

ESG REPORT
2022/23

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1 *INTRODUCTION TO ADVANZ PHARMA*



MESSAGE FROM THE CEO

Our purpose is to improve patients' lives by providing specialty, hospital and rare disease medicines.

This purpose, in combination with our three core values – entrepreneurship, speed and integrity – is the foundation for our actions, strategic priorities and decisions, encompassing our commitment to sustainable development.

Every day we aim to bring our purpose to life: by partnering with companies to bring innovative specialty and rare disease medicines to patients, in areas of high unmet medical need; by commercialising affordable high quality specialty generics and biosimilars, to improve patient access and support the sustainability of healthcare systems; by being a partner of choice for the commercialisation of these medicines in Europe, Canada and Australia – for healthcare professionals, hospitals, patients, regulatory bodies, companies we in-license or acquire medicines from, and business partners who work with us to manufacture and distribute our medicines.

We can only truly be a partner of choice if we live our core values every day: *entrepreneurship* in how we support the development and commercialisation of new medicines, and in how our people think and act; *speed* in how we partner with companies and bring medicines to patients; *integrity* in how we conduct our business, focus on patients' needs and interact with each other.

Living this purpose and these values has a significant impact, not only on what we achieve as a company, but also on the role we play in society. It requires fully embracing our responsibility across relevant ESG topics, raising awareness and engaging with our stakeholders.

With that in mind, we have reshaped our sustainability agenda over the past year. Based on a refined analysis of the material topics that impact our business and where we impact society, we are now managing ESG across three key pillars: focusing on patients' needs; ensuring sustainable and responsible operations and growth; and developing our people.

Our ESG roadmap is closely linked with our strategic priorities and growth journey, putting patients' needs and our people even more at the core, while reinforcing the resilience and sustainability of our business. This reshaped ESG strategy is building on what we have achieved to date and guided by our purpose and core values.

I invite you to join us on our journey, as we continue to implement our ESG roadmap. Together, as partners of choice, we have a great opportunity to improve patients' lives by providing the specialty, hospital and rare disease medicines they depend on.



Steffen Wagner

Chief Executive Officer of ADVANZ PHARMA



COMPANY PORTRAIT

ADVANZ PHARMA is a global pharmaceutical company with the purpose to improve patients' lives by providing the specialty, hospital and rare disease medicines they depend on.

Our 640+ employees operate in our country organisations, the corporate headquarters in London and our Centre of Excellence in Mumbai.

Our ambition is to be a partner of choice for the commercialisation of specialty, hospital and rare disease medicines in Europe, Canada, and Australia. In line with our ambition, we are partnering with innovative biopharma and pharmaceutical development companies to bring medicines to patients.

We have commercial sales in more than 100 countries globally and have a direct commercial presence in more than 20 countries, with offices in 12 of those. An

established global distribution and commercialisation partner network complements our global operations.

ADVANZ PHARMA's product portfolio and pipeline comprises innovative medicines, specialty generics and biosimilars, and originator brands, representing currently 20%, 38% and 42% respectively of our revenues. We provide medicines across a broad range of therapeutic areas including hepatology, gastroenterology, anti-infectives, critical care, endocrinology, CNS and more broadly rare diseases. As part of our mission to improve patients' lives, our pharmaceutical strategy has shifted towards pursuing innovation, targeting rare disease medicines that address unmet medical needs, as well as specialty generics and biosimilars to improve patient access.

In 2022, the acquisition of Intercept's ex-US business was a critical milestone in the history of ADVANZ PHARMA moving towards a greater focus on innovative assets and rare disease medicines. With this acquisition, we expanded our product portfolio and doubled our country presence in Europe and Canada.

ADVANZ PHARMA at a glance, as of today



~81m

of packs supplied in 2022

>100

markets across the globe

12

countries where we have offices

>640

Employees across the globe

49%

Women in the workforce

Innovative medicines

~20%

of our revenues

Specialty generics and biosimilars

~38%

of our revenues

Originator brands

~42%

of our revenues

~23%

of SKUs we market listed by WHO as essential medicines

~150

CMOs and suppliers to ensure highest quality products + continuity of supply

OUR VALUES

We can only achieve our ambition with the passion of our dedicated and highly qualified people, acting in line with our company values of entrepreneurship, speed and integrity.

Our purpose, in combination with these three values, is the foundation for our actions, strategic priorities and decisions.

Through entrepreneurship, we own the solution and take accountability for results, focusing on what drives impact for patients, customers and our business. Through speed, we develop a bias for action and fast decision-making, focusing on high-priority tasks and rapid implementation. Our final core value – integrity – makes us come together in an open, collaborative, honest and respectful way. We act with social responsibility and in line with legal, regulatory and industry standards.

ADVANZ PHARMA's values are reflected in our employees' personal objectives, demonstrating a lived commitment to our values. We also introduced the ADVANZ PHARMA Values Champion Award, which recognises individuals who have gone above and beyond consistently to demonstrate behaviour in line with the company values.



OUR PURPOSE, IN COMBINATION WITH OUR COMPANY VALUES OF ENTREPRENEURSHIP, SPEED AND INTEGRITY, IS THE FOUNDATION FOR OUR ACTIONS, STRATEGIC PRIORITIES AND DECISIONS

2 ADVANZ PHARMA'S ESG STRATEGY



A photograph of four diverse women sitting around a table in a meeting. They are all smiling and looking towards each other, engaged in conversation. The woman on the left has long dark hair and is wearing a pink top. The woman in the center has curly brown hair and is wearing a white button-down shirt. The woman to her right has dark hair and is wearing a white textured sweater. The woman on the far right has long brown hair and is wearing a light blue and white striped top. They are in a bright office setting with large windows in the background.

Following a refined analysis of the material topics that impact our business and where we impact society, we have reshaped our sustainability agenda over the past year.

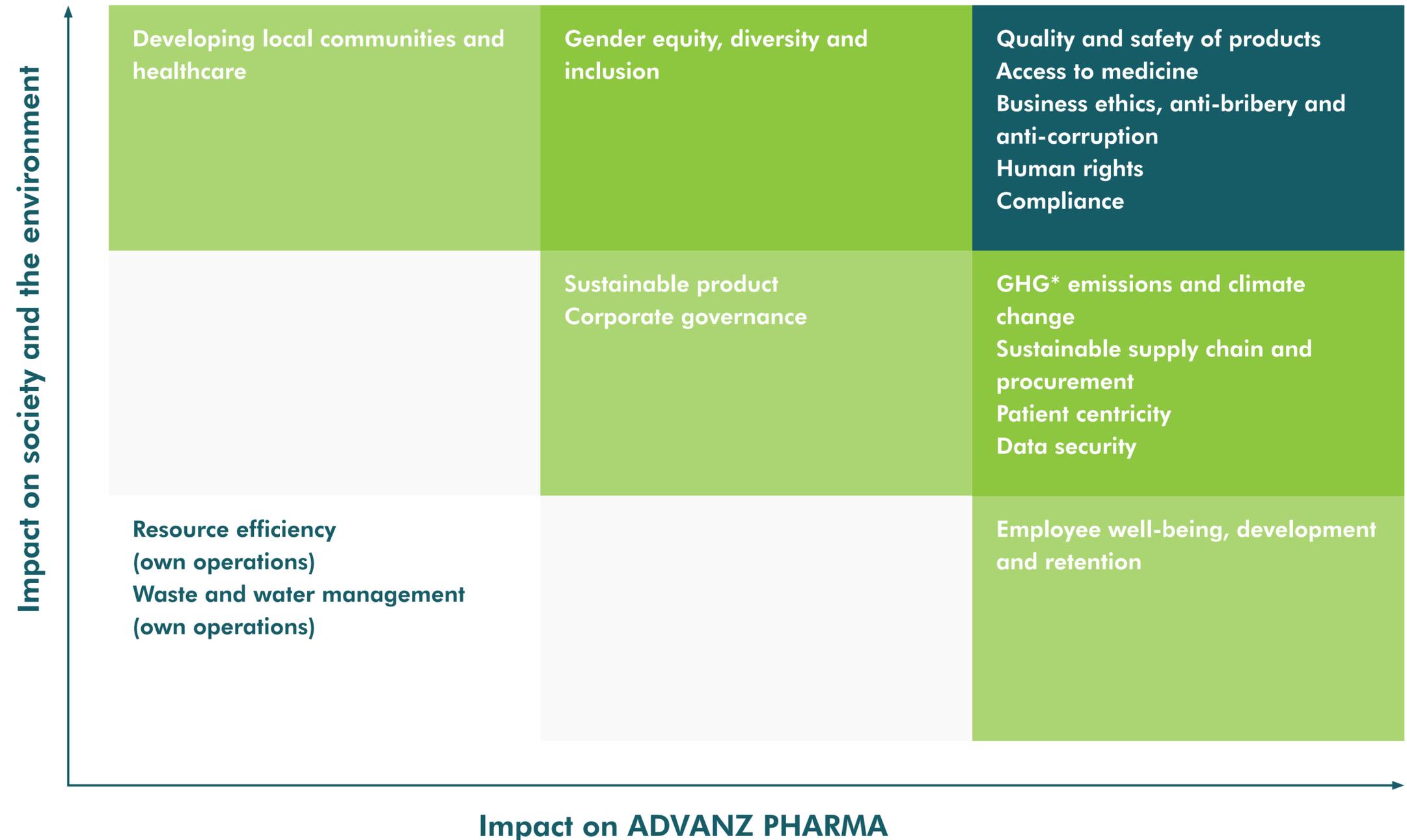
MATERIALITY ASSESSMENT

As part of this ongoing work, one of the main areas of focus has been the development of a double materiality matrix, assessing how ESG-related issues impact our business, and how our activities impact society and the environment.

Alongside involving key internal stakeholders including our Executive Leadership Team and collecting industry insights around accepted standards, we have engaged in a dialogue with external stakeholders. Through this assessment, we identified 14 topics of material importance to our work.

The double materiality matrix enabled us to reshape our ESG focus by identifying key areas of engagement, both already ongoing and new ones. We will conduct this exercise annually and develop a structured dialogue with an increasing number of external stakeholders.

We have also conducted a regulatory landscape scan on the impacts of upcoming sustainability-related disclosure requirements, to ensure we are proactive in identifying our regulatory obligations related to ESG matters.



THREE ESG PILLARS

Based on this materiality assessment, we are now managing our ESG activities across three guiding pillars aligned to the United Nations Sustainable Development Goals (SDGs):

- **Focusing on patients' needs:** we contribute to patients' health and quality of life, and through this to SDG 3: Good Health and Well-being; and SDG 9: Industry, Innovation and Infrastructure.
- **Ensuring sustainable and responsible operations and growth:** in which we build a sustainable and responsible high-growth platform, and through this contribute to SDG 8: Decent Work and Economic Growth; SDG 12: Responsible Consumption and Production; SDG 13: Climate Action; and SDG 17: Partnerships for the Goals.
- **Developing our people:** we take care of our people and ADVANZ equity across our business, and through this contribute to SDG 5: Gender Equality; and SDG 8: Decent Work and Economic Growth.

With these three pillars, we aim to contribute our share of the global effort towards sustainable economies. Building on what we have achieved to date and guided by our purpose and core values, our reshaped ESG position for ADVANZ PHARMA is closely linked with our growth journey, putting patient needs and our people even more at the core, while reinforcing the resilience and sustainability of our business.

The three pillars of our ESG strategy, contributing to the SDGs of the United Nations

Improving patients lives by providing specialty, hospital, and rare disease medicines they depend on

Focusing on patients' needs

We contribute to patients' health and quality of life



Ensuring sustainable and responsible operations and growth

We build a sustainable and responsible high-growth platform



Developing our people

We take care of our people and ADVANZ equity across our business



Entrepreneurship

Own the solution and take accountability for results

Focus on what drives impact for patients, customers and the enterprise



Speed

Bias for action and fast decision-making

Focus on high priority tasks and rapid implementation



Integrity

Come together – open, collaborative, honest and respectful cooperation

Act with social responsibility and in line with the legal, regulatory and industry standards

We have set goals and objectives for each pillar, including quantitative targets related to our GHG emissions, stakeholder engagement and gender diversity. This framework helps us drive our ESG effort and embed sustainability into our business and corporate culture.

THIS FRAMEWORK HELPS US DRIVE OUR ESG EFFORT AND EMBED SUSTAINABILITY INTO OUR BUSINESS AND CORPORATE CULTURE

ESG goals & objectives

Focus areas

Related SDGs

ESG topics

Main goals and objectives

Focusing on patients' needs



Quality and safety of products
Access to medicines
Patient centricity
Developing local communities and healthcare

Contribute to **global access** to specialty medicines by providing **new and enhanced treatment options to patients** across multiple therapy areas
Provide a **holistic support** to HCPs and patients
Contribute to **combating antimicrobial resistance**

Ensuring sustainable and responsible operations and growth



GHG emissions and climate change
Responsible supply chain and procurement
Sustainable product
Business ethics, anti-bribery and anti-corruption; Human rights
Corporate governance; Compliance; Data security

Reduce our **Scopes 1 & 2 (market-based) emissions by 50%** between 2022* and 2030
Engage with **suppliers** (representing **70% of our volume** in 2023, **80% in 2024 and 90% in 2025**) on ESG topics, including reduction of carbon footprint (Scope 3) and energy management, packaging and human rights
Further build our **climate related risk management system**
Maintain our **ISO 37001 and 27001 certifications**

Developing our people



Gender equity, diversity and inclusion
Employee well-being, development, and retention

By 2030, reach at least **40%** of women in the **C-suite** (achieved), in **leadership and in management positions** and at least **30%** of women on the **Advisory Committee**
Further ADVANZ our culture and **maintain high employee engagement** (satisfaction rate >80%)

OUR ESG GOVERNANCE

To embed ESG stewardship across ADVANZ PHARMA's business and culture, we are currently conducting a review of our ESG governance structure and mechanisms.

There is an ongoing and regular dialogue with the Board on ESG objectives, and on how we perform according to their sustainability requirements.

We have established the reporting of updates on all ESG-related activities to ADVANZ PHARMA's Executive Leadership Team on a regular basis – at least three times a year – to ensure the most senior level of our organisation has oversight of, and accountability for, our ESG proposition. We are also evolving our governance

to identify and manage our climate-related risks and opportunities. These evolutions will be reflected in our climate-related financial disclosures for 2023, in line with the UK regulation.

Furthermore, we are in the process of establishing an Employee ESG Committee to foster employee engagement and promote organisational buy-in of ADVANZ PHARMA's ESG agenda, making our ESG work meaningful for all our employees.

We recently completed an EcoVadis assessment and have received a Silver EcoVadis Medal based on our scores in this process. This result places our company among the top 25% of companies assessed by EcoVadis and is helping us further identify areas of improvement.

WE HAVE ESTABLISHED THE REPORTING OF UPDATES ON ALL ESG-RELATED ACTIVITIES TO ADVANZ PHARMA'S EXECUTIVE LEADERSHIP TEAM AT LEAST THREE TIMES A YEAR



3 FOCUSING ON PATIENTS' NEEDS



23%

of our SKUs classified as essential medicines by WHO

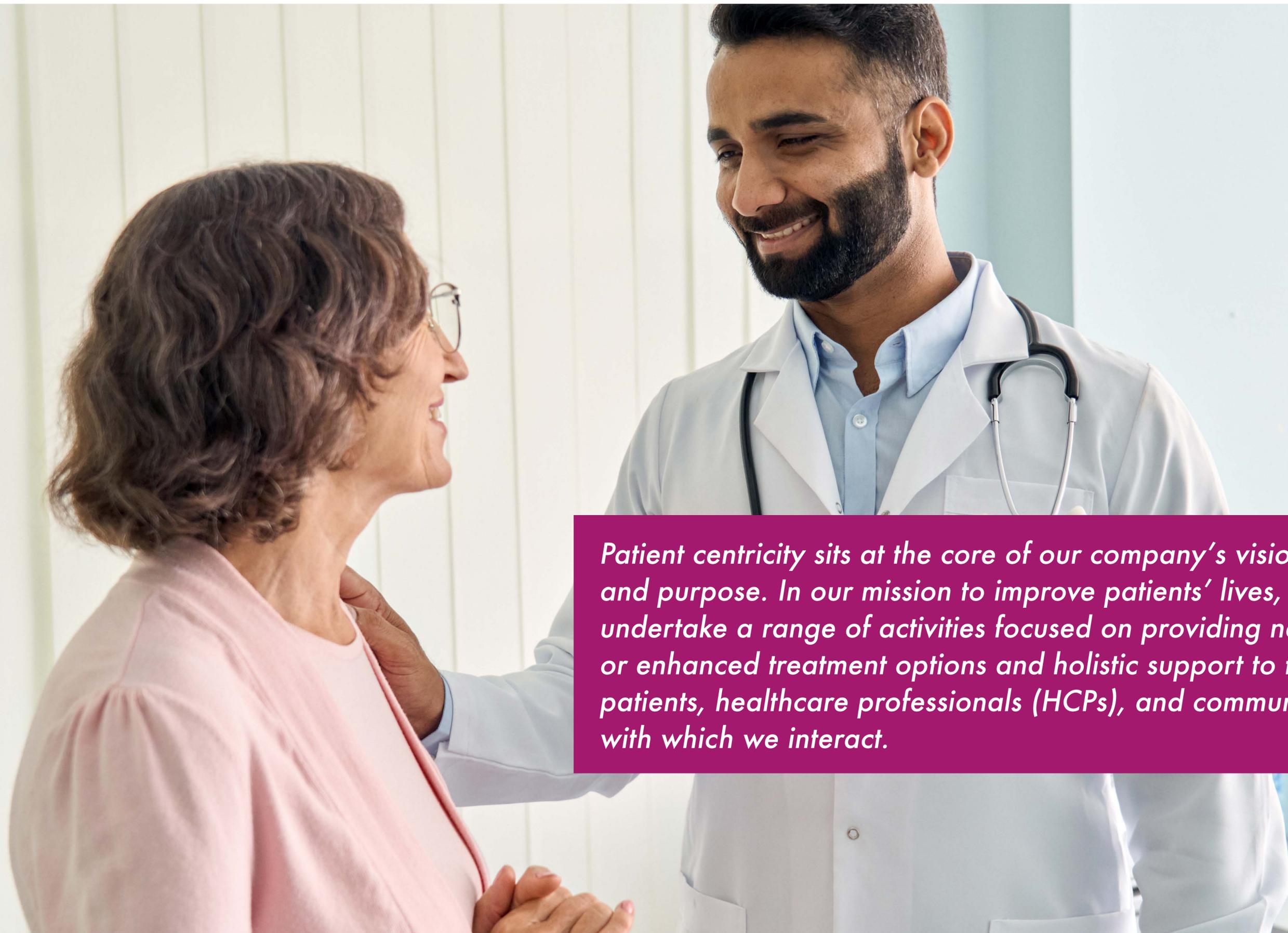
15K

stock units donated to IHP initiative in 2022

14

patient organisations that we interact with





Patient centricity sits at the core of our company's vision and purpose. In our mission to improve patients' lives, we undertake a range of activities focused on providing new or enhanced treatment options and holistic support to the patients, healthcare professionals (HCPs), and communities with which we interact.

BUILDING OUR SPECIALTY PHARMACEUTICALS PIPELINE TO MEET PATIENTS' NEEDS

We are building our innovative medicines and specialty generics and biosimilars pipeline.

The acquisition of the Intercept ex-US business in 2022 was a critical milestone in the history of ADVANZ PHARMA moving towards a greater focus on innovative assets and rare disease medicines. Intercept is a US-based biopharmaceutical company, focusing on developing and commercialising novel therapeutics to treat progressive non-viral liver diseases. The ADVANZ PHARMA acquisition of the ex-US business included the ex-US rights to commercialise the orphan drug Ocaliva® (obeticholic acid) for primary biliary cholangitis (PBC), a progressive autoimmune disease that damages the bile ducts in the liver. The integration brought an expanded product portfolio for the benefit of patients. It also enabled ADVANZ PHARMA to more than double its commercial and medical teams, with sizeable additions across major EU countries and Canada, and augment rare disease and specialty and hospital commercialisation efforts.

ADVANZ PHARMA is also becoming increasingly active in the field of biosimilar products – which are biological medicines that are very similar to other already approved biological medicines – in specialised therapy areas,

further enhancing pipeline and portfolio diversification for the benefit of patient care. Developing and commercialising biosimilars requires significantly more development time, complexity and resource compared to standard 'small molecule' generics. Biosimilar products support better patient access, through increasing healthcare options at potentially lower costs to global healthcare systems.

In May 2023, ADVANZ PHARMA entered into an exclusive partnership agreement with Alvotech for the supply and commercialisation of five biosimilar candidates in Europe. This agreement includes biosimilars to golimumab for the treatment of multiple inflammatory joint, skin and gastrointestinal conditions, and to vedolizumab for the treatment of inflammatory bowel conditions, and three more early-stage biosimilar candidates. This announcement followed an earlier collaboration announced in February 2023 for the development of a biosimilar omalizumab, also with Alvotech, for the management of patients with treatment-resistant asthma and other allergic conditions. In all instances, Alvotech will be responsible for biosimilar development and commercial supply, with ADVANZ PHARMA responsible for registration and commercialisation within agreed territories.

THE ACQUISITION OF THE INTERCEPT EX-US BUSINESS IN 2022 WAS A CRITICAL MILESTONE IN THE HISTORY OF ADVANZ PHARMA MOVING TOWARDS A GREATER FOCUS ON INNOVATIVE ASSETS AND RARE DISEASE MEDICINES

CONTRIBUTING TO GLOBAL ACCESS TO MEDICINES

By providing our medicines, we ensure global access to medicines across multiple therapy areas and strive to broaden patient access.

More than 20% of the stock keeping units (SKUs) we market are listed in the WHO classification as essential medicines. Our global network of partners enables our medicines to have a truly global reach. In 2022, we distributed ~81m packs in more than 100 countries.

In addition, we donate to the International Health Partners (IHP) initiative. The IHP acts as a bridge between the healthcare industry and the humanitarian sector, delivering essential medicines and medical supplies where they are needed.

In 2022, ADVANZ PHARMA's support for this initiative saw our company donate 15,000 stock units to the programme. With this provision of medicines to the value of £235,540, the IHP was able to provide 31,000 treatments, send five shipments to where they were needed most, and support people in 14 countries.



OUR GLOBAL NETWORK OF PARTNERS ENABLES OUR MEDICINES TO HAVE A TRULY GLOBAL REACH. IN 2022, WE DISTRIBUTED ~81M PACKS IN MORE THAN 100 COUNTRIES

CONTRIBUTING TO DEVELOPING PATIENT-CENTRED CARE

From offering patient perspectives on their therapy journeys, to embedding patient centricity into our routine practice – such as by establishing a 'patient slot' in routine meetings – we make patients' lived experiences, needs and support for patients, the core of our medical mission.

We operate a multi-language medical information service for patients across the globe

Our multi-language medical information service for patients receives close to 900 separate queries per year from patients across the globe. More than 90%* of enquiries are responded to within three business working days and the overall satisfaction customer feedback score is 90%*.

We work with patient organisations to better understand unmet patient needs, raise disease awareness and co-develop patient education materials

In pursuing a patient-centric approach to our work, we recognise the fundamental importance of understanding patients' needs. This also involves raising awareness of medical staff, HCPs and the wider public, as well as contributing to educational materials that help inform patients and caretakers about our therapies. To offer support and transform patient outcomes, we engage extensively with patient organisations.

ADVANZ PHARMA's teams actively interact and collaborate with 14 patient organisations across Europe, including Deutsche Leberhilfe e.V. in Germany, the Canadian PBC Society in Canada, and the Acromegalia Association in Spain. These interactions relate to two key products of our portfolio: lanreotide and obeticholic acid.

When working with patient organisations, our activities include running HCP-patient seminars, developing patient education materials, advancing disease awareness campaigns, as well as developing a patient website, such as www.pbcnews.info in Germany with ~30,000 website visitors in 2022.

We sponsor patient support programmes aimed at enhancing patient care

Supporting patients can lead to increased health outcomes, which is why we are so keen to develop patient support programmes here at ADVANZ PHARMA.

We are currently involved with five patient support programmes in three countries: Germany, Canada and the UK. These programmes are intended to help patients engage with their therapies and increase their autonomy in their treatment journeys. In Germany, we support patients enrolled in the Homecare Patient Support Programme, with nurse administration and patient device training for lanreotide. In Canada, meanwhile, our Patient Support Programme offers reimbursement and patient support for Ocaliva® (obeticholic acid), as well as regular touchpoints with the patient directly by specialised

nurses. Since its launch in 2017, 1,381 patients have been enrolled in the programme, 720 of which are still active. The programme helps to retain eligible patients on the product where this is benefiting their health (89% patient persistency rate at 12 months) and includes support for an annual reimbursement review for the healthcare professional and the patient.

Case Study: Supporting medical educational events to support patient journeys with PBC (primary biliary cholangitis)

In a recent example, last year (2022), ADVANZ PHARMA's UK Team hosted a medical education event, *Active Management of Symptoms in PBC: Going Beyond the Guidelines*, with a patient video explaining how patients are impacted by pruritis in PBC: the patient video, *More than skin deep: pruritis* highlighted the severity of the condition and increased awareness of the impact it has on a patient's quality of life. At the event, 60 HCPs were brought together to showcase a patient's journey with the disease; the event was described as 'eye-opening'.

Similarly, in 2022, ADVANZ PHARMA created an awareness campaign video for patient organisations and HCP-patient seminars focused on PBC in Germany, to explain the disease's burden and the associated symptoms.

Our clinical development activities seek to establish both new, and enhanced, treatment options for patients

We collaborate extensively with partners to develop paediatric indications, most recently for ceftobiprole and dalbavancin, both specialised antibiotic medicines, and to make innovative rare disease medicines available to patients – we recently announced a collaboration with Applied Therapeutics for a first-in-class treatment for the management of patients with rare neurological diseases, including Classic Galactosemia and sorbitol dehydrogenase (SORD) deficiency.

OUR CLINICAL DEVELOPMENT ACTIVITIES SEEK TO ESTABLISH NEW, AND ENHANCED, TREATMENT OPTIONS

Case Study: A project in development following the request from a patient organisation

Following an approach by a patient organisation, ADVANZ PHARMA has embarked on a development programme to deliver a more user-friendly and convenient presentation of an existing product for patients. The existing product is a life-saving medicine that must be administered in a promptly manner when needed.

The current standard of care is complex for patients to use, and self-management in an emergency situation outside a medical setting is very challenging. A medical need was expressed by caregivers and patient organisations, and ADVANZ PHARMA used its patient-centred focus, its desire to improve patients' lives and answer unmet medical needs and to engage in the development of an enhanced treatment option.

The ongoing project meets this need by creating a patient-friendly device, pre-loaded with the drug, to help patients and caregivers manage emergencies. ADVANZ PHARMA is working with our development partners and healthcare regulatory agencies to bring this innovative treatment option to patients as soon as possible.



ANTIMICROBIAL RESISTANCE STEWARDSHIP

Recognising the immense medical and social challenges posed by antimicrobial resistance (AMR), ADVANZ PHARMA has joined the AMR Industry Alliance to collaborate on finding sustainable solutions to curb antimicrobial resistance and support the appropriate use of antibiotics.

We have an ambition to play a role in combating AMR and benefit patients' lives and would like to contribute to shaping the future of antimicrobial use, one of our core therapy areas of specialist interest.

In France, our collaboration with the Antibiotic Club (AbClub) sees ADVANZ PHARMA enable scientific discussions between HCPs on patient management and guidelines for anti-infective agents, including products such as dalbavancin; this is a collaboration that has been running for about five years and has as its audience infectious disease specialists exchanging ideas on enhancing patient care, treatment practices and protocols in a typically difficult field, and one where managing emerging issues faced by antimicrobial resistance is paramount.

QUALITY, SAFETY & TRUST

We always strive to be uncompromising regarding product quality and safety at ADVANZ PHARMA, and patient safety is paramount in all that we do.

We work collectively and purposefully to ensure that our products and practices are as safe as possible for patients and that rigorous processes are followed across the globe – for both us and our many partners.

The key to making products safe and effective for patients is transparent communication, not only with regulatory agencies across the globe, but also with healthcare providers, patients and patient representatives and caregivers. Our Patient Safety Team at ADVANZ PHARMA works hard to ensure patients are kept updated with newly identified risks and information on how we plan to mitigate those risks.



4 ENSURING SUSTAINABLE, RESPONSIBLE OPERATIONS & GROWTH

8 DECENT WORK AND ECONOMIC GROWTH



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



17 PARTNERSHIPS FOR THE GOALS



38%

Scope 2 reduction vs 2021 due to green energy contracts

70%

supplier engagement achieved in 2023 (in volume)

ISO 37001

and 27001 certifications maintained in 2022





Ensuring sustainable and responsible operations and growth is essential to ensure the long-term resilience of our business. While maintaining the highest standards of ethics and governance, we are concentrating this year on conducting a comprehensive review of our environmental footprint.

ENSURING SUSTAINABLE & RESPONSIBLE OPERATIONS & GROWTH

As part of this review, we are reassessing our carbon footprint to better understand our emissions throughout our value chain, and formulate a robust, comprehensive emissions reduction plan to achieve net zero emissions in due course.

As a lean and asset-light pharmaceutical company, we have a low footprint regarding emissions from our own operations (Scopes 1 and 2). To further reduce this footprint, we have set quantified greenhouse gas (GHG) reduction targets for our Scopes 1 and 2 by 2030. In parallel, we are actively working with our suppliers to assess all the indirect emissions that occur in our supply chain and establish a full Scope 3 emissions baseline (indirect impact), which will enable us to define a reduction plan.

TO FURTHER REDUCE OUR FOOTPRINT, WE HAVE SET QUANTIFIED REDUCTION TARGETS FOR OUR SCOPES 1 AND 2 BY 2030



OUR ENVIRONMENTAL IMPACT IN FIGURES

We have quantified our Scopes 1 and 2 emissions and our carbon intensity.

Carbon footprint	2021	2022	% change
Scope 1 emissions: fleet (tCO ₂ e)	236	451	+91%
Scope 2 emissions (market-based): electricity in offices (tCO ₂ e)	288	179	-38%
Total (Scopes 1 & 2) (tCO ₂ e)	524	630	+20%
Energy consumption (Scopes 1 & 2) (GWh)	1.5	2.5	+67%
Carbon intensity (tCO ₂ e / revenue in £M)	1.26	1.24	-1.6%

Overall, our Scopes 1 and 2 (market-based) emissions have grown by about 20% from 2021 to 2022, in line with our revenue growth (+23%).

The increase in emissions between 2021 and 2022 is the result of field force expansion (Scope 1) and increased office presence (Scope 2) following the easing of Covid-19 restrictions, and in particular due to our acquisition of Intercept's ex-US business – which increased our (leased) fleet substantially (Scope 1) and number of offices (Scope 2).

This increase has been partially offset by new offices switching to renewable energy contracts. Indeed, while our electricity consumption has grown by 67% from 2021 to 2022, our Scope 2 emissions (market-based) have decreased by 38%, thanks to green energy contracts. The share of renewable energy (via green energy certificates) we purchase represents 48% of the electricity we consumed in 2022.

Case Study: Making the switch to renewable energy contracts

The growth of emissions from purchased electricity has been partially offset by the increased number of offices that have subscribed to green energy contracts. In this regard, our Centre of Excellence in Mumbai is a good example.

Our office in Mumbai was responsible for ~34% of our energy consumption in 2022. Before July 2022, this site was not powered by green energy. Recognising that we needed to address this at the earliest opportunity, we proactively engaged with our suppliers and switched to a 100% renewable energy contract. In addition, for every unit of green energy ADVANZ PHARMA uses through this contract, our supplier sources additional electricity from renewable energy sources, increasing the demand for, and supply of, renewable energy in India.

REDUCING OUR FOOTPRINT FURTHER: -50% BY 2030

Decreasing the environmental impact of our activities is a priority. Using the emissions figures listed above, we have set the target of halving our Scopes 1 and 2 (market-based) emissions by 2030, versus our 2022 baseline.*

This 50% reduction target will be achieved via use of new technologies and through positive behavioural change. One such example of a key action we are undertaking to reduce our emissions further is to encourage the switch to electric vehicle (EV) use, by educating the employees who have a company car and providing support for installation of at-home EV chargers. A few of our colleagues have already decided to shift to EVs as ambassadors for the shift across the organisation.

As indicated above, we have already switched a substantial part of our offices to renewable energy contracts: seven of our 15 offices now have green energy contracts. We will continue this effort in the coming years.

We are also exploring opportunities to reduce our real estate footprint and shift our sites to energy-efficient buildings (such as those with BREEAM accreditation). Every time a lease ends, we will look for an alternative option to reduce our emissions by at least 20%, either through relocating to more-efficient buildings, or by reducing the size of our premises. We are also proactively embedding sustainable behaviours in our offices through various initiatives, such as switching to 100% sensor coverage of light when we can, ensuring we are turning off the lights and reducing the number of fridges in our offices.

WE ARE ALSO EXPLORING OPPORTUNITIES TO REDUCE OUR REAL ESTATE FOOTPRINT AND SHIFT OUR SITES TO ENERGY-EFFICIENT BUILDINGS



ON THE JOURNEY SIDE BY SIDE: ENGAGING WITH OUR SUPPLY CHAIN PARTNERS

We choose the best manufacturing and delivery partners to ensure the continuous global supply of our medicines. But we are also aware of our position as a company which can help drive change in environmental, social and governance planning and initiatives.

As part of our commitment to fostering a responsible supply chain and procurement strategy, we are currently engaging with our partners on ESG topics to define a joint roadmap.

We have a target to engage with contract manufacturing organisations (CMOs) representing 70% of our volume by the end of 2023, 80% by 2024 and 90% by 2025, as well as with our key freight logistics and distribution partners.

As part of this engagement, we have launched several pilot projects to assess the emissions of every facet of our supply chain and establish a full Scope 3 emissions baseline. We will then use this baseline to set clear targets and action plans for reducing our Scope 3 emissions.

Based on this dialogue, we will review our ESG policy and make sure 100% of targeted suppliers sign up to

this new ESG policy within a year, and that most targeted suppliers have this ESG policy included as an addendum to their contracts – binding us, and our partners, to undertaking the ESG journey together.

We are also in the process of reviewing our approach to product packaging and recognise our responsibility to deliver more sustainable products. To help us think this responsibility through, we are building an internal packaging database, to assess how we currently undertake this. Once this database is completed, from 2024 onwards, we will start considering how to reduce the environmental impact of our packaging where possible.



MAINTAINING THE HIGHEST STANDARDS OF ETHICS AND GOVERNANCE

We are committed to embedding ethical behaviour in all our business activities, and in our supply chain, to ensure that we deliver a positive social impact.

We conduct business in a transparent, ethical way that supports human rights – including adhering to our statement on modern slavery. This outlines the steps that ADVANZ PHARMA has taken, and is continuing to take, to ensure that modern slavery, human trafficking and any form of indentured servitude are not taking place in any of our supply chains or in any part of ADVANZ PHARMA's own business.

Our own high standards of governance mean we implement comprehensive management systems throughout our company. In addition to our Code of Conduct and the related policies that every employee signs up to when they join ADVANZ PHARMA, we also implement a robust anti-bribery management system throughout our organisation and our supply chain. Our anti-bribery and corruption (ABC) policy is made available to all employees and is the cornerstone of the internal training and audits carried out on an annual basis. We are very proud of the fact that we continue to maintain and be certified for the ISO 37001 international standard in respect of our anti-bribery management system.

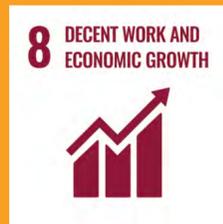
We also hold certification for ISO 270001, which covers information security. Knowing the importance of the right to privacy, data protection and information management to our company and stakeholders, we are extremely careful with the trust placed in us when it comes to the security of information and data. We are proud of this certification as a measure of the best practice we implement when processing, managing and protecting information and data.



5 DEVELOPING OUR PEOPLE



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH

49%

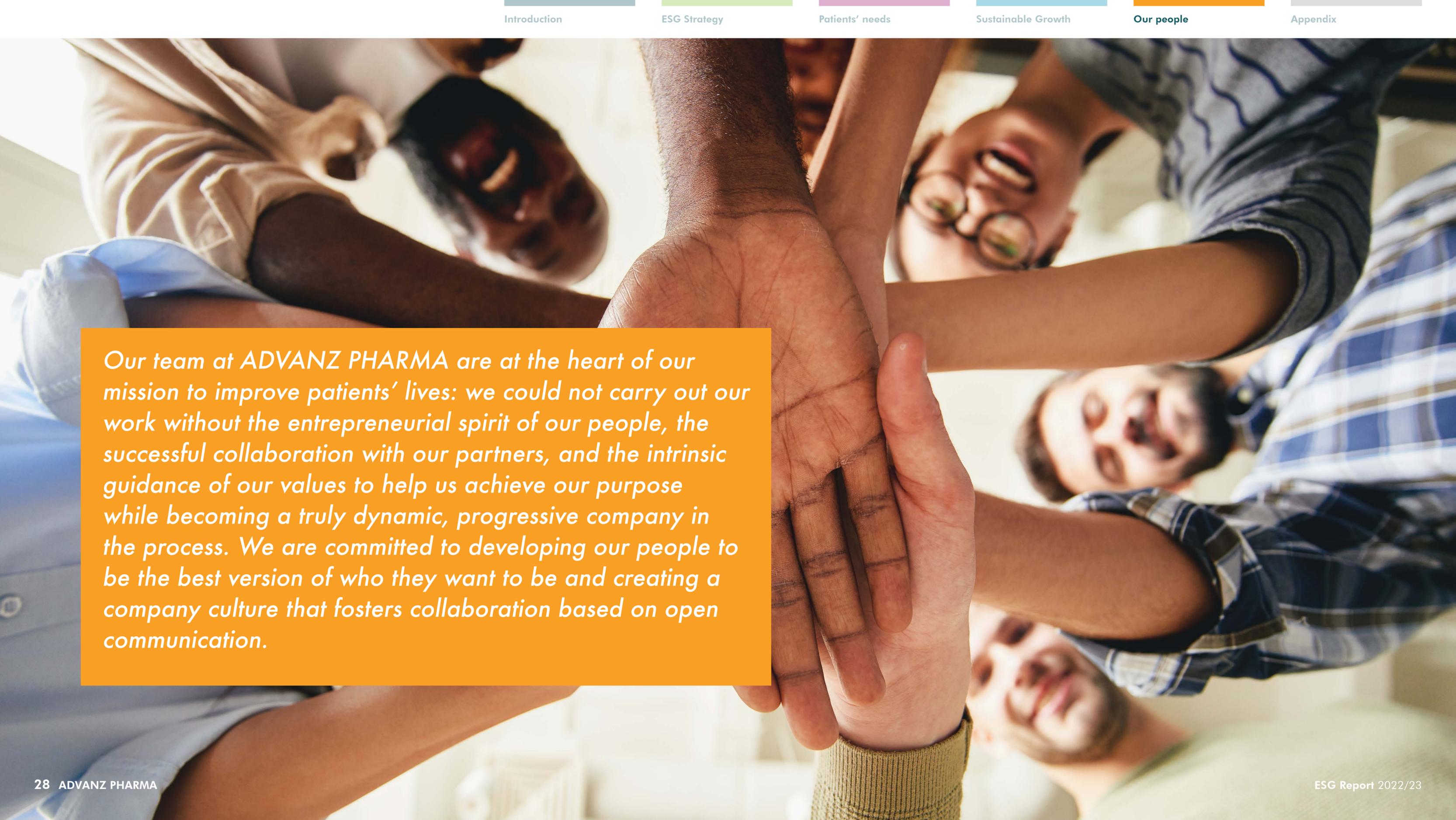
Women in the workforce

87%

satisfaction rate in our last pulse survey (Q1 2023)

116

employee awards in 2022



Our team at ADVANZ PHARMA are at the heart of our mission to improve patients' lives: we could not carry out our work without the entrepreneurial spirit of our people, the successful collaboration with our partners, and the intrinsic guidance of our values to help us achieve our purpose while becoming a truly dynamic, progressive company in the process. We are committed to developing our people to be the best version of who they want to be and creating a company culture that fosters collaboration based on open communication.

ADVANZ PHARMA AS A GREAT PLACE TO WORK

This year, our staff satisfaction survey had a 94% response rate and our staff satisfaction score remained high: we were very pleased to note that 87% of respondents would recommend ADVANZ PHARMA as a great place to work.

This response record includes the integration of legacy ex-US Intercept staff into ADVANZ PHARMA, so we were particularly satisfied to receive such positive feedback on how contented our staff across the business feels.

As a certified Great Place to Work®, we were delighted to be ranked among the UK's Best Workplaces™ for Wellbeing in 2022. This award is evidence of our commitment to listening to our people and fostering a culture of openness and exchange: in the year 2022-2023, we have organised six company-wide town halls, convened 18 focus groups, undertaken three comprehensive staff response surveys and facilitated a number of our Coffee & Connect sessions with the Executive Leadership Team and senior leadership staff at ADVANZ PHARMA, for employees to meet and chat about what matters to them. We also have seven culture workshops planned for 2023, in order to embed the culture we strive for, to promote engagement with our company values and to hear how our people approach these in their day-to-day activities.

In 2022, we were also officially listed among the UK's Best Workplaces™ for Women.

**AS A CERTIFIED
GREAT PLACE TO
WORK®, WE WERE
DELIGHTED TO BE
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WORKPLACES™
FOR WELLBEING
IN 2022**



REACHING GENDER PARITY IN MANAGEMENT POSITIONS

Here at ADVANZ PHARMA, we believe that diversity is a strength and we are committed to inclusive management. Today, 49% of our employees are women. The metrics below offer some numerical insight into our efforts to support gender parity and representation across our organisation.

Gender balance KPIs in 2022

Women, C-suite	40%
Women, leadership	32%
Women, management	33%
Voluntary turnover ratio (turnover rate of female to male colleagues)	1.08
Promotion ratio (promotion rate of female to male colleagues)	1.17

We have refreshed our gender equality strategy by setting clear targets. We have set an ongoing target to maintain the percentage of female colleagues in ADVANZ PHARMA at ~50%. Furthermore, we aim to have women

represented in 40% to 60% of the C-suite, leadership and management in our company by 2030. The ADVANZ PHARMA Women's Network (AWN) will support defining an action plan to reach these targets.

WE AIM TO HAVE WOMEN REPRESENTED IN 40% TO 60% OF THE C-SUITE, LEADERSHIP AND MANAGEMENT IN OUR COMPANY BY 2030

THE ADVANZ PHARMA WOMEN'S NETWORK: A PLATFORM TO ADVANZ UNIQUENESS AND EQUITY

The ADVANZ PHARMA Women's Network (AWN) was launched in July 2019 to empower women to reach their full potential by providing a supportive network with the resources for them to develop and grow, and to promote an environment where the richness of different perspectives generates innovation and performance.

This past year, the AWN's activities have focused on building tools to support women's personal development objectives within and outside the company. ADVANZ PHARMA was instrumental in the drive for the establishment of the Healthcare Businesswomen's Association (HBA) in India. Following the launch of the Indian branch, we now have two members of ADVANZ PHARMA in Mumbai who are volunteering with the HBA in India.

The AWN further ran and supported four Personal Development Workshops (PDWs) directed at empowering and supporting women's and men's professional journeys, including developing confidence when

speaking publicly, debunking impostor syndrome and supporting career development journeys. The PDWs focused mostly on 'soft' skills and received very positive feedback. The AWN has also been working with ADVANZ PHARMA's People Team to collaborate on initiatives such as awareness days, an educational tool designed to acknowledge the intrinsic sensitivities.

To further develop its activities, the AWN has just refreshed the Steering Group by including new representatives from three continents. One recent expression of interest to this Group acknowledged how ADVANZ PHARMA Women's Network is instrumental to creating "an environment where women can grow and unlock their full potential". Over time, the AWN has recognised how conversations about gender equity can springboard broader discussions about diversity and inclusion: in this regard, the new Steering Group aims to be a collaborative group of individuals across different functions, who are passionate about driving a culture of uniqueness, equity, inclusion and belonging within the organisation as well as empowering all employees to reach their potential across all levels.



A CULTURE OF 'GIVING BACK'

Our mentoring programme at ADVANZ PHARMA focuses on advancing our staff in their career journeys. We currently have 18 mentors and 23 active mentees in our programme, and both mentors and mentees report that the programme has brought very positive results to their positions at ADVANZ PHARMA.

One mentee, for example, said that "the mentorship programme (...) has remarkably impacted my professional growth". While a mentor reported how "as a mentor you get a lot back from this programme. Seeing the progress that the mentee is making gives me a lot of energy."

We believe the mentorship programme is one of the ways in which we encourage a culture of 'giving back' here at ADVANZ PHARMA.



AS A MENTOR YOU GET A LOT BACK FROM THIS PROGRAMME. SEEING THE PROGRESS THAT THE MENTEE IS MAKING GIVES ME A LOT OF ENERGY

ENGAGING WITH OUR COMMUNITIES

Beyond making a positive impact on patients' lives, and our employees' wellbeing, we are proud of how we engage with and support the communities we interact with.

We believe in empowering individuals to make a positive contribution towards social responsibility, and in March 2023 launched our Volunteering Policy to support employees who wish to participate in self-sponsored volunteering programmes. All our employees are eligible to take up to two days of paid time off to participate in voluntary activities.

We also continue to support our charity partners, especially through our Centre of Excellence in India. Over the years, ADVANZ PHARMA's Corporate Social Responsibility India Team have been working closely with the Snehasadan Orphanage and the Light of Light Trust (LOLT) to help underprivileged children. Below is the contribution made by the Indian entity, in the Indian financial year 2022-2023.

Contribution summary in India April 2022-March 2023

Total Contribution £49,585

Snehasadan	LOLT	Others
£21,995	£23,211	£4,379

To develop our social responsibility impact as a company, the Mumbai office CSR Committee works closely with Snehasadan to build a secure home for homeless children. ADVANZ PHARMA has financially contributed to Snehasadan's initiatives on special educational development needs, PhD entrance exam fees, and speech and occupational therapy for children. Our contributions have also supported infrastructural development and maintenance in the orphanage and Snehasadan's Family Day.

Similarly, the Anando programme by LOLT aims to reach out to every child in the remote villages and help them realise their purpose and dream. ADVANZ PHARMA contributed towards a total of 194 children completing their education. Our partnership with LOLT has continued for several years. This past year, ADVANZ PHARMA contributed ₹2,205,000 (£23,210) through our colleagues' participation in the TATA Mumbai Marathon, with more than 100 ADVANZ PHARMA staff participating.

In recognition of the vital importance of protecting our planet and its ecosystems, one of our supported charities focused on environmental management programmes for the first time. In association with the Social Welfare Center in Kune (Lonavala), 3,000 tree saplings representing 200 species were planted by 50 ADVANZ PHARMA colleagues as part of a wider tree plantation drive.



APPENDIX: 2022-2023 MONITORED KPIS AND TARGETS

ESG Pillar	Sub-topic	KPI	2022 Data	Target
Focusing on Patients' Needs	Global reach	Number of packs distributed	81 million	Grow
		Number of countries served by our medicines	103	Maintain
Ensuring Sustainable and Responsible Growth	Supply chain management	Share of targeted suppliers who will have signed the new supplier ESG policy	N/A	100% within a year
		Share of total volume represented by 'targeted suppliers'	N/A	70% in 2023 80% by 2024 90% by 2025
	Carbon footprint	Scope 1 emissions (tCO ₂ e)	451	-50%* by 2030 <small>* Baseline to be adjusted upon transformative M&A (including the full year impact of the ex-US Intercept acquisition)</small>
		Scope 2 emissions (tCO ₂ e), market-based	179	-50%* by 2030 <small>* Baseline to be adjusted upon transformative M&A (including the full year impact of the ex-US Intercept acquisition)</small>
		Scope 3 emissions (tCO ₂ e)	<i>Being assessed</i>	<i>Being assessed</i>
		Carbon intensity (tCO ₂ e / revenue in £M)	1.24	-
		Energy consumption (GWh)	2.5	-
		Share of renewable electricity	51%	-
Energy intensity (GWh/revenue in m)		0.005	-	

Governance		ISO 270001 certification (information security)	Yes	Maintain
		ISO 37001 certification (anti-bribery management system)	Yes	Maintain
		Staff completion of anti-bribery and corruption training/Code of Conduct training	97.5%	100%
Developing Our People	Uniqueness, equity and inclusion	Women, all colleagues	49%	Remain ~50%
		Women, C-suite	40%	40-60% by 2030
		Women, leadership	32%	40-60% by 2030
		Women, management	33%	40-60% by 2030
		Women, Advisory Committee	12.5%	>30% by 2030
		Voluntary turnover ratio (turnover rate of female to male colleagues)	1.08	Remain close to 1
		Promotion ratio (promotion rate of female to male colleagues)	1.17	Remain close to 1
Occupational Health & Safety		Lost time incidents (LTIs)	0	0
		Work-related injuries/fatalities	0	0
		Days lost due to WRI	0	0
Employee engagement, development & retention		Response rate to pulse survey	94% (Q1 2023)	>80%
		Average satisfaction rate	87% (Q1 2023)	>80%
		Number of employee awards	116	Maintain



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