



Statement of principles on STADA Human Rights Strategy in accordance with Section 6 (2) LkSG

1. Our Commitment

STADA is a leading manufacturer of high-quality pharmaceuticals and health care products. With a long-standing heritage rooted in pharmacies, we are a reliable and trustworthy partner assuming responsibility for our employees, the society and the environment for more than 125 years. With our products, we help people to protect and regain a dignified and capable life – dedicated to our purpose: “Caring for people’s health as a trusted partner”. We take responsible, lawful and sustainable action as a given.

Our strategic priorities and values are the basis of our entire commitment to a sustainable development in order to lead sustainable business and growth, while achieving a positive impact on people and their health, the economy and the environment. In [STADA’s Code of Conduct](#), we lay out our vision of achieving economic prosperity while adhering to ethical accountability and respecting human rights for many years. We also strive for responsible business conduct with our business partners, the communities where we operate, our supply chain and all business relationships worldwide ([Business Partners Code of Conduct](#)).

This statement describes our commitment to supporting and promoting internationally recognized human rights as well as our social obligation to preserve and protect the environment - summarized in the following as “Human Rights”. In accordance with the German Supply Chain Due Diligence Act ([Lieferkettensorgfaltspflichtengesetz – LkSG](#)), this declaration also describes the processes of our corporate due diligence in dealing with these protected positions.

2. Our fundamental principles with respect to Human Rights

As a global healthcare and pharmaceuticals company, we consider the following fundamental Human Rights principles as priority for our industry and our Group. We expect these to be observed by our employees in our own business operations (including all our production sites and business entities worldwide) and by our business partners in the supply chain. We take the commitment of business partners to respect Human Rights and assume social responsibility as a prerequisite for long-term business relationships.

Fair, safe, and healthy working conditions

We are committed to a respectful working environment with fair and safe working conditions in which employees can perform at their best, be innovative and grow. Occupational safety and health protection are integral parts of the operational management at STADA. Our performance and success are based on the commitment, safety and well-being of our employees. A safe workplace, whether in production, in the laboratories, in the salesforce, in technical or administrative support as well as in the administration offices is of utmost importance. We promote occupational safety and safety procedures appropriate to the workplaces in order to avoid accidents and work-related illnesses. In consultation with our employees and their representatives, we address and remediate identified risks of accidents, injury and health impacts. All employees receive necessary safety instructions, personal protective equipment and regular training and we adhere to all applicable occupational health and safety laws.



Anti-discrimination, social inclusion, diversity and uniqueness

STADA is committed to the principle of equal treatment and does not tolerate any form of discrimination or harassment based on national or ethnic origin, social origin, health status, disability, sexual orientation, age, gender, family circumstances, political opinion, religion or belief. We expect our employees and business partners to treat colleagues and third parties, including customers, suppliers and public officials, with respect, professionalism and fairness. Diversity, social inclusion and equal treatment are cornerstones of our corporate culture and our values strongly contributing to the company's success. Each employee worldwide and across all roles is encouraged to proactively contribute their unique skills and perspectives and, in this way, to nurture creativity and innovation, which are key to STADA's growth culture.

Fair and equal pay

We strive to offer globally competitive wages that are aligned with or exceed local industry conditions or minimum wages. In line with our equal-pay approach we are committed to fair and equal remuneration for work of equal or comparable value, in particular if: a) employees perform the same work, or b) employees perform different work of equal or comparable value. However, different but reasonable levels of compensation may exist for work that is of a different value. We ensure that our compensation elements and conditions of work are assessed in a non-discriminatory way (by valuing skills, individual performance, major tasks and responsibilities and working conditions in each job/job type) and compensating our employees accordingly. We also ensure that the workplace's related organizational structures and processes do not impede employees' access to work-based training, promotions or flexible working arrangements based on gender.

Freedom of association

STADA respects the right to freedom of association and collective bargaining¹ as well as the right of employees to freely decide whether to form or join an employee representative body or union, and whether to be represented or not, in accordance with applicable laws in their place of work. Where employees are represented by a legally recognized union, we are committed to establishing a constructive dialogue with their freely chosen representatives and committed to negotiating collective bargaining in good faith with such representatives. We do not tolerate in our own operations that the formation, joining or membership of a trade union is used as a reason for discrimination or retaliation, and we expect the same from our supply chain.

No toleration of child labor, exploitation and forced labor or modern slavery

At STADA, we are committed to upholding the Human Rights of our employees, local communities and vulnerable groups. We do not tolerate any form of child labor in our own operations and in our supply chain as defined in the International Labor Organization's (ILO) core labor standards.² We adhere to the local minimum age for employment. We prohibit any work by minors that has negative consequences for their mental, social and health development and that violates children's fundamental rights to education, health, protection and participation.

STADA takes a zero-tolerance approach towards any form of modern slavery, servitude and forced or compulsory labor and any form of human trafficking in our own operations and in our supply

¹ Cf. ILO provisions on the freedom of association and protection of the right to organize under ILO Convention 87 and on principles of the right to organize and to bargain collectively under ILO Convention 98.

² Cf. ILO provisions on the prohibition of child labor below the minimum age under ILO Convention 138 and on the prohibition of the worst forms of child labor under ILO Convention 182.



chain.³ All employment relationships must be voluntary, and employees may leave the employer freely provided they comply with requirements for advance notices as specified by applicable law. Employees shall be paid on time and in full for the work they have done. Working times must be adhered to in line with legal requirements. Wages and salaries must be adequate and in conformity with the legal provisions at the place of work.

Protection of environment, nature and society

We acknowledge our collective responsibility to protect nature as the basis of life and our shared duty to protect resources for future generations. STADA's commitment to environmental protection is evident through our efforts to reduce our carbon footprint and waste generation and the responsible use of resources. That is why we constantly strive to make our portfolio more sustainable and constantly strive reducing our impacts on the environment and society. We aim not to cause harmful soil alteration, water pollution, air pollution, harmful noise emission or excessive water consumption, which would significantly impair the natural basis for the preservation and production of food, deny a person access to safe drinking water, impede or destroy a person's access to sanitary facilities or harm a person's health.

When we plan, develop, acquire, operate or close sites we aim to prevent harm to the Human Rights of surrounding communities or the environment. We do not tolerate or participate in unlawful evictions or the appropriation of land, forests or waters that serve as human livelihoods.

Access to health, product safety and quality

In accordance with UN SDG 3 "Good Health and Well-Being", STADA is dedicated to improving the health of people worldwide. In line with our purpose, we ensure an accelerated, cost-effective and reliable supply of medicines. We strive to provide uninterrupted supply of medicines to all our markets and patients in need, while respecting medicines' quality as a category without compromise. Our products that have a direct impact on people's health. For this reason, STADA is responsible for ensuring the Group-wide safety of its products and thus also the safety of patients. In order to ensure that patients are provided with the best possible care, STADA's products are subject to strict requirements across the entire value chain. By way of example, our pharmaceutical products are subject to very high development, production and quality standards, from clinical studies, pharmaceutical risk assessment and release of the products by qualified personnel. Internationally valid frameworks such as "Good Clinical Practice", "Good Manufacturing Practice" and "Good Pharmacovigilance Practice" are in this context particularly important to STADA.

Consideration of international standards, framework and legal requirements

The efforts outlined in this statement are guided by the International Labor Organization (ILO), the Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Right, the Rio Declaration on Environment and Development, the UN Convention Against Corruption, the UN Framework Convention on Climate Change (UNFCCC) as well as the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, the Stockholm Convention on persistent organic pollutants (POPs), and the Minamata Convention on Mercury. We strive to comply with applicable national laws such as the German Act on Corporate Due Diligence Obligations in Supply Chains (*Lieferkettensorgfaltspflichtengesetz – LkSG*) which also aims to promote and protect human rights and related environmental matters.

³ Cf. ILO Conventions 29 and 105 on the prohibition of forced or compulsory Labor and International Covenant on Civil and Political Rights of 1966.

3. Human Rights Due Diligence Process

The identification of risks and potential impacts and the development of effective measures are core elements of our dedicated Human Rights risk management to comply with the Human Rights due diligence obligations.

Risk analysis

The starting point for the Human Rights due diligence is the risk analysis to identify and assess actual or potential adverse human rights and related environmental impacts that may occur at STADA's own business operations or within its supply chain. The risk analysis is conducted once a year and, if necessary, on an ad hoc basis (e.g. in the case of acquisitions, introduction of new products, onboarding of new suppliers). Internal and external findings can also trigger a reassessment of our Human Rights risks.

The comprehensive and ongoing **risk analysis of our own business operations** covers all STADA Group entities worldwide. It is based in particular on outcomes from established processes and internal policies, regularly conducted internal audits, assessments and surveys & employee trainings on various related topics, collection of HSE data and reported grievances and results from external ratings and feedback from dialogue with stakeholders (e.g. investors, health insurers). We regularly conduct anonymous surveys amongst our employees worldwide on employee satisfaction to ensure that the situation and expectations of relevant rights holders are considered. Dialogues and cooperation with employee representatives and between collective bargaining partners are also important sources in this context. We ensure fair and safe working conditions and compliance with law e.g. on equal pay and working hours by way of regular analyses on entity level.

With respect to the analysis of potential **risks in our supply chain**, STADA is supported by a globally operating sustainability risk-mapping and ratings platform. The platform assesses suppliers' risks along a validated methodology taking into account international standards and conventions and publicly accessible sources, such as press and newspaper archives or NGO reports. The platform identifies the specific abstract risk potential for each supplier, taking into account industry and country conditions (risk-based approach). Based on sustainability management assessments through questionnaire-based desktop audits, the provider also identifies concrete risks on supplier level in the areas of environment, labor & human rights, ethics, and sustainable procurement. In addition, STADA reflects information from other sources for the supplier risk analyses (e.g. own purchasing data, personal experience with suppliers deriving from historic relationship, feedback received through complaints channels).

The results of the risks analyses are regularly reported to the STADA Executive Board.

Preventive and remedial measures

Any relevant outcome of the risk analysis will be translated into appropriate measures within the own business operations and the supply chain to prevent and remedy Human Rights risks and violations. Depending on the type and severity of the identified risk or violation, we define appropriate measures. They reach from basic measures such as raising awareness to implementing existing standards, policies & codes to potentially conducting specific on-site audits or developing of individual action plans to prevent, end or minimize severe risks or even violations. STADA reviews the effectiveness of these measures annually or at shorter intervals if needed.

Human Rights aspects play an important role in our purchasing practices and sustainable procurement strategies. We require our business partners to comply with all applicable laws, rules and regulations in the countries they operate or conduct business and we expect that they comply



with the standards defined in this declaration. This includes the implementation of appropriate procedures to ensure respect for Human Rights – including in their own supply chains. With our [Business Partners Code of Conduct](#), we set contractually binding standards on human rights, environmental matters and ethical standards with partners in our direct sphere of influence. Depending on the result of the risk analysis, we strive to secure that our contracts with the respective suppliers will contain special clauses to prevent or minimize the risk of Human Rights violations.

If STADA has substantiated knowledge of a violation by indirect suppliers, we will take appropriate measures in this respect to also support our indirect suppliers in complying with Human Rights obligations.

Handling of concerns and complaints procedure

We take all complaints or reports related to Human Rights risks or violations raised by our own employees, employees of our business partners and other whistleblowers very seriously. STADA's [Compliance Reporting Portal](#) is our key channel for any concerns, complaints, and grievances among others regarding violations of Human Rights-related obligations; another reporting option is via the [Ombudsman](#) and/or via our Compliance Department via email at compliance@stada.com. The reporting channels are open to the public. Besides our employees, all external stakeholders (such as suppliers, service providers, customers, patients, members of local communities, etc.) and every person potentially affected can report violations of Human Rights at STADA or its business partners. The reporting channels are published [on STADA's homepage](#), are available worldwide free of charge, can be used anonymously and are available in many languages. Inadequate preventive and remedial measures to protect Human Rights can also be reported accordingly.

We ensure that all reported complaints are handled in a confidential manner and keep complainants informed during the entire process of the status of the complaint raised. STADA will not tolerate retaliation against anyone who seeks advice or reports misconduct in good faith.

Documentation & reporting

STADA will prepare and publish annual reports on the fulfillment of the due diligence obligations with respect to Human Rights including the measures taken and their progress within the framework of the relevant legal requirements. We will document all relevant Human Rights due diligence activities and retain the documentation in accordance with applicable laws.

Monitoring effectiveness and continuous development

We continuously monitor our Human Rights risk management process and the effectiveness of the measures for our business operations and our supply chains to account for changes and learning effects. Based on the results, we will update any remedial or preventive actions, as necessary. This declaration of principles on our Human Rights Strategy will be reviewed periodically and on an ad hoc basis and amended as necessary to ensure it is up to date.

Governance

The STADA Executive Board, under the supervision of the STADA Supervisory Board, is responsible for the overall strategic direction of the company and ultimately decides on our approach and practices to respect Human Rights. It is supported by the STADA Sustainability Steering Committee consisting of executive and senior managers at STADA from various functions.



The Executive Board has implemented a cross-functional “Human Rights due diligence body” with representatives from corporate functions Health, Safety and Environment (HSE), Procurement, Culture & People and Legal & Compliance. The team assumes the task of the “Human Rights Officer” to monitor the due diligence processes of the Human Rights risk management. They report to the STADA Executive Board on an annual and if needed ad hoc basis (cf. Sec. 4 (3) LkSG).

4. Closing remarks

This declaration of principles serves as a compass for us, our employees and our business partners for our business activities. It was adopted by the STADA Executive Board in December 2023. (Version 1.0).

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