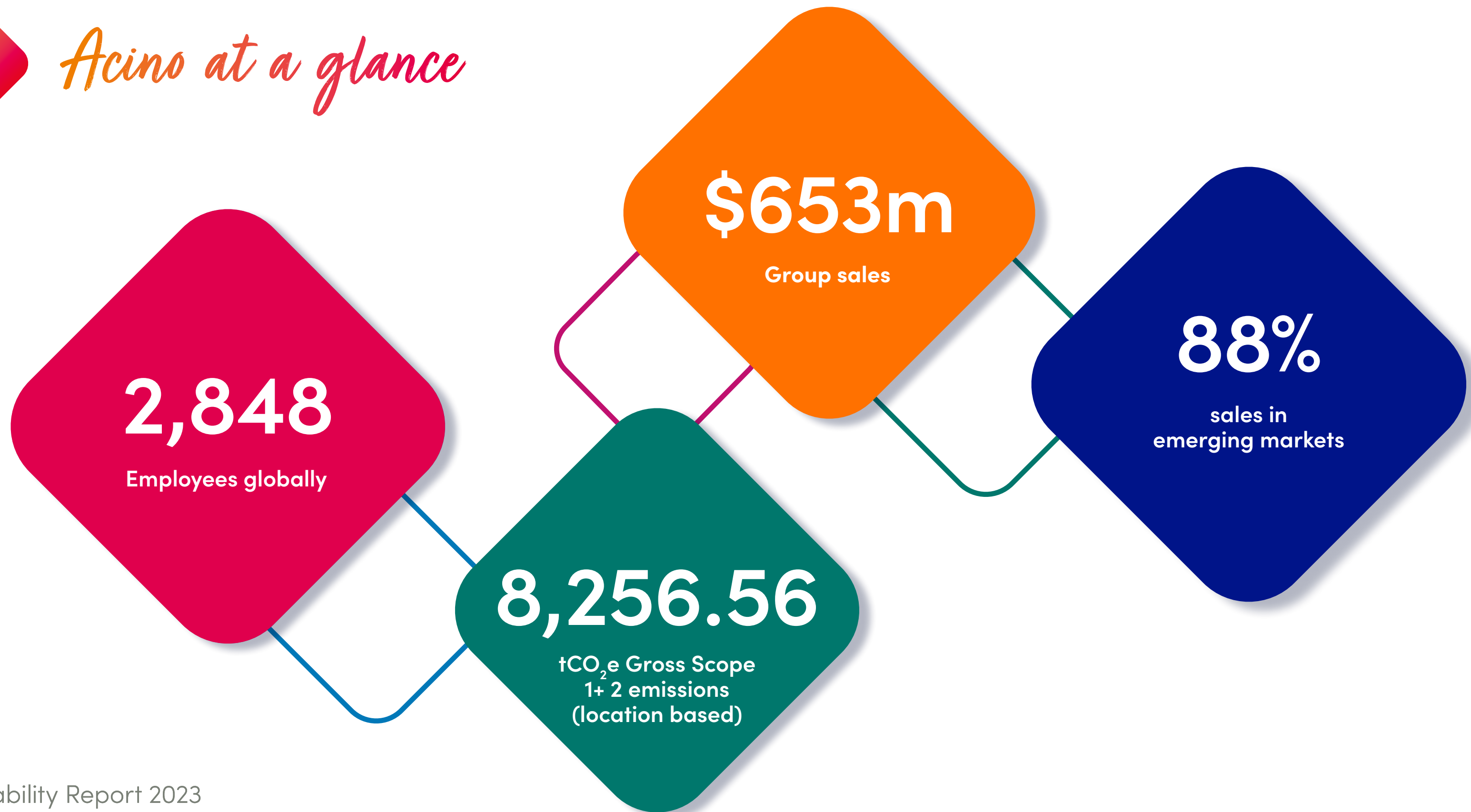


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1 Acino at a glance



2 Introduction

CEO FOREWORD, ANDREW BIRD

I am very proud to introduce our second Sustainability Report.

We operate in high-growth markets, developing, manufacturing and marketing innovative and well-proven pharmaceuticals, and delivering these high-quality medicines to patients most in need.

Operating responsibly is a very important part of our mission as we continue to grow our presence across the world.

To signal the scale of our Sustainability commitment, we have recently created a new senior role, Chief Compliance and Sustainability Officer, reporting directly to the CEO.



“

Ethics, integrity and trust are at the heart of how we operate, we are steadfast about the importance of our role as a leader in the communities we work in and support.

Andrew Bird
CEO (ai)

OUR COMPANY

We are committed to the development, manufacturing, and marketing of high-quality innovative and well-proven medicines for the benefit of patients. We have a clear purpose:

B2C

To make high-quality medicines available to patients and healthcare professionals in high-growth markets.

B2B

GLOBAL FOOTPRINT

Acino, established in 1836 in Switzerland and headquartered in Zurich, has a global footprint with a strategic focus on high-growth markets in the Middle East, Africa, Ukraine and the CIS Region, and Latin America.

We employ 2,848 people in our markets and at our six manufacturing sites. We continue to build our global team and actively plan to integrate additional sites and staff. Acino is part of Arcera, a global company in the life sciences sector headquartered in Abu Dhabi, United Arab Emirates. Arcera was established by ADQ, an Abu Dhabi-based investment and holding company, to build a global life sciences powerhouse.

PHARMAX INTEGRATION

In 2023, we integrated Pharmax Pharmaceuticals into our Middle East operations. Pharmax is a manufacturer and distributor of high-quality medications and a member of the ADQ family. With the integration, we added over 100 employees, and a GCC and EU GMP-certified manufacturing site located in Dubai. Importantly, we are leveraging synergies across main therapeutic areas and sharing best practices, advancing product development capabilities and further strengthening Acino's robust commercial performance.

ACQUISITION OF M8 PHARMACEUTICALS

We have expanded our footprint in Latin America with the acquisition of M8 Pharmaceuticals, which was completed in December. M8 is focused on licensing

OUR SERVICES

For the full year 2023, we achieved group sales of over \$653m with some 88% of sales generated in high-growth markets.

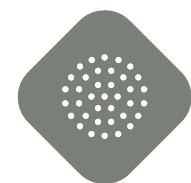
OUT-LICENSING

We provide out-licensing services and support to our customers across more than 90 countries. We provide high-quality generic medicines in advanced drug delivery systems. Our special focus is on narcotics and extended-release formulations as part of a long-term strategy to expand the product portfolio within oncology, urology and pain management. Our out-licensing covers products that include easy orals, narcotic products and difficult-to-make products.

CONTRACT MANUFACTURING

We have over 50 years of experience in pharmaceutical manufacturing and we operate in more than 90 countries. We provide know-how, technology and infrastructure to support customers' manufacturing needs. We are a leader in advanced drug delivery systems with a focus on dispersible and complex modified release formulations.

OUR OFFERING COVERS:



OUR PRODUCTS

We make high-quality medicines accessible to patients and healthcare professionals in emerging markets. We have a clear focus on over 60 high-growth markets in the Middle East, Africa, Ukraine, the CIS region and Latin America. Our contract manufacturing offering delivers best-in-class drug delivery solutions for oral solid dosage forms in highly regulated markets, including the EU.



In Latin America, we have a portfolio of 67 brands in eight therapeutic areas and we expanded our operations with the acquisition of M8 in 2023.



In Africa, we have a pipeline that will see the launch of an additional 50 products in the coming years. And we received Top Employer certification for the third year in a row in 2023.



In Ukraine and the CIS countries, we provide 106 products covering 17 therapeutic areas. In 2023, we launched 14 new brands of medicines and dietary supplements.



In the

OUR VALUES

Our values are a fundamental part of our corporate culture and our business. They describe who we are, what we stand for and are signposts for what we aspire to in our everyday actions.



TRUST

Firmly believe in reliability, truth and ability to deliver. Show confidence. Be loyal. Act as a team player. Be transparent.



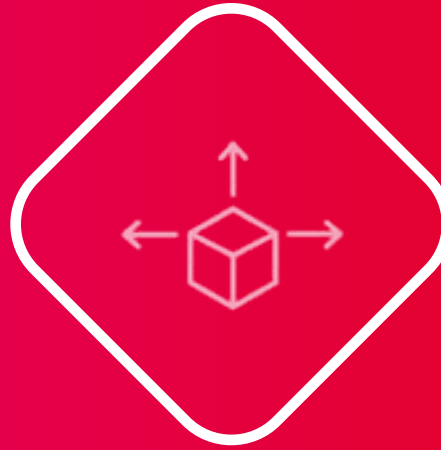
COMMITMENT

Be goal and result oriented. Be focused. Keep promises. Show personal engagement. Be responsible. Go the extra mile. Take ownership. Be customer and patient oriented in the entire value chain.



COURAGE

Dare to challenge, change and get out of your comfort zone. Stand up for your opinion. Take risks. Embrace challenges.



EMPATHY

Show openness and respect. Put yourself in the shoes of the other person. Care for others and recognise their contribution. Listen.

We are upgrading our processes to reduce energy use, carbon emissions and waste while ensuring safety and regulatory compliance. We are committed to be carbon neutral by 2050.

When it comes to social responsibility, our priority is the well-being of our employees, our partners and customers. We promote diversity and inclusion in our workforce, and we support the development of our employees through an active learning and development programme. We empower suppliers and partners, and we help them to improve the sustainability of their operations. Our global initiatives are adapted to local needs and we ensure our operations benefit the local communities where we operate.

We support transparent business operations, and we report in a clear and open manner.

“

We are *committed* to
conducting our business
ethically and with
high integrity.



GOVERNANCE OF THE SUSTAINABILITY PROGRAMME

As of March 2024, the day-to-day implementation of the sustainability programme sits under the Chief Compliance and Sustainability Officer (CCSO), who reports directly to the CEO. In turn, the Global Sustainability function has been splitted from Global Environment, Health & Safety and both report to the CCSO.

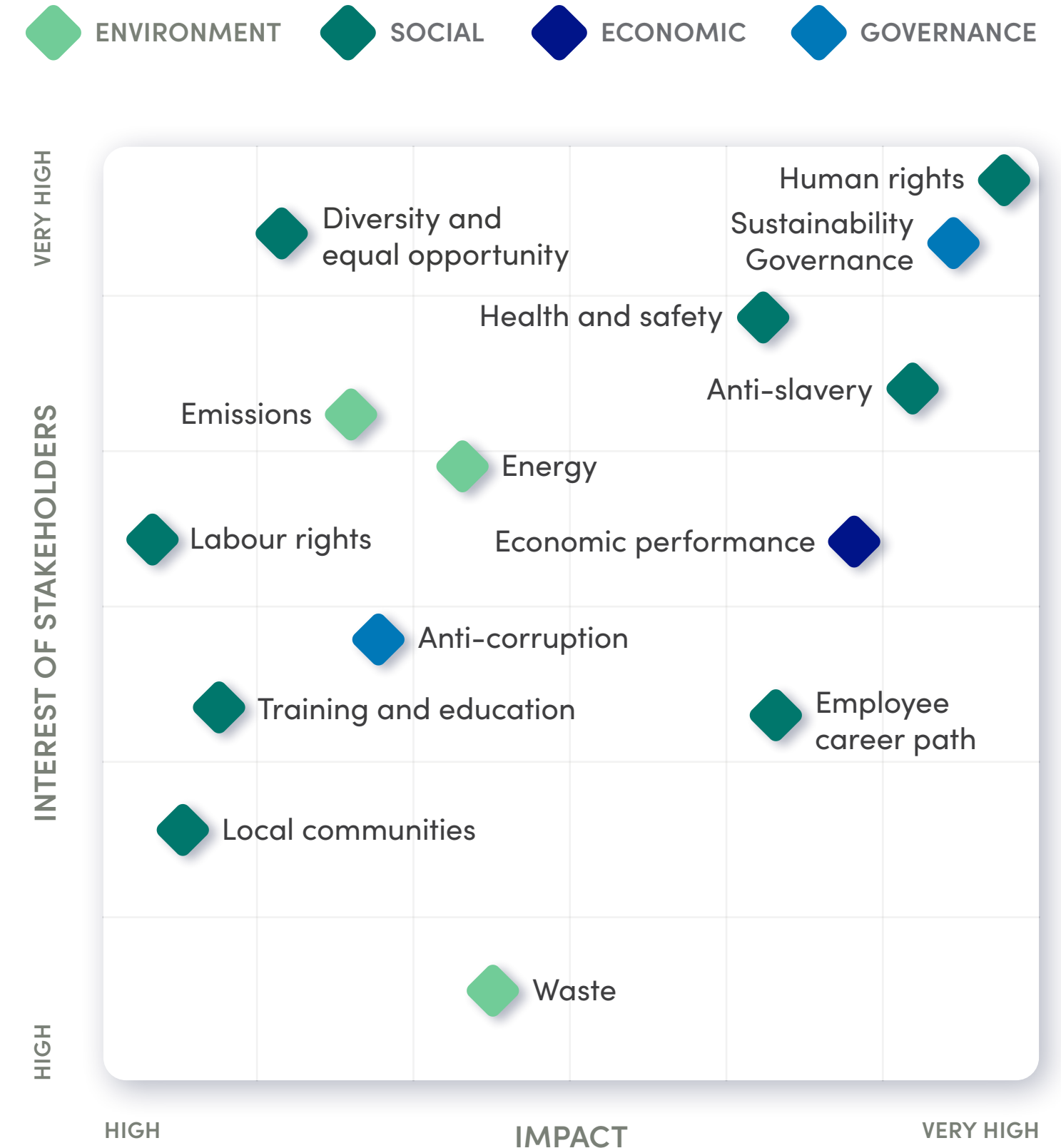
The strategy is overseen by the Sustainability Committee, chaired by the Chief Executive Officer and composed by the Chief Operations Officer, the Chief Human Resources Officer, the Chief Finance Officer, the Chief Legal Officer and the Chief Compliance and Sustainability Officer.

MATERIALITY ANALYSIS

In 2022, we conducted a multi-year materiality analysis to understand the most relevant issues for our business operations and our stakeholders:

- Media analysis to identify issues linked to the pharmaceutical industry
- Stakeholder engagement to understand their interests and expectations
- Global employee survey
- PESTEL analysis and a value chain analysis
- Operational assessment and business plan review
- Peer benchmarking by reviewing sustainability reports of other pharmaceutical companies

In 2024, we will update the materiality analysis to bring us in line with stricter Global Reporting Initiative (GRI) guidelines and new EU reporting requirements. The materiality topics are grouped under four different categories.



INCREASING EFFICIENCY

In 2023, our overall energy consumption was 30,301 MWh for all of our production sites.

Total energy consumption manufacturing sites (MWh)

Acino all sites	30,301.3
South Africa	578.7
Estonia	2,797.1
Dubai	1,818.9
Switzerland	14,696.4
Ukraine	10,410.1

[View annex for further emissions and energy data](#)

The very best way we can reduce our carbon footprint is to reduce the amount of energy we use. To that end, we created the Global Engineering Team to lead the process. It is made up of engineering representatives from each manufacturing site, sharing best practice between our operations. And it is responsible for implementing our energy reduction policy and limiting our carbon footprint across the entire Acino Group.

The group’s first task was to identify low-hanging fruit and make quick adaptations that save energy.



Case Study:

BRINGING OUR ENGINEERING EXPERTS TOGETHER

Our new Global Engineering Team brings together specialists from different engineering functions and geographies with the specific objective of finding new ways to reduce energy consumption by sharing good practice between all our operations.

We are also collaborating with external sources. The Institute of Mechanical Engineering and Energy Technology IME at the Lucerne University of Applied Sciences and Arts carried out a research project on our production site at Basel and made recommendations on how we could improve our energy efficiency. One is about the reuse of

USING RENEWABLE ENERGY

We are increasingly the use of renewable energy at all our production sites. This is a long-term project that will deliver increasing year-on-year benefits and will be a significant foundation in our net zero drive.

In Switzerland, we have switched to hydroelectric power and 100% of our electricity will come from hydro by the middle of 2024. And solar panels currently make up eight percent of our energy requirements in Estonia, a number that is set to grow.



ENVIRONMENTAL MANAGEMENT

We are committed to minimising the environmental impacts of our production processes and business operations. Our Global Environmental, Health and Safety Policy (EHS) and CSR Standards set out our commitments to environmental management.

We know we still have a way to go to reach net zero. In the meantime, we focus on ways to manage and reduce our impact on local communities, always acting in compliance with environmental laws and regulations.

We actively encourage the environmental education of our teams. And we promote environmental efforts through voluntary and charitable commitments.



Case Study:

LEAN LABS

Our Lean Labs project is looking at a range of measures to rationalise how we operate with a goal of utilising our equipment more efficiently by adjusting shift patterns. And we can reduce our test frequency requirements by relying more on our suppliers. Our assumption is that we can make five percent savings each year in energy efficiency.

Waste generated, diverted and disposed GRI 306-3, 306-4, 306-5		Waste by composition (by weight in kg) 2023		
Waste type		Waste generated	Waste diverted from disposal	Waste directed to disposal
Category 1	Aluminium	3,876.1	2,024.1	1,852
Category 2	Steel	9,530	9,530	0
Category 3	Plastic	107,396	85,460	21,936
Category 4	Carboard	158,665	125,761	32,904
Category 5	Paper	1,755	1,754	1
Category 6	Rubber	0	0	0
Category 7	Vulcanized Rubber	0	0	0
Category 8	Wood	42,321.2	42,320	1.2
Category 9	Others non-Hazardous waste	51,5260.3	20,802	49,4458.3
Total Non-Hazardous waste		838,803.6	287,651.1	551,152.5
(by weight in kg, and by percentage of overall waste generated)			34.3%	65.7%

Waste generated, diverted and disposed GRI 306-3, 306-4, 306-5		Waste by composition (by weight in kg) 2023</
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Case Study:

REDUCING EMISSIONS FROM OUR TRANSPORT

We have developed a programme to shift some of our shipping from air to sea. The first stage, in 2023, was to collect and analyze the data from all the transport modes we use.

Our busiest route was from our plant in Switzerland to Egypt, which is a hub for Acino's Middle East operations. That route, therefore, provides the greatest opportunities for emissions savings. The target for 2024 is to reduce the number of shipments on that route by 30%.

We are putting a range of measures in place to reduce emissions:

- ◇ Training for staff about the importance of emissions reduction
- ◇ Yearly forward planning to optimise transport requirements
- ◇ CO₂ calculations for each shipment

In the first half of 2024, we are continuing the data analysis. And the new data-driven policy will be implemented in the second half of 2024.

Our actions and decisions reflect our values, and every system, procedure, policy and new initiative must support our company's ability to be nimble.

Building a winning culture is a collective effort. Everyone from the top of the organisation to the bottom shares accountability.

And people who have a positive perception of their employer are more engaged, productive and loyal.

All our Human Resources work is designed around our eight guiding principles:



We provide high-potential individuals with leadership development programmes and early talent opportunities. This is part of our work to future-proof Acino by developing the leaders of the future, who are able to continue growing the business based on the right philosophy. Of course, this includes fostering women in leadership.

In addition to all our in-person training, we provide online training opportunities:

- ◇ COURSERA online learning platform



QUALITY

This isn't just about complying with our policies. Focusing on the need to be accurate in everything we do also encourages quality, which in turn can be translated into action in our daily work. We see our quality as a competitive advantage, in four key areas:



DATA TABLES

EMISSIONS
AND ENERGY

Total direct (Scope 1) GHG Emissions (tCO ₂ e)	
Acino all production sites*	5,047.2
South Africa	66.0
Estonia	409.9
Dubai	34.1
Switzerland	2,787.0
Ukraine	1,750.1

Total location-based indirect (Scope 2) GHG emissions (tCO ₂ e)	
Acino all production sites	3,209
South Africa	359
Estonia	638
Dubai	789
Switzerland	0
Ukraine	1,423

Total Scope 1 + 2 (location-based) GHG emissions (tCO ₂ e)	
Acino all production sites	8,256.5
South Africa	425.6
Estonia</	

DATA TABLES

EMISSIONS
AND ENERGY

Total energy consumption (MWh)	30,301.2
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Energy consumption by sites (MWh)

Total*	30,301.3
Total consumption South Africa	578.7
Total consumption Estonia	2,797.1
Total consumption Dubai	1,818.9
Total consumption Switzerland	14,696.4
Total consumption Ukraine	10,410.1

Total renewable energy consumption (MWh)

Acino all production sites	8,416.5
Consumption of solar energy	62.3
Consumption of hydro energy	8,354.2

DATA TABLES

WASTE AND WATER

Waste generated and disposed (tonnes)			
	Waste generated	Waste diverted from disposal	Waste directed to disposal
Non-Hazardous	838.8	287.7	551.1
Hazardous	556.0	9.5	546.5
TOTAL Waste	1,394.8	297.2	1,097.6

Water consumption (m3)	
Acino all production sites	38,479
South Africa	1,789*
Estonia	1,670
Dubai	7,857
Switzerland	13,851
Ukraine	13,312

** Figures cover a second site in South Africa, comared to last year's single site*

GRI CONTENT TABLE

STATEMENT OF USE	Acino AG has reported the information cited in this GRI content index for the period 1 January 2023 – 31 December 2023 with reference to the GRI Standards.
GRI 1 USED	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION / DIRECT ANSWER
GRI 2: General Disclosures 2021	2-1 Organisational details	Our company
	2-2 Entities included in the organisation’s sustainability reporting	Acino International AG (Zurich, Switzerland), Acino AG (Miesbach, Germany), Acino Pharma AG (Liesberg, Switzerland), Acino France SAS (Paris, France), Acino Pharma NJ (New Jersey, US), Acino MEA FZ LLC (Dubai, United Arab Emirates), Acino Estonia OU (Polva, Estonia), Acino Pharma Services Egypt LCC (Cairo, Egypt), Acino Pharma GmbH (Lörach, Germany), Acino Pharma Panama S.A. (Panama City, Panama), Acino (Latino-Americano) S.A. (Panama City, Panama), Acino Ukraine LLC (Kyiv, Ukraine), Pharma Start LLC (Kyiv, Ukraine), Srtat PJCS (Kyiv, Ukraine), Acino Kaz (Almaty, Kazakstan), Acino Rus LLS (Moscow, Russia), Acino Healthcare Group

