

Assuming
responsibility.
**Growing
sustainably.**

Sustainability Report 2023





About this report

With every service and solution we provide to our customers, we are dedicated to the well-being of people around the world. And with everything we do, we aim to act reliably and responsibly – in social, economic, and environmental terms. As a successful partner to global pharmaceutical companies, we align our own sustainability objectives with the United Nations' 17 Sustainable Development Goals (SDGs).

This report follows the German Sustainability Code (GSC) guidelines. Individual sections and subsections are based on the GSC's suggested structure, which consists of 20 different aspects and criteria. For improved readability, we have listed these criteria and aspects in the appendix. The performance indicators, which demonstrate how

effective our actions are, are featured separately. All key figures and information refer to our German sites.

The topics and actions also follow the internationally recognized Sustainability Reporting Standards (SRS) of the Global Reporting Initiative (GRI) and their principles of completeness, materiality, and stakeholder inclusiveness.

Abbreviations are explained when they first appear in the report, and a complete list of abbreviations is provided in the appendix.



The
SUSTAINABILITY
Code
Signatory **2023**

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Human rights

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Corporate citizenship

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Political influence

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Conduct in compliance with laws and regulations

The statement was prepared in accordance with GRI SRS reporting standards.



General information

Offering **top-quality** medicines for people who need them – that is our **objective** as a leading pharmaceutical and biotech service provider. In providing our range of services, we **embrace responsibility** and lead the way in the industry. Our social and environmental **commitment** as a company goes far beyond our legal obligations.



01

Peter Sölkner and Thomas Otto

Managing Directors



Dear Readers,

At Vetter, we were early to acknowledge that the only way to achieve sustainability is to pursue it as a continuing process, a lasting mission, and a collective endeavor. We will only have a sustainable impact if we are truly prepared to take action today for a happy tomorrow with a fully responsible mindset – economically, environmentally, and socially.

For many years now, we have been putting our comprehensive Environment, Health, and Safety (EHS) program into effect to seize promising opportunities to become even more sustainable across all dimensions of our activities. We have also taken another step forward in 2023. To support the vision of a more inclusive and sustainable economy, we are now part of the Science-Based Targets initiative (SBTi) and are actively campaigning for a science-based target for climate action. As one of the largest employers in our region, we have joined Baden-Württemberg's "Verkehrswende in der Arbeitswelt" alliance, which aims to offer our employees a net-zero-emissions option for their commute to work.

We are committed to ensuring occupational safety and protecting the environment, to implementing energy efficiency actions, to operating resource-saving production processes, and to ensuring comprehensive waste recycling, and we also comply with the new German Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz; LkSG). Our sites have been operating with green hydroelectricity since 2014, and we have been globally carbon neutral since 2021. We have already done a great deal, and we can be very proud of that fact. But we will not stop working with our employees, customers, and partners to achieve even greater sustainability.

Thomas Otto


Peter Sölkner

Vetter at a glance

> 70 years 
of experience
as an independent family business.


> 125 
customer trust us.

24 
cleanrooms
in European and US production sites.

 **80 %**
of our projects deal with complex
biologically active
ingredients.

 **7** countries
are home to our production sites
(Germany, Austria, USA) and sales and
marketing organizations (South Korea,
Japan, China, Singapore).

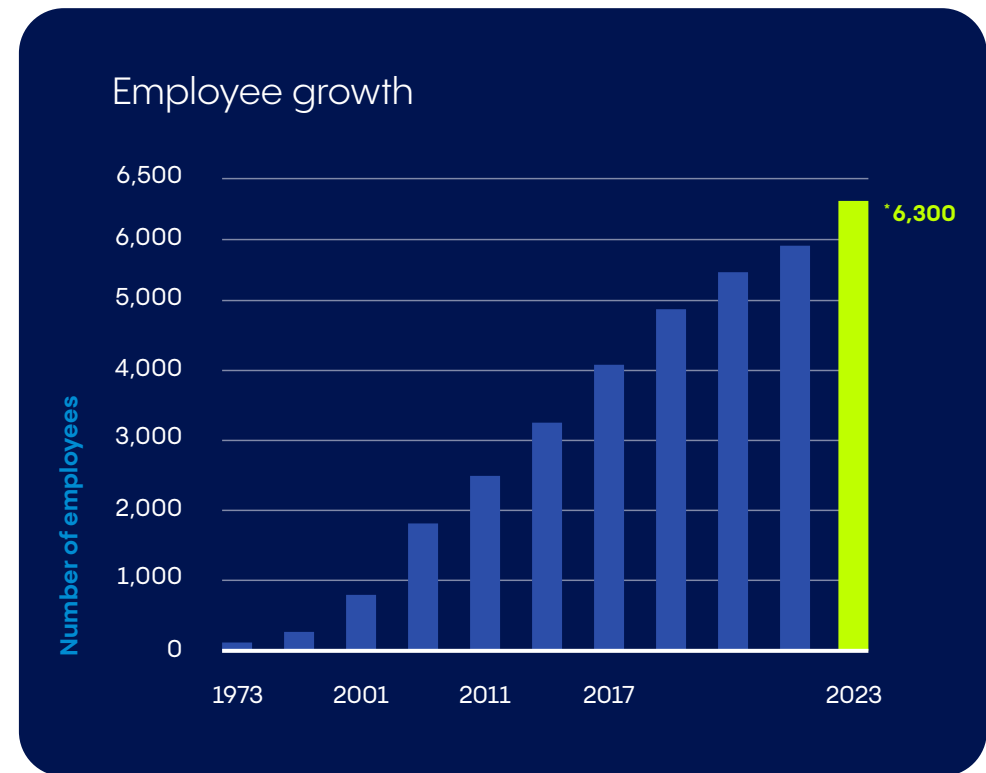
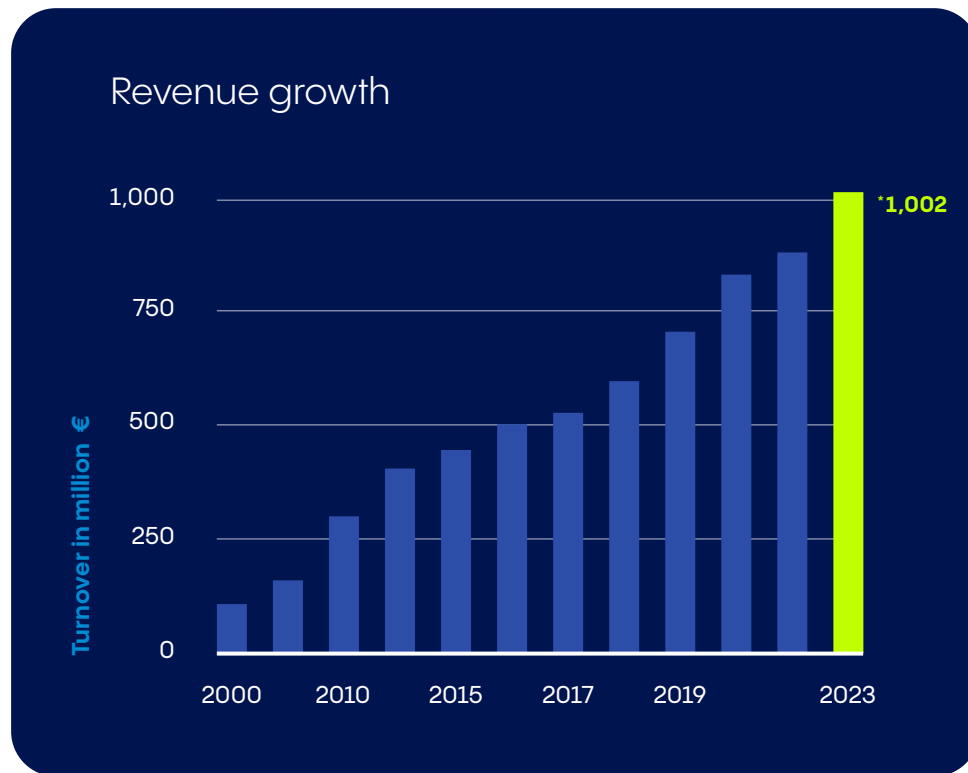
110 
commercial
products
are made by us.

210 million 
filled units
of injectable drugs in 2023.

> 40 years 
of experience
in aseptic filling and packaging.

6,300 
employees
from 76 countries of origin.

Growth at Vetter



*These figures refer to Vetter worldwide.

From Ravensburg to the world

In 1950, our company founder Senator h. c. Helmut Vetter leased a small pharmacy in Ravensburg, Germany. Over time, it grew into an internationally operating family business, which today employs 6,300 people worldwide. Staying true to its roots, the business is still headquartered in Ravensburg after more than 70 years. In addition to our clinical production facility in Rankweil, Austria, we also operate a development site in Chicago, USA. We also have sales offices in the Asia-Pacific area today to serve our customers in the region.

Skokie and
Des Plaines (USA)

Ravensburg,
Langenargen (GER)
and Rankweil (AT)

Incheon
(KOR)

Tokio (JPN)

Shanghai (CHN)

Singapur (SGP)



Family business, global player

Vetter is at home all over the world and works as a specialized provider of services to international pharmaceutical and biotech companies of all sizes. We take responsibility for the well-being of countless patients across the globe. In order to treat diseases such as multiple sclerosis, severe rheumatoid arthritis, and cancer, we fill active ingredients into syringes and other injection systems and package the products. With many years of experience working

with international regulatory authorities, we support our customers in developing new drugs and filling them for clinical trials in the run-up to approval. To this end, we offer a diverse range of testing and analytical procedures. Once a drug is approved, we take care of its manufacture, from the compounding and aseptic filling to the quality control and final packaging.

Awards for Vetter in 2023



Family-Friendly Employer

We have received Family-Friendly Employer status. This designation is awarded each year to organizations that are particularly committed to being a family-friendly place to work by the Employers' Associations, the Baden-Württemberg State Family Council (Landesfamilienrat), and the Baden-Württemberg Ministry of Economic Affairs, Labor, and Tourism.

Leading Employer Award 2023

In the world's most comprehensive study of employer qualities, we were honored with the Leading Employer Award 2023 and ranked among the top 1% of all participating organizations.



EcoVadis platinum status

In the EcoVadis sustainability rankings, we again improved significantly in 2023. As a company, we are now among the top 1% in the industry and have achieved platinum status.

Frost & Sullivan Best Practice Award 2023

In the global consulting firm's annual rankings, we were recipients of a 2023 Frost & Sullivan award in the Customer Value Leadership category.



Environmental Management Award 2023

Every year, the German-Austrian Environmental Management Conference issues awards to organizations that have distinguished themselves as pioneers of sustainability in the interplay between economic, regulatory, and environmental challenges. The fact that we received the award in the Sustainable Business Development category shows that we are on the right track with our efforts.

Axia Best Managed Companies Award

For the fourth time in a row, Vetter was named one of the best-run medium-sized companies.



CDMO Leadership Award

For the second time, we were successful in all six core categories of the CDMO Leadership Award. We also received three Champion awards.

Sustainable Impact Award (SIA)

For the second time in a row, we won the Sustainable Impact Award from *WirtschaftsWoche* magazine, gaining first place in the Impact of Social Engagement category.



Sustainability at Vetter

32.3 

percent of the **waste**
is **recycled**

2,400 

ergonomic consultations
since 2017

> 33
million 

kilowatt-hours of
energy saved
since 2012

41 

preventive actions
and **events** on the
topic of health

134 

trainees and **working**
students currently work
with us

23 

occupational training
and **study courses**
complement our train-
ing offerings



Strategy

By joining the **Science-Based Targets initiative (SBTi)**, which promotes and sets out science-based climate targets, we are proving our commitment to the 1.5 °C (2.7°F) target specified in the Paris Climate Agreement. **Our goal** is to **reduce annual emissions by 4.2%** by 2030, then reach net zero by 2050.



02

Strategic analysis and actions

Sustainability: A corporate mainstay

Sustainability is a vital component of our “Vetter NEXt 2029” strategy program and is firmly embedded in our corporate philosophy. In the responsibility and sustainability context, we are proactively taking important steps – including to reduce emissions, find eco-friendly packaging alternatives, and ensure sustainable procurement – whose strategic implementation is already underway.

We keep a close eye on the impact of our actions as a company and remain open to input from our partners, patients, employees, and many other stakeholders. Our goal is to consistently and sustainably improve how we do business. We formulate actions and targets at the management level, in active collaboration with different areas of the company.

Continuous development



2011

DIN ISO 14001 Environmental management
DIN ISO 45001 Occupational health and safety management

2014

DIN ISO 50001 Energy management
100 % renewable electricity from hydropower



2017

Signing the German diversity charter “Charta der Vielfalt”

2020

CO₂ neutrality for Germany



2021

CO₂ neutrality worldwide
Sustainability management

2022

First sustainability report for 2021
Joining the UN Global Compact Network



2023

Joining the Science-Based Targets initiative

We are part of the world's largest sustainability initiative

Vetter joined the **UN Global Compact Network** in 2022.

We are committed to the **ten universally recognized principles** in the following areas:



Human rights



Labor standards



Environment



Anticorruption



Our participation in the UN Global Compact Network is an important step in pursuing sustainability at a global level. Sustainability is one of our strategic goals. We strive for continuous improvement, in particular because drug products are very resource-intensive as a result of the requirements governing them.

Henryk Badack

Senior Vice President Technical Services & Internal Project Management

WE SUPPORT



The principles of the UN Global Compact

As part of the UN Global Compact, the world's largest sustainability initiative, we also agree that our activities will be guided by its ten recognized principles on human rights, labor standards, the environment, and anticorruption.

Businesses should ...

1. ... support and respect the protection of internationally proclaimed human rights.
2. ... make sure that they are not complicit in human rights violations.
3. ... uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. ... uphold the elimination of all forms of forced and compulsory labor.
5. ... uphold the effective abolition of child labor.
6. ... uphold the elimination of discrimination in respect of employment and occupation.
7. ... support a precautionary approach to environmental challenges.
8. ... undertake initiatives to promote greater environmental responsibility.
9. ... encourage the development and diffusion of environmentally friendly technologies.
10. ... work against corruption in all its forms, including extortion and bribery.

Sustainable Development Goals (SDGs)

Below is an excerpt of our SDG-relevant initiatives:



3 GOOD HEALTH AND WELL-BEING

- EGYM Wellpass
- Corporate supplementary health insurance
- Free health checkups for employees
- Viva Familien-Service
- Donations in the healthcare sector
- Ergonomic work environment
- My safe route to work (EHS tool)
- Employee counseling service
- Reducing commuting accidents
- Commuter cycling campaign 2023

4 QUALITY EDUCATION

- DKMS blood-typing campaign
- Training offer
- Vetter Academy
- Little Scientists Foundation
- Trainee master's program
- GoodHabitz online learning platform
- STEM initiatives
- Vetter Kids
- Parent-child office

6 CLEAN WATER AND SANITATION

- Part-time executives
- Water-use efficiency
- Wastewater testing
- Residue incineration

7 AFFORDABLE AND CLEAN ENERGY

- Investments in energy efficiency
- Photovoltaic systems on roofs and exterior walls
- Green electricity
- DIN ISO 50001 Energy management systems
- Several biogas cogeneration plants
- CO₂ certificates for renewable energy promotion
- E-charging stations
- Geothermal energy

8 DECENT WORK AND ECONOMIC GROWTH

- Investments in energy efficiency
- Photovoltaic systems on roofs and exterior walls
- Green electricity
- DIN ISO 50001 Energy management systems
- Injury incidence per 1,000 employees
- Business Partner Code of Conduct
- Equal salaries
- Company retirement plan
- High corporate growth

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- DIN ISO 45001 Occupational health and safety management
- Hackathon and Innovation World Café
- V3 ideas management
- State-of-the-art technologies
- ISO 14001 Environmental management system
- Stakeholder engagement
- IT infrastructure according to German KRITIS requirements and maturity assessment based on DIN ISO 27001

10 REDUCED INEQUALITIES

- German diversity charter "Charta der Vielfalt"
- German businesses' integration initiative
- Diversity Week
- Subsidies for daycare
- German "Alliance for transport transition in the world of work"
- TWS Rad (e-bike rental)
- Bicycle workshop series

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- KfW standard for energy efficiency
- JobTicket
- JobRad
- Dedicated bike parking spots
- Waste recycling
- Mobile phone collection program
- Supplier assessments
- Energy monitoring system

13 CLIMATE ACTION

- "Sustainability in everyday life" presentation
- CO₂ neutrality
- "Klimaretter – Lebensretter" initiative
- Tree planting campaign
- SBTi
- Code of Conduct
- Grievance management system
- Modern Slavery Statement
- Policy Statement on the Respect for Human Rights

17 PARTNERSHIPS FOR THE GOALS

- Guidelines on social responsibility (DIN ISO 26000)
- Human Rights Committee
- Company-wide compliance risk analysis
- Vetter Goes Social
- EnBW Energy Efficiency and Climate Protection Network
- UN Global Compact
- Climate Network EnBW
- German Association of Research-Based Pharmaceutical Companies
- Transportation network

Recognizing and assuming responsibility

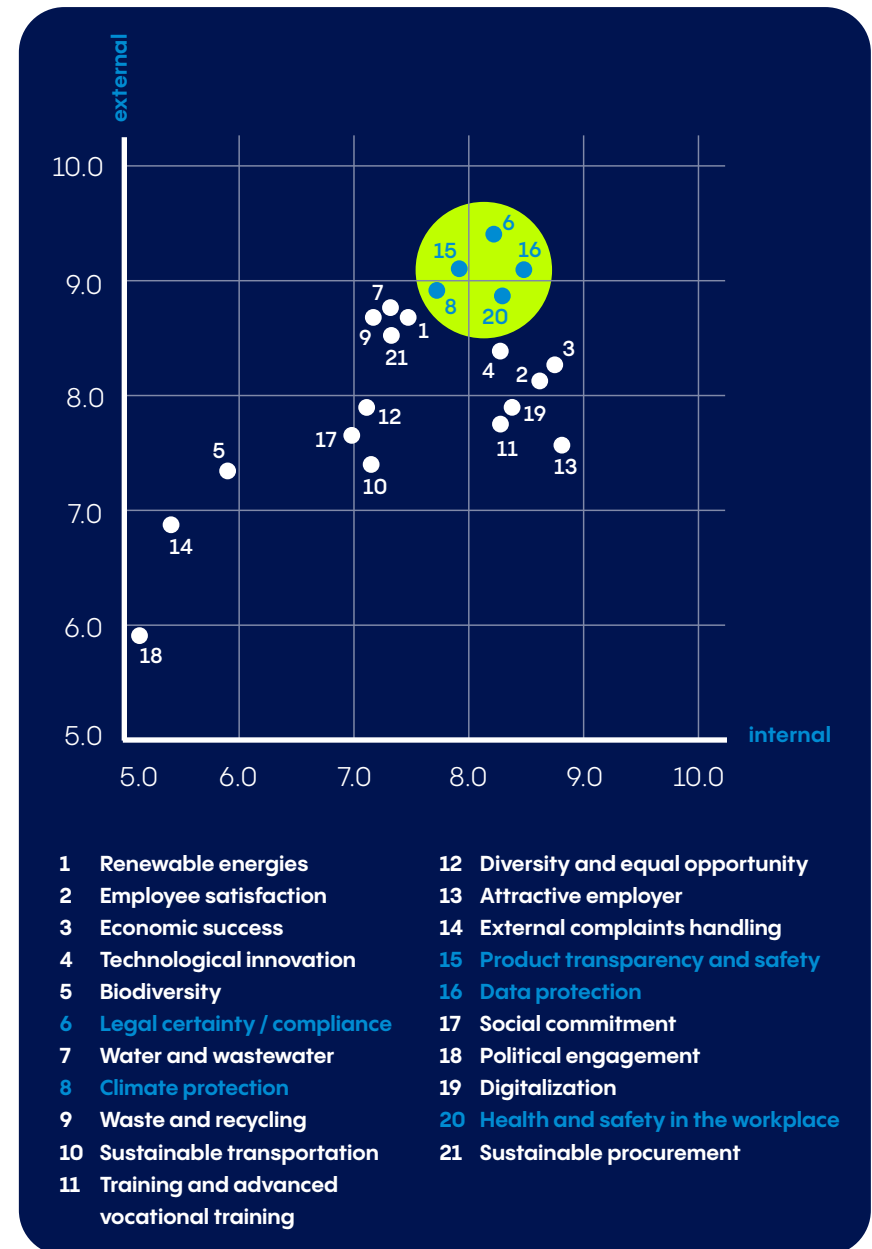
The activities we undertake as a business pursue a goal to which we are firmly committed – we want to improve the quality of life enjoyed by millions of people worldwide. However, our industry’s strict regulatory requirements still sometimes prevent us from fully realizing our sustainability potential. However, we continually search for the most efficient and sustainable way of attaining our goal, such as through collaborative partnerships and various company-wide sustainability initiatives.

Materiality analysis

Operating sustainably also means having our finger on the pulse at all times, taking new findings into account, and flexibly aligning the company to changing needs. To meet these requirements, we have repeatedly put our existing materiality analysis (first carried out in 2021) to the test in our Sustainability Circle and factored in new developments, crises, and incidents from the past year, before signing off on the resulting assessment. In addition, the Core Sustainability Team is currently working on a materiality analysis that meets all the requirements of the Corporate Sustainability Reporting Directive (CSRD).

The evaluation, which takes into account both the SDGs and the DIN ISO 26000 guidelines on social responsibility, identified 21 core topics. Also included in this analysis is the external impact our company has, or the outside-in perspective. We surveyed eleven external stakeholder groups, including customers, service providers and suppliers, public authorities and agencies, credit institutions, local communities, educational institutions, and potential employees.

To get a reliable picture of the company’s internal self-perception, we surveyed management, employees, the Advisory Board and the Works Council. This is how we keep an overview of the current situation from both within and outside the company and how we understand the key issues that shape our work and are particularly important to us and our stakeholders (see graph).



Environmental, economic, and social opportunities and risks

In addition to the environmental, social, and governance (ESG) standards for sustainable and ethical business practices, our top priorities include growth and the aspiration to always act as a dependable partner for our customers. We divide the opportunities and risks resulting from this unconditional requirement for a growing company such as Vetter into three categories: economic, social, and environmental.

Opportunities and risks in the economic context

According to the German Federal Office for Information Security (BSI), the increase in cyber attacks is a specific risk that particularly affects pharmaceutical companies. Although ongoing digital transformation has many benefits to offer, it also brings potential risks in terms of cyber security. Increasing attacks and security breaches pose a significant threat that we must combat comprehensively to protect our infrastructure.

The energy transition – the important process of moving toward a sustainable and environmentally friendly energy supply – also poses challenges for us at Vetter. While ensuring that our business and production processes are run in a sustainable manner is a top priority for Vetter, there is a significant risk when it comes to security of supply. Increased renewable energy generation may affect the stability of the electrical grid, especially when the availability of solar and wind energy fluctuates. This can lead to shortfalls in the power supply.

The issue of stable and secure supply chains also remains fraught with risk from Vetter's perspective. Crises, wars, and conflicts such as the escalation in the Middle East show that subjecting supply chains to risk assessment and implementing mitigating action must remain a high priority. As can currently be seen along the passage to the Suez Canal in the Red Sea, conflicts of this type have direct impacts on global trade routes. Transparency in supply chains is therefore a significantly important aspect in order to prepare for possible supply flow interruptions, security risks, political instability, and trade disruptions, as well as for organizations to minimize the impact on their own supply chain.

Opportunities and risks in the social context

We proactively respond to overarching risks that arise in areas such as compliance, antidiscrimination, and the like by drawing on the values and actions that we have made part of our Vetter strategy.

This includes providing our employees with an open and trustworthy work environment. We integrate workforce planning and recruitment processes comprehensively into our organizational planning to make new staff recruitment as sustainable and risk-free as possible (e.g., with regard to labor shortages). An attractive work environment, flexible work time models, and targeted employee development are part of the package we offer to convince people to work at Vetter. We are also ensuring our future success as a company by implementing

strategic skills management and by developing and establishing a consistent organizational design. In general, we implement a forward-looking work environment within the organization so that we can respond flexibly to changing requirements and needs. Important aspects of this include promoting diversity, making sure the way we work meets the needs of those concerned, and an innovative and innovation-friendly organizational culture.

Opportunities and risks in an environmental context

Even sustainably-based growth entails risks for the organization, which we at Vetter mitigate by taking various strategic actions to sufficiently account for the environmental impact of our activities.

Our sustainability culture includes important environmental steps such as reducing our environmental footprint, conserving natural resources by using innovative process technologies, and strategic plant and site development. We involve stakeholders in these decision-making processes to ensure transparency and accountability.

Our goals

Sustainability moves with the times, always presenting us with new challenges. We likewise forge ahead with our goals and continuously define new standards in sustainability. We also strategically drive the development of new requirements. Our initiatives follow well-known standards such as the Paris Climate Agreement.

In close cooperation with our company divisions, we regularly assess whether we are satisfactorily meeting our goals both qualitatively and quantitatively. We identify new fields of action, come up with reasonable next steps, and prioritize based on factors such as legal compliance, changing circumstances, and necessary strategic course corrections. The current target year for our strategy is 2029. We use the Key Performance Indicators (KPIs) for 2019 as a basis for comparison to evaluate our progress.



> 416 t CO₂ emissions cut

by switching from natural gas to biogas cogeneration

Conserving resources, reducing emissions

The key strategic sustainability goals in our EHS program are to reduce overall energy consumption and emissions. First, we plan to reduce this environmental impact by 10 % relative to Gross Value Added (GVA). In addition, we have adopted the science-based approach of the Paris Climate Agreement as part of our strategy. Accordingly, we are aiming for an annual 4.2% reduction in CO₂ emissions from the base year of 2021. We are looking to

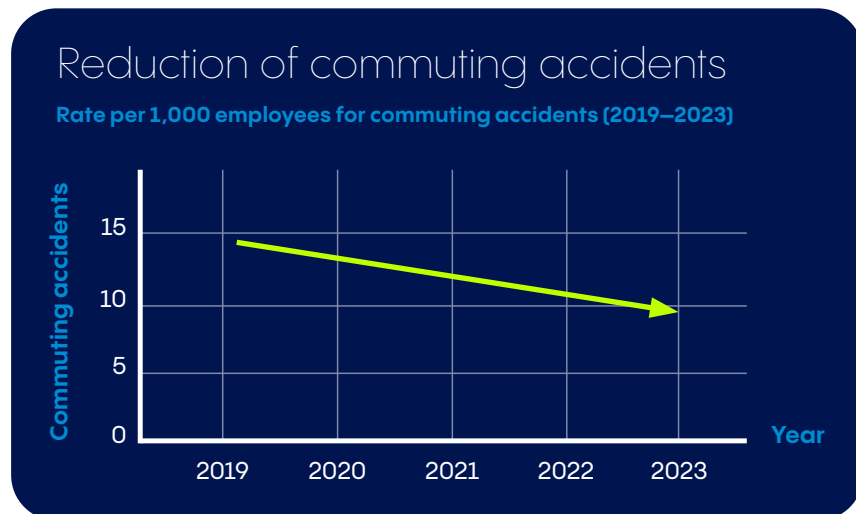
achieve net zero in all scopes by 2050, and by 2040 at the German sites in scopes 1 and 2.

We are also working hard to minimize the negative environmental impact of commuting by ten percent. More details on the targets and their trajectories are provided in the ["Environment"](#) section of this report. These objectives are primarily aimed at delivering on SDGs 7, 11, and 13. >

Improving occupational safety

Vetter assumes responsibility for its employees and works consistently toward the goal that is embedded in the EHS program of reducing the recordable incident rate for commuter accidents per 1,000 employees by ten percent by 2029. The recordable incident rate per 1,000 employees is a key performance indicator at our employer’s liability insurer, BG RCI. By analyzing performance indicators such as these, we can gain important insights to help us come up with targeted preventive actions. We collect and track data concerning how occupational safety is developing at Vetter on an ongoing basis. The current rate stands at 9.93; in 2019, it was significantly higher at 13.93. We have succeeded in reducing the rate by implementing preventive actions; by doing so, we exceeded our target and are working to maintain this rate.

We are continually expanding the range of information on occupational safety that is available to employees. For example, we utilize transparent and guiding communication to ensure that the locations of first aid facilities are clearly recognizable to employees everywhere at all times. We have effectively reduced distances to our defibrillator points by making a series of upgrades.



Checking for sustainability

Important tools for ensuring the effectiveness of our sustainability actions include successful audits by the German Association for the Certification of Quality Assurance Systems (DQS), customer audits, and conversations with our customers. Furthermore, EcoVadis independently and transparently reviews our progress on a regular basis. The recognition from EcoVadis, an international provider of sustainability rankings for global supply chains, is evidence of the sound design and success of our sustainability actions.

Top 1%

of companies evaluated globally in EcoVadis sustainability rankings



Relative to 2022, we were able to increase our overall score from 72 to 79 out of 100 points and are now among the top 1% in the EcoVadis sustainability rankings across all sectors.

This excellent rating is a testament to our commitment and a powerful argument for our customers, who naturally pursue their own sustainability strategies.

Our rise to the top 1% of companies ranked was sparked by factors such as our commitment to the UN Global Compact, the transparent reporting in our sustainability report, the introduction of new initiatives such as supplier assessments aimed at ensuring a sustainable supply chain, and our social and environmental risk assessments.

Depth of the value chain

Raw materials and packaging

As a successful partner to global pharmaceutical companies, we have a responsibility to respect human rights, to actively prevent human rights violations in both our own area of activity and our global supply chain, and to protect the environment. We take action in the firm belief that business can only be done sustainably if people and the environment are in harmony.

In 2023, we implemented new business processes that allow us to safely and quickly identify, eliminate, or minimize actual violations of human and environmental rights both within our own operations and outside them in our supply chain.

Our Human Rights Committee – consisting of employees with the relevant responsibilities from the EHS, Finance, Compliance, and Procurement departments – helps us implement these processes to minimize risk, monitors compliance with them, and works to continue developing them together with the relevant departments within the organization. The chair of the Human Rights Committee is our human rights officer.

In the first step of the in-depth review of our value chain, we subjected our own operations to an initial risk analysis according to the provisions of the German Act on Corporate Due Diligence Obligations in Supply Chains. We did not identify any relevant risks and/or violations of human rights or environmental due diligence obliga-

tions under the LkSG. As a result, we can now place an even stronger focus on our global value chain in order to prevent risks and violations regarding human rights and the environment.

As part of this risk analysis, we priority-weighted our direct suppliers according to country- and industry-specific risks, then sorted them according to potential risks in terms of human rights, labor law, and the environment.

In 2023, our focus in this regard was on direct suppliers with a medium to high risk of human rights and environmental violations. The findings of our screening with the support of our partner EcoVadis and the responses of our business partners to an internally developed questionnaire resulted in a series of guidelines for evaluating identified suppliers and classifying them into risk categories.

If supplier activities fell into one of the risk categories, we took risk-based preventive or corrective actions depending on the scale of a potential hazard and our ability to influence the supplier in question. We monitor the implementation of the preventive and corrective actions agreed with the suppliers at regular intervals. If these do not work (e.g., due to a lack of cooperation), we take the necessary steps on our own behalf to protect human rights and the environment. We also put new suppliers through this screening process. >



Had we become aware of any suspected or confirmed violation of human rights or environmental due diligence obligations, we would also have reviewed all other direct or indirect suppliers falling outside this priority weighting and taken appropriate action. However, there was no specific reason to review our suppliers in the 2023 financial year.

In summary, to date, we have conducted our risk assessment for more than 2,000 suppliers. 172 of these suppliers are also part of the EcoVadis sustainability rankings and have their own scorecard evaluating

their business activities. 37 suppliers responded to our internal questionnaire, and we held direct conversations with one supplier. In total, we have initiated more than 210 preventive or corrective actions in the human and environmental rights field for 57 suppliers under EcoVadis.

We have also implemented a complaints procedure that enables company employees and external parties to report risks and violations of our human rights and environmental due diligence obligations. Reports and complaints can be made both in person and anonymously.

We provide the German Federal Office for Economic Affairs and Export Control (BAFA) with timely documentation of our risk analysis and the actions we have taken.

As part of our efforts, we carry out an annual effectiveness review of this risk assessment procedure, consistently developing and refining the process. Our aim is to identify and correct impending shortcomings in our own operations and our supply chain as early as possible and to initiate preventive actions in order to fulfill our ethical, social, and environmental responsibilities.

The Vetter value chain



Security and logistics

Behind our customers and the products we manufacture are millions of patients around the world who trust in the safety of their medicines. Ensuring the highest standards of quality along Vetter's entire value chain is our goal.

Our work is founded on a standardized, cross-site Quality Management System (QMS) and on the established processes and structures that are in line with the continuously updated Current Good Manufacturing Practice (CGMP) regulations. We also closely monitor our industry's regulatory environment in order to translate new developments and requirements into programs that we implement as quickly as possible. Our quality management system and established processes and structures are reviewed in 10 to 20 annual inspections by international authorities and in more than 50 customer audits.

We also maintain an intensive, trusting, and constructive dialog with our packaging materials suppliers, who are vital to our supply chain. They are qualified through our supplier management system and also regularly audited in various quality-relevant categories. In the interest of our customers, but also of our own company, we conduct regular meetings to review the social and environmental frameworks for EHS aspects, discuss nonconformities, and determine actions for optimization. Once the product has been successfully manufactured, and the (optional) secondary

packaging completed, the final product is available at Vetter for our customers to pick up. At the logistics site's loading ramp, the responsibility for the product – for pickup and transport, including transportation costs, means of transportation, and import and export handling – is finally transferred to the customer.



Process management

As a company **committed to sustainability**, we are not afraid to take a critical look at the heart of our organization: our processes and how they are managed. Our **processes are developed with sustainability** in mind, and we proactively implement new processes that serve **our goals**.



03

Responsibility

Creating sustainable value: This is the declared goal of our strategy. Our Managing Directors are responsible for the successful implementation and monitoring of this strategy, Vetter's Environment, Health, and Safety (EHS) department is staffed by two certified Sustainability Managers who support and document the organization of all relevant actions. Henryk Badack, Senior Vice President Technical Services & Internal Project Management, and Benjamin Walter, Vice President Internal Project Management & EHS, lead these efforts at the highest level.

Though the actions are initiated and coordinated by individual departments, sustainability is an inherently interdepartmental topic that profits from the constructive cooperation of all involved.

Another strategic institution is our Sustainability Circle, which meets regularly and offers a forum to discuss current issues, to identify new actions, to evaluate ideas, and to determine implementations. To fully integrate sustainable development, we ensure that permanently repre-

sented divisions – each of which is dedicated to specific tasks – cooperate effectively. These include Corporate Health Management (CHM), Engineering, EHS, Human Resources, Treasury, Procurement Engineering and Procurement Pharma, Legal, HR Development, Marketing, Corporate Communications, and Vetter Optimization Systems (VOS).



Left to right:

Benjamin Walter, Vice President
Internal Project Management & EHS

Paula Wund, certified
Sustainability Manager

Gabriel Fischer, certified
Sustainability Manager

Henryk Badack, Senior Vice President
Technical Services & Internal Project Management

Rules and processes

Economy, environment, and society in harmony: This is the principle we follow in our day-to-day work, across all areas and processes. As an international contract development and manufacturing organization (CDMO), we comply with numerous country-specific laws and regulations that govern occupational health and safety, environmental protection, and energy use.

Comprehensive management system for process implementation

Our company-wide EHS management system is part of our business and helps us to effectively introduce and implement rules. It maps a broad range of strategic and operational actions for energy use, environmental protection, and occupational safety. Our cyclical four-step "Plan, Do, Check, Act" (PDCA) method allows us to identify and avoid recurring errors and to continuously improve existing processes.

Understanding responsibility as a greater whole

Our integrated management system (identify, implement, inform) helps us better understand context, assess risks and opportunities, and provide resources. We improve the EHS performance of specific activities by engaging in cross-functional collaboration, employee

communication, and new initiatives. Mandatory training on EHS and compliance topics help instill sustainability standards in the Vetter workforce.

We also communicate how we understand our responsibilities to the outside world in our collaboration with customers and partners through various sets of rules, such as our Code of Conduct, our Business Partner Code, and our Human Rights Statement.

The ISO standards we apply

We have based our EHS policy and its strategic objectives for continuous improvement on standards such as DIN ISO 45001 (occupational health and safety), DIN ISO 50001 (energy management), and DIN ISO 14001 (environmental management). This policy's potential stems from the way opportunities and risks are linked to these objectives, for which our EHS program provides an appropriate basis for action and raises awareness within the organization.

The leading German Society for the Certification of Management Systems, (DQS), has certified that our EHS management satisfies all requirements under international standards without exception. As a result, our certificates for occupational safety and environmental and energy management are valid for three more years, including at our site in Austria since 2023.

DQS certification for occupational health and safety management systems



Controlling

Sustainability initiatives are only as good as their long-term effects. We rely on various indicators to check the efficiency of individual actions. Common DIN standards such as ISO 14001, ISO 50001, and ISO 45001 are helpful monitoring tools. Likewise, our EHS program guides many of our actions, such as those for conserving resources and saving energy.

All KPIs are included in an annual management review, which is evaluated by the Managing Directors. Another part of the Vetter NExT 2029 organizational strategy is a plan to further expand this monitoring body for sustainability activities by involving more divisions. In addition, we are working with various divisions to develop new targets and KPIs on an ongoing basis.

A foundation of stable KPIs

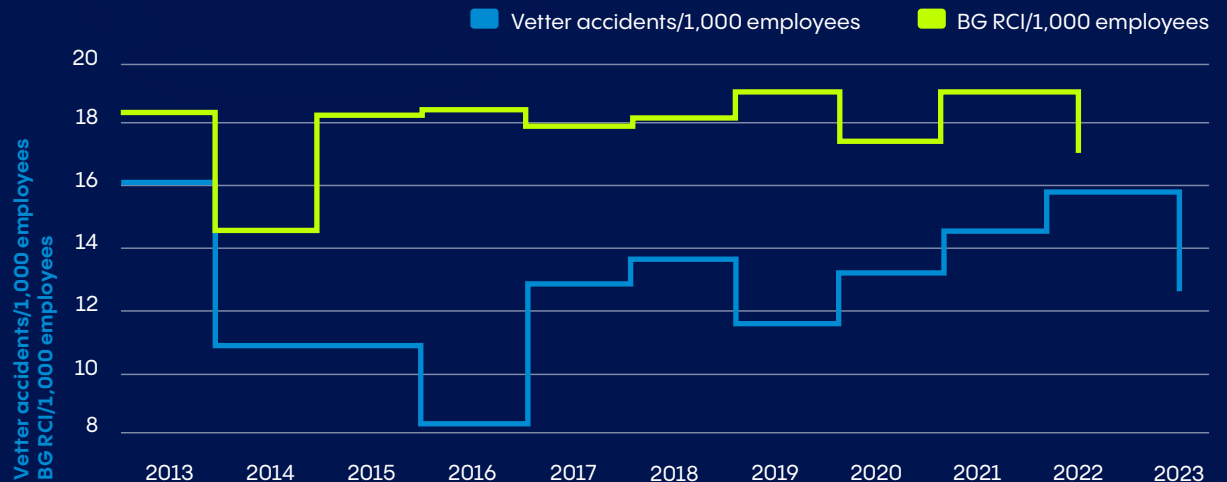
Successful optimization relies on establishing meaningful KPIs and ensuring that they are transparent. An internal KPI manual confirms the reliability of our corporate data. All EHS-relevant key figures are checked and displayed by the Data-Based Integrated Management System, or DAIM for short, ensuring that we can quickly detect deviations, risks, and opportunities. We can, for example, compare energy consumption and productivity levels over time and across sites by using specific indicators as well as our energy monitoring system and its more than 1,000 connected meters. Other yardsticks of our progress include the recordable incident rate for work

accidents per 1,000 employees, which is used for comparison purposes externally, for instance, by employers' liability insurance associations. The data we collect is reviewed during regular internal and external audits conducted by parties such as government authorities, employers' liability insurance associations, property insurers, customers, and certifiers. The EHS Steering Com-

mittee comprising experts from various departments also makes key decisions regarding occupational safety, health, and environmental protection. All the supervisory bodies within our EHS structure are proof of how seriously we take our responsibility for people and the environment.

Continuous reduction of work accidents

Accident rate lower than industry average*



* German Social Accident Insurance Institution for the Raw Materials and the Chemical Industry (BG RCI)

The mission that guides our actions

Key performance indicators for criteria 5 to 7

» KPI for GRI SRS-102-16:
Values

Values keep communities together. Our corporate mission statement conveys the principles that define our corporate identity and guide our actions. We have also devised, developed, and established leadership principles based on our strategy. Responsible corporate governance embodies a core value that we want to live by as we expand to new markets, recruit new specialists, and conduct all our entrepreneurial activities. Our corporate mission statement expresses the three values for which we stand.

Our values

As part of our 2023 brand strategy, we have worked together with the employees, executives, Managing Directors, and the owner families in a cross-departmental project to identify the core values that define Vetter's character.

In the end, there were three strong adjectives that accurately characterize our values: responsible, progressive, and responsive.

These values guide our actions in line with our stated purpose: We are there for the people who rely on us. In our work at Vetter, we act responsibly – embracing quality, due care, and sustainability in our dealings with each other, while considering the environment and future generations. Our progressive side is reflected in the forward-looking manner in which we operate, in our use of the latest technologies, and in our continuous development. Our responsiveness manifests itself in our commitment to our customers' success, in our quick responses to changing requirements, and in our optimum solutions for reconciling customer preferences, regulatory requirements, and the Vetter quality we aspire to deliver. >

Responsible

Progressive

Responsive

Rely on us.

We are there for those who do so.

Our Human Rights Statement

In our Human Rights Statement, we have set out our commitment to respecting and upholding human rights and in actively assuming responsibility for human rights compliance throughout our value chain:



“

At the Vetter Pharma Group (Vetter), we are firmly committed to **upholding human rights** and we **assume responsibility** within our global supply chains. We **respect international conventions**, abide by the rule of law, and make efforts to ensure that our business processes effectively **prevent human rights violations** in the course of our activities as an organization. This statement also applies to all Vetter's direct and indirect subsidiaries and majority-owned entities.

”

Incentive systems



Showing appreciation, encouraging development

Employees who are seen and valued form the foundation of sustainable success. It is crucial to nurture their strengths and give them room to develop. Our annual career development discussions provide employees and managers with a platform to reflect and align particular skills to the Vetter competence model:

- **Personal and social skills**
- **Creative skills**
- **Leadership skills**
- **Vetter-specific skills**

The purpose of these discussions is to document professional and personal goals related to the business objectives that are drawn primarily from the Vetter NExT 2029 strategy. Essential to this strategy are the social, economic, and environmental sustainability goals that are distributed throughout various action plans. These objectives are also incorporated at senior management level and distributed among the various levels and divisions. In this context, it is particularly important to us that we align personal ideas with the organization's strategic vision in a reasonable manner. Ultimately, when employees in different business divisions understand and

spread the company's ideas and act accordingly, this will also play a role in achieving our sustainability goals.

Corporate supplementary health insurance

With free corporate supplementary health insurance, we do our part to help maintain and promote our employees' health. We offer three benefit modules: a medical budget of € 900 per year (e.g., for dental treatment, for complementary and alternative medicine, and for eye care), a preventive care package including checkups for new employees with a value of € 1,900 to be used within two years, and assistance services for employees and family members (e.g., arranging appointments with specialists).

Company retirement plan and working time account

To give our employees peace of mind when their careers come to an end, we support them by offering a company retirement plan. We provide financial security in old age with a simple and easy-to-understand retirement plan model, which was developed in close cooperation with our Works Council and was awarded first place in the SME category of the German Company Retirement Plan Award. Our plan is made up of an employer contribution and a government contribution that is exempt from tax and social security payments. All our employees have the opportunity to obtain personal advice on our company retirement plans.

In addition, we offer employees of all ages a working time account model that allows them to retire earlier without having to make financial sacrifices. >



Involving employees in improving processes

V³ stands for the three-step Vetter idea management system: “Vorschlag – Verbesserung – Vorsprung” – suggestion, improvement, staying ahead. For years, it has motivated employees to contribute their ideas and experiences to improve processes in the company long term. Whether it’s to increase productivity, reduce costs, simplify processes, improve working conditions, or pro-

tect the environment, employees can submit their optimization recommendations and have them assessed by a neutral ideas committee. Proposals that hold innovation potential are reviewed by experts in a subsequent V³ idea-management step. We reward implemented ideas with bonuses.

Employees recruiting employees

Sustainable growth depends on finding the right people. This is why employees who recruit qualified staff for vacant positions receive a bonus. An additional premium is paid out when the new colleague successfully completes their probationary period. In 2023, we distributed a total of € 920,000 in bonuses.

JobRad and JobTicket: Getting to work with zero emissions

We foster climate-friendly mobility by offering our employees the opportunity to lease up to two bicycles at favorable conditions. Switching from cars to bikes is not only climate-friendly, but also beneficial to employee health. In 2023, we leased 581 bicycles with a total value of € 2,390,971.

Vetter reimburses the full cost of Deutsche Bahn’s Deutschlandticket covering local public transportation throughout Germany for employees who use it on their commute. More than 1,000 employees have already benefited from this offer.

TWS rental bikes: The green option for moving between sites

Employees can rent bicycles at four sites to travel between our facilities in a sustainable manner. This is how we – in cooperation with TWS – successfully reduced company-vehicle CO₂ emissions. Using the rental bikes also makes it easy for employees to travel to and from the train station and the city center.



Bicycle infrastructure and EVs

To make a meaningful contribution to the transition to green transportation, we are heavily investing in expanding our bicycle infrastructure. When expanding our plants and sites, we consistently include EV and e-bike charge points, functional and roofed bicycle stands, and quick repair stands.

Compensation at Vetter

KPIs for criterion 8

» KPI for GRI SRS-102-35:
Compensation policies

Outwardly in line with the market, inwardly transparent, and performance-oriented: This is how a company's compensation structure should be. In the Upper Swabian region of Lake Constance, which has almost full employment, it also needs to be competitive. Compensation is one of the most important instruments for recruiting and retaining employees.

Our system of compensation is divided into salaries within and outside the agreed pay scale. Jobs that are paid based on the pay scale are classified into one of ten groups. Within each salary group, compensation progresses along a salary band; the 100-percent benchmark salary is a statistical average derived from market data. Only the respective job is decisive for the

In 2023, our employees received an inflation compensation bonus amounting to

€ 5,260,450.

group; within the salary group, all employee salaries – which are gender-neutral – develop according to the same rules. If we discover that compensation for a particular role is out of step with the market during the course of our regular salary market review, we allocate it to a higher salary group. Specifically, we increased the salaries of all pay-scale employees by 5.5% on April 1, 2023, regardless of their individual position on the salary band. Our pay-scale employees also benefit in general from annual salary adjustments, a prorated 13th month's salary, vacation pay, and night and weekend bonuses for shift work.

Additional benefits such as a monthly travel allowance and the subsidy for the JobTicket – totaling €1,150,000 in 2023 (JobTicket: €328,000) – as well as the subsidized prices in our company restaurants further supplement our compensation system. Employees receive cash gifts on special occasions such as births, weddings, and anniversaries, as well as an additional gift at Christmas. As a second step to address rising inflation, the company also paid its employees the remaining tax- and social security-free inflation compensation bonus of up to €1,000. In total, this support amounted to €5,260,450.

In addition to compensation, we support employees with a total of 37 corporate spots in Ravensburg daycare centers. 15 company spots each at six other daycare centers help our employees achieve better work-life balance. We also pay employee subsidies for daycare and kindergarten – totaling €335,000 in 2023 – and organize

a varied vacation program for children of employees based in Ravensburg.

Profit-sharing model for salaries outside the agreed pay scale

» KPI for GRI SRS-102-35:
Compensation policies

» KPI for GRI SRS-102-38:
Annual total compensation ratio

We use a profit-sharing model to calculate Vetter success points, which are intended to motivate employees to act efficiently and economically in the interests of the company's success.

However, due to varying accounting methods, we do not collect any other key figures for the GRI SRS-102-38 performance indicator. They play no role in assessing the fairness of our compensation structures.

Stakeholder engagement

Annual evaluation of our stakeholders

To accurately represent our integrated management system, which consists of occupational health and safety as well as environmental and energy management, we must understand the needs and expectations of all stakeholders at all times. These are surveyed and evaluated annually. We document all stakeholders and their expectations in a matrix that we review and adjust every year. Over 40 stakeholders are involved.

We engage in a dialog with our stakeholders throughout the company. This encompasses one-on-one exchanges with partners, municipalities, government bodies, networking events, trade shows, meetings, and audits, as well as indirect dialogue such as surveys, newsletters, social media posts, and other communication channels. Internal stakeholders include company management, our employees, and the Works Council. External stakeholders include customers, suppliers, service providers, authorities, certification bodies, and many other parties.

Key stakeholder expectations involve various aspects such as environmental impact, cleanliness, local engagement, contribution to the common good, com-



pliance with legal and statutory requirements, attractiveness as an employer, stability, ability to prevent emergencies, responsibility in occupational safety and environmental protection, and risk avoidance. As we record the stakeholder groups and assess how important certain expectations are to them, specific priorities become apparent in our documentation matrix.

The materiality analysis updated in 2023 is also based on this system of detailed stakeholder surveys.

> 40
stakeholder groups
and expectations

Key issues and concerns raised

KPIs for criterion 9

» KPI for GRI SRS-102-44:

Key issues and concerns raised

What matters to the people we work with is important to us. We regularly conduct employee surveys on various matters to get a better overview. The Culture Cockpit and the "Management in Dialog" platforms give employees the opportunity to approach Management – personally or anonymously – who then reply to concerns, initiate improvements where needed, and provide feedback. In addition to the Works Council, two employee counselors and the company's confidant are also available to help employees manage problems and conflicts.

We also set up an online grievance management system to ensure that complaints are handled quickly and in a structured manner. It is through our audits, the supplier management system, and other platforms for stakeholder dialog instituted by the various divisions that we learn where external stakeholders – our customers and suppliers – see improvement potential. To position ourselves as an attractive employer for potential recruits, we take part in trade shows and informational events and are accessible on our social media platforms.

External stakeholders, in this case local residents, primarily complained about the parking situation and noise pollution at the Langenargen site in 2023. The main reason for the fraught parking situation was construction works, which required parking spaces for a

large number of service providers' vehicles. To remedy the situation, we made the companies involved aware of the situation and provided additional parking spaces for service providers. We also took immediate action to reduce noise emissions when having goods delivered. A sensible change to the process reduced the time vehicles spend at the ramp to a maximum of ten minutes. We have switched our trucks over to a quieter electric cooling system.



Customers, suppliers, and service providers



Prospective employees, trade associations

Vetter stakeholder dialog



Local municipalities, networks and competitors



Insurance companies, credit institutions, and public authorities and agencies

Innovation and product management

Collaboration fosters innovation! At our Hackathon, we encourage creative minds and visionary thinking.



Aseptic filling is inherently energy-intensive. The willingness to innovate, in resource efficiency in particular, is essential for success here. For us, promoting sustainability in a rapidly changing market means being consistently agile, creative, and innovative. Where innovation meets continuity – as it does at Vetter – sustainable success is possible. Innovation and efficiency initiatives allow us to continuously improve our service. This includes our rate of recycling, our CO₂ reduction, and our energy efficiency (see the “Environment” section).

Innovation succeeds when everyone pitches in

Each and every employee in the company has the know-how to identify growth opportunities and sustainability potential in their area of work. Innovation at our company occurs across the board and with everyone's participation.

Our Innovation Partners department is dedicated to encouraging and supporting employees in coming up with new ideas and innovation processes. The Innovation Partners department is also responsible for providing guidance, opening up external networks, and training employees in innovation methods. The department also



develops other training formats such as workshops for advanced vocational training, and it explores new potential outside of our core operations as part of the Pioneering Business.

By creating the Vetter Innovation Community, we established a horizontal network that allows us to test new ideas quickly and to purposefully access resources

across departments and hierarchies. The “Innovation World Café” format – in which employees from different areas discuss topics of the future – also promotes interdisciplinary networking. Events such as the Hackathon likewise make it possible for employees to initiate and implement forward-looking projects collaboratively, transparently, and effectively.

Digitalization and automation at Vetter

Our digital roadmap helps us understand what our overarching priorities are and how we can sensibly pursue digital transformation over time. It helps us to tackle the right questions at the right stage. We are translating our digital strategic action plan into a digital development plan that maps out the complete interplay between processes, systems, and data. Given that we consider digital transformation to be a fundamental pillar of our future viability, we are able to design processes in an even more targeted manner and develop them meaningfully so that they make a lasting contribution to the company's success.

All our business processes are directly dependent on IT systems and applications such as our Enterprise Resource Planning (ERP), our Manufacturing Execution System (MES), and our Laboratory Information Management System (LIMS). We analyze these dependencies in close detail and structure them in a functional way that will enable us to meet the future requirements of our contract providers and millions of patients worldwide. >



Data security and infrastructure

The security of data and the full range of IT infrastructure is becoming increasingly important. And we at Vetter are continuously working on making our systems even more secure. For example, a selection process for an external Security Operation Center was held in 2023. We have successfully reviewed Vetter's security status on a cyclical basis and in accordance with the German

KRITIS requirements for critical infrastructure. We passed an external penetration test on our systems without any critical vulnerabilities, and we have launched a maturity assessment based on DIN ISO 27001.

In addition, with our "use your own device" (UYOD) strategy, we offer Vetter employees the opportunity to use

their personal devices such as smartphones or tablets at work with access to data-secure infrastructure. Protected by a variety of IT security precautions, employees can download licensed Microsoft applications such as Outlook or Teams to their mobile devices.

Perspectives of the Vetter IT Security



Organizational perspective

Organization, processes, and structures

Cloud onboarding process / data protection officer / Vetter NExT 2029 strategy / Architecture and Security Board / organizational directive, policy, and SOP



Technological perspective

Systems and antivirus software

Endpoint security / mail security / network security zoning IT/OT / multifactor authentication / backup and recovery / penetration tests



Personal perspective

Skills and qualifications

Awareness / employee onboarding / technology training

Product and service portfolio

When it comes to choosing the right pharmaceutical service provider, a company's sustainability is a vital criteria. Clients are specifically looking for service providers who meet their sustainability requirements. We, too, select our partners according to their values and goals, because next to customer and market requirements, sustainability plays a key role in developing our product and service portfolio.

Although we do not yet use recycled materials in our current technologies for primary packaging, this decision will ultimately lie with our customers. This will empower them to choose materials that meet their requirements and satisfy our high standards with regard to quality and purity.

But we are intensifying our cooperation with suppliers of environmentally friendly materials in the area of secondary packaging. In this area, we can see growing demand for paper-based packaging options. We are now in a position to offer our customers more sustainable packaging solutions already during a new product's development phase. Demand for reusability and recycled materials for injection devices such as pens or autoinjectors is also growing, and we are investigating the possibility of integrating them into our packaging

lines, provided this meets the customer requirements. Our autoinjectors are already making a lasting contribution to patients' well-being by saving unnecessary trips to hospitals or physicians for treatment.

In 2023, we filled 210 million injectable units; and for those who rely on us, the high quality of our products still plays the most important role. The environmental impact of our business, however, is growing in relevance as well.

KPIs for criterion 10

» KPI for G4-FS11:
Percentage of financial assets subject to positive or negative screening on environmental or social factors

Vetter is growing and investing in expanding its capacity to meet the growing demand for essential medicines, which is financed by operating cash flow and external loans. Consequently, there are no significant fixed financial assets, and temporary financial resources are held as demand deposits at core banks. We use capital protected funds for additional financial assets such as the company retirement plan or the working time account model. This results in low risk for employee assets.



210 million

units filled with injectable pharmaceutical products in 2023



Environment

Our planet's natural resources are finite, and the threats posed by climate change and environmental pollution are real. As a company, we bear a **special responsibility**. We set ourselves ambitious environmental targets to help ensure the efficient use of energy and resources. We also aim to **reduce CO₂ emissions** and make use of green technologies in order to play an active role in **protecting our climate and environment**.



04

Use of natural resources

We want to cut out emissions, save energy, and prevent waste. In doing so, we have to reconcile these efforts with our high-quality standards. Close to 90 % of our energy usage is devoted to manufacturing product-related media, operations, and infrastructure.

On account of regulatory requirements, we are also required to send pharmaceutical waste to a special waste incinerator. Nevertheless, by consistently optimizing processes and systems, we are able to replace and upgrade inefficient and carbon-intensive systems with more efficient, state-of-the-art technologies. As a result, we achieve a positive overall effect in terms of energy savings, measured in terms of gross value added. Since 2019, we have achieved total energy savings of 31.25 % relative to GVA. >



Sustainable energy concept

Conducting business sustainably and using natural raw materials responsibly are important to us. In 2014, we began continuously improving our energy efficiency and reducing our Greenhouse Gas (GHG) emissions in terms of gross value added. Our sustainable energy concept and its various building blocks are essential to achieving our targets. We have also been procuring the electricity for our sites in Austria and Germany from certified green sources since 2014. The renewable geothermal energy we generate on site (photovoltaics and biogas cogene-

ration plants) and the construction of new buildings that conform to the German KfW 40 energy standard are just two of these building blocks.

Notwithstanding our growth, our plan is to further reduce energy consumption relative to GVA by 10 % by 2029 (base year: 2019). A growing list of actions is driving this forward.

We can generate energy at our sites using four cogeneration plants (two of which run on biogas). Our photovoltaic systems have a total output of 1,053.2 kWp and generate around one million kWh per year.

In 2023, we installed a photovoltaic system with an output of almost 700 kWp at our RVW2 site. The energy generated is roughly equivalent to that consumed by 155 single-family homes. We have also implemented new energy monitoring software that enables us to analyze our energy consumption at a more granular level (EnEffCo). This encompasses more than 1,000 data points. In the course of upgrading our systems, we installed a boiler that can run on a 20 % hydrogen blend.

After years of participation in the EnBW Energy Efficiency Network and Ravensburg Climate Action initiatives, we also became a member of the EnBW Climate Network in 2023. >



Reducing energy consumption by

10 % by 2029

The transportation concept

As one of the largest employers in the region, we are playing our part to reduce the volume of traffic in Ravensburg by adopting a comprehensive transportation concept, which we have been gradually developing and rolling out since 2018. Up to 30,000 people commute in and out of Ravensburg every day. As well as reducing our impact on the environment, we also want to offer our employees attractive alternatives and encourage them to think differently. With the various components of our transportation concept, we are helping boost the transition to green transportation while guaranteeing flexibility and convenience.



~ 240,000 km
cumulative daily commute
for our employees

Equivalent to 6 rotations of the earth every day

To increase the attractiveness of local public transportation for our employees, we cover the cost of Deutsche Bahn's Deutschlandticket. As a result of the options available, our employees' acceptance of alternatives to cars has increased significantly, as demonstrated in our new transportation survey. Since introducing the JobRad bicycle and pedelec leasing program, we have leased more than 2,500 bikes totaling over €9 million in value. At the same time, we are actively working on expanding the appropriate infrastructure for cargo bikes and bikes with attachments for extra passengers. Other incentives to switch to cycling include new bicycle stands, now over 700 roofed bicycle parking spaces with charger facilities, and repair stands, not to mention the showers being installed in our new buildings as standard. In partnership with the local electric utility, we offer our employees modern e-bikes at the train station and for journeys between our sites, which they can borrow free of charge using an app. The same app allows employees to research the ideal mix of local public transportation and rental bikes for them to get around.

We also help car drivers organize carpools as easily as possible on our Pendla commuter portal. To ensure that they can get to work in an environmentally friendly manner, we currently run 18 charger stands with a total of 36 charge points for electric vehicles, which have so far been refueled with 196,000 kWh of renewable energy. In addition, we offer employees with their own PCs an optional laptop when they are newly hired or need to replace their hardware, which improves their flexibility when working on the move and helps them reduce the distances they have to travel.

As a member of the Baden-Württemberg Ministry of Transport's "Verkehrswende in der Arbeitswelt" alliance, we have set targets to make our employees' commute to work more environmentally friendly. This includes continuously developing our transportation management and expanding the cycling infrastructure and charger facilities for e-bikes. We are also working with the city of Ravensburg on new local public transportation solutions to improve access to our production sites. >

~ 83% car/motorcycle
(including carpooling, EVs)
5% local public transport,
8% bicycle, 4% walking

Data source: 2018 Staff Survey



Keeping the wastewater clean

The wastewater analysis commissioned by Vetter on a regular basis and carried out by Institut Alpha has confirmed that the wastewater from our operations can be described as nonhazardous or entirely innocuous in its composition. However, as a pharmaceutical service provider working with such strictly regulated production processes, it is difficult to reduce the current wastewater.

Opportunities and risks

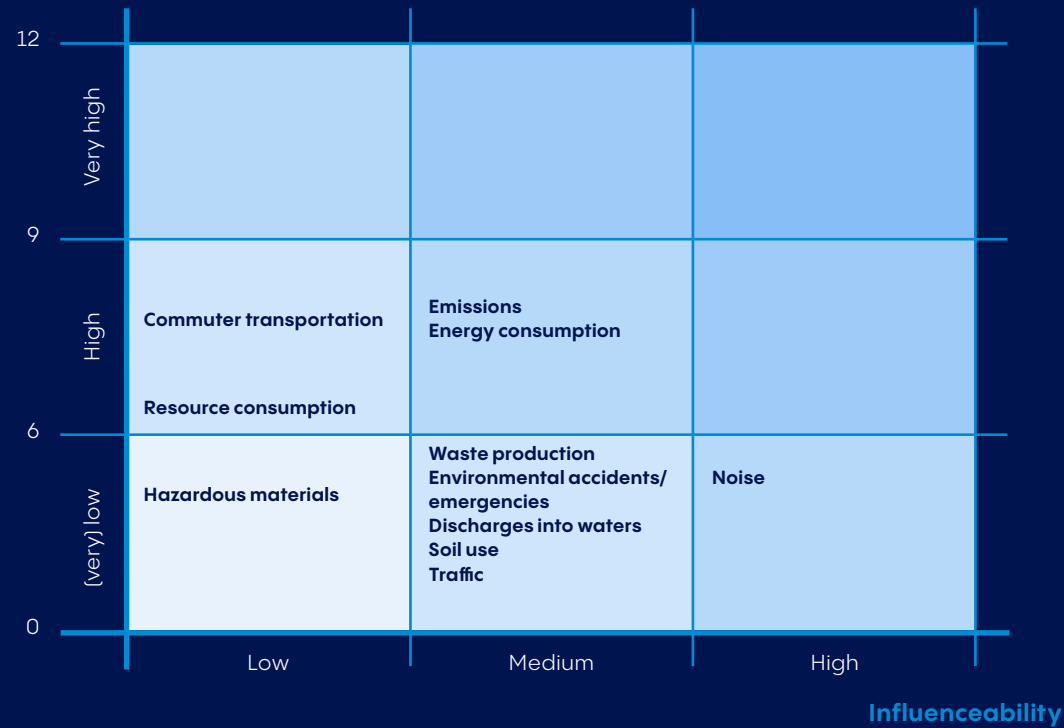
Joining the SBTi and the associated CO₂ strategy offers us the opportunity to reduce our CO₂ emissions. The company can achieve its sustainability targets and reduce costs at the same time. However, there are risks such as higher investment costs for eco-friendly technologies and uncertainty about future environmental requirements and market conditions.

Environmental aspect assessment

The foundation for all our objectives and the actions we have taken is the environmental impact assessment, which we update annually. It lets us recognize potential environmental risks that could come from our work at an early stage and allows us to take preventive action. The assessment is adjusted during the year in urgent cases.

Portfolio of significant environmental aspects for Vetter in 2023

Environmental relevance



» KPI for GRI SRS-301-1:
Material used

As a pharmaceutical service provider, we are committed to complying with all Good Manufacturing Practice (GMP) rules. This includes adhering to the highest quality standards for the benefit of patients who entrust their health to our expertise. Technology has yet to allow us to utilize recycled materials for our primary packaging materials in a way that is practical or sufficiently safe and meets our requirements, however. For the production of our auxiliary and packaging materials in 2023, we used the raw materials listed below.

Raw materials, auxiliary materials, packaging materials

Rubber parts	251,938,454 pieces
Plastic parts	34,828,101 pieces
Folding boxes	10,588,030 pieces
Glass barrels	225,498,587 pieces
Leaflets	9,952,212 pieces
Lid film	713,464 m
Thermoforming film	773,537 m
Closure parts	377,674,095 pieces
Autoinjectors	3,258,784 pieces

» KPI for GRI SRS-302-1:
Energy consumption

The actions within our sustainability strategy have achieved great success in recent years on their path to reducing total relative energy consumption. It goes without saying, however, that the consumption of electricity, heating oil, and water in a company that is growing, hiring new employees, and expanding its sites also increases. The table below shows how energy consumption has changed in relation to the previous year.

Energy consumption 2023*

Total energy consumption	160,763,960 kWh	+ 2 %
Electricity	65,940,907 kWh	+ 7 %
Natural gas	78,841,604 kWh	- 4 %
Biogas	7,054,700 kWh	+ 32 %
Nitrogen	3,790,818 kWh	+ 8 %
Heating oil	484,948 kWh	+ 17 %
Water	495,801 m ³	- 6 %
District heat	566,680 kWh	- 11 %
Geothermal energy	3,409,200 kWh	- 34 %

* compared to 2022

>> KPI for GRI SRS-302-4:
Reduction of energy consumption

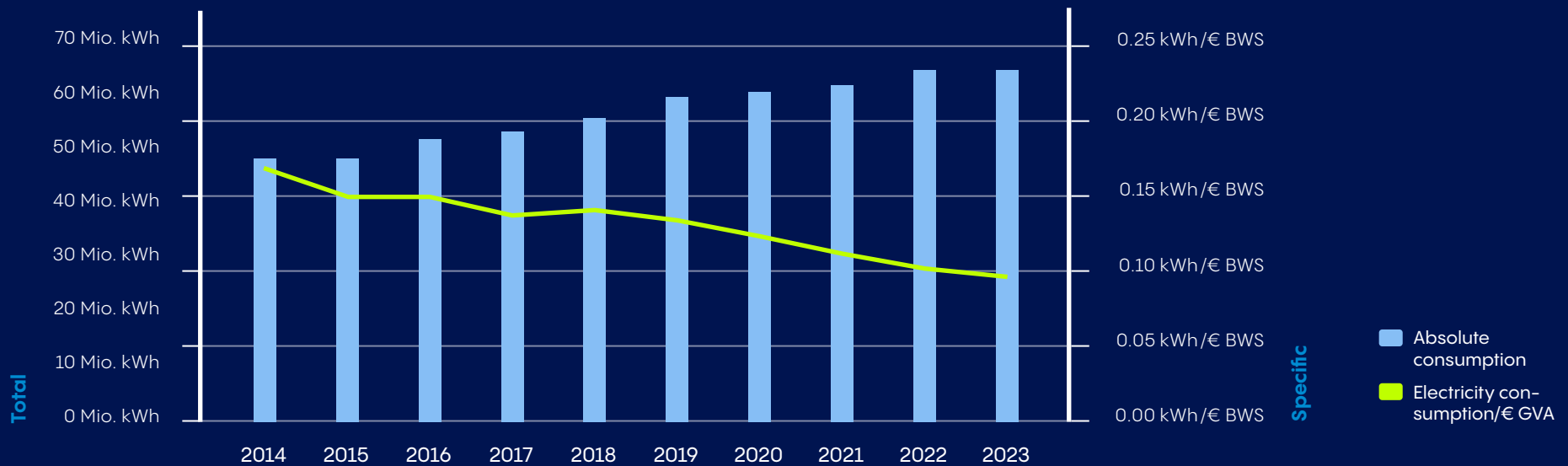
The standardized DIN ISO 50001 specifications for systematic energy management are what we use to calculate the reduction in our energy consumption. The energy baseline – our reference – is the year 2019. Depicted in the graph below is a proportional increase in absolute electricity consumption, which is attributable to Vetter's growth and the associated expansion of production.

Relative to gross value added, however, we succeeded in continuously reducing electricity consumption over these past years.

In a span of over ten years, we have invested almost €10 million in more than 130 energy efficiency actions. The total reduction in consumption amounts to more

than 33 million kWh over this period. The compressed air generators retrofitted in 2023 alone saved almost 38,000 kWh per year. Solar shading systems were also installed to reduce the need for air conditioning. Our energy monitoring software allows us to measure consumption levels, evaluate our energy efficiency, and oversee the effectiveness of the actions we take.

Total/specific annual electricity consumption per euro of Gross Value Added (GVA)



» KPI for GRI SRS-303-3:

Water withdrawal

In addition to product-specific raw materials and excipients, we exclusively use drinking water when manufacturing our pharmaceutical products. Reducing our water consumption is an important item on our agenda. However, we are limited in our ability to do this by the processes necessary to create value in pharmaceutical production, which are highly regulated. Even when there are fluctuations in the weather, we have to comply with the regulatory requirements regarding temperature and humidity. In this context, our cooling options include

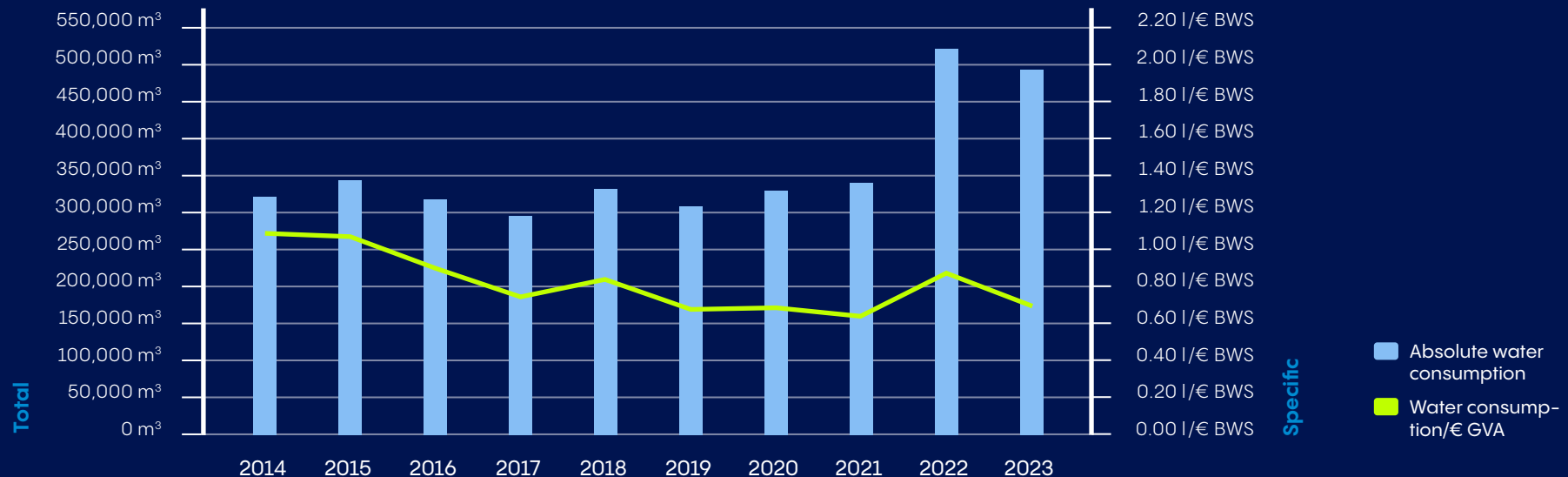
evaporated water; there is very limited leeway to achieve reductions. But even in spite of the ongoing expansion of our production capacity, we have succeeded in reducing water consumption.

We face similar challenges when it comes to reducing the volume of wastewater in our strictly regulated production processes. However, as we do not discharge liquid residue from production into the sewage system, we keep the flow of pharmaceutical trace substances into wastewater to a very low level. In any case, 90 % of the products we fill for our customers consist of protein-based active pharmaceutical ingredients. The remaining residues from the ingredients are inactivated

by the high temperatures used to clean our equipment, yielding no negative impact on the environment. Before filling hormone-based products, we always carry out a cleaning process with an alcohol-based solution. Here, the liquid residue is collected separately and sent to an incineration facility. We ensure that our wastewater composition at all three production sites remains nonhazardous by commissioning regular and voluntary wastewater assessments by Institut Alpha – which has concluded that it is entirely innocuous.

In 2023, our drinking water consumption amounted to 495,801 cubic meters, and the volume of wastewater was 471,010 cubic meters.

Total/specific annual water consumption per euro of Gross Value Added (GVA)



» KPI for GRI SRS-306-2:

Waste generated

The trend in waste is comparable to that for our water and electricity consumption. Vetter's growth leads to more waste in absolute terms, but in proportion to GVA we are steadily reducing the relevant quantities here too.

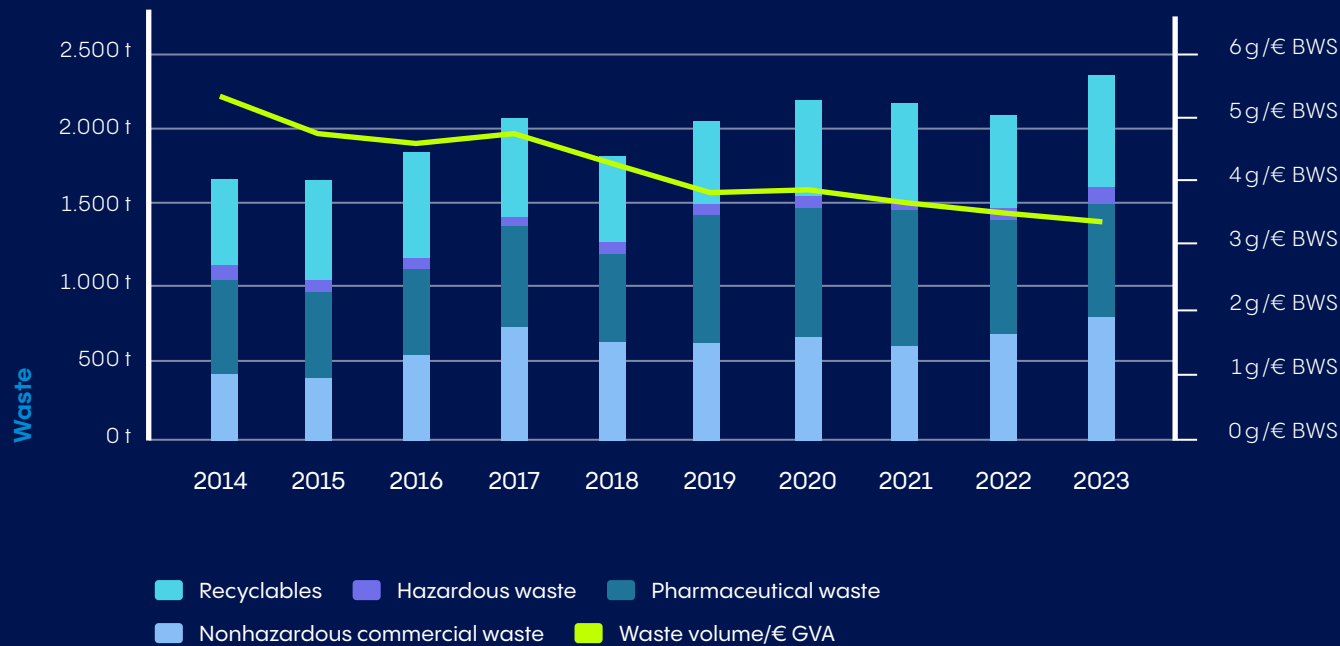
Our total waste volume increased from 2,118 metric tons to 2,353 metric tons (+11% from the previous year) and can be broken down as follows:

Recyclables:	760.8 t
Hazardous waste:	67.7 t
Pharmaceutical waste:	721.3 t
Nonhazardous commercial waste:	804 t

40.1 percent of the total waste volume is recyclable material that we send to recycling. Our total recycling rate consists of:

Metals:	11%
Correctly sorted plastics:	38%
Paper:	40%
Wood:	11%

Annual waste trend per euro of Gross Value Added (GVA)



32.3%*

of waste is recycled

*32.3% Vetter-internal, 40.1% incl. disposal service provider

Climate-relevant emissions

KPIs for criterion 13

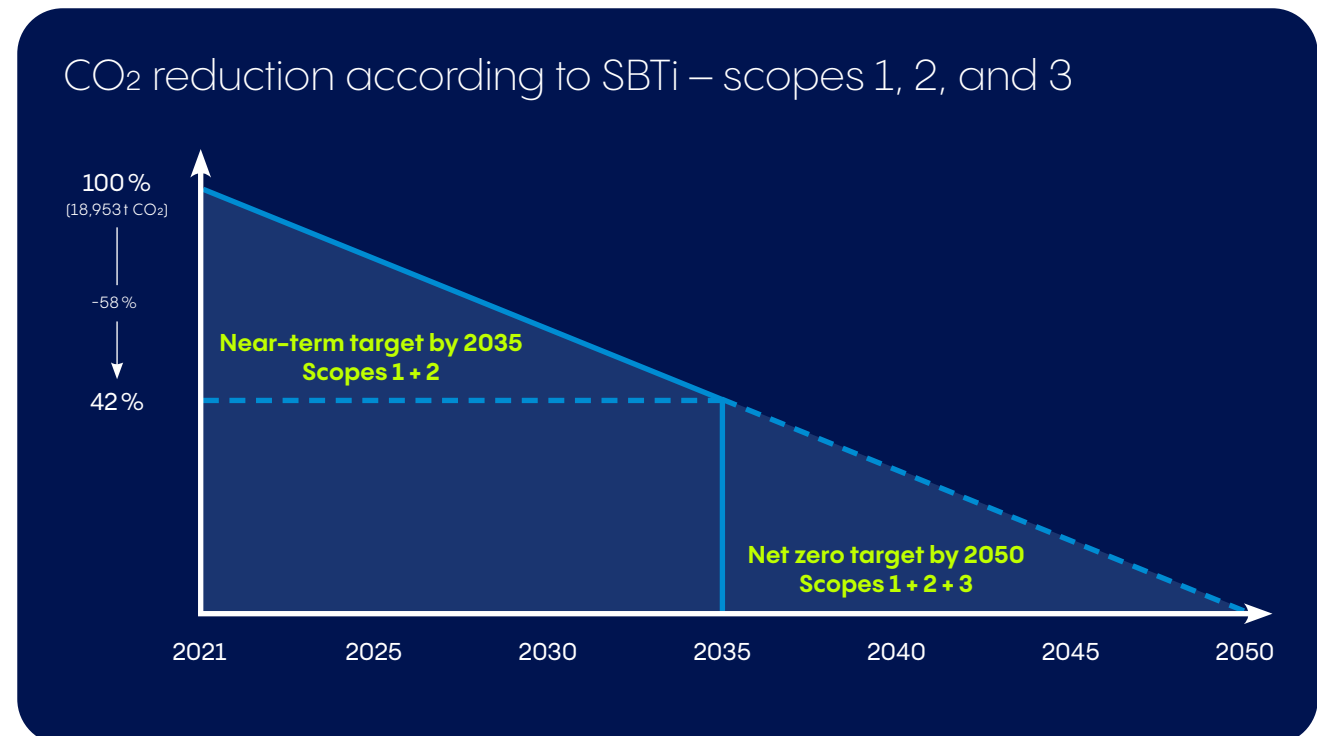
Production at all our company sites has been carbon-neutral since 2021. We are driving this development forward in a responsible manner. We have been a member of the Science-Based Targets initiative (SBTi) since November 2023. This global organization is a joint effort between the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF). The joint targets, which we have also pledged to meet, are to reduce emissions by 4.2% annually and to achieve net zero emissions in scopes 1, 2, and 3 by 2050. Our binding internal sustainability strategy also sets out specific steps that we will implement by 2030. We currently emit 109.84 grams of CO₂/kWh in our overall energy consumption, mainly due to the use of fuel, heating oil, natural gas, and nitrogen as well as to necessary business travel.

Additional purchase of certificates

Despite our ambitious efforts, emitting CO₂ in the regulated pharmaceutical industry is currently unavoidable. We compensate for this by purchasing CO₂ certificates, which are used to support climate-protection projects that generate renewable energy under strict guidelines. By purchasing certificates equivalent to 22,000 metric tons of CO₂, we were able to offset our total emissions in 2023. All certificates meet the internationally recognized Verified Carbon Standard (VCS) and aim to reduce emis-

sions in developing countries. We have offset 10,000 metric tons of CO₂ simply by purchasing emissions certificates from a wind farm in South Africa, while certificates from a solar project in India offset an additional 13,000 metric tons.

We have also calculated our corporate carbon footprint for 2021, 2022, and 2023 in compliance with the requirements of the Greenhouse Gas Protocol. >



Our carbon footprints for 2021 to 2023 were prepared according to the DIN EN ISO 14064-1 guidelines. To calculate our reduction in Greenhouse Gas (GHG) emissions, we use the GHG Protocol standard in line with the SBTi. In signing up to the SBTi, we have committed to reducing our emissions by 4.2 % annually right up to the year 2050 relative to the base year of 2021. In scopes 1 and 2, we are seeking to reduce emissions to zero by 2040.

The validation of our CO₂ data enables us to calculate both a corporate carbon footprint and individual product carbon footprints. Each product carbon footprint includes the known emissions volumes from scopes 1, 2, and 3 under the GHG Protocol. In scope 3, we also know the detailed proportions of total emissions accounted for by waste, goods procurement, business travel, laptops, office and commuter transportation, and primary and

secondary packaging materials. However, the emissions figures for the individual active pharmaceutical ingredients we use in our processes are not factored into the calculations. These are available exclusively to our customers. Consequently, our product carbon footprints are composed of the batch size and the emissions from primary and secondary packaging.

» KPI for GRI SRS-305-1 (see GH-EN15):

Direct (scope 1) GHG emissions

Natural gas:	16,399.05 t CO₂
Heating oil:	129.48 t CO₂
Nitrogen:	837.77 t CO₂
Diesel:	349.19 t CO₂
Gasoline:	34.4 t CO₂
Biogas:	102.37 t CO₂

» KPI for GRI SRS-305-2:

Energy indirect (scope 2) GHG emissions

Through our purchase of CO₂-neutral electricity, GHG emissions from electricity do not apply.

» KPI for GRI SRS-305-3:

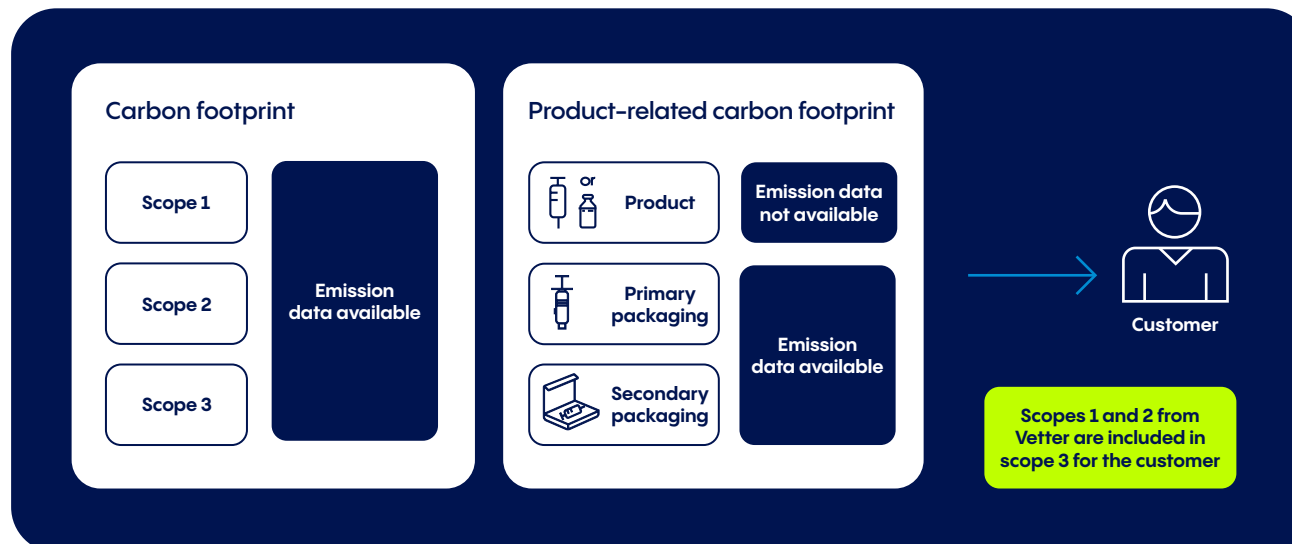
Other indirect (scope 3) GHG emissions

Waste:	2,601.44 t CO₂
Transportation:	244.53 t CO₂
Business travel:	767.06 t CO₂

» KPI for GRI SRS-305-5:

Reduction of GHG emissions

We took a series of steps in 2023 to achieve our target of reducing CO₂ emissions by 4.2 % per year. As well as installing a photovoltaic array, electrifying systems, and converting to hydrogen technology, we also converted a natural gas cogeneration plant into a biogas cogeneration plant. This upgrade resulted in 430 metric tons of CO₂ emissions being saved in 2023. Next year, we are planning further actions such as utilizing waste heat potential, carbon-neutral nitrogen, and much more.





Society

Our society faces immense challenges. As a globally operating company, we see it as **our duty to actively address these issues** in order to strengthen our communities and **positively shape the way we live** – locally, regionally, nationally, and internationally.



05

Employee rights

KPIs for criterion 14

Common principles

We bear responsibility for those who depend on our products and assume responsibility for those with whom we manufacture these products. Respecting and upholding employee rights is an inviolable principle. It is the foundation of a healthy work environment and proof of our credibility as an employer. Our principles are laid down in the Vetter Code of Conduct and our Policy Statement on the Respect for Human Rights, which help us operate ethically and lawfully in our day-to-day interactions with one another. The Human Rights Policy Statement was approved by our Management and communicated internally via bulletin. We are committed to human rights, to acting in accordance with the law, and to following labor standards – including the UN Global Compact’s principles and those of the International Labor Organization (ILO). We strictly reject forced or child labor and other violations of individual rights throughout our value chain. Guaranteeing occupational health and remunerating our employees appropriately in line with national standards is an integral part of the way we operate.

Our aim is to ensure that the principles of the Vetter Code of Conduct are communicated to all employees on a mandatory basis every two years. We ensure that this



takes place through our internal learning platform. We do not currently have any other quantitative objectives in this area.

Beyond legal and collectively agreed standards

We not only comply with the law, but also go above and beyond in the interests of our employees. As a signatory to the German Diversity Charter or “Charta der Vielfalt,” we are committed to creating a prejudice-free work environment in which employees are protected from all

discrimination, be it gender, nationality, religion, ideology, disability, age, or sexual orientation. We offer non-discriminatory work, provide equal opportunities, and offer individual development opportunities to retain our existing staff and attract new people to the company – after all, our employees earn more than the minimum required.

We demonstrate our commitment to promoting health and work-life balance, vacation coverage, travel allowances, and retirement benefits by providing benefits that extend far beyond any legal obligations. >

Risks

We have not identified any direct risks with regard to employee rights within our corporate environment. The German Act on Corporate Due Diligence Obligations in Supply Chains came into force on January 1, 2023. In January 2022, we began analyzing how to implement the requirements related to employee rights in our supply chain and how we can fulfill our obligations in their entirety. During an initial internal risk analysis of the Act, no risks, hazards, or violations were identified in our operations at Vetter.

Communication

Interaction and communication are key to ensuring a good working relationship. Our employees are kept up to date – in general, as well as in specific group formats and events – about all relevant working conditions, offers, and benefits. Through the “Management in Dialog” channel, employees can reach out to our management with their concerns; our regular Management News publication keeps executives up to date with leadership-relevant information. We also publish VetterBlatt, an informative magazine for all employees, three times a year. In the virtual space, intra-company dialog takes place on our VetterConnect intranet, where employees can learn about new developments and all other relevant information, including through engaging formats such as videos.

Employees can also use the V³ systems to pass on their suggestions for improving sustainability directly to our divisions. Our Culture Cockpit gives our workforce the opportunity to address issues anonymously, express criticism, and provide suggestions.

Cooperation with the Works Council

Our Works Council has been representing the interests of our employees since 1976. The cooperation between management and the Works Council with respect to employee rights is constructive, based on trust. The Works Council is actively involved in employee-relevant corporate decisions.

Discussions between the Works Council and Human Resources take place weekly, and discussions with management take place quarterly. Programs and services such as our Whistleblowing Hotline give our employees additional platforms beyond the traditional organizational chart to point out any grievances.

German standards worldwide

In addition to our headquarters in Ravensburg, we also operate production sites in Austria, Germany, and the United States, as well as sales offices in China, Japan, Singapore, and South Korea. At all our sites, we strive to implement employee rights that meet the high German standards. This not only makes us more attractive as an employer, but also ensures that working conditions at Vetter worldwide – as stipulated by local legislation – meet our standards. These regulations relate to personal matters such as salary, benefits, working hours, and data protection, as well as to internal processes across the company.



Equal opportunities

KPIs for criterion 15

We are a globally active company; diversity characterizes our workforce. Our culture is one of inclusivity and solidarity, one in which all employees are given equal opportunity for personal fulfillment. Guaranteeing the right to physical and mental wellbeing is our principle.

The key principles and ground rules for how we operate and deal with business partners and the public are summarized in the Vetter Code of Conduct. In 2023, we incorporated the principles of the UN Global Compact in our Code of Conduct, and we drafted and adopted our Human Rights Policy Statement. Environmental and human rights considerations have also been expressly included in our Code of Conduct.

However, we can only act properly with regard to our Code of Conduct over the long term if we consistently build on our rule-book and keep developing ourselves. We also ensure that all new employees are acquainted with the principles of our Code of Conduct as part of the onboarding process. By providing training courses and department-specific informational events on individual subjects from our Code of Conduct, we ensure that our day-to-day interactions are based on our principles of working together respectfully and collaboratively.

Our highest priority is to ensure equal opportunities, diversity within our organization, a healthy work-life balance, and integration. However, we did not set a quantitative target in this regard. >



“

Code of Conduct

We **respect** the individuality and **personal rights** of our colleagues and always strive to work together day to day in a **constructive manner built on trust**. Across all our sites, we do not tolerate behavior toward or among our employees that involves discrimination, affronts to the dignity of others, illegal conduct, or conduct contravening applicable rules. **Our principles** also apply to all **personnel decisions**.

”



◀ United by diversity – at Vetter, unity is colorful and strong at the same time

Diversity

Our more than 6,300 employees from 76 countries of origin to date are a testament to the diversity we practice at Vetter. A diversity that is now firmly anchored in our corporate strategy because we are convinced that it is critical to our success. By supporting the “Charta der Vielfalt,” we are likewise committed to a prejudice-free, equal-opportunity, and appreciative work environment for all employees – regardless of ethnic or social origin, gender identity, religion, ideology, abilities, age, or sexual orientation. From our perspective, promoting diversity includes offering opportunities that align with people’s real lives. One of the milestones we achieved in 2023, for instance, was our introduction of a part-time work option for team managers in all production units. After parental leave, time off caring for relatives, or other challenging personal circumstances, we offer employees three different models for flexibly returning to their jobs: job sharing, close to full time, and other part-time options.

Our company-wide campaigns as part of the third Vetter Diversity Week further demonstrate how we embrace diversity and equal opportunities at Vetter. Adopting the motto “I’m OK, you’re OK – together we’re great,” we once again highlighted this important topic in 2023 both in person and online and raised employee awareness of the added value that diversity provides.

German businesses’ integration initiative

To help advance diversity, we have supported the integration initiative sponsored by German businesses since 2015. More than 30 refugees have found a job or an apprenticeship with us. Through language courses and other options, our employees receive assistance before and after they are hired. >

6,300
people employed from
76 different countries

“

Interest, openness, and curiosity are the ingredients needed to make diversity an enriching success story.”

Ramadan Alkeefo

Brief portrait

Ramadan Alkeefo

Alkeefo has lived in Ravensburg for eight years – since he had to leave his home country of Syria. He came to Vetter as a result of a semester internship during his bachelor's degree. And he stuck around. He is currently completing his master's degree in digital business at Ravensburg-Weingarten University of Applied Sciences and working as a student trainee in the Vetter Optimization System department.

“Education has always been very important to me, because it lays the foundation for a professional career,” said Alkeefo.

“I like the diversity and the international teams at Vetter. I have found the atmosphere here really open right from the outset and I value this culture, which makes a great deal possible regardless of what your origins are.”

When Alkeefo arrived in Ravensburg, he initially lived with a German family, quickly learned the language, familiarized himself with the culture, and found a soccer team. “I have experienced how powerful warm hospitality can be,” he recalled.

What Alkeefo enjoys about his work for Vetter is that he was allowed to take on responsibility from the very beginning. In his downtime, he spends a lot of time with his friends. When it comes to the value of diversity, Alkeefo added: “We are a colorful bunch of people, and we work so well because we show a real interest in each other and do not judge each other based on our appearances or origins.”

Harmonizing family and career

To continue attracting talent, we offer work that fits people's lives – for instance, through different working time models. They range, according to job description, from our 9-step shift model to the trust-based flextime model. Our flextime model – from six a.m. to nine p.m. – offers plenty of room for maintaining good work-life balance. Part-time work models in administration and production result in even more flexibility. Switching temporarily to part-time work is also made possible through the “bridge” part-time work.

We introduced a 38-hour work week for employees in production. During phases of peak production, they work the 7/3 model, i.e., three different shifts (early, late, and night shift) in seven days. We are working on making shift work even more attractive with additional incentives such as flexible working hours, attractive shift systems and bonuses.

Other aspects such as health, social contacts, and harmonizing family and career likewise play a key role in our employment models. We are breaking new ground with offers such as mobile working, the bike leasing program, a Corporate Health Management (CHM) program, paid time off, and by introducing shift accounts for employees in shift work. Our company vacation scheme, which provides up to ten days more vacation than required by law, similarly helps promote employee health. The number of vacation days also increases with years of employment.



To support people with disabilities, Vetter has a Disabled Staff Representation Group (SBV). This makes a major contribution to our sustainability in social terms by providing support and advice. In 2023, we held 93 consultations with the group, a 10 % increase over the previous year. These conversations covered subjects such as opportunities to create universally accessible workplace environments. The number of people classified as having more severe disabilities at Vetter rose by 9 % to 166 in 2023. Our workplace reintegration management scheme also adds to our range of socially beneficial services, offering various contact partners. >

20 %
of employees
work part-time.



Viva FamilienService

In partnership with Viva FamilienService, we offer our employees free advice and support for everyday family matters – from finding babysitters to offering parenting advice, from organizing care for relatives in need to helping fill out forms. We also provide support in the search for places in care/nursing homes with the aim of finding a suitable place for relatives in need of care

within 48 hours. In talks given by Viva FamilienService, our employees have the chance to learn about important subjects such as advance directives and healthcare proxies. Employees also have round-the-clock access to important information and assistance on our partner's comprehensive website. Viva FamilienService can also be reached by telephone during regular office hours.

Vetter Kids and Vetter Digital Kids

Childcare for employees' little ones during school vacations is also part of our corporate health management program. In the Vetter Kids program, we support parents with vacation camps and cover a large part of the costs for leisure activities. The programs vary from creative pursuits to sports. The wide range of activities provides parents with respite and gives children space to play, discover, and learn. Helping our employees strike the right balance between their professional and family responsibilities is also an investment in the future.

Vetter Digital Kids is a specialized service provided under the Vetter Kids umbrella. The sessions are led by members of our IT team – there are currently three groups of children taking part, aged eight to 14. The kids are given a playful introduction to activities such as programming. In 2023, Vetter Digital Kids took place during the Easter and fall school vacations. More than 50 children came along.

Daycare

Another way in which we support working parents is with company daycare spots at two daycare centers in Ravensburg, which include long childcare hours and meals. A company agreement regulates the pro rata childcare cost support, which is shouldered by Vetter, as well as the needs-based and socially responsible allocation of childcare spots. Employees with children can also book our parent-child office by the hour or day. >

✓ A different kind of vacation: Employees' children juggling plates with the "Moskito" circus school.





Retirement plan

Vetter also supports employees responsibly through its company retirement plan. It is important to us to offer a simple retirement plan that provides financial security in old age and is easy for employees to understand. When the company retirement plan – which was designed in close collaboration with the Works Council – was introduced, each and every employee was given personal consultation. Our company retirement plan, which is comprised of an employer contribution and a state contribution that is exempt from tax and social security

contributions, garnered first place in the SME category of the German Company Retirement Plan Award. We work with an external service provider that takes care of the technical implementation of all company retirement plan processes.

In addition to the company retirement plan, we offer all employees a working time account model that enables early retirement without financial sacrifices.

Corporate Health Management (CHM) and corporate supplementary health insurance

Our Vetter Family initiative is part of our corporate health management program and supports employees by offering spots in daycare centers and organizing childcare during school vacations (Vetter Kids). The Viva FamilienService is another component of the Vetter Family program.

Since 2022, our employees have also benefited from a free corporate supplementary health insurance plan, whose comprehensive set of benefits helps us to honor our commitment to maintaining and promoting the health of our employees. All employees have access to three free corporate supplementary health insurance benefit modules: a yearly medical budget of €900 (for dental treatments, visits to alternative health practitioners, glasses, etc.), a preventive care package with examinations worth a total of €1,900 within two years, and assistance services (e.g., arranging appointments with specialists) for employees and their families.

Since July 1, 2023, employees have had the opportunity to receive a free checkup as part of the plan at a doctor's office with a mobile unit. The services provided in the checkup – which is part of our plan's preventive medical checkups module – include blood tests, ultrasound examinations, and electrocardiograms. Employees can take advantage of these checkups once every two years.

Environment, Health, and Safety (EHS)

Our EHS Policy is where our standards of practice with regard to occupational safety, health, environmental protection, and resource conservation are bundled together. Every year, insurers, customers, and certifying bodies audit our processes. Internal audits augment our self-inspections. In 2023, a total of seven audits on EHS topics took place on 19 audit days.

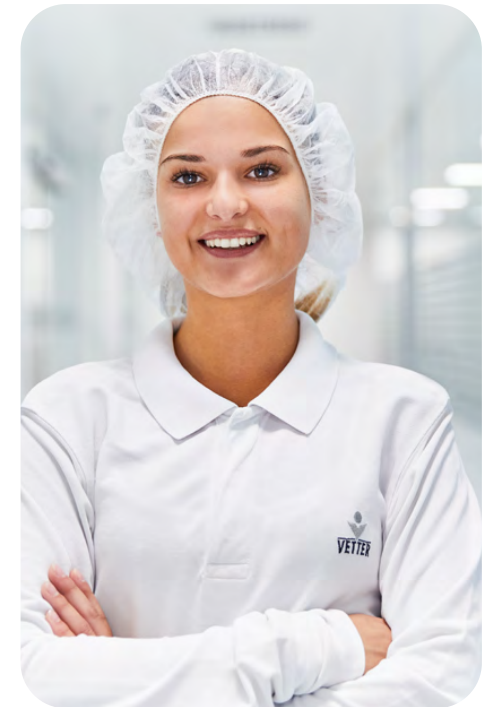
Furthermore, EHS is continuously improving collaboration and driving the digitalization of documentation. This is a crucial step to optimize the internal and external communication with partners (e.g., employers' liability insurance associations, district offices) in a legally compliant manner.

Controlling set targets

With our EHS program, we assess whether we are maintaining our strategic trajectory in the period between 2019 to 2029.

- **10 % reduction in commuters' environmental impact:**
We are currently collating the results of our transportation survey.
- **Reduction in the incident rate for commuter accidents per 1,000 employees:**
Target achieved: The plan was to reduce this by 10 % by 2029; the current reduction has already reached almost 30 %.
- **10 % reduction in total energy consumption relative to GVA:**
Target achieved: We are currently at a 31 % reduction relative to GVA.
- **10 % reduction in total emissions relative to GVA:**
On target.

247
company-wide audits
in the pharmaceutical regulatory environment and inspections ...



... on
190
days in 2023,

of which seven audits
on 19 days on EHS topics

Qualifications

KPIs for criterion 16

Adaptation and risks

True to our strategy, we are continuously developing new objectives and actions for qualifying our employees. Our risk assessment approach needs to take into account that, in light of demographic changes and the ongoing competition for skilled specialists, we might not be able to achieve the growth we envisioned for ourselves. Our strategic action plans – New Working Environments, Employee Recruitment and Retention, and Skill and Competence Management – were developed to counteract this scenario early on, in part via advanced vocational training and digital transformation.

Continuing professional education programs for employees

Knowledge is the key to meeting our quality standards. This is why we feel it is our corporate responsibility to give employees, children, and young people access to education and lifelong learning. We support a wide range of educational initiatives for every age group. Educating and training people at all our sites benefits not just Vetter, but society as a whole. We do not currently have any quantitative targets in relation to education management.



Vetter Academy

Vetter is flourishing around the world, thanks to the expertise of its employees. We rely on the Vetter Academy to offer a comprehensive range of seminars, e-learning tools, and other educational content to foster our employees' professional and personal development. With digital platforms, all our employees

have access to unique, state-of-the-art, and varied tools that give them time to learn at their own pace and at whichever location they choose. Employees have already logged some 5,682 learning hours on these platforms. >

Shaping the future: Our trainees use their skills to develop a robot together. >



Training

Currently hosting 134 trainees and students of dual study programs in scientific, technical, commercial, and IT fields, Vetter is one of the top traineeship employers in the region. We are training future specialists and executives – the innovators of tomorrow – in twelve different professions and eleven study courses within the scope of the dual training system, which combines on-the-job training and classroom learning. With a second, science-focused training center in Ravensburg's Erlen Industrial Park, which we will be opening in the fall of 2024, we are also providing around 2,500 square meters

of space to help shape the future of our company. We are planning to further expand our training program.

Trainee master's program

In collaboration with Reutlingen University, we have been offering a two-year trainee master's program since 2020 to guide employees and students to a Master of Science in Pharmaceutical Science & Business. Those enrolled get to know the business across its various facets. The

program closely links theory and practice and opens up excellent opportunities for an exciting professional future.

Internships and tours

In 2023, 33 graduates completed their theses at Vetter. 143 high schoolers and 115 university students gained their first impressions of the company by completing an internship. Our internships and training events offer those who are interested the opportunity to experience the work environment at Vetter firsthand. We are driving digital transformation in training with our virtual tours and 360° tours of the training center that are coupled with digitally guided practical exercises and interactive elements.

134

trainees and working students in dual programs

23

occupational training and study courses

Health management

Vetter Care

Vetter Care is care, responsibility, and support in practice. The CHM program offers staff meaningful assistance such as our employee counseling service, an external confidant for grievances, our Addiction Prevention Workgroup, an external support network, and our workplace reintegration management scheme.

Employee counseling service

In stressful personal, professional, family, or social situations, our employee counseling service gives Vetter employees a helping hand quickly, discreetly, and without red tape. Taking place in a confidential and private atmosphere, employee counseling offers a space to discuss professional conflicts, particular stress in employee's private lives, and physical and mental health problems (e.g., feelings or symptoms of anxiety, depression, or burn-out). All conversations with Vetter's employee counseling service are kept strictly confidential. If necessary, the employee counseling service will refer employees to regional offices outside of the company.

External confidant

An external confidant, who is present at the company for one and half days every month, serves as a mediator in disputes and provides employees with guidance and advice.

Addiction Prevention Workgroup

Our Addiction Prevention Workgroup is part of the employee counseling service and is the point of contact for employees seeking advice on addiction-related problems. During our annual campaign week, we addressed the topic of alcoholism and raised the question "How much is too much?" A driving simulator, which was available to employees and vividly conveyed the dangers of driving under the influence of alcohol, was extensively used.

Workplace reintegration management

Employees who are absent for 42 days or more within a twelve-month period automatically take part in our workplace reintegration management. Employees receive an offer for a confidential informational conversation and can decide voluntarily whether they want to be involved in the reintegration process. To give our employees tailored support, they are made familiar with the wide range of support services offered under this scheme (e.g., counseling services) as part of an information session. >





EGYM Wellpass

In October, we celebrated the first anniversary of the EGYM Wellpass, which has grown steadily since then. Our employees now have access to sports, exercise, and wellness facilities and services from more than 8,500 providers in Germany and Austria. For the monthly price of just one membership, employees can visit all participating facilities for as often as they want. In 2023, our employees used the EGYM Wellpass a total of 67,617 times. An average of 1,465 employees uses the EGYM Wellpass every month.

Vetter Health Passport

The Vetter Health Passport combines a wide range of free activities surrounding disease prevention, information, nutrition, and much more. 38 different events took place in 2023, covering everything from skin cancer screenings through talks on healthy eating and illnesses (e.g., strokes) to special cooking workshops and archery.

New special formats for trainees, students, and shift workers were rolled out this year. The Schichtfit online program designed for those working shifts, for instance, focuses especially on the important subject of healthy sleep. To help us obtain valuable feedback, employees can anonymously rate each of the activities on offer using an evaluation form.

Healthy Start, a pilot project for trainees and students, was very well received by the young people. Across four modules, they gained an insight into health-related topics, including internet and social media use, self-management, and mindfulness. 90% of those taking part rated the project as important, and each workshop reached an average of 80 young employees.

Vetter Active

Vetter Active is an initiative to promote health in the workplace, which we are continually developing further.

> 8,500

sports, exercise, and
wellness facilities
and services

Vetter Health

Vetter Work

Many of our employees perform strenuous shift work. As a responsible employer, we regularly offer training on potential risks in the workplace when new recruits join the company but also during their employment. We also cater to the special needs in various areas and offer special eye rest breaks to employees on our Visual Inspection team, for example. We train executives to become professionally skilled "ergoscouts" specifically for this purpose.

Company Physician Services

Our Company Physician Services are not only responsible for recruitment and aptitude tests. Offering first aid and first aid workshops, acupuncture, vaccinations, and other day-to-day services at Vetter, they promote the long-term health of our workforce. We have three company physicians on hand to help employees and keep an eye out for their well-being.

Health and safety in the workplace

EHS-relevant training for employees

In 2023, our workforce completed a total of 34,008 EHS-related units of training in both e-learning and in-person formats. This is equivalent to 5.2 training units per employee. We also provided additional training to 2,444 external service providers through our internal SuccessFactors e-learning system. To facilitate rapid assistance in the event of a medical emergency or a safety hazard, all first-aid kits are labeled with the respective building emergency numbers.

Assessing substances

Keeping employees safe also means avoiding handling hazardous substances whenever possible. We reject customer inquiries if our High Potency Drug Panel declares drug ingredients as posing too high of a risk to our employees and/or the environment. The High Potency Drug Panel assesses the hazard potential of both pharmacologically active and toxic substances and the finished drug product, and it defines effective safety precautions. As a rule, we reject working with certain classes of substances, such as cytotoxic substances. We also do not work with substances whose occupational exposure limit (OEL) values are very low – i.e., for which the permissible concentration of the substance in workplace air cannot be safely complied with.

Ergonomics

Our objectives are to enable employees to work efficiently and without errors, to protect them from potentially damaging their health, and to reduce absenteeism. We take steps to mitigate work-related mental stress and physical discomfort by optimally adapting the working environment. During the onboarding process, all employees have the opportunity to take part in ergonomics consultations and to modify their working environment (office chair, desk, monitor, etc.) to suit their needs. We have held more than 2,400 ergonomics consultations since 2017, with the figure in 2023 (344) again significantly exceeding that of the previous year (227). Naturally, we also offer our employees ergonomic equipment, such as laptop stands, gel pads, and ergonomic mice and keyboards. In addition to individual consultations, we identify potential stress-inducing factors in all areas of activity and optimize them step by step in line with ergonomic principles.

Hazardous materials management

We use our SAP software to review hazardous materials substitution, to approve them for use, to manage and update safety data sheets, and to create hazardous material registers and operating instructions. We generally store hazardous materials centrally in our oper-

> 2,400

ergonomic consultations since 2017

ating-material warehouse and supply them to different departments from there. In non-GMP areas (e.g., in our staff restaurants), less critical materials can be used after undertaking substitution checks. The EHS department is always involved in the planning of storage facilities.

Hazardous materials are stored strictly in accordance with legal requirements, including regular inspection of the storage conditions by an approved inspection body. In general, only 2.8% of our waste is classified as hazardous. We carry out systematic in-house risk assessments of our handling of hazardous materials and drug products. In particular, our High Potency Drug Panel assesses drug products in terms of their potential risk to employees. We consistently receive positive feedback on our hazardous materials management in customer audits. >

Risk assessment for mental stress

In society as a whole, illnesses caused by mental stress have become increasingly common in recent years. This fact has been reflected in the German Occupational Health and Safety Act with the concept of a risk assessment for mental stress, which requires us to re-view our operations for potential risks of this nature. As a business, we have some discretion in carrying out this analysis. Possible evaluation tools include workshops, employee surveys, and workplace inspections. To fully embrace our responsibilities as an employer, we have decided to combine the advantages of all three methods.

We will be undertaking a survey to determine the different perspectives on possible stress factors among the real experts – our employees who are at their place of work every day. In addition, we have formed a Steering Committee with representatives from the EHS, CHM, and Company Physician Services departments, the Works Council, and the relevant HR business partners. The



Steering Committee will be carrying out a series of workplace inspections to assess the risk potential of activities and working environments. This will allow us to ensure that potential mental stress in the workplace is examined from all perspectives. The results of these investigations will be elaborated in a workshop led by the Steering Committee so that we can develop a significant action plan. Six departments have already successfully implemented this process, including Secondary Packaging, Visual Inspection, and Aseptics in VLA and SST. The mental stress risk assessment will continue to be conducted in all business areas in succession.

My safe route to work

The EHS program aims to reduce the recordable incident rate for commuter accidents per 1,000 employees by 10 % by 2029 compared to the reference year 2019. We have already managed to reach this target. Nevertheless, we are constantly working to improve it further. We hold regular cycling workshops for our employees to increase cycling safety and reduce the risk of accidents on the way to and from work. Employees also have access to a tool that scans their personal commute for potentially dangerous spots and gives tips on how to manage them.

Commuting accidents

In 2022, we recorded 81 reportable and 94 nonreportable commuting accidents among our employees. We were able to successfully reduce these figures last year. In 2023, the number of reportable commuter accidents was 51, while the number of nonreportable accidents was 64.

Slips and falls

While 58 people slipped or fell during working hours in 2022, the figure was down to 52 in 2023. In 2023, these accidents accounted for 21.53 percent of the total time lost due to accidents. However, it should be noted that because of our remote work policy, many employees were mobile working or working from home.

Mechanical hazard

In 2022, 76 mechanical hazard-based accidents (including work accidents with impact injuries) occurred. In 2023, there were 77 accidents of this kind. The resulting downtime thus amounts to 20.24 percent of the total downtime.

Work-related illnesses

Because of privacy protection, we are uninformed as to the causes of employee illnesses or diagnoses. We are therefore unable to determine whether absences were work-related or of a personal nature.

» KPI for GRI SRS-403-9:
Work-related injuries

The figures for 2023 for all employees are as follows:

- Number of fatalities from work-related injuries: **0**
- Number of work-related injuries with serious consequences (absence of more than six weeks): **5**

Number of documented work-related injuries:

- Number of reportable injuries: **65**
- Number of nonreportable injuries: **72**

The main types of work-related injuries:

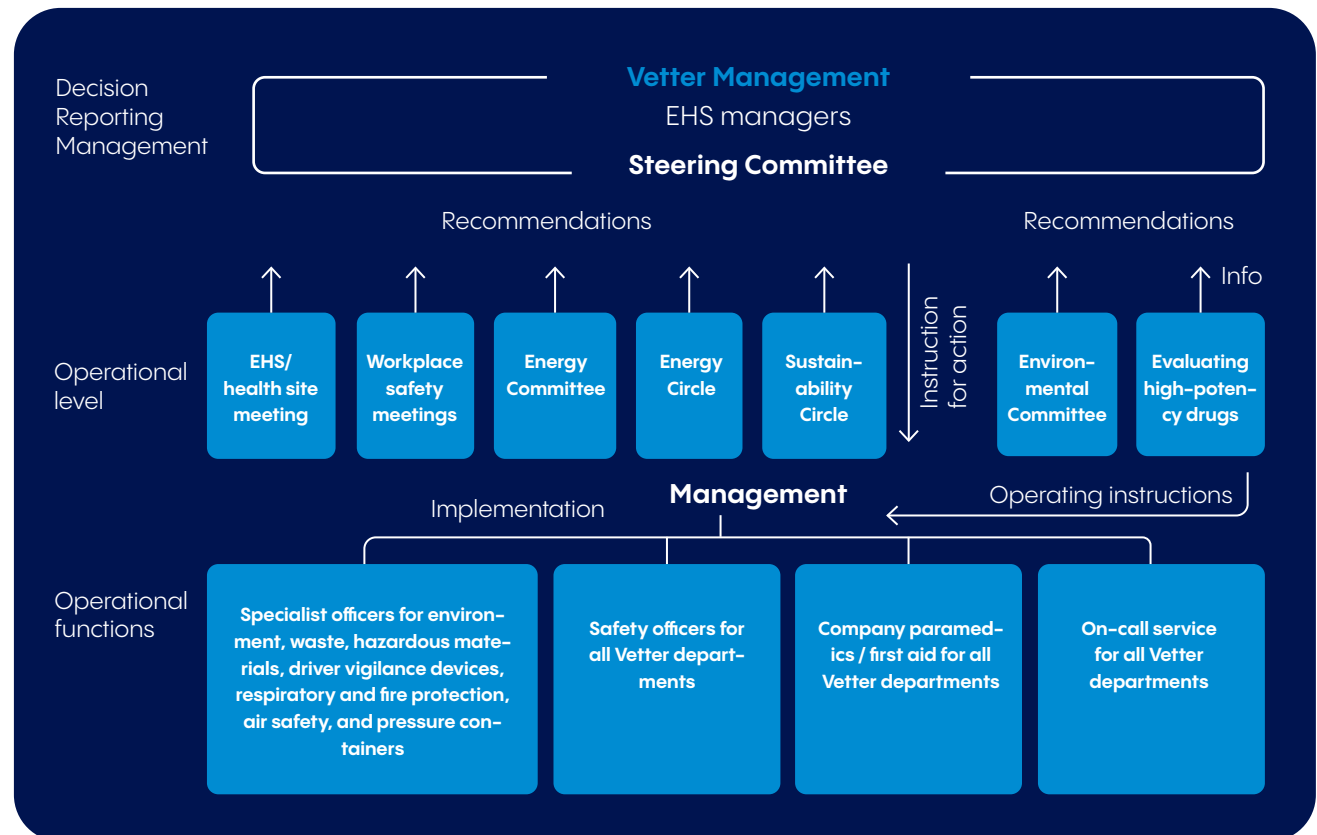
- Hazard categories (top 3):
1. Commuting accidents
2. Slips and falls
3. Mechanical hazards
- Number of hours worked: **9,822,488**

We do not record accidents involving external employees as this data is personal and confidential and remains undisclosed to us. Because these accidents are recorded by the respective partner companies, we have no obligation to report them.

» KPI for GRI SRS-403-4:
Employee participation in occupational health and safety

Established EHS bodies ensure that employees participate in and are consulted on EHS issues. Employees can also contact EHS and offer suggestions for improvement through the frequently utilized V3 system. Even without specific suggestions for improvement, all employees

have the opportunity to easily notify EHS of any critical areas that may lead to dangerous situations or near misses, for instance. To bolster the employee perspective, the Works Council is involved in all committees relevant for occupational health and safety (EHS, CHM).



» KPI for GRI SRS-404-1 (see G4LA9):

Hours of training and advanced vocational training

Department-specific seminars

These seminars are commissioned by the departments and conducted exclusively for them.

External seminars

External seminars are held on site or online by the organizer. These are seminars that we do not offer internally.

Internal seminars

Internal seminars can be attended by all employees. Specific programs are offered for executives. All seminars offered can be found on the "Vetter Learning" SharePoint and booked in SuccessFactors (SF).

Vetter Insights

Our Vetter Insights, like the internal seminars, are aimed at all employees and present the work of a variety of different departments at all our sites. They are offered to our employees as e-learning courses, webinars, and guided tours.

Voluntary training and advanced vocational training

in hours

Type	of advanced training	of whom men	of whom women
Department-specific	0.34	0.67	0.09
External	0.89	1.20	0.66
Internal	11.04	11.27	10.87
Total seminars	12.26	13.14	11.62
Vetter Insights webinars	0.14	0.11	0.16
Vetter Insights classroom training	0.03	0.02	0.04
Total Vetter Insights	0.46	0.33	0.55

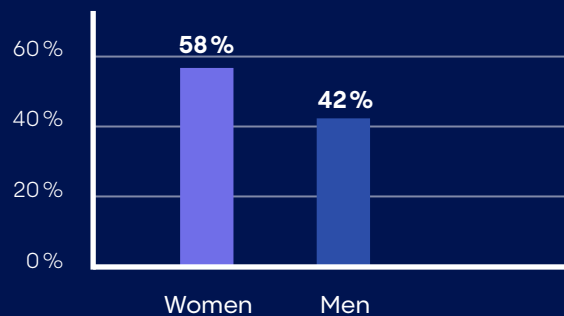
Mandatory training courses

	SOPs read	Trainings completed
Pharmaceutical Production	296,038	85,485
Vetter total	545,018	142,462

» KPI for GRI SRS-405-1:
Diversity

*All figures (as of December 2023)
refer to Vetter worldwide.

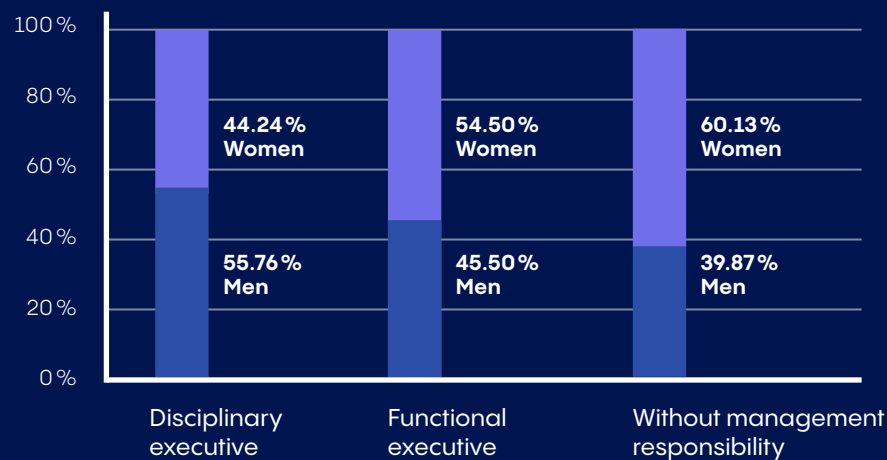
Women's/men's share*



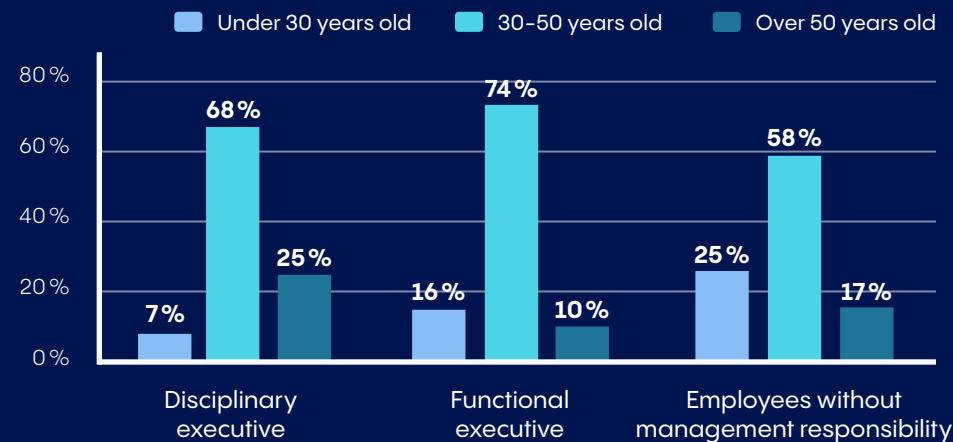
Number of employees by leadership type*



Women's/men's share by employee category*

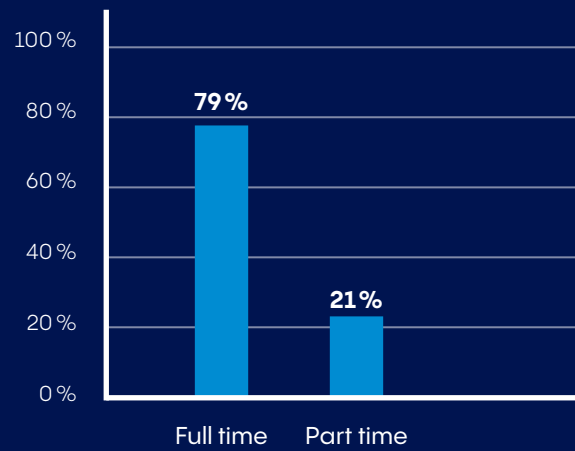


Distribution of work by employee category*

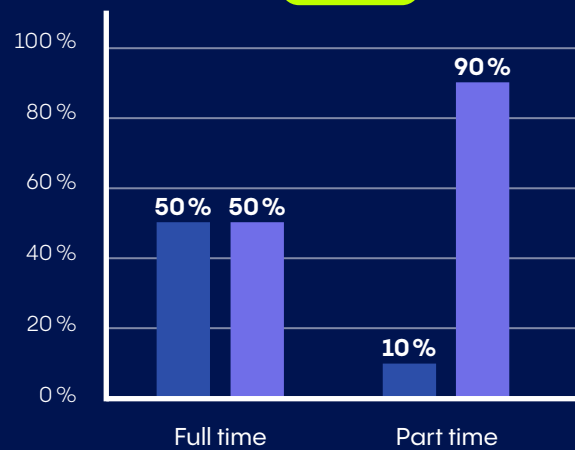


*All figures (as of December 2023) refer to Vetter worldwide.

Working hours*

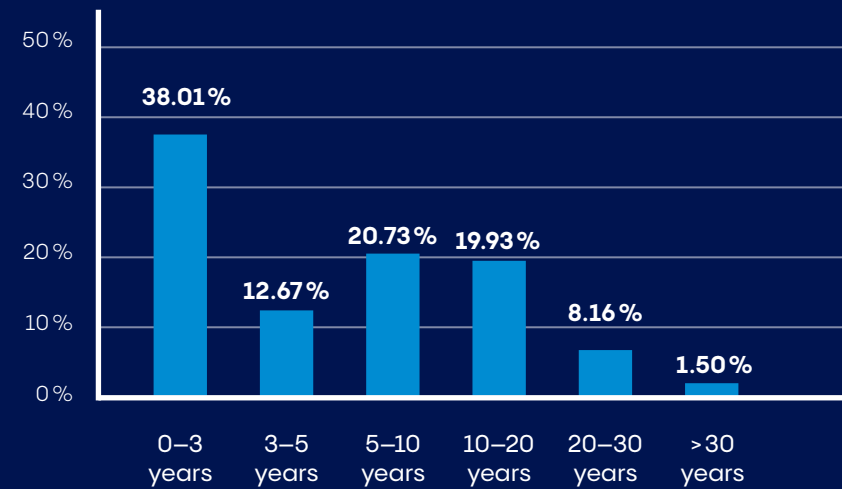


of whom



Women
Men

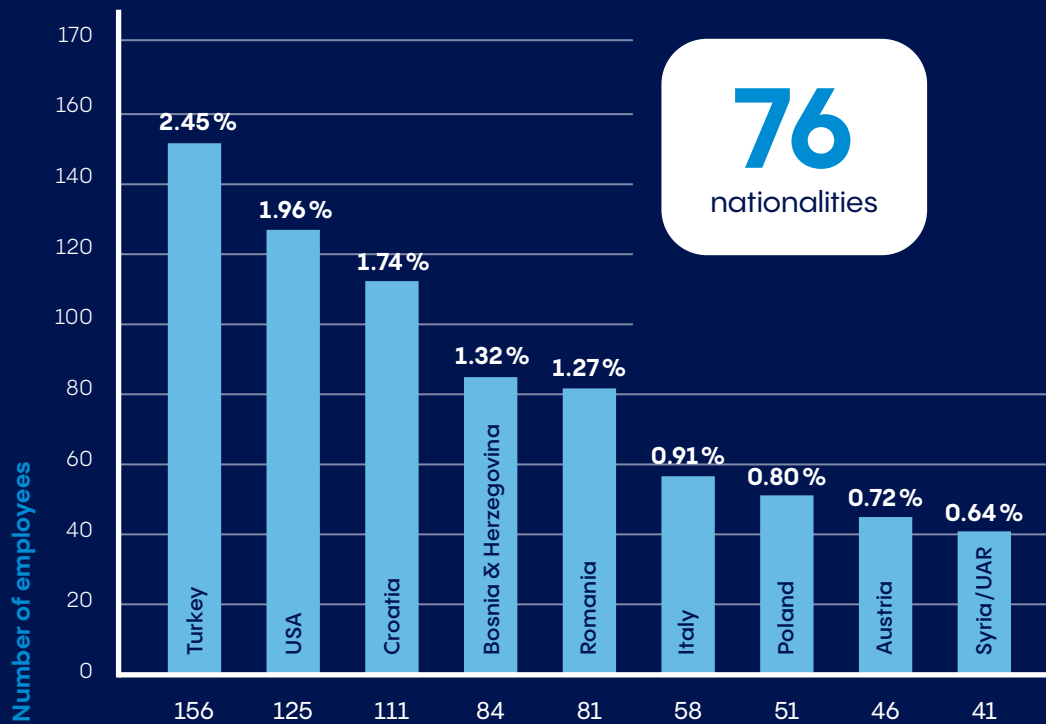
Years of employment*



0
compliance reports on
discrimination incidents in 2023

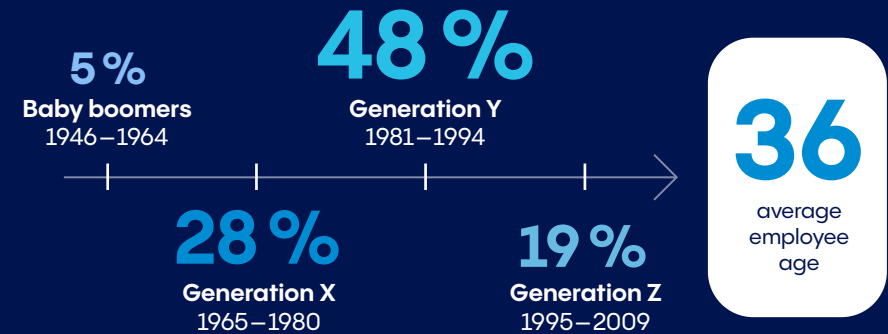
*All figures (as of December 2023) refer to Vetter worldwide.

Countries of origin besides Germany*



76
nationalities

Mix of generations*



Family and career*

323
employees are currently on parental leave



Human rights

We are firmly committed to upholding human rights. For us, this also means taking responsibility for upholding them within our global supply chain. We abide by international conventions and the rule of law, and through our business processes, we effectively prevent human rights violations in the course of our corporate activities.

We strive to ensure that human rights are respected both within our company and along our supply chain. At Vetter, we ensure that human rights are upheld in our own operations. However, we have not yet set any quantitative targets in this regard.

We have laid out this commitment in our Vetter Code of Conduct, which applies to all employees throughout the company. In regular training sessions, in which we explore human rights topics using practical examples, we raise awareness among our employees and explain that respect for human rights is an essential part of our day-to-day business and organizational ethos.

We also expect our business partners to fully respect and comply with human rights without exception. In 2023, we updated our Supplier Code of Conduct and developed it into a general Business Partner Code of Conduct (CoC). In this document, we formulate our approach and expectations with regard to respecting human rights, including on the part of our customers, suppliers, and other service providers. We only work with business partners that guarantee ethical and fair working and employment practices and rule out child labor, forced labor, slavery, and bonded labor in their organizations. We require our business partners to

Whistleblower hotline for employees and external partners



comply with the applicable legal requirements without exception when carrying out their business activities. We include the principles of our Business Partner CoC and associated monitoring mechanisms (e.g., information and auditing rights) in the relevant contractual agreements. We also reserve the right to terminate contractual relationships as a last resort if the behavior of one of our business partners clearly contradicts our values and the business partner is not willing to change their conduct.

We also encourage our direct suppliers to select their own contractual partners in line with the principles of our Business Partner CoC, encouraging them to comply with our minimum standards and to notify us of any violations within their operations or value chain.

We check our operations and those of our direct suppliers for potential risks and violations on an ongoing basis using a specially developed risk analysis process, which is employed annually and can also be used ad hoc. We begin by following a risk-based approach to determine whether country- and sector-specific risks exist. If this reveals increased risks for certain operations or suppliers, they are examined in a second step for specific human rights and/or environmental risks. The results of the analysis are then incorporated into supplier selection and management processes, providing a solid foundation for describing the appropriate preventive and corrective actions concerning existing and new suppliers. Our business partners also undergo a comprehensive compliance due diligence review when contracts are drawn up. >

The review is based on published country risk profiles, such as Transparency International’s annual Corruption Perceptions Index, as well as on our internal risk-based process.

For company employees and external third parties, we maintain a whistleblowing hotline in addition to our option of reporting to Vetter’s Corporate Compliance Office. The hotline is operated by an external ombudsman and offers the opportunity to report risks or actual violations of human or environmental rights personally or anonymously.

In the interests of transparency, we publish an annual Modern Slavery Statement in accordance with the California Transparency in Supply Chains Act (2010) and section 54 of the UK Modern Slavery Act (2015). In this statement, we communicate all the actions that we have actively taken against modern slavery and human trafficking in our businesses and supply chains within the year.

2023 Corporate Compliance Risk Analysis

Efficient compliance risk management requires knowledge of the relevant risks. In line with the three-year cycle, we carried out our third company-wide compliance risk analysis in 2023. To take into account the results of previous compliance risk analyses and current global economic and geopolitical developments, we focused on three compliance areas in 2023: corruption, customs and export controls, and competitor relations.

We also asked our employees about their perceptions in personal interviews and in an online survey. Furthermore, we subjected our compliance management system to a maturity check (“compliance health check”) for the second time in 2023. Again, this involved us asking employees about their perceptions regarding certain matters. The evaluation showed that we continue to have a robust compliance management system in place in 2023 that does not pose any acute compliance risks. As a result, we can concentrate on preventive compliance work.

Corporate Compliance at Vetter



Prevention measures

- Codes of conduct for employees and business partners
- Training (e-learning courses, F2F, workshops)
- Guidelines
- Consultation, information, raising of awareness



Recognition measures

- Regular risk analyses
- Regular compliance health checks
- Business partner compliance
- Due diligence
- External whistleblowing system
- Internal whistleblowing system



Actions

- Internal investigation of reported misconduct
- Improvement of existing and introduction of new processes
- Sanctions and/or consequences

Continuous further development of the compliance management system



KPIs for criterion 17

» KPI for GRI SRS-412-3: **Investment agreements that underwent human rights screening**

With every project awarded and investment decision made, we consider human rights aspects by ...

- ...subjecting potential business partners as well as existing suppliers to a regular compliance due diligence review during the course of the business relationship
- ...taking preventive and corrective actions in the event of impending or actual violations
- ...negotiating contractual clauses that reflect the degree of risk in regard to our business partners' obligations and our rights of monitoring and termination
- ...requiring our suppliers to comply with our Business Partner CoC.

For projects that exceed a certain investment sum, we also evaluate environmental, health, and safety aspects.

» KPI for GRI SRS-412-1: **Sites audited for human rights aspects**

Our sites are located in Germany, Austria, Japan, Singapore, South Korea, China, and the United States – i.e., in countries where there are clear legal requirements for the protection of human rights. Our Code of Conduct, which applies to all locations throughout the company, and our Human Rights Statement are clear commitments to respecting and upholding human rights. All Vetter employees are likewise sensitized to this topic through

regularly run compliance training. As part of an analysis we last conducted in 2023, we reviewed our operations with respect to the risk of human rights violations and were unable to identify any significant or specific risks.

» KPI for GRI SRS-414-1: **New suppliers that were screened for social criteria**

We expect our business partners to comply with our Business Partner CoC and to make this agreement mandatory in new supplier contracts. All new suppliers must undergo an assessment according to German Act on Corporate Due Diligence Obligations in Supply Chains, either using an internal questionnaire or an external assessment platform. Moreover, we will carry out an additional review of a supplier if we suspect a compliance violation.

» KPI for GRI SRS-414-2: **Social impacts of the supply chain**

As a service provider in a heavily regulated industry, our aim is to act in compliance with legal and regulatory requirements at all times throughout our value chain. We demand integrity from all our business partners and select our suppliers on the basis of the highest pharmaceutical quality standards. An annual cross-sectional assessment of our suppliers guarantees compliance with the quality and supply chain standards we have defined. We also check whether our suppliers have appropriate EHS systems in place and require proof of

certification for occupational health and safety (DIN ISO 45001), as well as environmental (DIN ISO 14001) and energy management (DIN EN ISO 50001) systems. We ourselves include independent assessments (e.g., from EcoVadis) in our supplier evaluation.

The monitoring mechanisms mentioned above currently cover over 95% of our material procurement volume for aseptic filling.

Even before the German Act on Corporate Due Diligence Obligations in Supply Chains came into force, we set up a cross-departmental team to implement the new regulations. We worked together with independent agencies here as well. With the help of a specially designed questionnaire, our existing suppliers and potential new business partners underwent a sustainability screening in 2023. We initiate corrective actions for suppliers with potential risks around human and labor rights. This may include requesting that the supplier concerned review and strengthen information on their sustainability management activities. We assess at regular intervals whether the supplier in question complies with our suggestions for improvement. For more information on the German Act on Corporate Due Diligence Obligations in Supply Chains, see the "[Depth of the value chain](#)" section of this report.

Community

We aspire to give back to society above and beyond the supply of vital medicines, which is why we are dedicated to promoting and supporting numerous socially beneficial projects and charitable organizations.

A selection of initiatives and projects we supported in 2023:

- €10,000 for victims of the earthquake in Turkey.
- €9,720 to the DKMS German bone marrow donor center.
- The Clinic Home Interface initiative, which assists tumor patients and those with chronic and terminal illnesses.
- For the “Haus der kleinen Forscher” foundation, we regularly fund and install researcher corners in daycare centers in different regions to get children interested in technology and experimentation.
- Part of our corporate social responsibility entails providing financial support for numerous local and regional projects and initiatives. These include:
- Radio 7's “Drachenkinder” project, which supports children and young people suffering from illness, trauma, or disability.
- The Schussental Hospice, which assists terminally ill people in their final stages of life.
- The Kapuziner Kreativzentrum, a place and platform for creative people to meet and interact.
- Ravensburg Art Museum, home to one of the largest private collections in southern Germany.
- As a company in Upper Swabia, we stand by our region and support “Rutenfestkommission Ravens-

burg e. V.” to help keep the historic Rutenfest town festival running.

- €18,705 for school laptops.
- The “Zirkusschule Moskito” circus school, which is regularly part of the Vetter Kids school vacation programs.

Supporting international educational institutions

Education is a human right, which is why we have been supporting international educational institutions for years with donations in kind. For instance, in 2023, we supported the “Centre de Formation Liweitari” in Benin, which trains over 100 people, with donations including surplus compressed-air generators and high-rack systems.

Vetter goes Social

As part of the Vetter Goes Social initiative, our trainees, students, and interns took part in various charitable projects in Ravensburg in 2023. Their efforts included actively helping out on our campaign for the DKMS bone marrow donor center, for which we raised a total of €9,720. We also kept up our role on the “Stadt-Verschönerer” project to spruce up the city once a month in 2023, and we continued to volunteer at the “Vesperkirche,” which distributes food to people in need.

Little Scientists Foundation

The next generation is the future, which is why their education is close to our hearts and why it has become a tradition of ours to be involved in the “Haus der Kleinen Forscher,” which promotes early childhood STEM education. Every year, our trainees organize research days in five daycare centers in the region and conduct mini experiments to awaken children’s interest in science, technology, engineering, and mathematics.

KPIs for criterion 18

- » KPI for GRI SRS-201-1:
Direct economic value generated and distributed

In 2022, the Vetter Group generated €892.1 million (2021: €840.4 million) in sales revenues and employed an annual average of 5,647 employees (2021: 5,493 employees).

Personnel expenses amounted to €412.1 million (2021: €375.0 million). This is equivalent to a 46 % payroll expenditure ratio (2021: 45 %).

Vetter invested a total of €166.7 million in 2022 (2021: €171.3 million), primarily in expanding production sites, constructing new ones, and equipping cleanrooms as needed. The investments are aimed at continuously expanding capacity and meeting increasing market demand. As a result, in the course of 2022, total assets increased from €1,093.9 million (2021) to €1,236.5 million. Fixed assets account for €921.1 million of this total (2021: €839.7 million).

Engaging employees

Sustainability Days

In 2023, Vetter once again participated in Baden-Württemberg's Sustainability Days – with the now-familiar cell phone boxes that are distributed at the four sites. Employees were invited to donate cell phones they no longer needed to good causes. Another initiative was our information booth, which toured from site to site during the Sustainability Days. Here, employees could find out more about our extensive commitment to sustainability and how they themselves can contribute. In the spirit of socially beneficial sustainability, our Company Physician Services informed our employees about important health topics such as resuscitation and skin protection.

Our carbon credit system in the staff restaurants was also launched during our Sustainability Days. Since then, we have been stating the carbon footprint of each dish and raising awareness of the link between eating habits and climate change.

The "Klimaretter – Lebensretter" initiative gave employees the opportunity to personally tackle the challenges of climate protection and to compete with colleagues. Various talks, including one on "climate myths and climate facts" by author David Nelles, made the topic even more palpable.

Sustainable cities and communities

We took part in Ravensburg's STADTRADELN commuter cycling campaign in 2023 with 246 participants. In just 21 days, Vetter employees cycled 63,410 kilometers and successfully maintained first place in the "absolute kilometers" category. The prize money was donated to the "Radzimmer" bicycle repair shop.

Employees also planted orchard trees in the municipality of Ravensburg in partnership with the local environmental agency. As part of our Vetter Kids program, we also organized a family planting campaign this year.



"Together against leukemia"

Embracing "together against leukemia" as our motto, we carried out a blood-typing campaign at the German Vetter locations in 2023 for DKMS, the bone marrow donor center. Our employees were able to register as potential stem cell donors easily and directly on site. More than 200 employees accepted the invitation to support a good cause – strong proof that we can achieve great things together.

Political influence

Our international business activities oblige us to comply with German and European antibribery and anticorruption laws and other laws of foreign jurisdictions. These are interpreted unambiguously: We do not engage, directly or indirectly, in bribery or the acceptance of benefits by or to public officials or private business partners. We neither offer nor accept gifts, entertainment, or other invitations that could create the appearance of improper influence. No benefits of any kind may be offered to public officials without prior approval from immediate supervisors and/or the Corporate Compliance Office (CCO). If there are any doubts about the legality of benefits to be granted, both management and the CCO will be available at all times to provide legal advice.

In developing its strategy, Vetter came to the conclusion that both company and industry interests must be properly represented. To this end, we surveyed the trade association landscapes in Asia, Europe, Germany, and the United States.

How we choose the organizations in which we want to be involved depends primarily on the pharmaceutical and technical aspects that directly impact production at Vetter. Neither reimbursements nor pricing policy play a role in Vetter's B2B model. Vetter has been an associate

member of the German Association of Research-Based Pharmaceutical Companies (vfa) since 2023. In this role, and through our membership in industry organizations, we participate in the creation, review, and subsequent development of regulatory requirements, which are primarily issued by the European Medicines Agency (EMA) and the US Food and Drug Administration (FDA).

In 2023, we issued a comment on the ban on per- and polyfluorinated chemicals (PFAs) to the European Chemicals Agency (ECHA). The reason for this was that it is currently not possible to manufacture parenteral drug products without polymers such as PTFE or PVDF, and the market does not yet have any practical alternatives to offer.

In addition, Vetter is a member of two lobbying organizations: the Pharma and Biopharma Outsourcing Association (PBOA, an association of contract manufacturers based in the USA) and – through our location in Rankweil, Vorarlberg – PHARMIG, the Austrian Pharmaceutical Industry Association. Commenting on legislation is mainly accomplished through the International Society of Pharmaceutical Engineering (ISPE), which is not a lobbying organization, but an industry organization with personal members.



KPIs for criterion 19

» KPI for GRI SRS-415-1: Political contributions

We exclusively support socially beneficial, humanitarian, and charitable organizations and projects. We do not donate to political parties or individual politicians, nor do we support individuals, alternative religious institutions and movements, or initiatives and groups that support and disseminate racist, antisemitic, discriminatory, radical, or pornographic ideas.

Conduct in compliance with laws and regulations

Management is responsible for ensuring that all applicable laws and regulations are complied with, both within the company as well as in Vetter's business activities. This applies first and foremost to compliance violations. To fulfill this responsibility of our organization, Vetter implemented a comprehensive corporate compliance management system back in 2015 with the aim of identifying potential risks at an early stage and eliminating or minimizing them as far as possible.

We base our current risk profiles on the company-wide corporate compliance risk analyses that are conducted periodically. They outline a three-year plan of action, which is part of our compliance objectives. Further objectives have not been defined.

If necessary, we carry out ad-hoc risk analyses so that we can act appropriately and quickly. Changes in legal requirements may also require certain adjustments to the risk profile and/or action plan. >



Since our world at Vetter, the business landscape, and our regulatory environment are constantly evolving, corporate risks are also subject to constant change. As a result, we carry out a compliance risk analysis on a regular basis (every three years) so that we can take early action if needed.

Corruption risks

With regard to active and passive corruption risks, our emphasis is on preventive education and consultation. All executives complete a mandatory special training course on compliance every two years, tailored to their individual needs. In particular, the training covers subject matter such as combating corruption, current laws and regulations, and preventing unlawful behavior among employees. We have also implemented the following actions:

- Internal company policies (Code of Conduct, Compliance Management Policy, Donation Policy, Procurement Policy, Contracting Policy, FAQs)
- Giving Vetter employees regular training on compliance topics
- Expert talks on select topics at department meetings
- Individual consultations
- Processes for reviewing our business partners' internal compliance based on the country-by-country risks listed in Transparency International's corruption perceptions index
- Transmitting our compliance values to business partners (e.g., by requiring them to commit to the principles codified in our Business Partner CoC).

Identified or suspected misconduct can be reported directly to the Compliance Office as well as anonymously or personally via the whistleblowing hotline. We make active efforts to promote both systems to our employees, and we draw external parties' attention to the whistleblowing hotline via our website. Following a predefined process for carrying out internal investigations, reports of this nature are checked for plausibility, then the facts are investigated and a plan of action is developed to correct the grievance or minimize the risk of recurrence, after which this is implemented in the best possible manner together with the stakeholders concerned.

The results of our compliance risk analysis carried out in 2023 demonstrate that our preventive actions are having an effect. The risk in the active and passive corruption category has been further minimized within our operations in recent years.

KPIs for criterion 20

» KPI for GRI SRS-205-1: Sites assessed for risks related to corruption

Our company-wide compliance risk analysis identifies and assesses corruption risk at Vetter sites every three years. On a scale of 1 (low) to 5 (high), the most recent risk assessment conducted in 2023 identified a risk score of 1.17 for active corruption and 1.47 for passive corruption.

» KPI for GRI SRS-205-3: Incidents of corruption

There were no confirmed incidents of corruption in 2023.

» KPI for GRI SRS-419-1: Noncompliance with laws and regulations

In 2023, no fines were imposed, nor were any sanctions or dispute settlements initiated in the context of compliance.

KPI summary



General KPIs

	2021	2022	2023
Revenue	€ 840,40 mn	€ 892 mn	€ 1,002 mn
Number of employees	5,700	5,900	6,300
Filled units	223mn	210mn	210mn
Number of orders	3,096	2,971	3,122

Environment

Total energy	160,992,404 kWh	156,959,265 kWh	160,763,960 kWh
Electricity	61,860,591 kWh	63,274,818 kWh	65,940,907 kWh
Natural gas	83,305,257 kWh	80,217,620 kWh	78,841,604 kWh
Nitrogen	3,422,342 kWh	3,485,621 kWh	3,790,818 kWh
Heating oil	159,333 kWh	401,520 kWh	484,948 kWh
Water	338,021 m ³	387,401 m ³	495,801 m ³
Total waste volume	2,222 t	2,118 t	2,353 t
Nonhazardous waste	621.83 t	679.60 t	804 t
Hazardous waste:	65.58 t	59.78 t	67.70 t
Pharmaceutical waste	822.16 t	685.62 t	721.30 t
Scope-1 emissions	19,683 t	18,000 t	17,852 t
Scope-2 emissions	0	0	0
Scope-3 emissions	/	12,586 t	3,613 t

Society	2021	2022	2023
Number of fatalities from work-related injuries	0	0	0
Number of work-related injuries with serious consequences	2	8	5
Number of reportable injuries	49	74	65
Number of nonreportable injuries	99	104	72
Number of hours worked	9.373.716	9.141.489	9.882.488
Gender distribution			
Female	60 %	60 %	58 %
Male	40 %	40 %	42 %
Functional executives			
Female	58 %	57 %	54,50 %
Male	42 %	43 %	45,50 %
Disciplinary executives			
Female	44 %	43 %	44,24 %
Male	56 %	57 %	55,76 %





Appendix

List of abbreviations –
German Sustainability Code
(DNK) criteria
Key performance indicators



List of abbreviations

Proper names

CA	Company Agreement	MD	Managing Directors
CCO	Corporate Compliance Office	mn	Million, Millions
CHM	Corporate Health Management	PBOA	Pharma and Biopharma Outsourcing Association
CHP	Cogeneration Plant (Blockheizkraftwerk)	PDCA	Plan, Do, Check, Act
CoC	Code of Conduct	PFAs	polyfluorinated chemicals
FtF	Face to Face	PTFE	Polytetrafluorethylen
GVA	Gross Value Added	PVDF	Polyvinylidenfluorid
CDMO	Contract Development and Manufacturing Organization	QMS	Quality Management System
CGMP	Current Good Manufacturing Practice	SBTi	Science-Based Targets Initiative
CO₂	Carbon Dioxide	SBV	Disabled Staff Representation Group (Schwerbehindertenvertretung)
CMS	Compliance Management System	SDG	Sustainable Development Goals
CSR	Corporate Social Responsibility	SF	SuccessFactors
DAIM	Data-Based Integrated Management System	SOP	Standard Operating Procedure
DHBW	Baden-Wuerttemberg Cooperative State University (Duale Hochschule Baden-Württemberg)	SRS	Sustainability Reporting Standards
DIN	German Institute for Standardization (Deutsches Institut für Normung)	TWS	Technische Werke Schussental (local utility and mobility provider)
ECHA	European Chemicals Agency	UN	United Nations
EHS	Environment, Health, and Safety	VCS	Verified Carbon Standard
EMA	European Medicines Agency	vfa	Association of Research-Based Pharmaceutical Companies
FAQ	Frequently Asked Questions	VOS	Vetter Optimization System
FDA	Food and Drug Administration		
GHG	Greenhouse Gas		
GMP	Good Manufacturing Practice		
GRI	Global Reporting Initiative		
IHK	Chamber of industry and commerce		
ILO	International Labour Organization		
ISO	International Organization for Standardization		
ISPE	International Society for Pharmaceutical Engineering (nonprofit organization in the pharmaceutical industry)		
KPI	Key Performance Indicator		
LkSG	German Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz)		

Units of measurement

g	Gram
kg	Kilogram
kWh	Kilowatt Hour
l	Liter
m	Meter
m³	Cubic Meter
t	Metric Ton

Criteria and key performance indicators

The statement was prepared in accordance with the following GRI SRS reporting standards:

Strategy

1. Strategic analysis and actions

The company declares whether or not it is pursuing a sustainability strategy. It explains the concrete actions it takes to operate in accordance with the key and recognized industry-specific, national and international standards.

2. Materiality

The company discloses the aspects of its business operations that significantly impact sustainability and the aspects of sustainability that have material impact on its business activities. It analyzes positive and negative effects and provides information as to how those insights are integrated into its own processes.

3. Objectives

The company discloses the qualitative and/or quantitative – as well as temporally defined – sustainability objectives that were set and operationalized and how it monitors the degree to which they were achieved.

4. Depth of the value chain

The company states how significant sustainability is for added value and the depth to which the sustainability criteria are verified in the value chain.

Process management

5. Responsibility

Management accountability for sustainability is disclosed.

6. Rules and processes

The company discloses how rules and processes are used to implement its sustainability strategy in the operational business.

7. Control

The company discloses which sustainability KPIs it uses and how they are integrated into its regular internal planning and control processes. It discloses how suitable processes ensure the reliability, comparability, and consistency of the data used in internal management and external communication.

KPIs for criteria 5 to 7

» KPI for GRI SRS-102-16:

Values

The reporting organization shall report the following information:

A description of the organization's values, principles, standards, and code of conduct.

8. Incentive systems

The company discloses how the target agreements and compensation for their executives and employees are geared towards achieving sustainability objectives and how these are aligned with long-term value creation. It discloses the extent to which achieving these objectives are part of the evaluation of the top management level (Board / Managing Directors) by the governance body (Supervisory Board / Advisory Board).

KPIs for criterion 8

» KPI for GRI SRS-102-35:

Compensation policies

The reporting organization shall report the following information:

- a.** Compensation policies for the highest governance body and senior executives for the following types of compensation:
 - i.** Basic salary and variable compensation, including performance-based compensation, equity-based compensation, bonuses, and deferred or vested shares;
 - ii.** Sign-on bonuses or recruitment incentive payments;
 - iii.** Termination payments;
 - iv.** Clawbacks;
 - v.** Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees.
- b.** How performance criteria in the compensation policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics.

» KPI for GRI SRS-102-38:

Annual total compensation ratio

The reporting organization shall report the following information:

Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operating sites to the median annual total compensation of all employees (excluding the highest-paid individual) in the same country.

9. Stakeholder engagement

The company discloses how it identifies socially and economically relevant stakeholders and integrates them into the sustainability process. It states whether and how it maintains an ongoing dialog with them and how it integrates those results into the sustainability process.

KPIs for criterion 9

» KPI for GRI SRS-102-44:

Key issues and concerns raised

The reporting organization shall report the following information:

Key topics and concerns that have been raised through stakeholder engagement, including:

- i. How the organization has responded to those key topics and concerns, including through its reporting;
- ii. The stakeholder groups that raised each of the key topics and concerns.

10. Innovation and product management

The company discloses how it uses suitable processes to ensure that innovation in products and services enhance the sustainability of its own resource use and that of users.

It also states whether and how it assesses the current and future impact of key products and services in the value chain and product life cycle.

KPIs for criterion 10

» KPI for G4-FS11:

Percentage of financial assets subject to positive or negative screening on environmental or social factors

(Note: The indicator should also be reported when reporting to GRI SRS).

Sustainability aspects: environment

11. Use of natural resources

The company discloses the extent to which natural resources are used for business activities. These include materials and the input and output of water, soil, waste, energy, land, biodiversity, and emissions for the life cycles of products and services.

12. Resource management

The company discloses which qualitative and quantitative objectives it has set for resource efficiency, in particular its use of renewable energies, the increase in raw-material productivity, and the reduction in the use of ecosystem services, which actions and strategies it is pursuing to this end, how these are or will be achieved, and where it sees risks.

KPIs for criteria 11 to 12

» KPI for GRI SRS-301-1:

Material used

The reporting organization shall report the following information:

Total weight or volume of materials that are used to produce and package the organization's key products and services during the reporting period, by:

- i. Nonrenewable materials used;
- ii. Renewable materials used.

» KPI for GRI SRS-302-1: Energy consumption

The reporting organization shall report the following information:

- a. The total fuel consumption within the organization from nonrenewable sources, in joules or multiples thereof, including the fuel types used.
- b. The total fuel consumption within the organization from renewable sources, in joules or multiples thereof, including the fuel types used.
- c. In joules, watt-hours, or multiples thereof, the total
 - i. Electricity consumption;
 - ii. Heating consumption;
 - iii. Cooling consumption;
 - iv. Steam consumption;
- d. In joules, watt-hours, or multiples thereof, the total
 - i. Electricity sold;
 - ii. Heating sold;
 - iii. Cooling sold;
 - iv. Steam sold;
- e. The total energy consumption within the organization, in joules or multiples thereof;
- f. Standards, methodologies, assumptions, and/or calculation tools used;
- g. Source of the conversion factors used.

» KPI for GRI SRS-302-4:

Reduction of energy consumption

The reporting organization shall report the following information:

- a.** Amount of reduction of energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples thereof;
- b.** The types of energy included in the reduction: fuel, electric power, heating, cooling, steam, or all;
- c.** The basis for calculating the reduction of energy consumption, such as base year or baseline, including the rationale for choosing it;
- d.** Standards, methodologies, assumptions, and/or calculation tools used.

» KPI for GRI SRS-303-3:

Water withdrawal

The reporting organization shall report the following information:

- a.** Total water withdrawals from all areas in megaliters, and a breakdown of the total by the following sources, if applicable:
 - i.** Surface water;
 - ii.** Groundwater;
 - iii.** Seawater;
 - iv.** Produced water;
 - v.** Third-party water;
- b.** Total water withdrawals from all areas with water stress in megaliters and a breakdown of the total by the following sources, where applicable:
 - i.** Surface water;
 - ii.** Groundwater;
 - iii.** Seawater;
 - iv.** Produced water;
 - v.** Third-party water, and a breakdown of the total volume of withdrawal sources listed in i.–iv;
- c.** A breakdown of the total water withdrawal from each of the

sources listed in 303-3-a and 303-3-b, in megaliters, by the following categories:

- i.** Freshwater ($\leq 1,000$ mg/l total dissolved solids (TDS));
- ii.** Other water ($> 1,000$ mg/l total dissolved solids (TDS));
- d.** Any contextual information necessary to understand how the data was compiled, such as the standards, methodologies, and assumptions used.

» KPI for GRI SRS-306-2:

Waste generated

The reporting organization shall report the following information:

- a.** Total weight of hazardous waste, with a breakdown by the following disposal methods, where applicable:
 - i.** Reuse;
 - ii.** Recycling;
 - iii.** Composting;
 - iv.** Recovery, including energy recovery;
 - v.** Waste incineration (mass burning);
 - vi.** Saline wastewater injection;
 - vii.** Landfill;
 - viii.** Storage at the site;
 - ix.** Other (to be specified by the organization).
- b.** Total weight of nonhazardous waste, with a breakdown by the following disposal methods, where applicable:
 - i.** Reuse;
 - ii.** Recycling;
 - iii.** Composting;
 - iv.** Recovery, including energy recovery;
 - v.** Waste incineration (mass burning);
 - vi.** Saline wastewater injection;
 - vii.** Landfill;
 - viii.** Storage at the site;
 - ix.** Other (to be specified by the organization);
- c.** How the waste disposal method was determined:
 - i.** Disposed of or otherwise directly confirmed by the organization;
 - ii.** Information provided by the disposal service provider;

iii. Standard organizational methods of the disposal service provider.

13. Climate-relevant emissions

The company discloses greenhouse gas (GHG) emissions in accordance with the Greenhouse Gas Protocol or standards based on it and states its self-imposed objectives for reducing emissions.

KPIs for criterion 13

» KPI GRI SRS-305-1 (see GH-EN15):

Direct (scope 1) GHG emissions

The reporting organization shall report the following information:

- a.** Gross volume of direct (scope 1) GHG emissions in metric tons of CO₂ equivalent.
- b.** Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all;
- c.** Biogenic CO₂ emissions in metric tons of CO₂ equivalent;
- d.** The base year for the calculation, if applicable, including:
 - i.** The rationale for choosing it;
 - ii.** Emissions in the base year;
- iii.** The context for all significant changes in emissions that led to the recalculations of base-year emissions.
- e.** Source of the emission factors and Global Warming Potential (GWP) rates used, or a reference to the GWP source;
- f.** Consolidation approach for emissions; whether equity share approach, financial control, or operational control;
- g.** Standards, methodologies, assumptions, and/or calculation tools used.

**>> KPI for GRI SRS-305-2:****Energy indirect (scope 2) GHG emissions**

The reporting organization shall report the following information:

- a.** Gross volume of energy indirect (scope 2) GHG emissions in metric tons of CO₂ equivalent;
- b.** If applicable, the gross market-based indirect (scope 2) GHG emissions in metric tons of CO₂ equivalent;
- c.** If applicable, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all;
- d.** The base year for the calculation, if applicable, including:
 - i.** The rationale for choosing it;
 - ii.** Emissions in the base year;
- iii.** The context for all significant changes in emissions that led to the recalculations of base-year emissions.
- e.** Source of the emission factors and global warming potential (GWP) rates used, or a reference to the GWP source;
- f.** Consolidation approach for emissions; whether equity share approach, financial control, or operational control;
- g.** Standards, methodologies, assumptions, and/or calculation tools used.

>> KPI for GRI SRS-305-3:**Other indirect (scope 3) GHG emissions**

The reporting organization shall report the following information:

- a.** Gross volume of other indirect (scope 3) GHG emissions in metric tons of CO₂ equivalent.
- b.** If applicable, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all;
- c.** Biogenic CO₂ emissions in metric tons of CO₂ equivalent;
- d.** Other indirect (scope 3) GHG emissions categories and activities included in the calculation;
- e.** The base year for the calculation, if applicable, including:
 - i.** The rationale for choosing it;
 - ii.** Emissions in the base year;

iii. The context for all significant changes in emissions that led to the recalculations of base-year emissions.

- f.** Source of the emission factors and Global Warming Potential (GWP) rates used, or a reference to the GWP source;
- g.** Standards, methodologies, assumptions, and/or calculation tools used.

>> KPI for GRI SRS-305-5:**Reduction of GHG emissions**

The reporting organization shall report the following information:

- a.** GHG emissions reduced as a direct result of emission reduction initiatives, in metric tons of CO₂ equivalent;
- b.** the gases included in the calculation; whether CO₂, CH₄, N₂O, FKW, PFKW, SF₆, NF₃ or all;
- c.** Base year or baseline, including the rationale for choosing it;
- d.** Scopes in which reductions took place; whether in direct (scope 1), energy indirect (scope 2), and/or other indirect (scope 3) GHG emissions.
- e.** Standards, methodologies, assumptions, and/or calculation tools used.

Society

14. Employee rights

The company reports on how it complies with national and international standards on employee rights and how it fosters employee participation in the company and in managing sustainability, which objectives it has set itself, which results have been achieved to date, and where it sees risks.

15. Equal opportunities

The company discloses how it has implemented processes nationally and internationally and its objectives for promoting equal opportunities and diversity, occupational health and safety, participation rights, the integration of migrants and people with

disabilities, and fair salaries and work-life balance, as well as how it implements them.

16. Qualifications

The company discloses the objectives it has set and which actions it has taken to promote employability of all employees, i.e., the ability of its employees to participate in the work environment and to adapt these in view of demographic developments, and as well as where it sees risks.

KPIs for criteria 14 to 16**>> KPI for GRI SRS-403-9:****Work-related injuries**

The reporting organization shall report the following information:

- a.** For all employees
 - i.** Number and rate of fatalities from work-related injuries;
 - ii.** The number and rate of high-consequence work-related injuries (excluding fatalities);
 - iii.** Number and rate of recordable work-related injuries;
 - iv.** The main types of work-related injuries;
 - v.** The number of hours worked;
- b.** For all members of staff who are not company employees but whose work and/or workplace is controlled by the organization,
 - i.** Number and rate of fatalities from work-related injuries;
 - ii.** The number and rate of high-consequence work-related injuries (excluding fatalities);
 - iii.** Number and rate of recordable work-related injuries;
 - iv.** The main types of work-related injuries;
 - v.** The number of hours worked.

» KPI GRI SRS-403-4:

Employee participation in occupational health and safety

The reporting organization shall disclose the following information for employees and members of staff who are not company employees but whose work and/or workplace is controlled by the organization:

- a. A description of the processes for employee participation and consultation in the development, implementation, and performance evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to employees.
- b. Where formal joint management-employee occupational health and safety committees exist, a description of their responsibilities, meeting frequency, decision-making authority, and whether and, if so, why any employees are not represented by these committees.

» KPI GRI SRS-404-1 (see G4LA9):

Hours of vocational training and continuing education

The reporting organization shall report the following information:

Average hours of vocational training and continuing education that the organization's employees have undertaken during the reporting period, broken down by:

- i. Gender;
- ii. Employee category.

» KPI for GRI SRS-405-1:

Diversity

The reporting organization shall report the following information:

- a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories:
 - i. Gender;

- ii. Age group: under 30 years old, 30 to 50 years old, over 50 years old;
- iii. Other diversity indicators where relevant (e.g., minorities or vulnerable groups);
- b. Percentage of employees per employee category in each of the following diversity categories:
 - i. Gender;
 - ii. Age group: under 30 years old, 30 to 50 years old, over 50 years old;
 - iii. Other diversity indicators where relevant (e.g., minorities or vulnerable groups).

» KPI for GRI SRS-406-1:

Incidents of discrimination

The reporting organization shall report the following information:

- a. Total number incidents of discrimination during the reporting period;
- b. Status of the incidents and actions taken with reference to the following:
 - i. Incident reviewed by the organization;
 - ii. Remediation plans being implemented;
 - iii. Remediation plans that have been implemented, with results reviewed through routine internal management review process;
 - iv. Incident is no longer subject to action or suit.

17. Human rights

The company shall disclose the actions it takes, strategies it pursues, and objectives it sets for itself and for its supply chain to ensure that human rights are respected globally and that forced and child labor and all forms of exploitation are prevented. Information on the results of these actions and any relevant risks shall also be provided.

KPIs for criterion 17

» KPI for GRI SRS-412-3:

Investment agreements that underwent human rights screening

The reporting organization shall report the following information:

- a. Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening;
- b. The definition used for "significant investment agreements."

» KPI for GRI SRS-412-1:

Operating sites audited for human rights aspects

The reporting organization shall report the following information:

Total number and percentage of operating sites that have been subject to human rights audits or human rights impact assessments, by country.

» KPI for GRI SRS-414-1:

New suppliers that were screened for social criteria

The reporting organization shall report the following information:

Percentage of new suppliers that were screened using social criteria.

» KPI for GRI SRS-414-2:

Social impacts of the supply chain

The reporting organization shall report the following information:

- a. Number of suppliers assessed for social impact;
- b. Number of suppliers identified as having significant actual and potential negative social impacts;
- c. Significant actual and potential negative social impacts identified in the supply chain;
- d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment;
- e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.

18. Community

The company discloses how it contributes to corporate citizenship in the regions where it conducts its core business activities.

KPIs for criterion 18

» KPI for GRI SRS-201-1:

Direct economic value generated and distributed

The reporting organization shall report the following information:

- a. Direct Economic Value Generated and Distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data is presented as an income statement, the reason for this decision shall be disclosed in addition to disclosing the following basic components:
 - i. Direct economic value generated: revenues;
 - ii. Economic value distributed: operating costs, employee salaries and benefits, payments to providers of capital, payments to government by country, and community investments;

iii. Economic value retained: 'direct economic value generated' less 'economic value distributed';

- b. Where significant, the EVG&D shall be reported separately at national, regional, or market levels, and the criteria used for defining its significance shall be stated.

19. Political influence

All significant input to legislative processes, all entries in lobbying lists, all significant membership fee payments, all contributions to governments, and all donations to political parties and politicians are to be disclosed on a country-by-country basis.

KPIs for criterion 19

» KPI for GRI SRS-415-1:

Political contributions

The reporting organization shall report the following information:

- a. Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary;
- b. If applicable, how the monetary value of in-kind contributions was estimated.

20. Conduct in compliance with laws and regulations

The company discloses the actions, standards, systems, and processes that are in place to prevent unlawful conduct – and corruption in particular – including how they are verified, which results have been achieved to date, and where it sees risks. It describes how it prevents, exposes, and penalizes corruption and other contraventions in the company.

KPIs for criterion 20

» KPI for GRI SRS-205-1:

Operating sites assessed for risks related to corruption

The reporting organization shall report the following information:

- a. Total number and percentage of operating sites assessed for risks related to corruption.
- b. Significant risks related to corruption identified through the risk assessment.

» KPI for GRI SRS-205-3:

Incidents of corruption

The reporting organization shall report the following information:

- a. Total number and nature of confirmed incidents of corruption;
- b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption;
- c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption;
- d. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.

» KPI for GRI SRS-419-1:

Noncompliance with laws and regulations

The reporting organization shall report the following information:

- a. Substantial fines and nonmonetary sanctions for noncompliance with laws and/or regulations in the social and economic area in terms of:
 - i. Total monetary value of significant fines;
 - ii. Total number of nonmonetary sanctions;
 - iii. Cases brought in the context of dispute resolution proceedings;
- b. If the organization has not identified any noncompliance with the law and/or regulations, a brief statement of this fact is sufficient;
- c. The context against which significant fines and nonmonetary sanctions were incurred.

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Vetter Sustainability Report 2023

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Numerous Vetter employees contributed to the Sustainability Report 2023.

Please do not hesitate to contact us if you have any questions, suggestions or other concerns about sustainability. We will be happy to answer your questions and forward them to the relevant departments if needed.

Contact