

ESG REPORT 2024

Environment | Social | Governance



Foreword by the **CEO and CFO**

"As the new CEO of DFE Pharma, I am deeply honored to join a company that has already made significant strides in sustainability. I am thrilled to be part of this journey and to build upon the strong foundation that has been established.

Our commitment to sustainability is not a one-time effort; it is an ongoing dedication. We are resolute in our mission to continually challenge ourselves to reduce emissions, enhance the sustainability of our supply chain, and embrace innovative solutions that create value for all stakeholders while safeguarding our planet."



Sven Abend

Chief Executive Officer
(CEO)

"In 2024, DFE Pharma reached extraordinary milestones, such as achieving the EcoVadis Gold Medal, a recognition of our exceptional sustainability performance. We have also gained approval from the Science-Based Targets initiative (SBTi), validating DFE Pharma's ambitious and scientifically grounded commitment to reducing greenhouse gas emissions. These achievements reflect the hard work, foresight, and dedication of everyone at DFE Pharma and they validate our ongoing commitment to advancing in ESG (Environmental, Social, and Governance)."



Clemens Groot Koerkamp

Chief Finance Officer
(CFO)

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About this REPORT

Scope

DFE Pharma Group

Reporting Scope

In this annual ESG Report of DFE Pharma, including its subsidiaries, we present the results concerning sustainability in the areas of environment, society, and governance. We use the integral Environmental, Social & Governance (ESG) framework.

In this way, we assume responsibility for transparent and fair reporting. We also show the steps that we are taking concerning sustainable business, which we hope will contribute to a better world.

This report voluntarily informs our stakeholders about our strategy, commitments, and progress regarding our environmental, social, and governance aspects. Our headquarters are located at Klever Strasse 187, 47574 Goch, Germany.

For a few ESG topics, the scope has been expanded to include DFE Pharma's value chain (from suppliers to customers) if the materiality analysis shows that DFE Pharma has a material impact on these topics within the value chain, or that these have a material impact on DFE Pharma.

This report covers the activities of the year from January 1 to December 31, 2024. Unless otherwise stated, this report includes information and the consolidated figures of DFE Pharma Group. It is published in English on our website.

Standards

GRI Standards 2023

Standards

DFE Pharma has voluntarily applied the framework of the Global Reporting Initiative (GRI) to report on ESG themes. This report has been prepared with reference to the Global Reporting Initiative (GRI) Standards 2023.

The greenhouse emission figures were produced according to the Greenhouse Gas Protocol (GHG Protocol). DFE Pharma uses EcoVadis to measure the progress of its ESG journey. As such, we participate in an annual assessment.

In 2024, DFE Pharma's reporting was consolidated into Royal Friesland Campina's framework for CSRD compliance, while we continue our broader sustainability reporting independently. The 2024 data are reported in this ESG report.

Aspects

Environmental | Social | Governance

Materiality

A crucial step in our readiness for CSRD has been achieved by performing a double materiality assessment in 2023 to determine the ESG issues relevant to DFE Pharma and its stakeholders. The materiality analysis was performed according to the double material assessment following the European Sustainability Reporting Standards (ESRS).

Our PURPOSE

About us

Over the past 125 years, we have delivered premium-quality excipients and expert solutions that make a meaningful impact. We achieve this through a reliable and efficient supply chain that pharmaceutical companies — and the people benefiting from their treatments — can trust.

For our customers and their patients, now and in the future, DFE Pharma is committed to protecting our world. Our environmental, social and governance (ESG) commitments strengthen our partners' sustainability credentials and drive positive change for both people and the planet. Guided by our purpose: "Your medicines, our solutions. Moving to a healthier world," we strive to make a difference every day, everywhere.

Our vision is to remain a global leader in sustainable and future-proof excipients. We are dedicated to being a trusted formulation and excipients expert with a truly global presence. By leveraging digitalization and staying close to our customers, we aim to deliver even greater customer service. We are ready to lead the delivery of solutions in all our product categories with the highest standards.

About our market and customers

The importance of ESG continues to grow in the (bio)pharmaceutical sector, as the industry faces increasing demands and expectations from stakeholders, including regulators. Many companies in this field are incorporating ESG into every facet of their corporate strategies. At DFE Pharma, we embrace, support and actively encourage collaboration among all stakeholders to drive sustainable change, fostering cooperation throughout our entire value chain to enhance overall ESG performance.

About environment and society

By setting ambitious ESG targets, we strive to create a positive and lasting impact — not just within the communities where we live and work, but on a global scale. These ambitions are deeply embedded in our company culture, reflecting our values, behaviors and purpose.

Customers come first



Respect always



Committed to integrity



Take accountability



Better every day



Your medicines,
our solutions.
**Moving to a
healthier world.**

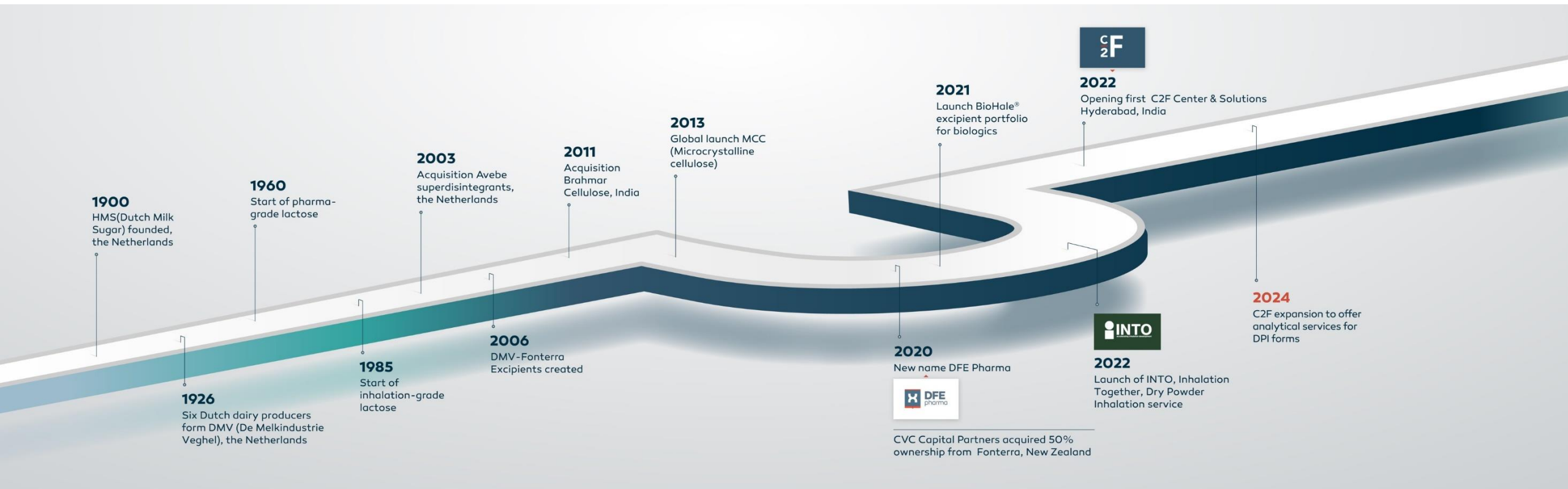
*"We have embedded sustainability
into our corporate strategy"*

Our HERITAGE

Our legacy – dating back more than 100 years

Building on more than a century of heritage, we strive for customer satisfaction from formulation development to excipient delivery, by leading in quality and global supply. We are focused on supporting our customers toward reaching their time-to-market goals.

When it comes to health, patients and consumers deserve nothing but the best solutions. We offer a broad portfolio of more than 200 premium products. Globally, over 80 percent of global dry powder inhalers and almost one of every two lactose excipient tablets use DFE Pharma products. Below, you can see our history.



Governance of ESG at DFE Pharma

Embedding ESG into our corporate strategy

It is of key importance for us to ensure that our ESG strategy is sufficiently linked and embedded in our overall corporate strategy. Our goal to develop and supply sustainable products confirms this.

Governance of the ESG Strategy

The Leadership Team defines the ESG strategy and relevant targets in consultation with the Governance Board.

The ESG Steering Team shapes the ESG Strategy. This team also tracks progress and ensures that the ESG actions and initiatives comply with the overall corporate strategy.

The ESG Team facilitates the overall ESG Program, engages with different stakeholders, and executes the materiality assessments. The team also ensures coordination across different departments and supports ESG-related actions and initiatives.

The ownership and responsibility for driving action on ESG are shared by the different departments.



2024 IN NUMBERS



5000 Customers



446
Employees



26%/ 74%
Female-Male Ratio
(worldwide)



37
Nationalities



More than
100 years of
experience



More than
200 excipients



Exporting to more
than **100 countries**



826 k tons
Total GHG emission



2 shareholders
Royal Friesland Campina
& CVC Capital Partners



7
Sales Offices



5
Manufacturing
Sites



Center of Excellence
“Closer to the Formulator”

Strategic Framework: Three Focus Areas

The structure of our ESG report is based on our strategic framework, which was defined by the materiality analysis conducted in 2023. More information about the materiality analysis can be found in the appendix.



Sustainable excipients

Focusing on the environmental impact of our lactose and plant-based excipients

Covering materiality topics:
Greenhouse gas emissions and product circularity



Healthy, biodiverse world

Focusing on the impact of our sourced inputs on biodiversity, animal welfare and health

Covering materiality topics:
Biodiversity and animal welfare & health



Positive, inclusive and safe culture

Focusing on the impact of its people within DFE Pharma's internal organization

Covering materiality topics:
Safety, health & wellbeing; diversity, equity and inclusion

AMBITIONS

We supply the most sustainable lactose and plant-based excipients.

We collaborate with our suppliers to foster nature-positive sourcing.

We attract and retain diverse talent and create a way of working where employees feel safe, valued, and contribute to success.

Fundamental Themes: **Business conduct & transparency** and **Data & information security**

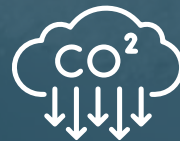
Your medicines, our solutions.
Moving to a healthier world.



SUSTAINABLE EXCIPIENTS

DFE Pharma takes responsibility for delivering its solutions and products in an environmentally friendly manner.

Decarbonization of our operations and sustainable packaging contribute to our efforts to limit our impact on the environment.



**Reduction of greenhouse gas
emission**

according to SBTi target



**Fully recyclable packaging
in own production
by 2030**

Our Contribution to Climate

Our emissions profile

As part of our commitment to sustainability, we closely monitor and manage our greenhouse gas (GHG) emissions in accordance with the GHG Protocol, which categorizes emissions into three scopes. Scope 1 includes direct emissions from our facilities and company vehicles, accounting for 1% of our total footprint. Scope 2 covers indirect emissions from purchased electricity, steam, heating, and cooling, also representing 1% of our emissions. The majority of our emissions fall under Scope 3, which encompasses indirect emissions from our value chain, including suppliers, transportation, and product use. A significant portion of our Scope 3 emissions is related to FLAG (Forest, Land, and Agriculture) activities due to our reliance on natural raw materials.

Why Scope 3 FLAG matters for us

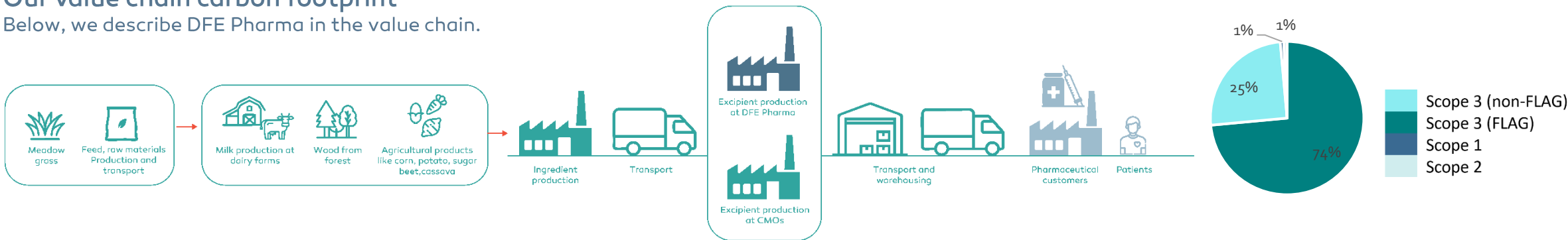
For our company, Scope 3 emissions – particularly those from FLAG activities – constitute the majority of our carbon footprint. This is especially relevant since many of our key raw materials, such as lactose, wood pulp, and cotton, are nature-derived. Addressing these emissions highlights the importance of working closely with our suppliers and optimizing our value chain to achieve meaningful and long-term emission reductions. By addressing Scope 3 FLAG emissions, we can make the most significant impact on our overall sustainability goals.

Life Cycle Analysis

The cradle-to-gate Life Cycle Analysis (LCA) we conducted enables us to assess the environmental impact of our products – from raw material extraction to manufacturing. This assessment has helped us identify key emission hotspots, which we have translated into targeted reduction measures at specific locations. Looking ahead to 2025, we are focusing on improving data accuracy by validating our environmental footprint across the supply chain. To support this, we are in the process of engaging a third-party verification to ensure the credibility of our data.

Our value chain carbon footprint

Below, we describe DFE Pharma in the value chain.



Scope 1&2 Energy usage

At DFE Pharma, we are committed to reducing our environmental impact and driving sustainable operations. A key focus of our efforts is decreasing energy consumption across our own operations. All our production sites are ISO 14001 certified, underscoring our commitment to environmental management.

This year, our total energy consumption and energy intensity have increased, primarily due to the commissioning of our new MCC capacity expansion project in Cuddalore.

A closer look at our energy mix reveals that while non-renewable energy consumption remained roughly the same, renewable energy usage nearly doubled. The rise in total energy consumption is largely attributed to the new plant. It is fueled by a biomass boiler, explaining the increased use of renewable energy. During the transition period, the old plant with its fossil fuel boiler remained in operation to meet market demand. This will be phased out during 2025 as per plan.

This parallel operation has temporarily increased overall energy use, as the transition to renewable sources is still underway. The shutdown of the old plant is planned for the end of Q1-2025, after which significant reductions in total greenhouse gas emissions are expected. Moving forward, we remain committed to optimizing our energy efficiency and accelerating our shift toward a more sustainable energy mix.



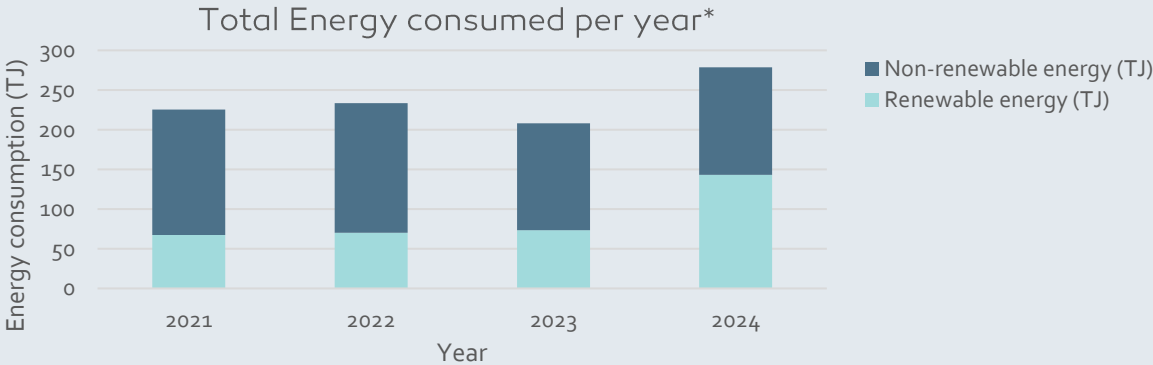
Efficiency

The two key drivers for our energy reduction strategy are optimizing manufacturing processes for efficiency and transitioning away from fossil-based energy sources.

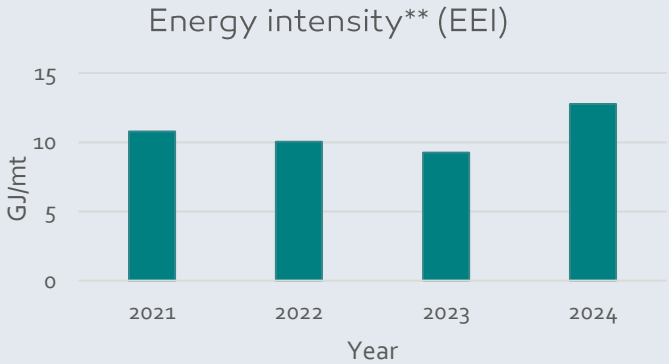


Sustainable sources

These initiatives lay the groundwork for long-term efficiency gains and emission reductions, aligning with our sustainability goals.



* Updated from last report as Units were given in MJ instead of TJ.



** Energy Intensity = Energy consumption per ton of final goods produced

Greenhouse Gas Emissions – Scope 1&2

DFE Pharma is committed to a 42% reduction of GHG emissions by 2030 within its Scope 1&2 versus the 2021 baseline year.

As part of our commitment to reducing greenhouse gas (GHG) emissions, our Scope 1&2 targets have been officially approved by the Science Based Targets initiative (SBTi). We have set a goal to reduce absolute Scope 1&2 emissions by 42% by 2030, using 2021 as our baseline. This target includes land-related emissions and removals from bioenergy feedstocks, reflecting our holistic approach to emissions reduction. This is in line with the Paris Agreement to limit the planet's warming to less than 1.5°C.

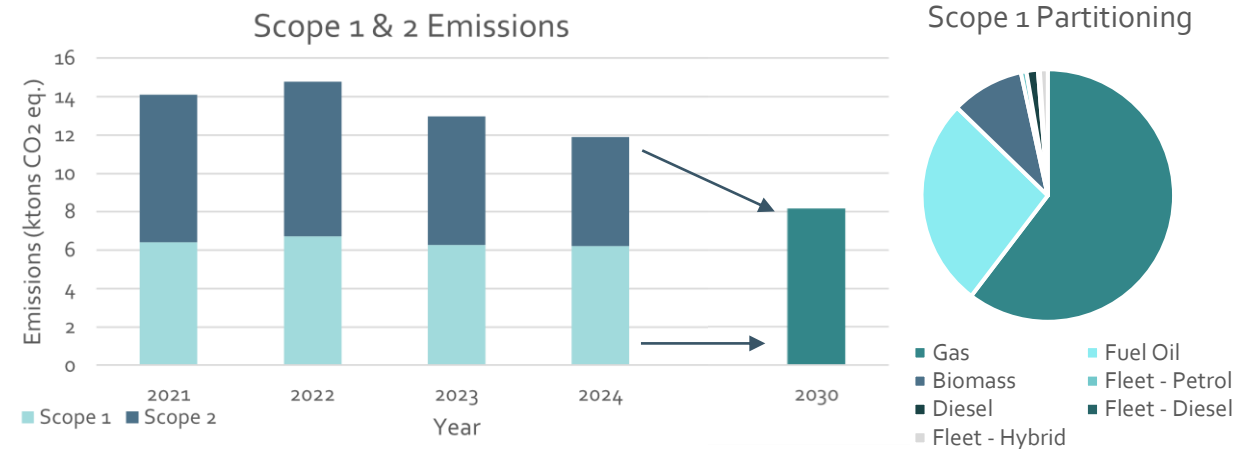
A closer look at 2024:

The following major milestones were completed:

- All EU sites are running with 100% green electricity
- Science-Based Target initiative (SBTi) near-term target approval
- Green update of car lease policy

2025 and onwards

In 2025, we will phase out the use of fossil oil at our Cuddalore site, marking a significant step in reducing our Scope 1 emissions. Additionally, we will explore further opportunities to minimize our direct emissions and enhance sustainability across our operations.

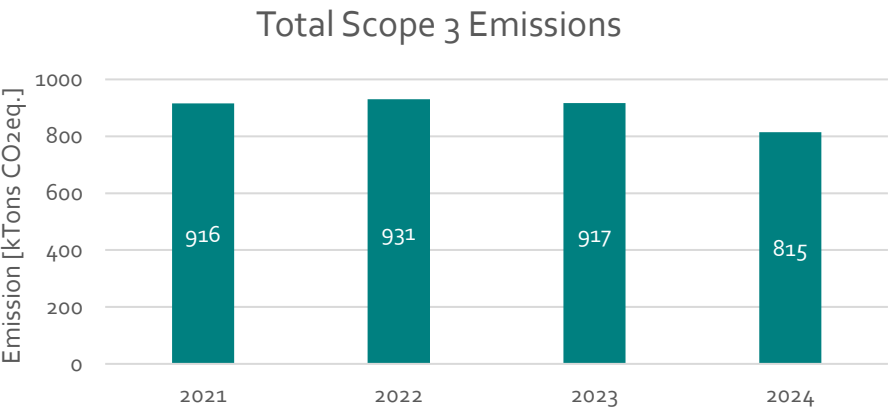


Investments into improvement

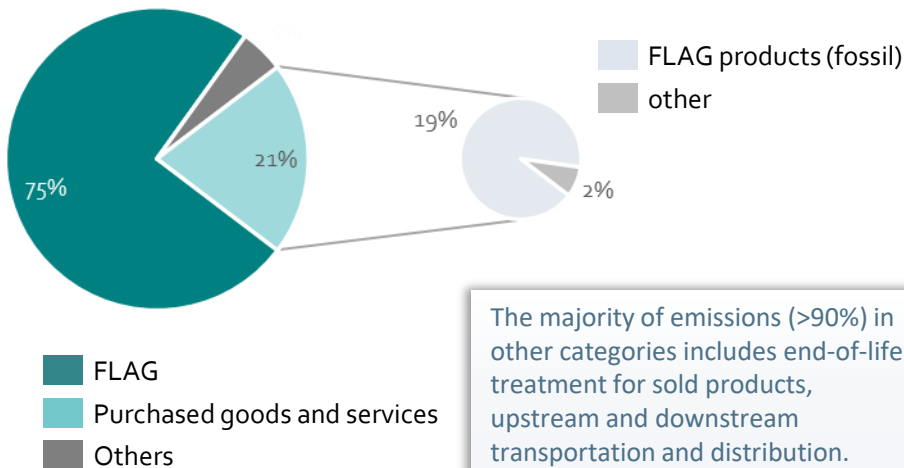
In 2024, we updated our car lease policy: Every newly ordered vehicle in Germany and the Netherlands from now on will be electric. We expect that within the next 4 years, our whole fleet will be fully electrified.

In 2025, we continue to take significant steps to enhance energy efficiency and reduce emissions across our operations. This includes strengthening data collection to track energy use and adopting energy management software where applicable. Roadmaps are in place to monitor our progress toward the 42% near-term reduction target, assessing risks, feasibility and potential gaps.

Greenhouse Gas Emissions – Scope 3



The Scope 3 carbon footprint is mainly driven by FLAG emissions and purchased goods & services, with most emissions linked to fossil fuel use in FLAG production. Achieving our reduction goals relies on strong supplier collaboration to drive more sustainable practices.



The majority of emissions (>90%) in other categories includes end-of-life treatment for sold products, upstream and downstream transportation and distribution.

“SBTi has approved DFE Pharma’s near-term targets, aiming for a resp. 42% and 30.3% absolute reduction of Scope 3 and Scope 3 FLAG emissions by 2030 compared to 2021”

In 2024, we recalculated our Scope 3 emissions for 2021-2024 using more specific data sources. 94% of our emissions are now based on supplier-specific, amount-based data. Of this, 80% comes directly from farm-level data provided by our lactose suppliers – a rare level of detail that sets us apart in the industry. Additionally, 4% of emissions are calculated using amount-based industry averages, while the remaining 2% are based on financial proxies from open-source databases. Our data quality ensures great accuracy and reliability in our emissions reporting.

In 2024, we recorded an 11% reduction in Scope 3 emissions compared to our baseline year. This positive development underscores the potential for emission reductions within our supply chain. To build on this momentum, we are committed to achieving sustained improvements through continued supplier engagement and enhanced sustainable-sourcing initiatives, ensuring that true sustainability is embedded from the very start by fostering meaningful collaborations and partnerships.

A closer look at 2024:

DFE Pharma made progress in the collection of important data for a more accurate Scope 3 calculation. The following milestones were completed:

- Recalculation of Scope 3 emissions after the discontinuation of the Quantis tool with enhanced data quality
- Approval of SBTi near-term targets in line with 1.5°C for Scope 3 and Scope 3 FLAG emissions

2025 and onwards

DFE Pharma will further collaborate with its suppliers toward the reduction of Scope 3 emissions.

Product Circularity – Sustainable Packaging

Roadmap

Product circularity is a key topic for DFE Pharma, and we are committed to integrating sustainable packaging practices into our operations. As part of our strategy, we focus on three core areas: recycling, reducing and reusing.



Recycle: Our goal is to ensure that all packaging materials used in our operations are 100% recyclable by 2030.



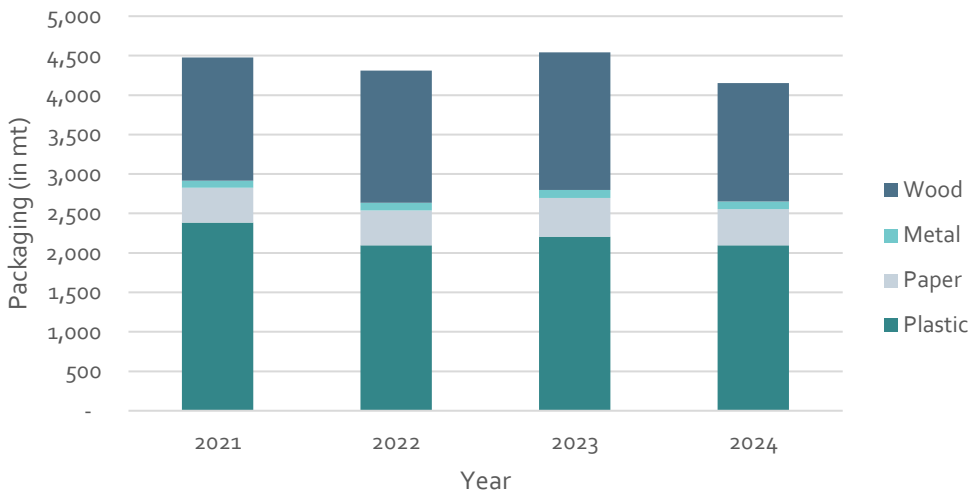
Reduce: We are committed to continuously reducing and optimizing packaging materials, with a target of achieving a 25% reduction in plastic use by 2030. Ongoing evaluations and innovations in packaging design are central to this effort.



Reuse: We consistently promote the re-use of packaging materials wherever possible, encouraging circular solutions across our operations and with our partners.

To support this, we have developed a comprehensive database to assess the current status of our packaging materials. Specific actions have been identified and will be followed up in the coming years. While we have made significant progress, we are still gathering complete data from packaging used by our contract manufacturers. Since all packaging in our operations is in scope, we are actively working to close these gaps to ensure full alignment across our supply chain.

Packaging Material (metric tons)



In 2024, we continued our journey towards more sustainable packaging, recognizing its growing importance within our value chain. Driven by customer expectations and evolving legislative requirements, we remain committed to achieving fully recyclable packaging by 2030. Our focus lies on the recyclability of packaging materials used in our production processes to ensure our products are packaged responsibly.

The slight change in the amount of packaging that is reported in the graph above is due to an improvement in data quality.



HEALTHY, BIODIVERSE WORLD

DFE Pharma is focusing on the impact of our sourced materials on a healthy and biodiverse world by collaborating with our suppliers.



Biodiversity

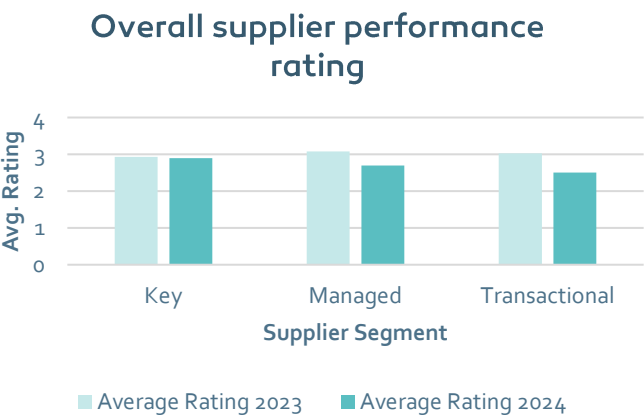


**Animal health
& welfare**

Sustainable Sourcing

Fostering sustainable practices in supplier partnerships

At DFE Pharma, we foster a collaborative environment with our suppliers in advancing sustainability-related initiatives. All business partners of DFE Pharma are required to adhere to our Business Practice Statement and as of 2025, the Responsible Sourcing Policy. These outline expectations related to compliance, ethics, human rights and support for sustainability. The overall performance of our suppliers (by numbers) is rated annually based on four criteria: sustainability, product quality, cost delivery, and responsiveness. The average score in sustainability in 2024 was 3.0.



Enhanced supply chain ESG risk management

In 2024, DFE Pharma began using EcoVadis IQ Plus* to enhance our supply chain risk management and sustainability strategy. This advanced tool allows us to efficiently monitor and evaluate the sustainability performance** and risks of our suppliers across key areas, including labor and human rights, ethics, environmental impact and sustainable procurement. Our strategy at DFE Pharma is to actively engage with suppliers on sustainability matters, driving continuous improvement. If specific performance criteria are not met, a corrective action process is implemented to ensure alignment with our expectations. In 2024, we assessed 100% of our suppliers (based on external spend) for Corporate social responsibility risks using EcoVadis IQ Plus, reinforcing our commitment to responsible sourcing and sustainable supply chain practices.

Actions

For 2025 and beyond, we aim to develop and test approaches along with our suppliers to improve sustainability in the supply chain and minimize risks.

**The IQ Plus risk tool considers industry segment risk, country risk and EcoVadis score from the complete database.*
***The EcoVadis assessment of these suppliers aims to include requesting evidence of actions related to energy, GHG emissions, waste etc. – as well as data on whether initiatives to reduce GHG emissions in supplier's own supply chain are implemented.*



Biodiversity and Animal Health and Welfare rating process

As part of our commitment to fostering sustainable supply chains, we have introduced a new Biodiversity Rating process for our suppliers.

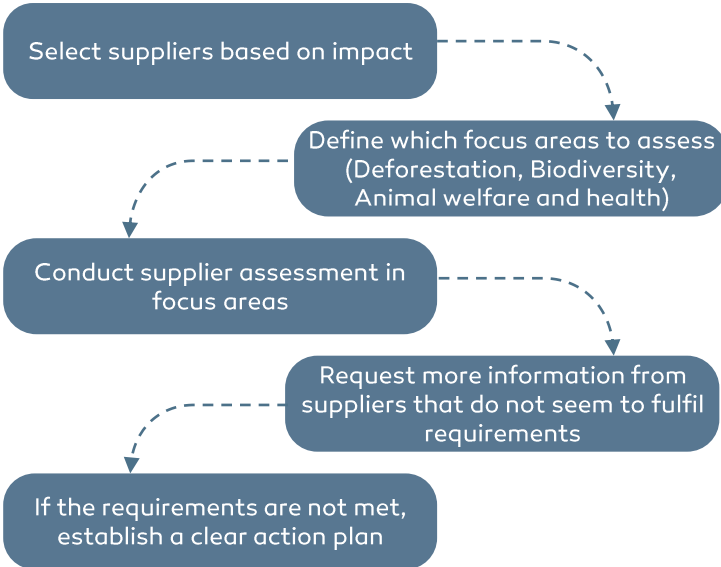
This process evaluates suppliers on three critical pillars: deforestation prevention, biodiversity conservation, and animal health and welfare. By assessing these dimensions separately, we aim to gain a detailed understanding of each supplier’s sustainability practices and encourage continuous improvement.

The rating process is designed to measure suppliers’ progress across a spectrum of sustainability milestones:

- Acknowledgement: At the foundational level, we assess whether suppliers recognize the importance of these topics and address them in their communication.

- Policy Integration: Next, we examine whether these issues are incorporated into formal policies, reflecting a structured commitment to sustainability.
- Project Implementation: We evaluate the existence of concrete projects aimed at tackling deforestation, protecting biodiversity, or improving animal welfare.
- Certification: In the most advanced stage, we look for verified certifications that demonstrate compliance with global standards in these areas.

With the launch of the program, our top suppliers with 49% of our revenue-based volume, have already been evaluated using this rating framework, with a focus on FLAG suppliers. The results indicated that no immediate supplier risks were identified within the current assessment scope. This initial implementation marks a significant step in aligning our supply chain with our environmental, social, and governance (ESG) goals.



Through this process, we not only identify areas of excellence but also highlight opportunities for collaboration and improvement, supporting suppliers in their journey toward more sustainable practices. By embedding this rating system into our procurement strategy, we aim to drive meaningful impact across our value chain and contribute to the global effort to protect biodiversity and promote sustainable development.



“We collaborate with our suppliers to foster nature-positive sourcing.”



POSITIVE, INCLUSIVE AND SAFE CULTURE

At DFE Pharma, we attract and retain diverse talent and create a way of working where employees feel safe, valued, and contribute to success.

We believe in zero accidents and take care of the health and well-being of our employees. We value and encourage the wide diversity of our teams all over the world, and we strive together to make a positive impact on the communities we work and live in.



**Safety, health and
well-being**



**Diversity, equity
and inclusion**

Employee Safety

“Nothing is worth an incident” is the slogan used to underline our commitment to safety and to support all efforts needed to reduce the risk of incidents. We believe that all accidents can and must be avoided and work diligently to create a work environment with the lowest risks possible.

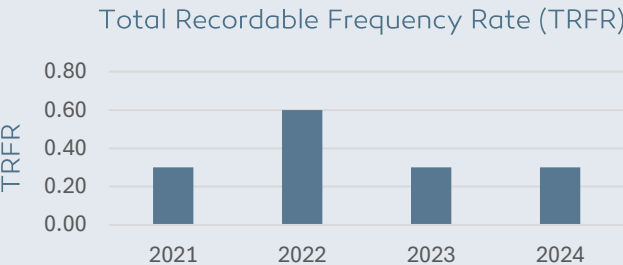
Our comprehensive Safety Program includes risk assessments, policies, procedures and employee training. Regular observation rounds by operators and managers help evaluate on-site safety, while toolkits support ongoing training. Open actions from risk assessments are tracked to ensure follow-up.

DFE Pharma monitors safety performance through key indicators like TRFR (see graph right) and conducts safety behavior assessments using Organizational Behavior Management methodology. These assessments revealed high employee engagement in safety – something we are proud of.

Technical Safety	
<i>“We continuously are fully compliant with changing regulations.”</i>	<ul style="list-style-type: none">• Safety compliance• Risk Identification and Evaluation
Behavior-based Safety	
<i>“We believe that people are key in safety and focus on our culture.”</i>	<ul style="list-style-type: none">• Safety behavior assessment• Organizational behavior management training
Communication & Awareness	
<i>“We share our best practices, report recordables and investigations.”</i>	<ul style="list-style-type: none">• News flashes• Dare2share• Safety/ ESG KPI reporting

The Three Pillars of Safety within DFE Pharma

In 2024, DFE Pharma introduced the Three Pillars of Safety, designed to enhance workplace well-being. These pillars focus on Technical Safety, Behavior-based Safety, and Communication & Awareness. The intention is to create synergy between the pillars. Traditional safety topics are covered in the first pillar to create and sustain knowledge and competences within safety aspects. The culture that is required to be successful is addressed in the second pillar. Spreading the knowledge and culture requires continuous reinforcement to sustain and improve the level of safety, which is the focus point of the third pillar.



TRFR = number of incidents per 200,000 hours worked on DFE Pharma locations (employees and external workers)

Priorities for 2025

For 2025, we will continue improvements in our Safety Program. Our primary focus will be on the execution of our Behavior-based Safety Program to take our safety performance to the next level. Organizational Behavior Management (OBM) was piloted with several projects in 2024 on our European sites to encourage strong feedback loops and collective building of a safe work environment. In 2025, the OBM training will be rolled out to the non-European DFE Pharma sites, and a second wave of projects on the European sites. Additionally, we will expand our machine safety assessment and implement technical and organizational follow-up actions as required.

Employee Health & Well-being

It is our responsibility to safeguard employees against work-related illnesses. At DFE Pharma, we take steps to assist our employees by offering different health and well-being activities, such as workshops on stress reduction, and regular medical check-ups. We encourage our employees to implement preventive health actions into their daily routines. Via different channels, like townhall meetings and our News Flash, we continuously remind our employees of the importance of their health.

Health check-ups and vaccination during 2024

To better protect the health and well-being of our employees, in 2024, we organized globally more than 9 different activities like health check-ups and vaccination appointments. In 2025, we are planning to organize physical and mental health checks for the Dutch locations and Goch (Germany). The outputs will be analyzed, and necessary actions will be defined.

Activities in 2024

Influenza vaccinations in Germany	Zen meditation in Japan
Health checks for diabetes prevention in Brazil	Ergonomic checks in Germany, the Netherlands and India
Health checks in India and Germany	

“We support employees in adopting preventive health habits.”



Employee Social & Sports Events

At DFE Pharma, we strongly encourage and enable our employees to have a good work-life balance. With social and sporting events, employees have the chance to connect with each other while also participating in something engaging and fun. Every global location is assigned to organize a local activity.

In 2024, DFE Pharma took part in 53 different social and sports events at global locations, such as the Mid-Fall Festival in China, monthly cricket and badminton tournaments in India, a hiking trip in Japan and many others, as well as organizing various events and celebrations.

Location	Number of Social & Sports Events in 2024
Brazil	1
China	12
Germany	11
India	17
Netherlands	5
New Zealand	4
Japan	3
Grand Total	53

“Enjoying sports and social activities together encourages employee engagement, creativity and purpose.”



Association and Collective Bargaining

At DFE Pharma, we know that social dialogue is important, and freedom of association and collective bargaining are fundamental rights that play a crucial role in fostering a fair and productive workplace environment.

At DFE Pharma, 40% of our employees are represented by a Collective Bargaining Agreement in Germany, the Netherlands, New Zealand and India. Each of these agreements were updated in 2024.

Works Council/ Trust Representatives		
Location	Number of Representatives	No. of Employees Represented
Goch	5 Works Council Members	102
Nörten Hardenberg	5 Works Council Members	76
Netherlands	5 Works Council Members	84
Global	4 Global Trust Representatives	458

Collective Labor Agreement Representation	
Germany	60 Employees
India	71 Employees
Netherlands	44 Employees
New Zealand	6 Employees



Working Conditions

Our people strategy fosters a high-performance and inclusive environment where the talents and skills of our employees are developed. We believe that all of us at DFE Pharma can contribute to sustainability.

Benefits provided to employees

An analyses of the benefits was performed in 2023. It showed that DFE Pharma offers numerous benefits in addition to governmental support e.g., company pension, life insurance, travel and accident insurance, disability coverage. The next analysis will be done in 2026.

Training

In 2024, DFE Pharma did an analysis of all global registered trainings that have been conducted. In total, 6.738 training hours were completed by 468 employees and external workers. This makes an average of 14 training hours per year per employee. The short-term plan is still to implement a global training tool to register all trainings for the purpose of more transparency and data analysis. Currently, a manual registration is in place.

Annual Objectives Setting

The performance management system was updated with a personal and mandatory ESG objective to stimulate the contribution of all employees to sustainability in 2024.

New Compensation Cycle

In 2024, we redesigned the Annual Compensation Cycle to create a more direct and simplified approach moving from fixed matrices to budget oriented merit increase. The goal was to empower managers, enhance transparency, and ensure a clearer, more streamlined process for all employees. This improvement strengthens our commitment to fairness and openness in compensation decisions.

Living Wage

As it is with highest importance for us that we ensure a fair and equal payment we did next to the annual payline benchmarking also a global analysis on living wage. We commit to pay on every 13 global locations we operate higher salaries than the defined living wage by "Fair Wage". The analysis was done based on the province data where we operate and household size of 2 adults & 2 children.



“We offer diverse training opportunities to help employees unlock their full potential while fostering a culture of inclusion.”

We Value Values, Purpose and Behaviors

In 2024, DFE Pharma proudly launched We Value, a framework designed to establish a shared behavioral guidance and common language across our company. Rooted in our motto *"Your medicines, our solutions. **Moving to a healthier world**"*. We Value is built upon five core values:



Over several months, we engaged all employees in interactive workshops, working in small groups to deeply connect with these values and integrate them into our daily work. These workshops were attended by 97% of our employees. The impact of these workshops was evident in the Engagement Survey conducted at the end of 2024, where the Purpose, Values & Behaviors topic received the highest score of 83%, emphasizing the effectiveness of this initiative in strengthening our culture. The year concluded with the We Value Award Ceremony, celebrating those who exemplified and promoted these principles.

Looking ahead, we remain committed to embedding these values into our daily processes. In 2025, our Leadership Team will host global sessions dedicated to each value, reinforcing our collective commitment to excellence and integrity in everything we do. Together, we continue to shape a culture that drives DFE Pharma forward.



Engagement Survey 2024

In 2024, DFE Pharma introduced a new survey platform from Culture Amp, a powerful tool designed to provide deeper insights into employee experiences and engagement.

This platform allows for real-time feedback, benchmarking, and action planning, enabling us to continuously improve our workplace culture.

Using this new tool, we conducted **the Engagement Survey** to better understand how employees feel about working at DFE Pharma and to drive engagement. For the first time, participation extended beyond office employees to include those at our production sites, resulting in an impressive **86% participation rate**. The survey covered a wide range of topics, including leadership; teams and managers; individual roles; company culture; Diversity, Equity & Inclusion; and more. The overall **Engagement Score was 76%**, reflecting a favorable sentiment across DFE Pharma.



In 2025, we are committed to driving meaningful improvements based on these results.

Managers will hold sessions with their teams to discuss the findings and develop action plans, while the Leadership Team will focus on implementing global initiatives to enhance engagement company-wide.



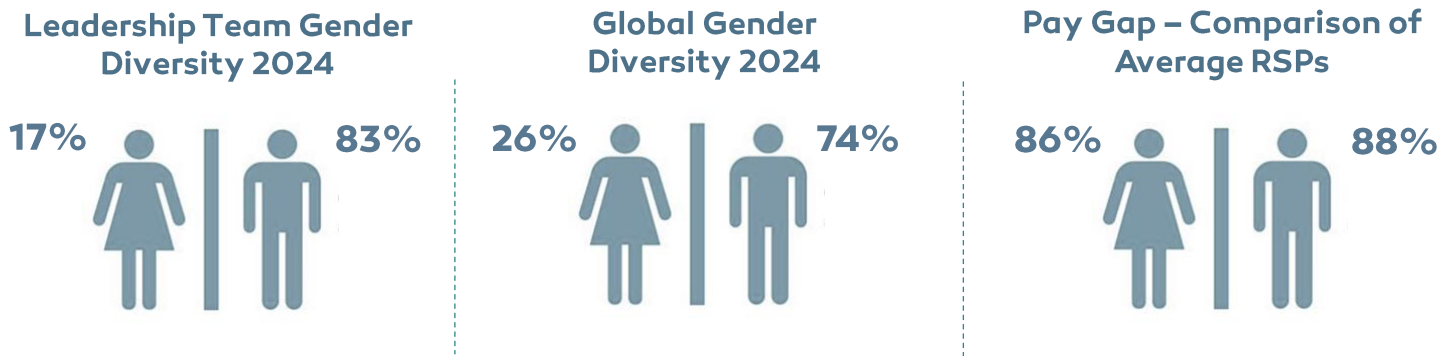
Diversity at DFE Pharma

We want to promote diversity within our workforce. DFE Pharma has over 35 nationalities among its employees. We aspire to extend a corporate culture where diversity and inclusion are integral.

DFE Pharma recognizes the value of having a diverse workforce and creating an inclusive workplace, where everyone feels valued, respected, and supported. The company believes that Diversity, Equity, and Inclusion (DE&I) initiatives can help drive innovation, improve decision-making, and ultimately lead to better business outcomes.

In 2023, DFE Pharma conducted an analysis on gender and age diversity. The governance bodies within DFE Pharma consist of the Leadership Team (Chief Executive Officer, Chief Finance Officer, Chief Operations Officer, Vice President Sales, Global Human Resource Director, and Global Business Director). One person is female (17%) and five are males (83%). One LT member is below 50 years, and the rest are above 50 years. The LT group consists of five Dutch and one Finn. The long-term goal is to maintain a balance of diversity regarding age, nationality and gender within the Leadership Team.

The minimal 2.1% difference in Relative Salary Position (RSP) between genders globally reflects our dedication to fostering diversity and ensuring fair compensation practices throughout our organization. Higher paylines in 2024 resulted in overall lower RSPs.



Our Plan for the DE&I Program

As a global company with customers worldwide, we will pursue a holistic diversity, equity, and inclusion approach that encompasses key topics for our stakeholders and for us. Our Diversity, Equity, and Inclusion (DE&I) program intends to further promote a fair and inclusive society. In 2024, DFE Pharma introduced a new DE&I strategy built on three key pillars: *Promoting Gender Equality, Embracing Diverse Cultures and Experiences, and Valuing Differences Across Generations.*

This strategy was developed in alignment with our *Values & Behaviors*, which were also launched in 2024, and is a crucial part of our *ESG Strategy*, supporting our commitments outlined in the *Double Materiality Analysis and Labor & Human Rights Strategy*.

We have defined clear KPIs to measure our progress and remain dedicated to driving meaningful change through ongoing efforts and continuous improvement.

DFE Pharma and our Communities

Growing social engagement with volunteering

As of 2024, all employees can volunteer for up to eight hours annually during their work schedule for a local organization. This initiative provides our employees with the opportunity to make a positive impact in their communities. In 2024, more than 17% of employees participated in volunteering activities.

Our long-term goal is to engage at least the majority of employees (min. 50%) to participate in those activities. To achieve this, the managers have to lead by example and in some locations, special organization groups have been defined to arrange for volunteering events to join.

DFE Pharma introduces donations policy to support communities

We recognize our responsibility to contribute positively to the communities around us. To go beyond our core daily business and to further enhance societal well-being, improve the lives of disadvantaged individuals, and contribute to a sustainable future, we launched the Donations Policy. Every DFE Pharma location can make a local donation aligning with our values and strategy to give something back to society. Each location is provided with a dedicated budget to support organizations that align with our three key pillars: Education, Healthcare and Environment. In 2024, we proudly donated €35,500 to more than 20 organizations worldwide, making a meaningful impact in communities across the globe.

In 2025, we will continue this effort, strengthening our commitment to creating a better and more sustainable future.

DFE Pharma's role in our science and contribution to open science

We believe that open science has the power to drive societal progress and advance the United Nations (UN) Sustainable Development Goals (SDGs). Making knowledge freely accessible to anyone, anywhere can play a fundamental role in achieving a sustainable and equitable future.

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



<https://doi.org/10.1016/j.powtec.2021.05.050>

“In 2024, we supported more than 20 social organizations.”



Labor and Human Rights

Human rights policy

DFE Pharma respects internationally recognized human rights throughout the value chain, in line with the UN guiding principles on Business and Human Rights and the OECD guidelines for multinational enterprises. The policy includes nine areas of focus, based on the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

- Access to water and sanitation facilities
- Right to life and safety
- Freedom of association and collective bargaining
- Child labor
- Forced labor
- Non-discrimination and equality
- Right to privacy
- Environmental impact of activities
- Access to remedy

Risk for incidents of child labor

DFE Pharma has 0% child labor and young workers globally within the employed population (direct and indirect). The long-term goal is to include suppliers in this measurement to become leaders by example and protect children's rights. We regularly check local IDs to make sure our 0% rule is being followed.

DFE Pharma is also aware of high-risk locations in Brazil and India. Brazil has no manufacturing facilities and only employs highly experienced personnel. For India per law, it is an offense to engage child labor in any work. The Indian team highlights the same to the service providers during the vendor selection process. Workers engaged under agency rolls / outsourced activities need to submit their EPF / ESIC (provident fund/insurance) credentials before they enter factory premises.

Check 1: No individual will get an EPF / ESIC membership number when they are less than 18 years old. Check 2: If a contractor does not submit this membership number for their employee, then entry to the factory premises will not be permitted. HR will verify the provided ESIC / EPF number in the EPF / ESIC government portal to ensure authenticity. This process ensures that no child labor is engaged in any work at our factory premises.

Risk for forced or compulsory labor

DFE Pharma has no forced or compulsory labor globally within the employed population (direct and indirect). Within DFE Pharma, we treat the local laws and our internal Compass, including Human Rights, with respect.

DFE Pharma follows the Compass and Speak-Up procedure. If we have an incident reported, we will take immediate action to analyze the case and escalate it to the leadership team, as this would be a breach of our own business policy.

DFE Pharma is strengthening its commitment to Labor and human rights by enhancing collaboration with our suppliers. For this, the Procurement department is working on the supplier scoring tool, EcoVadis IQ+, related to compliance, ethics, human rights, and support for sustainability.

In 2024 and 2025

All DFE Pharma locations will be part of the Human Rights Due Diligence process, including a Human Rights Risk Assessment for all locations, a combined digital and on-site. assessment.

GOVERNANCE

We believe in respectful, honest business relations and in showing deference for the world in which we operate.

Creating value while maintaining the confidence of stakeholders is the foundation of our reputation, our story and our future success.



**Business conduct &
transparency**



**Data & information
security**

Business Conduct

To ensure long-term success, DFE Pharma is committed to maintaining the trust and confidence of all its stakeholders. Guided by our Compass Principles — integrity, respect and transparency – we promote ethical behavior across the organization. Every new employee agrees to these principles during onboarding, and annual trainings on key policies, including Honest Business Practices, Fair Competition, and Data Protection, reinforce compliance and ethical awareness.

Training details	We Value workshops to introduce new values of DFE Pharma
	Training on Human Rights policy
	Inspirational sessions – Take accountability and Respect always

We foster a culture of integrity through an open and transparent environment, supported by our Speak Up Procedure. This procedure, accessible to all employees and business partners, explains when and how to raise concerns while ensuring confidentiality and identity protection. Oversight is provided by the Integrity Committee.

We also maintain high standards across our value chain by requiring all suppliers and service providers to adhere to our Code of Conduct for Business Partners. Our Code of Conduct reflects our core values within the context of ESG and serves as a guiding framework for our suppliers. It applies to all suppliers, and we actively encourage them to uphold and align with our Code of Conduct principles.

In 2024, we introduced Core values at DFE Pharma which reflect the principles set in our Compass, these are also derived from our vision and commitment to stakeholders. Each of the five values has been assigned to a representative from the leadership team, who conducts global inspirational sessions to enhance the ownership.

Apart from the core values, we have focused on refreshing our Compass to make it more appealing to our employees. We will launch our updated Compass in early 2025.



“We always act guided by our Compass Principles: integrity, respect and transparency.”

Data and Information Security

As our business increasingly depends on data and digital technologies, we prioritize high standards of data ethics and security to protect our information and that of our stakeholders.

Since 2022, our Cybersecurity Awareness Program has enhanced employee awareness and training, ensuring a secure digital infrastructure and effective collaboration with stakeholders on cybersecurity. We regularly conduct e-learning sessions and phishing tests to raise awareness.

Additionally, a colleague has received training to become a Certified Information Security Manager (CISM), further enhancing our capabilities in this critical area. Following up on a penetration test in a selected area of our business, we have taken actions to reduce and mitigate the identified risks. This process will now be an integral part of our Cybersecurity Risk Management.

Our goal is to embed cybersecurity deeply into our company's culture. We continuously assess and monitor potential hacking attempts to ensure the security and integrity of our systems. By learning from these attempts, we apply corrective actions to prevent future incidents and strengthen our overall cybersecurity posture.

DFE Pharma collaborates closely with stakeholders to ensure data security, regularly sharing and receiving information with external partners. In 2023, we began formalizing IT management requirements, including supplier management, to build an integrated system that ensures continuous service and security. Our workforce receives regular training on our Privacy Policy to safeguard information and ensure compliance with regulations like GDPR. We encourage encrypted file exchanges, and Local Privacy Officers (LPOs) oversee data processing compliance.

Looking ahead to 2025, we will continue to enhance cybersecurity by conducting penetration tests to assess the maturity of our IT systems. DFE Pharma has appointed two Cybersecurity Ambassadors to enhance awareness within the company.

Following the initial trials of our IT and OT supplier questionnaire, we plan to engage with our key suppliers in 2025 to gather their responses and ensure alignment with our standards.



EcoVadis Assessment

EcoVadis recognizes DFE Pharma for its outstanding sustainability efforts with a Gold Medal.

In 2024, DFE Pharma was awarded a Gold Medal by EcoVadis. With this recognition, DFE Pharma positions itself in the top 5% of all rated companies worldwide and includes scores above the industry average in all four assessed areas: Environment, Labor and Human Rights, Ethics and Sustainable Procurement.

EcoVadis has become the world's largest and most trusted provider of business sustainability ratings. DFE Pharma executes an EcoVadis assessment annually to track the progress of our ESG journey. In 2023, we were awarded a Silver Medal, and our continuous efforts have resulted in the Gold Medal for 2024.

DFE Pharma discloses its ESG targets and progress regularly.

Aligned with our transparency targets, we voluntarily release different information on our ESG journey. This enables stakeholders to conveniently gather the required information. Our policies outline the disclosure frequency, target audience and information. Once a year, we publish an ESG Report, which describes the performance of the previous year.



SBTi Target Approval

We are pleased to share that the Science Based Targets initiative (SBTi) has officially approved DFE Pharma's near-term and FLAG targets, confirming they meet SBTi's stringent criteria and recommendations. Our Scope 1&2 targets are recognized as being aligned with a 1.5°C pathway, the highest level of ambition within SBTi's framework. This designation highlights our commitment to the most ambitious standard of temperature alignment, reflecting our dedication to substantial and sustainable climate impact.

Commitments summary

- Scope 1&2: DFE Pharma commits to a 42% absolute reduction in Scope 1 and 2 GHG emissions by 2030, using 2021 as the base year.*
- Scope 3: We also commit to a 42% reduction in absolute Scope 3 GHG emissions from key areas – purchased goods and services, upstream transportation and distribution, and end-of-life treatment of sold products – by 2030.*
- FLAG targets: DFE Pharma commits to a 30.3% reduction in Scope 3 FLAG emissions by 2030, using 2021 as the base year.**
- Furthermore, DFE Pharma aims to achieve zero deforestation across all primary deforestation-linked commodities by December 31, 2025.

*Targets include land-related emissions and removals from bioenergy feedstocks.

**Targets include FLAG emissions and removals.



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

-42%
Scope 1&2

-42%
Scope 3

-30.3%
Scope 3
FLAG



APPENDIX



**ESG Performance
Data**



GRI Table



Glossary

Our Approach to Materiality Assessment

Our materiality assessment enables us to prioritize and properly manage the ESG risks and opportunities.

Double materiality is a key theme within CSRD. The analysis, guided by the European Sustainability Reporting Standards (ESRS), not only considers the impact of DFE Pharma's activities on people and the environment (impact materiality), but also the financial impact of these topics on DFE Pharma (either positive or negative; financial materiality).

In 2023, DFE Pharma conducted a double materiality analysis to provide a solid starting point in preparation for CSRD. The following six phases were completed to prioritize the most relevant topics for DFE Pharma.

01 Current state assessment

Desk research was conducted with the aim of identifying relevant sustainability matters for DFE Pharma. This involved analyzing internal documents, international standards, peers' materiality assessments, sector trends and media. The findings were consolidated into a longlist, checked against CSRD topics, which led to a shortlist of sustainability matters.

02 Value chain mapping

The identified relevant sustainability matters were mapped against DFE Pharma's value chain to see where each matter has the most impact. Simultaneously, the impact, risk and opportunity (IRO) register was initiated, to serve as a foundation for stakeholder engagement.

03 Stakeholder engagement

Internal and external stakeholders were interviewed to qualitatively assess DFE Pharma's impacts, risks and opportunities related to sustainability matters. Stakeholders were asked to provide input on the IRO register to identify additional impacts, opportunities, and risks, as well as validate the write-up of the interview.

04 Impact, risk & opportunity review

The IROs identified in previous phases were consolidated, particularly integrating the insights from the stakeholder interviews into the initial IRO register. Potential duplicates were assessed and merged where needed, resulting in a comprehensive final IRO register.

05 Topic prioritization

Internal stakeholders individually scored IROs based on scale, scope, irremediability (together forming severity), likelihood for impact materiality, and the size of potential financial effects and likelihood for financial materiality. The results led to the final register of scored IROs.

06 Validation

The results of the double materiality assessment were presented to DFE Pharma's Leadership Team. The Leadership Team validated the material topics, marking the conclusion of the double materiality assessment.

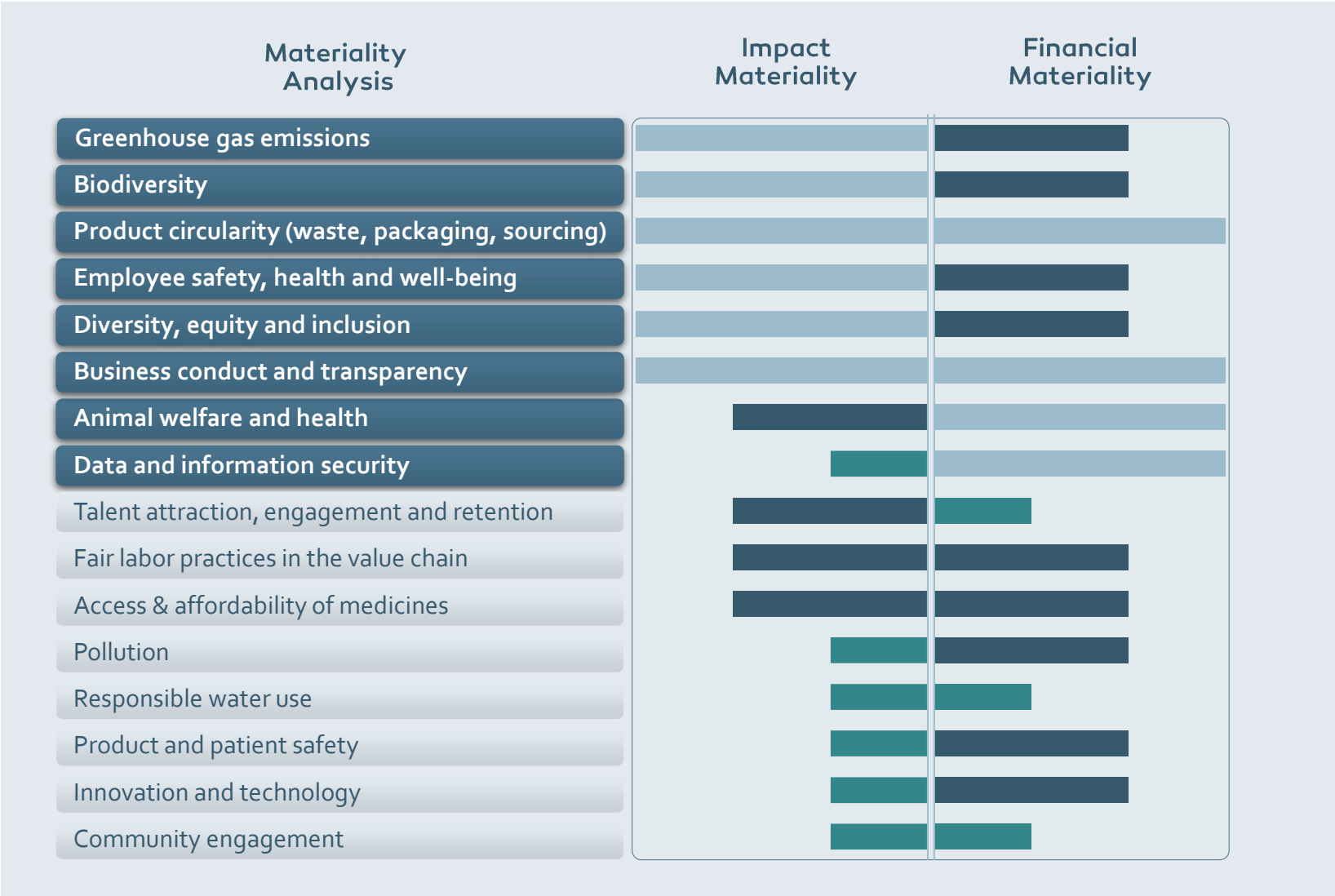
Outlook for our materiality approach

We aim to review and update our materiality assessment at least every three years.

Materiality Results

The results of our materiality assessment are illustrated in the table on the right. These topics were established based on the process described in the previous page. The results of this materiality assessment were used to shape DFE Pharma's ESG strategy. According to the 2023 materiality analysis, the material topics that are most important are greenhouse gas emissions; biodiversity; product circularity; employee safety; health and well-being; business conduct and transparency; animal welfare and health; and data and information security.

Those topics were considered more material than responsible water use or product and patient safety, which were considered material in the previous 2022 limited materiality analysis.



Process to a Revised and Integrated Sustainability Strategy

Integrated sustainability strategy. DFE Pharma has taken the next step in our sustainability journey, building further on the ESG strategy that is already embedded in our corporate strategy and purpose: “Your medicines, our solutions. Moving to a healthier world”. This step marks our commitment to further integrating sustainability into our core strategy, emphasizing its value to both our organization and our stakeholders.

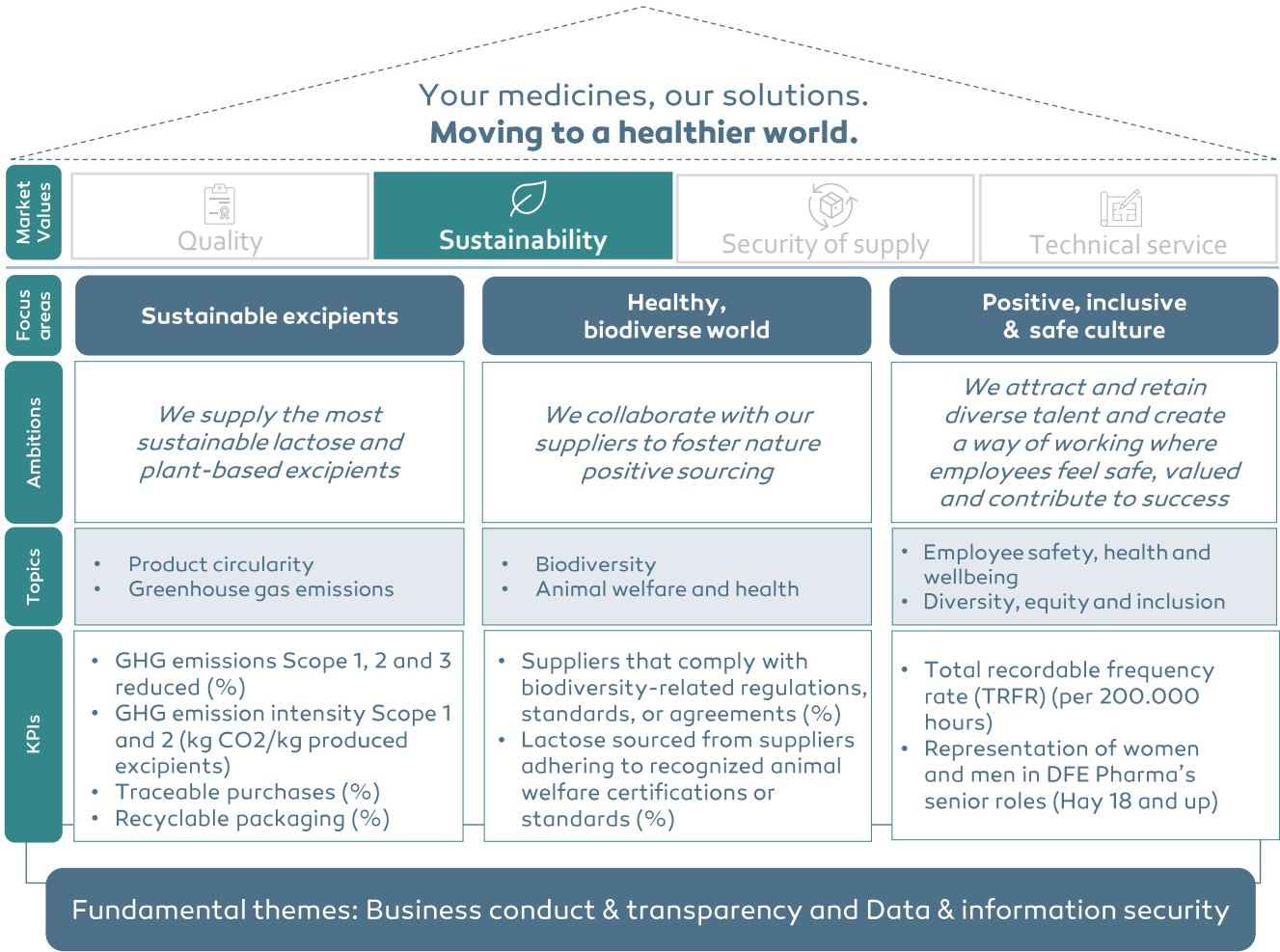
Market value story. DFE Pharma’s strategic differentiators are set out in its value story towards the market and our customers. Sustainability is defined as one of those market values.

Materiality. Following the double materiality analysis, 8 materiality topics have been determined to be most material for DFE Pharma and its stakeholders. These topics are categorized within the three unique sustainability elements or defined as fundamental to DFE Pharma.

Focus areas and ambitions. The three unique sustainability elements are: 1) the impact of its products on the environment; 2) the impact of its (sourcing) processes within the value chain on nature; and 3) the impact of people arrangements within its own organization. These three focus areas are defined with clear ambitions.

In 2024, the strategy was further translated into a roadmap and key initiatives. On top of the output KPIs, steering KPIs were set and DFE Pharma started monitoring those KPIs.

DFE Pharma’s sustainability framework



Explanation of the Material Topics

#	Topic	Definitions
1	Greenhouse gas emissions	<ul style="list-style-type: none"> • Climate change mitigation • Scope 1 emissions • Scope 2 emissions • Scope 3 emissions • Energy (efficiency)
2	Pollution	<ul style="list-style-type: none"> • Pollution of air (Air emissions other than GHGs) • Pollution of water • Pollution of soil • Pollution of living organisms and food resources • Substances of concern • Substances of very high concern • Pollution of air, water and soil in the supply chain
3	Responsible water use	<ul style="list-style-type: none"> • Water management (consumption, withdrawal and discharges) in own operations and supply chain • Water efficiency • Water discharges in the oceans from own operations
4	Biodiversity	<ul style="list-style-type: none"> • Land-use change • Direct exploitation of biodiversity • Impact on ecosystems • Ecosystem and resource dependency • Natural habitat damage resulting from operations and in the supply chain
5	Product circularity (waste, packaging, sourcing)	<ul style="list-style-type: none"> • Waste reduction, reuse and recycling • Materials with a lower impact • Sustainable packaging • Circular systems • Sourcing raw materials (e.g., lactose) • Sustainable product/process development/innovation

Explanation of the Material Topics

#	Topic	Definitions
6	Employee safety, health and well-being	<ul style="list-style-type: none"> Working conditions of own employees (secure employment / working time / adequate wages / social dialogue / freedom of association, the existence of works councils and the information, consultation and participation rights of workers / collective bargaining, including rate of workers covered by collective agreements / work-life balance / stress reduction) Health and safety of own employees (health check-ups & vaccination / safety & health measures / avoiding accidents) Work-related rights for own workforce: child labor; forced labor
7	Talent attraction, engagement and retention	<ul style="list-style-type: none"> Training (re-skilling and up-skilling) Education Employer branding Internal growth opportunities People engagement People and talent management
8	Diversity, Equity & Inclusion	<ul style="list-style-type: none"> Offering equal treatment and opportunities for all Diverse workforce Inclusive work environment (e.g. measures against discrimination/ measures against violence and harassment in the workplace) Gender equality and equal pay for work of equal value
9	Fair labor practices in value chain	<ul style="list-style-type: none"> Work-related rights for the value chain: child labor; forced labor Working conditions of workers in the value chain: (secure employment / working time/ adequate wages/ social dialogue/ freedom of association, the existence of works councils/ collective bargaining/ work-life balance / health and safety/ gender equality and equal pay for equal work/ measures against aggression and harassment in the workplace) Ethics in the value chain

Explanation of the Material Topics

#	Topic	Definitions
10	Product & patient safety	<ul style="list-style-type: none"> • Hygiene • Health and safety across the life cycle of the product • Customer health and safety • Regulations and voluntary codes • Product excellence and quality
11	Access & affordability of medicines	<ul style="list-style-type: none"> • Social inclusion of consumers and/ or end-users • Affordable medicines through efficient processes • Wide range of geographic and community availability
12	Community engagement	<ul style="list-style-type: none"> • Employee volunteering • Corporate sponsorship
13	Business conduct and transparency	<ul style="list-style-type: none"> • Corporate culture • Protection of Speak Up reporters • Conflict of interest • Political engagement • Management of relationships with suppliers including payment practices • Corruption and bribery • Interaction with suppliers and business relationships • Business ethics • Cultural integrity • Supplier transparency (SMP program) • ESG public disclosure
14	Animal health and welfare	<ul style="list-style-type: none"> • Animal welfare and well-being • Five freedoms (freedom from hunger and thirst, from discomfort, from pain, injury or disease, to express normal and natural behavior, from fear and distress)

Explanation of the Material Topics

#	Topic	Definitions
15	Data and information security	<ul style="list-style-type: none">• Data and information security measures (e.g. cybersecurity training and awareness)• Data ethics and policies• Stakeholder cooperation for cybersecurity• Compliant with all relevant legislation• Privacy
16	Innovation and technology	<ul style="list-style-type: none">• Sustainable innovation• Leveraging innovative technologies and new technology adaptation

Definition of Key Performance Indicators

KPI	Definitions
Total GHG emissions	Total GHG emissions are reported as the sum of reported scope 1, scope 2 and scope 3 emissions.
Scope 1 emissions	Scope 1 emissions include all direct GHG emissions that occur from sources owned by DFE Pharma.
Scope 2 emissions	Scope 2 emissions include all indirect GHG emissions associated with the generation of electricity, heating, cooling or steam purchased for DFE Pharma's own consumption.
Scope 3 emissions	Scope 3 emissions are indirect emissions (other than those covered in scope 2) that occur outside DFE Pharma, including upstream and downstream emissions.
Scope 3 FLAG emissions	Scope 3 emissions are indirect emissions (other than those covered in scope 2) that occur outside DFE Pharma, including upstream and downstream emissions. FLAG (Forest, Land and Agriculture) emissions are emissions related to agriculture, land-use change and land management, including forestry.
Total GHG intensity	Total GHG intensity is reported as the ratio of total GHG emissions divided by produced volume.
GHG emission intensity Scope 1 and Scope 2	GHG intensity is reported as the ratio of scope 1 and scope 2 emissions divided by the produced volume
Total energy consumption	Total energy consumption is all the energy consumed during operation.
Total energy intensity	Total energy intensity is reported as the ratio of total energy consumption divided by produced volume.
Total water consumption	Total water consumption is reported as the sum of all water that is consumed.
Total water intensity	Total water intensity is reported as the ratio of total water consumption divided by produced volume.
Total wastewater	Total wastewater is reported as the sum of all wastewater released from operation in liquid form.

KPI	Definitions
Total wastewater intensity	Total wastewater intensity is reported as the ratio sum of all wastewater divided by produced volume.
Total waste	Total waste is reported as the sum of all solid waste types collected from the premises.
Degree of material separability	The degree of material separability is defined as the effort required to separate different packaging materials from a packaging unit.
Recyclable packaging	Percentage of packaging material that can be recycled
Guarantees of origin/green certificates	Guarantees of origin are certificates issued for each unit of electricity and/or gas from renewable sources: wind, solar, co-fermentation of biomass, and manure fermentation.
Traceable purchases	The percentage of purchased volume of raw materials that is traceable to its source
Suppliers that comply with biodiversity-related regulations, standards, or agreements	The percentage of suppliers that comply with globally recognized regulations, standards or certificates, or products for which a plan for sustainable development is created.
Lactose sourced from suppliers adhering to recognized animal welfare certification or standards	The percentage of suppliers that adhere to certification or globally recognized standards
Total Recordable Frequency Rate	The ratio of the total number of recordable own personnel multiplied by the number of hours worked divided by 200,000.
Representation of women and men in DFE Pharma's senior roles	Number of women and men in DFE Pharma roles in level Hay 18 and up

KPIs are subject to further insights. In 2024, a few output KPIs were added according to the revised strategy. Targets and Steering KPIs were defined.

ESG Data: Sustainable Excipients

	Unit	2021	2022	2023	2024	Comments
1. ENVIRONMENT						
1.1 Greenhouse gases						
Total GHG (Scope 1, 2, and 3)	[ton CO₂ eq.]	929,953	945,758	929,311	827,985	Data from 2021-2023 were recalculated in 2024 after discontinuation of Quantis tool in 2023.
Scope 1	[ton CO ₂ eq.]	6,401	6,721	6,276	6,211	Data from 2021-2023 were recalculated in 2024 after discontinuation of Quantis tool in 2023.
Scope 2	[ton CO ₂ eq.]	7,688	8,068	5,977	6,950	Data from 2021-2023 were recalculated in 2024 after discontinuation of Quantis tool in 2023.
Scope 3	[ton CO ₂ eq.]	915,864	930,969	917,058	814,824	Data from 2021-2023 were recalculated in 2024 after discontinuation of Quantis tool in 2023.
1.2 Energy						
Total Energy Consumption	[GJ]	225,378	233,627	208,176	278,657	Data from 2021-2023 were recalculated in a centralized and uniform approach.
Energy consumption from non-renewable sources	[GJ]	158,038	163,522	134,678	135,620	Data from 2021-2023 were recalculated in a centralized and uniform approach.
Energy consumption from renewable sources	[GJ]	67,340	70,104	73,498	143,037	Data from 2021-2023 were recalculated in a centralized and uniform approach.
Total Energy Intensity	[GJ/ton]	10.78	10.05	9.26	12.76	Data from 2021-2023 were recalculated in a centralized and uniform approach.
1.3 Water						
Total Water Consumption	[m³]	544,545	581,784	531,010	666,459	
Total Water Intensity	[m³/ton]	26.35	25.10	23.69	30.51	
Total Wastewater	[m³]	489,330	519,604	482,109	619,601	
Total Wastewater Intensity	[m³/ton]	23.68	22.41	21.51	28.36	

ESG Data: Sustainable Excipients (continued)

	Unit	2021	2022	2023	2024	Comments
ENVIRONMENT (continued)						
1.4 Waste						
Total waste	[ton]		626	690	1,787	
Total hazardous waste	[ton]		81	61	63	
Total non-hazardous waste	[ton]		545	629	1,724	
Total waste to landfill	[ton]		98	403	1,133	Installation of biomass boiler result in increase in ash
Total reused or recycled waste	[ton]		270	203	57	
Total waste used for incineration	[ton]		160	15	122	
1.5 Packaging						
Total packaging materials	[ton]	4,476	4,310	4,543	4,153	Numbers updated retrospectively; and a correction issued for the error in the MCC volume calculation for 2020 to 2023.
Plastics packaging materials	[ton]	2,383	2,095	2,206	2,096	
Metal packaging materials	[ton]	91	96	102	97	
Wood packaging materials	[ton]	1,560	1,674	1,745	1,500	
Paper packaging materials	[ton]	443	445	491	459	
Other packaging materials	[ton]	20	22	27	20	
Degree of packaging material separability	[%]	77	87	90	92	Separability is affected by the product mix

ESG Data: Positive, Inclusive and Safe Culture

	Unit	2021	2022	2023	2024	Comments
2. SOCIAL						
2.1 Employee Safety						
Total Recordable Frequency Rate		0.3	0.6	0.3	0.3	TRFR = [total recordable of own personnel] multiplied by [hours worked] divided by [200,000]
Number of safety observation rounds		604	619	673	566	
2.2 Employee Health and Wellbeing						
Number of Medical and Health check-up campaigns		1	3	3	3	
Number of health and well-being trainings and webinars		2	2	2	2	
Influenza vaccination rate	[%]		17	12.5	14.7	Only one location reported: Goch, Germany.
Health and well-being activities				10	9	
2.3 Association and Collective Bargaining						
Number of Employee Townhall Meetings		4	4	4	4	Quarterly employee townhall meetings with Leadership Team.
Number of Meetings of Leadership Team and Works Council			5	15	10	Meetings between the Leadership Team and Employee Representatives (Works Councils).
Number of works meetings (Betriebsversammlungen)			1	4	4	Updating the employees on what has been achieved, what is coming and receiving input from the employees
Employees represented by collective bargaining agreements	[%]			37	40	
Employees in the Netherlands and Germany represented by Works Council	[%]			100	100	

ESG Data: Positive, Inclusive and Safe Culture (continued)

	Unit	2021	2022	2023	2024	Comments
2.	SOCIAL (continued)					
2.4	Working Conditions					
	Total Training Hours			5,147	3,503	Currently there is no general training reporting tool in place which makes the reporting difficult.
	Total training hours per employee			11	14	
2.5	Social and Sports Activities					
	Events			73	53	

ESG Data: Positive, Inclusive and Safe Culture (continued)

	Unit	2021	2022	2023	2024	Comments
SOCIAL (continued)						
2.6 Diversity, Equity and Inclusion						
Percentage of Women in Workforce	[%]	24	24	25	26	
Percentage of women in the Leadership Team	[%]	20	20	17	17	
Age groups in the Leadership Team				30-50: 1 > 50: 5	30-50: 1 > 50: 5	
Percentage of women in the workforce	[%]			37	39	Only HAY employees reported
Age groups in the workforce				<30: 9 30-50: 177 >50: 53	<30: 12 30-50: 192 >50: 58	Only HAY employees reported
Number of nationalities		35	35	38	37	
The difference of Relative Salary Position of men and women	[%]			0.7	2.1	Only HAY employees reported
2.7 Communities						
Donations to communities	[k€]			50	35.5	
2.8 Forced & Child Labor						
Risk for incidents of child labor within DFE Pharma	[%]			0	0	
Risk for incidents of young workers exposed to hazardous work within DFE Pharma	[%]			0	0	DFE Pharma does not employ young workers (age between 15 and 18)

ESG Data: Governance

	Unit	2021	2022	2023	2024	Comments
3. GOVERNANCE						
Number of Compass Code of Conduct trainings given	2	3	3	4		2024 also includes We Value workshops and inspirational sessions conducted.
Employees trained on Code of Conduct (%)		60	60	97		All Hay employees are trained in Code of Conduct as well as DFE Pharma values (introduced in 2024). All employees have signed Code of Conduct as part of contract.
Number of data protection and cybersecurity training	1	3	4	2		Additionally, awareness communication and phishing simulations
Number of IT audits on third-party suppliers		1	0	0		Based on the initial trials of our IT and OT supplier questionnaire, we plan to engage with our key suppliers in 2025 to gather their responses and ensure alignment with our standards.
Suppliers on-site ESG audit		1	1	11		ESG topics are to be included in the Supplier Qualification Management as of 2023. We have high potential sustainability risk evaluated either through sustainability evaluation or on-site audits.
Average Supplier performance Score (1 = poor; 4 = very good)		3.1	2.9	3.0		Rating system is an average score including other elements (such as cost, quality, responsiveness & sustainability), revised in 2023, updated to display with one decimal place

GRI Content Index

Statement of Use

DFE Pharma has reported the information cited in this GRI content index for the period January 1, 2024, to December 31, 2024, with reference to the GRI Standards.

DISCLOSURE	LOCATION	OMISSION		
		Requirement(s) Omitted	Reason	Explanation
GRI 2: General Disclosures 2021				
2-1 Organizational details	a. DFE Pharma GmbH & Co. KG b. Privately owned c. Klever Strasse 187, 47574 Goch d. See the website for an overview of locations: https://dfepharma.com/offices-distributors-overview/			
2-2 Entities included in the organization’s sustainability reporting	a. DFE Pharma: Germany,the Netherlands, India, Japan, USA, New Zealand, China, Singapore, Brazil	b-c.	Confidentiality constraints	DFE Pharma is a privately owned company and does not publish its financial information on public record. Financial information are reported consolidated in FrieslandCampina Annual Reports.
2-3 Reporting period, frequency and contact point	a. 2024 ESG Report page 4; report is published annually b. The financial year is the same as the reporting year in (a) c. The publishing date is April 07, 2025 d. esg@dfepharma.com			
2-4 Restatements of information	a-i change is made in methodology for GHG emission calculation, from database/ spend-based data to more granular data quality for 2021-2023 a-ii GHG emissions are ~3% lower than previously reported		Improvement of data quality	
2-5 External assurance		a-b	Information unavailable/ incomplete	External assurance has not yet been executed for this report.

GRI Content Index

DISCLOSURE	LOCATION	OMISSION		
		Requirement(s) Omitted	Reason	Explanation
2-6 Activities, value chain and other business relationships	a. Pharmaceuticals b. c. See website About Us: https://dfepharma.com/about-us/ d. ESG 2024 Report, page 6			
2-7 Employees	a. 2024 ESG Report page 8; page 27 c. Head count	b, d, e	Information unavailable / incomplete	At the time of compilation of this report, this information was not available.
2-8 Workers who are not employees		a-c	Information unavailable / incomplete	At the time of compilation of this report, this information was not available.
2-9 Governance structure and composition	a. 2024 ESG Report page 7 - Governance Board comprising members from the two shareholders	b-c.	Information unavailable / incomplete	At the time of compilation of this report, this information was not available.
2-10 Nomination and selection of the highest governance body		a-b	Confidentiality constraints	DFE Pharma currently does not publicly disclose the composition of its Governance Board.
2-11 Chair of the highest governance body	a. Yes	b	Confidentiality constraints	DFE Pharma currently does not publicly disclose the composition of its Governance Board.
2-12 Role of the highest governance body in overseeing the management of impacts	a, c: 2024 ESG Report page 7	b	Information unavailable / incomplete	Information not fully available at the time of publishing this report.

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DISCLOSURE	LOCATION	OMISSION		
		Requirement(s) Omitted	Reason	Explanation
2-13 Delegation of responsibility for managing impacts	a. 2024 ESG Report page 7 b. During Governance Board meetings			
2-14 Role of the highest governance body in sustainability reporting	a. Formal sign-off materiality topics by LT b. NA			
2-15 Conflicts of interest	a. Annual risk and control updates b. Yes			
2-16 Communication of critical concerns		a-b	Information unavailable / incomplete	
2-17 Collective knowledge of the highest governance body		a	Information unavailable / incomplete	
2-18 Evaluation of the performance of the highest governance body		a-c	Information unavailable / incomplete	
2-19 Remuneration policies		a-b	Confidentiality constraints	DFE Pharma currently does not publicly disclose the composition of its Governance Board.
2-20 Process to determine remuneration		a-b	Confidentiality constraints	DFE Pharma currently does not publicly disclose the composition of its Governance Board.
2-21 Annual total compensation ratio		a-c	Information unavailable / incomplete	
2-22 Statement on sustainability development strategy	a. 2024 ESG Report page 2, 7, 9, 29, 58			

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DISCLOSURE	LOCATION	OMISSION		
		Requirement(s) Omitted	Reason	Explanation
2-23 Policy commitments	a.-f. See website: Governance https://dfepharma.com/our-commitment/governance/ 2024 ESG Report page 29, 31			
2-24 Embedding policy commitments	a. 2024 ESG Report page 29, 31, 36; See code of conduct on website: https://dfepharma.com/media/glhh20ai/dfc-code-of-conduct-business-partners.pdf			
2-25 Processes to remediate negative impacts	a.-e. 2024 ESG Report page 31; See code of conduct on our website: https://dfepharma.com/media/glhh20ai/dfc-code-of-conduct-business-partners.pdf			
2-26 Mechanisms for seeking advice and raising concerns	a. 2024 ESG Report page 31; See code of conduct on our website: https://dfepharma.com/media/glhh20ai/dfc-code-of-conduct-business-partners.pdf			
2-27 Compliance with laws and regulations	a. Zero b. Zero c. NA d. NA			
2-28 Membership associations		a.	Information unavailable / incomplete	Information not fully available at the time of publishing this report.
2-29 Approach to stakeholder engagement	2024 ESG Report page 36	a	Information unavailable / incomplete	Information not fully available at the time of publishing this report.
2-30 Collective bargaining agreements	2024 ESG Report page 23	b	Information unavailable / incomplete	Information not fully available at the time of publishing this report.

GRI Content Index

DISCLOSURE	LOCATION	OMISSION		
		Requirement(s) Omitted	Reason	Explanation
GRI 3: Material Topics 2021				
3-1 Process to determine material topics	2024 ESG Report page 36			
3-2 List of material topics	a. 2024 ESG Report page 37 b. NA			
3-3 Management of material topics	a-f	Confidentiality constraints	DFE Pharma currently does not publicly disclose the action plan.	
GRI 302: Energy 2016				
302-1 Energy consumption within the organization	2024 ESG Report page 12, 13, 44			
302-3 Energy intensity	2024 ESG Report page 12			
302-4 Reduction of energy consumption	2024 ESG Report page 12, 13, 14			
302-5 Reductions in energy requirements of products and services	2024 ESG Report page 13, 14			
GRI 305: Emissions 2016				
305-1 Direct (Scope 1) GHG emissions	2024 ESG Report page 13			
305-2 Indirect (Scope 2) GHG emissions	2024 ESG Report page 13			

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DISCLOSURE	LOCATION	OMISSION		
		Requirement(s) Omitted	Reason	Explanation
305-3 Other indirect (Scope 3) GHG emissions	2024 ESG Report page 14			
305-4 GHG emissions intensity	2024 ESG Report page 12			
305-5 Reduction of GHG emissions	2024 ESG Report page 12, 13, 14			
GRI 306: Waste 2020				
306-1 Waste generation and significant waste-related impacts	2024 ESG Report page 15			
306-2 Management of significant waste-related impacts	2024 ESG Report page 15			
306-3 Waste generated	2024 ESG Report page 15, 45			
GRI 308: Supplier Environmental Assessment 2016				
308-1 New suppliers that were screened using environmental criteria	See website: Governance https://dfepharma.com/our-commitment/ 2024 ESG Report page 17			

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DISCLOSURE	LOCATION	OMISSION		
		Requirement(s) Omitted	Reason	Explanation
GRI 401: Working Conditions 2016				
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	2024 ESG Report page 24; and website: https://dfepharma.com/our-purpose/safety/	a,b	Information unavailable / incomplete	Information currently not shared publicly.
GRI 403: Occupational Health and Safety 2018				
403-1 Occupational health and safety management system	2024 ESG Report page 20; and website: https://dfepharma.com/our-purpose/safety/			
403-5 Worker training on occupational health and safety	2024 ESG Report page 20			
403-6 Promotion of worker health	2024 ESG Report page 20,21			
403-7 Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	2024 ESG Report page 20,21			
403-8 Workers covered by occupational health and safety management system	2024 ESG Report page 20	a-c	Information unavailable / incomplete	Information currently not shared publicly.
403-9 Work-related injuries	2024 ESG Report page 20	b-g	Information unavailable / incomplete	Information currently not shared publicly.
403-10 Work-related ill health	2024 ESG Report page 20	a-f	Information unavailable / incomplete	Information currently not shared publicly due to privacy and confidentiality reasons.

GRI Content Index

DISCLOSURE	LOCATION	OMISSION		
		Requirement(s) Omitted	Reason	Explanation
GRI 404: Career Management & Training 2016				
404-1 Average hours of training per year per employee	2024 ESG report page 24, 47			
GRI 405: Diversity and Equal Opportunity 2016				
405-1 Diversity of governance bodies and employees	2024 ESG report page 24			
405-2 Ratio of basic salary and remuneration of women to men	2024 ESG report page 24			
GRI 407: Freedom of Association and Collective Bargaining 2016				
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	2024 ESG Report page 17, 24, 29	b	Information unavailable/incomplete	Information was incomplete when this report was being prepared. This information will be reviewed and will be considered for the next reporting cycle.
GRI 408: Child labor, Forced Labor & Human Trafficking 2016				
408-1 Operations and suppliers at significant risk for incidents of child labor	2024 ESG Report page 17, 24, 29	c	Information unavailable/incomplete	Implementation of IQ + tool for supplier screening
GRI 409: Forced or Compulsory Labor 2016				
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	2024 ESG Report page 17, 24, 29	b	Information unavailable/incomplete	Information was incomplete at the time of preparing this report. This information will be reviewed and will be considered for the next reporting cycle.

Measuring, Reporting and Assumptions

Measuring emissions

Our GHG emissions reporting methods follow the GHG Protocol. This provides the best practice guidance and standards when it comes to calculating and reporting emissions. We recognize that GHG accounting and methodologies are updated frequently, and we are committed to using the best available science, data, and tools. We are transparent about our approach and work with third parties to ensure our methods are inclusive and robust.

Offsets

DFE Pharma is aiming to prioritize emissions reduction through direct abatement, rather than using carbon credits. As such, we plan to avoid the use of offsets to achieve our 2030 emissions reduction targets. We have invested in carbon credit sourced renewable energy projects in the meantime, until sufficient renewable sources are available.

Identifying our assumptions and significant sources of uncertainty

The achievement of our 2030 Scope 1 and 2 emissions reduction target depends on our ability to successfully transition via energy efficiency and fuel switching to renewable sources.

The principle that applies to all emission sources is that the base year or other recalculations are based on the Greenhouse Gas Protocol's guidelines. This applies, for example, to changes in methodology.

Our aim is to report as much as possible on actual supplier data. 94.1% of emissions are now based on supplier-specific, amount-based data, 4.3% on amount-based industry averages, and the remaining 1.6% on financial proxies from open-source databases. With respect to all our targets, we will continue to assess the relevant risks and review our pathway to emissions reductions.

Glossary

Abbreviation	Meaning
C2F	Closer to the Formulator
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CISM	Certified Information Security Manager
CO ₂ e	Carbon dioxide equivalent (multiplying the quantity of a greenhouse gas by the relevant global warming potential)
CSRD	Corporate Sustainability Reporting Directive
DE&I	Diversity, Equity and Inclusion
DMV	De Melkindustrie Veghel
EI	Energy Intensity
EPF	Employee's Provident Fund
ESIC	Employees' State Insurance Corporation
ESRS	European Sustainability Reporting Standards
ESG	Environment, Social and Governance
FLAG	Forest, Land and Agriculture guidance for setting science-based targets
GDPR	General Data Protection Regulation
GHG	Greenhouse Gas
GJ	Gigajoule
GRI	Global Reporting Initiative
HMS	Dutch milk sugar

Abbreviation	Meaning
HR	Human Resources
ILO	International Labour Organization
INTO	Inhalation Together
IRO	Impact, risk, and opportunity
ISO	International Organization for Standardization
IT	Information Technology
KPI	Key Performance Indicator
LCA	Life Cycle Assessment
LPO	Local Privacy Officer
LT	Leadership Team
MCC	Microcrystalline Cellulose
OBM	Organizational Behavior Management
OECD	Organization for Economic Cooperation and Development
OT	Operational technology
RSP	Relative Salary Position
SBTi	Science-Based Target Initiative
SDGs	Sustainable Development Goals
TRFR	Total Recordable Frequency Rate
UN	United Nations



DFE
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YOUR MEDICINES OUR SOLUTIONS. **MOVING TO A HEALTHIER WORLD.**

Have ESG questions or ideas?
Please get in touch: esg@dfepharma.com

www.dfepharma.com

This report contains forward-looking statements based on DFE Pharma's assumptions and forecasts. Various known and unknown risks, uncertainties and other factors could lead to material differences between the company's actual and future performance or development and the estimates given here. DFE Pharma does not assume any obligation whatsoever to update these forward-looking statements or to adjust them to consider future events or developments.