

# ESG Roadmap

of CF Pharma and Patriapharma



## Message from our CEOs

“Our approach to ESG reflects our intention to become “force for good”, to carry-out actions inspired by the genuine concern for others. Our family business although by far not the biggest aims to minimize the impact of our operations on the planet, advance ethics, health and equity through our business and products.”



A handwritten signature in blue ink, appearing to read 'Géza Schneider'.

**Géza Schneider**  
CEO

A handwritten signature in blue ink, appearing to read 'Zita Schneider'.

**Zita Schneider**  
CEO



## ESG Approach

Our company is in a very exciting period, as the generation of top management is changing, the governance of the management is changing and with this the work culture is changing too. As we want to be a true partner of the “best in class”, we have switched our focus to a holistic approach both in business and EHS.

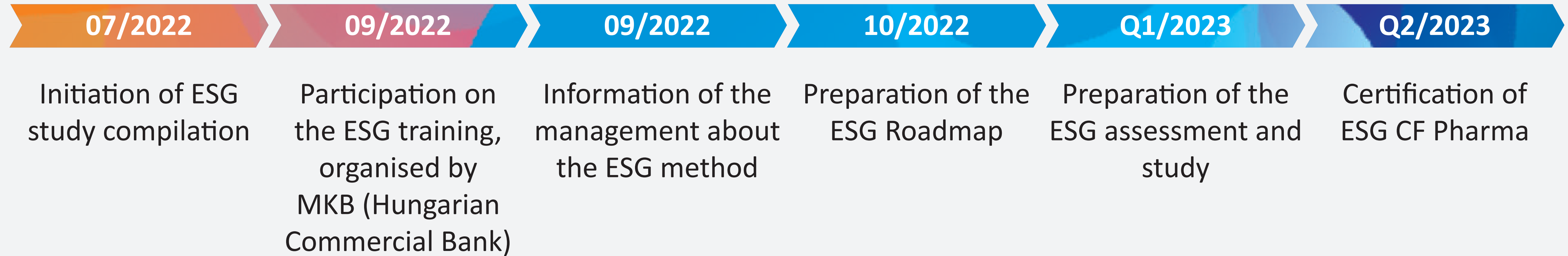
For us, ESG is the right navigation tool for this holistic approach, acting as a link or even as a bridge between the core pillars of our operations.

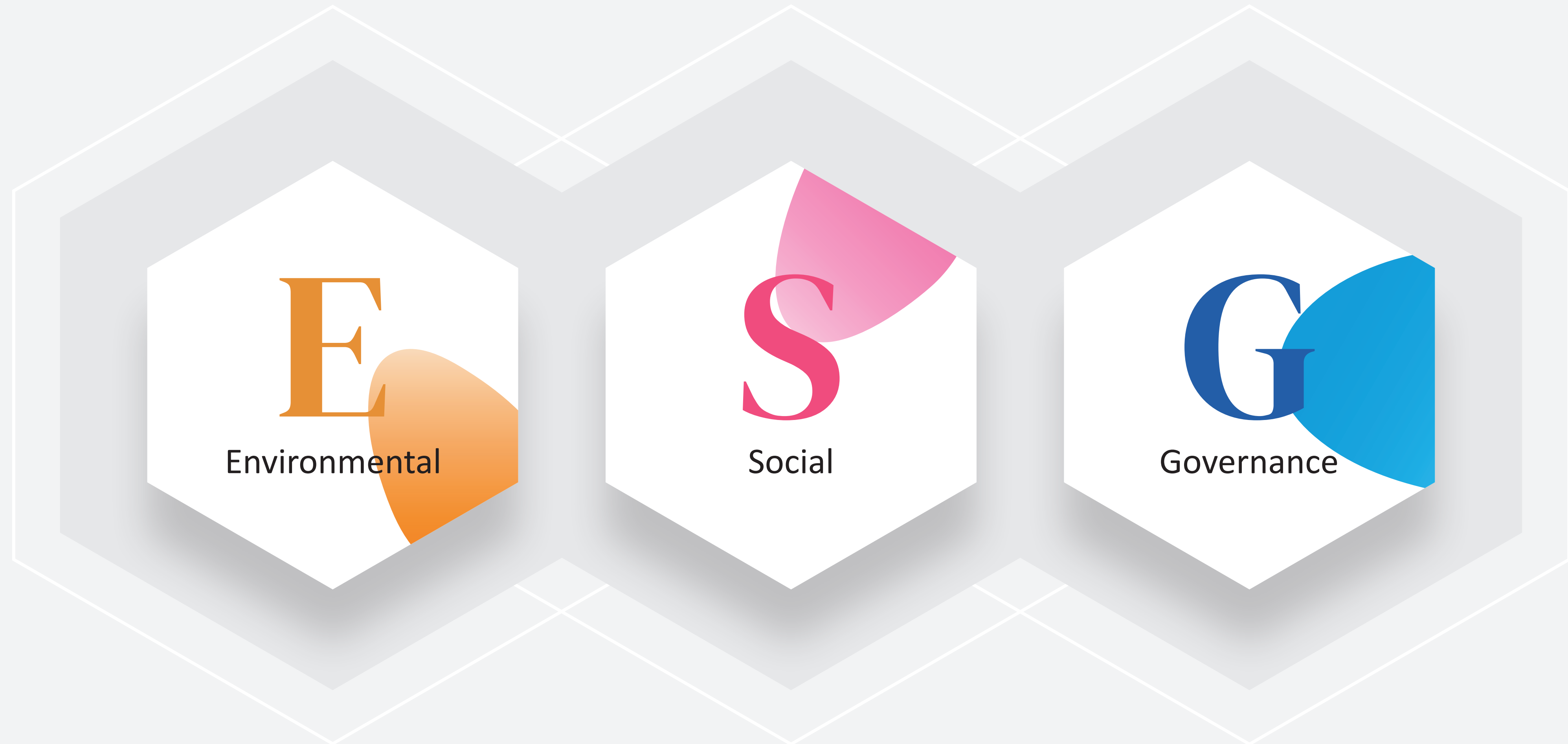
We have understood, that any of our decision has a direct or indirect effect on the society and on the environment. We produce ethical pharmaceutical products for our customers and the patients, but also feel responsibility to preserve the health of our employees and living environment.

This road map identifies our main ESG targets and KPIs. The first detailed report on the listed issues or topic will be prepared by Q1 2023, and certified in Q2 2023.



# Timeline





## ENVIRONMENTAL

- Full implementation of BAT
- Zero tolerance of new contaminants
- Decrease the carbon footprint of our activity



● Targets

★ KPIs

## Full implementation of BAT

- Targeting the usage of less harmful reagents, prevention of the production of high volume hazardous waste and pollution of surface water with active ingredients, continuous research and development of novel technologies both for manufacturing active substances and BAT treatment processes.
- ★ Decrease of specific indicator of produced waste/kg produced API by 10%.
- ★ Number of technologies in which the change of chlorinated solvents was targeted
- ★ Improvement of the on-site treatment of discharges



● Targets    ☆ KPIs

## Decrease the carbon foot print

- Identify the carbon foot print of our activity
  - Increase the proportion of green energy in the total usage
  - Enhance the selective waste collection and increase the proportion of reused and recirculated materials
  - Treat the historically contaminated ground water as technically reasonable zero tolerance for new contaminations
  - Identify the waste quality in the R&D phase and identify the most efficient treatment before taking the new process to industrial scale
  - Efficient use of resources (energy, water and solvents)
  - Introduction of „green” principles on R&D level
  - Promotion of the biodiversity program on our manufacturing site in Budapest
- ☆ Energy consumption calculation/ raising of awareness of energy-intensive operational points
  - ☆ Number of implemented measures to achieve goals/ budget, modelling and forecasting system/
  - ☆ Recycling rate and final disposal rate of waste
  - ☆ Promotion of evaluation of risks and opportunities related to climate change and water
  - ☆ Number of actions/events and participants of biodiversity program



## SOCIAL

- Contributing to the development of science
- Diversity & inclusion
- Fight against Social Chemophobia (support and advocacy)
- Local community contribution
- Health, safety and welfare of employees



● Targets    ☆ KPIs

## Contributing to the development of science

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>● Continuous research and development of novel technologies for manufacturing Active Substances</li> </ul> | <ul style="list-style-type: none"> <li>☆ Number of new generic API development started</li> <li>☆ Number of patentable technologies and methodologies</li> <li>☆ Number of conferences where we present our scientific results</li> </ul> |
|---|---|

## Diversity & inclusion

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>● Promotion of equal opportunities by female/ mother employees</li> <li>● Promotion of active participation by people with disabilities</li> </ul> | <ul style="list-style-type: none"> <li>☆ Number of female/ mother managers</li> <li>☆ Number of female/ mother employees in leadership development program</li> <li>☆ Number of male employees taking childcare leave</li> <li>☆ Number of employees with disabilities</li> </ul> |
|---|---|

● Targets    ☆ KPIs

## Fight against Social Chemophobia (support and advocacy)

- Improving chemistry-related literacy for the society, especially for teachers and youngsters
- ☆ Activities from education perspective through collaboration with professionals
- ☆ Level of understanding and satisfaction of participants in public lectures / Open days in our Factory & Laboratory
- ☆ Number of support activities through donations and cooperation with relevant associations

## Local community contribution

- Fulfilling responsibilities and contributing as a member of the community with awareness of harmony within society
- ☆ Number of activities to support the development of the next generation and level of understanding and satisfaction of participants (employee-kids summer camp, Family Day, joint gardening)
- ☆ Amount of donations for social contribution that lead to resolution of social issues (pandemic situation, biodiversity, etc.)



● Targets

★ KPIs

## Health, safety and welfare of employees

- Enhance the occupational health service
  - Promotion of health through role modelling (e.g smoking, diet habits, recreational time use)
  - Ensure screening campaigns for the vulnerable groups
  - Ensure recreation exercises for musculoskeletal disorders
  - Offer vaccination campaigns
  - Share the information of pandemic and provide the maximum of preventive tools
- Implementation of „Stress checks”
- ★ Smoking rate of employees
- ★ Prevention of serious occupational illness
- ★ Offering health insurance coverage within the cafeteria system
- ★ Work-related accident frequency rate and lost-time injury frequency rate



## GOVERNANCE

- Empowerment
- Work Style Innovation
- Training and development of employees & suppliers
- Operational Risk management
- Fair and transparent corporate activities



## Work Style Innovation

● Targets    ☆ KPIs

### ● Work-life integration support

- ☆ Employee engagement enhancement: quarterly feed-back and developmental / motivation plan, cross-functional career
- ☆ Employee Turnover Rate decrease: remote-work support via digitalization, part-time job postings, temporary sabbaticals, career consultation program
- ☆ Burnout prevention program



## Training and development of employees & suppliers

### ● Fostering a corporate culture that is a „force for good” both on employee and supplier level

- ☆ Number of participants in selective trainings / workshops (employees and suppliers)
- ☆ Number of participants in programs to enhance English proficiency
- ☆ Number of participants on softskill trainings
- ☆ Number of participants on hardskill (e.g Excel) trainings

● Targets

★ KPIs

## Operational Risk management

- Implementing risk assessment and taking countermeasures
- Building of business continuity plans (BCP)
- Proper information management (management of confidential information, internal information and personal information, Information Technology security)
- ★ Implementing risk assessment and examining and implementing appropriate countermeasures based on results of assessment
- ★ Building, and implementing training and drills of business continuity management (BCM) and business continuity plans
- ★ Provision of education and training aimed at proper information management
- ★ Number of serious information leaks and other incidents



● Targets    ★ KPIs

## Fair and transparent corporate activities

- Elaboration of Code of Conduct
- Appropriate operation of compliance promotion system and establishment of rules
- Improvement in the effectiveness of the whistle-blowing system
- Ensure exclusion of anti-social forces and prevention of corruption
- Establishment of a Fair process mindset within the Advisory Board of internationally experienced pharma executives
- ★ Number of serious compliance violations
- ★ Number of annual compliance education and training
- ★ Implementation rate of initiatives to ensure compliance (identification of compliance risk and review of countermeasures)
- ★ Number of compliance awareness surveys
- ★ Level of awareness and understanding of whistle-blowing system and number of reports
- ★ Ensuring transparency and proper information exchange
- ★ Promoting appropriate vision and long-term strategy formation

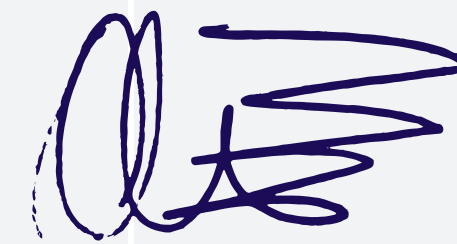


## Expert opinion

We designed our Directions towards the ESG certification in a period, when the historical traces of the previous owner are still visible and activity is present, while the business world is still effected by the pandemic, and whole Europe is concerned by an energy crisis. Nevertheless, we think, that this is the right time to plan the future, being ambitious enough to look forward and not to focus on the recent problems.

Our target is to have all managers and employees, on-board involve them in the detailed planning and the ESG report, ensure a regular follow up by the Advisory Committee, identify and develop new subjects and KPIs if needed.

We believe, that a well prepared, transparent communication will help us create a sustainable business, executed by committed employees.



**Regényiné Ódor Erzsébet**  
**Sustainability Director,**  
**President of the Association of Environmentally Conscious Enterprises**