Risk Report Aristo Pharma 2025

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1. Strategy, governance, and integration

1.1

Basic understanding and objectives

Aristo Pharma GmbH (hereinafter referred to as "Aristo Pharma") acknowledges its corporate responsibility to respect internationally recognized human rights and to comply with environmental obligations.

The goal of LkSG-related risk management is to identify potential human rights, labor, and environmental risks within our own business operations and along the supply chain at an early stage, assess them appropriately, and manage them in a risk-oriented manner.

Due diligence obligations are implemented in a risk-based and proportionate manner, taking into account the industry-specific framework conditions of the pharmaceutical industry.

1.2

Responsibilities and governance

Overall responsibility for respecting human, labor, and environmental rights within our own business operations as well as along the supply and value chains lies with the management of Aristo Pharma.

Nicole Bobak has been appointed as Human Rights Officer to oversee the operational monitoring of LkSG-related risk management. She coordinates the implementation of due diligence obligations, monitors their effectiveness, and reports to the Executive Board at least once a year, typically every six months, as well as on an ad hoc basis.

The operational implementation of human rights and environmental due diligence processes is carried out across functions with the involvement of relevant departments, in particular Purchasing and Legal & Compliance.

1.3
Role of management

Management is informed about the status of the risk analysis on a semi-annual basis, as well as in the event of urgent or significant developments. In this context, identified risks, their assessment, and proposed or implemented measures are discussed. Management ensures that:

risk management is systematically embedded in relevant business processes

prioritization is risk-oriented

resources are allocated appropriately

changes in the risk profile can be addressed in a timely manner

1.4
Monitoring and further development

Following decision-making by management, the measures adopted are continuously monitored. The appropriateness and effectiveness of the risk management system and the processes implemented are reviewed at least once a year and as needed, and further developed as necessary.

2. Policy statement and standards of conduct

Aristo Pharma's human rights and environmental expectations are set forth in the current policy statement regarding the Supply Chain Due Diligence Act and in the Code of Conduct.

Aristo Pharma is committed in particular to:

- the prohibition of child labor, forced labor, slavery, and human trafficking,
- respect for freedom of association,
- compliance with occupational health and safety standards and fair compensation,
- the prohibition of discrimination, forced evictions, and the inappropriate use of security forces,
- the prevention of environmental pollution.

These principles apply to all employees, business units, and subsidiaries, as well as to direct and indirect suppliers.

- Link to the current Statement of Principles
- Link to the current Code of Conduct

3. Risk analysis

3.1
Methodological approach

The risk analysis follows a risk-based approach in accordance with the Supply Chain Due Diligence Act. The scope and depth of the analysis depend on:

- the nature and scope of business activities,
- Aristo Pharma's ability to influence,
- the likelihood of occurrence and severity of potential risks.

The risk analysis is conducted using a system-supported and standardized process. This ensures a consistent, traceable, and documented assessment of risks.

The risk analysis represents a snapshot based on the information available at the time of its execution and is updated regularly and as needed.

3.2
Risk analysis for direct suppliers

The risk analysis of direct suppliers is performed in a semi-automated two-step process:

3.2.1
Abstract risk analysis (pre-classification)

All active and relevant suppliers are first subjected to an abstract risk analysis. This involves assessing country and industry risks. Industry classification is based on ISIC codes. Internationally recognized indices and publicly available data sources are used for the assessment (including BAFA recommendations, World Justice Index, ILOSTAT, UN Sector Mappings, Amfori BSCI).

3.2.2
Concrete risk analysis (detailed analysis)

The risk analysis is designed according to the principle of proportionality and focuses on significant business relationships. The goal is to conduct an in-depth analysis of risks where there may be an increased risk potential due to business volume, industry, or geographic context.

Suppliers with medium or high abstract risk undergo an in-depth risk analysis. Initial risk scores are determined for human rights, labor law, and environmental legal positions and adjusted to account for risk-mitigating factors (e.g., certifications).

The final assessment is based on the following criteria:

- Severity and probability of occurrence,
- Contribution to the cause,
- Aristo Pharma's ability to influence.

Depending on the risk assessment, supplementary supplier questionnaires may be used. Findings from audits or the complaint procedure are continuously incorporated into the risk classification. Based on the results, measures are defined, coordinated, and monitored as necessary.

Regardless of the outcome of the risk analysis, Aristo Pharma expects all direct suppliers to comply with applicable human rights, labor, and environmental standards and to communicate these expectations within their own supply chains.

3.3

Risk analysis within our own business unit

For its own business unit, the relevant production and corporate locations were defined based on Aristo Pharma's significant influence.

All sites completed standardized questionnaires on human rights, labor, and environmental risks, as well as on existing risk-mitigation processes. The evaluation was conducted centrally.

4. Results of the risk analysis

The results presented below are based on the risk analysis conducted in fiscal year 2025 in accordance with the requirements of the Supply Chain Due Diligence Act. The assessment was based on the state of knowledge available at the time of the analysis, the evaluation methodology applied, and industry-specific conditions.

The risk analysis represents a systematic, risk-based assessment and is reviewed and refined on a regular basis as well as when circumstances warrant.

4.1
Results of the risk analysis for direct suppliers

As part of the abstract risk analysis, 3.239 active and relevant direct suppliers were initially assessed based on country and industry risks. Internationally recognized indices and publicly available data sources were used to identify potential human rights, labor, and environmental risks.

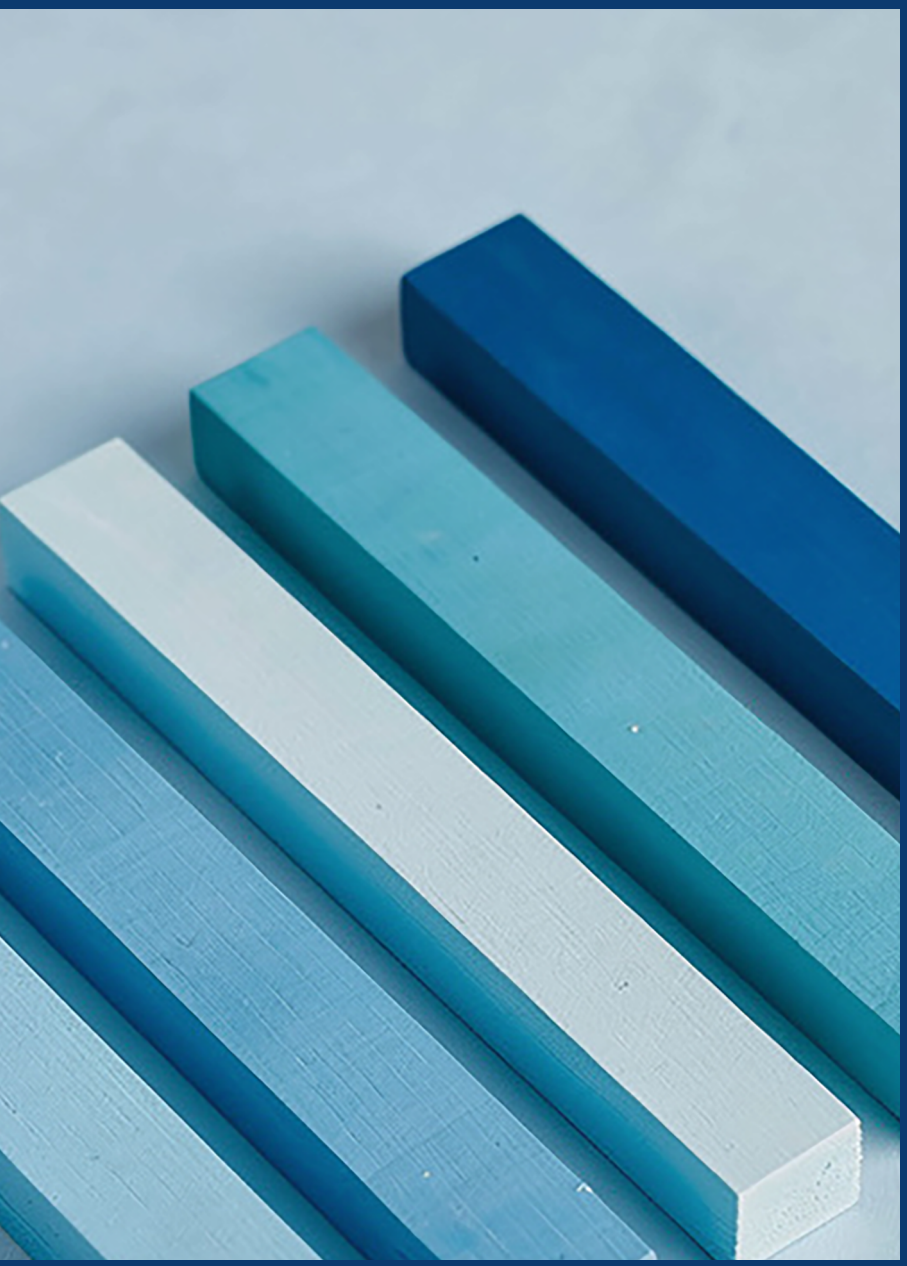
On this basis, individual suppliers were identified for whom an increased abstract risk could not be ruled out due to their place of business or business activities. These suppliers were subsequently subjected to an in-depth concrete risk analysis.

The specific risk analysis included a detailed assessment of relevant legal positions in the areas of human rights, labor rights, and the environment. Initial risk scores were determined and adjusted to account for risk-mitigating factors, such as existing certifications or established management systems. The final risk assessment took into account the severity and likelihood of potential risks, as well as Aristo Pharma's contribution to the risks and its ability to influence them.

As a result of the detailed analyses conducted, neither known legal violations nor specific human rights, labor, or environmental risks were identified among Aristo Pharma's direct suppliers. There were no indications of actual or imminent breaches of duty within the meaning of the Supply Chain Due Diligence Act.

Based on this result, no preventive or remedial measures were necessary during the reporting period. However, the affected suppliers remain under regular monitoring by the risk management system and will be re-evaluated as part of future routine or ad hoc risk analyses.

4.2
Results of the risk analysis within our own business division



The risk analysis within our own business division covered the following company locations:

- Aristo Pharma
- Advance Pharma
- Pharma Wernigerode
- Lindopharm
- esparma Pharma Services
- Steiner Arzneimittel
- Medinsa

The assessment was based on standardized self-reporting questionnaires in which the sites provided information on potential human rights, labor law, and environmental risks, as well as on existing risk-mitigation processes and control mechanisms. The questionnaires were evaluated centrally.

The review found no potential human rights, labor law, or environmental risks at any of the sites examined. There were no indications of existing or imminent breaches of duty.

Accordingly, no preventive or corrective measures were necessary within our own business unit.

5. Complaints procedure

Aristo Pharma operates an internal complaint procedure that is open to all potentially affected individuals and is publicly accessible. It supplements the risk analysis with event-specific information from internal and external sources.

https://aristo-pharma.portal.tacto.ai/de/complaints

No reports were received via the complaint system in fiscal year 2025. Regardless of this, the complaint procedure is reviewed regularly, at least once a year, for awareness, accessibility, and effectiveness, and is further developed as needed.

6. Outlook and further development

Aristo Pharma will continuously further develop its existing processes for fulfilling human rights and environmental due diligence obligations.

In doing so, the company will take into account regulatory developments, industry-specific requirements, as well as insights from risk analyses, the complaint procedure, and dialogue with business partners.