	44.36
Supplied steam	GJ	370 254	301.26	330 582	260.10	333 259	257.74
Air Emissions: CO <sup>6</sup>	Ton	8.2	0.01	8	0.01	8.02	0.01
Air Emissions: Total Nox	Ton	30	0.02	28	0.02	18.53	0.01
Air Emissions: Total SO <sub>2</sub> <sup>6</sup>	Ton	1.3	0.001	1.3	0.001	2.04	0.002
Air Emissions: Total VOC	Ton	139	0.11	84	0.07	100.33	0.08
Nitrogen emissions	Ton	70.9	0.06	72.9	0.06	53.8	0.04
TOC emissions	Ton	123	0.10	136	0.11	125	0.10
Phosphorous emissions <sup>6</sup>	Ton	1.9	0.002	3.2	0.003	4.6	0.004
GWP, 100 year time horizon <sup>7</sup>	Ton	72 969	59.37	72 982	57.42	72 035	55.71

<b>Resources &amp; Waste</b>	<b>Unit</b>	<b>2022</b> (Unit)	<b>2022</b> (Intensity*)	<b>2023</b> (Unit)	<b>2023</b> (Intensity*)	<b>2024</b> (Unit)	<b>2024</b> (Intensity*)
Total waste disposed <sup>8</sup>	Ton	75 987	61.83	73 750	58.03	76 488	59.16
Total hazardous waste <sup>8</sup>	Ton	62 485	50.84	62 514	49.18	63 997	49.50
Hazardous waste recycled or reclaimed	Ton	32 289	4.52	34 731	27.33	24 380	18.86
Hazardous waste recycled or reclaimed <sup>9</sup>	%	51%	NA	56%	NA	38%	NA
Hazardous waste incinerated	Ton	18 482	15.04	23 984	18.87	39 486	30.54
Hazardous waste landfilled	Ton	80	0.07	106	0.08	131	0.10
Total non-hazardous waste	Ton	13 502	10.99	11 150	8.77	12 491	9.66
Non-hazardous waste recycled or re-used <sup>10</sup>	Ton	3 249	2.25	3 268	2.57	2 438	1.89
Non-hazardous waste recycled or re-used	%	31%	NA	32%	NA	30%	NA
Non-hazardous waste incinerated	Ton	6 290	5.12	5 841	4.60	6 750	5.22
Non-hazardous waste landfilled	Ton	3 196	2.60	1 828	1.44	1 999	1.55
Recycling solvents <sup>11</sup>	Ton	19 345	15.74	21 721	17.09	21 000	16.24
<b>Water</b>	<b>Unit</b>	<b>2022</b> (Unit)	<b>2022</b> (Intensity*)	<b>2023</b> (Unit)	<b>2023</b> (Intensity*)	<b>2024</b> (Unit)	<b>2024</b> (Intensity*)
Total water withdrawal	ML	6 019	4.90	6 329	4.98	6 051	4.68
Total freshwater withdrawal	ML	6 019	4.90	6 329	4.98	6 051	4.68
Total freshwater withdrawal from groundwater	ML	4 859	3.95	5 172	4.07	4 892	3.78
Total freshwater withdrawal from municipal water supplies or third parties	ML	1 114	0.91	1 091	0.86	1 089	0.84
Total water consumption <sup>12</sup>	ML	684	0.58	713	0.56	743	0.57
Total water discharged	ML	5 357	4.36	5 639	4.44	5 307	4.10
Water discharged to offsite treatment or third parties <sup>13</sup>	ML	2 690	2.19	2 747	2.16	2 632	2.04

\*Unit/ CHF Mio

1. Restated 2022 and 2023 due to SBTi validation and steam recalculation
2. Restated 2022 and 2023 due to SBTi validation
3. 2022 and 2023 unit restated due to steam recalculation in Minden
4. Unchanged vs. 2023, recalculation will be done for CDP reporting, including disclosure of relevant subcategories
5. VOC incineration uses gas to support the flame. This gas is already included in "Natural gas consumption"
6. Restated 2022 intensity
7. Restated due to SBTi validation (Scope 1&2 plus non-CO<sub>2</sub> equivalents)
8. 2023 value restated due to calculation error in Pennsville
9. Newly used instead of "Hazardous Waste treated"
10. Newly used instead of "Non-Hazardous Waste treated" also including Non-hazardous waste re-utilized
11. 2024 value is a realistic assumption, data point missing, solvents will be a focus in 2025
12. Water withdrawal minus water discharge
13. Sanitary water plus process waste water

## Social

Employee Health & Safety	Unit	2022	2023	2024
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	#	5.30	4.72	3.81
Total Lost working days	#	571	500	159
Lost working days per employee	#	0.16	0.13	0.04
Diversity, Equity & Inclusion	Unit	2022	2023	2024
Gender Diversity: Women at senior management level	%	23	25	13
Gender Diversity: Women in middle and lower management	%	35	35	31
Gender Diversity: Women at non-management levels	%	34	34	36
Gender Diversity: Women on the Board of Directors	%	43	43	43
Gender Diversity: Women in total workforce	#	1 181	1 202	1 267
Education & Training	Unit	2022	2023	2024
Hours of training per employee (management level)	#	16	16	16
Hours of training per employee (non-management level)	#	16	16	16
Managers who had an annual performance review	%	100	100	100
Non-Managers who had an annual performance review	%	100	100	100
Additional Social Metrics	Unit	2022	2023	2024
Full Time employees	%	93	94	93
Part Time employees	%	7	6	7
Permanent employees	#	3 680	3 800	3 974
Fixed Term contract employees	#	288	270	235
Employees between 31 and 50	%	56	56	55
Employees up to the age of 30	%	15	16	19
Employees above 50	%	29	28	26
Overall employee turnover rate	%	13.44	10.49	8.60
Voluntary employee turnover rate	%	8.57	6.13	4.40
Involuntary employee turnover rate	%	4.87	4.36	4.20
Hiring	#	590	554	516
Employees subcontracted	%	2.8	2.9	1.8
Social relations: Employees covered by collective agreements	%	72	68	67
Social initiative: Total contribution to create positive impact	CHF thousands	29 600	111 750	110 000

## Governance

<b>Supply Chain Integrity</b>	Unit	<b>2022</b>	<b>2023</b>	<b>2024</b>
Suppliers: Ratio of suppliers with completed sustainability audit (physical or paper-based, except tail risk suppliers) compared to all suppliers	%	NA	NA	57.39
Suppliers: High ESG impact suppliers qualified	#	NA	2	2
Suppliers: Suppliers sustainability audits of high impact suppliers (paperbased/on site)	%	NA	55.2	55.4
Paper-based GmP Audits of Suppliers	#	100	70	75
On-site GmP Audits of Suppliers	#	91	140	128
<b>Business Conduct, Corruption &amp; Antitrust</b>	Unit	<b>2022</b>	<b>2023</b>	<b>2024</b>
Ethics: Number of reports	#	25	27	42
Ethics: Number of employees terminated due to unethical behavior	#	2	3	3
Ethics: Reports resulting in monetary fines and or other non-monetary sanctions	#	0	0	0
Ethics: Employees completing compliance onboarding training	%	NA	79	95
Ethics: Time spent on integrity training per FTE	mins	NA	18.5	32
<b>Product Responsibility</b>	Unit	<b>2022</b>	<b>2023</b>	<b>2024</b>
Internal Corporate GMP Audits	#	10	11	12
External GxP inspections by Health Authorities	#	12	12	8
<b>Information Security &amp; Cyber Security</b>	Unit	<b>2022</b>	<b>2023</b>	<b>2024</b>
Substantiated complaints concerning breaches of customer privacy and losses of customer data	#	0	0	0
Number of awareness campaigns conducted in a year	#	4	4	6

## 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 2025 or any subsequent period will necessarily match or exceed the historical published earnings or earnings per share of Siegfried.

