



Synthon

Enabling affordable medicines globally

Science. People. Affordable medicines.

Sustainability Report 2025

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Message from the CEO

Dear stakeholders,

2025 was a year of steady progress, resilience, and disciplined execution as we continued to operate in a demanding global environment. Against a backdrop of continued economic uncertainty, evolving regulatory expectations, and rapid technological change, Synthon remained focused on what we control: delivering high quality complex generics and building capabilities that will sustain long-term success. I am proud that our team delivered solid growth in revenues, profitability, and production volumes, while continuing to advance our mission to provide access to affordable, high-quality medicines globally.

Our ability to reach more patients is anchored in being a reliable partner that consistently brings new medicines to market. In 2025, Synthon launched numerous new products, and strengthened our development engine for complex generics. In R&D, we initiated several new API synthesis projects and achieved a key milestone by qualifying our facilities for oligonucleotide production, thus broadening our technology

platform and supporting portfolio diversification. Regarding drug product development, we completed and submitted multiple new product regulatory filings, expanded capacity to enable more scale-up and validation by doubling laboratory space and advanced the next phase of our pilot plant extension. At year-end, we had more than 50 projects in development, supported by a broader portfolio of projects across different stages and continued collaboration with academic institutions. This positions us to deliver complex generics and value-added medicines with consistency and rigor.

Our clinical R&D team executed strongly and contributed meaningfully to advancing the pipeline by performing 21 successful pilot and pivotal bioequivalence studies during the year. In parallel, our Toxicology organization further expanded capabilities relevant to peptides, and oligonucleotides and implemented updated global standards to keep pace with the evolving scientific and regulatory environment. Regulatory Affairs achieved dossier approvals in key markets and introduced a more risk-based approach for Environmental Risk Assessments – improving efficiency while maintaining robust compliance. Across these functions, the common thread remains clear: strong science, right-first-time execution, and a commitment to reliable outcomes for our partners and patients.

Operational excellence remains fundamental to Synthon's sustainable performance. Across our manufacturing networks, we continued to improve productivity, reliability, and cost discipline. Our Drug Product sites advanced efficiency in tableting and packaging, enabling greater agility and supporting selective insourcing of volumes that improved service and resilience. These improvements also supported our sustainability objectives, including progress on energy efficiency and emissions intensity.

Quality, compliance and patient safety remain at the core of how we operate. In 2025, we successfully completed all audits and inspections of our sites without critical remarks, and we continued to strengthen global systems through targeted improvement initiatives. Employee safety is equally non-negotiable: our EHS programs delivered measurable progress through leadership engagement, enhanced reporting tools, and continued focus on prevention, with a Total Recordable Incident Rate (TRIR) of 0.57 in 2025. We also advanced our ESG commitments by embedding sustainability into operations and governance, including initiatives focused on emissions reduction, energy efficiency, and community engagement. During the year, our sustainability progress against our priority environmental objectives (e.g., CO₂e reduction / energy efficiency / waste reduction) was reflected in the Bronze EcoVadis rating.

This year also marked the completion of the transaction welcoming Goldman Sachs Alternatives as our majority shareholder. We view this as a strong endorsement of Synthon's strategy and execution capabilities and we are excited about the support they provide for achieving our long-term ambition to grow – while continuing to invest in science, technology, and people.

As we look ahead to 2026 – Synthon's 35th anniversary – we remain focused on what matters most: delivering high-quality medicines, executing reliably for our partners, and building the capabilities to sustain growth in a changing world. I want to extend my sincere gratitude to all our dedicated employees, and to our customers and partners for their trust and collaboration. Together, we continue to advance our mission of improving lives around the world by enabling access to affordable medicines in a sustainable way. I am confident that 2026 will be another strong year for Synthon as we continue working together to Enable Access to High Quality Affordable Medicines.



Anish Mehta
CEO

2025 at a glance

Employee Volunteering



700+

employees
participated
globally



1,200+

volunteer hours
contributed
worldwide

Education & Healthcare



250+

students reached
through visits,
workshops,
and camps



41

successful blood
donations
benefiting

123 patients



50+

IT equipment units
donated to schools
and hospitals

Environmental Sustainability



226

trees planted
across reforestation
campaigns



36%

reduction in serious
incidents



2,218,374

liters of water saved

Partnerships



Collaborations with

25+

NGOs supporting
inclusion, education,
and health

Community Engagement



10

major cultural
and charity events
supported



Producing 1 kg of active pharmaceutical ingredient (API) can require up to 3,000 liters of water.*

*Source: European Medicines Agency (EMA)

ESG Governance

At Synthon, strong governance underpins our commitment to responsible and sustainable business practices. Our Environmental, Social, and Governance (ESG) framework is designed to ensure that ethical conduct, accountability, and transparency are embedded at every level of decision-making. Through clear oversight structures, experienced leadership, and dedicated committees, we maintain rigorous standards that guide our sustainability strategy and long-term corporate resilience.

Synthon operates with a two-tier board structure, the Supervisory Board comprises seven independent directors. Supporting the board's governance framework are the Audit Committee and the Remuneration Committee.

These governance bodies include executives with deep sector expertise, such as the Chief Executive Officer (CEO), Chief Operational Officer (COO), and Chief Financial Officer (CFO), each bringing more than two decades of industry leadership. Their backgrounds span global pharmaceutical operations, financial strategy, scientific research, and commercial execution, ensuring robust oversight of sustainability integration within Synthon's broader governance framework.

Synthon ensures transparency in its governance approach, including the roles, responsibilities, and expertise of governing bodies regarding sustainability matters.

To manage Environmental, Social and Governance (ESG) related activities and ensure compliance with mandatory regulations, Synthon has established an ESG Management Team led by the Corporate Controller, Global Director EHS and Operations Officer. This team is responsible for, amongst others, executing double materiality assessments, coordinating data collection, overseeing regulatory reporting, setting targets and integrating sustainability goals into the business strategy.

The ESG Management Team reports to the ESG Steering Committee, composed of the CEO, Vice President (VP) Corporate Accounting & Controlling, and Vice President Operations Support Team, which ensures that key decisions are endorsed at the highest governance level and aligned with Synthon's strategic direction.



Synthon's ESG Management Team

Tim Langewisch

Maria Esperanza Lozano

Rens van Waes

The governance bodies actively review and oversee the identification and management of sustainability risks, opportunities and impacts, ensuring that these considerations are embedded in corporate decision-making.

Synthon ensures that its ESG governance bodies possess the necessary expertise and competencies to address sustainability-related matters effectively. Literature research, webinars, external consulting, expert meetings and external training programs are provided to the Management Team, focusing on evolving ESG regulations. This comprehensive governance framework ensures accountability, transparency, and progress in fulfilling the Company's sustainability commitments.

Synthon's ESG Governance Structure

Synthon ensures that its administrative, management, and supervisory bodies are systematically informed about sustainability-related matters.

The board of directors receives periodic updates on sustainability topics, including material risks, opportunities, and progress toward sustainability goals. These updates include insights from materiality assessments and regulatory developments, ensuring that sustainability is integrated into the Company's strategic decision-making processes. A key element of the governance process is the monthly ESG Steering Committee meeting.

Synthon's ESG Governance Structure



During these meetings, the ESG Management Team provides comprehensive updates on ongoing ESG initiatives, key performance indicators (KPIs), and emerging regulatory requirements. This ensures that sustainability matters are consistently addressed at the highest operational level and that strategic adjustments are made when necessary.

To further enhance ESG reporting and ensure alignment with the Company's sustainability goals, the ESG Management Team conducts recurring meetings with various subgroups within the governance model, such as Environment Health and Safety (EHS), Procurement, Human Resources (HR), Finance and Legal. These meetings focus on monitoring progress toward set KPIs, identifying areas for improvement, and developing updated policies or actions where necessary.

Integration of sustainability related performance in incentive schemes

Synthon recognizes the importance of integrating sustainability-related performance into its remuneration policies and incentive schemes. In 2024, the Company initiated the process of setting specific ESG targets linked to its material topics, establishing a structured framework to monitor progress on key sustainability objectives. These targets, including the results achieved in 2025 and any subsequent updates where necessary, are presented in the chapter "Material Topics."

These targets provide the foundation for accountability and performance management, Synthon continues to explore opportunities to embed ESG criteria into its remuneration and incentive schemes. This ongoing effort is intended to align executive compensation with the achievement of sustainability objectives, further strengthening the integration of ESG priorities into the Company's operations and governance.

Risk management and internal controls over sustainability reporting

Synthon's sustainability reporting is guided by robust principles and processes aligned with statutory requirements, risk management, and internal control standards to ensure accurate, reliable, and transparent disclosures. This approach is underpinned by a strong internal control environment rooted in the Company's corporate values and ethical standards, with management fostering a culture that prioritizes sustainability, integrity, and responsible operations.

We have established comprehensive policies that promote sustainable operations across all business units, and these policies are regularly reviewed and updated to reflect best practices and regulatory requirements. In 2025, we fully updated the Global ESG Policy to incorporate new regulations in the evolving ESG landscape and to ensure readiness for future developments.

Centralized business processes ensure consistency and control over sustainability data, maintaining high standards of data quality and integrity. Transparency is a key aspect of our sustainability reporting, and we strive for open communication and accountability in all aspects of our operations.

Synthon's approach to internal control in sustainability reporting begins with risk identification and analysis. We focus on identifying the most material risks that could impact the accuracy and timeliness of our sustainability disclosures, continuously monitoring and assessing these risks to ensure effective management and mitigation.

To ensure the reliability of our sustainability reporting, we have implemented a governance model that clearly defines roles and responsibilities as it was described in previous chapter.

An aerial, high-angle photograph of a large, dense crowd of people gathered on a paved surface, likely a festival or public event. The crowd is diverse in age and appearance, with many individuals wearing bright, colorful clothing. Several people are holding red and green balloons. The perspective is from directly above, looking down on the group. A semi-circular paved area is visible in the lower right corner.

Planet-warming greenhouse gas emissions are expected to rise to 75 billion tonnes a year by 2050 – a nearly 50 per cent jump from today.*

*Source UN Environment Programme

Strategy and Value Chain

At the heart of our company lies a vision dedicated to enhancing global health by providing high-quality, affordable, and accessible generic medications. Our mission extends beyond mere pharmaceutical production, it encompasses a broader commitment to sustainable practices that support both environmental and social well-being. Our long-term goals are firmly rooted in the ambition to reduce our environmental footprint and promote social responsibility, ensuring that every step we take aligns with these principles.

Our strategic objectives are multifaceted. We aim to expand our market reach, particularly in underserved regions, to ensure that essential medicines are accessible to all. This involves significant investments in research and development (R&D) to innovate drug formulations and optimize manufacturing processes. Central to our strategy is the integration of sustainability into our core operations. We are dedicated to sustainable sourcing of raw materials, applying green chemistry principles in our R&D activities, and setting ambitious targets to minimize our carbon emissions.

Our business model is designed to create, deliver, and capture value efficiently and responsibly. We pride ourselves on our value proposition, which centers on delivering high-quality, cost-effective generic medications.

Our diverse portfolio addresses a wide range of diseases and conditions, ensuring that we meet the needs of a broad patient base while adhering to strict quality and safety standards.

Key activities within our business model include comprehensive R&D efforts to develop new generics and enhance existing drug formulations.

Our manufacturing processes are rigorously compliant with Good Manufacturing Practices (GMP), ensuring that our products are safe and effective. We operate an efficient logistics and distribution network that guarantees timely delivery of our medications to pharmacies, hospitals, and clinics worldwide.

Our sales and marketing efforts are geared towards building strong relationships with healthcare professionals and stakeholders, reinforcing our commitment to quality and accessibility.

Our success relies on a skilled workforce that includes scientists, engineers, and regulatory experts who drive innovation and ensure compliance with industry standards. We operate advanced manufacturing facilities equipped with cutting-edge technology, enabling us to produce medications efficiently and sustainably. Strong partnerships with suppliers, healthcare providers, and regulatory bodies are essential to our operations, facilitating collaboration and continuous improvement.

In the upstream segment of our value chain, we prioritize sustainable sourcing of packaging materials, active pharmaceutical ingredients (APIs) and other raw materials.

We work closely with suppliers to ensure they adhere to ethical and sustainable practices.

Our core operations encompass diligent R&D, focusing on the development of new generics and oligonucleotides that meet stringent regulatory standards. Our manufacturing processes are designed to minimize environmental impact, employing efficient, low-waste production techniques.

Downstream, we manage a robust distribution network that not only ensures product integrity but also aims to reduce our carbon footprint. We engage extensively with healthcare professionals and patients, providing comprehensive support and information about the use of our generic medications. Post-market surveillance is a critical component of our operations, enabling us to monitor drug safety and efficacy, ensuring ongoing compliance and patient safety.

Sustainability practices are embedded throughout our value chain. We are committed to reducing waste and emissions at every stage, from sourcing to distribution. We uphold ethical labor practices and implement recycling and circular economy initiatives to minimize our environmental impact.

Risk management is integral to our operations. We continuously evaluate risks related to climate change, such as potential disruptions to raw material supply chains and manufacturing processes. Our mitigation strategies include diversifying our suppliers, investing in local sourcing, and adopting renewable energy and energy-efficient technologies. We actively engage in advocacy and policy dialogue to stay ahead of regulatory changes and market trends, ensuring our resilience and adaptability in a dynamic industry landscape.

Through these comprehensive efforts, we strive to provide stakeholders with a clear and transparent view of our commitment to sustainability, enhancing accountability and fostering trust in our mission to improve global health.

“At Synthon, we believe that access to affordable medicine should never come at the cost of sustainability. Our mission is to improve global health while protecting the planet— through innovation, responsibility, and purpose-driven action.”

Katia Jimenez

Vice President Global Supply Chain

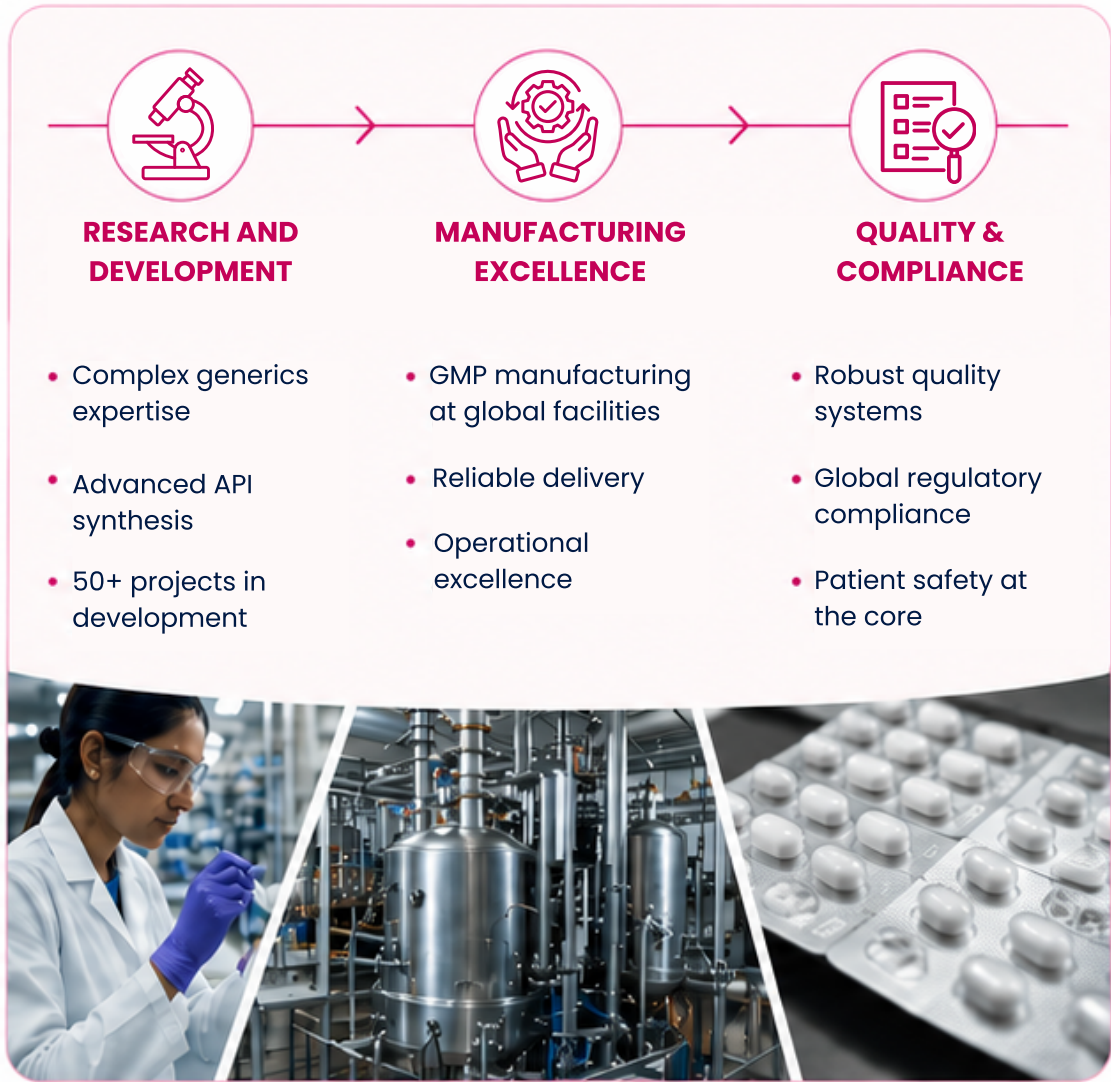
Synthon's Value Chain

Our value chain is build on science, powered by partnerships and focused on delivering high-quality medicines.



Research & Development Activities

Manufacturing Activities



An underwater photograph showing a large, green and blue fish, possibly a Surge wrasse, with its mouth open, consuming a white, crinkled plastic bag. The fish is positioned in the center-left of the frame. In the background, to the right, a smaller, white fish is visible. The water is a deep blue-green color, and there are some bubbles and light rays visible. The bottom of the frame shows some rocky or coral-like structures.

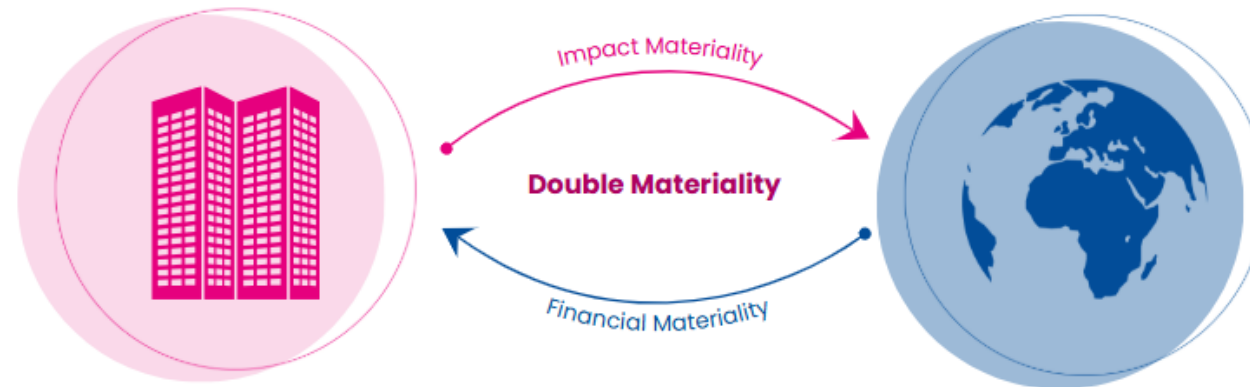
Each year, between 19 and 23 million tonnes of plastic waste seep into aquatic ecosystems.

*Source: UNEP

Material Topics

Synthon applies the principle of **double materiality**, as outlined in the Corporate Sustainability Reporting Directive (CSRD), to identify the ESG topics most relevant to the company. This means that topics are assessed both for their potential impact on people and the environment (**Impact materiality**), and for their potential influence on Synthon's financial performance, position or long-term outlook (**Financial materiality**). Both dimensions are assessed in parallel, ensuring a balanced understanding of Synthon's sustainability context and its interconnections with financial performance. To determine material topics, Synthon conducted a structured materiality assessment process, by means of desk research and conversations with key internal and external stakeholders, material topics are collected utilizing published sustainability reports of Synthon customers and peers, and market benchmarks.

Identify impacts, risks and opportunities (IROs)



In line with the European Sustainability Reporting Standards (ESRS) and building on the Double Materiality Assessments (DMA) from previous years, we have made in 2025 the assessment more robust, detailed, and forward-looking. The updated DMA now provides greater specificity in identifying key impacts, risks, and opportunities across our value chain, and serves as the foundation for all sustainability reporting and strategic decisions in the years ahead.

For impact materiality, topics were evaluated based on **severity** and, where applicable, **likelihood**. Severity was determined by assessing the **scale** and **scope** of impacts, as well as **irremediability** (only in the case of negative impacts). Scale refers to the gravity of an impact, representing the intensity or severity of the consequences. Scope reflects the number of people or entities affected by the impact. Irremediability refers to the degree to which those affected can be restored to their previous state or situation, with a higher degree of irremediability indicating a more severe impact. These factors were scored individually and averaged to determine the overall severity.

Likelihood was included only for potential impacts. For topics involving actual, observable impacts, the final impact materiality score was based solely on the severity assessment. For potential impacts, the final score was the average of severity and likelihood, with likelihood being assessed based on historical data, expert judgment, and predictive modeling of future outcomes.

For financial materiality, topics were assessed based on **magnitude** and, where applicable, **likelihood**. Magnitude refers to the size or scale of the financial impact. In cases where a financial effect was already occurring or observable, the likelihood dimension was not applied. If the financial impact was prospective or contingent, likelihood was factored into the evaluation. The final financial materiality score reflected the average of the applicable dimensions.

Impacts, risks and opportunities can affect the following dimensions



All components were scored on a scale from one to five, where one indicates very low relevance and five indicates high relevance. Topics with a score of 2.5 or higher on either impact or financial materiality were considered material. This threshold was internally established to ensure that only topics with at least moderate relevance on either dimension are classified as material.

This threshold is based on the understanding that topics scoring below average, in both categories are unlikely to significantly affect Synthon’s ability to create value, influence stakeholders or contribute to long-term sustainability outcomes. After completion of the scoring process, the results were reviewed collaboratively across all Synthon sites. Topics that were classified as material formed the short list of ESG matters for disclosure. Associated risks and opportunities were also identified for each topic.

External validation involved consultations with stakeholders, such as customers, suppliers, and industry experts, to ensure a broad range of perspectives. Topics with similar or overlapping themes were combined for clarity. The outcome of material topics, including scoring on impact- and financial materiality, is included in the following chart.

Overview of Synthon's material topics together with their corresponding United Nations Sustainable Development Goals (UN SDGs) and applicable ESRS references

Material Topics and ESRS reference	UN SDGs	Commitments	Target Year	Result / progress
Carbon emissions E1 – Climate Change		5% CO₂ emissions reduction in 2025 compared to 2024 - Develop and meet SBTi roadmap	2025 Continues	 
Environment E2 – Pollution	  	Minimize use of SvHC in future medicines	Continues	
Water management E3 – Water and Marine resources		10% water reduction in 2030 compared to 2024 - Ensure Safe Discharge levels for API in wastewater	Continues 2030	 
Waste management E5 – Resource use and Circular Economy		- Minimize waste from operations - Reduce waste to landfill by 75% in 2030 compared to 2024 - Reduce waste to incineration without energy recovery by 20% compared to 2024	Continues 2030 2030	  
Employee Recruitment, Engagement & Retention S1 – Own workforce	 	- Turnover rate of less than 11% - No Synthon employees paid less than decent living wage - Ensure equal representation of male / female with not more than 10% margin across Synthon globally - Ensure that all Synthon employees are covered by collective bargaining agreements. - Ensure that all Synthon employees are represented by trade unions and or work's council - Ensure all eligible Synthon employees participate in Synthon's Annual Performance Review - Ensure all Synthon employees are eligible for family-related leave, with all requests approved	2025 Continues Continues Continues Continues Continues Continues	      

Material Topics and ESRS reference	UN SDGs	Commitments	Target Year	Result / progress
Employee Health & Safety S1 – Own workforce	 	◦ All employees covered by Health and Safety Management System	Continues	●
		◦ Zero fatalities	Continues	●
		◦ Absenteeism rate of less than 5%	2025	●
		◦ Ensure the TRIR is below 0.9 at each Synthon manufacturing site	2026	●
Inclusion & Diversity S1 – Own workforce		◦ Ensure the unadjusted gender pay gap is below 12.5% at each Synthon site in Europe and below 15% at each Synthon site in Latin America	2030	●
Access to Health S4 – Consumers and End-users		◦ Sign 50 new License and Supply Agreements related to lower or lower middle-income countries	2029	●
Patient Safety S4 – Consumers and End-users		◦ All GMP/pharmacovigilance regulatory inspections and customer audits without critical findings or official action indicated	2025	●
		◦ Less than 2 recalls based upon unique root cause	2025	●
		◦ Less than 0.20% recalled batches of number of sold drug product batches	2025	●
Governance, Compliance & Ethics G1 – Business Conduct		◦ No confirmed incidents on corruption or bribery	Continues	●
		◦ No confirmed incidents on severe human rights	Continues	●
		◦ No confirmed incidents on discrimination and harassment at Synthon globally	Continues	●
		◦ Ensure all undisputed invoices are paid, on average, within 7 days	Continues	●
		◦ Ensure all SME suppliers have contractual payment terms of 30 days, unless mutually agreed otherwise	Continues	●
		◦ Ensure all of Synthon employees are trained on mandatory compliance and ethics courses	Continues	●

Legend

- Target achieved for the reporting year, or ongoing/future target is on track based on current progress.
- Target not achieved, or progress is materially off track.
- Target partially achieved, nearly achieved, or progress is being made but additional action is required to remain on track.
- Assessment not yet available, not applicable, or target progress cannot currently be determined due to pending data, baseline, methodology, or implementation status.



Environment

Greenhouse Gas Emissions

Synthon is committed to limit its impact on climate change and reduce Greenhouse gas emissions. Synthon has committed to Science Based Target initiative (SBTi) with a Net Zero goal in 2050 and we are working on the roadmap to set intermediate targets and identify initiatives to achieve Net Zero. In 2024, 62% reduction in CO₂ emissions is realized, and for 2025 Synthon has set a target for another 5% reduction.

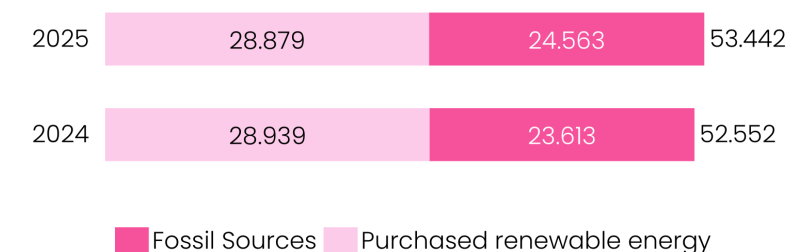
Synthon's GHG emissions are mainly generated during the processes of making active pharmaceutical ingredients and final products. Due to the strict requirement for the product quality and criticality of supply of these lifesaving medication, the emissions are essentially "locked-in" due to long-term investments, contractual agreements, or technological constraints and intellectual property restrictions and permits. To ensure our drug products meet the highest quality, strict requirements are set for manufacturing and R&D processes,

including cleanroom requirements, cleaning and disinfection, and extensive testing of materials and products. These processes are difficult to modify, while still meeting legal quality Good Manufacturing Practices (GMP) requirements, without significant investment or technological innovation.

Also carbon emissions in the supply chain have our attention. The supply chain for Synthon involves transportation of raw materials, intermediates, and finished products across long distances.

Locked-in emissions can arise from contracted transportation services, supplier agreements, and logistical constraints. Synthon is developing a comprehensive inventory of its Scope 3 emissions and assessing their impact to identify reduction opportunities. This work is expected to be completed in the first half of 2026.

Energy Consumption In MWh



The electricity used at all manufacturing sites is generated using renewable energy sources via Energy Attribute Certificates (EACs).

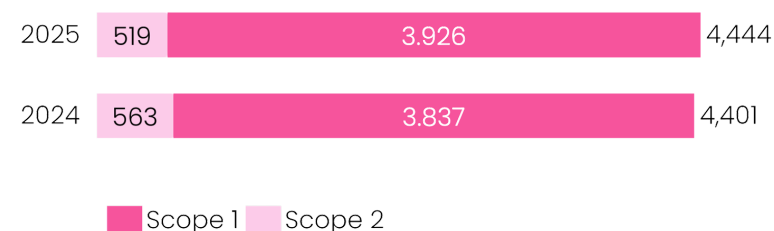
As in 2025 more than half of the energy use is electricity, the EAC leads to a significant reduction in CO₂ emissions.

Overview of GHG Emissions

The following tables give a detailed overview of Synthon's Scope 1 and 2 carbon emissions in the last 2 years. The quantification methodology assumed for this inventory is established essentially through measurements of energy use and carbon emission factors. Synthon uses a specific carbon inventory platform for this matter that is in compliance with Carbon Disclosure Project (CDP), GHG Protocol and CSRD. The overview shows an increase in Scope 1 emissions due to increase in production volumes and cold weather

The Scope 2 emissions have reduced due to more efficient steam generation in the Argentina facility. As a result the CO₂ emissions increase less than the energy consumption. The Scope 1 and 2 CO₂ emissions in 2025 are 4.444 ton compared to 4.401 ton in 2024. All sites have developed an energy reduction plan or will develop one in 2026. The energy reduction initiatives identified in these plans will be implemented to reduce the greenhouse gas emissions with the aim to meet the 5% reduction.

Scope 1 & 2 CO₂ Emissions In tonne CO₂



“As a manufacturer of critical medicines, we operate within strict quality and regulatory boundaries that limit immediate emissions reductions. Nevertheless, we are taking decisive steps—expanding renewable energy, mapping our full value chain emissions, and investing in future technologies—to ensure sustainability is embedded in how we grow.”

Frans van den Braak
Vice President Operations

Water Consumption

In the pharmaceutical sector, water and wastewater management is a critical aspect of operations due to stringent regulatory requirements and environmental concerns. Companies are investing in advanced treatment technologies to minimize water usage, improve efficiency, and ensure compliance with regulations. Additionally, there is a growing emphasis on sustainable practices, such as recycling and reusing water, to reduce environmental impact and conserve resources.

All Synthon manufacturing sites have ISO 14001 certificates, which define the prerequisites for an environmental management system, ensuring adhering to local regulations regarding water use and discharge and promoting continuous improvement to reduce water consumption.

Synthon uses water in their operations for several critical reasons. Main sources are: production, cleaning and making purified water to meet the strict GMP requirements.

Synthon sites located in water stress areas

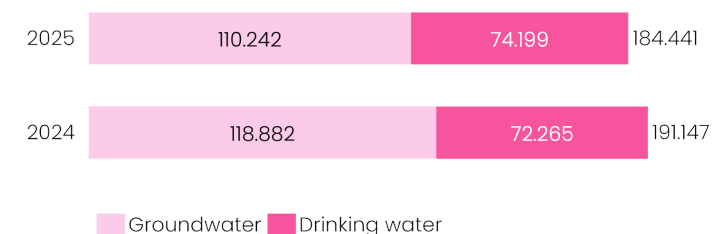
Water stress refers to areas where the demand for water exceeds the available supply, or where water quality limits its usability. Managing water consumption in such regions is a key sustainability priority for Synthon.

Among Synthon's global operations, two sites, Synthon Chile and Synthon Mexico, are located in regions classified as high water stress areas. [\[Source\]](#)

In 2025, overall water consumption across Synthon sites decreased by 3.5%, driven primarily by reductions at the sites in Argentina and Chile. The Argentina site reduced cleaning that leads to water reduction, the measures in Chile taken in 2024 have a full year effect in 2025 leading to a further reduction in water consumption.

These actions reflect Synthon's continued commitment to responsible water management.

Water Usage In m³





By 2030, the global demand for freshwater is expected to exceed supply by 40%.

Waste Management

In the pharmaceutical sector, resource consumption is a significant concern due to industry's reliance on raw materials, strict quality standards, and packaging materials. Companies are increasingly implementing sustainability initiatives to reduce their environmental impact, including optimizing manufacturing processes, minimizing waste generation, and adopting green packaging solutions, within the strict product quality requirements.

The strict quality requirements require on one hand all equipment to be thoroughly cleaned. In our API manufacturing sites in Argentina and Czech Republic, this cleaning is usually performed with water and with organic solvents. These organic solvents are hazardous and cannot be discharged in waste water. Instead these liquids are collected and disposed off as hazardous waste.

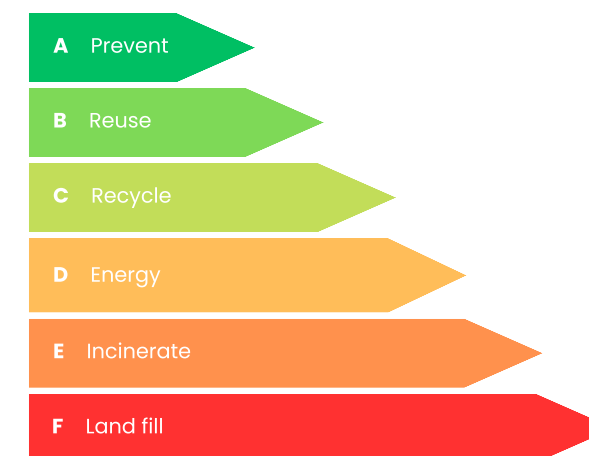
In Chile and Spain, Synthon operates Drug Product sites, usually handling dry powder. Also in these sites thorough cleaning is performed, but also single use items are used. These result, together with the related packaging in the non-hazardous waste stream in these facilities.

Due to the potential contamination of the single use items, in combination with the strict quality requirements, reuse is in most cases not possible.

Strict regulations govern the handling, storage, and disposal of these materials to prevent environmental contamination and health risks. Pharmaceutical companies invest in specialized waste management systems and procedures to ensure compliance and minimize their ecological footprint.

Synthon ensures waste is disposed off according to legal requirements. Furthermore it strives to use disposal routes that minimize the impact on the environment according to the picture in the right.

Synthon is putting initiatives in place to 'climb the ladder' and promote more sustainable disposal methods by reducing waste going to landfill and incineration without energy recovery.



Based on this Synthon has set 3 waste goals for 2030:

- A general target to reduce waste from production
- Reduce waste to landfill 75%
- Reduce waste to incineration without energy recovery by 20%

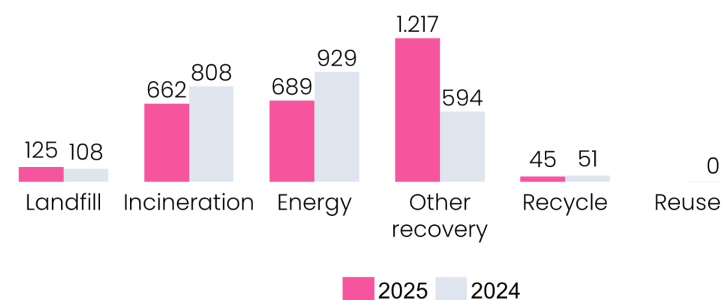
Despite the targets set waste to landfill has not decreased, but increased instead with 25%. The main cause was increased operations in Spain. The incinerated waste is reduced with 17% due to less organic waste in Argentina. Synthon will develop a strategy to mitigate the waste to landfill and meet the target in 2030.

The total waste is also increased as shown in the table, mainly due to increased production.

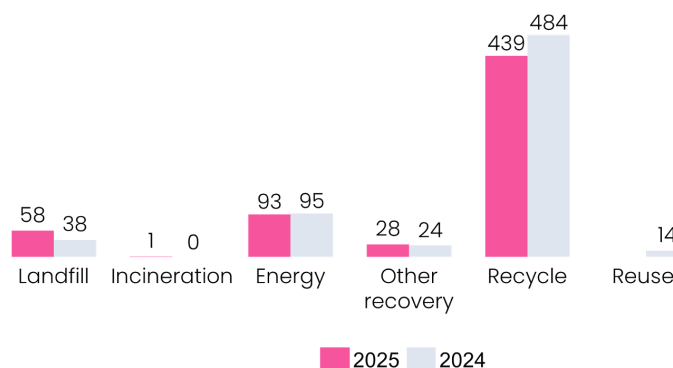
Total weight of waste generated In tonnes

	2025	2024
Hazardous waste	2737.5	2489.4
Non-hazardous waste	617.5	655.3
Total waste	3355.0	3144.7

Hazardous waste In tonnes



Non-hazardous waste In tonnes





Social

Own workforce

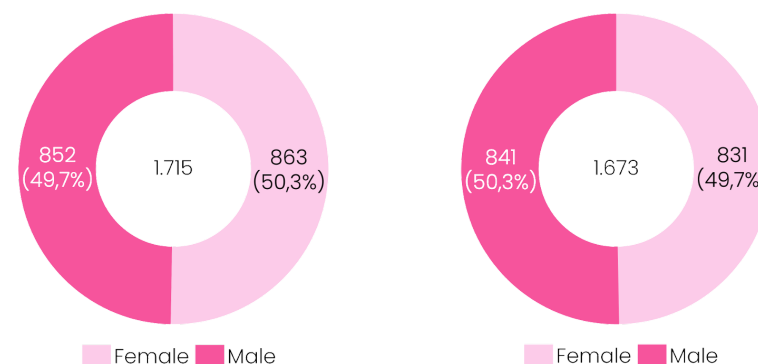
We strictly adhere to all applicable laws, regulations, and international labor standards regarding workforce engagement and representation in each country where we operate. We respect the rights of our employees to join or form trade unions, employee associations, or other representative bodies, as provided for by law.

Together, our workforce represents the foundation of Synthon's continued growth and innovation. The following overview provides key insights into the composition and diversity of our employees worldwide.

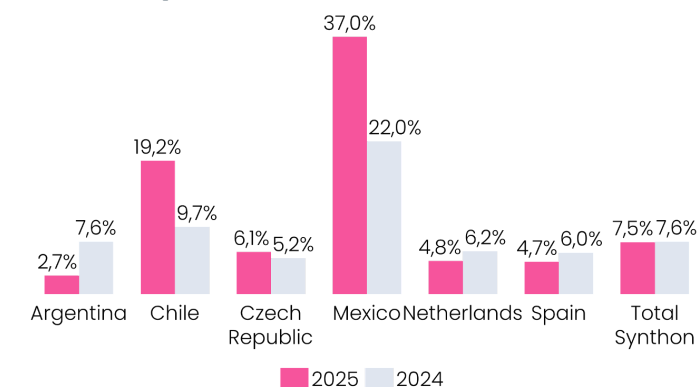
We strive to maintain open channels of communication between management and employees at all levels of the organization. Regular dialogue, feedback mechanisms, and town hall meetings are encouraged to ensure that employees have ample opportunities to voice their concerns, provide feedback, and share ideas.

We recognize the crucial role of workers' representatives, including labor unions, employee councils, and other employee elected bodies, in representing the interests and concerns of our workforce. Where these representatives exist or are established, we engage with them in good faith and respect their role in advocating for the rights and well-being of employees.

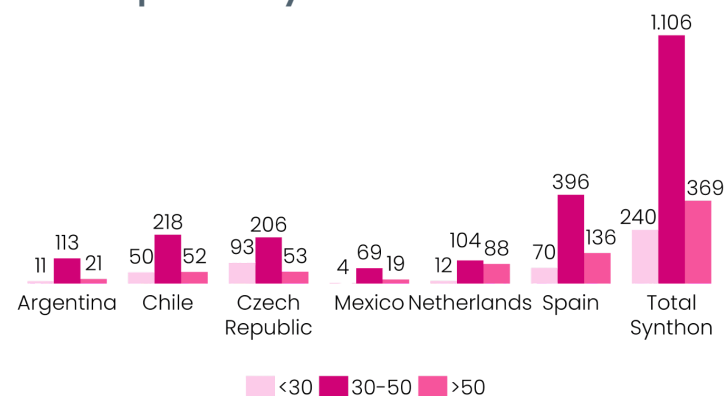
Number of employees
Headcount (left) & Full-time equivalent (right)



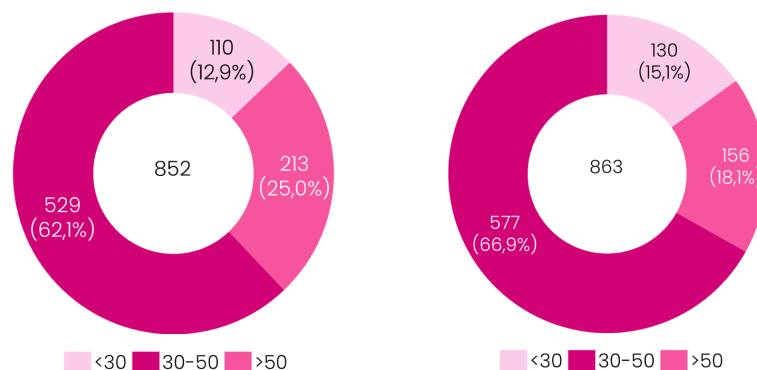
Turnover rate per site



Age Distribution Headcount per country



Age Distribution Headcount Male (left) / Female (right)



When collective bargaining is permitted and appropriate, we engage in negotiations with workers' representatives to reach mutually acceptable agreements on terms and conditions of employment. We approach collective bargaining with a commitment to fairness, transparency, and constructive dialogue, aiming to achieve outcomes that balance the interests of both the company and its workforce.

Investing in training and capacity-building initiatives is a priority for us. We provide training to both management and workers' representatives to enhance their understanding of labor rights, negotiation skills, conflict resolution, and other relevant topics. This investment strengthens our relationships and contributes to a more harmonious and productive work environment.

We regularly review and evaluate our engagement practices and policies to identify areas for improvement and ensure alignment with best practices and evolving legal and regulatory requirements. Feedback from employees, workers' representatives, and other stakeholders is integral to this process.

Transparency is a key value in our engagement with the workforce and workers' representatives. We provide clear information on policies, decisions, and outcomes through various channels, including company communications, employee meetings, and annual reports. We strictly prohibit retaliation against employees or workers' representatives for exercising their rights to engage in collective action, participate in representative bodies, or raise concerns about working conditions.

By adhering to this policy, Synthon aims to strengthen relationships with its workforce, promote dialogue and collaboration, and create a positive and supportive work environment conducive to mutual respect, trust, and shared prosperity.

At Synthon, we deeply appreciate the diversity and significance of our workforce across the various countries and regions where we operate. We are dedicated to fostering an inclusive environment where every employee feels valued, respected, and empowered to contribute to our company's success. This policy outlines our approach to engaging with our workforce and workers' representatives worldwide.

Collective bargaining coverage and social dialogue

Coverage rate	Collective bargaining coverage		Social dialogue
	Employees – EEA	Employees – non-EEA	Workplace representation (EEA only)
0–19%	–	–	–
20–39%	–	–	–
40–56%	–	Argentina	–
60–79%	–	Chile	–
80–100%	Spain, Netherlands, Czech Republic	Mexico	Spain, Netherlands, Czech Republic



Social Protection

At Synthon, we believe that supporting the well-being of our employees is fundamental to building a resilient and responsible business. Social protection not only provides essential security for individuals and their families, but also strengthens trust, productivity, and long-term sustainability across our value chain. Recognizing that social protection systems vary by country, Synthon aligns with local regulations and contributes where necessary to ensure fair and equitable support for our workforce globally. The table below provides an overview of the national social protection frameworks in the countries where we operate, along with Synthon’s contributions where applicable.



Social protection overview Synthon employees

Country	Pensions	Healthcare	Unemployment Benefits	Family Benefits	Social Assistance
Argentina	Mandatory public pay-as-you-go system with optional private savings; full employee coverage.	Mixed public–private system; Synthon provides access to private healthcare.	Up to 12 months of government support based on contributions; all employees covered.	Government provides standard benefits; Synthon offers additional maternity and family sick leave.	Government social assistance & support for low- income families programs available.
Chile	Private pension savings system with a basic solidarity pension for low-income groups; Synthon contributes to private plans.	Mixed public –private system; Synthon contributes to health insurance and provides complementary coverage (50–70% employer-funded depending on salary).	Based on individual savings and solidarity fund; typically 3–6 months (if employed ≥1 year; all employees covered)	Government provides child allowances, scholarships, and maternity/paternity leave.	Government social assistance programs available.
Czech Republic	Mandatory public pay-as-you-go system with optional private savings, to which Synthon contributes ; full employee coverage.	Universal healthcare funded through mandatory insurance.	Based on prior contributions; state pays benefits, with employer-funded insurance contributions.	Government provides child allowances, parental leave and family sick leave.	Government support for housing and basic subsistence for low-income individuals and families.
Mexico	Mixed system with individual accounts and a minimum pension guarantee; full employee coverage.	Mixed public–private system; Synthon contributes to employee insurance.	Limited system; no formal unemployment insurance—severance pay is common.	Government provides child allowances, parental leave, and programs for low-income families.	Government programs support vulnerable households.
Netherlands	Three-pillar system: state pension (AOW), occupational pensions, and private pensions; Synthon contributes to occupational schemes.	Universal system with income-based subsidies; Synthon contributes to insurance premiums.	Earnings-related benefits based on employment history and duration.	Government provides child allowances and parental leave.	Government assistance available for individuals and families with insufficient income and housing support.
Spain	Public contributory pension system to which Synthon contributes ; private pensions are uncommon.	Universal healthcare funded through taxation; Synthon contributes to insurance-related costs.	Mix of contributory and non-contributory schemes; senior managers above a threshold may not be eligible.	Government provides child allowances and maternity/paternity leave.	Government minimum income schemes and housing support programs available.



Synthon

Synthon

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Employee's Health and Safety

Synthon provides a work environment where employees can work comfortably and safe and leave work safe and healthy each and every day. Synthon strives to continuously improve the EHS performance in our different processes in an ambitious manner. The latest techniques and know-how are utilized to reach our goals albeit within acceptable economic boundaries and whilst taking current legislation and other regulations into account.

Our aim is to prevent all accidents or serious incidents as well as occupational diseases and environmental incidents or negative impact thereon. If incidents do occur, Synthon will endeavor to limit any negative consequences to an absolute minimum while simultaneously identifying and incorporating lessons learnt in regular business operations.

Due to the increased focus on safety of our employees, integration of safety in business processes and daily reviews, improved incident investigation the number of incidents has reduced. This has resulted in a 35% TRIR reduction. Synthon will continue its efforts in this as we believe all incidents are preventable.

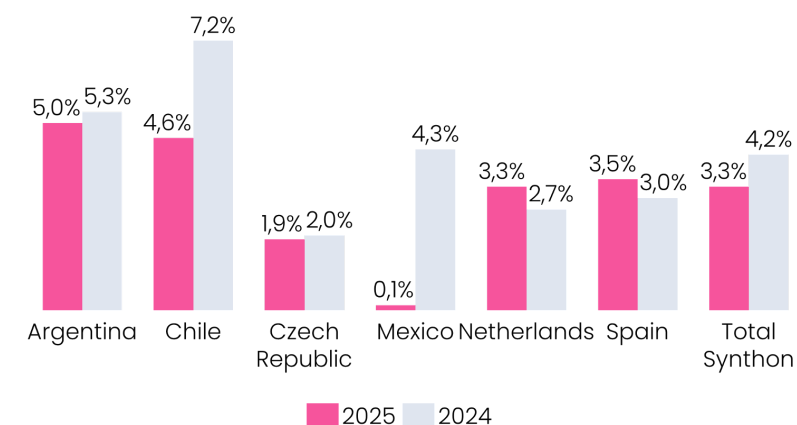
As part of our ongoing commitment to the health and well-being of our employees, Synthon also closely monitors absenteeism rates.

A low absenteeism rate is an important indicator of a safe and healthy workplace. It reflects not only the physical safety of our operations but also the overall well-being and engagement of our workforce.

By fostering a supportive work environment and addressing health and safety risks proactively, we aim to maintain and further improve this positive trend.

35% TRIR reduction, from 0.88 in 2024 to 0.57 in 2025

Absenteeism rate per site



Patient Safety

In the pharmaceutical sector, patient safety remains a top priority, with companies investing heavily in research, development, and quality assurance processes. Regulatory agencies, such as the FDA and EMA, continuously monitor and enforce strict guidelines to ensure medication safety.

At Synthon, product quality and safety is first of all guaranteed by complying with the approved registration files and the related obtained Marketing Authorizations (MA) of over 250 marketing partners in countries worldwide.

These registrations files contain amongst others the approved manufacturing process and product formula, the specifications for the critical quality attributes of the used excipients, the active ingredient and the final drug product and the methods that have to be used for testing these materials and the final drug product.

Secondly, the quality and safety of the manufactured drug product batches is guaranteed by performing the manufacturing and testing activities in compliance with the international GMP regulations and guidelines that are applicable for the manufacturing of drug products intended for human use.

Manufactured drug product batches are certified for release by qualified persons of Synthon according the requirements as specified in the GMP regulations/guidelines. Supply of drug product batches is only allowed after such qualified person certification has been performed.

The monitoring of compliance with the regulatory and GMP requirements is performed based upon the quality systems tools that are in place for this monitoring such as performing internal self-inspections, performing audits to suppliers and contract companies, audits from marketing partners to Synthon, inspections from authorities, performing annual product reviews, performing continuous process verification and performing management reviews of the quality systems and products.

Besides, MA holders are responsible for ensuring drug safety once a MA has been obtained for a certain product by performing pharmacovigilance activities according the applicable Good Pharmacovigilance Practices (GVP) regulations and guidelines.

Synthon is performing these activities for its own MAs but as well provides pharmacovigilance services to its marketing partners. This includes amongst all the assessment of Adverse Event Notifications (AEN) that are reported to Synthon, authorities or its business partners about products supplied by Synthon. Furthermore, to review worldwide literature for reported AENs related to the respective active substance, to perform signal management on AENs and to write periodic safety update reports or any other pharmacovigilance reports requested by authorities. None of the products manufactured by Synthon have ever been recalled due to safety risks or issues.

Synthon's Quality Performance Indicators

	Target	2025	2024
Number of supplied DP batches			
intermediate DP batches (incl pellets)		3	33
Bulk DP batches		870	830
Finished Product batches		4843	4489
Total supplied batches		5716	5352
Number of recalls (based upon a unique root cause)	<2	2	1
<i>Number of related recalled DP batches</i>			
intermediate DP batches		0	0
Bulk DP batches		0	0
Finished Product batches (and number of related bulk batches) due to issue bulk batch. Batches are specified per unique recall		1(1)	7 (2)
Finished Product batches (due to issue packaging)		1	0
Total recalled batches		2	7
% of recalled batches of number of supplied DP batches	≤ 0.20 %	0.03%	0.13%
# of GMP inspections with critical remarks/ total # of GMP inspections at synthon sites (DP and MD)		0/7	0/10
# of GMP customer audits with critical remarks/ total # of GMP customer audits inspections at synthon sites (DP and MD)		0/22	0/32
# of PV inspections with critical remarks /total # of pharmacovigilance inspections at synthon sites		0/0	0/0
# of PV customer audits with critical remarks/ total # of pharmacovigilance customer audits at synthon sites		0/7	0/5
Total		0/36	0/47
GMP/pharmacovigilance regulatory inspections and customer audits without critical findings or official action indicated (at synthon sites)	100%	100%	100%



Access to Healthcare

In the pharmaceutical sector, access to healthcare remains a significant challenge, particularly in lower-income countries and marginalized communities. High drug prices, limited availability of essential medicines, and unequal distribution of healthcare resources contribute to barriers in accessing necessary treatments. Efforts to address these challenges include advocacy for affordable drug pricing, government subsidies, and collaborations between pharmaceutical companies and organizations to expand access to healthcare services.

Synthon is primarily a business-to-business pharmaceutical company that specializes in developing generic equivalents of drugs that have higher technical, development and regulatory barriers than standard generics. It is our observation that these drugs typically are expensive, specialized medications that lead to high healthcare costs.

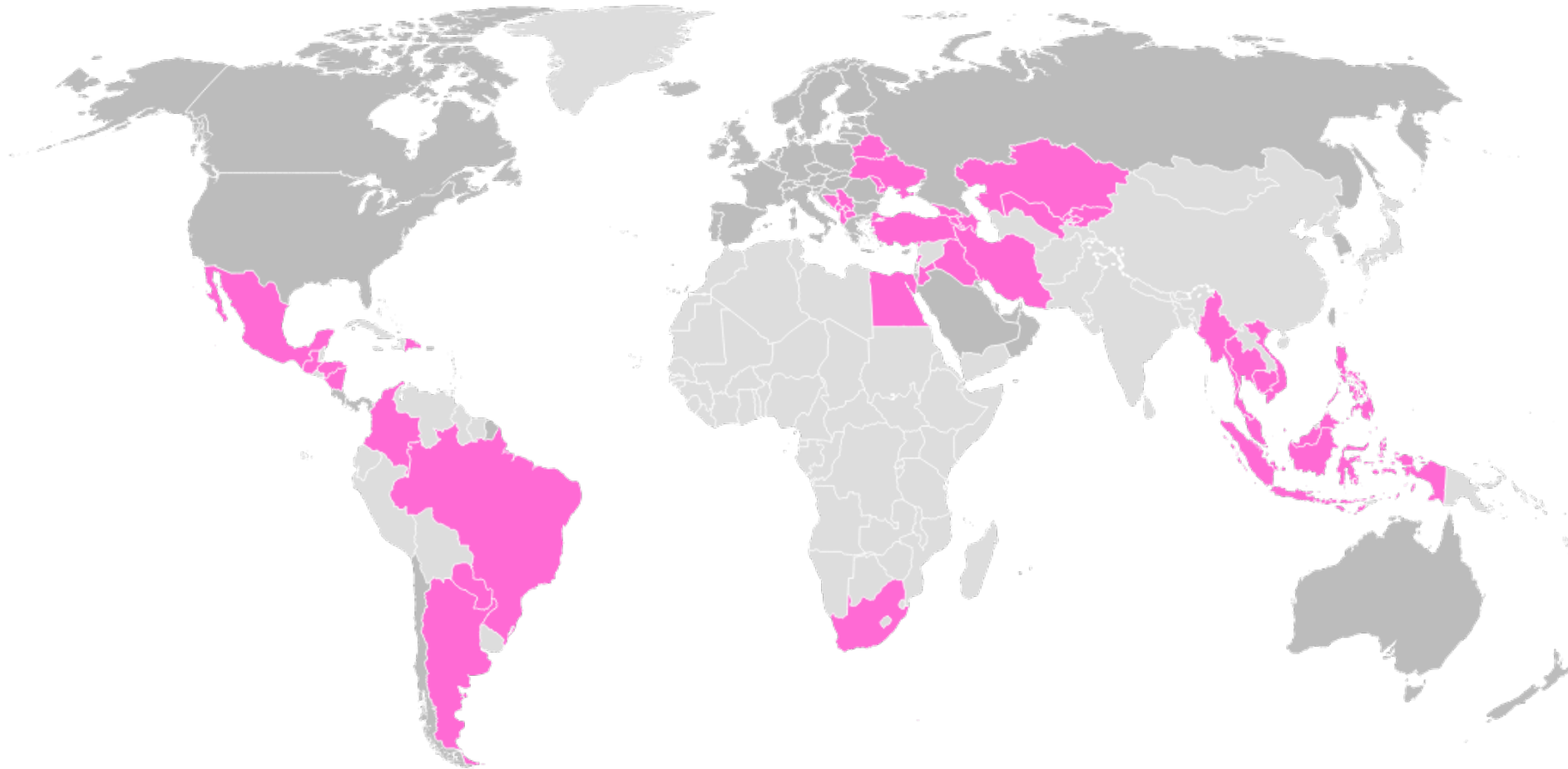
By focusing on these high-impact therapeutic areas, Synthon plays a vital role in expanding access to essential medicines. Once a generic version of a drug is introduced to the market, especially in therapeutic areas dominated by high-cost specialty drugs, it typically leads to significant price erosion. This occurs as generic competition drives down the cost of treatment, making these formerly expensive therapies more affordable for healthcare systems, insurers, and ultimately, patients.

Quite a few of our selected product tend to be oncology, immunology and rare disease drugs, that typically have high costs, and access is quite often limited due to these high costs. Through the careful selection, development, and commercialization of complex generics in collaboration with trusted partners, Synthon helps reduce healthcare costs while expanding global access.

This not only contributes to public health goals but also supports the long-term sustainability of healthcare systems by relieving financial pressure through cost-effective alternatives to branded medications.

Through our partner network, over 100 million patients globally have access to medicines developed and manufactured by Synthon.

Synthon products are sold in 91 countries of which 38 are considered lower or middle income countries ([source](#)):



Higher income countries

Lower- and middle income countries

A close-up photograph of a laboratory experiment. A person wearing blue nitrile gloves is using a yellow pipette to add a liquid to a sample contained within a metal holder. The holder is mounted on a piece of laboratory equipment. In the background, there are several white bottles with red caps. The word "Governance" is overlaid in a large, bold, red font on a semi-transparent grey bar at the bottom right of the image.

Governance

Governance, Compliance and Ethics

The pharmaceutical industry operates under stringent regulatory frameworks and increasing societal expectations for transparency, ethical conduct, and sound governance. As stakeholders demand more responsible and sustainable business practices, companies are strengthening internal controls and compliance systems to ensure alignment with legal requirements and ethical norms across all operations and business relationships.

Synthon aims to uphold our commitment to respecting the rights and dignity of our workforce and contributing positively to the communities where we operate. We recognize that remedying material negative impacts is not only a moral imperative but also essential for building trust, sustaining our social license to operate, and driving long-term business success.

As part of our broader ethical and compliance framework, Synthon has implemented both a Code of Conduct and a Supplier Code of Conduct. These documents define the standards of integrity, transparency, and ethical behavior we expect not only from our employees but also from our suppliers

and business partners. The Code of Conduct serves as a cornerstone of our internal compliance culture, guiding employees in making ethical decisions and reinforcing our zero-tolerance stance on corruption, discrimination, harassment and other forms of misconduct.

All employees receive annual training on Ethics and Compliance modules, ensuring that our values and expectations are well understood and consistently applied across the organization. The Supplier Code of Conduct extends these expectations to our external value chain, ensuring that human rights, fair labor practices, environmental responsibility, and lawful business conduct are respected across our operations and partnerships.

In addition, a procedure and mechanism that protects whistleblowers is in place. The formal channel for all employees, including temporary workers, volunteers, trainees, and external personnel, to raise concerns is through Ethicspoint (NAVEX). Through this tool, employees can anonymously report incidents, emerging risks, and compliance concerns. This is in line with the European Union Whistleblower Directive (EU 2019/1937).

All complaints submitted through Synthon's Ethicspoint (NAVEX) were thoroughly investigated, and none were substantiated as actual violations or confirmed cases of misconduct.

Synthon guarantees employees who submit a report that no retaliation whatsoever will take place.

The report shall not have a negative impact on his/her functioning within the organization in any way, nor shall their legal status be prejudiced in any other manner. This protection applies both during and after the report has been handled.

In 2025, 5 cases were reported.

None of these cases were substantiated as actual violations or confirmed cases of misconduct.

A close-up photograph of a lush, green mossy ground. The moss is a vibrant green, with small, delicate plants growing from it. A single, dried, brown leaf lies on the right side of the frame. The background is softly blurred, showing more of the same greenery.

More than 50% of the world's gross domestic product. (GDP) relies on nature, highlighting its economic vulnerability to biodiversity loss.

Sustainable Procurement

The pharmaceutical sector is increasingly prioritizing sustainable procurement practices to minimize environmental impact and ensure ethical sourcing. Synthon shares this commitment by embedding sustainability principles throughout its global supply chain. Our procurement strategy focuses on partnering with suppliers who uphold high standards in environmental performance, labor rights, and business integrity.

Synthon's Supplier Code of Conduct defines clear expectations for all business partners, covering key principles such as anti-bribery and anti-corruption, fair competition, financial integrity, prevention of forced and child labor, fair treatment, diversity and inclusion, and environment, health, and safety (EHS). Suppliers are also required to comply with Good Manufacturing Practice (GMP) standards, monitored through both Synthon's internal controls and external oversight by regulatory authorities such as the Food and Drug Administration (FDA) and the European Medicines Agency (EMA).

To uphold these standards, Synthon maintains active engagement with its supplier network through surveys, audits, interviews, and meetings to monitor compliance, gain insight into on-the-ground practices, and address any identified concerns. Training programs are in place to ensure that employees and suppliers are equipped with the necessary knowledge to act in accordance with legal and ethical expectations, while also supporting ongoing professional development.

Health and safety remain a critical area of focus, with robust protocols established to minimize occupational risks across all tiers of Synthon's operations and supply chain. Synthon enforces fair labor practices, ensures compliance with international labor standards, and strictly prohibits any form of discrimination, exploitation, or harassment.

By setting clear expectations, promoting transparency, and continuously evaluating performance through key performance indicators and periodic assessments, Synthon fosters a culture of integrity and continuous improvement.

This commitment strengthens stakeholder trust and reinforces the company's role as a responsible and ethical actor in the global pharmaceutical industry.

"At Synthon, we hold ourselves and our partners to the highest standards of ethics, governance, and sustainability. Through strict compliance and supplier engagement, we ensure integrity and responsibility across our global operations"

Laia Cuadrado

Vice President Procurement

Certificates

At Synthon, our commitment to sustainability is reflected not only in our actions but also in our internationally recognized certifications. These achievements demonstrate our dedication to environmental responsibility, occupational health and safety, and continuous improvement.





Synthon

Sustainability Report 2025