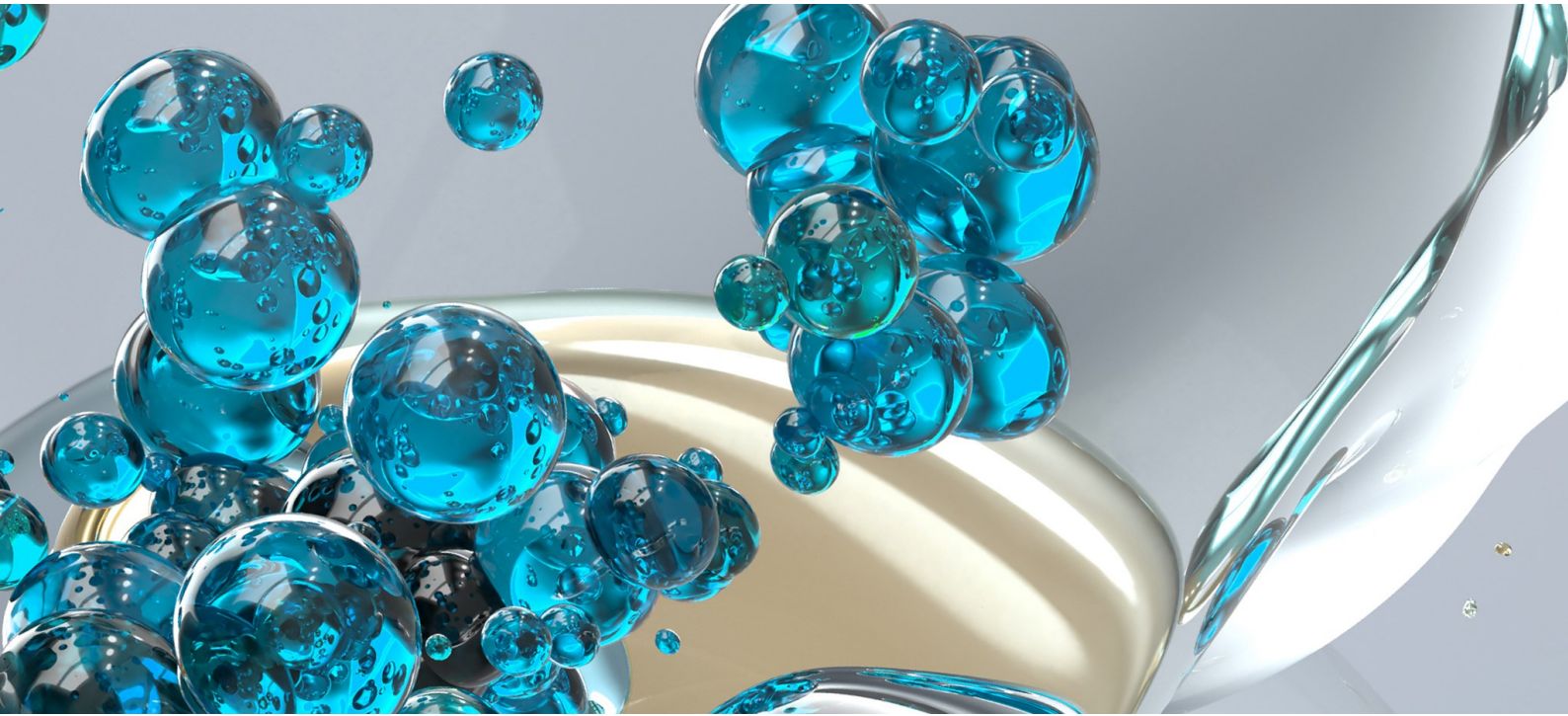


Sustainability review





Sustainability review

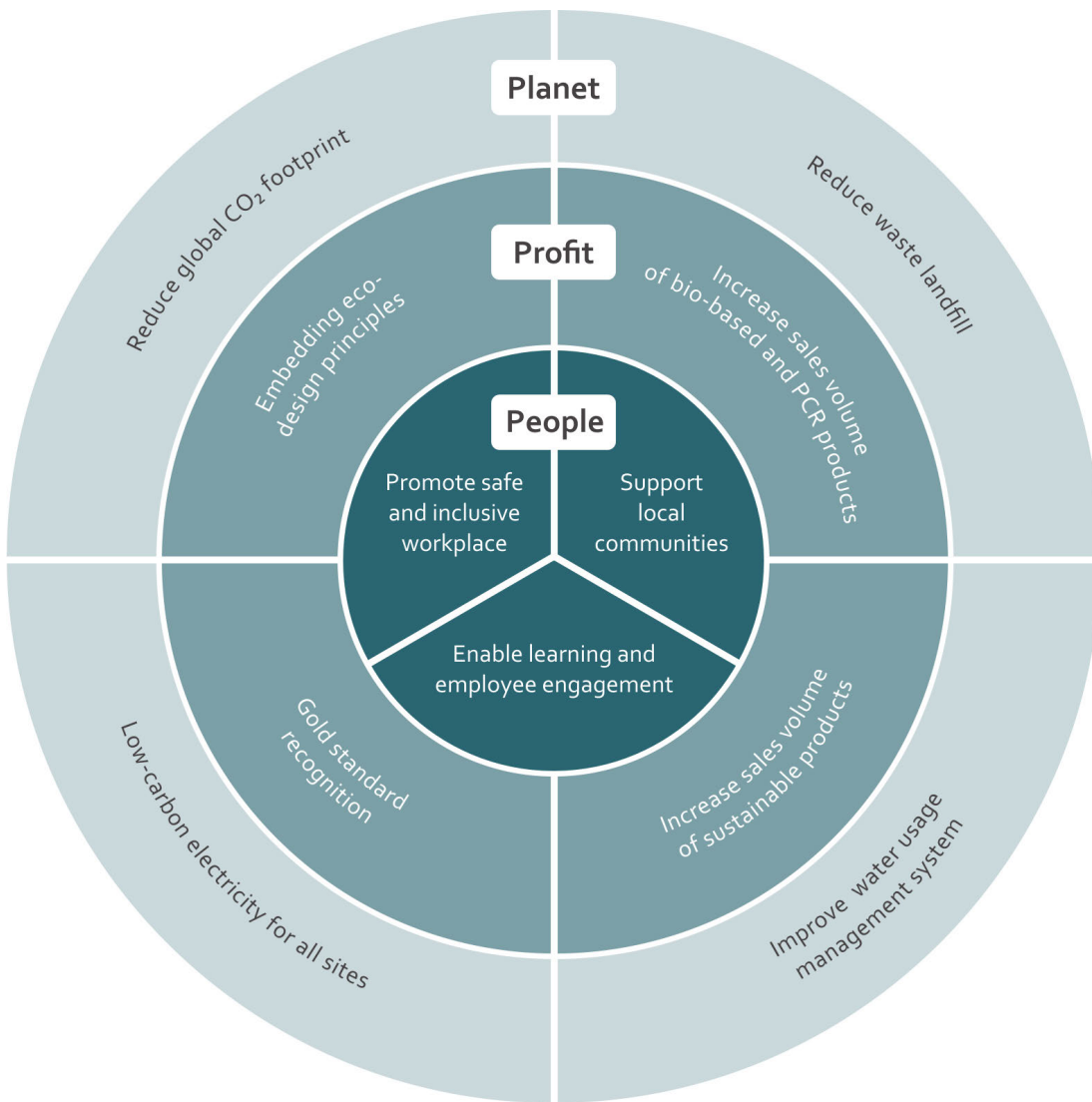
medmix understands its responsibility with regard to its impact on the planet and people, both within the company and in the various communities where we operate. Sustainability has been an area of focus, reporting directly to the Executive Committee since 2020. We have invested in a full-time resource, focused on this crucial topic to drive action and engagement in the sustainability space since 2020. We are developing a comprehensive road map to deliver on our ambitious sustainability targets. In addition to carefully managing our environmental impact by assessing the use of fossil-based products and our global supply chain, we also continuously look for ways to improve our impact on our employees, our communities and our customers.

Management approach

Our corporate sustainability strategy focuses on the environmental, social and economic issues based on our business and stakeholder' analyses. We follow the concepts of significant impacts and materiality. Our strategy is based on the Planet, Profit, People approach and is summarized in our sustainability policy. Read more on our strategic approach and our sustainability policy in the focus section.

In terms of management structures, we have introduced environmental, social and governance (ESG) metrics into our compensation framework. Since 2021, we track key metrics related to climate change, such as air freight shipping between our sites and to customer locations. We have tracked the progress being made in switching our sites to low-carbon electricity sources. Our HR policies and processes are based on principles of equitable treatment, inclusion and fairness.

The illustration below shows our approach to sustainability and the main fields of impact in which we actively manage sustainability topics.



Overview of our area of focus

Currently, we assess the company’s CO₂ emissions according to the framework supported by the Greenhouse Gas Protocol. To enable this operationally, we are setting up the internal information systems for the collection of relevant metrics for all common reporting fields including environmental, social, and governance aspects. We collect environmental data through a tailored platform. Metrics related to our employees are derived from our HR systems. We will work towards a comprehensive sustainability reporting framework adapted to the upcoming Swiss regulation on non-financial reporting.

The table below provides an initial overview of sustainability topics and outlines how we intend to manage them. The information in the table reflects our sustainability management system at the end of 2021 or related to 2021.

Planet

Description	Target	Current situation/explanation
Climate change		
Supply all company sites with low-carbon electricity	100% of sites supplied with low-carbon electricity by 2025	8 of our 13 sites are already working with low-carbon electricity.
Reduce GHG emissions across global value chain	30% reduction by 2025 compared to the 2019 baseline	Detailed information will be published after verification by a specialized and independent third-party.
Be an environmentally and energy-conscious workplace via a certified management system	100% of sites certified according to ISO 50001 and 14001 standards by 2025	1 of our 13 sites is currently certified according to both ISO 50001 and 14001 standards. 4 other sites are certified according to ISO 14001.
Total fossil fuels used (GJ) (gas, petrol, diesel, heating oil)	Continue to track energy consumption monthly	We do not use coke or coal in our direct operations. The total fossil fuel consumption in 2021 is 72'145 GJ.
Total electricity consumed (GJ)	Continue to track electricity consumption monthly	The total electricity consumption in 2021 is 146'244 GJ.
Total electricity from low-carbon source (GJ)	Continue to track electricity consumption monthly	Total electricity consumed from low-carbon sources in 2021 is 91'547 GJ. This represents 62.6% of the total electricity consumed, through guaranteed origin certificates in Europe, RECS in the USA, and I-RECS in China and in countries where electricity is low carbon.
Total electricity consumed from the grid (GJ)	Continue to track electricity consumption monthly	Total electricity consumed from the grid is 54'697 GJ, representing 37.4% of our electricity.
Total electricity generated at medmix sites by renewable sources (GJ)	Continue to track electricity consumption monthly	One of our sites produced 391 GJ of electricity through a solar panel, representing 1% of its consumption.
Water		
Reduce water consumption in our own operations	Zero leakage by end of 2023	We detected and addressed 4 leakages in 2021, leading to 1'260 (m ³) in leakage.
Total water withdrawal (m ³)	Continuous careful usage of water	In 2021, total withdrawal was 634'636 (m ³). The water amount withdrawal is shared between groundwater (93.3%) and third-party water (6.7%). The site in Haag represents 95.8% of water withdrawal for cooling but without any modifications of its physical and chemical parameters.
Total water discharge (m ³)	Continuous careful usage of water	In 2021, total water discharge amounted to 634'470 (m ³). The water amount discharged is shared between effluent to groundwater (93.4%), wastewater treatment plant (3.2%), evaporation (3.1%) and surface water (0.1%). Our site in Haag represents 99% of water discharge for cooling but without any modifications of its physical and chemical parameters. Water discharge from Haag is sent back to groundwater at a regulated temperature.
Number of sites in water scarcity areas	Improve water-usage system	Our sites in Shanghai, Sao Paulo and Bengaluru lie in water scarcity areas according to the Aqueduct Water Risk Atlas.
Waste		
Minimize disposal of waste to landfill	Zero waste to landfill by 2025	6 of our 13 sites are already at zero waste to landfill. For the remaining sites, the total amount of waste is 2'691 t. 3.9% of this goes into landfill. No hazardous waste goes to landfill.

Profit

Description	Target	Current situation/explanation
Eco-design		
Embed eco-design principles into the product life cycle	Eco-design principles to be reflected in all design processes	The eco-design principles process was implemented in 2021, with the first products in the Beauty and Industry market segments already available in the market.
Sustainable products		
Increase share of sales of sustainable products	Targets across our segments are to be defined	Sustainable products currently represent 6% of Beauty core products.
External recognition		
EcoVadis: assess our sustainability efforts through a third-party evaluation – bringing added transparency and a quantitative approach	100% of sites to reach Gold status according to EcoVadis by 2025	In 2021, among the 5 assessed sites, 1 reached Platinum status for the second time in a row (Bechhofen), 1 reached Gold status (Elgin) and 2 reached Silver status (Hungerford, Dnesice). The Wroclaw site will receive its first results in 2022. The following sites were not assessed by EcoVadis yet: Sao Paulo, Salem, Shanghai, Bengaluru, Buchen, Kiel.
Carbon Disclosure Project (CDP): assess our sustainability efforts through a third-party evaluation – bringing added transparency and a quantitative approach	The Beauty market segment to achieve a minimum rating of "B" on CDP climate change by 2025; Industry/ Surgery/Drug Delivery/Dental market segments to achieve a minimum rating of "C" on CDP climate change by 2025	Prioritizing expectations from our customers, the Beauty market segment completed the CDP assessment in 2021, achieving a rating of "B" on climate change, already achieving the 2025 target. The Industry, Surgery, Drug Delivery and Dental market segments will complete the CDP assessment in 2022.

People

Description	Target	Current situation/explanation
Occupational safety		
Provide safe workplaces ¹⁾	100% of sites certified according to ISO 45001 by 2025	5 of our 13 sites are ISO 45001 certified.
Severity rate ²⁾	Accident frequency rate (AFR) of 1 by 2025	The AFR was 2.9 in 2021.
Fatality rate	Continuous monitoring for improvement	The accident severity rate (ASR) was 23.8 in 2021.
EHS observation	0, continuous monitoring	There were no fatal accidents in the past years in medmix.
Safety walk	2021 target was to achieve a minimum of 600 observations	
	2021 target was to conduct a minimum of 898 safety walks	A total of 1'496 observations and 1'465 safety walks were achieved in 2021. ³⁾
Employee engagement, learning and inclusion		
Employee engagement	Take actions to regularly measure and improve	In 2021, 89% of employees participated in the employee survey; with 83% of respondents indicating they feel sustainably engaged with the company. In both measures, we are ahead of the external manufacturing industry norm
Life-long learning	Promote learning opportunities	As of 2021, approx. 30% of employees in managerial levels have participated in virtual learning programs from HarvardManageMentor, enabling flexible employee-led learning.
We enable an inclusive workplace for our diverse workforce	To be defined	
Community engagement		
We engage and support communities where we operate	Implement at least 13 community engagement initiatives	18 projects were implemented in 2021. The types of projects are identified locally to best meet the needs of local communities. Some examples from 2021 are: food banks and child- and family-oriented support projects at our Swiss, German, Chinese, Brazilian and US facilities.

1) Definition: Number of cases with lost time higher than 24 hours x 10⁶ / worked hours.

2) Definition: Number of lost days x 10⁶ / worked hours.

3) An EHS observation is something seen, heard, noticed or discussed relating to working conditions or behaviors, with the intent to be recorded. Safety walks are scheduled or non-scheduled walks in a factory, a service center or a site that involves people engagement with the intent of improving the status of working conditions and behaviors. Findings from safety walks are not considered as EHS observations and vice versa.

List of abbreviations:

GJ = gigajoule

t = metric ton

REC = Renewable Energy Certificate

I-REC = International Renewable Energy Certificate