

REPORT ON GENDER EQUALITY AND EQUAL PAY 2023

Publication as an annex to the management report 2023

The following report is an annex to the Combined Management Report of STADA Arzneimittel AG and refers to financial year 2023 in accordance with Sections 21 in conjunction with §§ Sections 25 and 22 of the German Act on the Promotion of Pay Transparency between Women and Men (Entgelttransparenzgesetz - EntgTranspG) to financial year 2023.

1) Measures to promote equality between women and men

In line with our corporate purpose "Caring for People's Health as a Trusted Partner" and with our above-average growth, we also have a social responsibility not only to help shape the industry around us, but also to act as a role model for our stakeholders - especially with regard to our employees.

At STADA, we live the uniqueness of all employees around the world with many initiatives: the more diverse our employees and the more inclusive their working environment is, the more successfully we can develop our potential and master major challenges in order to be economically successful in the long term and fulfill our social mission. #Uniqueness is the key for our #growth culture and therefore our long-term success.

Anchoring diversity structurally

The strategic management and tracking of diversity at STADA is carried out, among other things, by setting priorities in the "S - social" in our ESG goals. These are also determined and assessed as part of external sustainability assessments, e.g. by the external assessment agency Sustainalytics.

Taking consistent action against discrimination

At STADA, we do not tolerate discrimination. If employees are harassed or discriminated against in the workplace, there are various reporting channels open to them: The first point of contact is either the responsible manager, Culture & People or Compliance. Alternatively, our employees can contact the compliance hotline or the external ombudsman, among others. As also described in our STADA Human Rights Strategy Policy Statement, STADA is committed to the principle of equal treatment and does not tolerate any form of discrimination or harassment, e.g. based on gender, origin, disability, sexual orientation, age or ideology. We consider diversity, social inclusion and equal treatment to be cornerstones of our corporate culture.

About this report

According to the German Transparency in Remuneration Act, employers are obliged to prepare a report on equality and equal pay if they generally employ more than 500 employees and are subject to reporting requirements under the German Commercial Code.

This "Report on Equality and Equal Pay" was prepared for STADA Arzneimittel AG in accordance with Sections 21 and 22 of the German Equal Pay Act (EntgTranspG) and published on this page as an appendix to the Management Report 2023.

In addition to a statistical section, it contains information on measures to promote equality between women and men and their impact as well as on the establishment of equal pay for women and men. The next report will be published in 2029.

Consistently promoting equality between women and men

STADA traditionally has many women in management positions - this has been consistently expanded in recent years: Overall, approx. 54% of all employees worldwide at STADA are women and over 50% are women in management functions, again 29% women in senior management and 25% in the Executive Board. In the companies covered by this report in Germany, the proportion of women is 54%.

Promoting diverse talents

In order to maintain and expand diversity (#Uniqueness) as a critical advantage for success, we continue to focus on a strong internal female talent pipeline in order to actively develop women in management positions in the future. In order to promote diversity when filling internal positions, we have expanded our various talent programs - including internally with our "get growing" and "keep growing" programs and externally, for example, the "grow higher" program with the IMD Business School.

We also specifically support various employee networks in order to facilitate exchange between like-minded people - such as the company-independent Healthcare Frauen e.V. network.

Commitment to fair and equitable remuneration

Our commitment to pay equity is an important aspect of our value-oriented corporate culture. In order to create transparency and identify the underlying causes, we drafted our "Pay Equity Commitment" globally in 2023 and started piloting it in selected countries, i.e. we are analyzing equal pay with a focus on gender-specific discrepancies. We have started the pilot with four countries (including Serbia, Spain, UK, Germany: limited to selected function families), which cover almost 50% of our total workforce worldwide. This will increase our transparency. We are aiming for an adjusted (unexplained) gender pay gap of less than 5.0% across the Group. With this in mind, we will monitor salary data and take appropriate measures if necessary. This includes empowering our managers to make fair and unbiased salary decisions.

We are also a member of the Fair Pay Innovation Lab (fpi), which promotes fair pay globally, shares best practices and encourages exchange among its members.

Promoting work-life balance

As we are aware of the importance of a good work-life balance and the need for flexible working models, we regularly review our working practices - including "when" and "where" we work. In this context, we are continuing the agreement we made before the Covid pandemic on mobile working, which generally provides for two days of mobile working per week.

We also offer support as part of the pme Family Service, an Employee Assistance Program (EAP), which is an external and independent company that advises our employees around the clock on all life situations. Experienced coaches and experts are available to all STADA employees of the German companies free of charge, whether in person, by telephone or by e-mail. Counseling is completely confidential, anonymous if desired and free of charge for employees.

STADA grants additional days of special leave for various special life events, including own marriage, birth of a child, wedding of a child and death of a close relative. In addition, STADA pays special payments for all employees in the event of an anniversary, the birth of a child and their own wedding, in addition to the special payments under the collective wage agreement for the chemical industry.

After reaching the age of 57, employees covered by collective agreements/near collective agreements are entitled to 2.5 hours off/week (working hours: 35 hours/week). Employees in production are entitled to this from the age of 55.zu.

Targeted support for mothers and fathers

We want to make it easier for our employees to return to work after parental leave. In addition to the pme Family Service, STADA also offers financial support for childcare. STADA offers all employees the opportunity to receive an allowance for the care of their non-school-age children. In addition, STADA in Germany grants an additional day of special leave for the child's first day at school so that employees can celebrate this special day with their family.

STADA pays a book allowance for employees' children at the European School. In addition, all employees' children up to the age of 15 receive a Christmas present from STADA.

Maintaining and nurturing mental health

STADA has been specifically supporting the mental health of all employees for many years - with numerous initiatives, theme days, etc. Since 2023, the "#CaringForYou - mental health & well-being" program from Kyan Health has been available to all employees and their families worldwide. Here, employees and their family members can take advantage of coaching sessions and psychological help; there are also a variety of offers on stress reduction, work-life balance, mental health and resilience.

2) Measures to achieve equal pay

As a company bound by collective wage agreements, STADA follows the regulations of the federal collective wage agreement of the Mining, Chemical and Energy Industrial Union (IG BCE). In accordance with the collective agreement, employees are grouped into pay grades according to the activities they perform and remunerated according to these pay grades. Remuneration is based on the applicable pay tables of the district collective wage agreement. Only the job and the requirements of the position are decisive for the classification. There is no differentiation according to gender - regardless of gender, equal pay applies for the same job. The collective agreement thus provides a structure for non-discriminatory pay. The co-determination rights of the works council are safeguarded in the case of classification and reclassification.

In the non-pay-scale area and in management, jobs are analyzed and evaluated locally using job evaluation methods from leading global providers (e.g. WTW, Korn Ferry Hay, Mercer IPE) and transferred globally into a uniform STADA job architecture. This forms the basis of our uniform global job architecture.

The job architecture and the evaluation methods form the backbone of our remuneration systems - and will be expanded and calibrated for global consistency in the coming years. In some cases, there are basic remuneration bands per job group / STADA level - market requirements and the internal remuneration structure are always taken into account. These also provide a framework for salary development - for example, they are reviewed once a year in the non-tariff area. This review was last carried out in the first quarter of 2023.

Our remuneration systems are based on neutral and comprehensible criteria, make no distinction between genders and are set out in works agreements in almost all companies in the non-tariff area.

We carry out remuneration analyses at a global level, but these do not reveal any systematic differences in the remuneration of women and men. Should this change, we will respond as a company with appropriate measures. At the same time, we train our managers to ensure fair remuneration.

In addition to the companies mentioned under point 3, we naturally also comply with the right to information of employees from companies with more than 200 employees in accordance with Section 12 EntgTranspG.

3) Average number of employees for 2020 and 2023

Number of employees as at 12/13/2023*

	2023		2020	
Total	1,227	100%	1,078	100%
Women	682	56%	610	57%
Full-time	508	74%	447	73%
Part-time	174	26%	163	27%
Men	545	44%	468	43%
Full-time	531	97%	451	96%
Part-time	14	3%	17	4%

Published on 03/13/2024