



Policy Statement

**according to the German
Supply Chain Due Diligence Act (LkSG)**

Aenova Group

1. Introduction

The Aenova Group is a leading global contract manufacturer for the pharmaceutical and healthcare industry and has its own production and/or packaging sites in Germany, Ireland, Italy, Romania, Switzerland and the USA. Below the Aenova Holding GmbH the German companies of the Aenova Group include Aenova Holding GmbH, Aenova IP GmbH, Aenova Sales International GmbH, C.P.M. ContractPharma GmbH, CleanLog GmbH, Dragenopharm Apotheker Püschl GmbH, Haupt Pharma Amareg GmbH, Haupt Pharma Münster GmbH, Haupt Pharma Wülfing GmbH, Swiss Caps GmbH and Temmler Pharma GmbH.

Depending on the material context, '**Aenova**' refers to all companies of the Aenova Group and each individual company of the Aenova Group.

Aenova's range of services covers the entire value chain of development and production of all common dosage forms (solid, semi-solid and liquid, sterile and non-sterile; high potency and low dosage) and product groups in drugs and food supplements for human and animal health. The Aenova Group is committed to the good health and well-being of people as well as the environment in which people live. The respect of human rights and the protection of the environment is of the utmost importance to Aenova Group. Therefore, the Aenova Group's companies and the cooperation with the suppliers of the Aenova Group should ensure certain standards, in particular with regard to human rights, working conditions and environmental requirements.

Aenova Group values its commitment to complying with applicable laws, regulations, policies and the terms of executed contracts in its business activities. Both our *Code of Conduct* and *Supplier Code of Conduct* set forth the standards of business conduct that Aenova Group expects all its employees and suppliers to comply with and share this same commitment as well as to pass on this expectation to their own business partners.

In accordance with the requirements of the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz – 'LkSG'), the Management Board of the Aenova Holding GmbH defines with this policy statement the human rights and environmental strategy as well as the approach to managing associated risks within the Aenova Group and in the collaboration with suppliers.

2. Obligations to International Guiding Principles

Aenova considers the protection of human rights to be a central element of its corporate responsibility. Aenova is committed to respecting internationally recognized human rights in its business activities and along its value chains on the fundamental values expressed in the ILO and UN Conventions and the Human Rights Pacts of 1966. This includes, in particular, the prohibition of child and forced labor, the prohibition of all forms of slavery and discrimination, and the strengthening of freedom of association. Aenova is also committed to compliance with occupational health and safety, the payment of appropriate wages and the prohibition of environmental pollution, forced eviction and the use of security forces if their use entails the risk of human rights being disregarded or restricted.

The Aenova Group supports the following national and international initiatives:

- UN Global Compact;
- Pharmaceutical Supply Chain Initiative (PSCI);
- Marine Stewardship Council (MSC);
- Diversity Charter.

3. Risk Management

Human rights and environmental risk management is currently being integrated into Aenova Group's general risk management. Aenova's operational processes are geared towards identifying short and medium-term risks and opportunities in order to be able to take timely countermeasures in the event of risks and exploit opportunities. As part of Group-wide risk management, the site managers of each Aenova site are required to regularly identify and assess risks, communicate them and develop measures to deal with them. Designated responsible employees from various areas of Aenova (Development, Sales, Manufacturing and Quality, SCM, Finance, IT and HR) coordinate risks across divisions and decide on necessary measures. Regular meetings are held between those responsible, at which risks and preventive measures are discussed, prioritized and implemented.

Aenova recognizes the importance of effectively implementing the LkSG and has therefore appointed a Human Rights Officer, who is also the Head of Compliance, to assume the responsibility for monitoring the implementation of the LkSG requirements. This includes the implementation of human rights risk management and the conduct of the corresponding risk analysis. To effectively analyze and address human rights and environmental risks along the supply chain, it is essential for various departments to collaborate and leverage their specific expertise. By combining the strengths of Global Procurement, Corporate Compliance, Corporate Legal, Corporate Quality, and HSE (Health, Safety, and Environment), Aenova aims to effectively manage and mitigate these risks. Global Procurement coordinates the implementation of preventive measures with suppliers.

The management board of Aenova Holding GmbH is responsible for ensuring compliance with the requirements of the law and is therefore regularly informed about the implementation of due diligence obligations.

4. Risk Analysis

Aenova offers its customers full service, ranging from product development to the purchase of raw materials, production and analytics, market release to packaging and logistics. Aenova develops, produces and packages at a total of 14 locations in Germany, Ireland, Italy, Romania, Switzerland and the USA.

Aenova sources important raw and packaging materials from various suppliers predominantly in Europe, and a few based in North America and Asia, especially in India and China. Aenova has started to carry out a risk analysis of its suppliers using a supplier relationship management tool and its specific LkSG features: In a first step we have analyzed with the direct (raw materials) suppliers with whom we have a high purchasing volume, so that major part of our purchasing volume has now been analyzed, and also the suppliers in a high-risk country. In a second phase, suppliers with lower purchasing volumes that are assigned to specific risk countries or industry sectors and also other direct suppliers that are mainly based in Europe are analyzed. The audits are primarily based on self-assessment questionnaires, certifications and obtaining further information if required. The risk analysis will ultimately include all direct suppliers.

Based on Aenova's supplier analyses under the aspects of human rights, occupational health and safety and environmental protection, Aenova identified in addition to the risk of possible disregard of occupational health and safety and work-related health hazards also the risks of discrimination, poor working conditions and violations of the freedom of association as priority risks for certain regions.

5. Preventive and Remedial Measures

Upon identification and prioritization of human rights and environmental risks, Aenova determines the required actions to minimize the prioritized risks. Relevant preventive measures include mainly the publication and implementation of this policy statement, training and sensitization of employees, the release and distribution of the Code of Conduct and the Supplier Code of Conduct, which stipulates and outlines the minimum requirements for suppliers and business partners for human and environmental rights. To the extent possible, regular audit rights will also be included in supply contracts. Human rights and environmental audits are intended to be conducted, particularly as part of regular quality audits and as needed.

This policy statement demonstrates Aenova's fundamental commitment to respecting human and environmental rights, which is already reflected in various other corporate guidelines, as amended periodically.

The following Aenova Group guidelines are an essential instrument for designing its supply chains more sustainable. They constitute the binding framework for action for all Aenova employees, its business partners and other stakeholders and define specific measures and targets and include in particular the following documents:

- Code of Conduct
- Supplier Code of Conduct
- CSR¹ Policy

¹ CSR = Corporate Social Responsibility

- HSES² Guiding Principles Policy
- HSES Management Policy
- Guidance Waste Water Management
- Human Resources Guiding Principles

In cases where Aenova's business activities would cause or contribute to actual violations of human and environmental rights, Aenova is committed to implementing effective remedial measures.

6. Complaints Procedure

An appropriate and effective complaints mechanism is an essential part of Aenova's due diligence processes to effectively prevent and remedy potential adverse human rights and environmental impacts in Aenova's business and supply chain. Therefore, Aenova has aligned its whistleblower reporting mechanism *Aenova Group Integrity Line* with the requirements of the LkSG. The complaints procedure enables employees as well as other potentially affected groups of people, internal and external stakeholders to report information on human rights and environmental risks and potential violations of the *Supplier Code of Conduct* at any time. All reported information and substantiated suspicions of possible human rights and environmental violations are processed as part of a transparent process for all parties involved.

The relevant departments within the Aenova Group are informed via the whistleblowing tool. The complaint is documented and checked for plausibility. Subsequently the complaint is investigated for example either by interviewing suppliers, industry initiatives or persons affected, or by on-site visits. Based on the results, effective and necessary measures to minimize or stop the violations or risks are identified, initiated and monitored.

The complaint procedure is accessible to employees while maintaining the confidentiality of their identity and effectively protecting them from discrimination. Aenova does not tolerate

² HSES = Health, Safety, Environment and Sustainability

retaliation and expects that no employee of Aenova or supplier will retaliate against anyone who reports suspected or known cases of misconduct in good faith.

The systematic handling of complaints and the knowledge gained from them enables the Aenova Group to continuously improve its human rights and environmental due diligence processes.

Aenovas complaints mechanism is accessible at <https://aenova.integrityline.app/>.

7. Continuous Improvement

Aenova will review the effectiveness of all LkSG-relevant due diligence processes our risk analyses at least on an annual and on ad hoc basis in order to identify, prevent, or mitigate any human rights and environmental risks.

This Policy Statement is continuously reviewed and revised as necessary. The respective valid version as well as information on other positions, reports and guidelines of Aenova Group can be found on the website <https://www.aenova-group.com/en/company/compliance>.

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