

Essential Holdings Limited

Environmental Policy

1. Policy Objective

Essential Holdings Limited (the Company) and its group entities (collectively known as EP) are dedicated to minimising their negative impact on the environment and on the climate. As a pharmaceutical company, we recognise climate change as a serious risk to human health and the environment. We have committed to assess our environmental impacts, collect relevant data, implement holistic measures to reach set targets and to continuously improve our environmental performance.

Our vision is to be a leading medicines provider, recognised globally for our unique generic and branded product portfolio of essential medicines made available for patients in a responsible and environmentally sustainable way.

Given that we do not manufacture pharmaceuticals directly – such activities are outsourced – our influence on our full environmental impact is at times limited. Our priorities focus on business activities where direct reduction of the environmental impact is possible.

Being compliant with standards, applicable laws and regulations is critical for us. We strive to raise awareness and to motivate all our staff always to behave in a manner at least in line with the outlined principles of this environmental policy. We endeavour to optimise all business activities to minimise any negative effect on the environment and on the climate.

EP's future aspirations are to engage with business partners to join the journey towards a more sustainable world.

2. Scope

EP has created the ICECAP (Increased Commitment to the Environment Changes Attitudes and Performance) team, which is responsible for leading and coordinating all Environmental, Social and Governance (ESG) related efforts within the Company.

This policy is relevant to all of EP's staff who are obliged to make decisions that are in line with our commitment to reducing our negative impact on the environment.

The future aspiration is to further the integration of environmental criteria in the selection of business partners as well as the integration of such in procurement practices.

3. Definitions

ICECAP Team

(Increased Commitment to the Environment Changes Attitudes and Performance) The internal EP team tasked with leading and coordinating ESG efforts in the Company.

ESG

Environmental, Social and Governance. ESG metrics are used to evaluate a company's sustainability performance.

Climate Change

A change in the state of the climate that can be identified (e.g., by using statistical tests) by changes in the mean and/or the variability of its properties and that persists for an extended period, typically decades or longer. Climate change may be due to natural internal processes or external forcings such as modulations of the solar cycles, volcanic eruptions, and persistent anthropogenic changes in the composition of the atmosphere or in land use.¹

Greenhouse Gas Emissions (GhG)

Gasses that absorb and emit radiant energy within the thermal infrared range, causing the greenhouse effect. The primary greenhouse gases in Earth's atmosphere are water vapor (H₂O), carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), and ozone (O₃).²

Circular Economy

A model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing, and recycling existing materials and products as long as possible.³

Environmental Impact

The direct effect of socio-economic activities and natural events on the components of the environment.⁴

4. Policy Details

Key Principles

¹ <https://www.ipcc.ch/sr15/chapter/glossary/>

² https://web.archive.org/web/20181117121314/http://www.ipcc.ch/pdf/assessment-report/ar4/syr/ar4_syr_appendix.pdf

³ <https://www.europarl.europa.eu/news/en/headlines/economy/20151201STO05603/circular-economy-definition-importance-and-benefits>

⁴ <https://stats.oecd.org/glossary/detail.asp?ID=827>

We aim to offer and promote an environmentally conscious workplace and encourage all stakeholders, both internal and external, to act in a manner that aligns with or goes above the environmental principles adopted in this policy.

Office and Staff

As a Company, we focus on the environmental issues over which we have the greatest influence, that have the highest impact and for which we can implement effective actions. We will continuously monitor the environmental impact of our activities and seek to improve our environmental performance.

EP is committed to motivating all our staff to act in an environmentally responsible manner and to raising awareness for sustainability topics through our actions, and by giving back to local communities such as through volunteering team activities.

Based on an assessment of the sector and internal workshops, EP staff prioritised the following areas to improve the environmental performance:

- **Climate Change:** responsible energy usage (e.g. turn off electronic equipment when not in use, turn off lights in empty rooms, preference of renewable energy, etc.).
- **Circularity:** waste reduction, elimination of single-use materials, recycling, etc.
- **Mindful travelling:** responsible choice when arranging travel and transportation of goods

Partnerships and Procurement

Our business is driven by a desire to provide patients with long-term, sustainable access to safe and effective medicines. We recognise the growing expectations among staff, investors, patients, customers and regulators when it comes to Environmental, Social and Governance related responsibilities. Future aspirations are to build ESG criteria into new contracts with suppliers, distributors and partners.

EP expects our partners, suppliers, and distributors to similarly respect the environment and to make sustainable choices.

We also aim to integrate environmental considerations in the future procurement of selected products without compromising the primary goal of product safety, efficacy, and quality compliance. We recognise and encourage the opportunity to collaborate with partners to consider alternatives with a reduced impact on the environment.

Roles and Responsibilities

At EP, environmental protection is everyone's responsibility. All staff are expected to act in line with the Company's dedication to minimise our consumption of natural resources and to reduce our greenhouse gas emissions. We believe that even small steps add up to make a positive impact on the environment. Respecting environmental compliance is a key principle.

This environmental policy is owned by the ICECAP team, which is responsible for all Environmental, Social and Governance (ESG) related efforts including internal and external stakeholder engagement.

MERIT (Making the Environment Rewarding by Inspiring Togetherness) is a workgroup of cross-functional staff at EP who meet regularly to facilitate with ESG efforts, such as recycling campaigns, volunteering in the local area and staff wellbeing activities throughout the year. Although the team has core members, all staff within the Company are encouraged to bring ESG ideas to MERIT and work together on any ESG projects they have with MERIT Team support if they wish.

Our board of directors (the Board) has overall responsibility for the effective operation of this policy but has delegated day-to-day responsibility to the Senior Management Team and for its implementation to be overseen by ICECAP. Our facility management oversees the implementation of environmentally conscious measures within the office in conjunction with ICECAP and MERIT teams.

5. Reporting Non-Compliance and Consequences of Non-Compliance

Staff who know or suspect that this policy may have been ignored and disrespected should notify EP ESG team.