

Sustainability Report

2024 Global

xellia
PHARMACEUTICALS

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Global Sustainability Commitments



Xellia aims to be a sustainable enterprise that contributes positively to society and collaborates closely with essential stakeholders to tackle worldwide issues. Sustainability is ingrained across every aspect of our value chain. We are dedicated to conducting business in a responsible manner, working to minimize our environmental footprint through responsible manufacturing practices.

Ensuring patient and product safety remains paramount, upheld through rigorous quality standards and safe production protocols. Ethical business conduct is fundamental, as well as safeguarding human rights by maintaining safe working environments, combating corruption, and promoting fair labor practices across all Xellia sites within the supply chain.

Sustainability Framework – continued

ESG Progress 2024

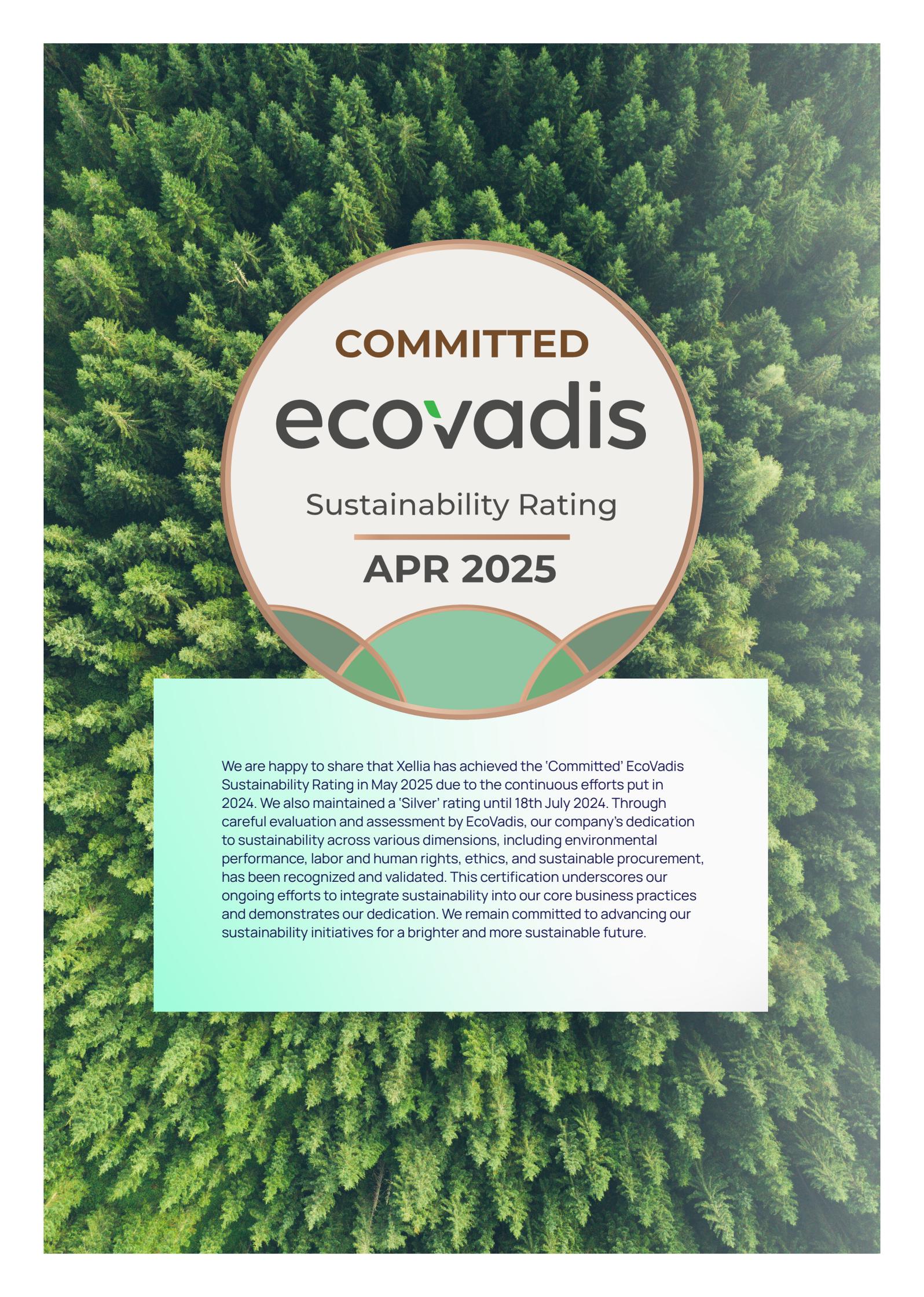
Throughout 2024, we sustained our momentum in advancing our Environmental, Social, and Governance (ESG) 2030 Long-Term Targets. We remained dedicated to our objectives, actively working towards enhancing our performance in areas such as sustainability, social responsibility, and ethical governance practices. Our ongoing efforts reflect our commitment to making meaningful strides in creating a more sustainable and equitable future for all stakeholders. We are happy to see the great engagement on sustainability amongst

our employees and to see sustainability continuously becoming more embedded in the organization.

Additionally, In 2024, Xellia embarked on a double materiality assessment as part of Corporate Sustainability Reporting Directive - CSRD. We are working with CSRD with a dedicated focus on our ability to respond to requests from our external business partners as part of the CSRD value chain.

Xellia 2030 Long-Term Target	SDG	2022	2023	2024	2024 Results
Environmental					
75% Carbon neutral electricity		80%	80%	41.98%	41.98% of our sites are powered by carbon-neutral electricity.
40% Reduction of Scope 1 and Scope 2 emissions		28,999 T	25,815 T	13480.34 T	In total, there has been a reduction of 47.78% in carbon emissions for scope 1 and 2.
50% Waste to be recycled, reused or prevented		36%	37%	42.58%	42.58% of our waste undergoes reuse, recycling, or prevention measures, contributing to our sustainable waste management efforts.
20% Reduction of water consumption		706,318 m ³	760384 m ³	520839.51m ³	In 2024, 520839.51 m ³ of water was consumed reflecting a decrease of 31.50%
Social					
100% Zero product recalls		0	0	0	Zero product recalls
100% Authority inspection passed		100%	100%	100%	100% authority inspection passed
<1.0 Recordable Injury Rate (TRIR)		0.44	0.51	0.25	Xellia ended the year with a TRIR of 0.25
45% Overall women leaders		35%	36%	35.1%	35.1% of leaders are women
Governance					
>80% Key suppliers aligned with Responsible Sourcing Policy		44%	51%	51%	51% of suppliers are aligned with the Responsible Sourcing Policy
100% Employees committed on the Code of Conduct		98%	100%	100%	100% of employees committed on the Code of Conduct

*The results for 2024 presented in this Sustainability Report are provided to the best of Xellia's knowledge, and Xellia assumes no responsibility or liability for any errors or omissions in the content of this information. Xellia notes that differences in comparison between the 2024 results and the 2022-2023 results in this Sustainability Report may be due to Xellia's divestment of its U.S.-based institutional business.



COMMITTED
ecovadis

Sustainability Rating

APR 2025

We are happy to share that Xellia has achieved the 'Committed' EcoVadis Sustainability Rating in May 2025 due to the continuous efforts put in 2024. We also maintained a 'Silver' rating until 18th July 2024. Through careful evaluation and assessment by EcoVadis, our company's dedication to sustainability across various dimensions, including environmental performance, labor and human rights, ethics, and sustainable procurement, has been recognized and validated. This certification underscores our ongoing efforts to integrate sustainability into our core business practices and demonstrates our dedication. We remain committed to advancing our sustainability initiatives for a brighter and more sustainable future.

Environmental

Responsible Manufacturing

In line with our dedication to uphold the United Nations Sustainable Development Goals (UN SDGs), we continually explore opportunities to minimize our environmental footprint and implement sustainable approaches across our sourcing, manufacturing, and development processes.

A large amount of our energy consumption comes from manufacturing our critical care products. In alignment with our updated ESG Strategy, we continued focusing on the environmental objectives that address aspects such as waste management, water usage, and the reduction of carbon emissions.

In 2024

42.58%

of waste was
recycled, reused or
prevented

Environmental - Reuse, Recycle and Prevention Target

We are committed to reducing our total waste generated by 50% through reuse, recycle and prevention of waste.



Taizhou organized a “barter” activity on Earth Day (employees recycled e-waste such as electronic products, old cables and exchanged the e-waste into small green plants) to advocate employees to reduce resource waste and improve recycling awareness. (80% participation rate, and about 50 kilograms of e-waste were recycled on Earth Day.)



Budapest site collaborated with the Municipal Sewage Works to repurpose sewage sludge, resulting in the generation of biogas. In terms of recycling the site managed to maintain the level of solvent regeneration (38%).



In **Copenhagen**, waste glass - Borosilicate glass from production was recycled into mouth-blown drinking glasses. The glasses were again this year a custom Christmas gift for employees, to build up a collection. The glass was designed by Pernille Bülow and handmade in her workshop in Nexoe, Bornholm.



Environmental - Carbon Emissions

Scope 1 emissions encompass direct emissions stemming from our operational activities, encompassing various categories such as natural gas, fuel oil, HFC refrigerant gases, and leased company cars. These emissions are directly generated by our operations. On the other hand, Scope 2 emissions represent the indirect emissions resulting from purchased electricity and district heating. While not produced directly by our activities, Scope 2 emissions are a consequence of the energy sources we procure for our operations.

47.78%

reduction in
emissions Scope
1 and 2

Environmental - Carbon Emission Reduction Projects



Budapest has taken several steps to improve energy efficiency. A new cooling compressor was installed, resulting in a **30%** reduction in **electricity** use compared to the previous system. The air compressor was also upgraded, delivering an additional **15%** energy saving. Furthermore, solar panels were installed on all suitable roof surfaces (1.500 m²), covering approximately **2% of the site's total electricity demand**.



Taizhou established an energy-saving team to carry out energy-saving work:

- Adjusting the opening degree of the chilled brine according to the production, resulting in savings of about **800kw/day**.
- By controlling the operation time of microfiltration system, resulting in electricity savings of **890kw/batch**.
- Enhancing employees' awareness of energy-saving, Supervising and managing the amount of water used in daily life, resulting in water saving **300t/month**, at the same time, the amount of sewage will also decrease.



Copenhagen A steam trap project in the production, has reduced the consumption of gas and DI water due to passive steam barrier.

- Gas was reduced with app. 191.000 m³/year ~ 90 % comparing previous consumption without the steam barrier.
- DI water was reduced with app. 2400 m³/year ~ 4,4 % of total

Social - AMR Advocacy

As a prominent manufacturer of anti-infective medications, Xellia recognizes the critical importance of combating Antimicrobial Resistance (AMR). At the forefront of responsible business practices, Xellia is dedicated to addressing AMR both internally and externally, emphasizing the urgency of this global health challenge.

In 2024, Xellia maintained its focus on water quality as part of its sustainability initiatives. Recognizing the potential impact of manufacturing activities on aquatic environments, Xellia pledges to ensure that its operations have no adverse effects on water quality. **Different projects were initialized during 2024 and are still in process to be fully implemented in the coming years.**

Effluents from manufacturing processes undergo treatment in accordance with local regulatory standards, employing both on-site and off-site mechanical-biological treatments. The ratio of the API load to surface water (predicted environmental concentration, PEC) to the predicted no effect concentration (PNEC) shall be below 1 ($PEC/PNEC < 1$), with the concerned PNEC value retrieved from a scientifically sound and reliable approved source.

Actively engaging in collaborative efforts, Xellia has been a proud member of the AMR Industry Alliance in 2024. Through this alliance, Xellia collaborates with peers to address critical public health issues and advocates for effective strategies to combat AMR. By participating in advocacy efforts, Xellia contributes to raising awareness and driving action towards mitigating the impact of AMR on global health.

Global Safety Month

Healthy Working Conditions

People are fundamental to everything we do. The individuals and teams working within our environment, health, and safety programs are key in the success and evolution of our safety culture. This collaboration in accountability is vital as we pursue continuous improvement through training, proactive measures, and the prioritization of occupational health and safety. We truly believe this creates and sustains a workplace where risk is diminished and where everyone can thrive.

In 2024, teams at all sites again focused on high-risk and high-exposure programs. These initiatives integrated safe manufacturing and industry best practices resulting in the total recordable injury rate (TRIR) being 0.25 for 2024.

- **Elevated Work and Control of Hazardous Energy:**
 - Fall protection engineering enhancements including installations and improvements to guardrails, anchor points, fixed ladders, and fall arrest systems were implemented in **Budapest** to further reduce risk for those employees and contractors working at height. The site has also focused in on its lockout tagout programs, completing more and more work instructions to cover applicable equipment and procedures for the isolation of hazardous energy.
- **Industrial Hygiene and Occupational Health:**
 - **Taizhou** conducted fit tests for those utilizing respirators and masks to ensure adequate protection. The tests were coupled with employee training and education regarding respirator selection, fit, and use. Site also completed the annual occupational health examination for employees.
 - **Budapest** invested in a new final handling system, including equipment such as homogenizer and sieve, with the aim of reducing dust exposure during the final stages of material processing. This initiative contributes to improved workplace safety and a healthier working environment for employees.
 - **Copenhagen** has finalized the industrial hygiene program due to chemical exposures. The ATEX risk assessment has been updated.

Environmental

(continued)

Copenhagen has big focus on health and wellbeing not only in June as we offered different types of health examinations mandatory due to working at nightshifts. Colleagues made at small video, to show what is going on behind the door. Even more colleagues want to have the health examination.



Budapest placed strong emphasis on practical, hands-on EHS training sessions, including respiratory protection, fire-fighting and emergency response drills, ATEX safety, first aid, and safe use of CMR substances. Employees were also encouraged to take part in Hungary's national screening initiative, which provides access to a wide range of medical tests through a mobile screening bus on site. While the program includes a small co-payment, the main part of the costs are covered by the state, making it a widely accessible and cost-effective way to support employee health.

In **Taizhou**, we organized a series of safety month activities, such as behavior safety observation, online quiz, fire drills, etc., to enhance employees' safety knowledge and skills, and encourage all employees to share the meaning of safety to themselves and who they are willing to maintain safety for. Greatly enhanced employees' awareness of safety and created a good safety atmosphere.



Social – Health & Wellbeing Week

We believe strongly that the whole person comes to work. We mean this to say: The health and well-being of employees directly affects workplace safety, productivity and the quality of the work we perform. A week in October is dedicated to raising awareness about mental and physical wellbeing with different activities globally and locally.

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Budapest site focused on promoting a healthy lifestyle through initiatives such as a healthy breakfast program, stress-relief yoga sessions, and activities encouraging physical movement. To further emphasize the importance of regular health screenings, a mobile lung screening unit was made available on site. The program was well-received by employees, with high participation and positive feedback highlighting the value of workplace health initiatives.

Taizhou encouraged employees to go hiking, to feel nature, relax, and exercise. Employees participated in the activity with their children and families. They gave feedback that this activity is very meaningful.

Copenhagen has a strong focus on health and wellbeing. Our health care provider created a health check called "winter fatigue" containing vitamin D examination, blood pressure and blood glucose monitoring. This examination was very popular, and in some cases, colleagues even discovered unknown diseases. We also offered the flu vaccine as every year. On top of all above examinations, we had a Team event "Xellia OL games" with fun outdoor activities for two weeks on a do-it-yourself practice.

EHS Initiatives - Taizhou

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Global Safety Month Celebration

9



10



Fire Emergency Drill

11



12



13



Respirator Fit Test

14



15



Fire Safety Training

EHS Initiatives - Budapest

16



Vision check

17



Respiratory protection training

5



On-site Mobile Medical Screening

7



Healthy Breakfast Program

18



Emergency Response

19



20



Fire Safety Training

21



Social – Diversity, Equity and Inclusion

As a truly international company Xellia benefits from a diverse and multicultural workforce with more than 50 nationalities, spread across sites located in the United States, Denmark, Norway, Hungary, Croatia, China, India, Japan and the United Arab Emirates.

Diversity Target

Diversity and equal opportunities for all are key to our success. We have an integrated, open, and transparent culture built on mutual respect, trust, and accountability. We benefit from a diverse and multicultural workforce across the Xellia sites. All employees at Xellia are responsible for treating one another with dignity and respect. This is integrated into our values and is included in our Code of Conduct. One of our long-term sustainability goals is to achieve greater gender equality by ensuring a representation of >45% women for all managers, HighPerformers, and successors.

By the end of 2024, the Xellia Group employed a total of 1,224 individuals, consisting of 532 females and 692 males, representing 43.5% and 56.5% of the workforce, respectively. The gender distribution shows a slight increase from 2023, when 42.6% of employees were female. Among people managers, there were 68 females and 126 males, comprising 35.1% and 64.9% of the leadership, respectively.

In 2024

35.1%
of women in
managerial positions

Governance - Responsible Supply Chain

In 2024, Xellia continued its EHS (Environment, Health, and Safety) and Sustainability audit program, aligning with the framework established by the Pharmaceutical Supply Chain Initiative (PSCI). As a committed advocate for ethical business practices, we recognize the paramount importance of fostering transparent and sustainable relationships with our suppliers. Upholding ethical labor standards and safeguarding human rights throughout our supply chain remains central to our corporate values. Actively participating in PSCI, Xellia collaborates with industry peers to champion transparency and advance responsible supply chain practices.

Building upon our commitment in 2022, Xellia continued the Xellia Responsible Sourcing policy, underpinning our dedication to ethical business conduct. Our objective is to assess the sustainability maturity of our key suppliers and diligently monitor their alignment with our Responsible Sourcing Policy. Through these initiatives, we strive to cultivate a supply chain characterized by integrity, sustainability, and social responsibility.

In 2024

51%

of suppliers are aligned
with the Responsible
Sourcing Policy

Governance - Responsible Business

At Xellia, our dedication to responsible business practices is unwavering. With a global presence, we diligently adhere to the regulations established by relevant authorities across all territories of operation. The CEO and COO shoulder the primary responsibility for steering Xellia's business and operations toward sustainability. Each aspect of sustainability is overseen by a senior leader tasked with setting ambitious goals, defining targets, and spearheading initiatives. Regular reviews within the Sustainability Committee ensure alignment with company objectives, track progress, and maintain a focus on key initiatives.

Our commitment to sustainability is manifested in Xellia's Sustainability Policy. This policy is reinforced by a comprehensive array of subject-specific guidelines, including the Code of Conduct, EHS Policy, Data Ethics Policy, Responsible Sourcing Policy, Tax Policy, Anti-Bribery Guidelines, and Group Whistleblower System Policy. These policies serve as daily guides for our operations, ensuring that we uphold our pledge to ethical conduct and responsible corporate citizenship at every turn.

Governance

– Code of Conduct

The Xellia Code of Conduct contains our values and standards for ethical business conduct and reflects our commitment to meeting the expectations of our stakeholders. The code sets out the principles that all employees must adhere to in key areas essential to our business, including compliance and fair dealings. The code is designed to assist all Xellia employees in making the right choices when faced with difficult situations and to remind each employee of their legal and ethical obligations. It forms an integral part of the terms of employment for every Xellia employee and new employees receive a copy of the Code of Conduct and all senior management employees are required to certify their compliance with the Code of Conduct annually.

It is therefore included in our long-term sustainability targets to ensure that all employees are aware of the Code of Conduct to secure sustainable development. All employees are expected to make every effort to ensure full commitment. Xellia will not tolerate any wrongdoing under the Code of Conduct, and we will support all employees who report violations, as well as those who request assistance or have concerns. Any alleged or suspected cases, where the Code of Conduct has or may have been violated, are investigated by our appointed compliance function, as stated in the Group Whistleblower System Policy.

In 2024

100%

Employees
committed to the
Code of Conduct

Governance

- Data Ethics & Data Protection

Xellia has implemented policies and procedures related to the EU General Data Protection Regulation (GDPR) in all areas, which are supported by training on our policies and included in the use of data and design and implementation of technologies, especially new technologies, used for processing. The Xellia Data Ethics Policy, also included in the Xellia Sustainability Policy, describes how data ethics are considered data within Xellia. This policy applies to all employees at Xellia Pharmaceuticals (New Xellia Group A/S and its subsidiaries) and applies to all forms of data processing.

Xellia requires introductory and annual refresher training on the principles of Data Integrity – how we maintain and assure the accuracy and consistency of both handwritten and electronic data over its entire data life cycle. Our Data Integrity courses are offered in both e-learning and instructor-led formats, and support Xellia's policies on data ethics.

Our data ethical values:

- We work with data minimization and data protection by design and default when we develop new products
- We strive to ensure that our use of data is not discriminatory towards e.g. gender, ethnicity, or communities
- We work with data in an open and transparent manner
- We strive to ensure that data is not used in a way which misleads customers
- We strive to ensure that our users get as much value as possible out of the data we collect
- We are conscious that the data we collect can be of use for some, a burden for others and be misused unintentionally
- We strive to ensure diversity in our staff with data expertise – in terms of skills, environment, and background
- We strive to ensure that we possess the necessary competencies to handle data ethical dilemmas
- We strive to ensure that our partners process data the way we would ourselves in compliance with the GDPR and our standards

Governance - Anti-Bribery Guidelines

At Xellia we value integrity and openness, and we are committed to a high level of compliance in all aspects of our business. Based on this we expect from ourselves not to participate in bribery or corruption under any circumstances. We meet the same expectation from our customers as well as our owners and from legislators around the world. As such there is a risk of reputational damages and monetary fines if our anti-bribery guidelines are not followed. Xellia's anti-bribery program aims to ensure compliance with applicable laws and regulations, covering amongst others, the following areas: interactions with healthcare professionals and healthcare organizations, sales and marketing of our products, third party management and risk screenings, and gifts and hospitality.

This includes periodic risk assessments, due diligence procedures for third-parties and other certain business. All relevant employees receive regular training in the program and training in anti-bribery and anti-corruption is part of our Code of Conduct training. Xellia will continue with periodic risk assessments, due diligence procedures and employee training and regularly assess if further activities are required.

Governance

Group Whistleblower System Policy

Xellia's Whistleblower System has been established to substantiate and support Xellia's commitment to ensuring responsible and ethical business behavior in accordance with Xellia's Code of Conduct. Through this system, Xellia aims to increase the likelihood of early detection of possible serious illegal or unethical misconduct, whereby Xellia will be better equipped to minimize the damages of such wrongdoing and to establish the proper preventive measures.

Conflict of Interest

Business decisions must be made independently, free of conflicts of interest, and on an objective basis to maintain our good reputation.

We have established procedures, including the pre-approval of any 'related party' transactions by the Board of Directors, as well as an annual certification of compliance by all senior employees.

Global Sustainability Commitments

Xellia commits to its sustainability principles to ensure a sustainable development through memberships and engagements with the following organizations and sustainability initiatives

- Antimicrobial Industry Alliance
- Critical Medicines Alliance
- EcoVadis
- ILO (International Labor Organization) - Declaration of Fundamental Principles of Rights at Work
- PSCI - Pharmaceutical Supply Chain Initiative
- UN Global Compact
- UN Women's Empowerment Principles
- UNFCCC 2015 Paris Declaration
- Universal Declaration of Human Rights
- 2030 Agenda and the UN SDGs

The logo for Xellia Pharmaceuticals features the word "xellia" in a bold, lowercase, dark blue sans-serif font. Below it, the word "PHARMACEUTICALS" is written in a smaller, uppercase, dark blue sans-serif font. The background is a light teal color with several large, overlapping, semi-transparent circular shapes in various shades of teal and light blue, creating a modern, abstract design.

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