



Sustainability Report 2024

pharmaand GmbH

pharmaand GmbH
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Our Motivation

Foreword by the founders:

We founded pharma& in 2017 with the aim to breathe new life into proven medicines. We are dedicated to preserving the availability and fostering the further development of essential medicines worldwide to leave no patient behind.

Our wealth of experience in various positions in the pharmaceutical industry has shown us that drugs that have been available for a considerable period often acquire a lower priority within the company portfolio and can ultimately be discontinued. Access to effective medicines is a priority for both healthcare providers and patients, and serious consequences may arise if such medicines are no longer available. Irrespective of whether a widely sold medicine or a niche drug, pharma& acquires the global rights to such required medicines and is committed to preserving and developing the value of these medicines for all who rely on them.

To secure long-term access to such medicines, we acquired Loba Feinchemie in Fischamend, Austria, in 2021 to manufacture our medicines exclusively and independently in Europe and under local safety standards in the near future. By 2024, this site was transformed into a modern biopharmaceutical production facility that meets global regulatory requirements and current environmental and sustainability requirements.

Since inception, we have acquired 10+ pharmaceuticals, resulting in the growth of a fully integrated, flexible and adaptable organisation capable of responding to business priorities in real-time. We have some 400 highly experienced team members who are well-versed in the industry, working in ten countries, and now operate in about 67 countries worldwide via our global network of subsidiaries, joint ventures and partners. Together, we are committed to breathing new life into proven medicines.

Frank Rotmann and Elmar Zagler

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ESG Spotlights

Environment



CO₂ emissions* Scope 1 2024

1,685 t CO₂e

CO₂ emissions* Scope 2 2024

6 t CO₂e

Waste for disposal in 2024

141.5 t

Hazardous waste for disposal in 2024

92 t

*The stated emissions are based on the market-based emission factor

Social Matters



Women's quota in 2024

50%

Women at the management level in 2024

48%

Occupational accidents in 2024

4

Employee development

Introduction of an e-learning platform

Governance



Division structuring

Creating barrier-free reporting channels and implementing a reporting centre

Business model adjustment

Re-analysing structural and operational adjustments at Loba Tech Ltd

Group-wide compliance

Putting in place a global compliance structure

pharmaand GmbH ESG report

Introduction

This report illuminates the sustainability of the business activities of pharmaand GmbH (hereinafter referred to as pharma&) and its subsidiaries, in particular the wholly-owned subsidiary Loba biotech GmbH (hereinafter referred to as Loba), which operated under the name LOBA Feinchemie GmbH up until 1 July 2023. pharma& operates purely as an office-based company with its sales activities, while Loba also operates its own production facilities and laboratories.

In this report, sustainability is considered from the perspective of dual materiality:

- Financial materiality (outside-in) and
- Ecological and/or social, so-called impact materiality (inside-out).

This means: If an aspect of business activity is considered material in at least one of these respects, it is addressed in this report.

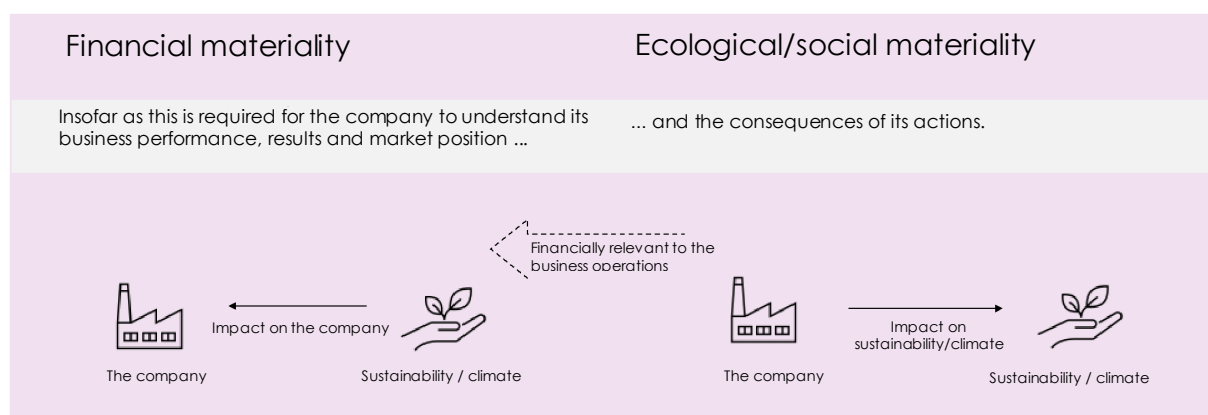


Diagram 1: Double materiality (based on European Commission (2019). [Guidelines for climate-related reporting](#))

Financial materiality refers to aspects of sustainability that are directly associated with the company's business results and economic situation (e.g., CO₂ price).

Environmental or social materiality focuses on aspects of business activities that have an impact on the environment and the company's social environment (e.g., CO₂ emissions from production or long-term job creation).

pharma& and Loba's material sustainability topics were initially identified in 2022 and updated in 2024 in preparation for the CSRD to meet the ESRS requirements. The individual steps of the materiality analysis illuminate the business activities from different perspectives (e.g., competition, external stakeholders, and company

management) to obtain as comprehensive a view of the company as possible. When applied to pharma& and Loba, the materiality analysis is made up of five steps.

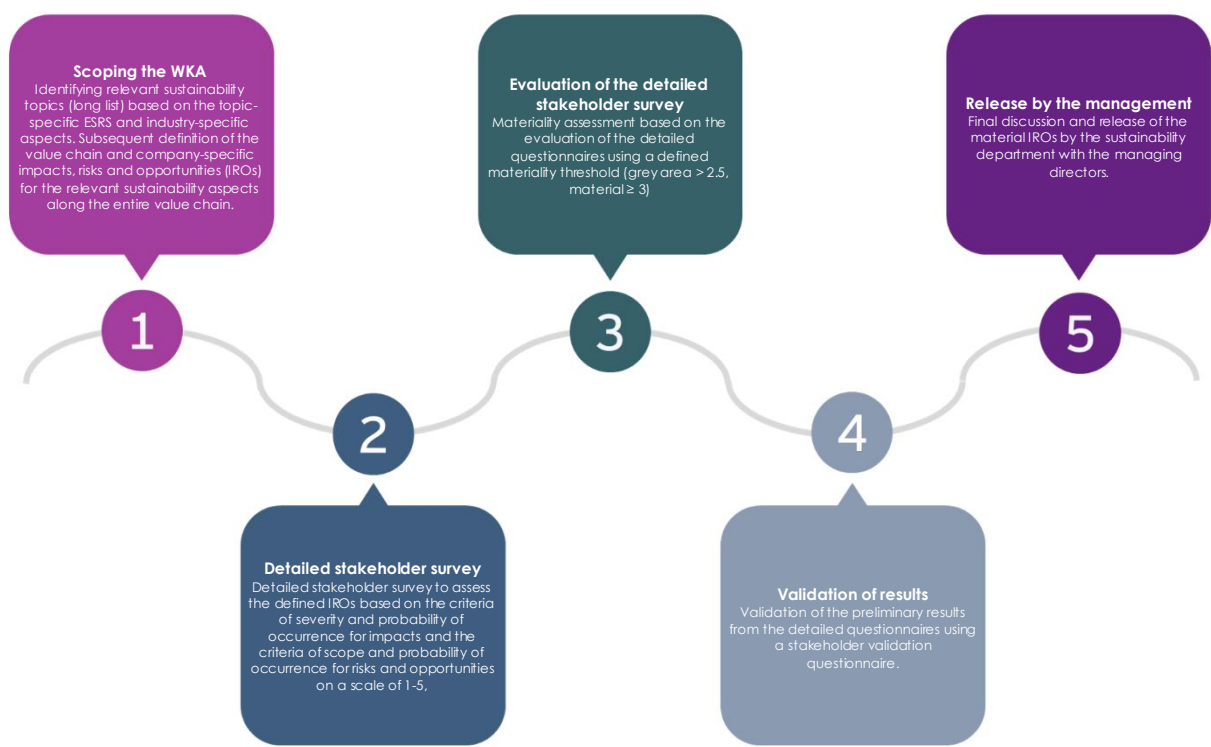


Diagram 2: Materiality analysis process



Diagram 3: Materiality matrix

In the first step of the materiality analysis for 2024, a detailed survey was conducted of selected stakeholders (employees with specialist knowledge). This detailed survey was used to evaluate the defined impacts, risks, and opportunities (IROs) based on various criteria and, therefore, assess their materiality. In a second step, a stakeholder survey was conducted that included all relevant interest groups. These stakeholders were asked to validate the internal assessments of the sustainability topics.



Diagram 4: Stakeholder overview

Environment

The environmental section of this report covers three main topics:

- Climate protection
- Environmental pollution
- Sustainable procurement & transparent supply chain

In the remainder of the report, the term “CO₂ emissions” includes all greenhouse gas emissions as CO₂ equivalents (CO₂e).

Climate protection

Strategy and materiality

Climate protection is a relevant topic for pharma& and Loba, and has a significant influence on strategic business decisions. For example, increasingly strict emissions regulations mean that cost-intensive retrofits need to be conducted at Loba's production facilities. Furthermore, current and future regulatory requirements such as the WGC-BREF (Common Waste Gas Treatment in the Chemical Sector - Best Available Techniques Reference Document) call for stricter control by way of extended data collection and reporting with regard to production-related emissions. Additional investment in internal processes and expertise will also be needed.

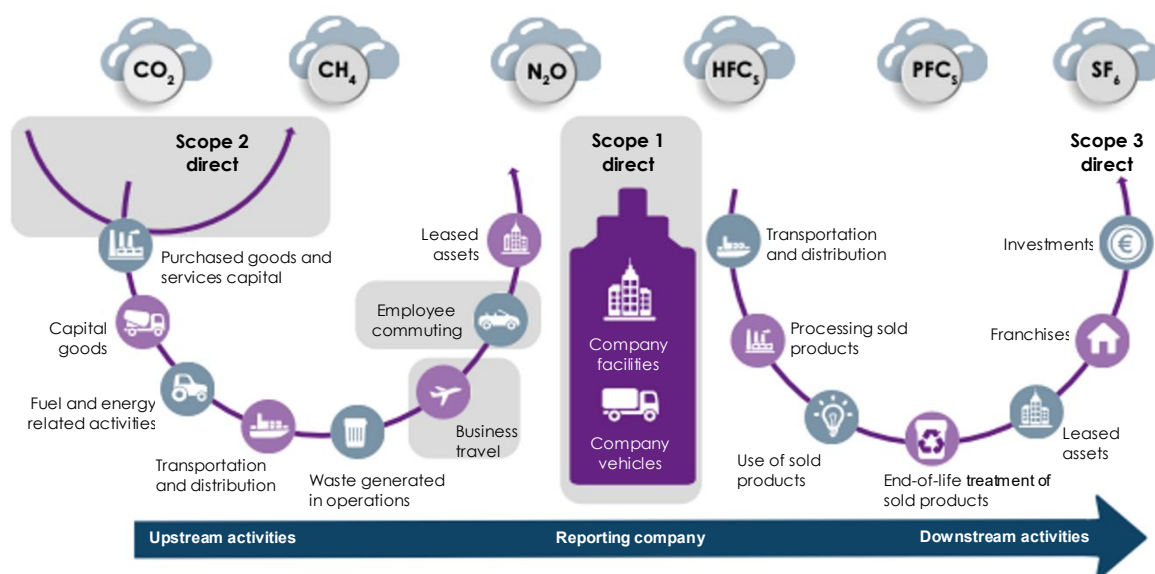


Diagram 5: Definition of the Scope 1, 2, and 3 emissions

Producing pharmaceutical and biochemical products is energy-intensive and, therefore, also CO₂-intensive. The issue of climate protection now concerns all aspects of society. pharma& endeavours to address these concerns through various measures.

Measures and implementation

- The company endeavours to reduce its emissions continually. Commissioning renewable energy generation plants is a central component of these efforts. In 2024, Loba commissioned a photovoltaic system (PV system) with a capacity of 135 kWp. A hydropower plant with an output of 56 kW was officially approved in tandem and is scheduled to go into operation in 2025 (at the earliest).
- To minimise emissions from the electricity not generated in-house, a contract was entered into with Energie Klagenfurt GmbH at the end of 2022 for the supply of green electricity to the entire Loba site, which came into force in 2023 and, in particular, significantly reduces GHG production emissions.
- To measure progress in climate protection, pharma& has been recording its CO₂ emissions in accordance with the Greenhouse Gas Protocol (GHG Protocol) since 2021. In 2024, this included Scope 1, Scope 2, and partially Scope 3 carbon dioxide emissions (see Diagram 5). Additions to Scope 3 emissions comprised business travel, including emissions from associated transport in the form of air, car, and train travel (GHG Protocol: Scope 3 category 6) and emissions resulting from employees commuting to work (GHG Protocol: Scope 3 category 7).
- All CO₂ emissions were offset by Climate Austria certificates for the 2024 financial year. Half of the Climate Austria portfolio is largely made up of Austrian and half of international climate protection projects.

Parameters / key performance indicators

- The installed PV system envisages a specific annual yield of about 183,000 kWh, which accounts for about 20% of the current annual electricity requirement. By contrast, the hydropower plant is expected to supply about 300,000 kWh each year and would already increase the share of renewable energy in total consumption to 55%.
- Despite these measures, consideration should be given to the fact that converting Loba into a modern biotech site will lead to a significant increase in

electricity consumption. In 2024, the electricity requirement was already about 4,652 MW and is expected to more than quadruple in the future compared to the base value of 3,565 MW in 2023. However, the combination of the PV and hydropower plant will make a significant contribution to covering about 14% of the annual energy demand once both plants have been fully realised.

- In 2024, the emissions of pharma& including Loba, were calculated using both a market-based and a site-based electricity mix emission factor. The market-based method considers contractually allocated electricity sources, while the site-based method uses average emission factors of the electricity grid to which the site is connected. With consideration given to the market-based approach, the total calculated CO₂ emissions were 2,501 tonnes, while the site-based approach resulted in emissions of 3,452 tonnes, which is about 951 tonnes higher than the market-based calculation. Compared to the previous year, the total of market-based emissions corresponds to an increase of about 18%.
- The increase in Scope 1 emissions is attributable to the production ramp-up at Loba, which became fully operational in the course of 2024. A further increase in emissions is expected by 2025 as a result of full-scale operations.

Company	Scope	2024 - CO ₂ emissions	2023 - CO ₂ emissions
pharma&	Scope 1	1,685 t	1,633 t
	Scope 2	6 t	5 t
	Scope 3.6	560 t	320 t
	Scope 3.7	250 t	157 t
	Total	2,501 t	2,116 t

Table 1: CO₂ emissions – market-based

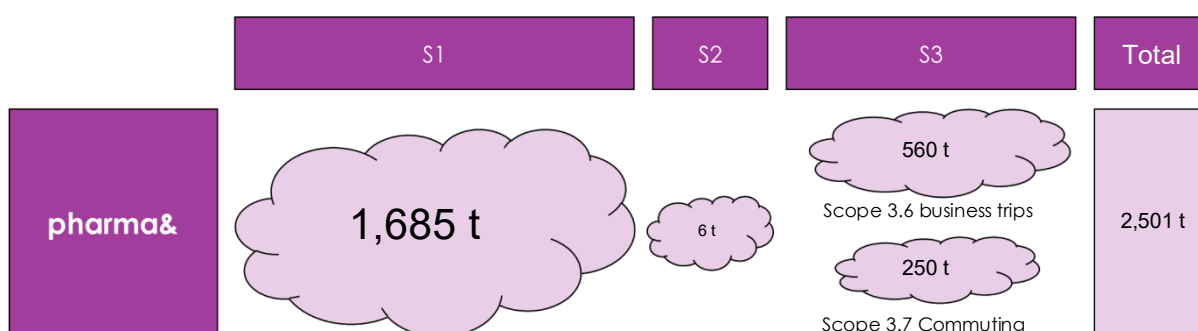


Diagram 6: Overview of pharma&'s market-based CO₂ emissions

Environmental pollution

Strategy and materiality

- Environmental protection, pollution, and waste are similarly confronted with stricter regulatory requirements for environmental protection and hazardous substances (e.g., EU environmental quality standards), and this leads to complex and cost-intensive production adjustments and waste treatment. Furthermore, this area harbours the great risk of damage to the company's image in the event of a case of environmental pollution.
- The environmental materiality of the topic area for pharma& is characterised, above all, by a single factor: The possible leakage of substances that are potentially hazardous to the environment and living organisms, which are used and produced in the manufacture of pharmaceutical products, can have a major negative impact on the company's environment.

Measures and implementation

Construction of the new production facility for microbiological products (bio-pharmaceutical production) began at the start of 2022 and was completed as planned within two years in the third quarter of 2023. The test phase commenced in the following quarter with the start of the watercourses. This test phase was completed in the first quarter of 2024. The engineering runs were then held in the second quarter of 2024. Pre-production qualification took place in August 2024. Construction of a new administration building on the Loba site was completed in December 2024 and has been in use since mid-December. The new facilities were built in accordance with the current relevant standards and specifications.

Parameters / key performance indicators

- The relevant key performance indicator in the area of environmental protection, pollution, and waste at Loba is the amount of waste generated, which reached a value of 141.5 tonnes in 2024. Of this total amount, 92.8 t (FY 2023: 148.08 t) were classified as hazardous waste. The changes in the volume of waste, in the form of a reduction in hazardous waste and an increase in non-hazardous waste, are attributable to the bio-pharmaceutical production switch. Production of organo-chemical active pharmaceutical ingredients (APIs) was discontinued in 2024.

Climate and environmental protection in the supply chain

Strategy and materiality

Responsibility for climate and environmental protection extends across a company's entire supply chain and does not end with its own production alone. Sustainable procurement and a transparent supply chain, as well as the possibility of tracing products, already comply with current legal requirements (e.g., EU Falsified Medicines Directive, national pharmaceutical legislation).

These call for significant transparency along the supply chain of pharmaceutical companies.

Establishing sustainable supply chains requires suppliers to be more involved in sustainability efforts. Furthermore, such a supply chain increase transparency in dealings with doctors and patients, and can simultaneously serve as a pioneering example for other companies.

Measures and implementation

The management decided to conduct a survey of all existing suppliers to record the measures adopted by our suppliers to avoid ecological damage or promote positive

environmental impacts. Specific questionnaires were developed to that end and sent to 75 pharma& and Loba suppliers. In total, 53 questionnaires were answered (Loba: 36, pharma&: 17), which were subsequently separately analysed for both companies.

Parameters / key performance indicators

The supplier survey outcomes show that many suppliers already take sustainability aspects into consideration and support international initiatives such as the UN Global Compact. More than half of pharma& suppliers are required to set specific reduction targets for electricity and heat. At Loba, a good third of suppliers have set reduction targets. More than half of the suppliers at both companies use renewable energy, although the proportion of total energy consumption varies. Furthermore, about a third of suppliers have an energy management system. With regard to CO2 emissions, more than two-thirds of the suppliers have established reduction targets, and more than half of the suppliers measure their emissions.

Social matters

Employees and all other employees along the value chain are a key issue for pharma& and Loba and form the basis for a functioning business model.

The following topics are included in the section of the report that deals with social sustainability issues:

- Own workforce (S1)
 - Employee health & safety
 - Attractive, diverse & family-friendly employer
 - Co-determination & employee representation
 - Career & further training
- Labour force in the value chain (S2)
 - Supply chain
- Consumers and end users (S4)
 - Health for all
 - Patient-centric approach
 - Product safety and quality

Own workforce

Employee health and safety

Strategy and materiality

In addition to patient safety, the health and safety of employees at pharma& and Loba is also a key issue. Legal regulations specify what is to be observed as part of occupational safety (e.g., the Austrian Employee Protection Act). Occupational accidents are a potential financial risk, as they can lead to high legal costs, compensation, or the like. Accidents or unhygienic working conditions have a major impact on the affected people. Occupational health and safety measures not only maintain the health of employees, but they also increase their job satisfaction and the company's attractiveness as an employer. This has the potential to support the recruitment of new employees.

Measures and implementation

- Loba has put in place extensive occupational health and safety measures for its employees. These entail the safety-related supervision of all areas of the company by a safety specialist, and their support by three safety officers. A fire

safety officer ensures that all the necessary preventative measures and regulations are implemented. The safety manual and additional standard operating procedures (SOPs) form the theoretical basis of the company's internal occupational health and safety programme. Preventive occupational health care is an additional important pillar of employee protection.

- pharma& currently has no global guideline in place for occupational health and safety measures. However, we ensure that the national requirements are met at all sites. Furthermore, various measures are currently under discussion and, if necessary, a model similar to Loba's will be introduced.
- The new bio-pharmaceutical production facility is also required to comply with the generally applicable legal provisions and regulations of the Austrian Employee Protection Act. This means that no special requirements for occupational health and safety measures need to be taken into account.

Parameters / key performance indicators

- Four occupational accidents were reported at Loba in 2024. The accidents were reported to the General Accident Insurance Institution (AUVA) in accordance with legal requirements. In general, occupational accidents at Loba are only categorised in accordance with pharma&'s guidelines if they occur in production and cause more than one day of downtime. There were no work-related accidents at pharma& in 2024.

Attractive, diverse, and family-friendly employer

Strategy and materiality

As small companies, pharma& and Loba maintain a family-like company culture to increase employee satisfaction, employee loyalty, and the positive contribution to the local community, in addition to economic success. Above all, trusting cooperation and a motivating and healthy working environment are important in light of both companies' growth and development endeavours.

Both companies live up to their diversity and equal opportunities policies. The management is convinced that diverse teams master challenges better than homogeneous teams.

Measures and implementation

- Implementation of the HR strategy that was developed and set up in 2022 continued in 2024. Barrier-free reporting channels will be available from the first quarter of 2024 to implement the Austrian Whistleblower Protection Act. Employees can submit their complaints via the pharmaand.com website. Loba provides the e-mail address hinweisgeber@loba.co.at, a ticket form, and two named responsible persons. Employees were informed about the reporting system via e-mail and the Loba intranet.
- Furthermore, a re-evaluation of mental stress in the workplace was implemented for Loba in 2024.

Parameters / key performance indicators

- Diagram 7 illustrates the gender distribution of the total workforce at pharma& and Loba, showing a balanced distribution of 50% (women) to 50% (men). Both companies are led by two male managing directors. At the second management level (management), Loba has five women and three men, and

pharma& has nine women and eight men. Overall, the proportion of women at this level is, therefore, 56% (Loba: 63%, pharma&: 53%)¹.

One key figure for measuring employee satisfaction is the number of involuntary terminations. In 2024, there were eleven involuntary terminations in total.

Co-determination and employee representation

Measures and implementation

At Loba, the management engages in dialogue, and employee co-determination matters are organised via the works council, which is involved in the relevant statutory decision-making processes.

Parameters / key performance indicators

The works council is made up of four members and holds quarterly meetings with management.

Career and further training

Strategy and materiality

- By way of establishing and staffing the first foreign branch in the United Kingdom, pharma& began to successfully develop business activities with its own employees in Europe. In the 2024 financial year, the subsidiary company pharma& pharmaceuticals Croatia d.o.o was added to the subsidiaries founded in 2023 in Germany (pharma& Deutschland GmbH), Spain (pharma& farmacéutica de Espana S.L.), France (pharma& S.A.S), Italy (pharma& Italia S.r.l.), Poland (pharma& Polska Sp.z.o.o), and the United Kingdom (pharma& UK Ltd). Relocation of the headquarters to a modern office in the centre of Vienna also paved the way for the expansion of the pharma& headquarters in Vienna.

Measures and implementation

- pharma& and Loba offer their employees a wide range of development opportunities to support them in their career planning.
- Above all, the further training programme available to employees at pharma& and Loba is worthy of note here. By taking advantage of such programmes, employees gain further qualifications, exploit their potential, and can adapt to changing activities. At Loba, the transformation into a biotechnology company is creating a multitude of new opportunities and possibilities that will also enable the workforce to grow and establish Loba as an attractive employer in the region. pharma& also supports employees in further training programmes that they initiate themselves.
- As a result of its own production facilities, Loba has in place defined and, in some cases, regulatory requirements in respect of the content of training courses. In that respect, it specifies which training courses are to be held and, where applicable, at which intervals. The training courses include content with respect to quality inspections, cleaning production equipment, and preparing reports.
- In the future, these and other Loba training and development programmes will be brought together on a dedicated e-learning platform, which will serve as the basis for the Loba Academy. Compulsory and voluntary training and learning content from various areas will be bundled and communicated there. It is envisaged that the e-learning platform will be available to employees from spring 2025.

¹ The employee figures relate to the appointed date 31.12.2024.

Parameters / key performance indicators

- In total, 430 training courses were held at Loba in 2024 (FY 2023: 253). The average duration of a training course was 30 minutes (FY 2023: 30 minutes).

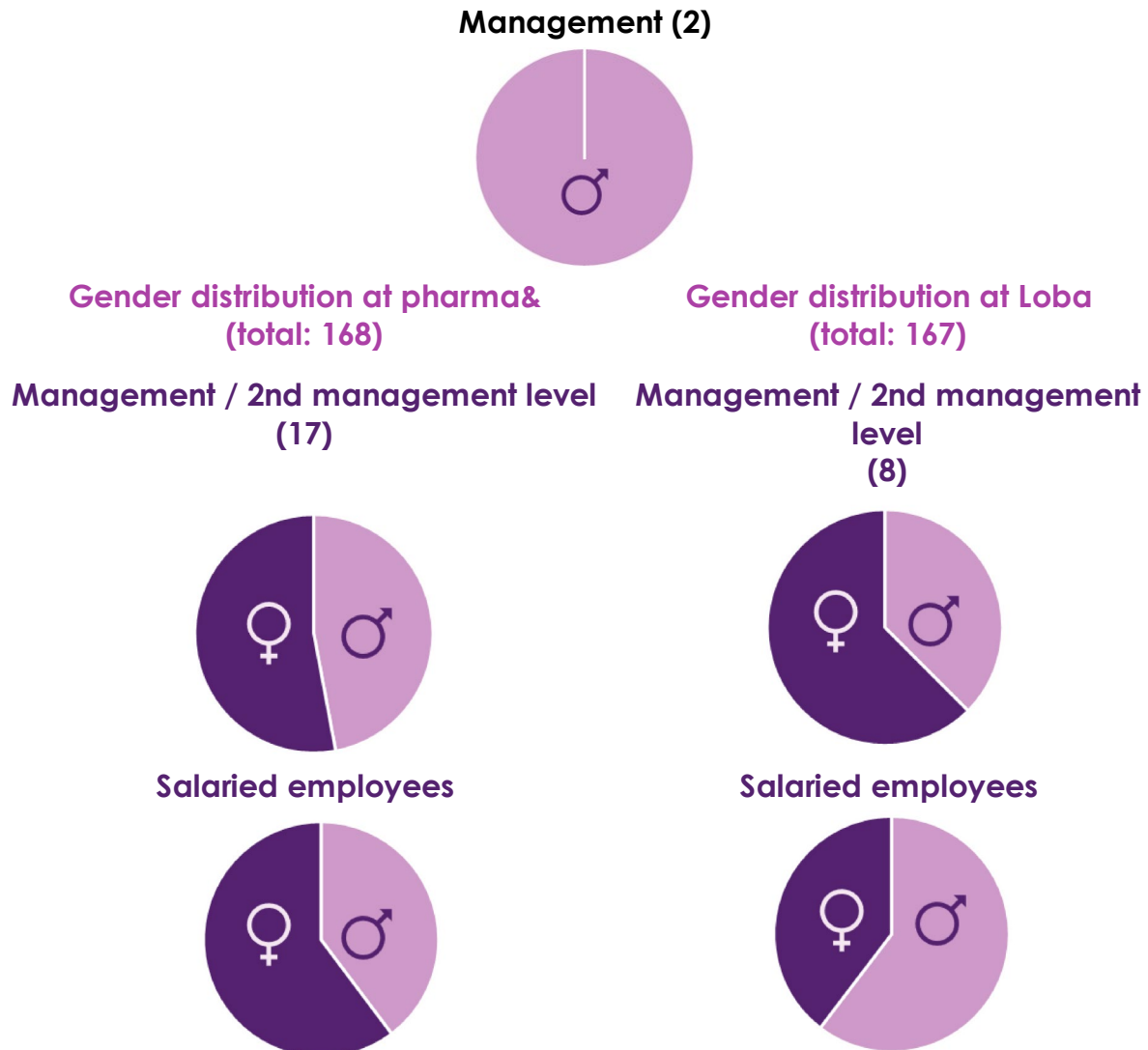


Diagram 7: Overview of the gender distribution at pharma& and Loba

Workforce in the value chain

Supply chain

Strategy and materiality

- Compliance with international labour rights is of crucial importance in pharma& and Loba's global value chain. Keeping an eye on the EU Supply Chain Directive is also essential, as well as complying with local laws. Even if pharma& and Loba are not directly subject to its reporting requirements, their disclosure obligations will also indirectly affect smaller companies in the future by way of queries from companies subject to reporting requirements. This guideline sets out the corporate responsibility for respecting human rights in supply chains. In addition, the International Labour Organization defines general employee rights and places particular emphasis on product and employee safety in

pharmaceutical production. Social sustainability plays a crucial role along the entire value chain because the impact of business activities extends far beyond the company's own production facilities. Companies help to avoid exploitation, discrimination, and unfair practices by ensuring fair working conditions and compliance with social standards among suppliers. This not only promotes worker well-being, but it also bolsters customer confidence and contributes to the long-term stability and sustainability of the entire supply chain.

Measures and implementation

The supplier survey also specifically asked about social issues in addition to environmental aspects to gain a comprehensive understanding of the measures adopted and processes put in place by suppliers to promote social sustainability.

Parameters / key performance indicators

The survey shows that all pharma& suppliers have social strategies and standards in place to prevent forced and child labour and regularly held product and occupational safety training courses. At Loba, 89% of suppliers have such standards, and 94% have a social strategy in place. In addition, almost all suppliers at both companies have freedom of association, and a significant proportion of employees are unionised. More than 90% of suppliers have development plans for employees and gauge their satisfaction.

Consumers and end users

Health for all

Strategy and materiality

pharma& takes over the production and distribution of well-established and widely used medicines from companies in which the business focus has changed. This approach gives pharma&, in conjunction with Loba, access to a stable market segment. The expansion of this segment can also have a positive effect on sales and reduce business risk.

pharma&, therefore, secures medicines in the long term for doctors and patients who depend on them. Newly developed alternatives are usually more expensive than established drugs that can be used to treat the same or similar diseases. Securing access to established products, therefore, also facilitates access for lower-income groups of people, in particular in countries without statutory health insurance.

Measures and implementation

In 2024, pharma& continued the Patient Assistance Program (PAP) in the USA to take this aspect into account. By way of this programme, it is envisaged that low-income people who are not eligible for other state insurance or assistance programmes such as Medicaid, Medicare, or Drug Assistance Programs will have free access to the Pegasys® and Rubraca® medicines provided by pharma&. The programme aims to help disadvantaged patients who would otherwise be denied life-saving access to treatment overcome financial hardship. Furthermore, the programme aims to reduce health inequalities and improve social equity in underserved populations.

Parameters / key performance indicators

In 2024, a total of 269 cases were approved for the Patient Assistance Program, which represents an increase in approved cases compared to the previous year (FY 2023: 256 approved cases). The approval rate was 63% (FY 2023: 32%). Applications were largely rejected due to applicants not having sufficient health insurance or a

sufficiently high income. In 2024, in total 1,389 (FY 2023: 1,780) medicines were dispatched via the programme.

Patient-centric approach

Strategy and materiality

As a company operating in the pharmaceutical sector, the quality, efficacy, and safety of medicines are a prerequisite for actually obtaining official marketing authorisation. Safe and effective medicines have a positive impact on people's health. On the other hand, the fact that negative effects on health are also possible (e.g., by way of side effects) emphasises the relevance of this topic.

Measures and implementation

To guarantee drug quality, efficacy, and safety, pharmaceutical products are produced in accordance with the principles and guidelines of Good Manufacturing Practice (GMP), based on the EU GMP guidelines. A valid GMP certificate has been awarded. In addition, numerous standard operating procedures (SOPs) have been implemented, including procedures for a possible batch recall or regulations with regard to pharmacovigilance (i.e., the ongoing and systematic monitoring of drug safety) to guarantee these aspects.

Product safety and quality

Strategy and materiality

Medicinal products must meet high standards in terms of quality, efficacy, and safety and are, therefore, subject to comprehensive quality assurance measures per se. Just as high-quality and effective medicinal products make an important contribution to the healthcare of people, inferior products can have harmful effects on patients' health.

Measures and implementation

Quality assurance processes are continually reviewed and improved to prevent this and provide doctors and patients with the best possible product.

For example, health checks and instruction of the relevant staff are conducted in accordance with Section 71 of the Austrian Medicines Act to prevent product contamination.

Before entering the company, employees with access to the cleanroom undergo a blood test in accordance with Section 71 of the Austrian Medicines Act and the applicable Good Manufacturing Practice (GMP) guidelines. This includes an HBV serological test in accordance with the regulations to diagnose and monitor a potential hepatitis B virus (HBV) infection. In addition, antibodies against the hepatitis C virus (HCV) are also analysed as part of these tests, and a test is performed to rule out an HIV infection.

Governance

The following topics are included in the report section that addresses governance and sustainability issues:

- Company policy
 - Company management and compliance
 - Documentation, communication, and risk management
 - Combatting bribery and corruption
 - Avoiding conflicts of interest and ethical behaviour
 - Innovation

Company policy

Company management and compliance

Strategy and materiality

- The decision to close Loba's fine chemicals production as part of the company's production reorganisation has an effect that applies to several topics. It affects the amount and type of waste produced (see [Environmental protection and pollution](#)) as well as the regulations to which the company is subject and, therefore, the topic of governance. Fine chemical production, for example, is categorised as a potential risk to soil and water in the environment, whereas this is not the case to the same extent for the production of chemical and biological active ingredients. In 2024, both the management of pharma& and the management of Loba remained preoccupied with the conducted conversions.
- As corporations, pharma& and Loba are subject to an entire range of relevant laws and regulations, compliance with which is monitored by the relevant authorities and is a fundamental part of day-to-day business. Non-compliance can be penalised with fines and, therefore, leads to financial losses. In addition to compliance with relevant regulations, good corporate governance is the basis of a successful company. The strategic orientation of pharma& and the targeted growth course enable the company to position itself in a manner that is financially secure and competitive. This path calls for investments that are used for the sustainable success of the company. The failure of major investments, strategic projects, or non-observance of compliance laws and regulatory requirements can lead to financial losses as well as damage to the company's image. Avoiding such negative effects and the sustainable success of the company are the goals of pharma& and Loba's corporate management.

Measures and implementation

The position of Global Compliance Head was filled in the 2024 financial year to further improve Group-wide compliance. This position is aimed at establishing standardised compliance structures and guidelines across the Group.

Documentation, communication, and risk management

Strategy and materiality

Good traceability and communication are the basis of the company's image in its direct social environment, society, and, above all, in dealings with regulators and investors.

Measures and implementation

- To fulfil the requirements of documentation and auditing regulations, pharma& and Loba each pursue standardised documentation and communication processes. Loba documents these in accordance with the requirements of GMP (Good Manufacturing Practice).
- Loba has a specified risk management system as a manufacturing company in the pharmaceutical sector. Similarly, pharma& has put in place an SOP for quality risk management and conducts regular, formalised risk assessments. By way of these systems and effective risk management, not only economic, but also environmental and social risks can be recognised and their effects prevented or mitigated.

Combating bribery and corruption

Strategy and materiality

Bribery and corruption cause great damage to the private sector and society.

Measures and implementation

Therefore, the existing governance guidelines in place at pharma& and Loba are each supplemented by specific sections on these two topics, and risk management is adapted accordingly.

Parameters / key performance indicators

In 2024, no cases of corruption, bribery, or related cases, such as fines or disciplinary measures against employees due to confirmed incidents, were registered at pharma& or Loba.

Avoiding conflicts of interest, ethical behaviour

Strategy and materiality

Integrity and fair behaviour are part of sustainable action at Loba and pharma&. Avoiding internal and external conflicts of interest reduces internal inefficiencies and the resulting dissatisfaction among the workforce.

Measures and implementation

- Internal and external conflicts of interest are actively resolved by way of direct dialogue. To that end, an open dialogue culture has been created that makes it possible to address and resolve conflicts of interest. Occupational psychology has also been implemented as a preventative measure. A key task of occupational psychology entails providing support in dealing with conflict situations with colleagues, superiors, and company partners.
- pharma& is a member of PHARMIG, the Austrian Pharmaceutical Industry Association, which represents the interests of the pharmaceutical industry in Austria and covers all relevant topics for the country's pharmaceutical industry. As a commitment to ethical conduct within the company, pharma& is subject to this organisation's Code of Conduct, but has also drawn up its own internal guidelines.

Parameters / key performance indicators

Mental stress in the workplace was evaluated in 2024. A list of planned improvement measures was drawn up based on the findings.

Innovation

Strategy and materiality

In the pharmaceutical sector, in particular, innovations can generate competitive advantages and significantly improve a company's economic situation. However, pharma& and Loba's strategy primarily entails the continuation of products that have already been tried and tested, meaning that innovation activities primarily focus on the security of supply and process improvements.

Measures and implementation

With regard to innovation, pharma& and Loba rely on optimisation programmes and the initiative of all employees and incentivise entrepreneurial action throughout the company. One example of this is the commissioning of biopharmaceutical production, which was the company's principal focus in 2024. To ensure that the schedule was met, the teams put together as part of this project that were entrusted with various tasks (creating specification documents, conducting analyses, performing production test runs). In that respect, employees were asked to contribute their suggestions for optimisation to the respective teams.

Governance in the supply chain

Strategy and materiality

Ethical and transparent business activities and high-quality production are essential throughout the value chain because they strengthen consumer trust and build long-term relationships. By way of ensuring these standards along the entire supply chain, companies can ensure that products and services meet the highest quality and integrity standards. This not only promotes customer satisfaction, but it also helps minimise risk and bolsters the company's image and brand. In addition, adherence to ethical principles and quality standards supports the long-term sustainability and profitability of the entire supply chain by promoting regulatory compliance and minimising potential risks such as reputational damage, legal consequences, and financial losses.

Measures and implementation

In view of the relevance of governance aspects in the entire value chain, ethical and transparent business practices and compliance with quality standards in production were also considered in the supplier survey.

Parameters / key performance indicators

- The supplier survey showed that 94% of suppliers at both companies have a quality management system in place. All pharma& suppliers have standards to prevent corruption and bribery. At Loba the figure is 92%. In addition, 94% of pharma& suppliers have a whistleblower system in place, compared to 81% at Loba.
- Maintaining good payment practices in dealings with suppliers is also crucial to maintaining and improving financial stability, supplier relationships, product quality, and the company's reputation. In the 2024 financial year, the average time taken to settle invoices to suppliers at pharma& was 14-30 days. At Loba, all payments were made within the agreed payment terms with the suppliers.



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