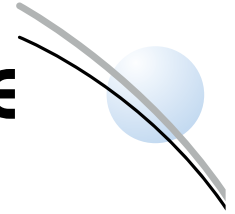


**Dermapharm Holding SE**



DERMAPHARM GROUP'S  
**POLICY STATEMENT**  
ON COMPLIANCE WITH HUMAN RIGHTS AND  
ENVIRONMENTAL DUE DILIGENCE OBLIGATIONS  
MAY 2024

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## 1. Our commitment to respecting human rights

The Dermapharm Group (hereinafter "Dermapharm") is an innovative and fast-growing manufacturer of branded pharmaceuticals and other healthcare products. We conduct our business activities in Germany and abroad in line with clearly defined ethical and behavioural principles. These principles are derived from legal requirements and ethical values to which we are committed. Integrity, fairness and respect are our top priorities.

For Dermapharm's Board of Management, respecting human rights is a fundamental element of responsible corporate governance. We consider it our responsibility to properly comply with our due diligence obligations and respect the rights of affected persons. This includes preventing or minimising human rights and environmental risks and preventing, stopping or limiting the violation of human rights or environmental obligations to the best of our ability.

At Dermapharm, human rights and environmental due diligence obligations are implemented in line with the requirements of the German Supply Chain Due Diligence Act (Lieferketten-sorgfaltspflichtengesetz, "LkSG") and based on the following international standards:

- United Nations Universal Declaration of Human Rights
- Charter of Fundamental Rights of the European Union
- Core labour standards of the International Labour Organization (ILO)
- Ten Principles of the UN Global Compact
- UN Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises

The values and standards anchored therein are also reflected in our internal Code of Conduct. The Dermapharm Group's Code of Conduct represents a binding framework of action for all our employees.

We also expect our suppliers to adhere to the principles described in the following section and to develop and establish appropriate and effective processes to identify and adequately address potential risks and violations. Suppliers should meet this expectation by appointing responsible individuals for implementing these requirements. In the event of violations, we expect cooperative collaboration to effectively and permanently resolve the issue. This includes, if possible, the prompt notification of such violations.

We also expect support for the purposes of conducting human rights and environmental risk analyses, including by providing relevant data. The specific expectations for our suppliers regarding the respect of human rights and relevant environmental standards are summarized in the Dermapharm Supplier Code of Conduct, which can be found on our website.

We are convinced that we can only be successful in the long term if we fulfill our corporate responsibility to respect human rights both locally and globally. Each and every one of us is called upon to put this policy statement into practice and to guide our company toward a sustainable future in every respect.

Thank you for your support!

Dr. H.-G. Feldmeier  
(CEO)

C. Dreibholz  
(CFO & CCO)

Dr. A. Eberhorn  
(CMO)



## 2. Human rights and environmental due diligence obligations

Our expectations in terms of human rights and environmental due diligence under the LkSG must be acknowledged and properly met by all our employees and suppliers, and must be proactively reflected in their daily work and own operations:



### 2.1. No child labour

Dermapharm prohibits all forms of child labour (including child labour as defined in ILO Convention No. 138 on Minimum Age and ILO Convention No. 182 on the Worst Forms of Child Labour) in its own operations and the value chain. We do not employ children under the legal school leaving age nor do we under any circumstances employ children under the age of 14 (or in accordance with national law if the minimum age is higher).



### 2.2. No forced labour and any other form of modern slavery

Dermapharm does not tolerate any form of involuntary employment or employment under threat of punishment or other sanctions, including compulsory overtime and forced labor obligations.



### 2.3. Freedom of association

Within the scope of applicable law, we respect the rights of employees to freely associate, form and join trade unions, appoint employee representatives, form a works council and actively participate in collective bargaining. Employee representatives are not discriminated against or subject to reprisal for forming, joining or being a member of a trade union, and they are afforded the opportunity to exercise their representative functions in the workplace.



### 2.4. No discrimination

Dermapharm does not tolerate any form of discrimination or harassment on the basis of ethnic and/or national origin, skin colour, social background, health status, disability, sexual orientation, religion or ideology, political views, gender, age, physical abilities or other reasons prohibited by law. We promote equal opportunity in employment and comply with the applicable legal provisions at all times. Equal treatment also extends to equal pay for equal work.



### 2.5. Health and safety in the workplace

We are mindful of and take pains to ensure the health, safety and well-being of our employees and comply with all applicable occupational health and safety legislation. In addition, we have implemented appropriate measures to prevent work-related accidents and health hazards and to continuously improve the working environment.



### 2.6. Fair wages and fair working hours

Our employees are paid in accordance with applicable national and local laws, including minimum wage requirements, overtime pay and mandatory fringe benefits (e.g. social security contributions). Working hours are in line with applicable law.



### 2.7. Respecting land rights

When acquiring, developing, building on or otherwise using land, we observe the prohibition on unlawful eviction and the unlawful dispossession of land, forests and bodies of water, particularly where their use secures a person's livelihood.



### 2.8. Deploying security personnel

Insofar as the Dermapharm Group deploys security personnel, we ensure that they respect human rights in the exercise of their duties.



### 2.9. Minimising harmful environmental impacts

We take responsibility for the environment, climate and energy and integrate environmental concerns into our day-to-day work. To preserve natural resources and protect health, we ensure that harmful soil changes, water and air pollution, harmful noise emissions and excessive water consumption are avoided as far as possible. We make every effort to ensure that the handling, storage, transportation, reuse, recycling and disposal of all types of waste and waste water are carried out safely and in accordance with applicable regulations.



### 2.10. Compliance with environmental conventions

Where relevant to our business activities, we treat persistent organic pollutants (POPs) and mercury-containing substances in accordance with the provisions of the Stockholm Convention on Persistent Organic Pollutants (POPs) and the Minamata Convention on Mercury. This also applies to the handling of waste, emissions and waste water which may contain mercury or POPs. We also ensure that waste generated in operations is managed in accordance with official regulations and the requirements of the Basel Convention.



### 3. Process for implementing human rights and environmental due diligence obligations

To fulfil our responsibility to implement the human rights and environmental due diligence obligations listed in section II and meet the expectations associated therewith, we rely on a variety of interrelated measures. The objective is to protect (potentially) affected persons and prevent, stop or minimise adverse human rights and environmental impacts.



#### 3.1. Responsibility

We have defined clear responsibilities for compliance with our human rights and environmental due diligence obligations. The ultimate responsibility for respecting human rights within our sphere of control rests with the Board of Management of Dermapharm Holding SE.

The Governance, Risk & Compliance (GRC) department is responsible for the design and group-wide implementation of procedures to fulfill human rights and environmental due diligence obligations. Among other things, GRC performs the regular and ad hoc risk analyses in accordance with the LkSG with the support of other departments in the relevant companies.

The Board of Management/appointed body monitors the appropriateness and efficiency of the implemented processes. If findings are identified in this regard, GRC initiates measures for improvement.

In addition, GRC periodically reports to the Board of Management during the financial year on the progress made in implementing the due diligence obligations in accordance with the LkSG.



#### 3.2. Risk management system and risk analyses under the LkSG

The Dermapharm Group has a Group-wide risk management system (RMS) which covers all subsidiaries in which a majority interest is held. To effectively and efficiently fulfil our due diligence obligations in accordance with § 4 (1) and § 5 LkSG, the existing RMS process was updated at the end of 2023 to include a comprehensive **analysis of human rights and environmental risks in our own operations**.

The objective of the risk analyses in the area of human rights and the environment is to identify the potential and actual impacts of both our own business activities and those of our suppliers and to assess them systematically and regularly (at least annually). The methodology for the analyses was developed in accordance with the guidance of the Federal Office for Economic Affairs and Export Control (Bundesamt für Wirtschaft und Ausfuhrkontrolle, "BAFA"). Among other things, groups of potentially affected persons were identified and taken into account in the risk assessment.

As a manufacturing company with locations primarily in the EU, the risks of violating all legal positions mentioned in the LkSG by our own business operations have been assessed as low or not relevant. Only the risk of "disregarding occupational health and safety" could have a potential severity of violation (considering the measures already implemented) in the medium range. Dermapharm has always placed great importance on the health and safety of its employees. That's why a variety of measures, processes and procedures have long since been implemented in the Group to reduce both the severity of potential violations as well as the likelihood of their occurrence. For example, in 2022, mibe GmbH Arzneimittel, the largest manufacturing subsidiary in Germany, developed and introduced an occupational health and safety management system structured on the basis of ISO 45001. The existing Group-wide health management system is also being continuously refined. Other measures include written standard operating procedures, manufacturing instructions, training courses and operating directives.

The **analysis of human rights and environmental risks at direct suppliers** is a two-step process consisting of an abstract and a specific risk analysis. The abstract risk analysis is based on publicly available data, and takes into account country and sector risks to determine the abstract supplier risk. For suppliers with a medium to high abstract risk, further analyses are performed, e.g. taking into account the products supplied, any existing certifications or reports received via the complaints procedure, to determine the specific supplier risk. Based on the supplier's risk profile, suitable preventive measures are defined and introduced.

In addition, **ad hoc risk analyses** are performed if specific information about potential human rights violations is received (e.g. via our complaints procedure) or if the risk situation is expected to change or expand materially due to the introduction of new products, projects or a new line of business. Dermapharm continuously strives to improve the data basis for the risk analyses and thus create transparent supply chains.



### 3.3. Complaints procedure

Dermapharm's complaints procedure allows (anonymous) reports, including of potential human rights violations and environmental violations resulting from the economic activities of a company within our own organisation or that of our direct or indirect suppliers. Incoming reports are objectively analysed and investigated by independent employees who are bound to confidentiality. The complaints procedure is available to both Dermapharm employees as well as our suppliers. Whistleblowers are protected against reprisals to the greatest extent possible within Dermapharm's sphere of influence.

Reports will furthermore be treated confidentially at all times in accordance with data protection law requirements. Whistleblowers will receive confirmation of receipt within the statutory deadlines. Appropriate remedial measures to stop or minimise the identified violation will be initiated on a case-by-case basis.



### 3.4. Preventive measures

Preventive measures will be initiated based on the results of the risk analyses performed and other sources of information (e.g. from the complaints procedure or reliable media reports). In particular, we employ standard preventive measures designed to encourage respect for human rights both in our own operations and in our supply chain:



#### Code of Conduct:

Our internal Code of Conduct serves to raise awareness among all Dermapharm's employees about respecting human rights and the environment. This Code is supported by internal guidelines and a sustainable procurement policy, which ensure that our business practices are in line with the highest ethical standards.



#### Supplier Code of Conduct:

The Supplier Code of Conduct sets out the expectations we have of our suppliers when it comes to respecting human rights and complying with relevant environmental standards. Acknowledging the above-described ethical and legal principles is a prerequisite for successful cooperation with our suppliers.





### 3.5. Remedial measures

If our business activities actually cause human rights violations or are indirectly associated therewith, we take prompt action to help ensure that the responsible parties take appropriate steps to remedy and minimise them in a timely manner.

As far as our business partners are concerned, we reserve the right to respond appropriately, starting with a request to remedy the violation without undue delay and extending to taking legal action or even terminating the business relationship. Irrespective of this, we are committed to stopping the violation completely.



### 3.6. Effectiveness checks

On the basis of certain key performance indicators, the responsible parties described in section III 1 determine the appropriateness and effectiveness annually and, where necessary, on an ad hoc basis of the following:

- the preventive measures implemented;
- any remedial measures taken; and
- the complaints procedure.

In this context, compliance with the measures and processes integrated into the LkSG risk management system is also audited. The audit also includes analysing the use of the complaints procedure and reports received via the complaints procedure with suggestions for potential improvements to the LkSG risk management system. If necessary, the LkSG risk management system will be updated based on the audit findings.



### 3.7. Documentation and reporting obligations

Starting in 2025, we will report in accordance with applicable legal requirements and, if necessary, publish the relevant reports on our website. This is based on ongoing internal documentation in compliance with our due diligence obligations. We also publish an annual sustainability report on our website.

## 4. About this Policy Statement

No rights of individuals or third parties can be derived from this Policy Statement. We review this Policy Statement annually and on an ad hoc basis and will update it without undue delay if we identify any changed or additional risks.

Should you have any questions or comments regarding this Policy Statement or other human rights or environmental issues, you can contact Dermapharm's Governance, Risk & Compliance department at [compliance@dermapharm.com](mailto:compliance@dermapharm.com) at any time.



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