



It's a matter of treatment

Sustainability Report 2023

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Forword by the Executive Board

The year 2023 was characterised by numerous challenges, and the global economic downturn did not spare the aesthetics industry. At the same time, we were confronted with challenging competitive conditions and intense price pressure. Although we were able to increase our sales in the reporting period, they fell short of expectations. Accordingly, a cost-cutting programme was immediately launched to strengthen Croma in a sustainable manner and to put it back on the road to success. At the end of April 2024, Argus Vermögensverwaltungs GmbH & Co KG signed the commitment agreement for a capital increase at Croma-Pharma GmbH. Subject to a successful closing, which is expected in the course of the year, for the future Argus will hold one third of the shares in the company. The capital increase serves to improve the financial stability, on the one hand, and to continue the growth of the company, on the other.

As part of the preparations for the equity increase, we have, among others, optimised our processes. We are a highly innovative company of which the business model is based on science. Part of our strategy is to remain true

to our high quality standards and commitment to progress and growth. This is what our customers and employees value about us.

We are particularly proud of our successes in the area of sustainability. In the past financial year, we placed our sustainability activities on a strategic footing and thus set an important course for our long-term business success. We want to align our business model with sustainability key figures and strengthen the resilience of our company. At the same time, we are committed to a responsible approach to the environment, social issues, and ethical corporate governance. With this in mind, we have expanded our purpose: "It's a matter of treatment – embracing responsibility for a tomorrow worth living in".

We have already achieved important milestones: With the introduction of ISO 14001:15, we are now in a position to operate a robust environmental management system. In this way, we bring the optimisation of the business operations and the operational integrity in line with our environmental policy. We are also publishing a



from left: Andreas Prinz, Gerhard Prinz, Martin Prinz

corporate carbon footprint for scope 1-3 for the first time - on a location- and market-based basis.

We would like to sincerely thank all our stakeholders - our customers, all our business partners, and our employees

- for joining us on this exciting journey towards a sustainable future. Thank you for the trust you have placed in us!

Leobendorf, 19 June 2024

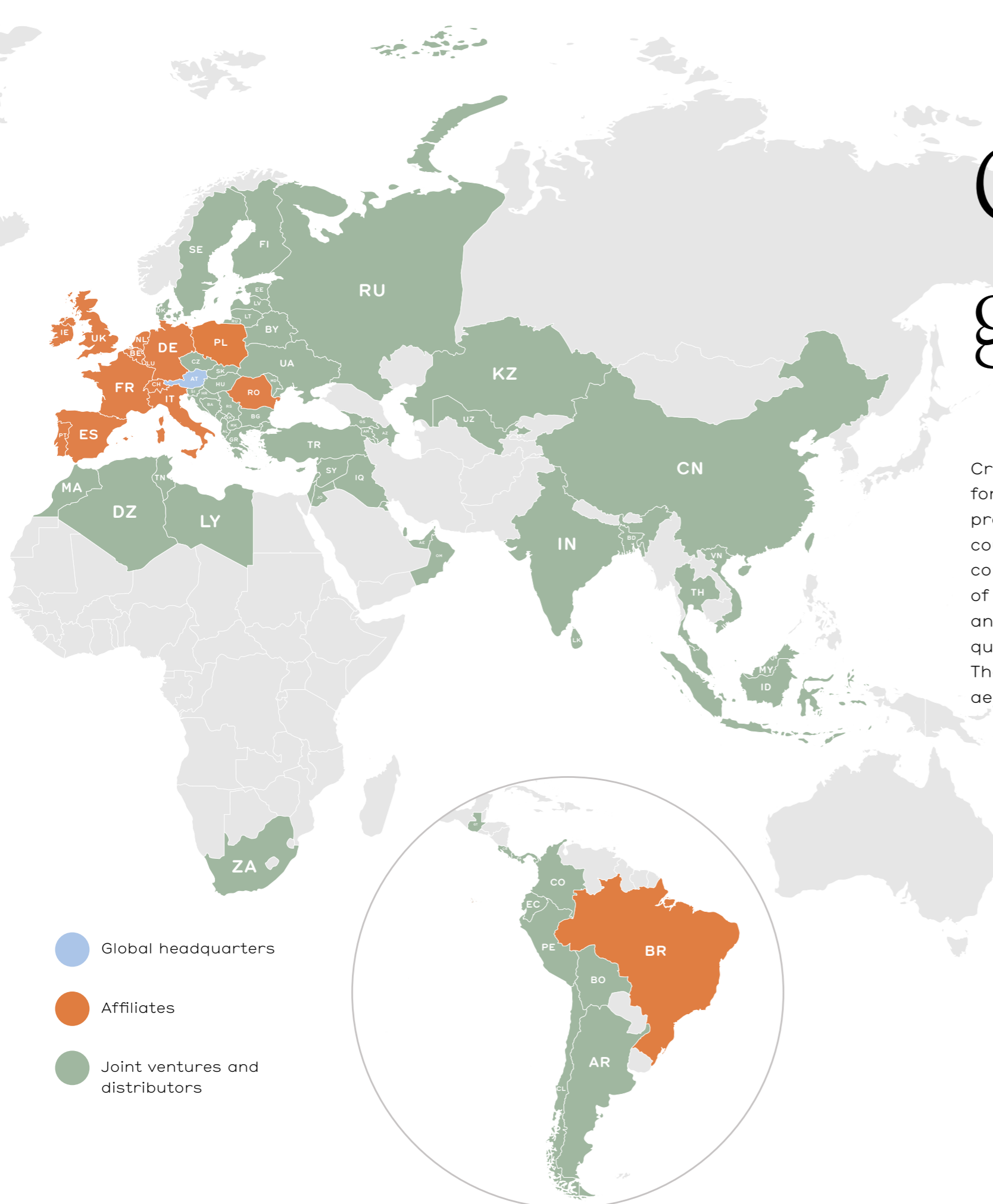
Gerhard Prinz
CEO, Gerhard Prinz

M. Prinz
COO, Martin Prinz

A. Prinz
CCO, Andreas Prinz

P. Haidenek
CFO, Peter Haidenek

Croma at a glance



Croma is a highly specialised company for medical and pharmaceutical products that exports to over 70 countries worldwide. The family-run company is a global player in the area of minimally invasive aesthetic medicine and a leading manufacturer of high-quality hyaluronic acid injections. The comprehensive and innovative aesthetics portfolio includes botulinum

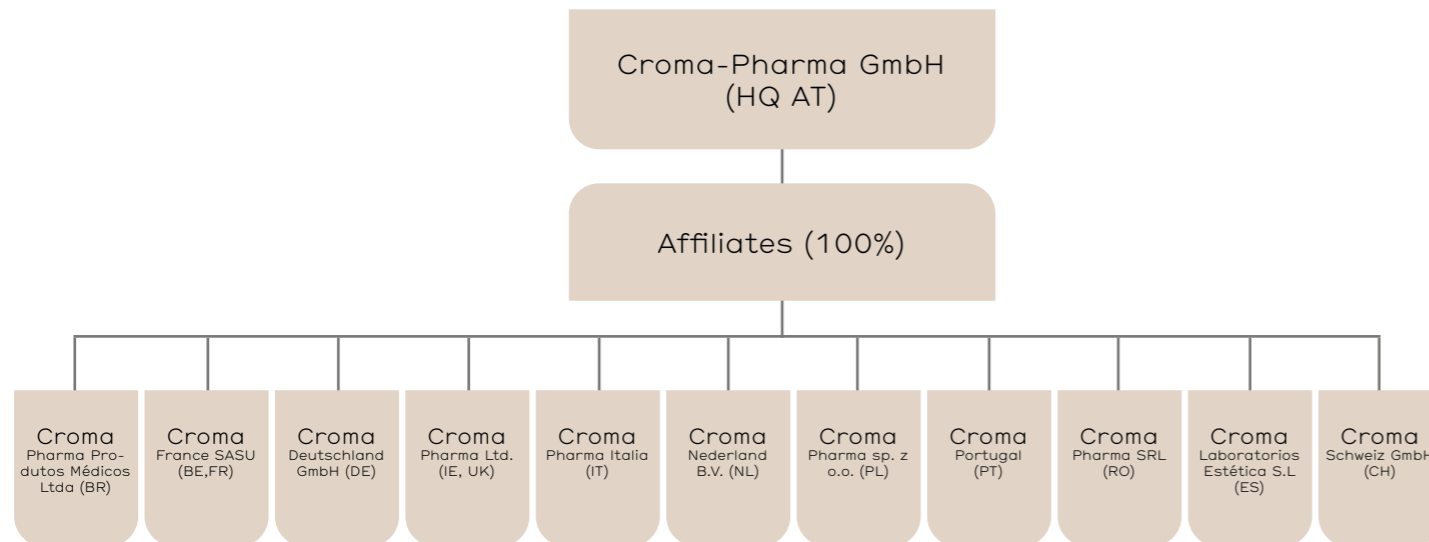
toxin, fillers, lifting threads and bio-stimulants, and is complemented by its own skincare brand. Croma's number of employees, locations and production sites as well as the organisational structure are shown in the two tables on the next page.

Croma at a glance

Key figures	2022	2023
Employees including affiliates ¹	568	600
Number of locations	12	12
Number of production sites	2	1

¹ Average number of employees (blue-collar workers, white-collar workers, apprentices, and employees at affiliates)

Organisational structure



As at 31 December 2023

The corporate bodies of the company are divided into the Executive Board and the Supervisory Board. The members of the Executive Board in the reporting year are as follows:

- Gerhard Prinz (CEO)
- Martin Prinz (COO)
- Andreas Prinz (CCO)
- Peter Haidenek (CFO)

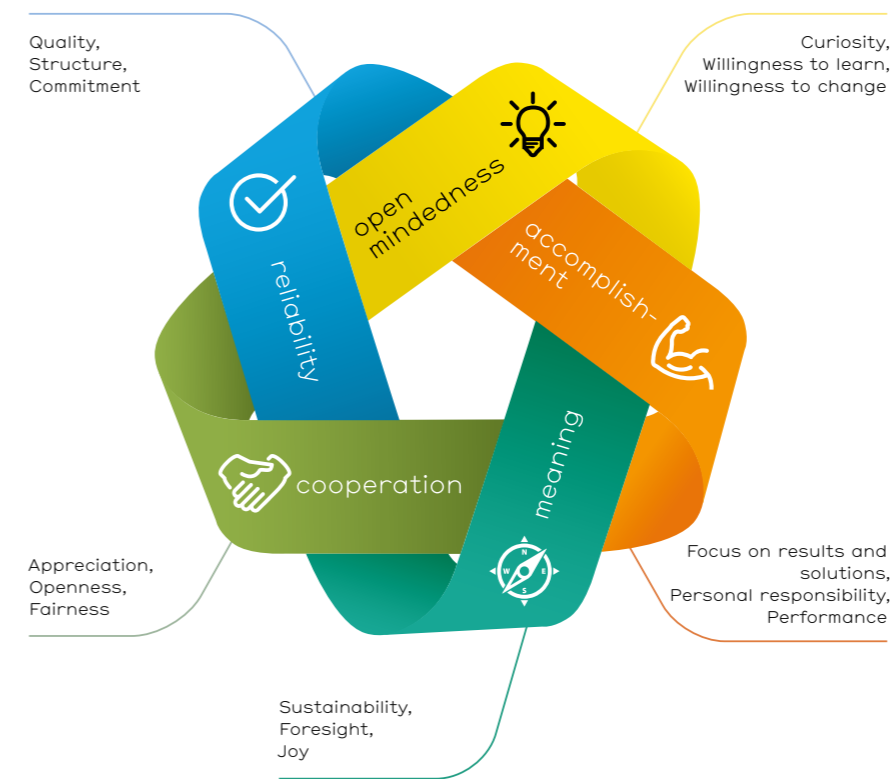
In 2023, the Supervisory Board consists of the following members:

- Iris Burgstaller (chair person)
- Stefan Schmuckenschlager (deputy)
- Jürgen Kittel (member)

As a family business, Croma committed itself to a sustainable corporate policy many years ago and is committed to a respectful approach to society and the environment. A common mission statement with specific Croma values

gives employees a clear framework for action and guidance for appreciative, efficient, and fair cooperation.

Our values



Croma purpose

As a responsible company, Croma integrates sustainability not only into the corporate culture, but also into the cooperation with its stakeholders. In its business operations, it emphasises the importance of treating people, but also the environment, with care. The sustainability-specific guiding principle of the company is **“It’s a matter of treatment - embracing responsibility for a tomorrow worth living in!”**

All business processes are aligned with this principle. It should not only stimulate the motivation of employees but also give work a deeper meaning. Croma not only wants to grow, but also wants to act in the interests of the common good.

General disclosures

Basis for the preparation of the sustainability statement

This sustainability report was prepared on an individual basis and refers to both the key processes of the company and the upstream and downstream value chain of the location of the headquarters in Austria, 2100 Leobendorf. Croma is not yet subject to any reporting obligations. Accordingly, the disclosure is made on a voluntary basis and without external review.

Disclosures in relation to specific circumstances

Croma decided to publish a sustainability report for the first time in 2023. This report covers all business operations from 1 January until 31 December 2023 and is based on the European Sustainability Reporting Standards (ESRS). A detailed overview of the standards and the EU data points, including page references, is shown from page 25 onwards. The scope of reporting includes the headquarters in Austria, where the production facility is also located. Affiliates abroad have not been taken into account yet. This is due to the fact that there is no production site or only a small amount of office or warehouse space in the individual countries, the

majority of employees are sales staff and the required ESG figures are not yet available. The intention is to follow this up in the subsequent report. The number of employees in the countries as at 31 December 2023 is as follows: Germany 14, France 14, Great Britain 14, Italy 8, Netherlands 4, Poland 33, Portugal 2, Romania 10, Spain 17, and Switzerland 2.

With regard to the different time periods, one year is expected for the short term and two to five years for the medium term. The long-term time period has not been taken into account in the initial analysis yet. In the case of data from the upstream or downstream value chain, e.g. in the analysis of scope 3 emissions or water risks, internationally recognised emission factors or comparative data from international databases or risk assessment tools were used. The corresponding information is shown in the text or in the glossary.

The role of the administrative, management, and supervisory bodies

The Global Director Sustainability & IMS reports directly to the CFO and is, together with his team, responsible

for all global environmental, social, and governance aspects, including risk management and operational excellence. The sustainability strategy, including the package of targets and measures, is developed by the management of the Global Sustainability & IMS Department (GSID) together

with the ESG Expert Group, a cross-departmental network of experts (see ESG governance chart on page 12), and defined in coordination with the Executive Board. The GSID management is responsible for the monitoring, the evaluation and, if necessary, the adjustment of the project.

Diversity of the management and supervisory bodies

Diversity parameters	2023
Men Supervisory Board	2
Women Supervisory Board	1
Men Supervisory Board (%)	66.7
Women Supervisory Board (%)	33.3
Members Supervisory Board under the age of 30 (%)	0.0
Members Supervisory Board aged 30-50 (%)	100.0
Members Supervisory Board over the age of 50 (%)	0.0
Independence of the Supervisory Board (%)	66.7
Men Executive Board	4
Women Executive Board	0
Men Executive Board (%)	100.0
Women Executive Board (%)	0.0
Members Executive Board under the age of 30 (%)	0.0
Members Executive Board aged 30-50 (%)	25.0
Members Executive Board over the age of 50 (%)	75.0

Sustainability issues will be reported to the Supervisory Board and the Executive Board every six months from 2024 onwards. The members are characterised by a range of sustainability-specific qualifications. For instance, the two owners Andreas and Martin Prinz have the relevant expertise in patient safety and

health as well as product quality and safety thanks to their many years of experience in the industry and their pharmaceutical studies. Peter Haidenek contributes expertise in ESG-specific financial risks and opportunities to the company through his experience as the CFO responsible for sustainability at a listed group. Additional expertise is

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obtained from the Global Sustainability & IMS Department or is honed through training courses, as required.

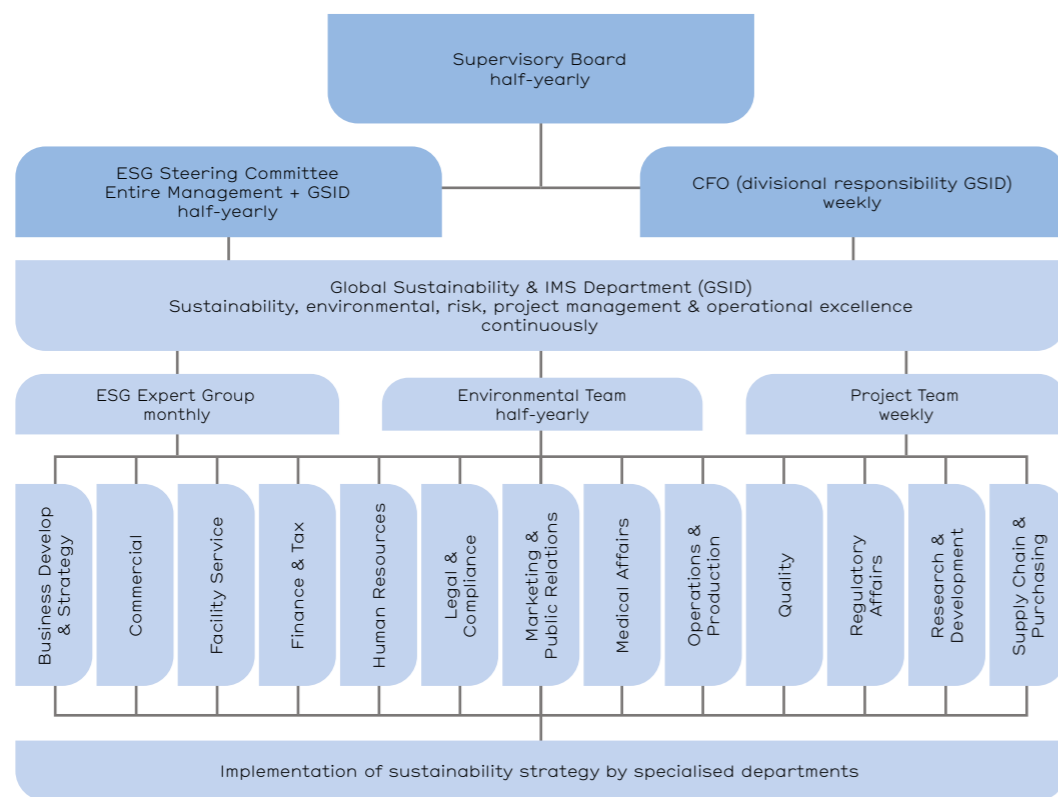
The Supervisory Board evaluates corporate decisions, e.g. with regard to sustainability projects, strategy or budget, and reviews important documents. The independence of two of the three members of the Supervisory Board is a given. In other words, they have no business or personal relationship with the company or its management that could give rise to the risk of a material conflict of interest.

The ESG Steering Committee, which consists of the Executive Board and the GSID management and is supplemented by other experts as required, is the final authority for strategic and tactical decisions, including in terms of resources. In the course of the six-monthly meetings, decisions are made on the progress

made in relation to the achievement of targets, business events or external influences, as well as budgets.

The members of the ESG Expert Group are employees in management positions from areas with a significant ESG impact, including the Global Sustainability & IMS Department. The range of tasks extends from the advisory function and implementation authorisation following approval by the ESG Steering Committee, to the identification of gaps and the safeguarding of project success and cost statements, through to the realignment of strategies and targets. In addition to the analysis of the status quo with regard to the achievement of targets, internal and external developments that could potentially influence the roadmap of measures are also discussed.

ESG Governance



Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The content agreed in the course of the ESG Steering Committees 2023 included the definition of the remit of the new Global Sustainability Department with the corresponding governance, sustainability reporting, and ESG data management, the development of the sustainability strategy including the establishment of environmental and risk management, and the revision or redrafting of the Code of Conduct for Employees and Business Partners. In the course of the meetings, the key topics identified in the materiality assessment are discussed and the measures, resources, and budget required to achieve the targets are approved. The effectiveness of the sustainability and environmental management system will be evaluated in the annual management review from 2024 onwards.

Integration of sustainability-related performance in incentive schemes

Sustainability-specific performances are not integrated into the current incentive schemes. However, due to the relevance of the topic, the management will examine the possibility of inclusion and then take appropriate steps.

Statement on due diligence

With the help of due diligence processes, existing and potential risks or effects can be identified in advance and afterwards, i.e. during

product use, through complaints. This contributes significantly to the successful implementation of the sustainability strategy.

On the one hand, this is based on clear and efficient ESG governance and due diligence in the area of employees and supply chains. On the other hand, management systems in the product area, e.g. the quality and risk management system in accordance with ISO 13485 and 31000 or comprehensive clinical studies as well as strict inspections by notified bodies, ensure rigorous compliance with specific requirements and a continuous improvement process. 2023 was also the starting point for two new management systems at company level. Namely ISO 14001 and 31000 as well as the expansion of the Global Sustainability Department to include the Integrated Management System. The area now includes sustainability, environmental, risk, project, and quality management as well as operational excellence at company level. This sends a clear signal for even more efficient fulfilment of the due diligence obligation. With the first-time calculation of the corporate carbon footprint, Croma is taking the first step on the path to decarbonisation, which helps to monitor and reduce CO2 emissions and reduce them. The following table provides an overview of the core elements of our due diligence incl. corresponding page references.

Fulfilment of due diligence

Key elements of due diligence	Paragraphs in the sustainability statement
Integration of due diligence into governance, strategy, and business model	p. 13 seq.
Involvement of affected stakeholders in all key due diligence steps	p. 19 seqq.
Identification and assessment of negative impacts	p. 21 seqq.
Measures against these negative impacts	p. 34 seqq.
Tracking the effectiveness of these efforts and communication	p. 34 seqq.

Risk management and internal controls over sustainability reporting

Croma attempts to overcome the risk of partially inadequate data quality or non-existent data, particularly with regard to the upstream and downstream value chain, with external support using approximate values and internal business processes. To ensure internal, sustainability-specific data quality, a data management process based on the four-eyes principle was installed and a dedicated data manager was appointed. The collected qualitative and quantitative data are aggregated by the data manager, checked and evaluated by the divisional management or a specialist. The final data check is then carried out by the Global Sustainability & IMS Department. Before the report is submitted to the management for review and approval, there is a final release cycle by the ESG Expert Group. The report will then be posted on the Croma website. In order to optimise the data management process and the monitoring of target

achievement, the ESG KPI will be integrated into the ConSense process management tool by the end of 2024. Management consultants provide support when key figures from external data sources are required, e.g. in the case of the calculation of the corporate carbon footprint. The endeavour to continuously improve data accuracy and quality is reflected in the development and the introduction of science-based targets.

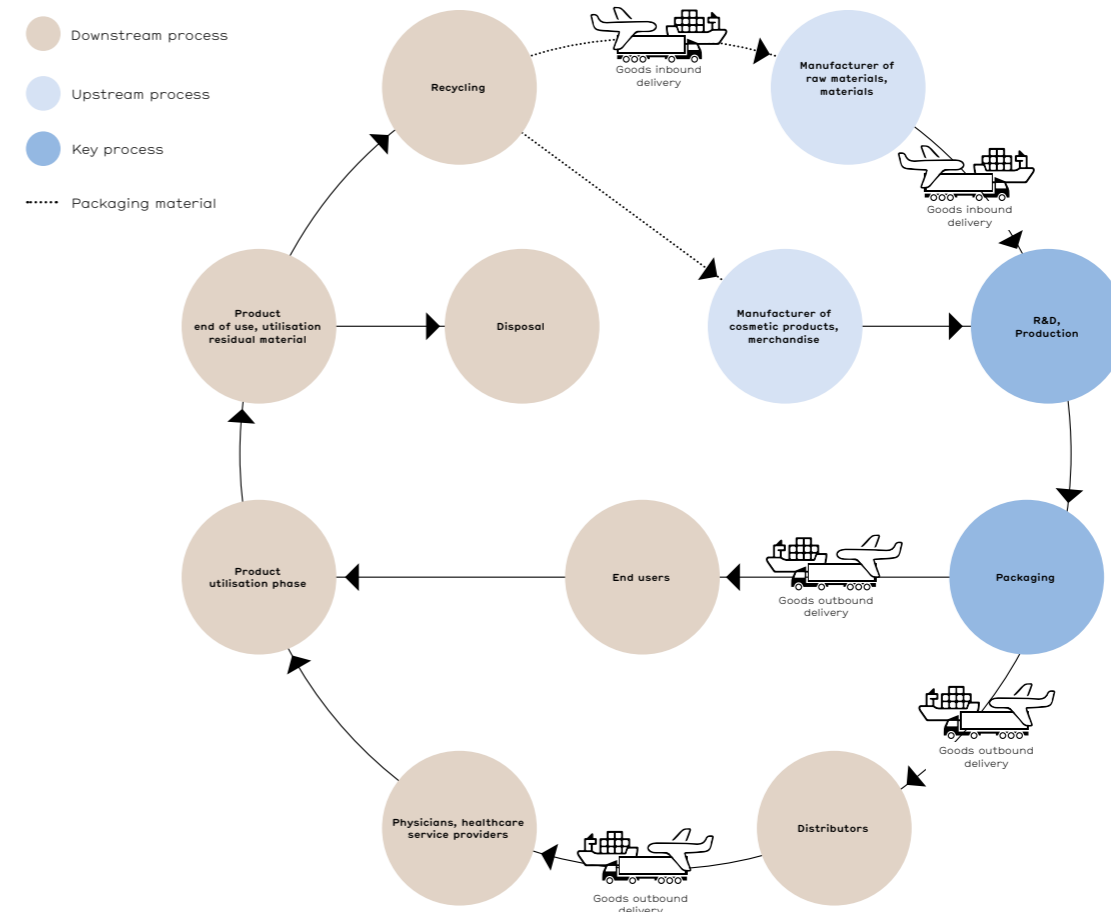
Strategy, business model and value chain

Croma-Pharma GmbH is a limited liability company based in Austria and a highly specialised and leading European manufacturer of high-quality hyaluronic acid injections. The company specialises in minimally invasive aesthetic medicine - its comprehensive and innovative aesthetics portfolio includes hyaluronic fillers, bio-stimulants, lifting threads, and botulinum toxin as well as its own skincare range - and hyaluronic acid products for ophthalmology and orthopaedic applications. It develops

its own products, licences distribution rights from and to the company and acts as a contract manufacturer. Croma-Pharma GmbH was founded in 1976 by the pharmacist couple Gerhard and Karin Prinz and is still

a family business today. Information on the group structure and other relationships of the group with related companies and persons can be found in the Croma at a glance section on page 6 onwards.

Value chain



With the new sustainability strategy developed in 2023, Croma is committed to fulfilling and further expanding its responsibility for the environment and society. Prior to the strategy development, the existing value chain was analysed and revised with regard to upstream and downstream processes, in consideration of sustainability aspects.

The 17 Sustainable Development Goals, which were adopted by the United

Nations General Assembly on 25 September 2015, served as a guideline for the development of the strategy. They highlight where the world needs to go and how this can be achieved. In the first step, the Sustainable Development Goals (SDG) were prioritised along the revised value chain. They were then placed in relation to the material topics identified in the course of the double materiality assessment. The interactions of the business model and the upstream and downstream value

General disclosures

chain with the environment and society were analysed in accordance with the ESRS standards. In the first step, individual interviews were conducted with members of the leadership team and the management with the following objectives:

- Creation of transparency regarding the status quo of the ESG management and the intended level of development in accordance with the sustainability level model of the UN Global Compact
- Creation of a common basis of understanding for the most important relevant sustainability topics and stakeholders
- Identification of expectations and requirements for the future reporting

The resulting interim result was evaluated, finalised, and transferred into a roadmap in coordination with the newly created ESG Expert Group on the basis of a comprehensive corporate and environmental assessment. This was presented to the management and approved for implementation. The results of the annual review of the double materiality assessment are incorporated into the review of the sustainability strategy and can result in the implementation of improvement measures.

The developed key topics are climate change, water and marine resources, resource use and circular economy, own workforce, workers in the value chain, consumers and end users, and business conduct. The corresponding sector-specific goals and measures support the achievement of 10 SDG. Specifically, this involves sustainability goals 3, 5, 6, 7, 8, 9, 10, 12, 13, and 16. The biggest environmental challenges are energy consumption, transport-related GHG emissions, resource consumption, and the issue of waste, particularly in the downstream value chain. To address this, Croma is focusing on energy and resource efficiency measures and plans to successively orientate its product range towards circular principles. In terms of social issues, the aim is to secure key and permanent staff through numerous employee benefits and to strengthen compliance with human rights along the entire value chain. In addition, the commitment to ethical marketing is being driven forward and patient safety is being expanded even further. In the area of business conduct, the company focuses on the strengthening of awareness for ethics and compliance as well as the promotion of sustainability-specific procurement measures. Croma puts the strategy into practice through long-term and quantitative goals.

Goals and progress

ESRS topics	Goals and milestones	Time horizon	SDG
Environment			6, 7, 9, 12, 13
Goals			
	0% landfill waste	2025	
	0% virgin plastic in secondary and tertiary packaging	2030	
	Recyclable product group from our own cosmetics line	2030	
	Reduction of fresh water consumption in production by 20%	2030	
	Climate neutrality of the company for scope 1+2	2035	
Milestones			
	Calculation model for company-wide GHG emissions and energy consumption	2025	
	Calculation model for company-wide water consumption, withdrawal, and recirculation	2025	
	Calculation model for company-wide waste by waste type and recycling method	2025	
	Calculation model for company-wide purchasing volumes of non-renewable, renewable, recycled, and virgin plastic materials	2026	
	Company-wide use of 100% green energy	2026	
	Energy management system	2028	
	Pilot project recyclable cosmetics line	2028	
	Reduction of transport emissions in the logistics sector by 50%	2035	

● planned
 ● in implementation
 ● implemented

General disclosures

ESRS topics	Goals and milestones	Time horizon	SDG
Social			3, 5, 8, 10
Goals			
	Reauthorisation of all product groups under MDR	2024	
	Nomination as a top Austrian employer	2026	
	ESG screening of all Croma business partners	2026	
	Screening marketing campaigns according to ethical marketing principles	2026	
Milestones			
	Keeping company rating on Kununu at 3 points		
	Keeping performance review meetings at 100%		
	Keeping absenteeism rate constantly below 5%		
	Achieving new MDR authorisation for 50% of the product groups	2023	
	Commitment of all new contracting parties to the Code of Conduct	2024	
	Achieving MDR reauthorisation of all dermal fillers (100%)	2024	
	Commitment of all partner companies to the Code of Conduct	2025	
	Development of screening parameters for ethical marketing	2025	
	Increase proportion of women in top management by 100%	2026	
	Eliminate the gender pay gap by 2026	2026	
	Increase average number of training courses per employee by 20%	2026	
	Reducing staff turnover rate to 8.5%	2026	

● planned
 ● in implementation
 ● implemented

ESRS topics	Goals and milestones	Time horizon	SDG
Governance			8, 16
Goals			
	Implementation of Code of Conduct training for all employees	2026	
	Positive conclusion of company-wide compliance audits	2026	
	Materials and raw materials exclusively from sustainable companies	2030	
Milestones			
	Code of Conduct training for 100% of new employees	2025	
	Code of Conduct training for 50% of employees	2025	
	Code of Conduct training for 100% of affiliates	2025	
	Evaluation model for compliance audits	2025	
	Valuation model for sustainable companies	2025	

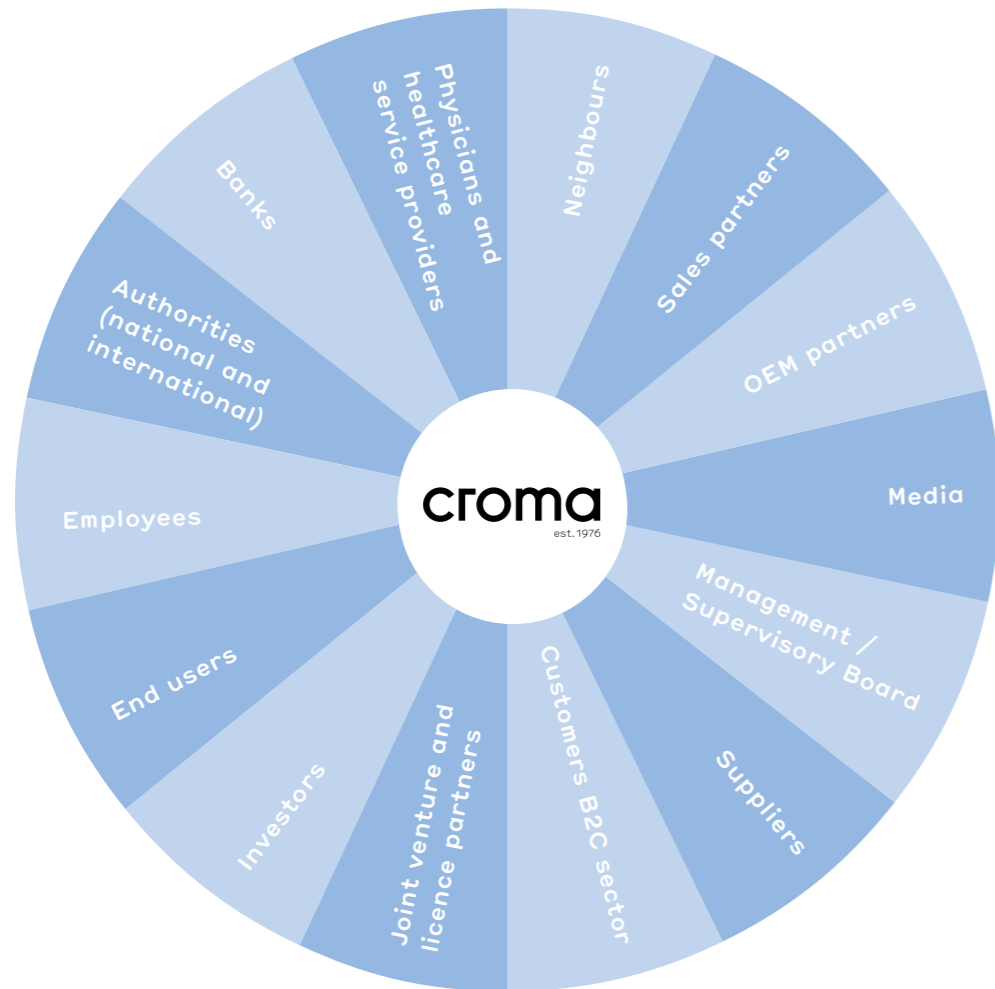
● planned
 ● in implementation
 ● implemented

Interests and views of stakeholders

A regular dialogue with the stakeholders is important to Croma. The dialogue takes place both within the company by means of information events, articles on the intranet, workshops, and surveys, and via external training courses, conferences, trade fairs or meetings during the year. Company-relevant content is communicated via the website, media

reports, and specialist publications. In the course of the preparation of the sustainability strategy, the ESG Expert Group carried out a stakeholder analysis and matrix and implemented a prioritisation of the stakeholder groups. A company-wide stakeholder survey for the key internal and external stakeholder groups is scheduled for 2024.

Stakeholder groups



A stakeholder engagement plan was developed on the basis of the final stakeholder matrix, which is reviewed annually by the stakeholder group manager to ensure that it remains up to date. The aim is the identification of the interests and motives of the most important stakeholders and the establishment of the communication methods to be used. The following process flow is followed:

- Documentation of the extent to which internal and external stakeholders are involved in the operations of the company

- Definition of the influence that stakeholders have on the company
- Description of the strategy for the communication with stakeholders
- Record of contact with each stakeholder, the communication channel used, and the type of information to be communicated

Another opportunity for interaction is the in-house ideas workshop launched in 2021. Specifically, this involves suggestions for improvement that create significant added value for the company and its employees. This added

value can relate to costs or efficiency, but also to factors relating to environmental, social, and governance aspects. In the reporting period, two ideas were recognised in the form of bonus payments. This involves, on the one hand, the neutralisation of Croma waste water with carbon dioxide instead of phosphoric and, on the other hand, the optimisation of the cleaning process for work wear.

Material impacts, risks and opportunities and their interaction with strategy and business model

The impacts, risks, and opportunities identified in the course of the materiality assessment, in consideration of the probability of occurrence, severity, impact on the business model, and relevance in the value chain, are described in detail in the area-specific chapters. For illustration and guidance purposes, the topics are presented here in the form of a tabular overview.

Impacts, risks and opportunities

Environment			
Negative impacts	Positive impacts	Risks	Opportunities
Climate change intensification	Climate protection through emission reduction	Political, legal transition risks	Cost reduction for packaging licences
High energy consumption	Resource efficiency management	Physical risks	Reduction material costs
High fresh water consumption		Transition risks with regard to production process changes	Increase productivity
High volume of waste		Increasing disposal costs	
Resource consumption		Technological risks	

Social			
Negative impacts	Positive impacts	Risks	Opportunities
Work environment prone to discrimination	Elimination of visual impairments	Increased susceptibility to errors	New customer acquisition
Endangering financial basis	Promotion of diversity	High employee expenses	Securing permanent and key staff
Health impairments	Increased employee satisfaction	Recruitment problems	Increase in problem-solving and innovation potential
Violation of human rights	Increased patient safety and health		
Low employee satisfaction	Reduction of joint pain		
Mental or physical overload	Securing jobs		
Distorted self-perception	Increased mental well-being		

Description of the processes to identify and assess material impacts, risks and opportunities

The process for the determination and assessment of material impacts, risks, and opportunities is divided into the following steps:

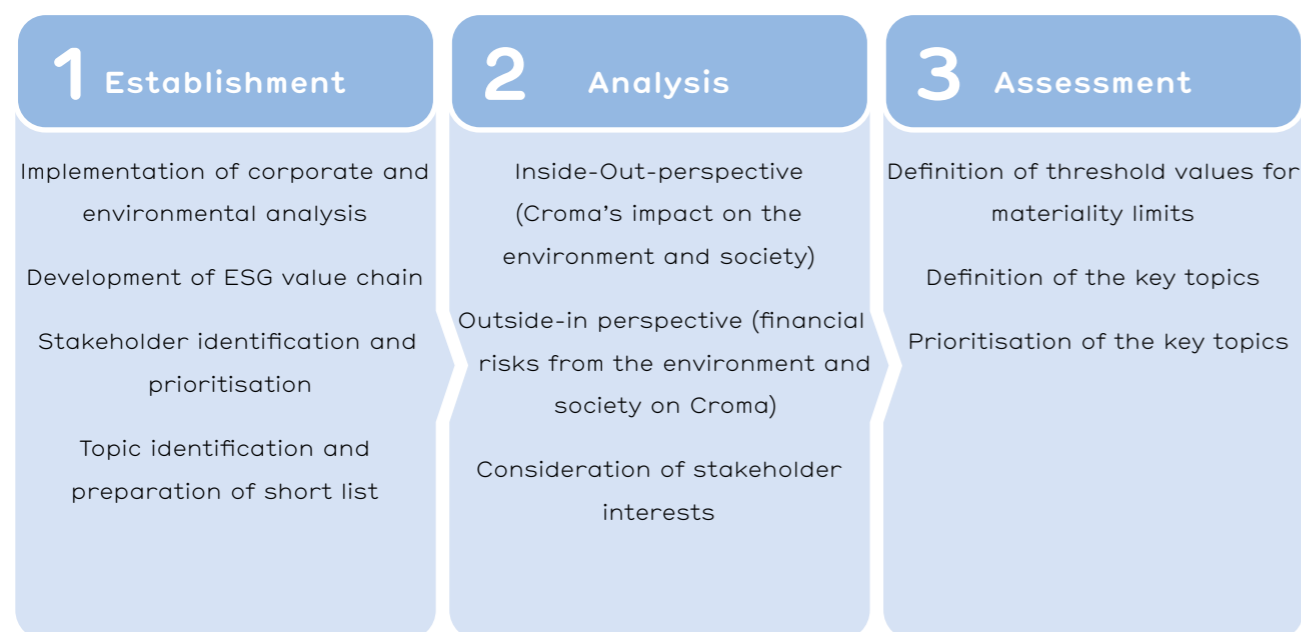
- Company and environment assessment (based on statutory requirements, competitive benchmarking, SDG, SASB, ESG ratings)

- Development of an ESG-specific value chain (holistic view including upstream and downstream processes)
- Stakeholder identification and prioritisation
- Topic identification and consolidation in the form of a short list
- Identification and assessment of the environmental and social impact of the business model as well as the business risks and opportunities along the revised value chain

Governance			
Negative impacts	Positive impacts	Risks	Opportunities
Discrimination against European suppliers and producers	Shorter transport routes	Impairment of performance and efficiency	Increase in orders and development of new markets
Business operations with sanctioned or crisis-affected countries	Quality improvements	Supply chain disruptions	Safeguarding business success
Non-compliance with the EU Whistle-blower Directive	Well-being through increased team cohesion	Reputational damage	Strengthening of customer relationships
Causing animal suffering		Loss of revenue due to ESG ratings	Stabilisation of the supply chains
			Strengthening of corporate resilience
			Improved conditions on the capital market

- Consideration of stakeholder interests (ESG Expert Group, deep dive interviews with Executive Board and specialists)
- Determination of threshold values for the definition of material topics, in consideration of the degree of severity, the probability of occurrence, and a short and medium-term time-scale.
- Definition of the key ESRS topics

Process flow



The resulting findings are incorporated into the SWOT analysis and subsequently into the corporate risk management, which aims at the early identification of opportunities and risks, the minimisation of threats on the one hand and the maximisation of opportunities on the other. The existing potential is further optimised

through the implementation of appropriate measures. The company-specific targets are used to realise opportunities, but also to take risks. These should be recognised at an early stage and managed proactively.

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S2-1	Policies related to value chain workers	76 et seq.	
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S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	77	
S2-4	Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	77 et seq.	
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	78 et seq.	

Standards	Note	Page	SDG
ESRS S4	Consumers and end users		3
S4-1	Policies related to consumers and end-user	80 et seqq.	
S4-2	Processes for engaging with consumers and end-users about impacts	82	
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	82 et seq.	
S4-4	Taking action on material impacts on consumers and endusers, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	83 et seq.	
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	85	
ESRS G1	Business conduct		8, 16
G1-1	Corporate culture and business conduct policies	88 et seqq.	
G1-2	Management of relationships with suppliers	92 et seq.	
G1-3	Prevention and detection of corruption / bribery	93 et seq.	
G1-4	Confirmed incidents of corruption or bribery	95	
G1-5	Political influence and lobbying activities	95	
G1-6	Payment practices	95	

Data points from EU regulations

Disclosure requirement and associated data point	Materiality
ESRS 2 GOV-1 Gender diversity in the executive and supervisory bodies	11
ESRS 2 GOV-1 Percentage of members of the executive body who are independent	12
ESRS 2 GOV-1 Due diligence statement	13
ESRS 2 SBM-1 Participation in activities related to fossil fuels	not material
ESRS 2 SBM-1 Participation in activities related to the manufacture of chemicals	not material
ESRS 2 SBM-1 Involvement in activities related to controversial weapons	not material
ESRS 2 SBM-1 Participation in activities related to the cultivation and production of tobacco	not material
ESRS 2 E1-1 Transition plan for the achievement of climate neutrality by 2050	not material
ESRS 2 E1-1 Undertakings exempt from the reference values agreed in Paris	not material
ESRS 2 E1-4 GHG emission reduction targets	39
ESRS 2 E1-5 Energy consumption from fossil fuels broken down by source	40
ESRS 2 E1-1 Energy consumption and energy mix	40
ESRS 2 E1-5 Energy intensity in connection with activities in climate-intensive sectors	not material
ESRS 2 E1-6 Gross GHG emissions in scope 1, 2 and 3 categories and total GHG emissions	41 et seqq.
ESRS 2 E1-6 Intensity of gross GHG emissions	not material
ESRS 2 E1-7 Reduction of greenhouse gases and CO ₂ credits	41
ESRS 2 E1-9 Risk position of the reference value portfolio against climate-related physical risks	not material
ESRS 2 E1-9 Breakdown of monetary amounts by acute and chronic physical risk	not material
ESRS 2 E1-9 Location of significant assets with material physical risk	not material

Disclosure requirement and associated data point	Materiality
ESRS 2 E1-9 Breakdown of the book value of its properties by energy efficiency class	not material
ESRS 2 E1-9 Degree of exposure of the portfolio to climate-related opportunities	not material
ESRS 2 E2-4 Quantity of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water, and land	40
ESRS 2 E3-1 Water and marine resources	44 et seqq.
ESRS 2 E3-1 Special strategy	44 et seqq.
ESRS 2 E3-1 Sustainable oceans and seas	not material
ESRS 2 E3-4 Total amount of reclaimed and reused water	planned
ESRS 2 E3-4 Total water consumption in m ³ per net revenue from own operations	47
ESRS2 IRO-1 E4 and E4-2 Biodiversity and ecosystems	not material
ESRS E5-5 Non-recycled waste	53 et seq.
ESRS E5-5 Hazardous and radioactive waste	53 et seq.
ESRS 2 SBM3-S1 Risk of forced labour	none
ESRS 2 SBM3-S1 Risk of child labour	none
ESRS S1-1 Commitments in the area of human rights policy	76 et seqq.
ESRS S1-1, S2-1 Due diligence requirements in relation to issues covered by the International Labour Organization's fundamental conventions 1 to 8	56 et seqq.
ESRS S1-1 Procedures and measures to combat human trafficking	60
ESRS S1-1 Strategy or management system for the prevention of occupational accidents	71 et seq.
ESRS S1-3 Processing of complaints	62
ESRS S1-14 Number of fatalities and number and rate of occupational accidents	72

General disclosures

Disclosure requirement and associated data point	Materiality
ESRS S1-14 Number of days lost due to injury, accident, death or illness	72
ESRS S1-16 Unadjusted gender pay gap	74
ESRS S1-16 Excessive remuneration of members of the management bodies	74
ESRS S1-17 Cases of discrimination	none
ESRS S1-17, S2-1, S3-1, S4-1 Non-compliance with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines	56 et seqq.
ESRS 2 SBM3-S2 Significant risk of child labour or forced labour in the value chain	none
ESRS S2-1 Commitments in the area of human rights policy	60 et seq.
ESRS S2-1 Strategies relating to labour in the value chain	76 et seq.
ESRS S2-4 Problems and incidents related to human rights in the upstream and downstream value chain	none
ESRS S3-1 Commitments in the area of human rights	60 et seq.
ESRS S3-4, S4-4 Problems and incidents in connection with human rights	none
ESRS S4-1 Strategies in connection with consumers and end users	80 et seq.
ESRS G1-1 United Nations Convention against Corruption	93 et seq.
ESRS G1-1 Protection of whistle-blowers	88
ESRS G1-1 Fines for offences against corruption and bribery regulations	none
ESRS G1-1 Standards for combating corruption and bribery	93 et seq.

Our responsible handling of ...

... the environment is anchored in the DNA of the company and forms an important pillar of the sustainability strategy. Accordingly, we have set ourselves the goal of constantly reducing our ecological footprint. In line with the internal environmental goals, we are committed to reducing GHG emissions, energy and water consumption, as well as the deployment of packaging materials and the amount of waste.

In this respect, we focus primarily on the core business, whereby the upstream and downstream value chain was also taken into account in the course of the analyses. It is very important to us that our products are manufactured, used, and disposed of as sustainably as possible, with the end of the product life cycle, in particular, posing a major challenge due to the packaging waste generated. Careful monitoring of the business operations is intended to ensure that both actual and potential negative impacts on society and the environment are minimised and that risks and opportunities are managed effectively. This monitoring function was further expanded with the introduction of DIN EN ISO 14001:15. This enables us to operate a robust environmental management system that ensures optimisation and operational integrity in line with the environmental policy.

Environment

Climate change



Strategy

Material impacts, risks and opportunities and their interaction with strategy and business model

Climate change and its consequences affect business operations to varying degrees and over different periods of time. The analysis and anticipation of climate-specific impacts in business processes should be actively reduced

through appropriate measures and should ensure that there is no impairment of business processes and the supply chain. The double materiality assessment took into account actual and potential negative and positive effects as well as risks and opportunities. In terms of environmental impact, Croma contributes directly to climate change through production-

Material impacts, risks and opportunities

Negative impacts	Relevance	Remarks
Climate change intensification through GHG emissions (actual)	Upstream and downstream process, key process	GHG emissions from the transport logistics, the production process, and business travel
High energy consumption (actual)	Key process	High energy requirement for clean room ventilation, steam generation, and sterilisation process
Positive impacts	Relevance	Remarks
Climate protection through emission reduction (actual and potential)	Upstream and downstream process, key process	Use of green energy, PV system, generous HO scheme, free bicycles, electric / hybrid vehicles
Risks	Financial impact	Remarks
Political / legal transition risks	Operating costs	Rising costs due to increased CO ₂ pricing for imported goods
Physical risks	Operating costs	Extreme weather events, shifts in climate patterns with a negative impact on the production and transport processes and the supply chain
Transition risks in relation to the conversion of production processes	Financing costs	Increased production costs due to environmentally friendly production processes and technologies

related energy consumption and transport-related emissions.

In connection with financial risks, there are political and legal risks as well as physical risks and increased production costs due to the switch to more climate-friendly production processes.

Management of impacts, risks and opportunities

Policies related to climate change mitigation and adaptation

To successfully manage the main impacts, risks and opportunities, Croma relies on efficient sustainability and risk management, energy efficiency measures, and the use of green energy and self-generated energy. The commitment to the reduction of emissions and energy consumption is based on the intention to invest in new technologies, to optimise company structures and processes in terms of energy efficiency, and to use alternative energy sources. On the other hand, in the event of unexpected negative events, appropriate contingency plans are put in place, which are managed and executed by the relevant managers.

The Global Sustainability & IMS Department is responsible for the monitoring of the progress of climate-specific goal achievement. It drives the climate programme with the ESG Expert Group and is in weekly contact with the CFO, who is responsible for the sustainability management. Project results, climate-related risks and

opportunities as well as strategies and objectives are presented to the ESG Steering Committee and the Supervisory Board every six months.

Actions and resources related to climate change policies

Croma is constantly looking for ways to reduce its dependence on fossil fuels and to switch to renewable forms of energy. One example in this context is the photovoltaic system installed a few years ago, of which the generated energy can be used for lighting and space heating as well as for the charging stations installed on site for refuelling hybrid and electric vehicles - the company car fleet is gradually being replaced by electric cars.

Ecological principles had already been taken into account during the construction of the new headquarters in 2015 and the relocation of production to the new facility, with a focus on lower energy requirements for lighting (LED lights), heating, and cooling. The reduction in the number of floor printers, the consistent use of team calls, an extensive home office offer, and the continuous modernisation of devices and machines have led to a further increase in efficiency and a reduction in mobility. In this context, it is worth mentioning the project to modernise the existing packaging line, which was launched in 2023. The energy-efficient new system, which is to be implemented and qualified in the summer of 2024, will consume around 12% less electricity than the old packaging line.

Environment

The deployment of renewable energy sources and targeted measures in the area of production and logistics should lead to a significant reduction in the GHG emissions in the future,

which should ultimately ensure that the climate goal is to be reached. This is to be achieved through a variety of measures.

Roadmap measures	Implementation by
Calculating corporate carbon footprint (Scope 1, 2, 3)	2024
Identifying potential energy savings	2025
Introducing a green mobility policy	2025
Introducing an environmental management system in accordance with ISO 14001	2025
Switching outsourcing locations and affiliates to the use of green energy	2026
Creating a concept for the use of waste heat from waste water	2026
Developing and measuring science-based targets	2026

planned in implementation implemented

Metrics and targets

Targets related to climate change mitigation and adaptation

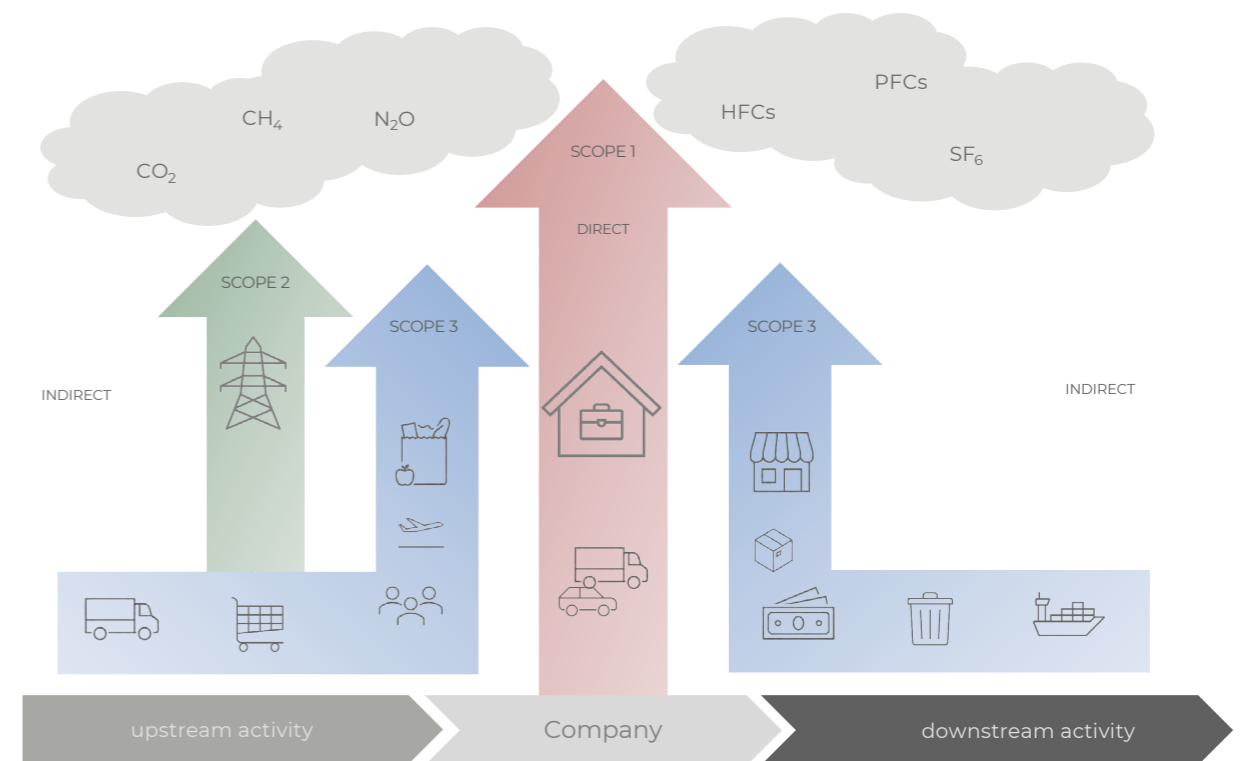
In 2023, Croma made a clear commitment to the promotion of climate protection and pledged to significantly reduce its negative impact on the climate. In this context, a climate goal and three milestones were defined.

For the measurement of the progress towards climate goals, Croma analyses emissions by scope, energy consumption by energy source, and the amount of self-generated energy.

Roadmap goal and milestones	Implementation by
Goal	
Achieving climate neutrality of the company for scope 1+2	2035
Milestones	
Creating a calculation model for company-wide GHG emissions and energy consumption	2025
Using 100% green energy throughout the company	2026
Introducing an energy management system	2028
Reducing transport emissions in the logistics sector by 50% (base year 2023)	2035

planned in implementation implemented

Carbon footprint, emission categories scope 1-3



Source: GHG Protocol

Environment

Energy consumption and mix

Croma is supplied with green energy and fossil fuels. The non-renewable fuels are made up of natural gas, which is required for production, as well as diesel and petrol for company vehicles and emergency generators, for example. The total energy consumption decreased compared to the previous year. Two factors were decisive in

this respect. On the one hand, the implementation and qualification of new equipment, which extended the regular summer break by one week, and on the other hand, the fact that the old production facility in Leobendorf was in operation all year round in 2022.

Key energy figures	2022	2023
Total energy consumption (MWh)	10,449	9,812
Total fossil energy consumption	5,553	5,277
Share of total energy consumption (%)	53.1	53.8
Fuel consumption from coal and coal products	0	0
Fuel consumption from crude oil and petroleum products	485	490
Fuel consumption from natural gas	5,068	4,787
Fuel consumption from other fossil sources	0	0
Total consumption of nuclear energy	0	0
Share of total energy consumption (%)	0,0	0.0
Total consumption of renewable energy	4,896	4,535
Share of total energy consumption (%)	46.9	46.2
Consumption for renewable sources (biomass, biofuels, biogas, hydrogen from renewable sources, etc.)	0	0
Consumption from purchased and received electricity, heat, steam, and cooling from renewable sources	4,680	4,340
Consumption of self-generated renewable energy (no fuels)	216	195

The production-related pollutant CO₂ listed in the E-PRTR Regulation (European Pollutant Release and

Transfer Register) is estimated at 678,000.0 kg/year.

Gross Scopes 1, 2, 3 and total GHG emissions

The company is publishing its Corporate Carbon Footprint for scope 1, 2 and 3 for the first time, on a location- and market-based basis. The categories defined as material for Croma under scope 3 are as follows: Purchased goods and services,

capital goods, energy and fuel-related activities, upstream transport and distribution, waste, business travel, commuting and end-of-life treatment of products sold. The category of rented or leased property, plant and equipment is included in scope 1.

GHG emissions by scope	2023
Total location-based GHG emissions (t CO₂e)	8,495
Total market-based GHG emissions (t CO₂e)	7,538
Scope 1 GHG emissions	
Location-based scope 1 GHG gross emissions (t CO ₂ eq)	1,082
Market-based scope 1 GHG gross emissions (t CO ₂ eq)	1,082
Percentage of scope 1 greenhouse gas emissions from regulated emissions trading schemes (%)	0.0
Scope 2 GHG emissions	
Location-based scope 2 GHG gross emissions (t CO ₂ eq)	806
Market-based scope 2 GHG gross emissions (t CO ₂ eq)	5
Scope 3 GHG emissions	
Location-based scope 3 GHG gross emissions total (t CO ₂ eq)	6,608
Market-based scope 3 GHG gross emissions total (t CO ₂ eq)	6,452

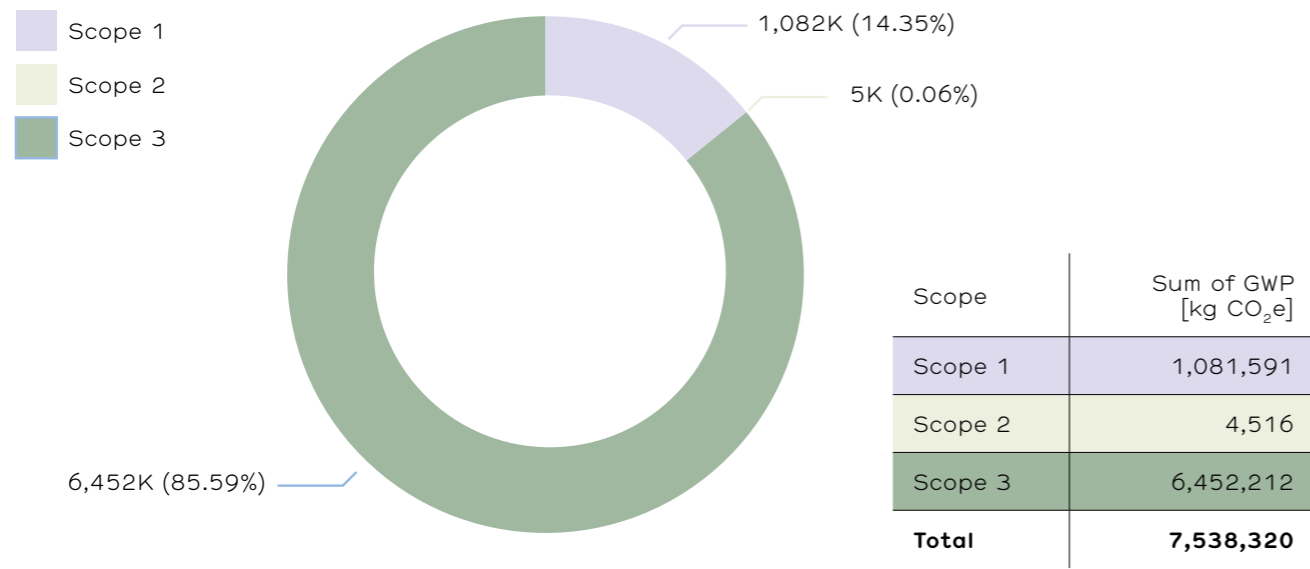
GHG removals and GHG mitigation projects financed through carbon credits

Croma does not utilise CO₂ credits to reduce GHG emissions and related projects.

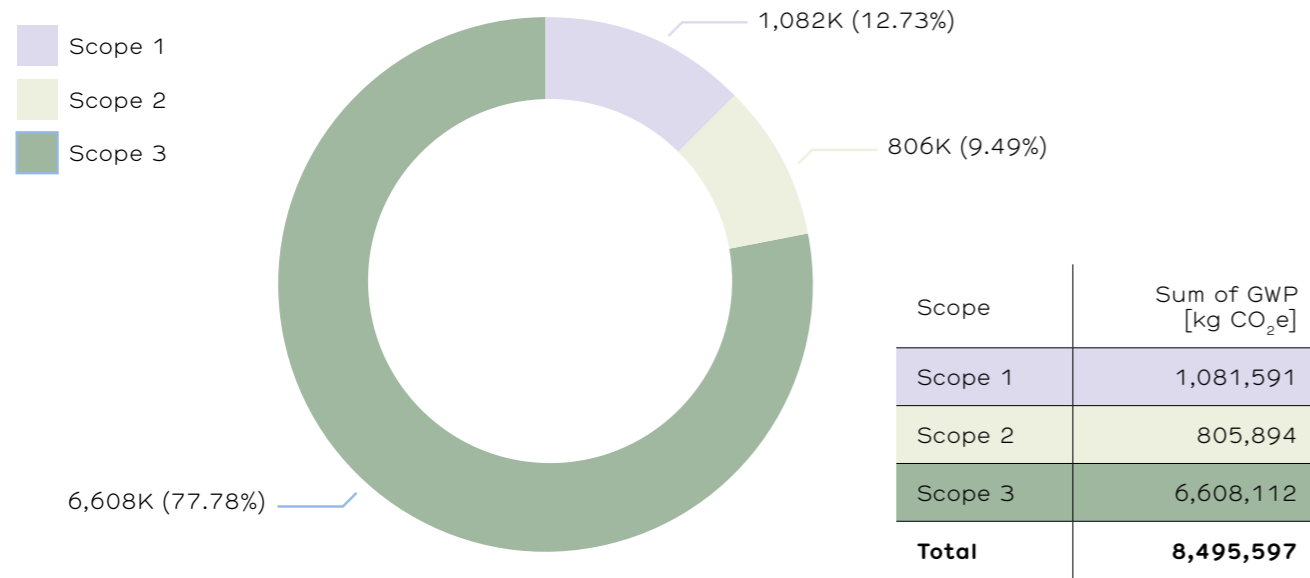
Internal carbon pricing

Croma has not yet used carbon pricing as an instrument to reduce emissions from fossil fuels, but the issue will be analysed in more detail in the coming years.

Scope 1, 2, and 3 market-based



Scope 1, 2, and 3 location-based

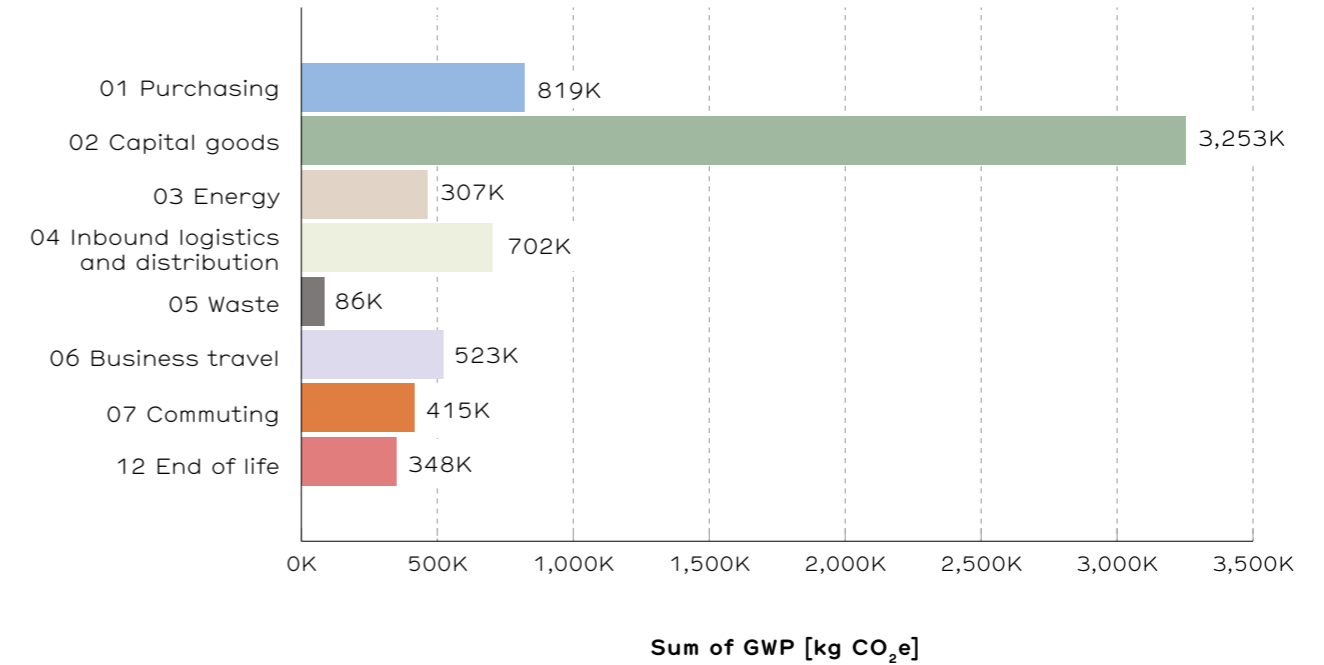


Expected financial impact from material physical and transition risks and potential climate-related opportunities

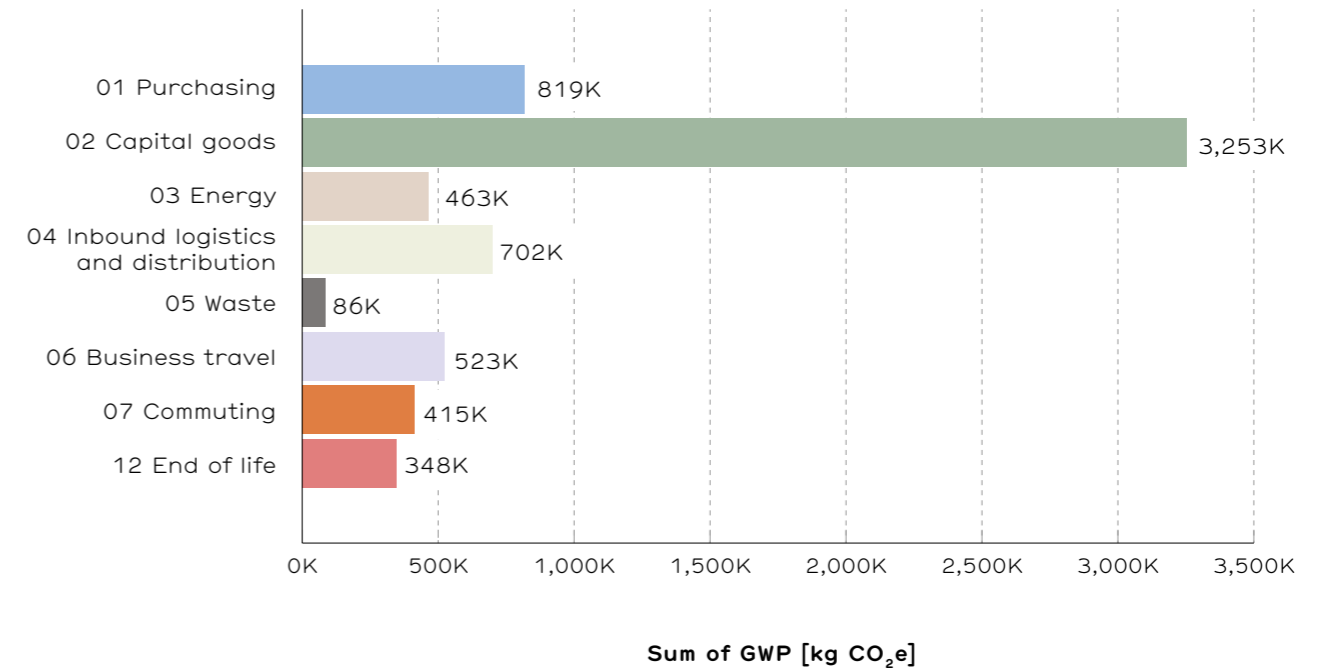
In the short and medium term, the expected financial impact of material

physical risks (e.g. power failure) was categorised as significant, i.e. 4-10% of EBITDA. The same result was found in the analysis of the technological aspect of transition risks. Political and legal risks were assessed at an average

Scope 3 emissions market-based



Scope 3 emissions location-based



level of 1-4% of EBITDA. For the coming years, the potential for climate-related opportunities is still classified as low, i.e. 0.2-1% of EBITDA.

Water and marine resources



Strategy

Material impacts, risks and opportunities and their interaction with strategy and business model

Clean water is essential for the health of society and the environment. Croma is committed to handling this resource with care. Not least because large quantities are needed for the production process. Water is used in the production of hyaluronic acid products, but is also deployed in the cleaning and the steam sterilisation. The relatively high fresh water consumption is to be significantly reduced in the coming years through water efficiency and water management measures. This can reduce the negative impact on the environment.

The production site in Leobendorf is not affected by water stress and water scarcity - this is confirmed by the results of the WRI Aqueduct Water Risk Atlas tool. With regard to the upstream value chain, there are also no significant water-related risks and opportunities. As the risk of increasing water scarcity due to climate change has not yet materialised, but is a growing problem, Croma wants to make an early contribution to the protection of this essential resource and has placed the topic on its sustainability agenda.

Material impacts, risks and opportunities

Negative impacts	Relevance	Remarks
High fresh water consumption (actual)	Key process	High water requirement for the production and sterilisation process, steam generation

Management of impacts, risks and opportunities

Policies related to water and marine resources

When it comes to the reduction of water consumption, the first step for Croma is to develop a strategy to increase water efficiency.

The Global Sustainability & IMS Department is responsible for the monitoring of the progress towards the achievement of the targets and is pushing the topic of water efficiency with the ESG Expert Group. The network regularly analyses the current status quo of the measures taken and revises

the procedures and strategy, where required. Furthermore, ISO 14001:2015 environmental management makes a relevant contribution in terms of taking these specific impacts, opportunities, and risks into account in important company decisions and periodically evaluating them. The Sustainability & IMS Department is in regular contact with the responsible business manager. In addition, water-specific impacts, project results, strategies, and targets are presented to the ESG Steering Committee and the Supervisory Board every six months.

Actions and resources related to water and marine resources

In the in-house production of medical products and pharmaceuticals based on biopolymers, water is mainly used for bulk production (dissolution of the raw materials). Aqueous waste from the production process, i.e. product residues in the batch tanks, on the one hand, and the waste water produced during cleaning, on the other hand, is pre-treated in neutralisation tanks, then properly disposed of via the public sewer system, and forwarded to the sewage treatment plant for treatment. The risk of possible water contamination is very low because the products do not contain any toxic or environmentally hazardous substances in high concentrations.

Croma invests in innovative technologies and promotes the development of new processes. One practical example of the reduction in the ecological footprint is the

conversion of the neutralisation process, which had already begun in 2022 and was completed in 2023. According to the waste water association, the waste water that is fed into the sewer system must be treated, i.e. neutralised to a pH value of between 6.5 and 10. This was previously achieved through the addition of phosphoric acid. Large quantities of acid were pumped into the waste water due to the cleaning steps of the tanks with lye and the high pH value of the steam boiler. With waste water volumes of approximately 39 m³/day or 176 m³/week, that amounted to > 1,000 litres of acid per week. The neutralisation with CO₂ has a significantly better ecological balance. This is because, whilst strong acids change the pH value abruptly, the neutralisation curve with carbonic acid is much flatter. As a result, the permissible pH value can be more easily controlled and is easier to monitor. In addition, the neutralisation with carbonic acid leads to a significant increase in the buffer capacity of the treated waste water. This achieves a very stable final pH value and prevents over-acidification of the treated waste water. In contrast to the salts of strong acids, carbonates and hydrogen carbonates are much more environmentally friendly. The first step will be to address the topic of water efficiency.

Environment

Roadmap measure	Implementation by
Draw up a strategy paper to increase water efficiency including a catalogue of measures	2026

● planned
 ● in implementation
 ● implemented

Metrics and targets

Targets related to water and marine resources

Due to its high fresh water consumption, Croma strives to minimise its demand and has set itself the following targets to improve its water footprint. Croma uses the following KPI

for measuring the progress made in relation to the water targets: Data on water consumption, water withdrawal, and recirculation.

Roadmap goal and milestone	Implementation by
Goal	
Reduction in fresh water consumption (per unit produced) in the production process by 20% (base year 2023)	2030
Milestone	
Calculation model for company-wide water consumption, withdrawal, and recirculation	2025

● planned
 ● in implementation
 ● implemented

Water consumption

The Croma site is not located in an area with high water stress. Accordingly, the relevant value was set at zero. The table lists the total water consumption at the HQ and the amount of water discharged from the production process that is returned to the sewer system via the neutralisation basin. Water consumption dropped slightly by 786 m³ compared to the previous year.

Expected financial impact from material risks and opportunities relating to water and marine resources

No significant risks and opportunities were identified in the course of the 2023 double materiality assessment.

Key water figures	2022	2023
Total water consumption (m ³)	20,588	19,802
Total consumption in areas with high water stress (m ³)	0	0
Total discharge of production water to third parties (m ³)	6,804	5,639

Resource use and circular economy



Strategy

Material impacts, risks and opportunities and their interaction with strategy and business model

The clear commitment to environmental protection is also reflected in our efforts in the area of resource management. The focus in this context is placed on the optimisation of resource consumption as well as the ongoing increase in the procurement of renewable resources and secondary raw materials, the reduction of waste volumes and discard quantities. In particular, the deployment of materials, primarily in the context of paper and plastic-based packaging materials, is a significant factor in the environmental footprint of Croma. The large quantities of packaging material generate considerable amounts of waste and contribute to the growing scarcity of resources. In order to solve this problem and achieve optimal results and synergies, the environmental topic was consolidated in the Sustainability & IMS Department.

The materiality assessment carried out by the ESG Expert Group revealed that the main risks lie in increased investment costs for the transition to more resource-efficient technologies and rising disposal costs. On the other hand, there are opportunities such as the reduction of costs by lowering resource consumption and material

costs, an increase in productivity through more resource-efficient processes, and a reduction in costs in connection with packaging licences. All these topics are taken into account in the sustainability strategy of Croma (see table on the right).

Management of impacts, risks and opportunities

Policies related to resource use and circular economy

With its resource efficiency programme, an efficient waste management system, and increased use of secondary materials, Croma aims to make a positive contribution to the conservation of resources.

As with the other ESG topics, the Global Director Sustainability & IMS, who is in constant dialogue with the internal waste management officer, the ESG Expert Group, and the CFO, is responsible for the monitoring and the evaluation as well as any adjustments to environmental project progress. The IMS ensures that all area-specific requirements are bundled in a standardised structure and enables efficient management of the resource topic. The ESG Steering Committee and the Supervisory Board receive an update on the progress of the projects every six months. The waste management officer is responsible for the waste management concept and its

Material impacts, risks and opportunities

Negative impacts	Relevance	Remarks
High volume of waste (actual)	Upstream and downstream process, key process	High volume of paper and plastic-based waste
Resource consumption (actual)	Upstream process, key process	Large quantities of packaging material
Positive impacts	Relevance	Remarks
Resource efficiency management (actual and potential)	Upstream process, key process	Efficient use of materials, use of secondary materials, extension of packaging shelf life, reduction of discard and waste quantities
Risks	Financial impact	Remarks
Increasing disposal costs	Operating costs	Lack of waste sorting and recycling measures (use of primary raw materials, non-recyclable raw materials)
Technological risks	Financing costs	Cost increase for transition to more resource-efficient technologies
Opportunities	Financial impact	Remarks
Cost reduction for packaging licences	Operating costs	Lower licence fees for sustainable products (e.g. packaging reduction)
Reduction of material costs	Operating costs	Optimisation of material use and quality (e.g. recyclable transport boxes, reduction of packaging width, coating-free secondary packaging)
Increase productivity	Operating costs	Process-based resource efficiency

updating, monitors the correct sorting and disposal of waste types, and carries out optimisation programmes.

The aim of Croma is to continuously increase the proportion of secondary raw materials procured. With the

assistance of sustainable product design, material consumption and packaging volumes should be reduced in the future. In addition, work is under way to replace existing materials with ecologically favourable alternatives wherever possible and to reuse

Environment

materials in order to extend the product life. A number of successes have already been achieved in this area in the past year.

Actions and resources related to resource use and circular economy

As part of the transition to the new packaging line, the dimensions of the folding cartons is reduced and the possibility of reducing the carton thickness is being examined. Based on the current packaging output, this will save around 10 tonnes of cardboard. In addition, the smaller folding carton dimensions mean a reduction in the number of pallets required, which in turn is reflected in a better transport CO₂ balance. A further positive effect is achieved through the gluing of the folding boxes - previously these were sealed using secondary labels. This will reduce the quantity of plastic labels by around 6 million per year. The cardboard box can be disposed of in the paper waste of the customer without the label adhesive. The reduction in the amount of paper-based discard quantity generated in the production of patient information (booklets) is equally positive. With the fulfilment of the Medical Device Regulation (MDR) requirements and the switch to MDR products, the adhesive fold is now attached to the broadside of the existing booklet. This results in optimised use of the raw material and consequently a 50% reduction in waste at the supplier. The first new booklets will be deployed in 2024.

One project that was launched in 2022 but not fully implemented until 2023 was the introduction of new

foldable transport and temporary storage boxes made of polypropylene. Two positive environmental aspects can be identified in this regard: On the one hand, the boxes are reusable compared to the previous model. On the other hand, they feature a significant reduction in empty storage, which has been reduced from 218 pallet spaces to 19. This eliminates the need for an external warehouse and avoids unnecessary lorry transports.

A major step towards environmental protection has also been taken with the blister packaging film. At the end of 2023, a project was launched to switch the cover film previously used for the blister packs of intradermal products from Tyvek (non-woven polyethylene) to an ecologically harmless paper. A further change in the blister packaging film area was made for ophthalmology products. The new version does not have an environmentally harmful coating on the paper lid for environmental reasons.

Efficient waste management is a key focus of our environmental commitment. Accordingly, Croma strives to constantly minimise the amount of waste and to choose the most sustainable method for the disposal of the different types of waste. The waste flows are classified and measured by the Waste Manager. Due to the growing scarcity of resources, recycling is playing an ever increasingly important role. For example, the majority of waste in Austria is being recycled, especially wood, metal, and paper. Residential waste such as plastic packaging is incinerated to generate energy.

Further evidence of the efficiency of our measures is the reduction in the discard rate of filled syringes with rubber stoppers from 7.5% to 3.0%

in 2023. A comprehensive catalogue of measures is in the pipeline for the coming years.

Roadmap measures	Implementation by
Developing a concept for a circular cosmetics line from in-house production	2024
Conducting life cycle analyses for cosmetic product groups	2024
Preparing a catalogue of measures to reduce virgin plastic in secondary and tertiary packaging	2025
Optimising waste separation system	2025
Implementing research project to increase innovation in secondary and tertiary packaging	2028
Increasing the procurement volume of renewable and recycled secondary and tertiary packaging by 15% (base year 2024)	2030
Increasing EU procurement volume (raw materials, production, packaging) for in-house production to 90% (base year 2023)	2030

● planned
 ● in implementation
 ● implemented

Metrics and targets

Targets related to resource use and circular economy

The goals relating to resource management focus on renewable

raw materials and secondary raw materials, 0% landfill waste, and the implementation of circular economy principles in the in-house production.

Environment

Roadmap goals and milestones	Implementation by
Goals	
Achieving 0% landfill waste	2025
Introducing a circular product group from the in-house cosmetics line	2030
Achieving 0% virgin plastic in secondary and tertiary packaging	2030
Milestones	
Creating a calculation model for company-wide waste by waste type and recycling method	2025
Creating calculation model for company-wide procurement volume of non-renewable, renewable, recycled, and virgin plastic materials	2026
Pilot project to create a recyclable cosmetics line	2028

● planned
 ● in implementation
 ● implemented

The key figures for the measurement of the effectiveness of the measures and goal achievement range from the key waste figures by type of waste and disposal method to the procurement volume of renewable and non-renewable materials and the procurement volume of recycled and virgin plastic materials.

Resource inflows

In terms of the establishment of resource inflows, the first step for the company is to focus on packaging and filling materials as well as package inserts, as they generate significant amounts of waste. A distinction is made between primary, secondary, and tertiary packaging materials.

Primary packaging includes materials that come into direct contact with the product, e.g. the syringe containing the viscoelastic solution. Folding cartons or blister film, on the other hand, are secondary packaging. And cardboard packaging is classified as tertiary packaging.

Resource inflows	2022	2023
Total weight of packaging material used¹ (t)	330	315
Total weight of virgin materials ² (t)	259	248
Total weight of recycled materials ³ (t)	70	67
Percentage of recycled materials used (%)	21.0	21.0
Proportion of plastic packaging⁴ including filling materials (%)	24.7	27.1
Proportion of paper folding cartons including leaflets (%)	48.2	49.5
Proportion of cardboard packaging (%)	16.8	15.4
Proportion of glass (%)	8.9	7.4
Proportion of other materials (aluminium, wood, styrofoam) (%)	1.3	0.5

¹ In-house production, merchandise incl. contract manufacturing
² Bubble wrap, blister film, glass, package inserts, non-recycled folding cartons
³ Cardboard packaging, recycled folding cartons, recycled plastic film
⁴ Plastic-based primary, secondary, and tertiary packaging

Waste generation

In terms of the resource outflows, Croma records the types of waste categorised as hazardous and non-hazardous by type of disposal (no waste has been prepared for reuse in

the last two years), which is generated directly at the Leobendorf site. The company is currently unable to track the volume of waste and how it is disposed of downstream in the value chain.

Waste generation 2022	Hazardous waste ¹	Non-hazardous waste ²	Total
Total amount of waste generated (t)	97	72	169
Recycling (t)	0	56	56
Biogas (t)	0	4	4
Incineration (t)	97	12	109
Landfill³ (t)	0	0	0

Non-recycled waste 2022	Quantity (t)	Percentage (%)
Total amount of non-recycled waste	114	67.0

¹ Pharmaceuticals, laboratory waste, household waste, waste with risk of injury, batteries
² Paper, cardboard, plant trays, plastics, thermal fraction, grease separator contents
³ Small quantities of building waste < 70 kg

Environment

Waste generation 2023	Hazardous waste ¹	Non-hazardous waste ²	Total
Total amount of waste generated (t)	89	97	186
Recycling (t)	0	86	86
Biogas (t)	0	8	8
Incineration (t)	89	3	92
Landfill³ (t)	0	0	0

Non-recycled waste 2023	Quantity (t)	Percentage (%)
Total amount of non-recycled waste	100	53.0

¹ Pharmaceuticals, laboratory waste, household waste, waste with risk of injury, batteries
² Paper, cardboard, plant trays, plastics, thermal fraction, grease separator contents

Expected financial impact from material risks and opportunities in connection with resource use and the circular economy

Taking a medium-term time-scale into account, the financial impact for technological changeover processes was assessed as significant, i.e. 4-10% of EBITDA, and for rising disposal costs as medium, i.e. 1-4% of EBITDA. In terms of the opportunities, the analysis of the cost reductions from the reduction in resource consumption and packaging

licences revealed an average value of 1-4% of EBITDA and a significant impact of 4-10% of EBITDA from the reduction in material costs and increase in productivity. These figures show that efficient resource management can have a very positive effect on both the balance sheet of the company and the environment.



Our responsible handling of ...

... social issues is part of our DNA. We stand for compliance with fair labour practices and want to ensure this through appropriate guidelines throughout the entire value chain. Although the pharmaceutical industry is very strictly regulated by numerous ordinances and controls, human rights violations and possible negative effects on the health and safety of employees and customers can still occur due to the complex business processes.

This must be prevented through appropriate due diligence. Irregularities in connection with employment matters or jeopardising patient health not only have legal consequences, but also have a negative impact on our reputation, our attractiveness as an employer and, last but not least, on staff turnover and recruitment. Furthermore, they damage both the business location and society. With appropriate strategies and measures, we are sending a clear signal in favour of greater social responsibility.

Social



Own workforce



Strategy

Material impacts, risks and opportunities and their interaction with strategy and business model

Long-term corporate success is not possible without motivated and high-performing employees. This is all the more true in times of significant economic challenges. This is why Croma relies on a comprehensive catalogue of measures to counter negative effects, e.g. high workloads, discriminatory behaviour, and increased staff turnover, ranging from flexible and family-friendly working time models and a Works Council to health services, awareness campaigns, and conflict management measures.

The main risk in the Human Resources area is currently the high factor of employee expenses, which is not least due to the fact that Croma is an expert organisation and its headquarters and production site are located in Austria. The company is facing an additional burden due to the high inflation rate. Furthermore, there are also risks in relation to increased susceptibility to errors and recruitment. Croma counters these problems with employee retention measures, which include numerous development and training programmes as well as an extensive home office policy, avoidance of overtime, and benefits.



Material impacts, risks and opportunities

Negative impacts	Relevance	Remarks
Working environment prone to discrimination (potential)	Key process	Unequal treatment, discrimination against individuals
Low employee satisfaction and loyalty (potential)	Key process	Lack of corporate culture, working atmosphere in need of improvement
Mental or physical overload (potential)	Key process	High work pressure and lack of support services
Positive impacts	Relevance	Remarks
Promotion of diversity (potential)	Key process	Awareness campaigns, team events
Increased employee satisfaction (actual and potential)	Key process	Employee benefits, further development opportunities
Securing jobs (actual and potential)	Key process	Practised corporate culture
Risks	Financial impact	Remarks
Increased susceptibility to errors	Operating costs	Long working hours or not enough breaks
High employee expenses	Operating costs	Business operations in AT and employment of experts
Recruitment problems	Operating costs	Negative employer evaluation
Opportunities	Financial impact	Remarks
Securing permanent and key staff	Revenue, employee expenses, long-term development of the business model	Good work-life balance
Increase in problem-solving and innovation potential	Long-term development of the business model	Introduction of diversity management

Management of impact, risks and opportunities

Policies related to own workforce

As a pharmaceutical company, Croma is not confronted with an increased risk of human trafficking, forced labour or child labour. Nevertheless, human rights issues and fair treatment of employees are a matter of course at Croma. The company is committed to compliance with the principles of the UN Global Compact and the United Nations Guiding Principles on Business and Human Rights and is a member of respACT, the leading Austrian business platform for sustainable business.

In connection with actual or potential negative impacts, e.g. health-related stress, Croma relies on a Code of Conduct that has binding effect on employees, numerous health programmes, conflict management measures and guidelines, e.g. the anti-bullying guidelines. Human resources management is based on a holistic approach and focuses on a good work-life balance, flexible working time models, a management system for occupational safety, numerous training and further education measures, and awareness campaigns. The effectiveness of the strategy has also been confirmed externally with the Family and Career certification.

Employee health and safety are cornerstones of our corporate philosophy. These must be guaranteed by the internal management system, a prevention strategy, comprehensive safety training, and a wide range of health programmes. The in-house management system for occupational

health and safety and the associated contingency and preparedness plans as well as labour-specific legislation Like the Employee Protection Act or the Labour Inspection Act, cover 100% of employees and temporary workers and ensure a resilient and solid business model. The in-house safety specialist coordinates occupational health and safety together with the occupational physician and the HR Department and chairs the half-yearly occupational safety committee meetings.

With regard to the main risks in the area of employees, e.g. high employee expenses, increased susceptibility to errors and recruitment problems, Croma utilises a strategy to secure permanent and key staff consisting of comprehensive employee benefits and a strategy to increase innovation and problem-solving potential.

Decisions in connection with the workforce are first made at the management level and then implemented at the operational level. The HR management bears the main responsibility for the management of impacts, risks, and opportunities as well as the development of optimisation measures. Together with other areas relevant to employment, it reviews the current status quo and target achievement based on key indicators such as staff turnover rate, training figures, proportion of women, gender pay gap, and employer assessment. Cross-divisional monthly meetings with the ESG Expert Group ensure an efficient exchange of information. Progress reports on ongoing projects are submitted to and discussed with

the responsible business manager (COO). If required, the implemented measures are updated. In addition, HR topics with a sustainability-specific background are also addressed as part of the semi-annual ESG Steering Committees and presented to the Supervisory Board.

Processes for engaging with own workers and workers' representatives about impacts

Croma offers its employees numerous opportunities to interact on topics relating to the company. The offer ranges from a Works Council to feedback meetings as part of the on-boarding / off-boarding process and as part of the performance management process (270° feedback) to conflict management meetings. The process results are clustered thematically, evaluated and, if necessary, appropriate adjustment measures are implemented. The relevant effectiveness is measured via observations, feedback, and indicators.

Works Council

The Works Councils for blue-collar and white-collar employees are elected for a term of five years. They can be contacted on all work-related topics and are subject to a confidentiality obligation.

Monthly CMM (Corporate Management Meetings) are held with the participation of the Global Director HR and the Works Council to ensure an up-to-date level of information on employee issues. In addition, the Head of HR is also a member of the Senior Leadership Team, which is in regular

dialogue with the Executive Board. Ad hoc meetings are organised for special topics. The process for handling employee concerns is as follows:

- Presentation of the topic
- Exchange
- Processing of concerns
- Presentation of the result
- Implementation

On-boarding and off-boarding feedback meeting

A feedback meeting is held with new employees around ten weeks after they have joined the company in the presence of their manager and the person responsible for staff development. In this context, the cooperation with the manager, the induction status, the integration into the new team, and the satisfaction with the position are assessed. Particular emphasis is placed on the potential for improvement identified by the new employee. The meeting is recorded in the HR management system and signed by the employee and the manager.

In the event of termination, every employee is offered a voluntary off-boarding meeting, which is conducted by an HR specialist. The reasons for leaving, cooperation with colleagues and the manager, and the recommendation rate are analysed, among other things. The information flows into area-specific statistics and evaluations. After the employee has left the company, the manager receives the evaluation results with regard to the cooperation.

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Conflict management meeting

In the event of conflicts, confidential discussions are held with the parties involved if necessary, with the aim of establishing a resolution process. The meetings can be initiated either directly by the employee or by the Works Council or manager. Again, the meetings are moderated and recorded by the HR Department and made available to the persons concerned.

Ideally, the conflict is resolved through conflict mediation. However, it can also result in a warning (a corresponding warning process is in place), which includes an observation period to enable further cooperation.

Processes to remediate negative impacts and channels for own workers to raise concerns

Taking employee concerns into account is an important driver of employee satisfaction. It is therefore important to receive information at an early stage and on a regular basis on topics that require improvement or that are not compliant. The responsible contacts are the occupational safety specialist, the occupational physician, the Works Council, and the HR Department. The employees have the opportunity to contact the HR Department in person or virtually or to report their complaints, praise, suggestions, and concerns via an anonymous feedback box. This is available both as a digital tool and in paper form using a drop box. The concerns are processed by the HR Department and presented at a monthly digital information event, including the next steps. As an accompanying measure, Croma has

set up another contact point. The company-wide whistle-blower scheme, which is accessible on the intranet and via the website, can also be used to raise concerns anonymously, if so desired. The effectiveness of the various channels is tested via the number of reports and surveys.

Actions related to material impacts, risks, and opportunities and their effectiveness

The range of measures already implemented in connection with the material impacts extends from flexible, individual, and family-friendly working time models and an extensive home office arrangement to a company training room with a range of courses and team events. In addition, a medical consultation and vaccination facility is available on site and an external employee assistance programme with health experts is offered to support employees in strengthening their mental and physical health. To avoid overtime, awareness is created through automated reminders when the maximum working hours are reached with mandatory approval by the manager. In addition, employees with all-in agreements can take six days of compensatory time off from 2024. These measures increase employer attractiveness and contribute to greater employee satisfaction. With the assistance of indicators and feedback, the effectiveness of the measures implemented is reviewed regularly, i.e. monthly to annually, depending on the topic.

With regard to the main risk of employee expenses, Croma is focussing

on securing permanent and key personnel and increasing innovation potential. These targets are achieved through a comprehensive range of development opportunities, sound talent management, a mentoring programme, training, further education, and personal development opportunities and the knowledge retention programme. The latter is part of the performance management processes and serves to maintain, develop, and secure expertise. Furthermore, diversity should consciously be utilised in the future with efficient diversity management, in order to reduce fear of contact, promote mutual acceptance, and increase innovation and problem-solving skills.

Accompanying measures include topic-specific awareness campaigns and employee information in the form of virtual meetings (e.g. Friday Coffees, How to cHRoma), articles on the intranet, and newsletters. Successes were recorded last year with the management training course and leadership development programme as well as the awareness measures in the context of the Croma values. A comprehensive catalogue of measures was put together to achieve our top employer target.

Social

Roadmap measures	Implementation by
Achieving work and family certification	2024
Developing equality, diversity and inclusion strategy	2025
Implementing health promotion at the workplace	2025
Implementing age and generational management	2025
Developing and implementing an accident prevention strategy	2025
Achieving ISO 45001 certification	2026

● planned
 ● in implementation
 ● implemented



Croma successfully completed the Family and Career Audit 2023. The basic certificate was presented in a festive ceremony in 2024.

Metrics and targets

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Croma attaches great importance to the consideration of employee

interests and confirms this attitude by implementing numerous measures. The company wants to further expand its attractiveness as an employer and has set itself clear targets for 2023.

Roadmap goal and milestones	Implementation by
Goal	
Achieving nomination as an Austrian top employer	2026
Milestones	
Keeping absenteeism rate ¹ constantly under 5%	
Keeping performance review meetings at 100%	
Maintaining a company rating on Kununu of at least 3 points	
Increasing average number of training courses per employee by 20% (base year 2023)	2026
Reducing fluctuation rate to 8.5% (base year 2023)	2026
Increasing proportion of women in top management by 100% (base year 2023)	2026
Eliminating the gender pay gap	2026

¹ Absenteeism rate due to sick leave

● planned
 ● in implementation
 ● implemented

The company uses the gender pay gap, the proportion of women in top management, diversity indicators per management level, sick leave figures, overtime development, fluctuation rate, accident figures, and successfully completed certifications as key figures to measure its targets.

Characteristics of the Undertaking's Employees

Employee-specific metrics like age, gender, employment type, categorisation or entry and exit dates are recorded digitally by the HR Department. The employee must notify the HR Department of any changes

in their personal data. The number of employees (blue- and white-collar workers) decreased slightly year-on-year, while the fluctuation rate increased significantly. This is partly due to the sector and partly due to the economic situation. The following tables provide a detailed overview of our employee data and the year-on-year changes.

Social

Key figures employees ¹	2022	2023
Total employees	438	415
Total male employees	176	179
Permanent male employees	175	178
Temporary male employees	1	1
Male employees without guaranteed working hours	0	0
Full-time male employees	159	163
Part-time male employees	17	16
Total female employees	262	236
Permanent female employees	260	234
Temporary female employees	2	2
Female employees without guaranteed working hours	0	0
Full-time female employees	192	168
Part-time employees	70	68

¹ Number of employees as at 31 December

New employees and fluctuation ¹	2022	2023
Total new employees	81	78
New male employees	32	32
New female employees	49	46
Total leaving employees	61	75
Leaving male employees	19	27
Leaving female employees	42	48
Total fluctuation rate (%)	13.9	18.1
Fluctuation rate male employees (%)	10.8	15.1
Fluctuation rate female employees (%)	16.0	20.3

¹ Calculation basis full-time employees (white-collar and blue-collar workers)

Characteristics of non-employee workers in the undertaking's own workforce

Qualified permanent staff are crucial to our business success. In the event of a lack of in-house expertise or staff shortages, the company relies on consultants or temporary staff. The department concerned reports

the requirement to the HR Department in the form of a vacancy form. Once approval has been granted, vacancies are advertised and applications are processed. The interviews are held in two rounds, and tools may be used (skills and/or personality check) to help with the decision-making process.



While there were no non-employees working for Croma in 2022, three temporary workers were working for the company in 2023.

Collective bargaining coverage and social dialogue

Croma complies with all labour legislation and recognises the right of its employees to collective bargaining and freedom of association. 100% of the Austrian workforce is represented by employee representatives and is subject to the collective labour agreement for the chemical industry. Regardless of whether they are white-collar or blue-collar employees.

Diversity metrics by management level

Due to the international nature of the business operations, the diversity of our employees is a key factor in the success of Croma. We give our employees enough room to incorporate their individuality, different mentalities or cultures into their working methods. The diversity metrics are stored in the HR tool (Sage) and can be analysed on the basis of the different management levels. As the data in Sage have been differentiated by management level for the first time in 2023, there is no year-on-year comparison.

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Diversity metrics by management level ¹	2023
Men Executive Board	4
Women Executive Board	0
Men Executive Board (%)	100.0
Women Executive Board (%)	0.0
Members Executive Board under the age of 30 (%)	0.0
Members Executive Board aged 30-50 (%)	25.0
Members Executive Board over the age of 50 (%)	75.0
Male employees at middle management level (%)	84.6
Female employees at middle management level (%)	15.4
Middle management level under the age of 30 (%)	0.0
Middle management level aged 30-50 (%)	62.5
Middle management level over the age of 50 (%)	37.5
Male employees at lower management level (%)	56.4
Female employees at lower management level (%)	43.6
Lower management level under the age of 30 (%)	7.7
Lower management level aged 30-50 (%)	76.9
Lower management level over the age of 50 (%)	17.9
Male employees at non-management level³ (%)	38.2
Female employees at non-management level (%)	61.9
Non-management level under the age of 30 (%)	16.3
Non-management level aged 30-50 (%)	69.9
Non-management level over the age of 50 (%)	13.9

¹ Number of employees as at 31 December
Executive management: upper management level; Divisional management: middle management level; Department and team management: lower management level

Adequate Wages

Appropriate remuneration of the workforce is ensured by the collective agreement for the chemical industry. The salary level is calculated on the basis of the job classification specified in the job description. A competitive remuneration structure is ensured by means of regular analyses and industry benchmarks, which enable a comparison between internal and market-specific requirements. Depending on the qualifications, Croma also makes overpayments. Changes to the salary structure are made through collective bargaining or through employee representation.

Social protection

The employees of Croma are covered by the Austrian social security system. This is applicable in the event of illness, unemployment and accidents, parental leave and pension. The company also offers a voluntary pension scheme from the 4th month of employment and pays a monthly contribution.

Persons with disabilities

According to Austrian legislation, companies with more than 25 employees are required to employ one person with a disability for every 25 employees. Croma did not reach the required mandatory number in 2022 and 2023 and pays a corresponding equalisation tax to the Federal Social Security Office.

Persons with disabilities ¹	2022	2023
Total persons with disabilities (%)	0.9	1.4
Male employees with disabilities (%)	0.2	0.2
Female employees with disabilities (%)	0.7	1.1

¹ Number of employees as at 31 December

tech
she likes

Croma has been supporting “techshelikes” since 2023 through the provision of technical equipment. The platform aims to make technology and engineering more attractive and accessible to women and girls.

Training and Skills Development indicators

The employee development is a key success factor for Croma, ensuring that the company has a long-term competitive advantage through the promotion of individual skills and strengths, company-wide training opportunities, and targeted investment in management and specialist personalities. For this purpose, a training budget is set aside for each year. The registration for a training programme takes place via a digital release process. The notification of requirements takes place as part of the target agreements and is documented in the HR system. The administration and support fall under the responsibility of the Human Resources and Organisational Development Department. In addition,

there are mandatory performance review meetings for all blue-collar employees, which must be held annually. In the reporting period, the gender-specific proportion of these interviews was 60% female employees and 40% male employees. With regard to the blue-collar sector, this measure is carried out on a voluntary basis. A further measure is skills development interviews. The focus here is on an improved alignment of strategic corporate targets with the existing competences. The corresponding data were collected for the first time in 2023. Accordingly, there is no year-on-year comparison.

Training metrics ¹	2023
Total training hours by gender	7,207
Male employees	2,883
Female employees	4,324
Total average training hours by gender	17
Male employees	16
Female employees	18

¹ Calculation basis full-time employees in the reporting period

Competence development metrics ¹	2023
Total competence development interviews by gender	45
Male employees	17
Female employees	28
Percentage of competence development interviews by gender total (%)	100.0
Male employees (%)	38.0
Female employees (%)	62.0
Total competence development interviews by management level	45
Upper management level	2
Middle management level	2
Lower management level	19
Non-management level	22
Percentage of competence development interviews by management level total (%)	100.0
Upper management level (%)	4.4
Middle management level (%)	4.4
Lower management level (%)	42.2
Non-management level (%)	48.9

¹ Calculation basis year-round employees and number of interviews actually conducted

Health and safety indicators

The Austrian Employee Protection Act, which regulates the obligations and rights in connection with health and safety measures in the workplace, covers 100% of the workforce. In addition, there is an internal occupational safety management system with a wide range of internal safety training courses, ranging from the safe handling of chemicals and equipment / machinery to fire safety instructions and the correct

handling of the TOTMANN mobile phones (functional personal emergency signal function when working alone) or working on roofs. The relevant evidence is collected and kept by the occupational safety specialist. In the event of manual work by external companies on the company premises, instructions are also provided.

The safety specialist carries out regular inspections for the identification and assessment

Social

of hazards. This includes the inspection of ladders, climbing aids, and fall protection equipment. The corresponding results are documented in an inspection report. One preventive occupational safety measure is the reporting of situational and work-related hazards, which is mandatory for all employees. The defects identified are recorded using process management software (ConSense) and must be rectified by the person responsible within an imposed deadline.

Accidents and near-accidents must be reported to the safety officer and are recorded. The corresponding figures and the accident frequency rate (LTIR) are listed below. The latter is an important performance indicator and reflects the occupational safety performance of a company. Last year, there was neither a fatal accident at work nor any work-related illnesses. While the LTIR value was fortunately reduced from three accidents and 4.9 in 2022 to two accidents and 3.2, the days lost increased by 59 days from 2022 to 2023.

Health and safety metrics ¹	2022	2023
Percentage of employees, covered by a health and safety management system (%)	100.0	100.0
Fatalities due to work-related injuries	0	0
Fatalities due to work-related illnesses	0	0
Reportable occupational accidents	3	2
Rate ² of reportable occupational accidents ³ LTIR	4.9	3.2
Reportable work-related illnesses	0	0
Days lost (due to work-related injuries, deaths, accidents or illnesses)	23	82

¹ Calculation basis year-round employees

² Calculation rate based on 1 million hours worked

³ Calculation of occupational accidents with at least one day of absence without private commuting accidents



Metrics for compatibility of work and private life

The entitlement to time off to care for children or relatives living in the household is regulated by law in Austria, generally amounts to one week per year (to the extent of weekly working hours) and applies to 100%

of employees. For children under the age of twelve who require care, there is the option of extended care leave in the form of an additional week. The percentage of family-related leave has risen slightly.

Care leave metrics ¹	2022	2023
Percentage of employees entitled to leave for family reasons	100.0	100.0
Percentage of employees who have taken leave for family reasons total	19.0	23.0
Utilisation by male employees (%)	8.0	11.0
Utilisation by female employees (%)	11.0	12.0

¹ Calculation basis year-round employees

Social

Compensation indicators (pay gap and total compensation)

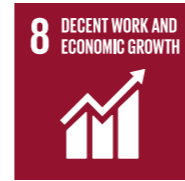
Equal and competitive salaries not only increase employer attractiveness, but also lead to increased motivation and company loyalty. To ensure a comparable remuneration structure between female and male employees, Croma conducted a gender pay gap analysis for the first time in 2023. The current evaluation has shown that Croma's score of around 12% is in line with the European average and that there is therefore a need for optimisation. This was taken into account in the form of a corresponding milestone. The ratio between the remuneration of the highest-paid individual and the median remuneration of the employee is 3.6.

Incidents and severe cases of human rights Issues and incidents

The promotion of human rights has many facets at Croma and is reflected in numerous projects and guidelines relating to health and safety, corporate values, fair labour practices, and the protection of privacy. Incidents or complaints, including fines or sanctions in connection with material human rights violations, are handled by the Legal Department. There were 0 incidents in the reporting period and in 2022.



Workers in the value chain



Strategy

Material impacts, risks and opportunities and their interaction with strategy and business model

Croma respects the inherent dignity and rights of every individual, as set out in the Universal Declaration of Human Rights. The issue of human rights was carefully analysed in the context of double materiality, with the result that, due to the complex and global value chain, potential negative

impacts in connection with the violation of human rights, particularly with regard to the involvement of workers and the possibility of expressing concerns, cannot be completely ruled out.

However, the company will not be confronted with any significant risks or opportunities in the coming years due to its specific product portfolio.

Material impacts, risks and opportunities

Negative impacts	Relevance	Remarks
Violation of human rights (potential)	Upstream and downstream process	

Management of impact, risks and opportunities

Policies related to value chain workers

With the aim of effectively countering the potential negative impact, the company has set out its clear commitment to human rights in both the upstream and downstream value chain in a separate Code of Conduct for Business Partners. The guidelines are intended to ensure that all current and future transactions or agreements with Croma comply with the guidelines and expectations in the area of human rights. In addition, from 2024 new

business partners will also be screened with regard to their ESG measures by means of a questionnaire. The Global Sustainability & IMS Department (GSID) is responsible for the evaluation and ranking of the partner companies.

The goals and measures set in this area are managed and evaluated by the GSID, which provides regular updates to the members of the ESG Expert Group, the CFO, and the ESG Steering Committee. It also acts as the final authority for strategic and tactical decisions and approvals as well as budget authorisations.

Processes for engaging with value chain workers about impacts

The direct involvement of labour in the value chain is difficult, which is why Croma also uses indirect involvement methods. One option is to submit reports via the reporting system available on the Croma website. To raise awareness of the issue amongst business partners, the company relies on the Code of Conduct for Business Partners and the business partner qualification programme. On the other hand, it uses a standardised stakeholder engagement process introduced in 2023, which is applicable to all key stakeholder groups and is reviewed annually to ensure that it is still up to date. The engagement methods range from personal meetings and advisory boards to contract negotiations and audits. A company-wide online survey on the topic of sustainability is envisaged for 2024. The next step is to organise our own ESG training courses, which are to be extended to business partners in the future. Not only the commitment to the Code of Conduct for Partner Companies is surveyed, but also which standards or measures have been implemented in connection with the protection of human rights and whether there are any breaches or proceedings in this regard.

Processes to remediate negative impacts and channels for value chain workers to raise concerns

The whistle-blower scheme available on the Croma website is a tool that allows external stakeholders along the

entire value chain to report possible misconduct, information or concerns, which may also relate to human rights. These reports not only help us to consider fair operating and business practices along our value chain, but also to minimise risks and take preventive measures at an early stage. The information is treated confidentially and the anonymity of the reporters is guaranteed.

Actions related to material impacts, risks, and opportunities and their effectiveness

To safeguard human rights along its value chain, Croma has introduced processes and guidelines to help us better assess the sustainability performance of our business partners and also raise awareness for the topic. In a first step, ESG aspects were added to the business partner qualification. Partner companies that fall short of our guidelines, including in connection with respect to human rights, are thus identified at an early stage, enabling countermeasures to be implemented promptly. The evaluation and prioritisation of business partners according to ESG criteria is carried out by the Global Sustainability & IMS Department. As an accompanying instrument to promote fair labour practices, the new Code of Conduct, which is mandatory for partner companies, was introduced at the end of 2023 and is referred to separately in the general terms and conditions or agreements. In this context, goal-specific measures were defined, some of which have already been implemented.

Social

Roadmap measures	Implementation by
Implementing a Code of Conduct for Business Partners	2024
Developing a concept for ESG screening, including analysis method	2025

● planned
 ● in implementation
 ● implemented

Metrics and targets

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

A main goal and two milestones were defined as objectives in the area of

human rights protection for the coming years. Croma uses the number of screenings conducted and the number of violations or irregularities identified as well as the number of cases of human rights violations to measure the progress made in terms of achieving the goals.

Roadmap goal and milestones	Implementation by
Goal	
Implementing ESG screening of all Croma business partners	2026

Milestones

Demanding commitment to the Code of Conduct from all new contracting parties	2024
Demanding commitment to the Code of Conduct from all partner companies	2025

● planned
 ● in implementation
 ● implemented



Consumers and end users



Strategy

Material impacts, risks and opportunities and their interaction with strategy and business model

The top priorities of Croma are the well-being of end users and patient safety. To ensure this, the company established a number of standards, procedures, and guidelines. The potential negative effects identified in the materiality assessment range from health impairments and increased insecurity about their own physicality to a distorted self-perception. Croma meets these challenges with a comprehensive training and information programme and the aim of achieving a natural result with the treatment. The actual positive effects are the elimination of visual restrictions, the reduction of joint pain through hyaluronic acid treatments, and increased well-being.

The analysis conducted did not reveal any financial risks, but did reveal opportunities in the segment of new customer acquisition. The product attractiveness and safety for customers and patients is achieved through early MDR approval of the hyaluronic acid filler series, product testing by internationally recognised notified bodies, and intensive clinical studies. On the other hand, this can be increased further by focussing on a more environmentally friendly or circular product range.

Material impacts, risks and opportunities

Negative impacts	Relevance	Remarks
Endangering the financial basis (potential)	Downstream process	Carrying out too frequent and unnecessary treatments
Health impairments (potential)	Downstream process	Due to improper treatment methods
Reinforcement of distorted self-perception (potential)	Key process and downstream process	Conveying a false or unattainable ideal of beauty, unethical advertising practices
Positive impacts	Relevance	Remarks
Elimination of visual impairments (actual)	Downstream process	Cataract operations
Increased patient safety and health (actual)	Key process and downstream process	Established quality management system in accordance with ISO 13485
Reduction of joint pain (actual)	Downstream process	Hyaluronic injection treatment
Increased mental well-being (actual)	Downstream process	Reconstructive medicine
Opportunities	Financial impact	Remarks
New customer acquisition	Revenue, long-term development of the business model	Increased brand appeal through high product safety and quality and more environmentally friendly product design

Management of impact, risks and opportunities

Policies related to consumers and end-user

In the management of the identified impacts and opportunities, the company is focussing on a practice management tool for physicians (CliniCore), a comprehensive range of consulting services, and specific training courses, as well as stepping up its ethical marketing efforts. In addition, Croma guarantees high product safety and quality with the help of intensive clinical studies, an in-house Research and Development Department, a quality management system established in accordance with ISO 13485 and strict product testing by health authorities and the Notified Body TÜV. Croma also made a clear commitment to the development of more environmentally friendly products.

The main responsibility for the management and evaluation of the targets set is borne by the Quality Unit, the Regulatory Affairs Department, and the Research and Development Department, depending on the topic. Those responsible are supported by the Sustainability & IMS Department, which deals with the agendas in the ESG Expert Group and coordinates them with the Executive Board. Updates on the progress of projects or necessary adjustment measures are presented to the ESG Steering Committee and presented to the Supervisory Board.

Processes for engaging with consumers and end-users about impacts

Croma has no direct patient contact. With regard to its key stakeholder groups, the company drew up a stakeholder engagement plan in 2023 to ensure that information relevant to the company, including in connection with sustainability-specific aspects, is exchanged between the key stakeholder groups as promptly as possible. This process is reviewed annually and adjusted, where required. In addition, actual or potential impacts, particularly with regard to product quality and patient satisfaction, are recorded directly via the participants as part of the clinical studies conducted in advance. Another tool for the measurement of patient satisfaction is the experience of the contracted healthcare providers.

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Undesirable results in connection with the treatment are discussed by the patient directly with the responsible physician and are, if possible, immediately rectified. In the event of negative impacts associated with the product, the physician treating the patient should contact the company. Croma has a comprehensive system for safety monitoring and risk management in the product area. Product-specific complaints or reports from patients or healthcare providers are thus recorded

by means of a medical information service. The relevant information is collected, checked, and evaluated in databases. Symptoms or effects that were not assessed in the course of the risk analysis will be investigated in detail. If necessary, appropriate countermeasures are initiated, which can go as far as product elimination. Contact information can be found in the packaging leaflet and on the Croma website (pharmacovigilance@croma.at, complaint@croma.at) and at the country-specific health authorities. Complaints relating to medicinal products are processed by the Pharmacovigilance Department and the Quality Assurance & Compliance Department (e.g. Letybo). The Quality Assurance & Compliance Department is responsible for notifications in connection with medical products such as fillers and cosmetic products.

The notifications are broken down by product group and general notifications and evaluated on a product performance basis, which includes half-yearly evaluations analysing the product-specific total number of complaints in relation to sales figures and trend monitoring. In addition, process performance measurements are carried out, which include a regular evaluation of the processing time for complaints with the aim of keeping them as short as possible. Around 440 complaints were registered and processed in the reporting period.

Concerns about misconduct in connection with the Croma values or the Code of Conduct can be reported using the whistle-blower scheme.

Actions related to material impacts, risks, and opportunities and their effectiveness

Applications in the aesthetic area are carried out after detailed information sessions by healthcare providers who have received Croma training on the correct use of the product. These are aimed at a fresh and natural appearance.

With the aim of increasing patient safety and health and ensuring product quality, Croma has started the transition from the previous medical device process to the new Medical Device Regulation (MDR) ahead of schedule. In addition, extensive and robust quality controls throughout the entire product life cycle ensure that patients receive high-quality products that meet their expectations and enable them to make both informed and responsible decisions. Unethical marketing and treatment methods are out of the question at Croma. The continuous further development of products and the improvement of their sustainability performance are on the agenda of the sustainability strategy, which includes specific packages of measures.

Social

Roadmap measures	Implementation by
Redrafting all technical dossiers by product group, submission and implementation of the assessment procedures	2024
Integrating ESG into external training programme	2025
Developing a guideline for ethical marketing	2025

● Planned
 ● Being realised
 ● Realised



Metrics and targets

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The top priorities for Croma are patient safety, health as well as their satisfaction. This commitment is reflected in area-specific targets.

The success of the target achievement and implementation of measures is measured using specific key figures, which include the number of sustainable and newly authorised product groups produced and the total number of ESG training courses and screenings conducted.

Roadmap goals and milestones	Implementation by
Goals	
Re-authorising all existing product groups under MDR	2024
Implementing screening for all marketing campaigns according to ethical marketing principles	2026
Milestones	
Achieving new MDR authorisation for 50% of the product groups	2023
Achieving MDR re-authorisation of all dermal fillers (100%)	2024
Development of screening parameters for ethical marketing	2025

● planned
 ● in implementation
 ● implemented

Our responsible handling of ...

.... our Code of Conduct reflects our commitment to our business partners and employees as well as statutory and internal requirements. That is because we focus on ethical corporate governance. It not only strengthens the trusting and long-term relationships with our employees and partner companies, but also our corporate image, the resilience of our business model, and our profitability.

It also contributes to risk minimisation. Our business operations, as well as those in the supply chain, comply with the applicable legislation. They are also in line with both international ethical standards and Croma's corporate values, which form the basis of our Code of Conduct. Guidelines, procedures, and training are designed to ensure fair and legally compliant operating and business practices within the company and in the supply chain.

Governance



Business Conduct



Strategy

Material impacts, risks and opportunities and their interaction with strategy and business model

Value-orientated behaviour and a corporate culture of integrity are important to the Executive Board of Croma. Against this background, the Croma values of cooperation, reliability, open-mindedness, purpose, and target achievement were defined a few years ago. They form the foundation of the corporate culture. This is currently confronted with a number of significant actual and potential impacts. These range from discrimination against European companies and business operations with countries affected by crises or economic sanctions, to loss of performance and reputational damage due to a lack of values, to inadequate security precautions with regard to the Whistle-blower Directive and causing animal suffering. The company is countering these effects with a value campaign, increased controls in the supply chain, a focus on European suppliers, and a preference

for external laboratories accredited by AAALAC (Association for Assessment and Accreditation of Laboratory Animal Care International).

In connection with financial risks, sales may be lost due to poor ESG ratings and supply bottlenecks or interruptions due to global supply chains or reputational damage. Performance and efficiency impairments represent a further potential risk. This is offset by financial benefits from improved conditions on the capital market thanks to good ESG ratings and long-term business success as well as increased resilience due to efficient sustainability and risk management. Furthermore, strengthening customer relationships, expanding or adapting the product and service portfolio with a focus on MDR approval and sustainability can lead to an increase in sales and orders, and bring new sales markets into play. The concentration on European suppliers and producers for in-house production promotes more stable supply chains.

Material impacts, risks and opportunities

Negative impacts	Relevance	Remarks
Discrimination against European suppliers and producers (actual and potential)	Upstream and downstream process, key process	Raw material procurement and distribution from non-EU countries
Business operations with sanctioned or crisis-affected countries (actual and potential)	Key process and downstream process	Ethical aspect
Non-compliance with the EU Whistle-blower Directive (potential)	Key process	Inadequate protective measures
Causing animal suffering (actual)	Upstream process	Neurotoxin testing on mice
Positive impacts	Relevance	Remarks
Shorter transport route (actual and potential)	Upstream and downstream process, key process	Focus on local and European partners
Quality improvements (actual and potential)	Upstream and downstream process, key process	Strengthening of safety and health-specific checks
Well-being through increased team cohesion (actual)	Key process	Practised corporate culture
Risks	Financial impact	Remarks
Impairment of performance and efficiency	Operating costs	Lack of a shared catalogue of values
Supply chain disruptions	Revenue	More crisis-prone, global supply chains
Reputational damage	Revenue	Unfair business practices
Loss of revenue due to ESG ratings	Revenue	Negative ratings

Opportunities	Financial impact	Remarks
Increase in orders and development of new markets	Revenue	Expansion of product portfolio with focus on sustainability
Safeguarding business success	Long-term development of the business model, revenue	Sustainability management
Stabilisation of the supply chains	Revenue	Focus on local and European partners
Strengthening of customer relationships	Revenue	Stakeholder engagement, joint code of conduct
Strengthening of corporate resilience	Long-term development of the business model	Corporate risk management with ESG focus
Improved conditions on the capital market	Financing costs	Good ESG ratings

Management of impact, risks and opportunities

Corporate culture and business conduct policies

The lack of shared values can impair performance and efficiency. Unfair business practices can lead to reputational damage. The Croma corporate culture forms the company’s DNA and at the same time the basis of our responsible HR management. In addition to this and building on it, the Code of Conduct for Employees and the Code of Conduct for Business Partners - both of which are in line with the United Nations Convention against Corruption - serve as additional guidelines for fair operating and business practices. Business partner qualification according to ESG criteria and the introduction of corporate risk management, which was launched

in 2023, are other tools for creating greater awareness of the issue of sustainability. When introducing its corporate risk management, Croma is guided by ISO 31000. The management system, which is supplemented by ESG-specific risks from the COSO framework, should be fully implemented by 2025 at the latest.

To effectively combat misconduct and protect the company from risks and damage, Croma installed a whistleblower function on its website that can be used to report misconduct anonymously. The notifications are sent directly to the Compliance Officer.

The management of the Legal Department and the Compliance Officer are responsible for the management and monitoring of the progress of goal

achievement in connection with fair business practices. The HR Department is responsible for the evaluation of goals in the area of the training programme, while the Corporate Risk Manager is responsible for company-specific risks and opportunities. The division-specific progress and project results are discussed at the ESG Expert Group Meetings and regularly presented to the CFO, the ESG Steering Committee, and the Supervisory Board.

Actions and resources related to business conduct and corporate culture

The Croma values are part of the performance appraisal interviews, peer group feedback, and on-boarding processes. They summarise all rules of conduct that provide the framework for responsible, ethically correct, and incorruptible behaviour.

Any misconduct by an employee in connection with the Code of Conduct must be reported via the various contact options. Violations can be reported either to the Management, the Human Resources Department, the

Legal Department or the Compliance Officer. In addition, an anonymous report can be made to [croma.integrityline.com](https://integrityline.com). In the event of misconduct, the person concerned must expect disciplinary consequences. Furthermore, infringements may also have consequences under criminal and civil law, e.g. recourse and claims for compensation. People who work in areas like procurement, sales, and marketing or are otherwise in contact with competitors must take particular care with this topic. If a business partner violates the guidelines and standards outlined in the Code of Conduct then Croma reserves the right to terminate the business relationship with the company. Both the Code of Conduct for Employees and the Code of Conduct for Business Partners are part of the agreement, are included in the General Terms and Conditions, and are available on the Croma website. The catalogue of measures for the coming years focuses on topics like Code of Conduct trainings, compliance audits and the introduction of corporate risk management und operational excellence.

Roadmap measures	Implementation by
Creating training programme for Code of Conduct	2024
Including mandatory compliance with the Code of Conduct in the employment agreement	2024
Introducing corporate risk management	2025
Developing a concept for compliance audits and creating a check-list	2025
Implementing operational excellence throughout the company	2025

planned in implementation implemented

Targets related to business conduct and corporate policy and corporate culture

Croma wants to promote fair operating and business practices and strengthen its attractiveness as an employer.

In this context, the goals set by the company focus, inter alia, on the expansion of the Code of Conduct training programme and company-wide compliance audits.

Roadmap goals and milestones		Implementation by
Goals		
Conducting Code of Conduct training for all employees		2026
Achieving positive completion of company-wide compliance audits		2026
Milestones		
Implementing an evaluation model for compliance audits		2025
Implementing Code of Conduct training for 100% of affiliates		2025
Implementing Code of Conduct training for 50% of employees		2025
Implementing Code of Conduct training for 100% of new employees		2025

planned in implementation implemented

The basis for the measurement of the targets and the associated measures are overall figures relating to Code of Conduct training, risk analyses conducted, operational excellence projects implemented, and compliance audits.

Management of relationships with suppliers

Croma plans to develop a strategy to prevent late payments, with a particular focus on SME. The corresponding process should be completed by 2025 at the latest. The company subjects GxP-critical suppliers to a qualification process before entering into a business relationship

with them. This includes a targeted survey, the collection of key data, the survey of QM certifications, and the survey of supply chain risks, also in connection with ESG criteria. This supplier management process also includes audits prior to the start of the supply process. If this is not possible in advance due to time constraints then the supplier in question will be scheduled for the next possible audit. ISO certifications are checked by the Quality Assurance and Purchasing Department and are monitored in terms of their expiry date. The supplier relationship and payment terms are regulated in detail and are implemented in accordance with

the specifications. Separate supply agreements are concluded depending on the procurement volume. In addition to the commercial agreement, a quality assurance agreement is also concluded with GxP-critical suppliers, which specifies quality assurance measures in relation to their responsibilities in the supply relationship. These are components of the commercial agreement. In addition, the General Purchasing Terms and Conditions and the Code of Conduct for Business Partners form the basis for a trusting and sustainable collaboration that complies with the minimum ESG standards defined in the supply chain.

At regular intervals, the Purchasing Department prepares a risk portfolio analysis that categorises the key suppliers into four risk groups. Suppliers with a high risk factor and a high commercial impact on Croma or the supply chain are considered separately. Where possible and commercially justifiable, second / third sources are qualified. If a second source is not commercially viable then certain risk minimisation measures must be negotiated with the supplier, e.g. safety stocks of the product to be supplied or those of upstream suppliers. Further relationship management takes place through regular coordination, annual reviews, audits, on-site visits, and ad-hoc meetings.

Prevention and detection of corruption / bribery

In order to raise awareness of the topic, the existing Code of Conduct for Employees was revised and a separate

Code of Conduct for Business Partners was developed. Both guidelines deal in detail with the different aspects of corruption and bribery and show how misconduct in this context can be prevented. In the event of becoming aware of non-compliant behaviour by an internal or external stakeholder, the exact procedure for reporting the violation is outlined. Further awareness measures include, inter alia, mandatory compliance training, which takes place digitally, as well as supplier qualification, which covers aspects specific to corruption and bribery. In addition, specific Code of Conduct training courses are planned for 2024. On the one hand, these are part of the on-boarding process, and on the other hand, the level of knowledge is to be checked by means of a quiz.

Notifications of non-compliant behaviour can be sent to the following bodies: Executive Board, Human Resources Department, Legal Department, and directly to the Compliance Officer. Additionally or alternatively, an anonymous notification can also be made via the Croma whistle-blower scheme. Upon receipt of a notification, the Compliance Officer will check this notification on plausibility and consistency. If applicable, an internal investigation of the incident is initiated and, if necessary, the official authorities are informed. If it is possible in terms of confidentiality and data protection, the reporting party is informed of the outcome of the investigation once it has been completed. The Compliance Officer records all violations of this

Governance

Code of Conduct and cases of fraud and reports annually to the Executive Board and the Supervisory Board of the company. Reporting an offence will in no instance whatsoever have any consequences or disadvantages for the person concerned.

Actions and resources related to supplier management

Croma fulfils its due diligence obligations and is committed to the promotion of sustainable supplier

management. The integration of sustainability aspects into the supply chain not only strengthens partnership and trust-based cooperation, but also prevents supply chain disruptions. In this context, Croma has already implemented a number of measures, e.g. detailed analyses of supplier management and corresponding due diligence processes. However, further projects are planned for the promotion of ESG aspects.

Roadmap measures	Implementation by
Implementing a Code of Conduct for Business Partners	2024
Implementing ESG supplier audits	2025
Providing ESG information in agreements	2025
Implementing sustainable procurement guideline	2025

● planned ● in implementation ● implemented

Metrics and targets

Targets in connection with supplier management

In order to promote sustainability principles in the supply chain, Croma has set itself the goal of cooperating

exclusively with companies that act responsibly in the future and evaluating them accordingly in the run-up to the partnership.

Roadmap goal and milestone	Implementation by
Goal	
Procuring materials and raw materials exclusively from sustainable companies	2030
Milestone	
Developing a valuation model for sustainable companies	2025

● planned ● in implementation ● implemented

To measure the achievement of targets, the company analyses the number of sustainable cooperation partners and supplier audits.

Incidents of corruption or bribery

There were no convictions or fines in connection with corruption or bribery in the reporting year or in 2022.

Political influence and lobbying activities

Croma did not make any financial contributions or contributions in kind to parties or political candidates in the reporting year or in 2022. The company neither engages in any lobbying activities.

Payment practices

The payment of invoices always takes place in a timely manner, based on

the payment term. In this regard, no distinction is made between large, medium-sized or small companies. The invoices go through a clearly defined approval process and must be authorised by the person responsible for costs using the four-eyes principle before they are paid. An internal control system (ICS) is used to record financial data in a timely and complete manner in order to ensure the integrity of work processes. Expenses and sales are documented for the specified accounting period in accordance with the applicable accounting standards and internal guidelines. A breakdown of the standard payment terms by supplier is not currently available. There were no pending court proceedings for late payment in 2022 or 2023.

Additional information

Glossary

A

Affiliates

Croma understands Affiliates as subsidiaries that are 100% under the control of the parent company, Croma-Pharma GmbH. It has significant influence on the decisions of the subsidiary. Affiliates are organised in hubs that are managed by a country or general manager. This is complemented by two further business managers, in the course of which the Global Commercial Director acts as the business manager of all Croma Affiliates.

B

Balance sheet total

The balance sheet total is the total of all assets (capital values) and liabilities (equity and debts) of a company at a fixed point in time. It provides an overview of the size of the company and its financial situation. The key figure is part of the balance sheet and is usually compiled at the end of the financial year.

Bio-stimulants

Bio-stimulants stimulate the skin's natural regeneration processes and are used in aesthetic medicine. The corresponding substances are introduced into the skin and promote the production of elastin and collagen. In contrast to invasive surgical or

minimally invasive procedures, bio-stimulants work by stimulating the body's own regeneration processes.

Borrowed capital

Borrowed capital is made available to companies by third parties for a certain period of time. The fixed-term and repayable capital thus comes from external financing and, together with the equity capital, forms the total capital of the company.

Botulinum toxin

Botulinum toxin is a neurotoxin that has a targeted effect on nerve cells. It occurs in nature and is mainly formed in the soil under low-oxygen conditions. Botulinum toxin is used in the treatment of nerve disorders and in minimally invasive aesthetic medicine, where it is used to minimise facial wrinkles.

Bulk production

Bulk production is the production of pharmaceuticals or medical products in large containers, which are then filled into smaller dosage forms (syringes, vials, etc.) or packaging for the end consumer. It involves the production of semi-solid or liquid moulds of products by means of careful material flow planning. Fixed batch sizes are used for this.

C

Circular economy

The term circular economy is an economic concept with the aim of significantly reducing waste production and resource consumption by keeping products and materials in the economic cycle for as long as possible. In this regard, five strategies are being pursued: Reduce, reuse, repair, refurbish, recycle.

Climate neutrality

Climate neutrality means that only as many greenhouse gas emissions are released into the atmosphere as can be removed from it. To achieve this target, emissions can be avoided or reduced, on the one hand, and carbon emissions can be stored in reservoirs, on the other hand. Croma wants to achieve its climate neutrality target for scope 1 and 2 without offsetting (emission credits or CO₂ certificates).

CSRD

The Corporate Sustainability Reporting Directive is an EU Directive on sustainability reporting. It requires companies to report on the impact of their own business operations on society and the environment and on the impact of sustainability aspects on the company. Its aim is to make company valuations more comparable on the basis of comprehensive standards.

Contract manufacturer

The contract manufacturer works or produces on behalf of another company. In this role, it acts as a subcontractor, so to speak. It

produces exactly to order and uses the materials provided or procures them. Companies use this type of outsourcing to save costs.

D

Decarbonisation

Decarbonisation is derived from the term carbon and refers to the reduction of carbon emissions caused by a wide range of activities such as transport, industrial processes or energy generation. The aim is to replace fossil fuels with carbon-free energy sources. This can significantly reduce greenhouse gas emissions caused by the combustion of fossil fuels.

Discard rate

The discard rate is a key figure that indicates how many defective products are produced in relation to the total production that cannot be reworked or reprocessed. This is expressed as a percentage of the total production volume. The corresponding value is relevant as it illustrates how many resources are being wasted.

E

EBITDA

EBITDA is a key figure that reflects the operating performance of a company before capital expenditure. Factors like taxes, interest or depreciation and amortisation of property, plant and equipment and intangible assets have no effect on EBITDA. The key performance indicator represents the

Additional information

operating profit of the company.

Equity capital

Equity capital is the difference that remains after the deduction of liabilities (obligations or debts) from assets (capital values). This is the net asset value.

ESG

The terms environmental, social and governance (ESG) refer to the three sustainability-specific areas of responsibility of companies and have been established primarily in relation to sustainable investments. ESG is used to measure the impact of the company on society and the environment.

ESRS

The European Sustainability Standards (ESRS) are reporting standards to fulfil the requirements of the Corporate Sustainability Reporting Directive (CSRD). They represent the framework on the basis of which companies must disclose their information.

F

Filler

Fillers are substances with a filling effect that are injected under the skin. The aim is to lift sagging areas of skin or to plump up wrinkles. They are used on the face as well as in the décolleté area or on the hands.

G

GHG protocol

The Greenhouse Gas Protocol (GHG Protocol) is the result of a partnership between private organisations and companies. It is a method for the measurement of GHG emissions of organisations or even countries. Emissions are analysed along the entire product cycle or the entire value chain.

Greenhouse gases

Greenhouse gases are trace gases like carbon dioxide (CO₂), methane, and nitrous oxide, which have a greenhouse effect in the atmosphere. This has an impact on the climate. Greenhouse gases can be of natural origin, but can also be caused by humans.

H

Hyaluronic acid

Hyaluronic acid is a component of connective tissue and joint fluid with special chemical properties. For example, it makes the skin firm by binding a lot of water, can act as a lubricant for painful joints, and moisturises organs and skin. It is moreover used in ophthalmology.

I

ISO 14001:2015

ISO 14001 is an international, certifiable environmental management standard. The aim is to support

companies in the promotion of environmental protection by preventing or at least reducing negative environmental impacts.

ISO 31000:2018

ISO 31000 is an international, non-certifiable risk management standard. It sets out normative guidelines that describe the risk and opportunity management of companies. The standard does not have a sector or industry-specific approach and can be applied to any type of risk.

K

KPI

Key Performance Indicators (KPI) are used to measure the progress and degree of achievement of targets and thus also the performance of the company.

L

Life cycle analysis

The life cycle analysis (LCA), also known as environmental or life cycle assessment, is a systematic analysis of the environmental impact and energy balance of products over the entire product life cycle. A wide range of environmental aspects are taken into account, e.g. origin, production method, energy consumption, toxicity, and transport.

Lifting threads

Lifting threads are special threads that are used to lift the skin,

improve skin firmness, and stimulate collagen production. The thread lift is performed by specially trained medical staff without an invasive surgical procedure.

R

respACT

respACT is an Austrian business platform for sustainable business practices. It promotes sustainable business models, initiates partnerships, and is committed to the 10 principles of the UN Global Compact and the UN Sustainable Development Goals.

S

Sales revenue

Sales revenue is income generated by the company in the course of its business operations, e.g. sale of products, licences, and services. This is gross revenue without deduction of costs for staff or materials.

Sustainable Development Goals

The Sustainable Development Goals (SDG) are the 17 goals of the United Nations. They form the centrepiece of the 2030 Agenda and promote environmentally, socially, and economically sustainable development. The SDG must be achieved globally and by all UN member states by 2030.

Science-based Targets

Science-based targets are science-based, concretely measurable and achievable reduction targets for

Additional information

companies and organisations. The focus in this respect is placed on the amount of emissions that must be reduced in order to achieve the targets of the Paris Climate Protection Agreement - limiting global warming to 1.5°.

Scope 1, 2 and 3 emissions

Scope 1 emissions are direct greenhouse gas emissions caused locally by fuels (e.g. diesel, petrol, natural gas). The emission factors of the Austrian Federal Environment Agency 2023 were used for the calculation. Scope 1 emissions were fully recognised.

Scope 2 emissions are indirect greenhouse gas emissions that arise as direct emissions at the energy supplier (e.g. electricity, district heating). The emission factors of the Austrian Federal Environment Agency 2023 were used for the calculation. Scope 2 emissions were fully recognised.

Scope 3 emissions are further indirect greenhouse gas emissions that occur in the upstream value chain. The category selection was based on a so-called “scope 3 screening” using defined criteria. This identifies the main emission categories to be calculated. With the aid of the criteria and extrapolations, the emission categories were ranked, resulting in the main categories on which the focus must be placed.

Emission factors from various databases and sources were used

to calculate the relevant categories. Scope 3-1 Purchasing - subcategory raw materials (Ecoinvent 3.10, Kreditanstalt für Wiederaufbau 2024), Scope 3-1 Purchasing - subcategory active ingredients (Ecoinvent 3.10), Scope 3-1 Purchasing - subcategory food (All you can eat for climate, Institute for Energy and Environmental Research Heidelberg, Austrian Federal Environment Agency, CO2 balancing tool V2.4 of the University of Natural Resources and Life Sciences, Vienna), Scope 3-1 Purchasing - subcategory operating resources and services (Agribalyse 3.1, Ecoinvent 3.9.1. Institute for Energy and Environmental Research Heidelberg, Kreditanstalt für Wiederaufbau 2023, OECD, Austrian Federal Environment Agency), Scope 3-2 Capital goods (Exiobase 3 inflation-adjusted), Scope 3-3 Energy-related emissions (Austrian Federal Environment Agency 2023, market-based emission factors of the energy supplier Kelag), Scope 3-4 Distribution (Ecoinvent 3.10, Exiobase 3.0 inflation-adjusted, Trans-o-flex data based on Scope 1-3 according to GHG Protocol), Scope 3-5 Waste (ESG Cockpit based on data from the Austrian Environment Agency 2020), Scope 3-6 Business travel (Exiobase 3 inflation-adjusted 2021-2023, Austrian Environment Agency 2023), Scope 3-7 Commuting (Austrian Environment Agency 2023), Scope 3-12 End of Life (Ecoinvent 3.10). Scope 3 emissions were recognised in part.

V

Value chain

The value chain is the mapping of business operations that includes not only the key process but also upstream and downstream processes. Through these processes, resources are consumed and value is created. In the upstream process at Croma, materials, raw materials, cosmetic products, and merchandise are manufactured. The downstream activity comprises product utilisation, the end of product use, and disposal or recycling of the residual material.

Virgin plastic

Virgin plastic is a plastic made from fossil material that is completely new and does not contain any recycled material.

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Disclaimer

This sustainability report also contains forward-looking statements that are based on current assumptions and estimates that are made by Croma-Pharma GmbH to the best of its knowledge. Statements using words such as “should”, “will”, “expected”, “intended” or similar formulations indicate such forward-looking statements. The forecasts that refer to the future development of the company represent estimates that were made on the basis of the information available at the time of publication of the sustainability report. If the assumptions on which the forecasts are based do not materialise or risks occur to an extent not calculated then the actual results may deviate from the forecasts.

Rounding differences may occur when adding up rounded amounts and percentages. The sustainability report was prepared with the utmost care to ensure the accuracy and completeness of the information in all sections. However, rounding, typesetting, and printing errors cannot be completely ruled out.

This document is an English translation of the report published in the German language. In the event of discrepancies or translation errors, the German version prevails.


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