

**Bionorica SE Declaration of  
Principles  
in accordance with Section 6 (2)  
of the Supply Chain Due  
Diligence Act (SCDDA)**

Our commitment to respect human rights and environmental responsibilities



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## **Foreword by the Executive Board**

Successful companies like Bionorica SE have a strong foundation - values that determine the actions of each individual. Today, our evidence-based preparations bring relief, healing, and quality of life to patients in over 40 countries – a success story that would not have been possible without our values.

The corporate culture of Bionorica SE is based on eight guiding values. These are respect, entrepreneurship, sustainability, commitment, customer orientation, team spirit, innovation and willingness to learn. The guiding values apply to all levels of the company - in all countries, divisions, departments and teams - and strengthen Bionorica because they orient our thoughts and actions as individuals and as a Group.

Our daily actions are characterised by sustainability and respect for nature and human beings. As a manufacturer of herbal medicinal products, an intact environment is crucial, especially for the cultivation of medicinal plants worldwide. It is, therefore, in our own best interest to protect it. We are convinced that respect for human beings and respect for the environment go hand in hand.

We are also convinced that our corporate responsibility does not end at our factory gates. This extends to our cooperation with all our Group companies and business partners. We regard human rights due diligence as an ongoing task and will regularly review and improve our processes and measures.

The following Declaration of Principles clarifies how Bionorica meets this high self expectation and which ethical principles the company adheres to.



## 1. Introduction

Bionorica is one of the leading manufacturers of herbal medicinal products and is active in over 40 countries on five continents worldwide. We aim to make medicine a little more herbal every day. The “phytoneering principle” is the formula for Bionorica’s success and forms the bridge between empirical medicine and modern pharmaceutical science with the aim of developing highly effective and well-tolerated preparations. The word “phytoneering” stands precisely for this combination of nature (phytos = Greek for “plant”) and science at all stages of the manufacturing process (engineering). With our well-researched phytoneering preparations, we bring nature’s healing and health-giving power back to people.

As a medium-sized, owner-managed company and a pioneer in herbal medicinal products, Bionorica also fulfils its social responsibility towards customers, suppliers, employees and the public in a unique way. Our customers have trusted us for more than 90 years, and we want to live up to this trust. This includes ensuring that the company acts in accordance with applicable rules and laws at all times and everywhere (compliance) - an essential and practised component of our corporate culture. In particular, Bionorica’s Code of Conduct sets global standards for the behaviour of all employees and serves as a binding guideline for daily actions. It describes ethical principles, provides binding guidelines and guidance for each individual and is published internally and externally.

For Bionorica, however, corporate responsibility also means ensuring full compliance with these ethical values when selecting business partners. The CoC is, therefore, supplemented by a specific code of conduct for suppliers and service providers. This regulates, among other things, the business partner’s treatment of its employees and natural resources and the obligation to comply with all relevant legal requirements in the context of Bionorica’s business activities.



The following Declaration of Principles supplements our existing Code of Conduct and was created to implement the legal requirement in accordance with Section 6 (2) of the German Supply Chain Due Diligence Act (SCDDA; German: Lieferkettensorgfaltspflichtengesetz, short: "LkSG"). It describes our measures to protect human rights and the environment in our supply chain and business area. At the same time, it discloses our current risk structure and shows which channels the public can use to contact us to draw our attention to grievances or opportunities for improvement.

We want to contribute positively to human rights and well-being and set an example of responsible behaviour in the pharmaceutical industry.

This Declaration of Principles was adopted by the Executive Board of Bionorica SE and represents a binding basis for due diligence in dealing with human rights and environmental protection in accordance with the SCDDA (German:LkSG).

## **2. Our commitment to respect human rights and associated environmental standards**

Bionorica recognises its social and corporate responsibility to respect human rights and resulting environmental rights. We are therefore committed to respecting human rights in our business activities and our global supply and value chains and to ensuring that new or existing suppliers and business partners also undertake to comply with international standards - not only towards us but also towards their suppliers and business partners. We have established corrective measures for those (potentially) affected by violations of human rights and associated environmental laws.

We are committed to complying with the following international standards:

- **the UN International Bill of Human Rights, consisting of the United Nations Universal Declaration of Human Rights (UDHR) of 1948, the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR), which define civil, political and social rights to which all human beings are entitled for the sake of their dignity,**
- **the UN Guiding Principles on Business and Human Rights,**
- **the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work,**
- **the Diversity Charter,**
- **the UN Conventions on the Rights of the Child and on the Elimination of All Forms of Discrimination against Women,**
- **the Business Social Compliance Initiative (BSCI),**
- **the OECD Guidelines for Multinational Enterprises,**
- **the Ten Principles of the UN Global Compact.**





In our efforts to respect human rights, we focus on the following groups of persons:

- **Our own employees at national and international locations on a full-time or part-time basis - including all temporary workers, interns, working students and trainees**
- **Employees of suppliers and business partners**
- **All employees in the direct/indirect supply chain**
- **Groups of persons with an indirect link to the supply chain (e.g. members of local communities and indigenous peoples)**

Within these groups, those who are particularly vulnerable due to their physical or mental constitution or their social situation occupy a special position. These include children, people with disabilities and women.

### **3. Priority human rights issues in our supply chain**

To act as proactively and preventively as possible, we focus our human rights and environmental due diligence obligations on issues that either arise directly from the activities of our business unit or can be localised indirectly along our value chain.

Therefore, Bionorica is particularly committed to respecting the following human rights and expects the same from all third parties who work for, on behalf of, or together with Bionorica.



## **Prohibition of child labour**

Bionorica does not tolerate any exploitation of children and young people. The minimum age for admission to employment must not be below the age at which compulsory schooling ends and, in no case, below 15 years. National standards for protecting children and young employees must be complied with. The exceptions of the ILO apply. We also respect the right to education. Under no circumstances should children be prevented from completing their education through gainful employment and thus hindered in their development. In particular, young people must not be exposed to dangerous, unsafe or unhealthy situations. The dignity of children and young people must be respected, and their health and safety must not be compromised but must be protected and promoted through appropriate measures. In 2007, our Chief Executive Officer established a foundation to emphasise this statement. The "Natureheart Foundation for Kids" supports children and young people in social and medical facilities worldwide. To date, over 30 projects in 8 countries have improved the living and learning situation and given children hope for a better future.

## **Prohibition of forced labour**

Bionorica does not tolerate any form of forced or compulsory labour, debt bondage, serfdom or slave labour or conditions similar to slavery. No employee may be forced to work directly or indirectly through violence or intimidation. Employment relationships with us or with suppliers/business partners commissioned by us must always be entered into voluntarily. They must be terminable at any time, subject to a contractually agreed and reasonable notice period or a statutory notice period.



## **Right to health and safety in the workplace**

We are actively committed to workplace safety and attach great importance to the health and safety of each and every employee. The topic of occupational health and safety is practised at Bionorica and communicated across the board by the Executive Board and managers. Managers are supported by safety officers and advisory bodies such as the company doctor or the occupational safety specialist. The health and safety committee is an important decision-making body for occupational health and safety. It meets quarterly and can make independent decisions on occupational health and safety issues.



Another instrument is the Health Working Group, which independently addresses and deals with key topics and takes a holistic view of occupational safety, health and safety and health promotion as part of occupational health management. We support a preventative approach, according to which accidents at work and occupational illnesses have fundamentally avoidable causes. Various operating instructions regulate the handling of machines/plants/systems etc. The documents are subject to revision control. The implementation of the instructions and the associated performance review are carried out via an internal training system or via the managers.

At Bionorica, occupational safety regulations are complied with and prescribed protective equipment is provided for all employees. In addition, each of our national or international managers and each of our employees actively contributes to occupational health and safety within the scope of their possibilities.

### **Freedom of association, right to collective bargaining, right to strike**

This also includes the systematic combating, suppression and sabotage of employee representation. Bionorica recognises the right to freedom to form a coalition and the right to join trade unions. Employees are neither favoured nor discriminated against on the basis of membership/non-membership of an employee representative body or trade union. Cooperation with employees, employee representatives and trade unions is organised constructively. In addition, regular dialogue between employees and management is promoted through an intranet tool, "Questions to the Executive Board", especially where no employee representation exists. We aim to involve, inform and participate our employees as directly as possible. In doing so, we strive to achieve a fair balance between the company's economic interests and the employees' interests.

### **Equal opportunities and protection against discrimination**

The Bionorica Executive Board is committed to diversity and openness instead of exclusion and compartmentalisation. Regardless of their origin, people should be able to feel at home in Germany and wherever we are based and contribute to our common good and our economy. We have a corporate culture that emphasises equal opportunities, the personal rights of our employees, and especially respect for one another. Our mutual interactions are characterised by mutual respect, honesty and openness. We respect the personal rights of each member of the Bionorica family. As a medium-sized, internationally orientated company, we depend on an open and inclusive society. Hate and marginalisation have no place at Bionorica. We are committed to ensuring that no one along our supply chain is disadvantaged, favoured or harassed on the basis of origin, age, gender, skin colour, culture, religion, nationality, political views, disability, sexual orientation or other characteristics. We consider any right-wing populism, exclusion and polarisation to be unacceptable. Such ideas threaten democracy, jeopardise social cohesion and also damage the economic performance of an entire country.

### **Right to adequate remuneration**

We provide all employees with appropriate, competitive and performance-related remuneration, supplemented by additional benefits. The remuneration paid should provide all employees with a living wage. The applicable collective labour agreement guides us - this is independent of gender and applies equally to all employees at our primary business location in Germany. In addition, the Transparency in Wage Structures Act (German: Entgelttransparenzgesetz) applies in Germany.

If applicable, we adhere to at least the respective national legal minimum standards and wages for the industry in our foreign branches. Wages and expenses to be reimbursed are paid punctually, in full and in recognised currencies. They can only be withheld based on sufficient legal grounds and a corresponding justification in the context of payroll accounting. If regionally customary, all employees will receive a written or digital statement at the time of payment, in which all salary and fringe benefits and any deductions are listed explicitly and clearly. If such a statement is not customary, any employee can request one anytime.



### **Working hours**

At Bionorica, the principle applies that working hours must comply with applicable law, industry standards or the relevant ILO conventions, whichever is stricter. The maximum permitted weekly working hours apply in accordance with national legislation. In addition, the relevant national and international standards, particularly the ILO exceptions, apply to individual trades and forms of employment and in the event of severe disruptions to regular operations. Authorised overtime is to be remunerated separately in accordance with national and company standards. The working hours at Bionorica take into account operational and individual concerns and are also part of the employer attractiveness in the sense of flexibilisation, especially when it comes to the compatibility of work and private life.



### **Protecting local communities and indigenous peoples**

As Bionorica, we take into account the local impact of our business activities on the livelihoods and health of local communities and indigenous peoples who may be affected by our business activities.

### **Protection when deploying security forces**

If private or public security forces are used to protect our production facilities/representative offices, we contractually oblige the contracted service providers to comply with internationally recognised human rights and the associated environmental rights. Bionorica will not tolerate unlawful behaviour towards employees or third parties by security personnel.

### **Protection of personal data**

Personal data (e.g. of employees) will only be processed and securely stored or transmitted for specified, clear and legitimate purposes. Bionorica respects data protection as a personal right. The use of data is transparent for the data subject and safeguards their rights to information, objection, blocking or deletion. The lawful and transparent processing of personal data for our employees, consumers, suppliers and service providers, applicants and other affected groups of persons is regulated in our publicly accessible data protection declarations.

### **Handling risk-associated substances**

Bionorica pursues a risk-based approach to avoid adverse human rights or environmental impacts through the handling of hazardous substances. We are aware that we use some raw materials to manufacture our products that can be hazardous to humans and the environment during procurement and processing and, therefore, require special measures.

We are committed to the Minamata Convention on Mercury of 10 October 2013, the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of 22 March 1989 and the Stockholm Convention on Persistent Organic Pollutants of 23 May 2001.

## **4. Implementation of the due diligence obligations**

### **Risk management and responsibility**

We have established a risk management system based on regular risk analyses to comply with the due diligence obligations under the LkSG. The Sustainability Management department is responsible for the effective implementation and further development of this risk management system. The processes and measures we have established to implement the LkSG requirements are part of the risk management system. Every manager in their respective area of responsibility works towards compliance with human rights and environmental due diligence obligations. In addition, employees in the relevant areas of the company are sensitised to the issues through information and training. Purchasing is responsible for guiding our due diligence processes in the supplier network. Other departments, such as Occupational Safety and Environmental Protection, report regularly and as required not only to the departments functionally responsible for them but also to Bionorica's human rights officers in the context of the Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz).

### **Risk analysis**

To identify the human rights and environmental risks at Bionorica and its direct business partners, we conduct a risk analysis annually - and on an ad hoc basis if required.

To identify risks in our own business area, this analysis is carried out for the Neumarkt site and all relevant sites of the Bionorica Group worldwide. The results of the risk analysis lead to an action plan, which is communicated to those affected and reviewed at regular intervals, depending on the defined implementation periods, for implementation status and effectiveness. The aim is to prevent adverse impacts on human rights within our business activities, counteract them at an early stage and thus minimise them. The management is regularly informed to ensure that Bionorica fulfils its due diligence obligations in accordance with the LkSG.

As part of the risk analysis of our own business unit, we were able to identify risky topics in connection with occupational health and safety and environmental risks, particularly with regard to transparent processes. The processes are being reviewed and revised to increase transparency in the future, both at the Neumarkt site and at the national companies. In addition, a strategic framework that categorises the individual guidelines and operating instructions for environmental issues will be created.

For our supply chain, we have systematically expanded our company-wide risk and supplier management to include processes and measures for respecting human rights. A software solution that systematically records all of Bionorica's relevant suppliers and business partners supports the risk analysis. These are evaluated and prioritised with regard to human rights and environmental risks using defined criteria and internationally recognised indices.

In a first step, the suppliers are subjected to an abstract risk analysis, i.e., they are evaluated based on sustainability-related country and industry indicators.

Suppliers that are categorised as critical in the first step are subjected to a concrete risk analysis in the second step: as part of its due diligence obligations, Bionorica invites critical suppliers to undergo assessments concerning environmental protection, human and labour rights, anti-corruption and anti-bribery, occupational safety and responsibility in the supply chain.

Suppliers with poor ratings regarding the aforementioned topics represent an increased risk for the supply chain and the company. This is immediately followed by further control measures, e.g., specified questionnaires or on-site audits.

Along our supply chain, we have analysed potential risks in the low to medium range and focus primarily on occupational health and safety, child and forced labour, working conditions, environmental hazards as well as forced eviction and abuse of power by security forces. These risks were primarily identified with suppliers in the agricultural industry and are mainly due to data gaps and a lack of supplier management. These findings are incorporated into our management systems and result in the establishment of appropriate preventive measures, which are continuously monitored.

There are no direct contractual relationships with the downstream stages of our supply chains, less transparency and only limited opportunities to exert influence. However, we endeavour to strengthen our influence and transparency by working closely with our partners.

### **Preventive measures**

Bionorica implements various preventive measures to minimise potential violations of human rights and environmental due diligence obligations from the outset. These are based, among other things, on the risk analysis carried out by our own business unit and the topics identified there that are associated with a higher probability of occurrence for us.

Our business unit's employees are regularly sensitised to human rights and environmental due diligence processes. We raise the necessary awareness at all our locations through our Code of Conduct and the associated training courses.

In relevant business units, including Sustainability Management, Purchasing and Environmental Management, appropriate expertise is imparted through targeted training measures.

Regarding supplier relationships, the responsible purchasing departments already take into account the Bionorica standards regarding the environment and human rights, which are laid down in the Code of Conduct for Suppliers and Service Providers, among other things. The purchasing departments are sensitised to relevant risks, and measures to minimise risks are implemented on a risk basis.

When contracts are concluded with new suppliers, compliance with Bionorica's human rights and environmental minimum standards is already agreed upon in writing. In the future, this process will be anchored in supplier management in even greater detail and with higher priority. For existing customers with a higher risk profile, previously agreed standards are reviewed and adjusted to a higher minimum level if necessary.

Every order is accompanied by a written Code of Conduct (CoC): in the CoC for Bionorica suppliers and service providers, all business partners must comply with applicable local laws. Child labour, forced labour, discrimination and other violations of human and environmental rights are explicitly mentioned there and are not tolerated. The commitment of our direct business partners to their social responsibility is an indispensable prerequisite for any cooperation with Bionorica. Suppliers are also required to pass on these minimum standards to their suppliers. In addition, upon request, information should be provided on how the potential occurrence of the risks mentioned above is countered.



In the case of suppliers who, after weighing up and considering the defined assessment criteria, still have an increased risk potential, further preventive measures are implemented, such as obtaining information from external data sources and self-disclosures, as well as training or audits.

The effectiveness of these measures is reviewed annually.

### **Corrective measures**

If it is determined that a violation of human rights due diligence obligations is imminent or has already occurred at Bionorica or one of our direct suppliers, the relevant processes will be clarified. If such violations are imminent or have occurred, Bionorica immediately examines which corrective measures are suitable to prevent, end or minimise as far as possible the resulting environmental and human rights risks. Clear responsibilities have been defined for this process.

Depending on the extent of the violation, we reserve the right to demand immediate remediation, take legal action, temporarily suspend the business relationship, or, as a last resort, terminate it, taking into account the framework conditions listed under Section 7 (3) No. 1 - 3 LkSG.

If we become aware of human rights or environmental violations within our supply chain at indirect suppliers, we investigate them with the utmost care and initiate appropriate measures. If employees' behaviour leads to violations of human and/or environmental rights, we will take measures and sanction the misconduct.

To date, there has been no reason to conduct such investigations. Our corrective measures are subject to an annual review with regard to their effectiveness. In this regard, we consider any changes in risk that have occurred in our business operations or at direct suppliers. If measures or processes prove ineffective, we adapt them, for example, by involving relevant stakeholders.





### **Complaints procedure**

To effectively prevent and remedy adverse human rights and environmental impacts, we have set up the complaints procedure required by Section 8 LkSG on our homepage under [Complaints Procedure of Bionorica | Bionorica](#). It is an important part of upholding our corporate values and commitments and serves to give persons or groups of persons the opportunity to report human rights or environmental risks to Bionorica in connection with their business activities or their supply chain's business activities. Such complaints about or reports of human rights or environmental risks enable us to respond at an early stage with corrective and preventive measures to avert imminent damage. In addition, the information we gain allows us to continuously adapt and improve our processes for complying with human and environmental rights due diligence obligations in our supply chain (early warning system). We review whether the complaints procedure is effective on an annual or ad hoc basis, e.g. in the event of relevant changes in our business area or the supply chain.

The human rights officers process all reported information in a neutral and unbiased manner. Protecting people from being penalised or punished for making complaints or providing information is an important part of our complaints procedure. Attempts at intimidation and reprisals against people who report actual or suspected misconduct in good faith will not be tolerated.

If persons making the report are affected who are employees of a direct supplier, Bionorica endeavours to make appropriate contractual arrangements with the supplier.

### **5. Reporting**

Following the requirements of Section 3 LkSG, Bionorica's compliance with due diligence obligations is continuously documented. The relevant responsibilities are clearly communicated and tracked.

We publish our report on the identified material human rights and environmental risks and the impact of our business activities along our supply chain annually on our website, [www.bionorica.com](http://www.bionorica.com), in accordance with Section 10 (2) LkSG. This report is also submitted to the German Federal Office of Economics and Export Control (BAFA) for review in due time. It is published no later than four months after the end of Bionorica SE's financial year (December). We will publish our first report in April 2025 at the latest.





## **6. About this Declaration of Principles**

This Declaration of Principles was prepared as an independent document in cooperation with the responsible specialist departments and the Bionorica SE Works Council, considering the views/needs of external stakeholders. It is continuously reviewed to ensure that it is up-to-date and effective, as the challenges facing companies regarding respecting human rights and the associated environmental rights are constantly changing. This means that internal processes can be adapted accordingly in the event of important changes in Bionorica's immediate environment.

The entire Executive Board approves this Declaration of Principles. The Declaration of Principles comes into force upon signing. No rights of individuals or third parties can be derived from it. It will be reviewed annually and on an ad hoc basis and updated as necessary if we identify changed or expanded risks.

## **7. Contact, questions and further information**

Questions and comments on this Declaration of Principles and our understanding and measures to respect human rights and the associated environmental standards can be directed to our Human Rights Officer at [humanrights@bionorica.de](mailto:humanrights@bionorica.de).



## Glossary

**Corrective action** refers to both the processes used to address adverse human rights impacts and the material outcomes of these processes, which are intended to counteract or remedy actual adverse impacts or minimise the likelihood of potential adverse impacts occurring.

**Discrimination** describes the use of categories (such as social origin, gender, skin colour, religious affiliation) to create and justify unequal treatment without objective reason.

**Own business area** includes Bionorica's own locations and branches as well as other affiliated companies worldwide, regardless of their location in Germany or abroad. This includes all activities in branches and operating sites worldwide, including plants, warehouses, laboratories, offices and cultivation areas.

**Business partners** include persons or companies that have a contractual relationship with Bionorica.

**Indigenous peoples** are population groups that hold and practise their own ties between humans and the environment or specific geographical areas. They are characterised in particular by specific social, economic, political or spiritual characteristics that set them apart from the rest of the society in which they live.

**Suppliers (indirect)** are suppliers who do not have a direct contractual relationship with Bionorica but whose deliveries are also necessary to manufacture our products and provide our services.

**Suppliers (direct)** are suppliers of products or services whose deliveries are necessary for the manufacture of our products and the provision of our services and who are in a direct contractual relationship with Bionorica for the delivery and/or service.

**Supply chain** refers to all products and services of Bionorica. It includes all steps in Germany and abroad that are necessary to manufacture products and provide services, from the extraction of raw materials to delivery to the end customer. It includes the actions of Bionorica in its own business area, as well as the actions of direct and indirect suppliers

**Local communities** are communities that are or may be directly affected positively and/or negatively due to their close proximity to our sites or a direct connection to our business activities.

**Human rights or environmental violation** means a violation of one of the international human rights and environmental conventions or prohibitions listed in the Supply Chain Due Diligence Act. It refers to an adverse effect that has already occurred.

**Personal data** is all information that relates directly or indirectly to a natural person. This includes, for example, name, address and age.

**Prevention** defines targeted measures and activities that are suitable for avoiding or reducing risks or delaying their occurrence.

**Risk** describes a potential impact. A human rights risk is, therefore, a violation of rights that could potentially occur. This refers to actual circumstances with a sufficient degree of probability that could lead to a violation of one of the human rights or environmental obligations.

**Risk analysis** describes the identification and evaluation of all actual or potential adverse human rights impacts to assess human rights risks in which Bionorica is involved as a business enterprise, either through its own activities or through its business relationships.



**Risk-associated substances** are substances that are either scarce and of critical economic importance to Bionorica or if their procurement and processing are critical in terms of human rights and related environmental rights.

**Security forces** are deployed as private or public security forces to protect the company. They must not cause any violations of rights, infringements of freedom of association and freedom to form a coalition, inhumane treatment, injury to life and limb or torture.

**Corporate due diligence obligations, also known as human rights and environmental due diligence obligations**, are obligations aimed at respecting human rights and the environment and avoiding or minimising the corresponding risks in one's own sphere of influence.

**Freedom of association** is the right to form and join a trade union and the guarantee of free trade union activity, such as the right to strike and the right to collective bargaining.

**Value chain** of a company includes all activities related to the design, manufacture, distribution, use and disposal of products and the provision of the services of the company.