

ESG UPDATE PUBLICATION

FY2021

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1.0 INTRODUCTION

1.1 OUR COMPANY

ADVANZ PHARMA is a patient-centric, speciality pharmaceutical company that improves patients' lives by providing and enhancing the critical medicines they depend on. We deliver life-enhancing medicines across 100 countries worldwide with a strategic focus on Europe. Our daily mission: We strive to improve the lives of patients, broaden patient access and advance optimal health outcomes.

1.2 UNPACKING OUR ESG DISCLOSURE

Since the release of our inaugural ESG report in December 2021, we are proud to continue to publish our ESG achievements and positive impacts, as we value transparency. It is our priority to continuously keep all our stakeholders thoroughly informed of our ESG trajectory and where and how we plan to make a difference in society and the communities we operate in. This ESG update contains all our recent ESG milestones since December 2021, aligning with our annual ESG reporting cycle in May of each year.

2.0 OUR SOCIETAL CONTRIBUTION

2.1 INVESTING IN COMMUNITIES

Delivering care is an inherent feature of our commercial activities. Yet our care and desire to have a positive impact goes beyond our immediate stakeholders, extending to the communities we operate within and to society as a whole. That is why philanthropy and charitable activities continue to be an explicit and central tenet of our business philosophy.

In addition to charitable donations, we take an active role and invest time in understanding these place-specific, contextual issues the charities are intent to solve. For over a decade, we have actively supported and cultivated long-term partnerships with local charities that are based near our offices. We continue to support multiple charities, which are relevant and dear to our employees and business, including SOS Children's Villages UK, International Health Partners, Snehasadan, Light of Life and From Babies with Love. We have also further extended our support to the Ukraine appeal with our long-term partners International Health Partners, who have provided emergency medicines, and SOS Children's Villages, who aid with emergency familial support, family reunification as well as relocation support and shelter.

2.2 IMPACT OF COVID-19

People continue to be the central focus for our organisation, including retaining our talented employees. Our employees are highly valued, bringing commitment and passion to ADVANZ PHARMA, which is why we do everything we can to keep our staff despite the negative effects of the pandemic on our business. Nonetheless, as a result of pressures on the business we regret that in early 2022 we have had to let a small number of employees go. Taking our responsibility seriously, we arranged a comprehensive

redundancy package for those affected. In all cases, we are happy to report that we achieved mutual agreements and we are especially pleased to see that many of the departed staff have already lined up their next employment.

2.3 HIGH-QUALITY PARTNERSHIPS

Collaboration is essential in our line of business in order to deliver critical medicines to patients worldwide, in a safe and efficient manner.

We are very aware that our value chain also has environmental and social impacts. We specifically use contract manufacturing organisations (CMOs) in Europe and North America because of their diligent supply and regulatory compliance and delivery of high product quality to our patients. ESG considerations are now part of our tendering process for our partners, and we seek to only work with organisations that align with our ESG values and goals. Our new partnership with Regular Cleaning is emblematic of our ambition to partner with such organisations, now contracted to clean our London office. Sustainability is integrated into the core business strategy of Regular Cleaning and they are Planet Mark-certified, meaning measurement of their environmental and social impact is thoroughly embedded into their operations and processes. Regular Cleaning are also ISO 14001 compliant and seek to reduce their carbon footprint by five percent annually.

As the welfare of the people living in our communities and the environment are inextricably linked, Regular Cleaning contribute to their workforce through paying the London Minimum Wage and providing their employees with training and reward programs. Regular Cleaning are also ISO 45001 and ISO 9001 certified and continue to make charitable contributions to support the communities in which they operate.

3.0 MINIMISING OUR ENVIRONMENTAL IMPACT

3.1 CONCENTRATING ON LOWERING EMISSIONS

Countering climate change is a global priority and we take our responsibility in this area seriously. We take a proactive approach towards protecting the environment and minimise our impact across our operations, including our value chain.

In line with our 2022 ambition to measure our greenhouse gas emissions globally, as well as assess the ESG performance of our suppliers, we have started to measure our indirect scope 3 emissions (i.e. the emissions of our manufacturers, distributors and logistics partners). In this way, we go far beyond our immediate impact. Our distributors and logistics partners ensure our critical medicines are distributed to millions of patients around the world, in approximately 100 countries. On certain occasions, distribution needs to be completed urgently by air freight in order to meet critical patient demands and to ensure patient supply and safety. Otherwise, we always seek to send our medicines by sea or land where possible.

We are still in the process of extending our emission measurements to include our contract manufacturing partners, to gain a holistic understanding of our full scope 3 emissions (direct and indirect) and to identify further ambitious opportunities to reduce emissions.

To further reduce our impact on the environment, we are also steadily increasing the number of our offices that use renewable energy. Currently, five out of our eight offices operate on renewable energy. Our London (UK), Helsingborg (Sweden) and Sydney (Australia) offices are already fully reliable on clean, green energy, and our Dublin (Ireland) and Geneva (CH) offices partly use renewable energy.

3.2 ENACTING CIRCULARITY

The materials used during the lifecycle of our medicines are mainly cardboard, plastic and aluminium, most of which are recyclable. We are undergoing an internal assessment to identify opportunities to further recycle and embed circularity into the production lifecycle.

APPENDIX: PERFORMANCE INDICATORS

Metrics aligned with the ESG Data Convergence Project are in emphasised in **bold**.

TOPIC	UNITS	2019	2020	2021
ENVIRONMENT				
Scope 1	Ton CO2eq	58	15	236**
Scope 2	Ton CO2eq	605	619	263
Scope 3* (Direct)	Ton CO2eq	971	357	499
Scope 3* (Indirect)	Ton CO2eq	-	-	2022
SOCIAL				
Head Count (FE)	#	429	556	559
Permanent	#	429	551	550
Employee Turnover rate	%	23	10	12
Employee Awards	#	12	84	113
Employee Survey	Y/N	Y	Y	Y
Average Satisfaction rate	%	54	90	97
Employees on Accelerated Career Development Plans	%	10	35	35
Lost Time Incidents (LTI)	#	0	0	0
Work Related Injuries	#	0	0	0
Work Related Fatalities	#	0	0	0
Days lost due to WRI	#	0	0	0
Diversity				
% Female	%	46	45	46
% Female management	%	36	32	30
% Board Female	%	12.5	30	12.5
% Non-white members leadership	%	12.5	11	20
% Board Non-white	%		14	25
Reported cases of discrimination/harassment	#	0	0	0
GOVERNANCE				
Whistleblowing Hotline	Y/N	Y	Y	Y
Information Security				
Minor reported incidents	#	0	2	3
Serious reported incidents	#	0	0	0
Ethics				
Minor reported incidents	#	0	0	0
Serious reported incidents	#	0	0	0
External Business Accreditations				
ISO Accreditation	Y/N	Y	Y	Y

*Scope 3 – includes business travel, distributors, and logistic partners. **The increase in Scope 1 emissions from 2020 to 2021, reflects the inclusion of our car fleet used by the European medical, sales & marketing staff we acquired in June 2020.

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