medmix Beauty: Natural mascara PCR brush

SUSTAINABILITY REVIEW

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Sustainability review

Governance

Sound governance is fundamental to building trust and operating responsibly and successfully. It is a cornerstone to our ability to achieve our mission and secure long-term and sustainable value for our stakeholders.

medmix is subject to the laws of Switzerland, in particular Swiss corporate and stock exchange laws. The company also applies the Swiss Code of Best Practice for Corporate Governance.

The governance structure enables our strategy and supports our commitments. Our Environmental, Social and Governance (ESG) and Sustainability Strategy and performance are discussed by the Executive Committee but also reviewed, and formally approved when required by the Board of Directors.

For each resolution to be taken by the Board of Directors, written documentation is distributed to the members of the Board of Directors ahead of each meeting. The Board of Directors and the Executive Committee meet as often as required. The Board of Directors meets at least five times per year, the Executive Committee has a sustainability update scheduled at least four times per year.

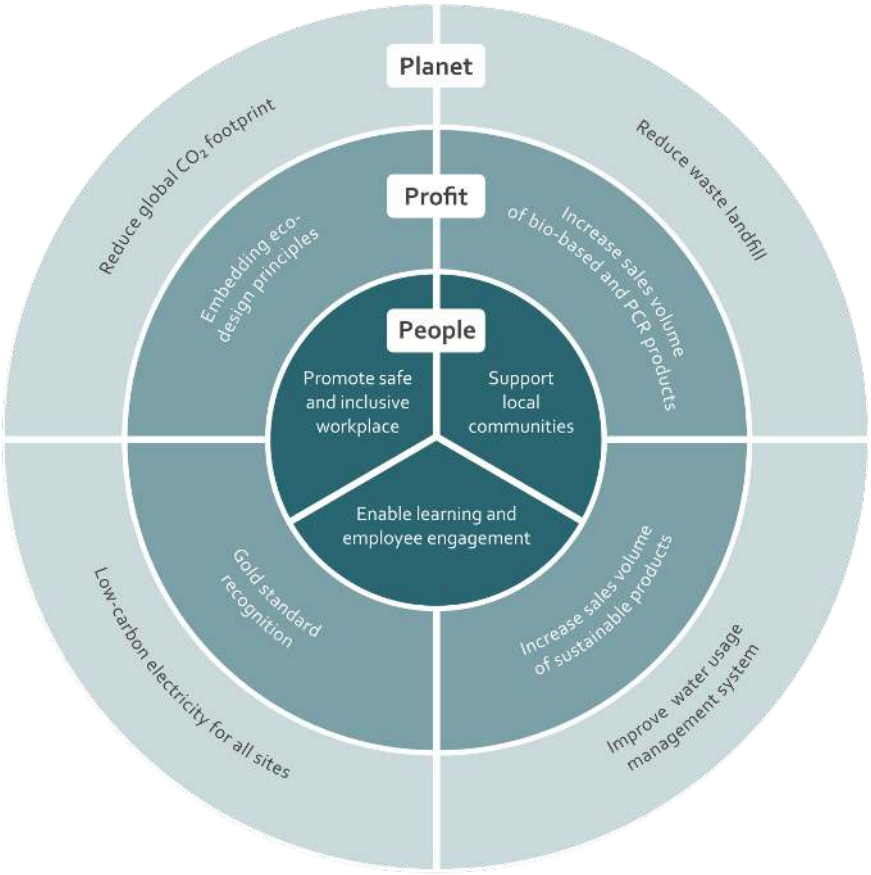
During this reporting period, the Board of Directors was consulted twice for their strategic guidance and their performance evaluation of medmix' sustainability and ESG initiatives.

ESG metrics are built into our compensation framework and we track performance indicators related to corruption, environment, especially climate-related; social; employee-related; and human rights.

Full details of medmix Corporate Governance can be found in the corresponding section of this report.

Strategy and business model

Our long-term success depends on sustainable and profitable growth and an intact planet. As a company with a long tradition in the world of precision instruments, we want to continue to have a positive influence on our industry by reconciling economic, social and environmental aspects and promoting sustainable practices, illustrated by the following model with drivers and actions:



medmix recognizes the responsibility we have for the environment and society within the company, but also in the various communities in which we operate. Our goal is to further strengthen our sustainability efforts to minimize adverse impacts and maximize benefits, future-proof our growth and invest in building capabilities within our organization to adapt to the changing regulatory landscape and promote competitiveness and innovation.

Our strategy, long-standing commitments and ambitious targets are reflected in a comprehensive and pragmatic framework:

People

As an aspiring employer of choice, we enable an inclusive workforce, develop impactful development opportunities, and support employee engagement through an open and empowering culture.

We work to support our communities and our employees, whose safety is a key priority. We promote a safe and healthy work environment and are committed to eliminating hazards, reducing occupational health and safety risks for everyone present at our sites.

Planet

At medmix, we recognize the importance of taking a science-based approach to the reduction of our greenhouse gases to meet the goals of the Paris Agreement in limiting global warming to well-below 2°C above pre-industrial levels, and to pursue efforts to limit global warming to 1.5°C.

We have a responsibility to act in tackling climate change, reducing pollution and waste, and being a good water steward to ensure a sustainable future for our planet.

Profit

We recognize that our responsibilities are not limited to delivering strong financial results. We proactively direct our resources towards innovations that contribute to more sustainable solutions. medmix is committed to preventing corruption and has a zero-tolerance policy towards corrupt practices.

"Sustainability has pride of place at medmix, and is engrained in our company values as *Sustainable Innovation*. This allows us to champion, raise the visibility of and celebrate product and process innovations that contribute to the planet and people."

ITEE SATPATHY
CHIEF HUMAN RESOURCES, SUSTAINABILITY & COMMUNICATION OFFICER

In 2023, medmix was accepted into the United Nations Global Compact (UNGC) and became a member of the UNGC Switzerland and Liechtenstein local network. We made its principles part of our strategy, and we support the Sustainable Development Goals (SDGs) and act to help achieve them.

Per the UNGC requirements, we will report our progress (Communication of Progress) for the first time during 2024.

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People and culture

The medmix team with its nearly 2'700 employees at our 19 production, sales and service sites across the world are focused on our mission, to provide innovative solutions to help millions of people live healthier and more confident lives.

We pride ourselves on our Swiss heritage and work to create an environment where our colleagues from over 70 nationalities can feel included and inspired to do their best.

The gender diversity of our teams reflects our local talent pools and we continue to make improvements, particularly in the share of women in management roles which has grown from 29% in 2022 to 33% in 2023. In our last global employee survey, we were happy to see inclusion in the top 5 scoring areas in comparison to the external norm.

We offer ongoing development opportunities to our employees, over 1'500 of whom have been invited to join the medmix Learning Hour series, an inhouse engagement focused on a wide range of topics covering sustainability, AI at work, health and wellbeing, among others. We have also invested in virtual learning programs enabling employees to set their own learning goals and learn at their desired pace.

Our corporate culture is based on our dedication to our mission and supported by a clear framework of values, which guide how we fulfil our responsibilities towards our stakeholders. For medmix, this represents a commitment to Customer Focus, Trust and Teamwork, Sustainable Innovation and Quality and Accountability. We celebrate our teams as they offer outstanding examples of how these values are brought to life.

Quality and Accountability

We pride ourselves on our commitment to quality and the key principle of accountability for doing our best every day. The winning team from Valencia rose to the challenge of setting up the new site while maintaining operations in an acquired company. Working with an entrepreneurial spirit, they showed discipline, responsibility for decisions and resilience in the face of adversity.

Customer Focus

94% of employees agree* they go beyond what is needed to deliver for our customers. This mind-set was fully reflected by the winners of the 2023 Customer Focus value award, who won for their exemplary efforts in enabling the design verification phase of a highly customized reconstitution pen for a key biotech customer.

*: Data from our latest global employee engagement survey.

Trust and Teamwork

Our teams represent the diversity of experiences and spirit of inclusion that sets our company apart. The canteen team at our Bechhofen site were the winners for the Trust and Teamwork value award, delivering a consistently positive lunch break experience at our largest facility. Their focus on offering healthy food options and commitment to sustainable sourcing of regional produce is much appreciated.

Sustainable Innovation

Our focus on sustainability is also reflected in our core values. The winning team for Sustainable Innovation from medmix Beauty (GEKA) have developed a completely new type of decoration technology, the shadow printing (patent pending) technology that reduces the carbon footprint compared to existing technologies. An achievement made possible thanks to the innovation mindset that builds on sustainability principles.

Approach and progress

Materiality Assessment

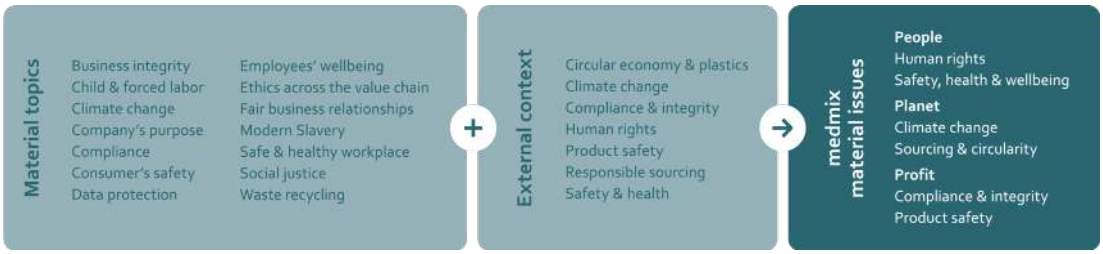
During 2023, medmix conducted a materiality assessment to identify and assess the potential environmental, social, employee-related, human rights and combatting corruption topics that could affect the company's business performance.

The assessment was performed in accordance with the requirements of the Swiss Code of Obligations and the reporting standard of the Global Reporting Initiative (GRI).

The following steps were taken during the assessment process:

Step 1: Material topics selection	The set of 38 topics was created, based the historical list, and on competitive analysis. The requirements of the Global Reporting Initiative (GRI) and the Sustainable Development Goals (SDGs) were also considered.
Step 2: Establish external context	The expectations of external stakeholders were determined by analyzing regulatory trends and legislative proposals, as well as the activities of competitors, media coverage and results from ratings organizations.
Step 3: Stakeholder engagement	To analyze the importance and impact on medmix' business success, a questionnaire was sent to a representative group of medmix employees across the five business segments and the different business functions.
Step 4: Materiality assessment	The quantitative and qualitative input received from above stakeholders was assessed and plotted on a matrix reflecting the topics' relevance to medmix and to people and the environment. The 14 topics assessed as being most relevant were then grouped to form the medmix Material Issues.
Step 5: Review strategies	Risks and opportunities were identified from the results, and medmix' established priorities and actions were reviewed.

As a result of the assessment, medmix identified six material issues, covering the 14 most relevant topics, and in line with the Sustainability Strategy:



Presentation of concepts

Business Code of Conduct

medmix is committed to preventing corruption and has a zero-tolerance policy towards corrupt practices. We have developed controls to mitigate the risk of corruption, such as the implementation of our Business Code of Conduct, the Anti-Corruption Directive, the Healthcare Compliance Directive and our Delegation of Authority Directive. We have established a system for monitoring and reporting corruption and for investigating and addressing corruption-related issues. The policy document addresses the combatting corruption material issue.

Quality Policy

medmix is active in the design, development and manufacturing of plastic components and finished products, for the Healthcare and Consumer & Industrial business areas, mostly within the business-to-business (B2B) framework but also as legal manufacturer of selected products (applicator systems as medical devices and dispensers as machinery) in selected countries. For the Healthcare business area, medmix is also active as a service provider of specific services such as the filling of dental material and contract manufacturing of combination products.

Product and service quality and customer satisfaction – for the B2B framework – and product safety and regulatory compliance – for the business as legal manufacturer – represent key drivers and objectives for medmix. This policy responds to the product safety material issue.

Sustainability Policy

Sustainability is engrained in our corporate strategy and embedded in daily business – with the necessary management frameworks, systems and processes. This policy considers the material issues of climate change, human rights, safety, health & wellbeing and sourcing & circularity.

Due diligence

In line with the new requirement of the Swiss Code of Obligations to undertake due diligence into the reasonable suspicion of child labor within medmix and the supply chain, as well as that of the importation and use of conflict minerals, medmix established internal investigative and assessment processes, and performed thorough reviews into these topics.

No suspicious cases were identified.

Presentation of measures adopted

The main milestones established in line with the medmix sustainability strategy are being satisfactorily met:

People

- Improvement in human rights risk management ✓
- Improvement in safety & health risk identification and control ✓
- ISO 45001 certification of all manufacturing sites by 2025 ✓
- Promote inclusion, with an initial focus on diversity ✓
- Virtual learning training opportunities for employees ✓

Planet

- 30% reduction in medmix-own CO_2e emissions by 2025 ✓
- 50% reduction in Scope 1, 2 and 3 CO_2e emissions by 2030 ✓
- 100% low-carbon electricity purchased by 2025 ✓
- Net Zero CO_2e emissions by 2050 ✓
- Zero waste to landfill by 2025 ✓

Profit

- CDP Climate Change "C" Assessment by 2025 ✓
- EcoVadis Gold rating of all manufacturing sites by 2025 ✓
- Increase sales of sustainable products, making 15 available during 2023 ✓

Further details on these milestones are presented in the following sections.

Presentation of key activities

To achieve these milestones and progress towards the established goals, the following key activities were undertaken during 2023 and their effectiveness determined:

Material Issues	Pillars	Key activities	Performance
Human rights	• Child & forced labor • Modern slavery & human trafficking	• Due diligence performed for medmix and the supply chain • Human rights risks integrated into risk management • Signed the UK Modern Slavery Act statement	• Zero suspicious cases (child & forced labor, modern slavery & human trafficking) identified within medmix or within the supply chain
Safety, health & wellbeing	• Enable learning & employee engagement	• Launch of Learning Hour sessions • Launch of virtual learning platform	• 1'500 employees invited to join Learning Hour sessions • 100 employees onboarded to virtual learning platform
	• Promote a safe and inclusive workplace	• Signatory to the UN Women's Empowerment Principles • ISO 45001 certification of manufacturing sites • Environment, health & safety walks and observations in all manufacturing sites	• 33% of women in management, an increase from 29% in 2022 • 46% of women in the workforce, consistent with 2022 • One new site, Sao Paulo, was certified ISO 45001. The number of certified sites rose to five • 2'281 safety walks and observations were made (+14% more than target), and while regrettably there was an increase in the lost time injury frequency rate (+9%), the severity of injuries (-23%) and number of lost working days (-3%) decreased
	• Support local communities	• Development of social initiatives in the group's main markets • Volunteering of employees in local initiatives with social impact	• Corporate support to the International Committee of the Red Cross with medmix matching employee contributions • 34 site-led projects, benefiting flood relief, homeless and underprivileged persons, diversity & inclusion projects, youth and other local and worthy causes
Climate change	• Reduce global CO_{2e} footprint	• Increase use of ISCC+ and post-consumer recycled materials • CDP Climate Change Assessment • ISO 14001 certification • ISO 50001 certification • Identification and reduction of refrigerant leakage • Machinery and lighting upgrades to increase energy efficiency • Sourcing of low-carbon electricity for all sites by 2025	• medmix Scope 1, Scope 2 and partial Scope 3 (fuel and energy related activities + business travel) reduced (-69%) vs. the baseline year (2019), although there was an increase (+2%) in 2023 vs. 2022 due to business travel • medmix achieved a "B" rating for CDP Climate Change Assessment 2023 performance, an improvement from "C" in 2022, recognizing the coordinated actions being taken on climate issues • Two new sites, Dnesice and Sao Paulo were certified ISO 14001. The number of certified sites rose to six • Two new sites, Salem and Sao Paulo, were supplied with low-carbon electricity. The number of sites sourcing low-carbon electrify rose to 13 • medmix energy efficiency improved 10% vs. 2022, normalized with company revenue
	• Water stewardship	• Equipment upgrades to increase water efficiency • WASH assessment of manufacturing sites	• All relevant sites were assessed, achieving medmix commitment. The average WASH result was 99% • medmix water withdrawal efficiency improved 22% vs. 2022, normalized with company revenue
Sourcing & circularity	• Increase sales of sustainable[3] products	• Use of post-consumer recycled and bio-based resins • Improved competency and capability in life cycle assessment	• 20 sustainable[1] products launched during 2023, an increase from 5 during the previous year • Within Beauty, 12% of GEKA GmbH Sales met the definition, vs. 11% in 2022 • Life Cycle Assessment and Communication Directive, standardizing climate change internal screenings for product design and communication
Compliance & integrity	• Combatting corruption	• Launch of eLearning on our Business Code of Conduct, providing training on human rights and how to identify and report human rights abuses • Implementation of an independent tool to enable our employees to report human rights and corruption abuses, followed by an investigation process	• 1'500 employees were invited to participate in the eLearning • Following investigations, 10 whistle blower messages were substantiated and actions defined
Product safety	• Ensure quality of products	• Implement a certified Quality Management System for each medmix legal entity • For products where medmix acts as legal manufacturer, obtain approval for the applicable processes/products from the designated agencies and authorities	• Each legal entity certified (ISO 9001 for INDUSTRY & CONSUMER and ISO 13845 for HEALTHCARE) • All relevant certifications, approvals and declarations obtained to act as legal manufacturer

1) Minimum 30% reduction in CO_{2e} cradle-to-gate compared to standard product

Description of risks

At medmix, risks are assessed regularly as part of the company's integrated risk management process. The procedure to understand and manage risk is based on a landscape framed by medmix' objectives and operating environment. medmix Enterprise Risk Management (ERM) involves viewing risk holistically across the organization. Both insurable and non-insurable risks are identified, with the objective to eliminate, mitigate or transfer such risk or prepare to accept them. The medmix ERM embodies the organizational culture of prudent risk-taking and is the process of identifying, assessing and responding to risks, and communicating the outcomes of these analyses in a timely manner. The Executive Committee encourages a strong organizational culture and awareness of risk to ensure that the organization can overcome the factors that inhibit effective risk management.

The following risks and management activities are associated with the medmix identified material issues:

Risk	Rationale	Management Activities
Climate change		**Mitigate**
Factory disrupted or unable to operate. Leads to economic impact, contractual risk and reputation risk	1. Unable to operate site (due to climate change) 2. Lead time and capex of relocation, capacity constraints 3. Delay in equipment commissioning 4. Duplicates reduce profitability	1. Global manufacturing footprint (limit single site risk) 2. Deploy BCP and crisis management system 3. Risk management guidelines 4. Obtain business risk insurance 5. Monitor climate change impact, pandemic and policy decisions
Sourcing & circularity		**Anticipate**
Unable to source (energy, raw materials, transportation or equipment) on time and in the required quantity	Inability to source and ship, delays and inflated growth and sales plans	1. Global procurement (avoid single sources) 2. Deploy regional inventory and logistic models to mitigate global products availability concerns 3. Global monitoring of supply chain risks
Product safety		**Reduce**
medmix portfolio becoming partly unfit due to changes in regulations for products	Enaction of laws restricting the use of disposable products; new legislation from taxes to bans	1. Monitor regulations and trends 2. Assess customers' evolving demand and the fitness of the portfolio 3. Assess alternatives in product R&D
Compliance & integrity		**Reduce**
Non-compliant or unethical behavior leading to contract breach, reputational damage, fines and liability	Enaction of laws restricting the use of disposable products; new legislation from taxes to bans	1. Active fostering of high ethical standards by tone from the top and middle management 2. Monitoring and assessment of potential exposure 3. Wide roll out of Code of Business Conduct and supporting rules (e.g., anticorruption, antitrust, trade control) 4. Third-party due diligence process including human rights and environmental risks 5. Compliance training (incl. e-learning) and audits 6. Speak-up culture, compliance hotline and sanction checks
Safety, health & wellbeing		**Anticipate**
Potential danger to the well-being of employees in the workplace. It can be caused by a range of factors such as physical hazards, ergonomic hazards, psychosocial hazards, biological hazards and environmental hazards	Industrial accident: accident or oil spill can result in loss of life, environmental damage, regulatory fines, damage to reputation and loss of operating license	1. Implement measures that avoid the occurrence of impacts and thus avoid harm or even produce positive outcomes. This can include measures such as providing personal protective equipment (PPE) 2. Conduct regular safety inspections and process assessments 3. Provide training to employees on safe work practices
Human rights		**Anticipate**
Potential danger to the well-being of children who are subjected to work that is likely to harm their health, safety or morals	Damage to reputation and legal non-compliance from unidentified reasonable suspicion of child labor in our supply chain	1. medmix Business Code of Conduct and the respective training commit in respecting human rights, and a zero-tolerance policy towards human rights abuses 2. Continuous risk assessment in our supply chain and HR 3. Training on human rights and how to identify and report human rights abuses 4. Ensure monitoring and reporting via a compliance hotline and an investigation process 5. Require suppliers to sign medmix Business Code of Conduct, aligning with the Global Compact principles

Main performance indicators

medmix defines and determines its main performance indicators with reference to the Global Reporting Initiative (GRI) Consolidated Set of Standards 2021.

New acquisitions are integrated into the medmix performance indicator reporting at the start of the subsequent financial year.

Combatting corruption

Indicator	2023	2022
Number of substantiated whistle-blower messages	10	7

Whistle-blower substantiated messages by category	Reference	Messages substantiated 2023
Assets		2
Business-related		4
Employee-related		4
Environmental		0
Human rights	GRI 408, 409	0
Corruption		0

People

	Indicator	Reference	2023	2022
Management system	Number of manufacturing sites certified ISO 45001	GRI 403-1	5	4
Human rights	Number of suspected cases of child, forced or compulsory labor	GRI 408, 409	0	0
	Number of employee work-related fatalities	GRI 403-9	0	0
	Employee recordable injury rate[2]	GRI 403-9	4.1	3.6
	Employee lost time injury rate[2]	GRI 403-9	3.2	2.4
	Employee injury severity rate[3]		46.2	50.2
	Environment, health, and safety observations		933	1'036
	Safety walks		1'348	1'610
	% women in management[4]	GRI 405-1	33%	29%
	% women in workforce	GRI 405-1	46%	46%
Promote a safe and inclusive workplace	% workforce over 50 years old	GRI 405-1	39%	29%
	Number of employees invited to Learning Hour sessions		1'500	NA
Enable learning and employee engagement	Number of employees onboarded to virtual learning platform		100	NA
Support local communities	Number of community engagement projects	GRI 413-1	34	32

2) Per million hours worked, employees only
3) # of lost workdays per million hours worked, employees only
4) Management Level 5 and above, excluding Board of Directors

Planet

	Indicator	Reference	2023	2022
Management system	Number of manufacturing sites certified ISO 14001		6	4
	Number of manufacturing sites certified ISO 50001		1	1
Climate change	medmix-own emissions (t CO_{2e})	GRI 305	9'292	9'149
	medmix Scope 1 emissions (t CO_{2e})	GRI 305-1	5'235	5'408
	medmix Scope 2 emissions (t CO_{2e})	GRI 305-2	1'373	1'656
	medmix partial Scope 3 emissions (t CO_{2e})[5]	GRI 305-3	2'683	2'085
	Number of sites purchasing low-carbon electricity		13	11
	Energy consumption (GJ)	GRI 302-1	221'909	242'474
	Energy purchased that is renewable or low-carbon electricity (GJ)	GRI 302-1	86'373	100'601
	Energy produced that is renewable electricity (GJ)	GRI 302-1	472	403
	Total grid electricity consumed (GJ)	GRI 302-1	125'802	143'461
Water stewardship	Number of manufacturing sites assessed WASH	WRC-WA May 2021	11	NA
	Water withdrawal (m^3)	GRI 303-3	570'759	713'703
	Water consumption (m^3)	GRI 303-5	19'003	23'079
	Water discharge (m^3)	GRI 303-4	551'003	690'625
Waste for disposal	Total waste (t)	GRI 306-3	2'437	2'502
	Waste to landfill (t)	GRI 306-5	115	88

5) Fuel and energy-related activities + business travel

Profit

	Indicator	Reference	2023	2022
Increase sales of sustainable products	Number of products launched meeting definition of "sustainable[6]"		20	5
Gold standard recognition	Number of manufacturing sites rated at least Gold by EcoVadis		3*	4
	medmix CDP Climate Change rating		B	C

6) Minimum of 30% reduction in CO_{2e} cradle-to-gate compared to standard product
* As amended on May 2, 2024