alvotech

Sustainability Statement

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CHAPTER 1

General Information

1. Introduction

Our mission in action

At our core, Alvotech exists to expand access to biologic medicines. Every year, many patients face barriers to treatment because of the cost. By developing high-quality biosimilars, we help reduce healthcare expenditure and advance health equity with a positive impact that extends beyond financial performance. The same commitment that drives affordability also shapes how we manage our environmental footprint, uphold human rights across our value chain, and build an inclusive workplace where people can thrive.

2025 represents our second year of sustainability reporting based on the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), reflecting our adjustment to best practicess. This statement sets out our commitment to transparency and our aim to minimize negative impact and increase our positive impact. This report builds on the foundation laid through broad collaboration across R&D, Quality, Operations, HR, Procurement and Finance, reflecting several years of preparation to embed the directive into our processes.

Who we are and what we do

Founded in Iceland in 2013 and incorporated as Alvotech S.A., a public limited company (société anonyme) under the laws of the Grand Duchy of Luxembourg, Alvotech is publicly listed in Iceland, Sweden, and the United States.
The company has grown rapidly, emerging from a focused research organization into a global biosimilars' leader. As of 2025, Alvotech markets a portfolio of five approved biosimilar products including treatments in immunology, ophthalmology, and oncology and serves patients across more than 90 countries through a strong network of global partnerships. Its currently approved products, biosimilars to Humira® (adalimumab), Stelara® (ustekinumab), Prolia®/Xgeva®(denosumab), Simponi® (golimumab) and Eylea® (aflibercept) are expanding access to essential biologics worldwide.

Alvotech at a glance

This year's report spotlights our diverse and talented team, from scientists and quality experts to technicians and global business partners.

Key Figures 2025

EMPLOYEES
1,460

NATIONALITIES
70+

GENDER IDENTITY
47% Women 53% Men

TOTAL REVENUE
$588.9 million

ADJUSTED EBITDA
$137.2 million

Report Structure and Standards

Alvotech's sustainability reporting is based on the CSRD and the ESRS. The company's disclosures are grounded in a Double Materiality Assessment (DMA) conducted in cooperation with an external advisor and completed in 2024. The DMA identified and prioritized the sustainability impacts, risks, and opportunities (IROs) most relevant to Alvotech's operations and value chain. The 2024 DMA identified five material topics for Alvotech:

- **ESRS E1:** E1 Climate Change
- **ESRS E5:** Resource Use & Circular Economy – deprioritized in this sustainability statement
- **ESRS S1:** Own Workforce
- **ESRS S4**: Consumers & End-Users
- **ESRS G1:** Business Conduct

This General Information section outlines our business model, strategy, and governance in relation to sustainability, describes our stakeholder engagement and DMA process, and summarizes the material IROs. Each topical standard is covered in its own chapter, detailing related policies, actions, targets, and performance.

While E5 Resource Use & Circular Economy was included in last year's report and remains an important topic for Alvotech, it has been temporarily omitted from 2025 disclosures. This decision reflects the company's current stage of sustainability data maturity and its focus on ensuring that reported information is complete, reliable, and as best as possible, auditable in line with CSRD principles. For additional context and Alvotech's roadmap for future E5 disclosures, see Basis for Preparation of the Sustainability Statement

Locations

UK
Regulatory, legal and project management.

EMPLOYEES

24

Sweden
Research and Development function.

EMPLOYEES

60

India
R&D, TechOps, PAM, Quality and Regulatory Affairs.

EMPLOYEES

70

Other Countries
Project management, Finance and Business Development.

EMPLOYEES

66

U.S.
Our U.S. offices are in Virgina.

EMPLOYEES

14

Iceland
Headquarters, Drug Substance & Drug Product Manufacturing, Quality Assurance & Quality Control, R&D, Analytics, Finance, Supply Chain, Procurement, Business Development, Human Resources & Service.

EMPLOYEES

993

Switzerland
Clinical Development & Operations, Regulatory Affairs. Intellectual property and packaging facility.

EMPLOYEES

166

Germany
Pharmaceutical Sciences, GlycoThera GmbH.

EMPLOYEES

67

2. ESG Performance for 2025

A Year of Foundation

2025 was a year where our sustainability foundation was strengthened. Building on the results of the 2024 Double Materiality Assessment (DMA), the company focused on establishing the governance structures, data processes, and internal capacity required to support credible, transparent sustainability work and disclosures.

Alvotech's efforts were directed toward improving and enhancing systems and structures that will support measurable, verifiable progress in the years ahead. In 2026, the focus will be to further enhance this foundation. Alvotech's focus remains on transparency with its stakeholders, sharing both achievements and opportunities for improvement to contribute to long term relationships built on trust.

The 2024 DMA identified five material topics for Alvotech: E1 Climate Change, E5 Resource Use and Circular Economy, S1 Own Workforce, S4 Consumers and End-Users, and G1 Business Conduct. For 2025, Alvotech has decided to temporarily omit E5 Resource Use and Circular Economy from the scope in this year's reporting scope as previously mentioned.

Key Performance Indicators

Alvotech is continuing to develop and assess relevant performance indicators in 2026 for the environmental, social, and governance topics identified as material through our DMA.

The current emphasis is on improving data availability, measurement approaches, and internal oversight to ensure that future performance metrics are robust and suitable for assurance.

Looking Forward

In 2026, Alvotech intends to continue strengthening its sustainability framework, including preparatory work related to climate target-setting methodologies and further development of responsible sourcing practices within its supply chain. These initiatives will further integrate sustainability into business operations and reinforce the company's mission to make high-quality biologic medicines accessible in a responsible way.

Key Priorities for 2026 include:

- Establishing a sustainability strategy in line with the business strategy
- Strengthening data governance and establishment of metrics

Through these steps, Alvotech aims to transition from building its sustainability foundations to demonstrating tangible progress and accountability across its environmental, social, and governance commitments.

3. Strategy, Business Model, and Value Chain

Alvotech's business model spans the full biosimilar value chain, from R&D and production to quality assurance and commercialization, enabling end-to-end control, efficiency, and flexibility in delivering high-quality biologic medicines worldwide. This vertically integrated model supports both commercial success and sustainable impact by ensuring product quality, affordability, and supply chain transparency.

Developing and manufacturing biosimilars requires considerable expertise and highly specialized analytical and processing technology. While significantly more complex to develop than small-molecule generics, biosimilars can rely on an abbreviated regulatory pathway that leads to shorter development times and lower costs relative to the reference biologic, resulting in shorter time-to-market and, ultimately, lower prices for patients. Alvotech aims to expand access to biosimilars globally, especially for patients with chronic disease. By reducing the cost of medicine and the environmental footprint of its production processes, Alvotech promotes health equity. To realize this mission, we deploy a fully integrated value chain to illustrate how our activities from sourcing and R&D, through manufacturing and regulatory, to global distribution create value for stakeholders and drive sustainable impact at scale

Why Biosimilars Matter for Sustainability

Sustainability is integrated into Alvotech's corporate strategy, known as the Star Map. The company's sustainability framework is built around four pillars Optimize, Better Life, Better Access, and Integrity which link the business model to material topics identified in the 2024 DMA. Together, these pillars ensure that Alvotech's growth strategy and sustainability ambitions are mutually reinforcing patient access, operational excellence, workforce well-being, and responsible business conduct. At this stage, Alvotech's environmental narrative is centered on data maturity, risk awareness, and operational efficiency, rather than short-term transformational targets.

As measurement capabilities, governance structures, and data availability continue to develop, Alvotech aims to strengthen its overall sustainability management approach over time, including more structured disclosures, clearer priorities, and the gradual integration of sustainability considerations into decision-making, capital allocation, and supplier engagement.

WE DEPEND ON
Input

UPSTREAM
Sourced Products and Service

- **Raw materials & tech:** ESG-compliant suppliers, single-use production systems
- **Renewable energy:** Clean power from geothermal and hydro
- **Manufacturing partners:** Efficient global reach
- **People:** Expert teams driving innovation and quality
- **Financial Capital:** Strong balance sheet supporting growth

TO EXECUTE KEY ACTIVITIES
Our Core

OWN OPERATIONS
R&D, Manufacturing, Sales and Marketing

- **Research and Development:** Develop biosimilars with a focus on safety, efficacy, and affordability.
- **Quality Testing & Regulatory Submissions:** Ensure product integrity and secure global approvals.
- **Manufacturing:** Produce to high quality and sustainability standards
- **Commercialization with partners:** Partner to deliver broad and timely market access

Suppliers and External Manufacturing Partners

AND DELIVER VALUE TO
Output

DOWNSTREAM
Packaging, Distribution, Patient Impact Marketing

- **Customers:** Access to affordable, high-quality treatments, better health outcomes
- **Employees:** Job opportunities and upskilling, professional growth
- **Shareholders**: Sustainable financial returns, growth via reinvestment
- **Society:** Fiscal contributions to communities, stronger health systems, trust in biopharma innovation
- **Planet:** Reduced emissions (GHG cuts), progress on recycling/circularity

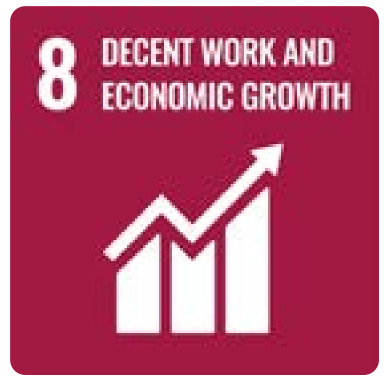
Patients, Commercialization Partners Healthcare Professionals

CROSS-CUTTING STAKEHOLDERS: **Senior management** | **Board** | **Investors** | **Regulators** | **Employees**

Alvotech contributes its strategy with the UN Sustainable Development Goals, with a primary focus on SDG 3 (Good Health & Well-being) and SDG 8 (Decent Work & Economic Growth).

OUR MISSION AND FOCUS

SUSTAINABILITY OPERATING APPROACH

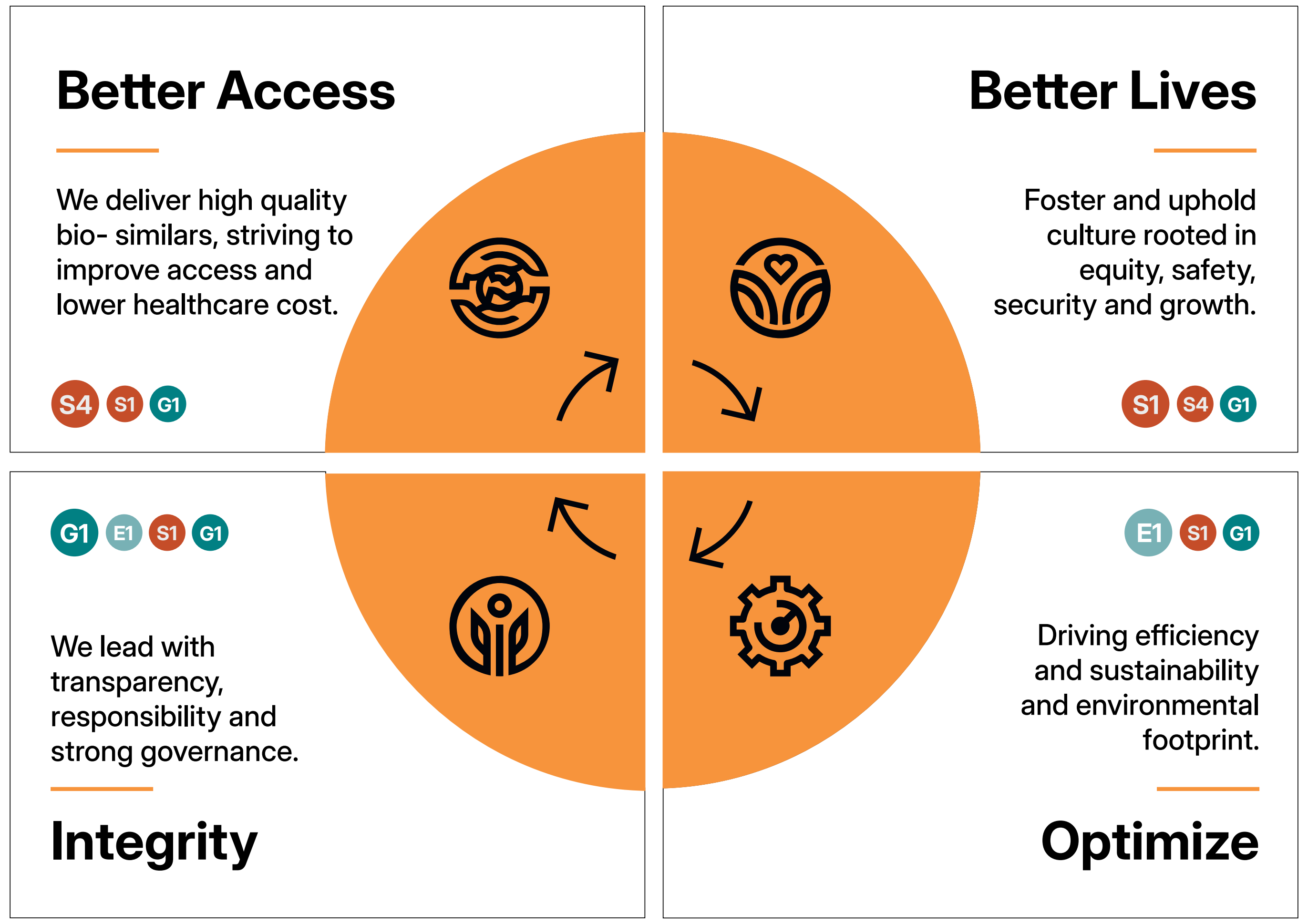


The framework below maps each strategic pillar to its corresponding material topics, the value and rationale Alvotech creates through each pillar, and its value chain focus, illustrating how Alvotech's strategy and business model create sustainable value while addressing material impacts, risks, and opportunities.

Operational Excellence & Delivery in Practice

Building on its strategic foundation, Alvotech translates its long-term vision into action through a diversified biosimilar portfolio, an extensive global network, and a focus on markets where its products can deliver the greatest patient and healthcare-system benefit.

E1 Climate Change
S1 Own Workforce
S4 Customer & End users
G1 Governance



Pillar	ESRS Relation	How it creates value?	Specific Impacts, Risks, and Opportunities (IRO)
BETTER ACCESS	**Main:** S4 Consumers & End-Users- **Secondary:** S1 workforce, G1 Business Conduct	Alvotech's affordable biosimilars expand patient access and reduce healthcare costs globally.	**(+) Rigorous GMP & product safety** **(+) Affordable biosimilars & health equity** **(-) Safety incident risk**
BETTER LIFES	**Main:** S1 Own Workforce **Secondary:** S4 Customer & End users, G1 Business Conduct	Alvotech's safe, inclusive workplace attracts talent, reduces turnover, and strengthens operational resilience.	**(+) Safe facilities & well-being** **(+) Gender equality (-) Occupational health risk** **(-) Legal compliance risk**
INTEGRITY	**Main:** G1 Business Conduct **Secondary**: E1 Climate Change, S1 Workforce, S4 Customer & End users	Ethical governance, transparent sourcing, and compliance protocols reduce reputational and regulatory risks across Alvotech's operations.	**(+) Ethical culture** **(+) Fair supplier practices** **(-) Supply chain risk** **(-) Operational disruption**
OPTIMIZE	**Main:** E1: Climate Change **Secondary:** S1 workforce, G1 Business Conduct	Alvotech's 100% renewable energy in Iceland, efficient manufacturing, and waste reduction lower operational costs and environmental impact.	**(-) GHG emissions all scopes** **(-) Regulatory pressure** **(+/-) Renewable energy advantage**

Portfolio and Pipeline

As of the end of 2025, Alvotech has five approved biosimilars, referencing Humira® (adalimumab), Stelara® (ustekinumab), Prolia®/Xgeva® (denosumab), Simponi® (golimumab) and Eylea® (aflibercept). These products are now available in more than 30 different countries, providing treatment options for chronic conditions such as rheumatoid arthritis, plaque psoriasis, and inflammatory bowel disease.

The company's marketed biosimilars in 2025 continue to gain strong traction globally, supported by strategic collaborations with leading commercialization partners. As shown below, the first two biosimilars lauched have achieved rapid market penetration and increasing share in their respective therapeutic areas:

- **Simlandi® / Hukyndra® (adalimumab biosimilars):** Market conversion in the U.S. has accelerated following formulary exclusions for the Humira® originator, with Simlandi gaining share among adalimumab biosimilars. In Europe, Hukyndra continues to expand its presence across key markets
- **Selarsdi® / Uzpruvo® / Jamteki® (ustekinumab biosimilars)**: Ustekinumab biosimilars have achieved strong uptake, with Uzpruvo holding one of the highest market shares among Stelara® biosimilars in launched markets. The conversion of the Stelara® market is progressing as expected, with Selarsdi performing in line with volume and pricing expectations

BIOSIMILAR TO HUMIRA®

Simlandi (adalimumab-ryvk) Injection | Hukyndra adalimumab

BIOSIMILAR TO STELARA®

Selarsdi (ustekinumab-aekn) | Jamteki ustekinumab injection | Uzpruvo solution for injection ustekinumab | ウステキヌマブBS皮下注シリンジ「F」

The company received marketing approvals in the EEA, UK and Japan in late 2025 for three additional biosimilars, referencing Prolia®/Xgeva (denosumab), Simponi® (golimumab) and Eylea® (aflibercept). Marketing applications for a biosimilar candidate to Xolair® (omalizumab) are pending in the UK and EEA. Alvotech's clinical stage pipeline also includes a biosimilar candidate to Entyvio® (vedolizumab). The development pipeline also targets therapeutic areas such as immunology, oncology, blood disorders and rare disease. The sustained effort in development of new biosimilars will broaden access to affordable biologic medicines worldwide. Alvotech intends to continue to launch development of new biosimilars, thereby progressively expanding its portfolio of marketed products and thus expand patient access across a variety of therapeutic areas.

Global Reach

Alvotech's commercial model prioritizes regions where biosimilars most effectively reduce costs and improve patient outcomes, with a particular focus on underserved markets. The company collaborates with over 19 global commercialization partners, including Teva, STADA, JAMP Pharma, Fuji Pharma, Dr. Reddy's, and Advanz Pharma, ensuring efficient and sustainable market coverage.

At year-end 2025, Alvotech has secured regulatory approvals in more than 30 countries and has applications under review in major markets. The company's products, such as Simlandi and Selarsdi, have achieved strong market share momentum in key territories - Simlandi being the second-largest Humira® biosimilar in the U.S., and Selarsdi (marketed as Uzpruvo® in Europe) holding the highest or second-highest share of Stelara® biosimilars in launched European markets.

Manufacturing & Workforce

Alvotech operates a fully integrated, GMP-certified biopharmaceutical campus in Reykjavík, Iceland, housing end-to-end capabilities in R&D, manufacturing, and quality control. Additional operations are in Germany, Switzerland, and India, with newly added packaging and assembly capabilities following the 2025 acquisition of Ivers-Lee.

At the end of 2025 the company employed approximately 1,500 employees worldwide, including scientists, engineers, and regulatory experts, who ensure the consistent quality, safety, and scalability of Alvotech's biosimilars for patients across the global market.

4. Stakeholder Engagement

Stakeholder engagement shapes Alvotech's sustainability strategy at every level. Feedback from patients and healthcare providers informs research and development priorities to improve health equity and access to treatment. Employee input supports the continuous advancement of workplace culture, diversity, equity, and inclusion initiatives. Dialogue with suppliers and commercialization partners strengthens responsible sourcing practices and supply chain resilience. Insights from investors and the Board of Directors guide long-term strategic direction and sustainability governance.

Feedback gathered through formal stakeholder channels, including surveys, interviews, and partnership reviews, is consolidated and presented to the Corporate Leadership Team (CLT) regularly to inform both strategic and operational decisions. Material stakeholder concerns are escalated to the Board of Directors through quarterly sustainability updates and through the Corporate Sustainability Committee, established in 2024 to oversee the implementation of Alvotech's ESG strategy and CSRD compliance.

The following table summarizes the engagement approach and frequency for each key stakeholder group identified as part of Alvotech's 2024 Double Materiality Assessment.

The following table provides an overview of the engagement process for each key stakeholder group identified by Alvotech.

STAKEHOLDER	Engagement methods	Purpose	Incorporation of outcome
MANAGEMENT (Corporate Leadership Team)	• Quarterly management meetings • Direct consultation for strategic and operational matters • Annual strategy workshops with external ESG experts	• Quarterly management meetings	Feedback from management discussions is consolidated through structured feedback loops and documented in meeting minutes. Action plans are developed to address identified gaps or opportunities, and progress is tracked.
OWN WORKFORCE (Employees)	• Annual employee engagement survey • Regular town halls and employee focus groups on specific topics • Ongoing communication through direct managers, team meetings, and monthly health & safety committees at each site	• Ensure job satisfaction, performance improvement, and overall wellbeing • Foster an inclusive, transparent, and collaborative workplace culture • Strengthen employee voice and engagement in organizational decision-making	Findings from surveys and town halls are analyzed to identify trends and improvement opportunities. Insights are used to update HR and safety policies, enhance wellbeing and diversity initiatives, and guide internal communications. Cross-site safety committees monitor progress and report outcomes to senior management through engagement and safety metrics.
INVESTORS	• Quarterly earnings calls and regular calls with key shareholders and potential investors • Targeted investor briefings • Ongoing financial and non-nancial reporting	• Provide transparency on financial performance, strategy, and sustainability initiatives • Address investor concerns and information needs on material ESG topics • Build long-term trust through consistent and comparable sustainability disclosures	Investor feedback and engagement outcomes are reviewed quarterly and integrated into strategic and sustainability planning processes. Insights inform updates to ESG disclosures, target setting, and performance reporting. In addition, Alvotech's ESG performance is regularly assessed by banks, investment funds, and independent analysis firms in the financial markets, and findings from these assessments are incorporated into the company's sustainability reporting and communication practices.

Integration of Stakeholder Feedback

Alvotech systematically incorporates stakeholder input into business decisions. In 2024, the company conducted a comprehensive Double Materiality Assessment, engaging key stakeholder groups through a uniform survey process.

The survey was designed to:

- **Gather quantitative data:** Stakeholders prioritized and ranked predefined sustainability impacts, risks, and opportunities
- **Encourage open feedback:** Respondents could add qualitative comments and suggest additional topics beyond those provided
- **Ensure anonymity:** Responses were collected confidentially to promote honest and transparent feedback

The results were aggregated and weighted by the stakeholder group to reflect their relevance and influence on Alvotech's strategy and business model. This ensured that stakeholder views were systematically analyzed and incorporated into strategic planning and operational decision-making.

From 2025 onward, stakeholder interests and perspectives are communicated to the Board of Directors and the Corporate Leadership Team (CLT) as part of the annual corporate goal-setting process, in which departmental and individual objectives are aligned with company-wide goals. In addition, the Board, its committees, and the CLT receive sustainability-related updates throughout the year, particularly when emerging risks or potential negative impacts require timely evaluation and response.

To further embed stakeholder input into governance and strategy, the review of the 2024 Double Materiality Assessment is expected to become an annual recurring process. This structured approach ensures that the Board of Directors and CLT remain informed about stakeholder priorities, supporting responsive, transparent, and accountable decision-making.

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STAKEHOLDER	Engagement methods	Purpose	Incorporation of outcome
BOARD OF DIRECTORS	• Regular board meetings • Regular strategic workshops focused on sustainability, risk, and governance priorities	• Ensure governance practices remain aligned with Alvotech's strategic objectives and regulatory requirements • Oversee the integration of sustainability into business strategy and risk management • Review and endorse key ESG targets and disclosures prior to publication	Board discussions and resolutions are implemented through executive directives and monitored by the Corporate Leadership Team. Governance effectiveness and ESG oversight are reviewed annually, with findings used to strengthen internal controls, reporting accuracy, and strategic alignment across the organization
SUPPLIERS AND BUSINESS PARTNERS	• Suppliers and business partners ESG Data collection via supplier surveys • Direct communication during procurement, contact negotiations • Quarterly ESG meetings with partners	• Foster responsible and transparent partnerships across the supply chain • Ensure compliance with ethical, environmental, and quality standards • Strengthen supply chain resilience and performance through collaboration	Supplier feedback and ESG data are reviewed to identify improvement areas. Action plans are developed, and progress is monitored through compliance indicators and audits. Findings inform procurement decisions and sustainability reporting
CUSTOMERS (Commercialization partners)	• Customer feedback systems and focused surveys • Direct consultations and performance reviews	• Enhance product quality, customer satisfaction, and partnership effectiveness • Patient access and affordability	Partner feedback informs product and service improvements. Results are tracked and used to strengthen collaboration on patient access initiatives Regulatory feedback informs updates to compliance systems, documentation, and reporting practices
REGULATORY AUTHORITIES	• Compliance with all applicable rules, guidelines and directives of EMA, FDA and other national regulatory authorities • Participation in industry working groups through IGBA/MfE (International Generic and Biosimilar/ Medicines for Europe)	• Ensure compliance with regulations • Align internal standards with evolving regulatory requirements	Regulatory feedback informs updates to compliance systems, documentation, and reporting practices
ASSOCIATIONS, POLICYMAKERS, AND INDUSTRY BODIES	• Participation in public policy consultations and industry alliances • Collaboration through sector associations to advance biosimilar and sustainability agendas	• Advocate for biosimilars and equitable access to biologic medicines • Contribute to the development of sustainability standards within the biopharmaceutical sector	Insights from industry engagement inform Alvotech's policy positions and sustainability priorities

5. Sustainability Governance

Alvotech's governance structure integrates sustainability oversight at both the supervisory and operational levels. The Board of Directors provides strategic oversight and ensures accountability for Alvotech's sustainability performance. It oversees the identification, management, and monitoring of material sustainability impacts, risks, and opportunities (IROs), and evaluates progress against approved objectives and targets. The Board receives formal sustainability updates quarterly and ad hoc briefings when critical decisions or emerging issues require attention.

The Corporate Leadership Team (CLT) is responsible for the day-to-day management of sustainability matters. It executes the sustainability strategy approved by the Board and reports regularly on performance and progress. The CLT holds quarterly sustainability discussions to ensure alignment between strategic objectives and operational execution.

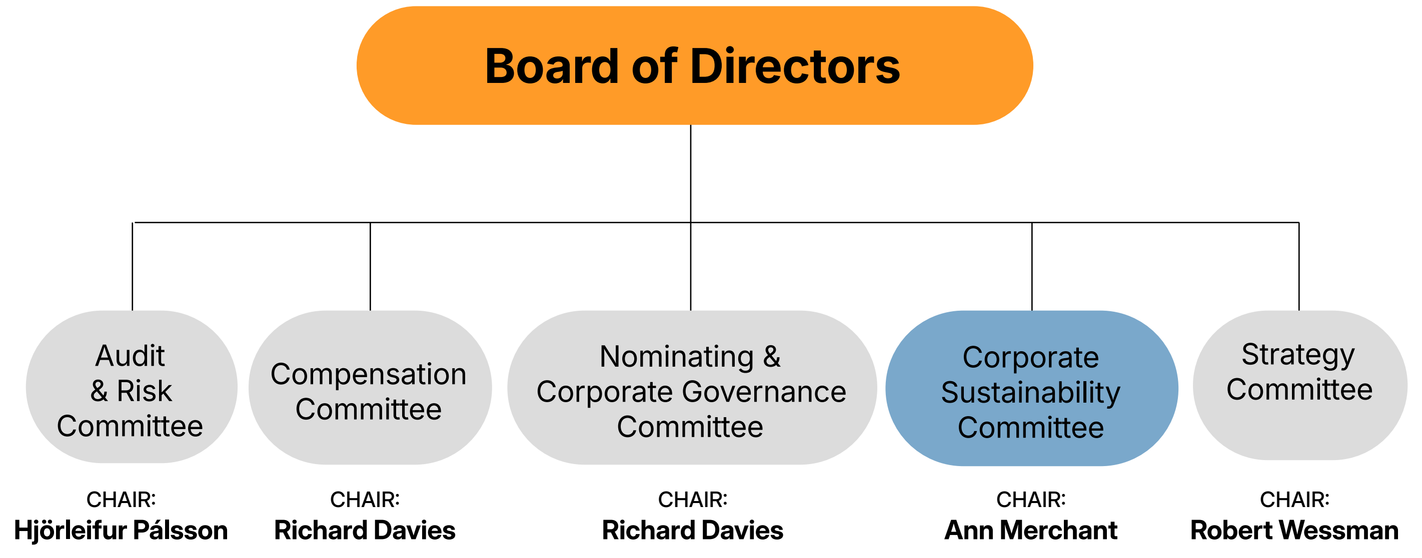
The Corporate Sustainability Committee, established in 2024, serves as the central coordination forum between the Board and management.

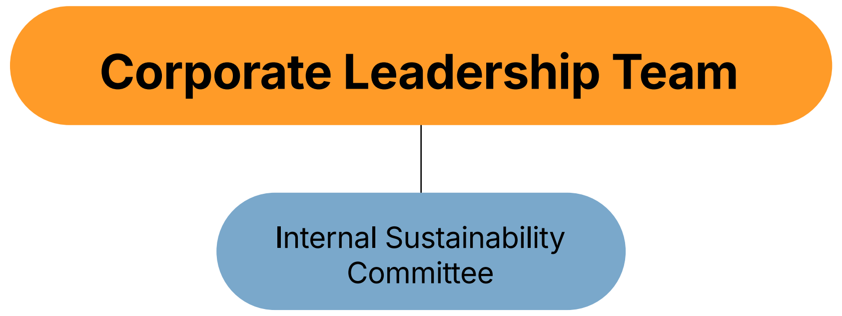
The Committee supports the Board in overseeing the company's ESG strategy, reviewing progress toward targets, and ensuring cross-functional accountability. It also facilitates the flow of sustainability-related information between the CLT and the Board, reinforcing the integration of ESG considerations into business decisions.

Day-to-day sustainability coordination is carried out within the finance function under the oversight of the Chief Financial Officer, in close collaboration with Financial Reporting and Compliance. The cross-functional Internal Sustainability Committee is coordinated through this structure, ensuring the consolidation of inputs and performance data from relevant functions. Sustainability reporting and progress updates are prepared for review by the CLT and, when appropriate, escalated to the Corporate Sustainability Committee.

Board and Management Committees

Alvotech's governance framework is supported by a set of Board and management committees that ensure effective oversight, accountability, and cross-functional coordination on strategic, financial, and sustainability matters. Each committee operates under a defined charter and reports to either the Board of Directors or the Corporate Leadership Team depending on its mandate.





Directors of the Board

Robert Wessman
CHAIRMAN OF THE BOARD OF DIRECTORS

SECTOR AND EXPERTISE:
Pharma generics & biosimilars (25+ years).
Corporate strategy, global markets, generics/biosimilar operations.

Richard Davies
DIRECTOR AND DEPUTY CHAIRMAN

SECTOR AND EXPERTISE:
BPharma/biotech leadership (20+ years).
Corporate governance, commercial strategy, institutional leadership.

Arni Hardarson
DIRECTOR

SECTOR AND EXPERTISE:
Pharma/tax/legal (20+ years).
Legal/regulatory, tax structures, corporate governance.

Lisa Graver
DIRECTOR

SECTOR AND EXPERTISE:
Pharma IP & business development (15+ years).
Intellectual property, product market access, corporate development.

Ann Merchant
DIRECTOR

SECTOR AND EXPERTISE:
Biotech/Pharma Operations, Supply Chain & Leadership (30+ years).
Finance, Operations, commercialization, sustainability.

Tomas Ekman
DIRECTOR

SECTOR AND EXPERTISE:
Private equity & healthcare investment (15+ years).
Finance, capital allocation, M&A, Nordic markets.

Hjorleifur Palsson
DIRECTOR

SECTOR AND EXPERTISE:
Finance & pharma operations (25+ years).
Financial management, investor relations, M&A, accounting standards.

Corporate Leadership Team

Robert Wessman
CEO

SECTOR AND EXPERTISE:
Pharma generics & biosimilars (25+ years).
Corporate strategy, global markets, generics/biosimilar operations.

Linda Jonsdottir
CHIEF FINANCIAL OFFICER

SECTOR AND EXPERTISE:
Capital goods, global technology and Finance (20+ years)
Capital Goods and Industrials, Finance and Capital Markets. Expertise in financial management, M&A, Treasury, Investor Relations, Operations, Supply chain, and HR.

Joseph E. McClellan
CHIEF OPERATING OFFICER

SECTOR AND EXPERTISE:
Pharma R&D & biosimilars (20+ years).
PhD Chemistry (University of Florida - Analytical Chemistry/ Mass Spectrometry), MBA Northeastern (innovation/ business growth).

Anthony M. Maffia III
CHIEF QUALITY AND REGULATORY OFFICER

SECTOR AND EXPERTISE:
Biosimilar regulatory affairs (20+ years).
Biosimilar regulatory strategy, global regulatory navigation (90+ markets), regional compliance, research biology.

Balaji Prasad
CHIEF STRATEGY OFFICER

SECTOR AND EXPERTISE:
Pharma industry & healthcare equities (25+ years)
Specialty pharma strategy, financial analysis, healthcare market dynamics, global pharma trends.

Kathryn Gunnarsson
SVP GLOBAL TALENT & PEOPLE EXPERIENCE

SECTOR AND EXPERTISE:
Talent, people & culture leadership (20+ years)
Organizational culture, leadership development, global people strategy
Chartered Fellow (FCIPD)

Tanya Zharov
GENERAL COUNSEL

SECTOR AND EXPERTISE:
Biotech & healthcare law (25+ years).
Led deCODE's US IPO (first Icelandic company on US stock exchange); expertise in global biotech/healthcare law; European Patent Attorney.

Diversity and Composition

Alvotech maintains strong gender balance and diversity across its governance structure. The tables below show the composition and diversity of Alvotech's governance bodies as of 2024 and 2025.

Governance Body	2024	2025
Board of Directors		
Total members	8	7
Percentage of women	38%	29%
Percentage of independent members	83.3%	78%
Corporate Leadership Team		
Total members	10	10
Percentage of women	33%	38%

Target-Setting and Performance Monitoring

Alvotech has established a structured process for sustainability target-setting as part of its ongoing governance enhancements. The framework will be guided by the following principles:

- **Board of Directors:** Approves long-term sustainability targets, including emissions reduction, resource efficiency, and diversity metrics.
- **Corporate Sustainability Committee:** Reviews quarterly performance reports and progress toward approved targets and priorities.
- **Corporate Leadership Team:** Monitors operational performance and implements corrective actions where necessary.
- **Internal Sustainability Committee:** Prepares sustainability targets, monitors ongoing performance, and consolidates data and progress updates for management and committee review.

This process will enable consistent measurement, accountability, and transparent reporting of progress toward Alvotech's sustainability objectives.

Competence, Training, and External Expertise

The Board of Directors and the CLT include members with extensive experience in the pharmaceutical industry, global operations, and sustainability oversight. To maintain and strengthen competence on sustainability matters, Alvotech has implemented the following mechanisms:

- Training sessions for Board and CLT members on emerging sustainability trends, regulatory developments, and sector-specific risks
- Engagement of external experts for specialized areas such as Double Materiality Assessments and CSRD compliance

These measures ensure that Alvotech's governance bodies remain informed and capable of overseeing sustainability-related risks and opportunities.

Integration of Sustainability-Related Performance in Incentive Schemes

Alvotech does not have an established mechanism for integrating sustainability-related performance into incentive schemes. This is primarily due to the absence of formalized sustainability targets, which are currently under development as part of Alvotech's ongoing enhancements to its governance and sustainability framework.

Statement on Due Diligence

Alvotech's due-diligence process to identify, assess, and manage sustainability-related impacts, risks, and opportunities is embedded across governance, strategy, stakeholder engagement, and risk-management practices.

A mapping of how these core elements are addressed throughout Alvotech's sustainability statement is provided in Appendix 1 Statement on Due Diligence

Risk Management and Internal Controls over Sustainability Reporting

Alvotech's CLT reviews and discusses the strategic risk profile. Strategic risks are evaluated alongside findings from our DMA in the Sustainability Statement to more effectively integrate sustainability considerations into our overall risk outlook. Alvotech maintains a centralized robust system to safeguard the accuracy, reliability, and transparency of its sustainability disclosures.

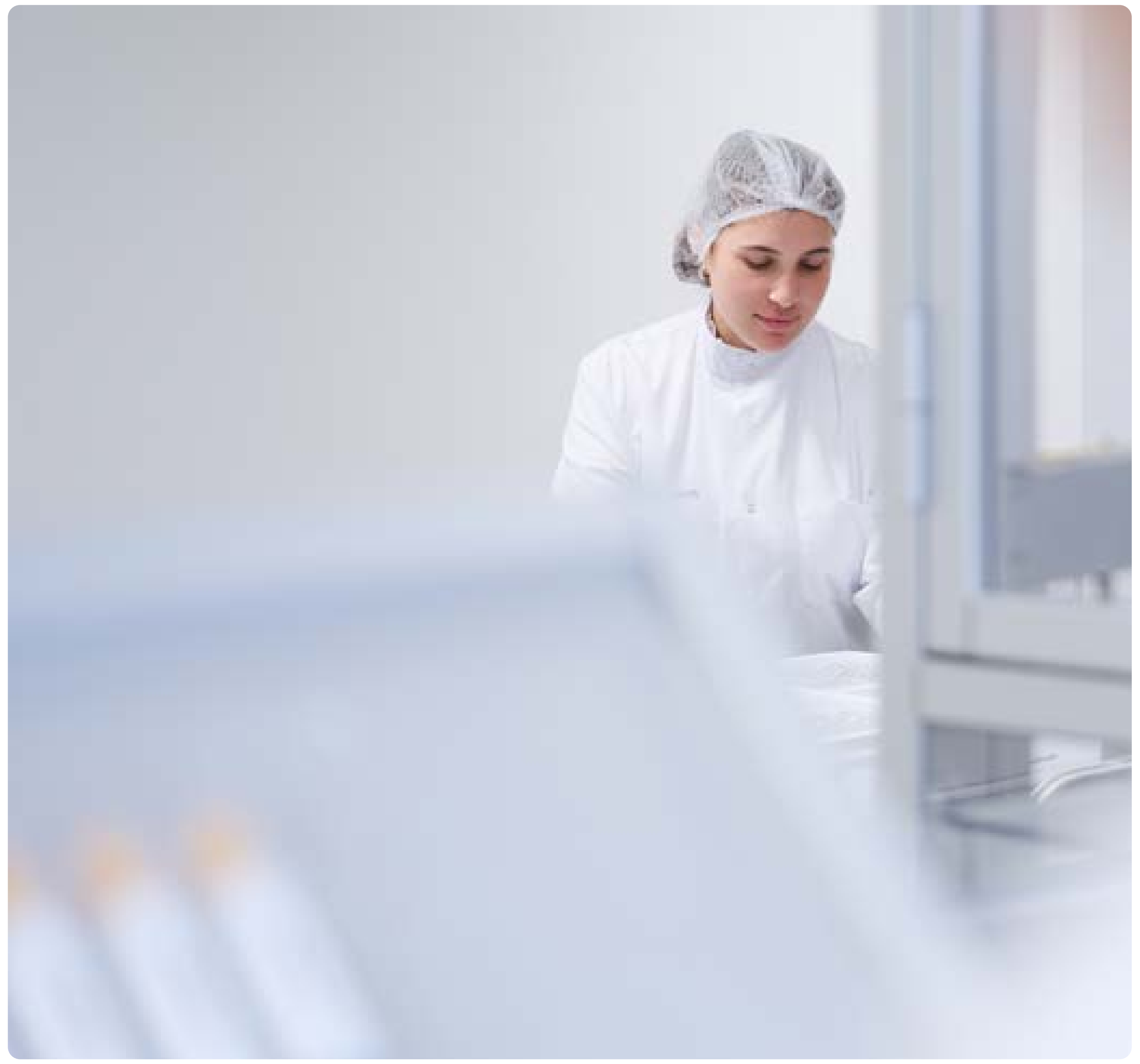
Risk Management: Key reporting risks are identified as part of the sustainability reporting process, including data-quality issues, incomplete value-chain data, and evolving ESRS compliance gaps. These risks are addressed for potential impact on reporting accuracy and regulatory compliance. Mitigation measures include strengthening data-collection systems, engaging external advisors, and performing regular sustainability data audits.

Internal Controls: The Internal Sustainability Committee, composed of representatives from HR, Finance, Commercial, Operations, R&D, Strategy, and Legal, is responsible for coordinating sustainability reporting activities. The Internal Sustainability Committee oversees the reporting process, ensuring alignment with ESRS requirements and consistency across all disclosures.

6. Material Impacts, Risks and Opportunities

The 2024 Double Materiality Analysis (DMA) identified Alvotech's key material topics and provided a structured basis for prioritization. Building on this assessment, Alvotech has further refined its focus on the most relevant environmental, social, and governance matters across its business model and value chain. These topics reflect the areas where Alvotech has the greatest impacts and dependencies, and where sustainability matters are most likely to influence business performance. The outcome of the DMA guides the company's strategy to address material risks and capture related opportunities.

The tables present the identified impacts, risks, and opportunities (IROs) that are material to Alvotech in this year's sustainability statement.



Abbreviations:
OO: own operation
DVC: Disclosure Voluntary Content
UVC: Unit Value Code.
ST: Short term
MT: Medium term
LT: Long term

Material topics' Summary: Impacts, Risks, and Opportunities (IRO)

E1 – Climate Change

Subtopic	IRO	Type of IRO	Location in VC	Timeframe
CLIMATE CHANGE MITIGATION	GHG emissions from manufacturing processes (Scope 1 & 2: energy consumption, refrigerants, facility operations)	Negative Impact - Actual	OO	ST-MT-LT
	Indirect emissions from logistics and distribution of biologic products globally (Scope 3)	Negative Impact - Actual	DVC	ST-MT-LT
	Indirect emissions from suppliers of chemicals, biologics, and packaging (Scope 3 upstream)	Negative Impact - Actual	UVC	ST-MT-LT
	Transition to renewable energy sources decreases carbon intensity of production	Positive Impact - Actual	OO	ST-MT-LT
	Regulatory tightening on GHG emissions (EU ETS, carbon taxes, product carbon footprint disclosures) increasing compliance costs	Risk	UVC; OO; DVC	ST-MT-LT
	Disruption to global supply chains (including raw material availability, API sourcing and packaging materials) due to extreme weather and transport interruptions.	Risk	UVC	ST-MT-LT
ENERGY	High energy consumption from controlled environments (labs, manufacturing, cold chain)	Negative Impact - Actual	OO	ST-MT-LT
	Iceland's renewable energy base lowering risk exposure and offering cost stability	Opportunity	OO	ST-MT-LT

S1 – Own Workforce

Subtopic	IRO	Type of IRO	Location in VC	Timeframe
WORKING CONDITIONS	Safe, modern, and well-equipped manufacturing and laboratory facilities, ensuring the health, safety, and well-being of employees	Positive Impact - Actual	OO	ST-MT-LT
	Potential for employee stress, fatigue, or physical strain, particularly in production roles	Negative Impact - Potential	OO	ST-MT-LT
	Accidents, occupational health incidents, or labor disputes could disrupt operations, affect production timelines, and harm reputation	Risk	OO	ST-MT-LT
	Investing in workplace ergonomics, flexible work arrangements, and mental health programs can improve employee engagement, retention, and productivity	Opportunity	OO	ST-MT-LT
EQUAL TREATMENT AND OPPORTUNITIES FOR ALL	Gender equality, non-discrimination, and equal pay for equal work contribute to an inclusive workplace.	Positive Impact - Actual	OO	ST-MT-LT
	Non-compliance with national or EU-level equality and non-discrimination legislation may result in legal action or penalties	Risk	OO	ST-MT-LT
OTHER WORK-RELATED RIGHTS	Workers' rights to freedom of association, collective bargaining, data privacy, and the prohibition of child or forced labor.	Positive Impact - Actual	OO	ST-MT-LT

S1 – Own Workforce				
WORKING CONDITIONS	Safe, modern, and well-equipped manufacturing and laboratory facilities, ensuring the health, safety, and well-being of employees	Positive Impact - Actual	OO	ST-MT-LT
	Potential for employee stress, fatigue, or physical strain, particularly in production roles	Negative Impact - Potential	OO	ST-MT-LT
	Accidents, occupational health incidents, or labor disputes could disrupt operations, affect production timelines, and harm reputation	Risk	OO	ST-MT-LT
	Investing in workplace ergonomics, flexible work arrangements, and mental health programs can improve employee engagement, retention, and productivity	Opportunity	OO	ST-MT-LT
EQUAL TREATMENT AND OPPORTUNITIES FOR ALL	Gender equality, non-discrimination, and equal pay for equal work contribute to an inclusive workplace.	Positive Impact - Actual	OO	ST-MT-LT
	Non-compliance with national or EU-level equality and non-discrimination legislation may result in legal action or penalties	Risk	OO	ST-MT-LT
OTHER WORK-RELATED RIGHTS	Workers' rights to freedom of association, collective bargaining, data privacy, and the prohibition of child or forced labor.	Positive Impact - Actual	OO	ST-MT-LT

S4 – Consumers and end-users				
PERSONAL SAFETY OF CONSUMERS AND/OR END-USERS	Rigorous quality controls, product safety surveillance, and adherence to Good Manufacturing Practices (GMP) ensure that biosimilar products are safe, effective, and meet regulatory standards	Positive Impact - Actual	DVC	ST-MT-LT
	Safety incidents can trigger recalls, liability claims, regulatory sanctions, and loss of market access	Risk	DVC	ST-MT-LT
SOCIAL INCLUSION OF CONSUMERS AND/OR END-USERS	Alvotech's biosimilars increase access to affordable biologic therapies for diverse patient populations, including those in lower-income or underserved markets	Positive Impact - Actual	DVC	ST-MT-LT
	Demonstrating commitment to health equity can improve Alvotech's reputation with stakeholders, including investors with ESG priorities	Opportunity	DVC	ST-MT-LT

G1 - Business Conduct				
CORPORATE CULTURE	A strong ethical and inclusive culture fostering innovation, collaboration, and responsible conduct	Positive Impact - Actual	OO	ST-MT-LT
SUPPLIER RELATIONSHIPS	Fair supplier practices promote ethical value chains and SME resilience	Positive Impact -Actual	UVC	ST-MT-LT
	Financial risk from supply chain instability or non-compliance with responsible sourcing standards	Risk	UVC	ST-MT-LT
	Operational disruption if suppliers are lost due to poor practices	Risk	UVC	ST-MT-LT

7. Double Materiality Assessment Methodology

Double Materiality Assessment (2024)

In Q3 2024, an external consultant, endorsed by the Corporate Leadership Team, conducted Alvotech's comprehensive Double Materiality Assessment (DMA). The findings were presented to the CLT at its quarterly meeting and subsequently to the Board of Directors to inform prioritization and target-setting.

The DMA was conducted in compliance with the Corporate Sustainability Reporting Directive (CSRD) and aligned with the European Sustainability Reporting Standards (ESRS). It identified material topics by assessing both:

- Financial materiality (outside-in): How sustainability matters may affect Alvotech's business performance and enterprise value
- Impact materiality (inside-out): How Alvotech's operations and value chain affect people, communities, and the environment

The assessment applied a combination of qualitative and quantitative methods to ensure a comprehensive identification and prioritization of sustainability issues most relevant to Alvotech and its stakeholders. The process was supported by established governance structures. Leadership workshops validated findings at key stages, and external consultants provided an independent methodological review and assurance.

The 2024 DMA identified five material topics for Alvotech. For a detailed overview of the corresponding impacts, risks, and opportunities (IROs), including their value chain location and time horizon see further Material Impacts, Risks and Opportunities.

The DMA Approach

The DMA followed a structured process aligned with ESRS 1 and was conducted by an external advisor with the Corporate Leadership Team.

1. Context Analysis and IRO Identification

Alvotech mapped its entire value chain — from upstream suppliers (raw materials, contract manufacturers, packaging) through its own operations (R&D, manufacturing, quality, commercial, finance, HR, legal) to downstream commercialization partners and patients. The assessment covered: i) suppliers representing 54 % of total operating spend, and ii) commercialization partners representing around 50 % of global revenue, ensuring coverage of all major geographies in which Alvotech operates.

A comprehensive long list of potential impacts, risks, and opportunities (IROs) was compiled from:

- All sustainability matters listed in ESRS 1 Appendix A (AR 16) at the ESRS sub-topic level
- Alvotech's 2023 Sustainability Report, enterprise-risk registers, and compliance data
- Industry benchmarks and external datasets (ENCORE, SASB, S&P, Oliver Wyman analysis)

2. Stakeholder Engagement

Six stakeholder groups were engaged i) employees, ii) board members, iii) suppliers, iv) commercialization partners, v) investors, and vi) patients/health-care professionals through standardized surveys and targeted interviews. The survey covered 37 ESRS sub-topics and 14 statements addressing both impact and financial materiality dimensions. All responses were collected anonymously to encourage open and candid feedback.

3. Aggregation and Validation

Inputs from each stream were combined using a weighted scoring model:

60 % internal data and interviews	**20 % industry benchmarks**	**20 % stakeholder feedback**

Preliminary results were reviewed in leadership workshops, with focused discussion on topics scoring near the materiality threshold (3.0 – 4.0) to ensure balanced judgment and internal consensus before final validation by the CLT and presentation to the Board of Directors.

Assessment Methodology

Impact Materiality (inside-out):

Impacts were assessed across Alvotech's operations, tier-1 suppliers, and commercialization partners. Topics were prioritized based on heightened risks related to activities, business relationships, and geographies. We assessed actual or potential impacts, whether negative or positive, based on the following criteria:

- **Severity**
  - Scale — gravity of the impact
  - Scope — breadth and geographical reach
  - Irremediability — ability to remedy harm
- **Likelihood:** Probability of occurrence (for potential impacts)
- **Time horizons**

SHORT-TERM: Current reporting period	**MEDIUM-TERM: 1 - 5 years**	**LONG-TERM: > 5 years**

For negative human rights impacts, Alvotech applies a risk-based approach informed by the UN Guiding Principles on Business and Human Rights (UNGPs). In this context, the severity of potential impacts is a key consideration, particularly where risks relate to fundamental rights, regardless of likelihood. This principle is reflected in the company's Code of Conduct and Supplier Code of Conduct and informs the ongoing development of its human rights due diligence practices.

Financial Materiality (outside-in):

We assessed inherent risks and opportunities based on their potential to impact our development or financial status:

- Magnitude of Financial impact: Potential effects on revenue (biosimilar pricing pressure, delayed approvals), costs (e.g. Scope 3 reductions, circular packaging), access to capital, and operational continuity
- Likelihood: Probability of occurrence
- Time horizon:

SHORT-TERM: Current reporting period	MEDIUM-TERM: 1 - 5 years	LONG-TERM: > 5 years

- Nature of effect: Whether the impact presents a financial risk (e.g., price erosion from new entrants) or opportunity (e.g., health equity market positioning)

Risks were assessed for both likelihood and magnitude of financial or reputational impact. Opportunities were evaluated based on alignment with strategic priorities and execution of readiness.

Risks were evaluated by likelihood and magnitude of potential financial or reputational impact, while opportunities were assessed for alignment with strategic priorities and readiness for execution.

Materiality Thresholds

A materiality threshold of ≥ 3.55 on a 1–5 scale was applied for both impact and financial materiality. Topics scoring above this threshold were considered material for reporting under the CSRD.

8. Basis for the Preparation of the Sustainability Statement

General Basis for Preparation

The 2025 reporting year marks Alvotech's second year of transition to the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). In 2024, Alvotech published its first CSRD-aligned sustainability disclosures, transitioning from standalone reporting previously prepared in accordance with the Non-Financial Reporting Directive (NFRD). The 2025 reporting cycle continues this transition period, building on lessons learned from the first year of CSRD alignment and further enhancing the quality, comparability, and consistency of reported data and disclosures.

As a Luxembourg-incorporated, publicly listed biopharmaceutical company with operations in Iceland and global commercial markets, Alvotech has voluntarily adopted CSRD compliance ahead of its mandatory applicability. This proactive approach aligns with stakeholder expectations and the evolving European regulatory landscape. The 2024 reporting year remains the baseline for Scope 1, 2, and 3 greenhouse gas emissions.

Scope of Preparation

The sustainability statement covers the period from 1 January 2025 to 31 December 2025, encompassing all entities consolidated in Alvotech's financial statements in accordance with Directive 2013/34/EU.

- Subsidiaries are fully consolidated (100%), while joint operations are included proportionally based on Alvotech's ownership share
- Critical or material events occurring up to 31 January 2026 are included in this report

Subsidiary Exemptions

No subsidiaries have been exempted from individual or consolidated sustainability reporting under Articles 19a(9) or 29a(8) of Directive 2013/34/EU. Accordingly, all subsidiaries are included within the scope of this sustainability statement.

Coverage of the Value Chain

This sustainability statement primarily covers Alvotech's own operations, while also including relevant value-chain disclosures where material sustainability impacts, risks, and opportunities were identified through the 2024 Double Materiality Assessment:

a. **Upstream:** Suppliers and production partners, focusing on greenhouse gas emissions and resource use
b. **Downstream:** Distribution of partners, patient accessibility, and end-user safety for biosimilar medicines

These value-chain disclosures are integrated across the topical sections of Climate Change (E1), Own Workforce (S1), and Consumers and End-Users (S4).

While significant progress has been made in gathering value-chain data, some supplier-level information remains incomplete due to data-availability constraints. These areas will be further expanded in future reporting cycles as part of Alvotech's phased CSRD implementation plan.

Use of Omission Options:

- **Material Topic Omission:** The topic ESRS E5 – Resource Use and Circular Economy, identified as material in the 2024 Double Materiality Assessment, is not covered in this 2025 sustainability statement. The omission is due to ongoing data collection and methodology development related to waste, recycling, and material-efficiency metrics. Alvotech expects to further develop the underlying data, processes, and controls and to potentially include disclosures under ESRS E5 in future reporting cycles, as relevant and material, once data maturity supports reliable and auditable reporting
- **Intellectual Property:** No information related to intellectual property, know-how, or innovation results relevant to the objectives of the ESRS disclosure requirements has been omitted
- **Negotiations and Impending Developments:** Alvotech has not exercised the option to omit information regarding any matters under negotiation or any impending developments or, as permitted under Articles 19a(3) or 29a(3) of Directive 2013/34/EU

Disclosures in Relation to Specific Circumstances

1. **Time Horizons:** Alvotech applies three standard time horizons for impact materiality assessment i) short-term (the reporting period), ii) medium-term (1 to 5 years), and iii) long-term (more than 5 years) consistent with the methodology previously described in the Assessment Methodology section.
2. **Value Chain Estimations:** For 2025, Alvotech relied on estimates due to the limited availability of primary data for certain upstream and downstream value-chain metrics.

   a. **Identified metrics:** Alvotech's primary value chain estimation concerns Scope 3 greenhouse gas emissions, due to limited primary data availability from suppliers and commercialization partners.

   b. **Basis for preparation:** The value chain analysis followed a structured methodology to integrate upstream and downstream data. The analysis focused on top suppliers and commercialization partners, representing over 50% of purchased goods/services and over 50% of current revenue.

   c. **Data sources:** Materiality scores for impact, risk, and opportunity (IRO) were derived directly from top suppliers' and partners' ESG disclosures. For suppliers and partners lacking detailed ESG reports, ENCORE industry averages were utilized to estimate IRO scores.

   d. **Weighting and aggregation:** Individual scores were aggregated using weighted averages based on the supplier's share of total operating spend. Similarly, downstream commercialization partner scores were equally weighted.

   e. **Accuracy and limitations:**

      i. Level of accuracy: The estimates are considered moderately accurate, as data relied heavily on sector averages and proxy assumptions for some suppliers and downstream partners.

      ii. Limitations: Challenges included limited access to primary data from smaller suppliers and commercialization partners outside mandatory reporting obligations. These gaps are targeted for improvement in future cycles.

   f. Planned actions for improvement: Alvotech is implementing a structured roadmap to improve value chain data quality:

      i. **2026 onwards:** Expanding supplier engagement to encourage ESG reporting alignment with CSRD standards.

      ii. **2026–2027:** Streamline data collection and enhance traceability.

   g. **Exclusion of information**

      i. **ESRS E5:** ESRS E5 was identified as material in the 2024 Double Materiality Assessment but is temporarily omitted for FY 2025 due to data and methodology limitations as previously mentioned.

   h. **Other information**

      i. **Comparative figures:** 2024 and 2025 data have been included where available and applicable. Information about assumptions and data uncertainty is provided within each topical ESRS disclosure.

Appendix 1

Statement on Due Diligence (ESRS 2 GOV-4)

Due-diligence aspect (ESRS 2 GOV-4)	Description	Reference within this Sustainability Statement
EMBEDDING DUE DILIGENCE IN GOVERNANCE, STRATEGY, AND BUSINESS MODEL	Governance bodies integrate sustainability-related due diligence into strategic oversight, decision-making, and risk-management processes.	Section 5 – Sustainability Section 3 – Strategy, Business Model & Value Chain
ENGAGING WITH AFFECTED STAKEHOLDERS	Stakeholder engagement includes surveys, focus groups, and regular dialogue with employees, suppliers, investors, and patients.	Section 4 – Stakeholder Engagement
IDENTIFYING AND ASSESSING NEGATIVE IMPACTS ON PEOPLE AND THE ENVIRONMENT	The 2024 DMA provides the process and methodology for identifying material impacts, risks, and opportunities.	Section 7 – DMA Methodology Section 6 – Material IROs
TAKING ACTION TO ADDRESS NEGATIVE IMPACTS	Actions include emissions-reduction programs, resource-efficiency initiatives, and diversity & inclusion measures.	Section E1 – Climate Change Section S1 – Own Workforce Section G1 – Business Conduct
TRACKING THE EFFECTIVENESS OF EFFORTS	Effectiveness is monitored through KPIs, audits, and continuous improvement plans for each material topic.	Section E1 – Climate Change Section S1 – Own Workforce Section G1 – Business Conduct

Disclosure Requirements in ESRS Covered by the Sustainability Statement

ESRS 2	General Disclosures	Page
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BP-2	Disclosures in relation to specific circumstances	22
GOV-1	The role of the administrative, management, and supervisory bodies	14
GOV-2	Information provided to, and sustainability matters addressed by, the undertaking's administrative, management, and supervisory bodies	15, 16
GOV-3	Integration of sustainability-related performance in incentive schemes	16
GOV-4	Statement on due diligence	16
GOV-5	Risk management and internal controls over sustainability reporting	16
SBM-1	Strategy, business model and value chain	8
SBM-2	Interests and views of stakeholders	12, 13
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	29

E1	Climate Change	Page
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E1-3	Actions and resources in relation to climate change policies	26-27
E1-5	Energy consumption and mix	32
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S1	Own Workforce	Page
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S1-2	Processes for engaging regarding impacts	37
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S1-7	Characteristics of non-employee workers	41
S1-8	Collective bargaining coverage and social dialogue	47
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S1-11	Social protection	41
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S1-14	Health and safety metrics	44
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S4	Business Conduct	Page
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S4-2	Processes for engaging with consumers and end-users about impacts	52
S4-3	Processes to remediate negative impacts and raise concerns	54

CHAPTER 3

Environment

1. A Structured and Proportionate Climate Approach

Alvotech is exploring the development of a credible and realistic climate strategy. The current focus is strengthening internal understanding and infrastructure that may support informed decision-making in future reporting cycles

Climate change has been identified as a relevant topic for Alvotech through the DMA, particularly in relation to climate change mitigation and energy. The company's operations in Iceland benefit from renewable geothermal and hydroelectric energy, contributing to comparatively lower Scope 1 and 2 emissions relative to companies operating in more carbon-intensive regions.

Most climate-related risks and opportunities are understood to occur across Alvotech's broader value chain. As the company expands internationally, Scope 3 emissions are expected to increase. Activities such as supplier engagement, logistics considerations, and potential target-setting remain under development as part of the company's evolving approach to climate-related topics.

To support this work, Alvotech is in the process of assessing systems and frameworks that could enable more comprehensive climate-related data management, including:

- Tools and processes for enhanced emissions tracking across all three scopes
- Data governance practices intended to support reliable and auditable information over time

These efforts reflect an understanding that improved data quality and collaboration across the value chain can help inform any future decisions regarding measurable targets.

Material Impacts, Risks, and Opportunities

For 2025, climate change mitigation and energy continue to be identified as material topics. This reflects an acknowledgment of the evolving landscape related to climate considerations, regulatory developments, and stakeholder interest, as well as the broader global discussions surrounding sustainability.

Material topics in Climate Change: Impacts, Risks, and Opportunities (IRO)				
Material topic	**IRO**	**Type of IRO**	**Location in VC**	**Timeframe**
E1 Climate change				
CLIMATE CHANGE MITIGATION	GHG emissions from manufacturing processes (Scope 1 & 2: energy consumption, refrigerants, facility operations)	Negative Impact - Actual	OO	ST-MT-LT
	Indirect emissions from logistics and distribution of biologic products globally (Scope 3)	Negative Impact - Actual	DVC	ST-MT-LT
	Indirect emissions from suppliers of chemicals, biologics, and packaging (Scope 3 upstream)	Negative Impact - Actual	UVC	ST-MT-LT
	Transition to renewable energy sources decreases the carbon intensity of production	Positive Impact - Actual	OO	ST-MT-LT
	Regulatory tightening on GHG emissions (EU ETS, carbon taxes, product carbon footprint disclosures) is increasing compliance costs	Risk	UVC; OO; DVC	ST-MT-LT
	Disruption to global supply chains (including raw material availability, API sourcing and packaging materials) due to extreme weather and transport interruptions.	Risk	UVC	ST-MT-LT
	High energy consumption from controlled environments (labs, manufacturing, cold chain)	Negative Impact - Actual	OO	ST-MT-LT
	Iceland's renewable energy base lowers risk exposure and offering cost stability	Opportunity	OO	ST-MT-LT

Abbreviations:
VC = Value Chain;
UVC = Upstream value chain;
OO = Own operations;
DVC = Downstream value chain;
ST = Short term, less than one year;
MT = Mid-term, one to five years;
LT = Long-term, more than five years.

CLIMATE CHANGE MITIGATION

Policies

Cross-cutting policies related to Working Conditions	Accountable	Operational scope	Availability
Environmental Policy	The Board of Directors	All Alvotech's employees and entities that are governed by Alvotech.	Publicly available on Alvotech's website
Alvotech's Environmental Policy serves as the overarching policy instrument guiding climate and environmental management across the organization. It defines Alvotech's commitment to environmental protection, pollution prevention, and efficient resource management.			

Actions

Alvotech aims to reduce the environmental impact of its operations while supporting more sustainable healthcare. The company benefits from Iceland's fully renewable energy grid, which keeps its Scope 1 and 2 emissions low.

Building on the 2024 DMA, the company has begun to map potential physical and transition risks that could affect its operations, supply chain, and strategic outlook. This early-stage work includes a preliminary review of exposure to extreme weather patterns and temperature changes, as well as emerging regulatory, technological, and market developments linked to the low-carbon transition. While this assessment is still in its initial phases, climate-related considerations have been introduced into Alvotech's enterprise risk management (ERM) framework. The results will continue to be refined and are expected to inform the development of a more comprehensive climate-resilience and scenario analysis over time.Improving data quality: Conducting baseline assessments, enhancing emissions models, and integrating best practices into operations. This includes validating methodologies with external partners and preparing third-party limited assurance.

Alvotech is focusing on the following actions to strengthen its climate-mitigation approach:

- Engaging suppliers: Alvotech is in the early stages of exploring structured collaboration with key suppliers to better understand upstream and logistics-related emissions, which represent a significant portion of the company's Scope 3 footprint
- Optimizing operations: Evaluating warehousing and packaging practices, including opportunities connected to Alvotech's partnership and acquisition of Ivers-Lee Group, to support broader supply-chain visibility and inform future decision-making
- Advising circular production opportunities: Assessing options to increase material reuse and recycling in manufacturing, focusing on bioprocess components and single-use plastics

Performance

In 2025, Alvotech continued to build its internal foundations for climate-related management, with efforts focused on improving data quality, expanding emissions coverage, and refining reporting processes. This preliminary work is intended to support future consideration of climate-related targets and to inform the development of a gradual transition approach that aligns with the company's business model and long-term direction, including potential alignment with recognized initiatives over time. Work to refine oversight and accountability mechanisms is ongoing. These activities reflect an effort to establish a more comprehensive and reliable baseline that may support future decision-making.

Although Alvotech does not operate in, nor is it associated with, sectors typically characterized as having a high climate impact; the company continues to review the environmental aspects of its operations. As a pharmaceutical manufacturer, its activities primarily involve research, development, and production, which generally result in a relatively modest direct environmental footprint. Consistent with industry patterns, most emissions are expected to arise indirectly across the global value chain.

Targets

At this stage, Alvotech has not established or published any specific, quantified greenhouse gas (GHG) reduction targets. This absence of defined targets reflects the company's current scale-up phase, where rapidly increasing manufacturing volumes, ongoing product development, and expanding international operations make long-term forecasting uncertain and potentially unreliable.

Instead, Alvotech is prioritizing the development of a foundation for credible and future commitments. The company's current growth phase - marked by expanding manufacturing capacity and global reach - requires robust data, methodologies, and governance before establishing measurable goals. Looking ahead, Alvotech will reassess the feasibility of quantified reduction targets as data maturity and operational stability evolve.

In preparation for formal target-setting, priority areas include:

- **Data validation:** Securing third-party verification of GHG data and aligning methodologies with recognized frameworks
- **Target designing:** Preparing to introduce initial intensity-based indicators (e.g., emissions per production unit) as a first step toward absolute reduction targets
- **Value-chain collaboration:** Strengthening supplier engagement to enable credible Scope 3 reduction strategies

	2025	2024
Gross Scope 1 GHG emissions	**15.9**	**15.6**
Scope 1 emissions from fuel use (tCO2e)	14.4	14.3
Scope 1 emissions from refrigerants (tCO2e)	1.5	1.3
Gross Scope 2 GHG emissions	**4659.5**	**4189**
Gross location-based (tCO2e)	69.5	73
Gross market-based (tCO2e)	4590	4116
Scope 2 emissions from electricity use (tCO2e)	73	205
Scope 2 emissions from thermal energy use (tCO2e)	1	26
Significant Scope 3 GHG Emissions (a) (tCO2e)	**3218**	**574**
3. Fuel- and energy use (not included in Scope 1 or Scope 2)	**3.8**	**4**
5. Waste generated in operations	**583***	**170**
6. Business travel	**2631**	**386****

*Increase in waste is due to two new operational sites added in 2025.

**Business travel data was undercalculated for 2024.

Emission categories as per the GHG Protocol. Categories 7, 8, 10, 11. 13, 14 and 15 in scope 3 are not material for Alvotech, and categories 1. 2, 4, 9, and 12 are in the process of being calculated.

ENERGY

Policies

Alvotech recognizes the importance of sustainable energy practices as part of its mission to deliver environmentally responsible healthcare solutions. The company leverages Iceland's unique 100% renewable energy infrastructure, powered by geothermal and hydroelectric sources, to maintain a low-carbon operational footprint. In other regions, Alvotech is working to extend this approach by improving energy efficiency and promoting the adoption of renewable energy across its value chain.

The Environmental Policy referenced in Section E1-2 also governs Alvotech's approach to energy management, setting out commitments to responsible energy use, continuous efficiency improvements, and the integration of clean-energy solutions wherever feasible.

Actions

In recent years, Alvotech has focused on strengthening its internal foundations for energy management, improving data collection, system performance, and governance to enable credible future commitments.

Key focus areas include:

- **Energy efficiency and innovation:** Optimizing energy use and performance through maintenance programs, system upgrades, and technology improvements
- **Renewable energy adoption:** Maintaining Iceland's 100% renewable operations and working toward greater renewable energy usage in other locations with power purchase agreements or Guarantees of Origin

Performance

	2025	2024
Total energy usage (MWh)	**24,979**	**17,170**
Total energy consumption from fossil sources (3%)	749.4	515.1
Total energy consumption from nuclear sources (0%)	0	0
Total energy consumption from renewable sources (97%)	24.229	16,655
Fuel consumption from renewable sources, including biomass	N/A	N/A
Consumption of purchased electricity, heat, steam, and cooling from renewable sources (38%)	9,492	6,542

Targets

While Alvotech has not yet set quantified energy targets, current initiatives are laying the groundwork for establishing measurable objectives in 2026 as data quality and operational systems mature. As the company expands its global presence, energy efficiency and renewable energy remain important elements of its environmental strategy. Ongoing work is focused on building the baseline information (baseline since 2024) and data infrastructure needed to support credible target-setting and informed decision-making. Present efforts include integrating energy considerations into operational planning, improving monitoring capabilities, and aligning performance with broader decarbonization goals. Overall, Alvotech intends to maintain its strong use of renewable electricity in Iceland and apply similar principles across future facilities and partner operations where feasible.

ACCOUNTING POLICIES - EMISSIONS

Alvotech follows the ESRS E1 and the GHG Protocol, ensuring compliance with the CSRD. Alvotech's accounting policy statement outlines how emissions are measured, reported, and assured.

Scope 1 emissions are reported from fuel combustion (vehicles) and fugitive refrigerant releases.

Scope 2 emissions are reported using location- and market-based methods, incorporating national grid averages (IEA, national authorities) and supplier-specific data where available. Residual mix factors are applied when supplier-specific data is missing. Alvotech is exploring renewable energy procurement, with Icelandic grid mix factors applied where necessary.

Scope 3 emissions data documentation is currently under development. In 2024, Alvotech conducted a mapping exercise to identify and estimate the largest Scope 3 categories, resulting in nine relevant categories: (1) Purchased goods and services (representing approximately 81% of total Scope 3 emissions), (2) Capital goods, (3) Fuel- and energy-related activities, (4) Upstream transport and distribution, (5) Waste generated in operations, (6) Business travel, (7) Employee commuting, (9) Downstream transport and distribution, and (12) End-of-life treatment of sold products.

For 2024 and 2025, data were available for three categories: (3) Fuel- and energy-related activities, (5) Waste generated in operations, and (6) Business travel.

Energy consumption is reported in megawatt hours (MWh), distinguishing between fossil and renewable sources.

Alvotech is enhancing its reporting processes in preparation for third-party limited assurance by strengthening methodologies, ensuring consistency, and benchmarking against external consultant reports, the International Energy Agency (IEA), and EXIOBASE. The assurance process will focus on improving emission factors, refining methodologies, and maintaining consistency across reporting periods.

2. Note on Resource Use and Circular Economy

Status of Disclosure

Resource Use and Circular Economy (ESRS E5) were identified as material topics in Alvotech's 2024 DMA For the 2025 reporting cycle, Alvotech applies a very limited-scope disclosure focused on waste management, which represents the most significant operational and environmental aspect currently monitored.

Waste Management Approach and Actions

Alvotech recognizes the importance of reducing its environmental footprint through sustainable waste management practices. Key improvement opportunities lie in waste generation and recycling optimization, particularly to ensure the responsible disposal of all waste streams. Embedding sustainable waste practices into its operations contributes to a circular economy and supports Alvotech's mission of delivering high-quality healthcare solutions.

While many components of Alvotech's devices can be recycled individually, recycling infrastructure for pharmaceutical waste remains limited.

Alvotech has identified several key considerations for effective waste management in 2025, reflecting both operational and compliance-related priorities.

- The company faces cost exposure linked to the treatment and disposal of hazardous waste, where increasing regulatory requirements and specialized disposal methods may lead to higher operational costs
- There is an inherent liability risk if waste is not managed responsibly, including potential environmental fines, reputational damage, or loss of stakeholder trust
- From an environmental perspective, the generation of hazardous waste primarily from the use of chemicals, solvents, and biologics in manufacturing represents the most significant negative impact associated with Alvotech's operations

Addressing these aspects provides transparency and ensures that Alvotech remains prepared for future reporting cycles, while acknowledging that 2025 primarily serves as a year to consolidate data and establish a foundation for expanded circular-economy.

As part of this targeted waste disclosure, it is important to highlight the actions implemented in 2024. Alvotech primarily undertook two key waste optimization initiatives:

- **Waste classification re-evaluation:** The company re-evaluated its hazardous waste definition and analyzed production flows to identify recyclable single-use uncontaminated plastics. This analysis resulted in diverting a material volume of single-use plastic from incineration to recycling
- **Waste stream characterization:** Alvotech categorized, monitored, and managed all waste in compliance with applicable regulations, identifying 17 waste stream categories (hazardous, general, and plastic). Hazardous waste is collected and disposed of by certified third-party providers

To support these initiatives, Alvotech implemented comprehensive employee training on waste management during onboarding and throughout operations, ensuring consistent segregation and handling practices across all facilities.

Performance & Targets

Waste data from 2024 represent tha baseline for ongoing providing a foundation for future measurement and continuous improvement. Reporting on 2025 performance is planned as part of the full-year 2026 sustainability disclosure, subject to data validation and reporting readiness.

	2025	2024
Waste Stream		
Total non-hazardous waste	642.7 tonnes*	330.2 tonnes
Total hazardous waste (chemicals, solvents)	136.1 tonnes	111.2 tonnes
Waste to landfill	10.17 tonnes	6 tonnes
Waste recycled or composted	465.5 tonnes	153.7 tonnes
Waste to incineration (with energy recovery)	150.5 tonnes	148 tonnes
Waste diverted from landfill	98.7%	98.64%

*Increase is due to new site added in 2025.

Alvotech recognizes that pharmaceutical manufacturing is subject to strict regulatory constraints on material use, which currently limit large-scale circular economy opportunities. Nevertheless, the company continues to monitor developments and explore gradual improvements.

3. EU Taxonomy

For 2025, Alvotech assessed its Taxonomy eligibility but did not achieve full alignment with the technical screening criteria. Although one eligible activity was identified, additional analysis is needed to verify alignment with the relevant technical screening criteria. Do No Significant Harm (DNSH) criteria, and minimum social safeguards.

Following our annual assessment and materiality review, the economic activities outlined in the EU Taxonomy that are considered relevant to Alvotech are:

- P1.2 Manufacture of Medicinal Products, contributing to the environmental objective of 'Pollution prevention and control'

Alvotech does not classify any activities as enabling or transitional under the EU Taxonomy. Alignment assessments will continue in 2026 to determine whether any activities meet the technical criteria for alignment. None of the 101 activities disclosed are considered enabling or transitional, as they do not substantially contribute to 'Climate Change Adaptation', 'Water', 'Circular Economy', 'Pollution Prevention' or 'Biodiversity'.

Taxonomy alignment – Minimum safeguards

Acting as a responsible business is fundamental to Alvotech, and this includes meeting the minimum safeguards required under the EU Taxonomy through the following practices:

- **Respect for human rights across the value chain:** Alvotech's Code of Conduct is aligned with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.
- **Zero tolerance for bribery and corruption:** Alvotech complies with all relevant laws and industry standards, supported by a comprehensive anti-corruption policy that includes internal audits, employee and partner training, and due diligence on third-party representatives.
- **Responsible tax management:** Alvotech manages its tax affairs in accordance with both the letter and the spirit of applicable laws, upholding tax transparency and regulatory compliance.
- **Commitment to fair competition:** Alvotech adheres to competition laws governing interactions with suppliers, customers, and competitors. Employee awareness of competition requirements is actively promoted, and all business practices are aligned with these regulations.

Financial year	**2025**			**Substantial contribution criteria**						**DNSH criteria (Does not significantly harm)**									
Economic Activities (1)	Codes (2)	Turnover (3)	Proportion of turnover (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adoptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy Aligned (A.1) or eligible (A.2) turnover,year N-1 (18)	Category enabling activity (19)	Category transistional activity (20)
		USD million	%	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned)		0	0%	0%													0%		
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%								0%	E	
Of which transitional		0	0%	0%													0%		T
A.2 Taxonomy eligible but not aligned environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL										
1.2. Manufacture of medicinal products	PPC 1.2	593,215,682	100%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								100%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		593,215,682	100%	0%	0%	0%	100%	0%	0%								100%		
Turnover of Taxonomy-eligible activities (A.1. + A.2.)		593,215,682	100%	0%	0%	0%	100%	0%	0%								100%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomynon-eligible activitiy		0	0%																
TOTAL		**593,215,682**	**100%**																

Financial year	2025			Substantial contribution criteria						DNSH criteria (Does not significantly harm)									
Economic Activities (1)	Codes (2)	CapEx (3)	Proportion of turnover (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adoptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy Aligned (A.1) or eligible (A.2) turnover,year N-1 (18)	Category enabling activity (19)	Category transistional activity (20)
		USD million	%	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned)		0	0%	0%	0%	0%	0%	0%	0%										
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%								0%		
Of which transitional		0	0%	0%													0%		
A.2 Taxonomy eligible but not aligned environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
Manufacture of medicinal products				EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/EL	EL; N/ EL	EL; N/ EL								%		
CapEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	2,810	4.76%																	
CapEx of Taxonomy-eligible activities (A.1. + A.2.)																			
A. CapEX of Taxonomy-eligible activities (A.1+A.2)		58,983	95.33%	0%	0%	0%	95.33%	0%	0%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomynon-eligible activitiy		2,810	4.76%																
TOTAL		**58,983**	**100%**																

Financial year	2025			Substantial contribution criteria						DNSH criteria (Does not significantly harm)									
Economic Activities (1)	Codes (2)	Opex (3)	Proportion of turnover (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adoptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy Aligned (A.1) or eligible (A.2) turnover,year N-1 (18)	Category enabling activity (19)	Category transistional activity (20)
		USD million	%	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned)		0	0%	0%													0%		
Of which enabling		0	0%	0%	%	%	%	%	%								0%	E	
Of which transitional		0	0%	0%													0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities				EL N/EL	EL N/EL	EL N/EL	EL N/EL	EL N/EL	EL N/EL										
Manufacture of medicinal products	P 1.2	0	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
OpEx of Taxonomy-eligible but not environmentally sustain-able activities (not Taxonomy-aligned activities) (A.2.)		0	0%	0%	0%	0%	0%	0%	0%								0%		
OpEx of Taxonomy-eligible activities (A.1. + A.2.)	0	**0%**	0%	0%	0%	0%	0%	0%									0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy non-eligible activitiy		**192,984**	**100%**																
TOTAL		**192,984**	**100%**																

CHAPTER 3

Social

1. Own Workforce

As a biosimilar manufacturer operating on a global scale, Alvotech's success depends on the talent, engagement, and safety of our people. In 2025, our workforce expanded by 26.8%, supporting manufacturing scale-ups and new product launches. To sustain this growth responsibly, we focus on culture, engagement, leadership capability, and retention.

Alvotech is anchored by a purpose-driven, one-team culture that not only fuels collective passion for expanding global access to affordable biologic medicines but also serves as a critical lever for mitigating workforce-related risks such as turnover or skills shortages while creating opportunities to drive innovation and strengthen our position as an employer of choice.

Alvotech's aspiration is nothing short of a "best team": one united by unwavering trust, mutual respect, and a shared commitment to outperform expectations while supporting each other along the way. This commitment is codified in our 'Five Rules of Engagement', reinforcing values-driven behavior at every level.

Alvotech's values are built on our Five Rules of Engagement, which articulate the core principles that shape how we work together and strengthen our one-team culture. As a diverse, global company, bringing together people from different backgrounds, cultures, and professional experiences, we recognize the importance of having a shared foundation for collaboration. These Rules of Engagement provide that common language and clarity, ensuring that every employee understands not only what we stand for, but how we expect to show up for one another in our daily work.

A key focus is on implementing actionable steps informed by insights from employee engagement surveys, ensuring that initiatives reflect the needs and expectations of our workforce across all locations and functions. By grounding our organisational culture in authentic employee feedback, we demonstrate a sustained commitment to inclusion, transparency, and continuous improvement.

To embed this culture tangibly, Alvotech has set a clear internal ambition to reach high completion of the Five Rules of Engagement training across the workforce and achieve 90% completion of the Five Rules of Engagement training for all employees by the end of 2025.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES IN TERMS OF OWN WORKFORCE

Material topics in Own Workforce: Impacts, Risks, and Opportunities (IRO)				
Material topic	**IRO**	**Type of IRO**	**Location in VC**	**Timeframe**
S1 – Own Workforce				
WORKING CONDITIONS	Safe, modern, and well-equipped manufacturing and laboratory facilities, ensuring the health, safety, and well-being of employees	Positive Impact - Actual	OO	ST-MT-LT
	Potential for employee stress, fatigue, or physical strain, particularly in production roles	Negative Impact -Potential	OO	ST-MT-LT
	Accidents, occupational health incidents, or labor disputes could disrupt operations, affect production timelines, and harm reputation	Risk	OO	ST-MT-LT
	Investing in workplace ergonomics, flexible work arrangements, and mental health programs can improve employee engagement, etention, and productivity	Opportunity	OO	ST-MT-LT
EQUAL TREATMENT AND OPPORTUNITIES FOR ALL	Gender equality, non-discrimination, and equal pay for equal work contribute to an inclusive workplace.	Positive Impact - Actual	OO	ST-MT-LT
	Non-compliance with national or EU-level equality and non-discrimination legislation may result in legal action or penalties	Risk	OO	ST-MT-LT
OTHER WORK-RELATED RIGHTS	Workers' rights to freedom of association, collective bargaining, data privacy, and the prohibition of child or forced labor	Positive Impact - Actual	OO	ST-MT-LT

Abbreviations:
VC = Value Chain;
UVC = Upstream value chain;
OO = Own operations;
DVC = Downstream value chain;
ST = Short term, less than one year;
MT = Mid-term, one to five years;
LT = Long-term, more than five years.

WORKING CONDITIONS

Policies

Alvotech ensures that its workforce operates in a safe, fair, and supportive environment through a comprehensive framework of policies and procedures. In addition to the core policies, Alvotech has supporting policies that promote fairness and employee development. These include the Recruitment Policy, the Internal Mobility Policy, the Performance Management Framework, and the Professional Development and Education Support Policy. Together they encourage equal opportunities, support career growth, and ensure that employees have access to training and development throughout their time at Alvotech.

Cross Cutting Policies Related to Working Conditions	Accountable	Operational Scope	Availability
Bullying, Harassment & Violence - Policy & Response Procedure	The Senior Vice President of People & Culture	All Alvotech's employees and entities that are governed by Alvotech	Company intranet
Outlines Alvotech's zero-tolerance approach to bullying, harassment, and violence in the workplace. It provides clear definitions, reporting mechanisms, and investigation procedures to ensure employee safety, dignity, and compliance with relevant legal frameworks.			
Equal Pay Policy	The Senior Vice President of People and Culture	All Alvotech's employees and entities that are governed by Alvotech	Company intranet
The Equal Pay Policy ensures equal pay for work of equal value regardless of gender, based on the ÍST 85:2012 standard. It includes annual salary analyses, certified systems, and continuous improvement to prevent and address pay discrepancies.			
Whistleblower Policy	The Board of Directors	All Alvotech's employees, suppliers, contractors, users and consultants	Publicly available on Alvotech's website
The Whistleblowing Policy ensures whistleblowers can report concerns safely and anonymously, with robust protection against retaliation.			
Health & Safety (HS) Policy	The Chief Operating Officer	All Alvotech employees, contractors, suppliers, consultants, and visitors across global operations	Publicly available on Alvotech's website
The Health & Safety Policy sets out Alvotech's commitment to providing a safe and healthy workplace for all employees, contractors, and visitors. It promotes safe work practices, clear responsibilities, proactive risk mitigation, and transparent reporting of incidents and unsafe conditions, supporting a culture where everyone shares responsibility for safety.			

Actions

Alvotech is committed to maintaining a supportive and transparent work environment where all employees feel empowered to raise concerns and have them addressed effectively. The company has established processes and channels to ensure that material negative impacts on its workforce are identified, remedied, and monitored to foster trust and accountability.

This approach directly addresses identified risks such as loss of trust in leadership, reduced employee engagement, and potential human rights breaches, while creating opportunities to strengthen culture, retention, and innovation.

The following workforce engagement and remediation processes (ESRS S1-2 and S1-3) form part of Alvotech's broader working-conditions approach, ensuring employees have accessible ways to participate, provide feedback and raise concerns.

These practices include:

- **Ongoing dialogue:** Direct communication with supervisors, union representatives, and HR, supported by periodic team meetings and open forums
- **Structured feedback:** Annual employee engagement survey; action planning at the team/function level and employee engagement focus groups where employees are offered safe space to discuss any work environment challenges
- **Representation:** Employees may be represented by unions or employee representatives in line with local law, as is further described in the following section on Collective bargaining agreements and social dialogue

Alvotech maintains multiple, complementary grievance and feedback channels to ensure accessibility, confidentiality and trust:

Channel		Key Features
Direct communication	Supervisors, union representatives, HR	Encourages open dialogue, supports early resolution of issues, and allows concerns to be addressed in context by those closest to the matter
Managed independently to ensure objectivity.	OO	ST-MT-LT
Harassment & bullying policy & response procedure	HR-managed, anonymous option	Provides a secure and confidential way to raise sensitive workplace concerns. Anonymous submissions are possible, and cases are reviewed by designated HR staff
Formal grievance process	People & Culture team	Ensures complaints are handled in a structured, timely, and impartial manner in line with legal and policy requirements. Includes investigation, communication of outcomes, and follow-up to confirm the effectiveness of remedies

Abbreviations:
OO = Own operations;
ST = Short term, less than one year;
MT = Mid-term, one to five years;
LT = Long-term, more than five years.

All reports are logged and tracked through Alvotech's HR and compliance systems to ensure timely follow-up and resolution. Each case is assigned to a responsible owner, with progress reviewed until closure. Where relevant, corrective and preventive actions are documented and used to support continuous improvement across the organization. Alvotech maintains a zero-tolerance stance on retaliation, backed by a formal investigation protocol and swift enforcement measures, ensuring that employees and worker representatives can raise concerns safely and without fear of adverse consequences.

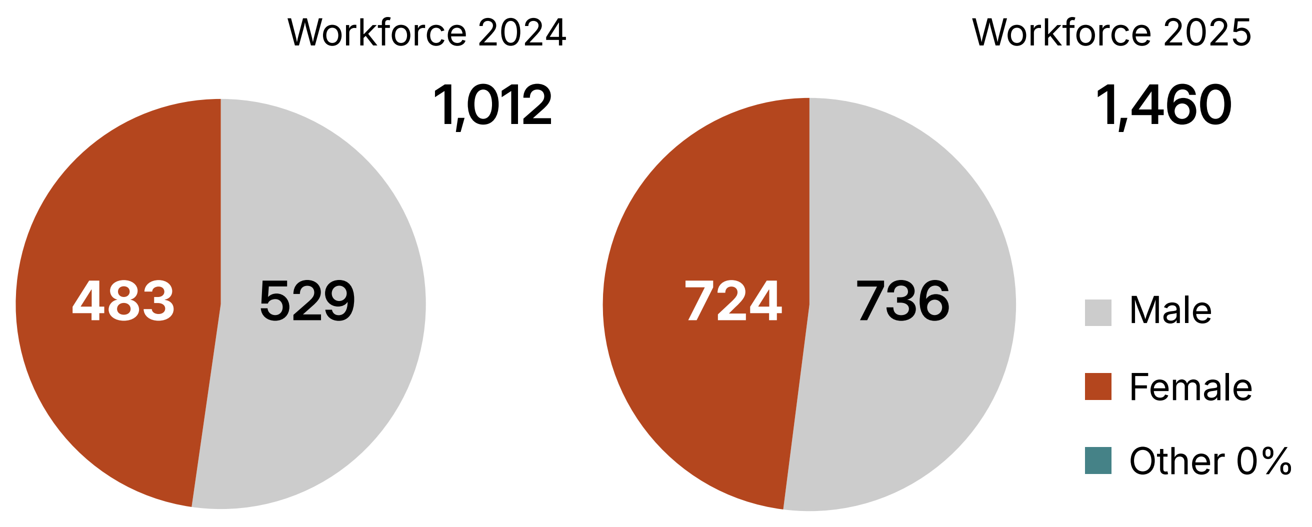
Effectiveness of remedies is evaluated by confirming resolution of the issue and by carrying out follow-up discussions with the individuals involved. Alvotech also reviews trends across reported cases to detect recurring themes and address root causes.

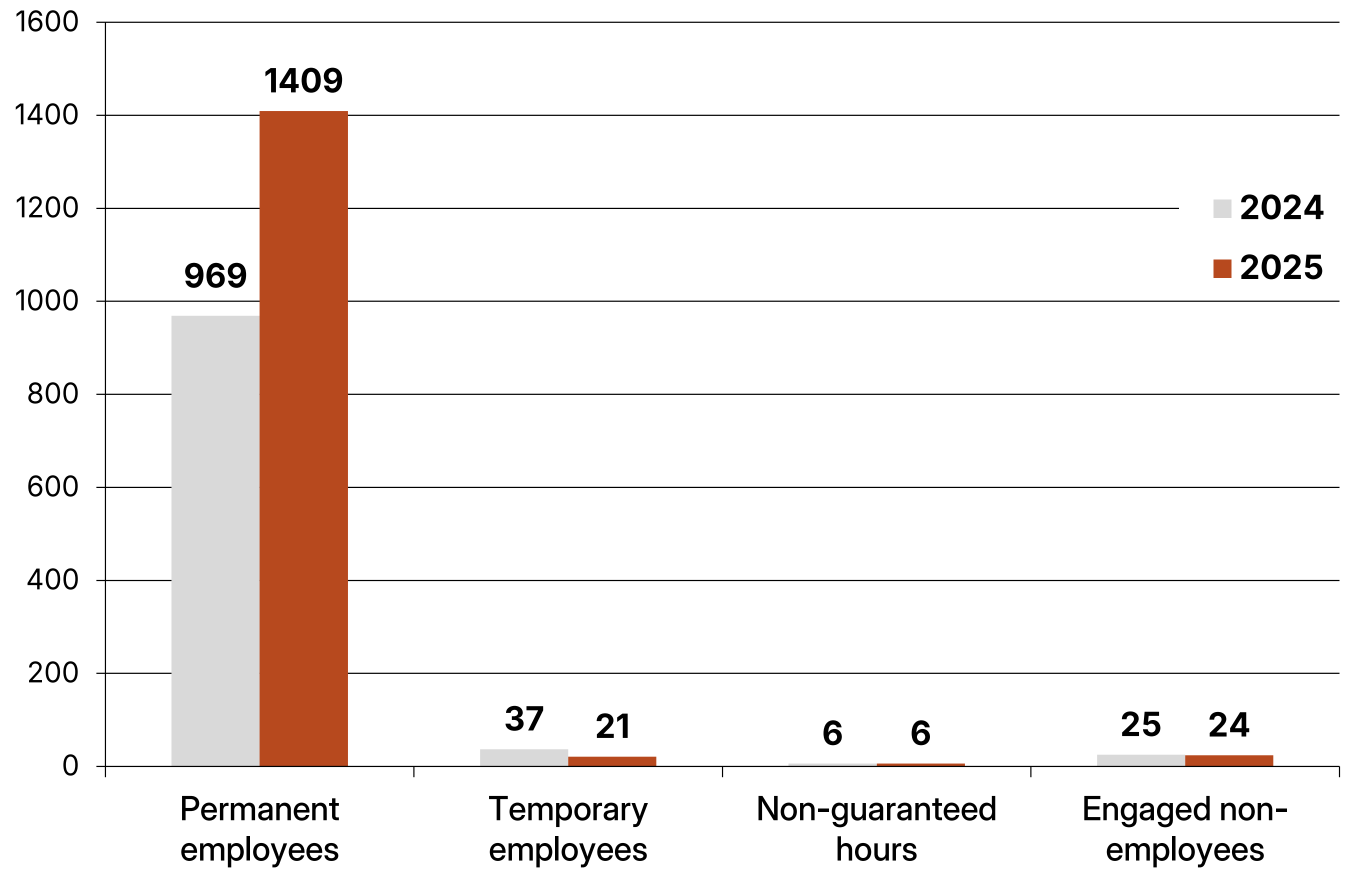
Leaders receive targeted training to uphold a speak-up culture, strengthen confidence in reporting channels, and respond to concerns fairly and objectively. These expectations are supported by Alvotech's internal policies and standards, which reinforce respectful behavior and prohibit retaliation.

Performance

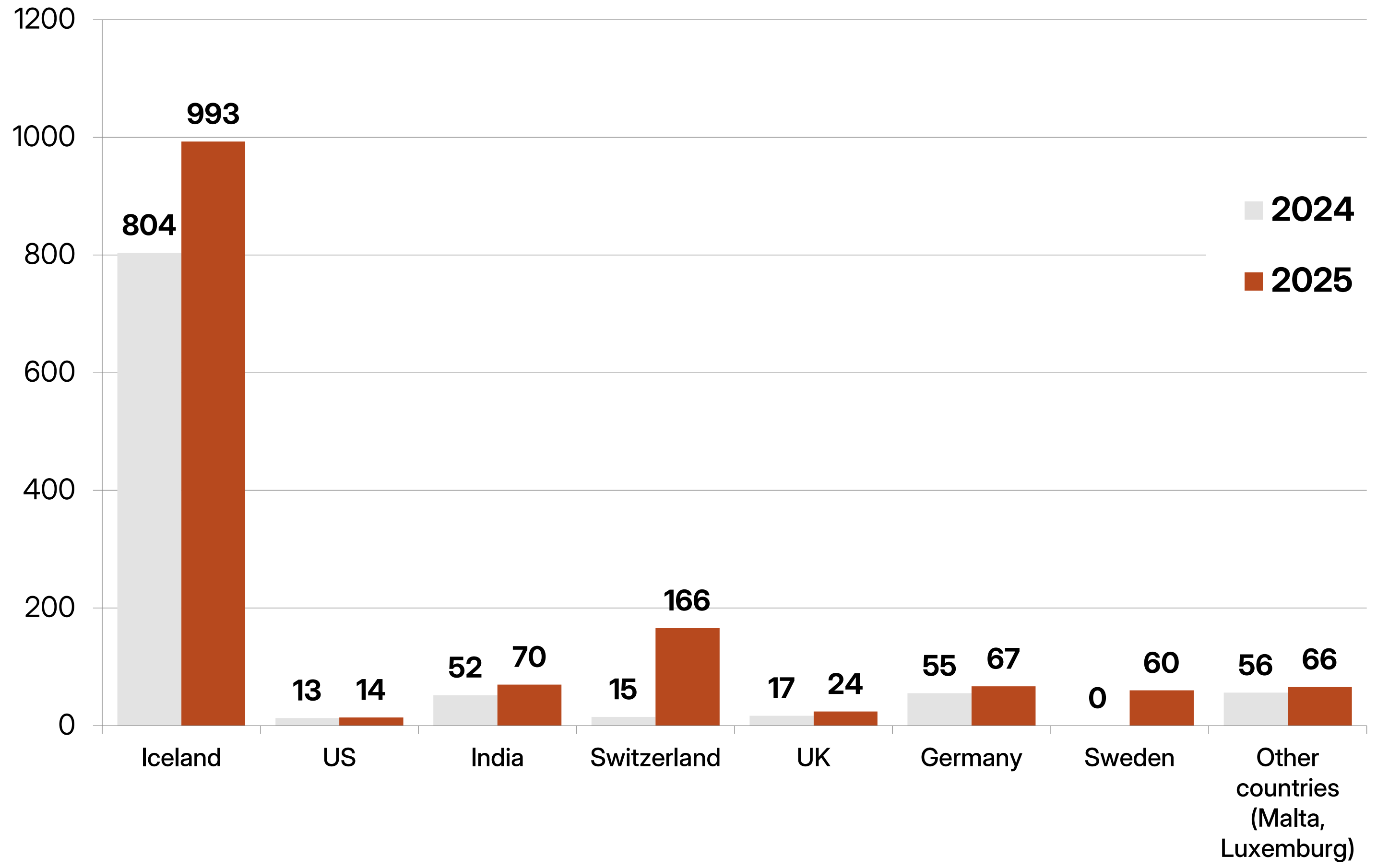
Alvotech reports its workforce data under the ESRS S1-6 disclosure requirements, providing insights into employee composition and turnover. Unless otherwise noted, the data is compiled based on headcount at the end of the reporting period. Full-time equivalent (FTE) is defined as the equivalent of one full-time employee working on a standard workweek, adjusted for part-time schedules where applicable. Non-guaranteed hours are the hours worked by working students.

Workforce Composition (headcount end of year)





Workforce Composition by Location (headcount end of year)



Employee Turnover

	2025	2024
Employees who left during the reporting period	105 employees resigned	126 employees resigned
Employee turnover rate (%) during the reporting period	9%	12%
Engaged non-employees	24	25

Learning and Development

Alvotech provides employees with broad access to training, education, and career development opportunities to enhance their skills, align with industry requirements, and support both professional growth and personal advancement. Our approach combines compliance-driven training, role-specific technical learning, and development of broader competencies such as leadership and collaboration skills.

On average, employees received hours of structured training during the reporting period. When including on-the-job training - covering job-specific skills, regulatory requirements, and technical standards - the average increases to hours per employee.

Alvotech has a performance management framework designed to clarify expectations, support success, remove obstacles, and strengthen well-being and belonging in the workplace. Participation data for the employee performance cycle was not available at the time this report was published.

Training Performance Indicators

	2025	2024
Average number of training hours per employee	63.7 hours per employee	67 hours per employee
Female	58.9 hours per female employee	
Male	68.2 hours per male employee	

As an English-first company, Alvotech provides all employees with grants for English language courses to strengthen their communications skills and support personal development. In addition, all non-Icelandic speaking employees receive free access to Bara-tala, an Icelandic language learning app. These initiatives are designed not only to support employee in their daily lives but also to promote inclusivity and ensure equal participation across the workplace. Alvotech also provides an onboarding program for employees relocating to Iceland, supporting a smoother transition and deeper understanding of Icelandic culture and society.

Work-Life Balance

Alvotech supports work-life balance by ensuring equitable access to family-related leave for all employees. Through national social policies or collective bargaining agreements, 100% of Alvotech' s employees are entitled to family-related leave. Alvotech promotes gender equity in family-related leave by fostering a culture where all employees feel supported in balancing family and work responsibilities.

During the reporting period, 100% of employees entitled to family-related leave used it, and this is further broken down by gender. Alvotech is committed to ensuring that social protection programs adequately cover all employees.

Utilization of Family-Related Leave by Gender

	2025	2024
Female	57%	82%
Male	43%	18%
Other	N/A	N/A

Targets

Alvotech is in a transition phase toward full Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) alignment. In this context, the Company has defined a set of people-related priorities that reflect its current focus areas across culture, leadership, engagement, and retention. These priorities indicate the direction of travel rather than constituting a complete ESRS-aligned target framework. Performance data presented below serve as a baseline for internal monitoring and future target-setting. Progress is reviewed regularly and will be further refined as data maturity, governance, and reporting practices continue to evolve.

Culture & Engagement

Alvotech promotes a shared culture through structured training and regular engagement measurements. The Five Rules of Engagement training is deployed across the workforce to support consistent behavioral expectations, with 941 of 1,284 (72.6%) employees having completed the training as of the reporting year.

This completion rate is below the Company's internal ambition, and continued rollout and follow-up are planned to increase participation.

Employee engagement is assessed through a recurring engagement survey, establishing a 2024 baseline score of 3.72. Engagement outcomes are monitored over time, with management aiming to strengthen the favorable engagement score through targeted actions informed by survey results. The 2025 engagement score of 3.88 is used to track changes over time, with management aiming to strengthen the favorable engagement score through targeted actions informed by survey results.

Leadership & Development

Leadership capability is supported through dedicated management training and structured performance and career dialogue. New people managers are expected to complete management training, with an internal ambition of 90% participation by 2025. Performance and career reviews are conducted annually to support development, feedback, and succession planning. Completion of these reviews increased from 79% in 2024 to 91% by the end of the reporting period, reflecting improved process uptake and follow-up.

Retention

Alvotech monitors voluntary employee turnover as a key indicator of workforce stability and engagement. The Company seeks to maintain voluntary turnover at or below 13%, broadly in line with life sciences industry benchmarks. During the reporting period, voluntary turnover was 9%, indicating a stable workforce relative to the internal reference level.

Alvotech intends to further develop a limited set of workforce indicators for selected priority areas and will be disclosed and monitored as part of future sustainability reporting.

HEALTH AND SAFETY

Policies

Cross Cutting Policies Related to Health and Safety	Accountable	Operational scope	Availability
Health & Safety (HS) Policy	The Board of Directors	All Alvotech employees, contractors, suppliers, consultants, and visitors across global operations	Publicly available on Alvotech's website

The Health & Safety Policy sets out Alvotech's commitment to providing a safe and healthy workplace for all employees, contractors, and visitors. It promotes safe work practices, clear responsibilities, proactive risk mitigation, and transparent reporting of incidents and unsafe conditions, supporting a culture where everyone shares responsibility for safety

Actions

Alvotech has several key initiatives and training to ensure the health and safety of its employees:

- Mandatory safety training for all employees at onboarding, tailored to the role, with refresher sessions during the annual Safety Week
- Specialized training materials developed with the occupational health service Vinnuvernd, accessible on the company intranet
- An incident reporting system: A system is in place for incident reporting, and an EHS 8 Environmental, Health and Safety) portal is available and accessible to employees. The portal is widely available and advertised via QR codes throughout Alvotech's facilities. Employees can use the portal to report accidents and near misses, submit ideas, and raise related topics. The reports are overseen by the EHS manager, who ensures that all matters are investigated and addressed appropriately
- A safety committee. A special committee is in place, with representatives across the organization meeting regularly to discuss EHS matters and ensure continuous improvement
- Monthly inspections by managers, overseen by a supervisory body, covering all departments and facilities
- Risk assessments for all job roles, including specific evaluations for pregnant employees, with adjustments made to mitigate identified risks

This approach addresses identified risks such as workplace accidents, occupational illness, and the potential loss of employee trust, while creating opportunities to improve productivity, retention, and operational excellence.

The health and safety management system is implemented globally and covers 100% of our employees. It is supported by clear governance: the head of the EHS and Safety Committee reports directly to senior management, ensuring visibility and accountability for safety performance. Further, managers regularly inspect all organizational areas, departments, and facilities. A supervisory body ensures that these inspections are conducted monthly.

Health and Safety Metrics

	2025	2024
Percentage of employees covered by Alvotech's health and safety management system	100%	100%
Number of fatalities because of work-related injuries or work-related ill health	0	0
Number of recordable work-related accidents	3	5
Rate of recordable work-related accidents	Total incident rate 0.368	Total incident rate 0.685
Number of cases of recordable work-related ill health	2	0
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	104 days*	6 days

*Incidents were few but considerably more severe.

Risk assessments are conducted for all job roles within the company, assessing potential risks of sound, manual handling of heavy loads, and chemical use. A risk assessment is carried out for all pregnant employees, and roles are adjusted to mitigate potential risks.

Targets

Alvotech strives to uphold the highest standards of workplace safety as part of its zero-harm ambition. Our current focus is on maintaining full employee coverage within the H&S management system, reducing incident frequency through proactive hazard prevention, and ensuring that every reported incident is investigated and closed with documented outcomes. As we continue to strengthen our approach, the Health and Safety management system will increasingly be guided by the principles of ISO 45001 in the near future. These priorities shape our daily efforts, with progress monitored, shared transparently, and adapted as our operations and workforce evolve.

EQUAL TREATMENT AND OPPORTUNITIES FOR ALL

Polices

Cross Cutting Policies Related to Working Conditions	Accountable	Operational scope	Availability
Bullying, Harassment & Violence - Policy & Response Procedure	The Vice President of People & Culture	All Alvotech's employees and entities that are governed by Alvotech	Company intranet
Outlines Alvotech's zero-tolerance approach to bullying, harassment, and violence in the workplace. It provides clear definitions, reporting mechanisms, and investigation procedures to ensure employee safety, dignity, and compliance with relevant legal frameworks			
Equal Pay Policy	The Vice President of People & Culture	All Alvotech's employees and entities that are governed by Alvotech	Company intranet
Ensures equal pay for work of equal value regardless of gender, based on the ÍST 85:2012 standard. It includes annual salary analyses, certified systems, and continuous improvement to prevent and address pay discrepancies			
Equality Policy	The Vice President of People & Culture	All Alvotech's employees and entities that are governed by Alvotech	Available on Alvotech's website
The Equality Policy ensures equal treatment and opportunities for all employees, regardless of gender, age, nationality, or other characteristics. It defines objectives, responsibilities, and actions across recruitment, pay, promotions, training, and harassment prevention, and mandates annual equality reporting			
Compensation Policy	The CEO	All Alvotech's employees	Company intranet
Alvotech's Compensation Policy ensures fair, transparent, and competitive pay practices that align with market standards and internal equity			

In addition to its core policies, Alvotech strengthens its commitment to fair treatment through policies on professional development and education, performance and merit reviews, recruitment, and internal job applications, ensuring transparent processes and equal access to growth and career opportunities across the organization.

Actions

Alvotech actively promotes equality, diversity, and inclusion as fundamental principles guiding how we work together. These values are embedded in our Equality Policy and Equal Pay Policy, which ensure equal opportunities for all employees regardless of gender, race, age, or other characteristics and prohibit discrimination in recruitment, compensation, career progression, and professional development.

Alvotech's Bullying & Harassment Policy and formal response procedure set out a clear framework for preventing, mitigating, and addressing incidents of harassment or discrimination in the workplace. They include defined procedures for reporting, investigating, and remediating concerns to ensure swift action and accountability.

While Alvotech has not identified specific groups within its workforce at particular risk of vulnerability, the company remains committed to fostering an inclusive work environment where all individuals are treated with respect and provided equal opportunities, and recognizes this as an area for continued development and future assessment as part of its ongoing social responsibility efforts. This approach addresses risks such as inequitable pay, underrepresentation of women in senior leadership, and potential bias in recruitment and promotion, while creating opportunities to enhance innovation, talent attraction, and employee engagement.

Performance

Adequate wages

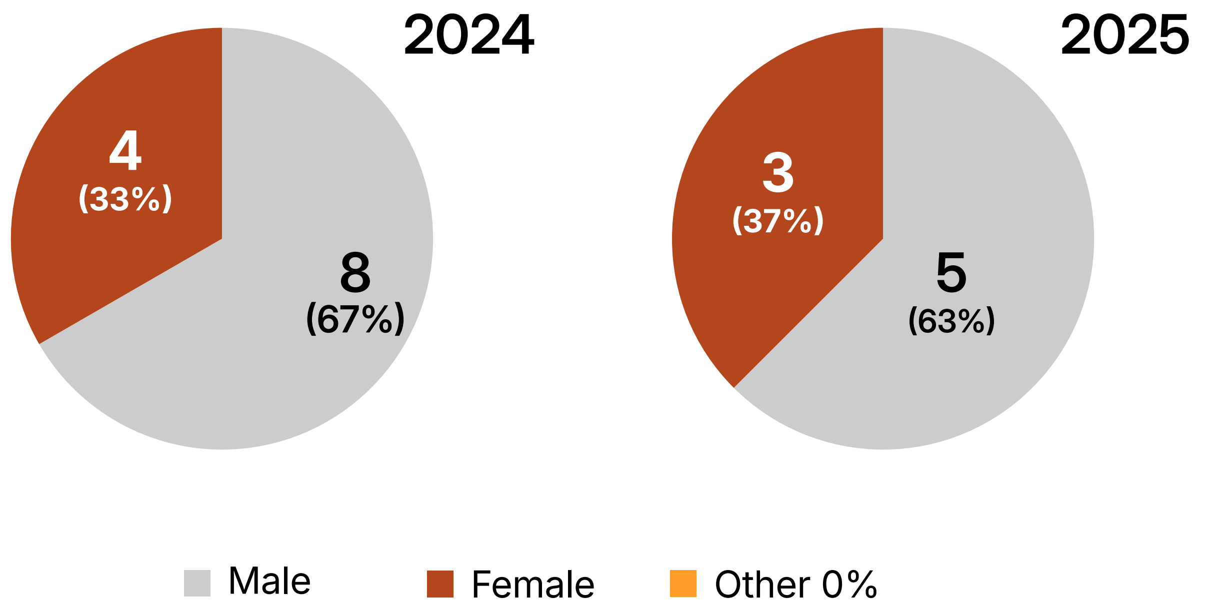
Alvotech is committed to providing fair and equitable compensation to all employees. The company strives to align wages with applicable benchmarks in each country of operation, supporting the financial well-being of its workforce.

Adequate wages are defined as being equal to or above the highest of the following for each country of operation: the statutory minimum wage, the collectively agreed wage, or the applicable living wage benchmark. Wage levels are reviewed annually to ensure continued compliance with this standard across all locations, supported by the company's Equal Pay Policy.

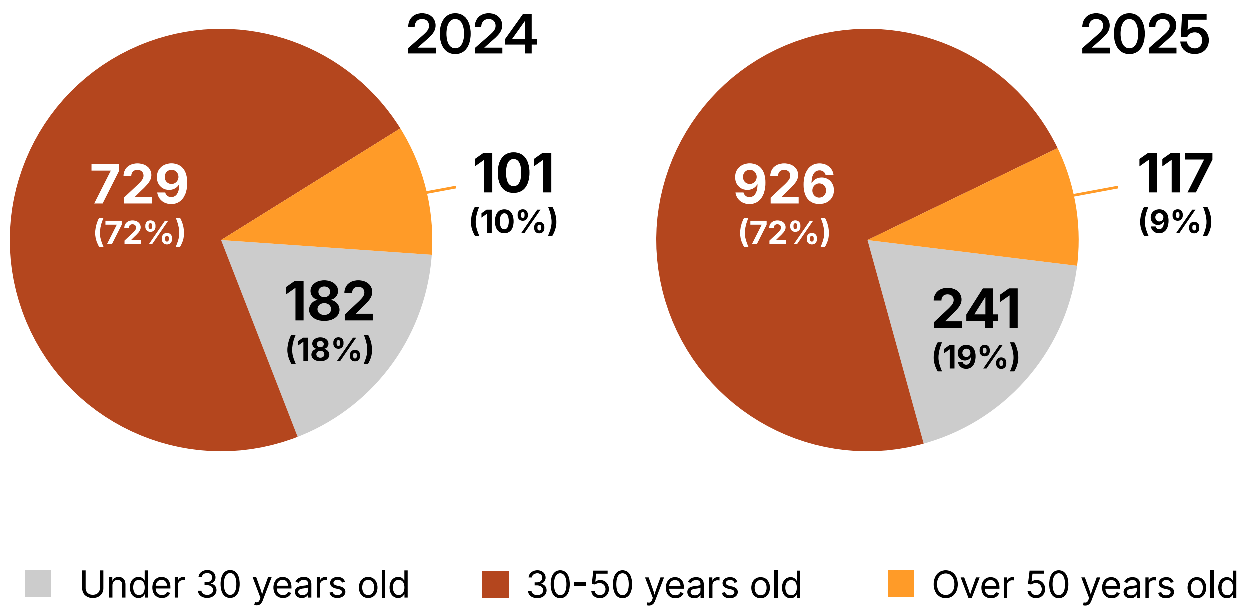
Diversity

Alvotech values diversity and inclusion as fundamental principles guiding its workforce management. The company is committed to fostering an equitable workplace where individuals from diverse backgrounds can thrive. The company actively supports the inclusion of persons with disabilities across its workforce. While no employees have self-identified as having a disability during the reporting period, Alvotech is committed to removing barriers to disclosure and participation through awareness campaigns and accessibility audits.

Gender Distribution at Management Level



Age Distribution of Employees



Remuneration and Pay Gap

Alvotech actively monitors and reports on its gender pay gap and remuneration ratios to ensure alignment with its Equality Policy and Equal Pay Policy, promoting equitable treatment of all employees. The gender pay gap is calculated as the difference between the average pay of female and male employees, expressed as a percentage of the average pay of male employees. The annual total remuneration ratio is calculated as the total remuneration of the highest-paid individual compared to the median annual total remuneration of all other employees.

Gender Pay Gap and Annual Total Remuneration Ratio

	2025	2024	Notes
Gender pay gap	0.4%	0.6%	Audited externally: positive % indicates higher average pay for male employees, negative % indicates higher average pay for female employees
Annual total remuneration ratio	20	20	Ratio of highest-paid individual's remuneration to the median for all employees excluding the highest-paid

Targets

Alvotech strives to foster an inclusive and equitable workplace where equal treatment and opportunities are at the core of how we work. Our focus is on continuous improvement, with regular reviews of policies, processes, and practices to ensure they remain effective in promoting diversity, equity, and inclusion. Alvotech aims to create an environment where every individual feels valued, respected, and supported in reaching their full potential.

As part of this commitment, Alvotech is working to define measurable diversity, equity, and inclusion (DEI) objectives. Current areas under consideration include:

- Maintaining a minimal gender pay gap within a clearly defined threshold as less than 1%
- Conducting annual equal pay reviews for 100% of positions

These objectives will be finalized in the next reporting cycle, with progress shared transparently to demonstrate accountability and our best efforts toward meaningful, lasting change.

Actions

Alvotech operationalizes these commitments through training, due diligence, and accessible reporting channels that support early identification, remediation and prevention of human rights impacts.

Supplier onboarding and monitoring include human rights and labor standards checks. Confidential reporting channels are available for employees to raise concerns related to human rights, labor rights, or discrimination, with all cases investigated independently, documented, and followed up to confirm resolution. Retaliation against individuals who raise concerns is explicitly prohibited.

Alvotech has identified no operations at significant risk of incidents of forced labor or child labor across its facilities or geographic areas of operation.

Where potential human rights impacts are identified, Alvotech ensures timely, fair, and effective remediation. Complaints are handled independently, and outcomes are tracked to ensure closure and non-recurrence. Whistleblower protections apply across all mechanisms.

OTHER WORK-RELATED RIGHTS

Polices

Cross Cutting Policies Related to Working Conditions	Accountable	Operational Scope	Availability
Code of Business Conduct and Ethics	The Board of Directors	All Alvotech's employees and entities that are governed by Alvotech.	Publicly available on Alvotech's website
The Code of Business Conduct and Ethics describes Alvotech's commitment to ethical and responsible business practices, setting out the principles that guide conduct across the organization. Further, it supports fair decision-making, promotes integrity, and encourages all stakeholders to act in line with Alvotech's values.			
Supplier Code of Conduct	The Board of Directors	All Alvotech's suppliers and contractors and consultants.	Publicly available on Alvotech's website
The Supplier Code of Conducts sets out requirements with the purpose of avoiding risks and negative impacts on people and the environment throughout Alvotech's supply chain.			

Performance

Risk assessment of forced and child labor

	2025	2024
Operations identified at significant risk of forced or compulsory labor	0	0
Operations identified at significant risk of child labor	0	0
Confirmed incidents of forced compulsory or child labor	0	0

Incidents of Discrimination, Harassment, and Human Rights

Discrimination and Harassment

	2025	2024
Total number of reported incidents	7	9
Complaints filed through grievance mechanisms	0	0
Fines, penalties, and compensation for damages	0	0

Human Rights

	2025	2024
Total number of reported incidents	0	0
Fines, penalties, and compensation for damages	0	0

Collective Bargaining Agreements and Social Dialogue

Most of Alvotech's employees are based in Iceland and are covered by a collective bargaining agreement through membership with their respective Labor Unions. This represents approximately 84.5% of the company's total workforce. The unions negotiate collective agreements for their members, which apply to employees in specific sectors or professions.

In the European Economic Area (EEA), Alvotech has collective bargaining agreements in Iceland. As Iceland represents a significant portion of Alvotech's workforce, these agreements play a key role in defining working conditions and terms of employment.

Alvotech does not have operations outside the EEA that include collective bargaining agreements. Alvotech determines their working conditions and terms of employment in alignment with the company's Equality Policy for employees not covered by collective bargaining agreements, Compensation Policy, and other labor-related policies. These employees benefit indirectly from the standards and principles established by collective agreements applicable to their counterparts in Iceland, ensuring consistency and fairness across the workforce.

Collective bargaining agreements do not influence the working conditions and terms of employment for non-employees, such as contractors. These are determined through individual contracts that comply with Alvotech's ethical and labor standards.

Alvotech does not currently have an agreement with its employees for representation by a European Works Council (EWC), a Societas Europaea (SE) Works Council, or a Societas Cooperativa Europaea (SCE) Works Council.

Data Privacy & Protection

Alvotech protects employee personal data in line with applicable data protection regulations, including the EU General Data Protection Regulation (GDPR). The company's Data Privacy Policy outlines principles for lawful and transparent processing, limiting collection to legitimate business purposes, and ensuring appropriate safeguards are in place.

Access to employee data is restricted to authorized personnel, supported by secure IT systems and periodic reviews of privacy practices. Employees are informed about how their personal information is used through clear privacy notices. Any incidents involving personal data are managed through established internal procedures, including investigation, remediation, and, where required, notification to relevant authorities.

Targets

Alvotech is committed to upholding worker-related rights and ensuring all employees are treated fairly and with dignity. Current priorities include:

- Maintaining zero cases of child or forced labor across operations and value chains
- Maintaining high employee awareness of reporting channels through annual training and communication campaigns

These priorities are pursued as part of Alvotech's broader commitment to continuous improvement. Progress will be reviewed annually and reported in future CSRD disclosures to ensure accountability and transparency.

ACCOUNTING POLICIES - OWN WORKFORCE

Alvotech follows ESRS S1 (Own Workforce) under the CSRD to ensure transparent reporting on workforce composition, turnover, diversity, health and safety, and employee wellbeing.

Workforce composition is based on headcount at the end of the reporting period, segmented by employment type (permanent, temporary, non-guaranteed hours) and gender. FTE is calculated based on contracted work hours and adjusted for part-time schedules.

Turnover is reported as the number of employees who left during the period, with the turnover rate calculated as leavers divided by the average headcount. Only voluntary resignations are counted in employee-initiated turnover.

Performance reviews track the percentage of employees receiving structured performance evaluations, disaggregated by gender, and annual performance review.

Family-related leave is the percentage of eligible employees who accessed leave benefits, categorized by gender.

Diversity metrics include gender representation across leadership levels and age distribution across workforce categories.

Health and safety reporting covers employees under Alvotech's health and safety system, work-related injuries, lost workdays, and total incident rates. Data is based on workplace incident records, ensuring compliance with EU Occupational Health and Safety (OHS) standards.

Discrimination, harassment, and human rights incidents are tracked by total reported cases, with separate data for grievances and penalties where applicable.

Remuneration metrics include the gender pay gap, calculated as the percentage difference between male and female average salaries, and the total remuneration ratio, comparing the highest-paid salary to the median employee salary.

2. Consumers and End-Users

Alvotech's business model as a developer and manufacturer of biosimilars inherently positions the company to generate positive impacts for end-users while addressing key risks. Biosimilars play a critical role in increasing accessibility to affordable healthcare solutions globally. By expanding the availability of high-quality alternatives to originator biologics, Alvotech contributes to improved healthcare access for patients and caretakers while reducing financial pressures on healthcare systems and payers.

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MATERIAL IMPACTS, RISKS AND OPPORTUNITIES IN TERMS OF CONSUMERS AND END-USERS

Material topics in Own Workforce: Impacts, Risks, and Opportunities (IRO)				
Material topic	**IRO**	**Type of IRO**	**Location in VC**	**Timeframe**
S4 – Consumers and end-users				
PERSONAL SAFETY OF CONSUMERS AND/OR END-USERS	Safe, modern, and well-equipped manufacturing and laboratory facilities, ensuring the health, safety, and well-being of employees	Positive Impact - Actual	OO	ST-MT-LT
	Rigorous quality controls, product safety surveillance, and adherence to Good Manufacturing Practices (GMP) ensure that biosimilar products are safe, effective, and meet regulatory standards	Positive Impact - Actual	DVC	ST-MT-LT
SOCIAL INCLUSION OF CONSUMERS AND/OR END-USERS	Alvotech's biosimilars increase access to affordable biologic therapies for diverse patient populations, including those in lower-income or underserved markets	Positive Impact - Actual	DVC	ST-MT-LT
	Demonstrating commitment to health equity can improve Alvotech's reputation with stakeholders, including investors with ESG priorities	Opportunity	DVC	ST-MT-LT

Abbreviations:
VC = Value Chain;
UVC = Upstream value chain;
OO = Own operations;
DVC = Downstream value chain;

ST = Short term, less than one year;
MT = Mid-term, one to five years;
LT = Long-term, more than five years.

PERSONAL SAFETY OF CONSUMERS AND/OR END-USERS

Policies

Alvotech is committed to improving the quality of people's lives by developing and consistently delivering biosimilar medicines that meet the highest standards of quality, safety, and regulatory compliance. End-user safety is embedded at every stage of our product lifecycle. Our biosimilars are developed and manufactured within a structured Quality Management System (QMS) that ensures adherence to Good Manufacturing Practice (GMP) and alignment with international regulatory expectations.

All products undergo rigorous evaluation by authorities such as the European Medicines Agency (EMA) and the Food and Drug Administration (FDA), coupled with continuous global product safety surveillance after launch. These policies apply across the entire product lifecycle - from early development through market supply and post-marketing surveillance and extend to all products, affiliates and relevant partners. They are complemented by data-protection and privacy controls, accessible reporting channels, and recurring staff training relevant to product safety and patient data.

Actions

1. Pre-market quality assurance: Alvotech ensures end-user safety by embedding quality assurance at every product lifecycle stage.
Before a biosimilar reaches patients, we execute a structured program of:

- Analytical characterization of the reference biologic to determine molecular and functional attributes and set similarity targets for the biosimilar
- Custom manufacturing process development to faithfully reproduce the reference's critical quality attributes, with in-process controls to safeguard integrity and consistency
- Iterative testing and comparability to demonstrate that each biosimilar meets stringent standards for quality, safety and efficacy prior to regulatory filing and approval

Cross Cutting Policies Related to Personal Safety of Consumers and/or End-Users	Accountable	Operational scope	Availability
Code of Business Conduct and Ethics	The Board of Directors	All Alvotech's employees and entities that are governed by Alvotech	Publicly available on Alvotech's website
The Code of Business Conduct and Ethics establishes principles of integrity and compliance that extend to product quality and safety obligations, reinforcing end-user protection as part of ethical business practice			
Quality Policy	The Board of Directors	All Alvotech's employees and entities that are governed by Alvotech	Internal
Alvotech's Quality Policy reflects the company's commitment to consistently provide biosimilar products that meet quality, safety, and regulatory requirements. It emphasizes continuous improvement and employee responsibility in ensuring that processes and products safeguard patient and end-user wellbeing			

2. Regulatory compliance and release: Every marketed batch is released under GMP with Qualified Person oversight (as applicable) and only after specifications, documentation and deviation investigations (if any) meet release criteria. Biosimilars undergo rigorous evaluation by regulatory authorities (EMA, FDA and national agencies) prior to market entry, and Alvotech maintains readiness for routine and for-cause inspections across its network.

3. Post-market safety oversight: Once a biosimilar is launched, Alvotech continues monitoring through a comprehensive product safety framework that aggregates global safety data, performs signal detection, and implements risk-minimization as required. In the United States, Alvotech is the market authorization holder and directly oversees safety reporting. In other regions, product safety surveillance is managed by partners, with Alvotech retaining oversight, data review, and escalation rights. All safety cases are logged, investigated, and resolved per defined procedures, in compliance with data privacy laws. Accessible reporting channels are provided to end-users and healthcare professionals, including 24/7 hotlines and contact details on product packaging. Employees receive mandatory training on product safety and data protection, ensuring patient information is managed responsibly.

4. Application across products (current portfolio): This lifecycle framework applies to all marketed products, our biosimilars to Humira®, Stelara®, Simponi®, Prolia®, Xgeva® and Eylea®. In addition we currently have a pipeline of 30 biosimilars at various stages of development and expect to initiate development of a new biosimilar candidate every two months on average.

Safety governance, including signal review, risk management planning, and partner oversight, is extended to each program as it advances.

Human-Rights-Aligned Remediation

Alvotech is committed to upholding the human rights of consumers and end-users by embedding ethical practices and consumer protection principles throughout its operations. Alvotech's policies incorporate relevant elements of internationally recognized frameworks, including the UN Guiding Principles on Business and Human Rights, the International Labour Organization (ILO) Declaration, and the OECD Guidelines.

Remediation Channels for Patients

Alvotech provides mechanisms to address potential human rights impacts, including:

- **Grievance channels:** Product safety surveillance systems enable consumers and end-users to report concerns
- **Remediation processes:** Reported issues are investigated and resolved promptly in compliance with regulatory and ethical standards
- **Whistleblower protection:** Policies safeguard individuals reporting concerns from retaliation, fostering trust and transparency

Performance

Audits, inspections, and batch recalls do not have predefined targets. They are carried out as needed to uphold compliance, quality, and safety. Setting numerical targets for these activities could suggest an expected number of issues, which would be neither practical nor appropriate. The priority is to maintain high standards and address any concerns as they emerge.

SOCIAL INCLUSION OF END-USERS

Policies

Alvotech's mission is to expand global access to biologic therapies by developing high-quality, affordable biosimilars. A core strategic priority is building distribution partnerships with strong regional players, enabling broad international reach and supporting equitable access to advanced treatments. This approach reflects the company's commitment to reducing healthcare disparities and ensuring that underserved populations benefit from biologic innovation. The principle is embedded in Alvotech's business model and aligns the UN Sustainable Development Goals, particularly SDG 3 (Good Health and Well-being) and SDG 10 (Reduced Inequalities).

Cross Cutting Policies Related to Social Inclusion of End-Users	Accountable	Operational scope	Availability
Code of Business Conduct and Ethics	The Board of Directors	All Alvotech's employees and entities that are governed by Alvotech	Publicly available on Alvotech's website
The Code sets out commitments to fairness and equal opportunity, supporting Alvotech's ambition to reduce barriers in healthcare access			
Supplier Code of Conduct	The Board of Directors	All Alvotech's suppliers and contractors and consultants	Publicly available on Alvotech website
Alvotech's Supplier Code of Conduct requires suppliers to respect human rights and uphold non-discrimination, reinforcing the company's commitment to equitable and inclusive access for end-users			

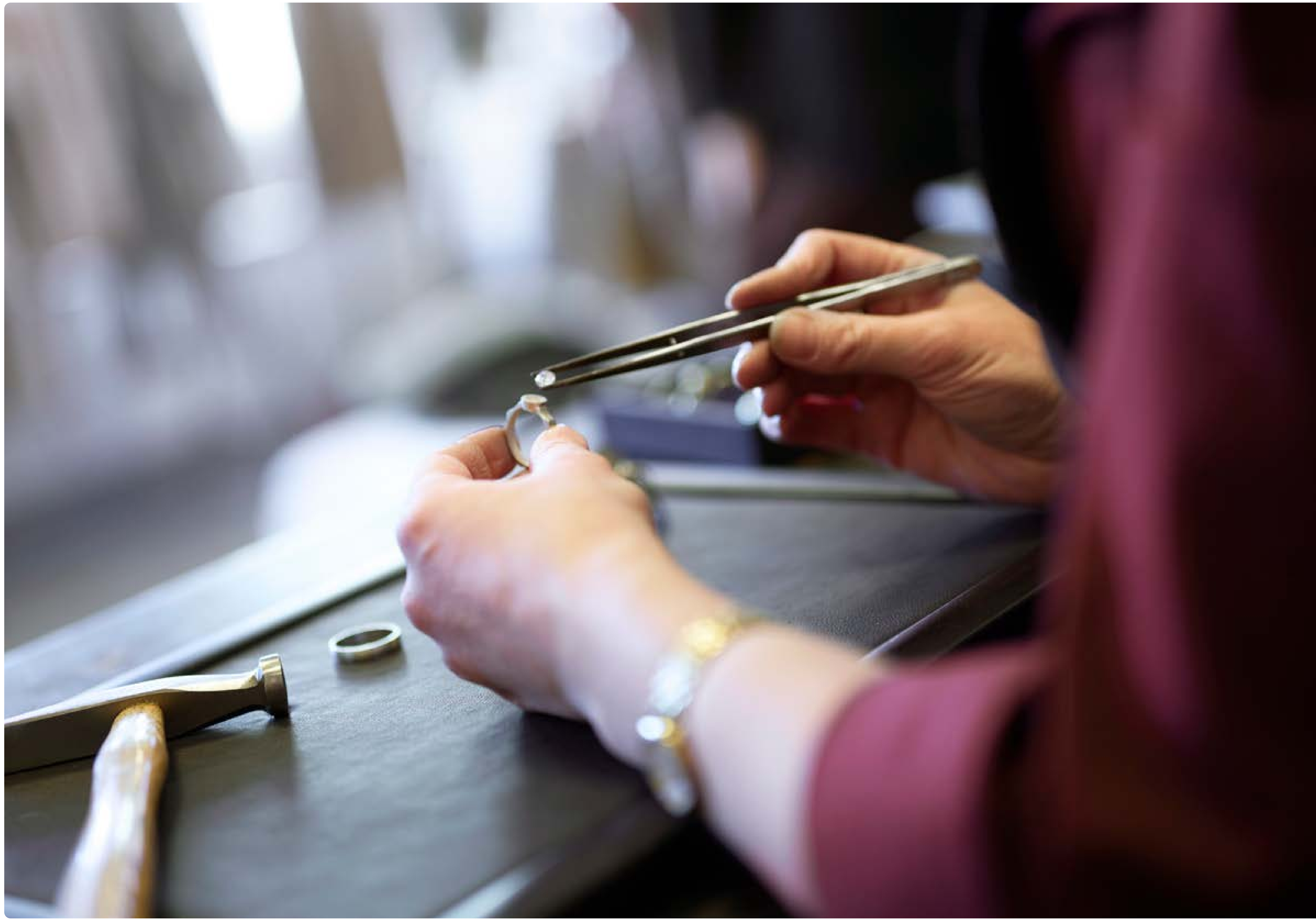
Actions

Alvotech promotes social inclusion through a combination of product development, market prioritization, and strategic partnerships:

- **Targeted product development:** Alvotech's pipeline is intentionally shaped around areas of high medical need, ensuring that products developed with our global partners expand access where it is most limited. The upcoming biosimilar for osteoporosis will broaden treatment options for older women, a group that has historically faced barriers to biologic therapies. Similar need-driven prioritization guides our work in oncology, respiratory disease, and other therapeutic areas
- **Global market reach through partnerships:** Alvotech's access strategy is built on broad geographic reach through strong commercial partners. Together, we focus on entering markets where affordability limits access to biologics, structuring agreements with payors and distributors to maximize patient uptake. Pricing approaches are designed to reduce cost barriers for both patients and health systems, supporting wider adoption of high-quality biosimilars
- **Strategic collaborations for equitable access:** The company collaborates closely with regulators, payors, and international partners to advance equitable access to high-quality medicines

Alvotech's marketed products include five biosmiliars which expand access to affordable therapies for patients living with various autoimmune diseases, eye disease, osteoporosis and bone disease. The company's large R&D pipeline underscores its commitment to addressing unmet medical needs in diverse patient groups. Together, these developments reflect Alvotech's strategy of combining affordability with inclusivity to ensure that vulnerable and underserved populations benefit from advances in biologic medicine.

These actions integrate access considerations into product development, pricing, and market strategy.



Engagement and Remediation

Alvotech does not engage directly with patients but relies on commercial partners, regulators, and healthcare providers as critical intermediaries. Through these channels, the company gathers insights on patient experiences and ensures that products meet end-user expectations.

Remediation processes are embedded in the product safety framework. Patients can report adverse events or concerns via multiple reporting channels, which are independently reviewed and investigated. Alvotech also operates whistleblowing protections to ensure that individuals raising concerns are safeguarded from retaliation.

Targets

Alvotech is developing measurable inclusion targets to be finalized in the next reporting cycle. Current priorities include:

- Further refine inclusion-related indicators aligned with product availability and geographic reach

Accounting policies - Consumers and End-Users

Alvotech follows ESRS S4 (Consumers and End-Users) under CSRD, reporting material consumer-related topics. Personal safety ensures safe and effective medicinal products relevant to operations and downstream activities across all timeframes. Social inclusion focuses on accessible healthcare solutions, primarily in downstream activities, with long-term impact.

CHAPTER 4

Governance

1. Business Conduct

Alvotech is committed to conducting its business with integrity, transparency, and accountability across all operations and value chain relationships.

Our approach to business conduct is rooted in the company's Code of Conduct, which sets clear expectations for ethical behavior, legal compliance, and respect for human rights.

These commitments are reinforced through dedicated policies and procedures covering key areas such as anti-bribery and corruption, fair competition, data protection, and responsible marketing. All employees, regardless of role or location, are required to complete mandatory training on the Code of Conduct and relevant compliance topics. Alvotech's Code of Conduct aligns with international standards, including the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises.

Alvotech maintains a zero-tolerance approach towards unethical or unlawful practices. Alleged violations are assessed in accordance with established procedures and, where substantiated, are subject to investigation and appropriate corrective or disciplinary action. The company actively promotes a speak-up culture through confidential reporting channels and robust anti-retaliation safeguards, enabling employees, business partners, and other stakeholders to raise concerns without fear of adverse consequences..

While Animal Welfare and Political Engagement did not reach the threshold for materiality in this assessment, Alvotech recognizes that these topics remain important within the biopharmaceutical industry and to our stakeholders.

Material Impacts, Risks, and Opportunities in terms of Business Conduct

Material topics in Business Conduct: Impacts, Risks, and Opportunities (IRO)				
Material topic	**IRO**	**Type of IRO**	**Location in VC**	**Timeframe**
G1 - Business Conduct				
CORPORATE CULTURE	A strong ethical and inclusive culture fostering innovation, collaboration, and responsible conduct	Positive Impact - Actual	OO	ST-MT-LT
SUPPLIER RELATIONSHIPS	Fair supplier practices promote ethical value chains and SME resilience	Positive Impact – Actual	UVC	ST-MT-LT
	Financial risk from supply chain instability or non-compliance with responsible sourcing standards	Risk	UVC	ST-MT-LT
	Operational disruption if suppliers are lost due to poor practices	Risk	UVC	ST-MT-LT

Abbreviations:

VC = Value Chain;
UVC = Upstream value chain;
OO = Own operations;
DVC = Downstream value chain;

ST = Short term, less than one year;
MT = Mid-term, one to five years;
LT = Long-term, more than five years.

Animal Welfare

As a company focused on biosimilars, Alvotech does not conduct animal testing as part of its standard development process unless required by applicable laws or regulatory authorities. In 2024 and 2025, no animal testing was performed.

If animal testing were required by applicable law or regulatory authorities, Alvotech is fully committed to the internationally recognized 3Rs principles *"Replacement, Reduction, and Refinement"* to ensure ethical standards and best practices are followed. These principles, originally developed by Russell and Burch (1959), guide the ethical use of animals in scientific research and product development.

Political Engagement

Alvotech engages with government bodies, policymakers, and regulatory authorities as part of its normal business operations. In 2025, Alvotech did not engage in any direct lobbying activities. Where political engagement occurs, Alvotech is committed to acting with integrity, transparency, and in compliance with all applicable laws and regulations to ensure responsible interactions and uphold ethical standards. Alvotech did not make political contributions on behalf of the company in 2025.

Business Conduct Governance (ESRS G1 GOV-1)

Governance of Business Conduct

At Alvotech, the Corporate Leadership Team (CLT) and the Board of Directors hold complementary responsibilities in overseeing business conduct, ensuring strong ethical governance throughout the organization. The CLT, as the executive management body, is accountable for the operational implementation of business conduct policies. This includes aligning these policies with the company's strategic objectives and regulatory obligations. The CLT establishes ethical standards, leads compliance efforts, and promotes a culture of integrity company wide. Through ongoing monitoring and oversight, the CLT ensures that ethical principles are embedded in daily operations and decision-making processes. The CLT reports regularly to the Board's Risk and Audit Committee on business conduct matters ensuring structured oversight of business conduct matters.

The Board of Directors, serving in a supervisory role, provides strategic oversight and guidance on business conduct matters. It reviews the policies set by the CLT to ensure they are comprehensive, resilient, and aligned with international best practices.

The Board of Directors acts as a fiduciary for our shareholders, entrusted with the oversight of company management to ensure prudent and responsible decision-making. To fulfill these duties effectively, the Board operates in accordance with established guidelines and charters, which are regularly reviewed and updated to reflect the best interests of Alvotech and to comply with applicable laws and regulations.

Leadership Expertise in Business Conduct

Alvotech's leadership strength is a key driver of its commitment to ethical business practices. Members of the CLT have experience in compliance, risk management, and corporate governance, relevant to business conduct oversight. The Board complements this with a strategic, governance-oriented perspective leveraging experience in oversight, stakeholder relations, and regulatory frameworks. To reinforce this foundation, Alvotech maintains high standards for recruitment and professional development.

In 2025, the company introduced targeted training programs for all employees, aimed at continuously enhancing business conduct knowledge and building leadership capabilities across the organization. As part of Alvotech's commitment to continuous learning and professional growth, the company expanded its employee training offerings in 2025. In addition, Alvotech made LinkedIn Learning available to all employees, providing on-demand access to thousands of courses across technical, creative, and business domains. These initiatives reinforce Alvotech's commitment to fostering a culture of empowerment, inclusivity, and lifelong learning.

Corporate Culture

Polices

Alvotech fosters a culture of integrity, accountability, and ethical business practices through its governance framework. The following policies apply across the company and its value chain.

Cross Cutting Policies Related	Accountable	Operational Scope	Availability
Code of Business Conduct and Ethics	The Board of Directors	All Alvotech's employees and entities that are governed by Alvotech	Publicly available on Alvotech's website
The Code of Business Conduct and Ethics describes Alvotech's commitment to ethical and responsible business practices, setting out the principles that guide conduct across the organization. Further, it supports fair decision-making, promotes integrity, and encourages all stakeholders to act in line with Alvotech's values			
Whistleblowing Policy	The Board of Directors	All Alvotech's employees, suppliers, contractors, users and consultants	Publicly available on Alvotech's website
The Whistleblowing Policy ensures whistleblowers can report concerns safely and anonymously, with robust protection against retaliation			
Insider Trading Policy	The Board of Directors	All Alvotech's employees and entities that are governed by Alvotech	Publicly available on Alvotech's website
The Insider Trading Policy prevents insider trading and ensures compliance with market abuse regulations protecting the integrity of Alvotech's securities and reputation.			
Anti-Bribery Policy	The Board of Directors	All Alvotech's employees, board members, suppliers, contractors, users and consultants	Publicly available on Alvotech's website
The Anti-Bribery Policy sets out Alvotech's zero-tolerance approach to bribery and corruption and to ensure compliance with applicable laws across all jurisdictions where the company operates			
Conflict-of-Interest Policy	The Board of Directors	All Alvotech's employees, suppliers, contractors, users and consultants	**Available on Alvotech's intranet**
The Conflict-of-Interest Policy provides guidance for integrity in business relationships, inside and outside of Alvotech. Employees are required to disclose any potential conflicts of interest, which are reviewed and managed by the company's compliance and legal functions			

Alvotech commits to reviewing its business conduct policies and procedures annually or as often as needed to ensure ongoing effectiveness and alignment with evolving regulatory requirements. Compliance audits are conducted on a risk-based schedule to verify adherence, identify gaps, and implement continuous improvements.

Actions

To ensure that concerns are effectively identified, reported, and addressed, Alvotech has established the following measures:

1. **Confidential reporting channels** – employees, suppliers, and external stakeholders can raise concerns through internal compliance contacts or via 24/7 Business Conduct Hotline which has replaced the "Speak-up" system as the procedure for reporting complaints about a possible violation of law or policy. Concerns may be anonymously reported by calling +354 571-1353
2. **The Business Conduct Hotline** is a secure voice mailbox accessible only by a designated lawyer at BBA//Fjeldco. All reports are treated seriously, and investigations are conducted with respect to privacy and confidentiality
3. **Awareness and training** – employees receive training on how to recognize, prevent, and report misconduct, including regular refresher on the Code of Conduct and available reporting mechanisms
4. **Whistleblower protection** – a strict non-retaliation policy ensures that anyone raising a concern in good faith is protected from adverse consequences
5. **Independent assessment and investigation** – all reports are logged, assessed, and, where necessary, investigated by trained compliance staff or external experts to ensure objectivity and fairness
6. **Corrective and disciplinary action** – substantiated cases of misconduct result in appropriate remediation, including improvements to controls, process changes, or disciplinary measures
7. **Monitoring and follow-up** – compliance regularly tracks the status of reports and investigations, ensuring timely resolution and identifying patterns to strengthen governance systems

Performance

Corruption or Bribery

No specific functions within Alvotech are currently assessed as presenting elevated risk of corruption or bribery. Regular reviews are conducted so emerging risks are promptly addressed. Alvotech reviews its procedures regularly to ensure they remain effective, practical, and aligned with best practices.

	2025	2024
Confirmed incidents of corruption	0	0
Number of confirmed incidents of bribery	0	0
Number of investigations conducted (internal/external)	0	0
Substantiated cases reported via whistleblower channels	0	0

Business Culture Training

All Alvotech employees are required to complete business conduct training upon joining the company. These training programs, managed by the HR team, ensure that employees are well-versed in Alvotech's ethical standards and policies.

In 2024, Alvotech introduced updated training modules to further strengthen ethical awareness across the organization.

	2025	2024
Business Conduct Training	3 (hrs/employee)	3 (hrs/employee)
Job-Specific & Compliance-related training	64 (hrs/employee)	67 (hrs/employee)

Targets

Alvotech is committed to maintaining a strong culture of integrity and ethical business practices.

As part of this commitment, Alvotech is working to define measurable corporate culture objectives. Current areas under consideration include:

- Maintain effective controls to prevent and detect corruption and bribery and aim for zero confirmed incidents of corruption and bribery each year
- Maintain high completion rates, 90-100%, for annual ethics and anti-corruption training annually
- Progressively expand ESG screening and due diligence among strategic suppliers and aim to certify 100% of strategic suppliers against Alvotech's ethical supplier code by 2027
- Conduct annual board-level ESG reviews

Supplier relationships and payment practices

Polices

Alvotech has established policies that govern supplier engagement and procurement practices, ensuring integrity, sustainability, and accountability across its value chain:

Cross cutting Policies related to Supplier Relationships and Payment Practices	Accountable	Operational Scope	Availability
Supplier Code of Conduct	The Board of Directors	All Alvotech's employees and entities that are governed by Alvotech	Publicly available on Alvotech's website
The Supplier Code of Conducts sets out requirements with the purpose of avoiding risks and negative impacts on people and the environment throughout Alvotech's supply chain			
Procurement Policy	The Board of Directors	All Alvotech companies, employees, and contractors are involved in procurement activities	Available on Alvotech's intranet
The Procurement Policy sets out the framework for how Alvotech manages procurement to ensure operational excellence, regulatory compliance, and ethical supplier engagement			

Actions (ESRS 2 MDR-P)

Alvotech recognizes the critical role of its supply chain in achieving sustainable operations and is actively developing policies and practices to manage supplier relationships responsibly. Early in 2025, Alvotech introduced a formal Supplier Code of Conduct that outlines expectations for responsible business practices across environmental, social, and governance dimensions. The key areas of Alvotech's Supplier Code of Conduct are:

1. **Ethical and Responsible Conduct:** Suppliers must uphold international human rights, labor standards, and fair business practices
2. **Safe Working Conditions:** A healthy, hazard-free workplace is required, including emergency preparedness and worker protectio
3. **Environmental Responsibility:** Suppliers must minimize emissions, manage waste, and work toward reducing their environmental footprint
4. **Anti-Corruption and Business Integrity:** Zero tolerance for bribery, fraud, and unethical conduct; strict compliance with anti-corruption laws
5. **Data Protection:** Confidentiality and cybersecurity must be ensured for all personal and business information
6. **Monitoring and Grievance Handling:** Compliance is monitored; whistleblower protections and remediation procedures are in place

Alvotech takes a strategic approach to supplier management, aiming to balance operational efficiency with sustainability. A supplier screening card is used to categorize suppliers to identify and mitigate risks related to geography, governance, and supplier practices. Suppliers in high-risk jurisdictions are proactively excluded.

While work is ongoing, several foundational elements are in place to address supplier-related risks and promote sustainability:

Screening Process

- General due diligence: Alvotech updates its supplier about due diligence procedures, including social and environmental considerations
- Annual business reviews: In 2025, Alvotech started incorporating sustainability considerations into its agenda in its regular supplier meetings. It aims to have at least annual business reviews with its top 5 suppliers, during which they will ask for information about ESG factors
- Country and company screening: Alvotech currently focuses on sourcing suppliers operating in countries with robust regulatory frameworks and established industry standards while avoiding suppliers from jurisdictions with heightened risks related to governance, corruption, or environmental practices

Responsibility for overseeing supplier sustainability performance rests with the Procurement team in coordination with the ESG office, with periodic updates provided to the CLT.

Alvotech's Procurement Mission is to deliver exceptional value to our organization by strategically sourcing and managing high-quality goods and services. Alvotech is committed to developing strong supplier relationships, ensuring ethical and sustainable procurement practices, and driving innovation, efficiency and cost reduction in our supply chain. Through collaboration, transparency, and continuous improvement, we aim to support our organization's goals and contribute to its long-term success.

The finance department does reconciliation with suppliers, comparing the invoices received from the suppliers and making sure that all payments have been received and accounted for accordingly. This prevents late invoices, and missing invoices can be requested. Alvotech's usual practice has been to process payments for all due invoices on a weekly basis.

Performance

Supplier Screening and Risk Management

Alvotech is in the process of strengthening its supplier screening and risk-management capabilities, as additional work is required to build a unified, data-driven scorecard that consolidates delivery performance, quality metrics, and other key supplier indicators.

A new metric on payment practices was implemented for the first time in the year 2025. Alvotech recognizes the importance of maintaining fair and reliable payment practices, particularly in relation to small and medium-sized suppliers. In line with ESRS G1-6, we report on our general approach to payment governance and the measures in place to support timely settlement of invoices across our operations.

During 2025, Alvotech continued to integrate new systems and processes across its expanded manufacturing, packaging, and supply network. As part of this ongoing integration, we have focused on strengthening transparency and consistency in how payment terms are managed throughout the organization.

Our standard payment terms remain aligned with industry norms and are guided by category-specific requirements. These standards are communicated through contractual arrangements and overseen by our centralized finance and procurement teams to help ensure predictability for suppliers.

As this is our first CSRD-aligned reporting cycle, we are still maturing the underlying data structures required to calculate certain detailed metrics, including invoice-level timing indicators and the percentage of payments made within standard terms. While these datasets are being consolidated and validated across regions, our priority in 2026 is to provide narrative transparency on our governance processes and the enhancements underway. We will continue to refine our cross-functional reporting capabilities to ensure that we can present comprehensive, high-quality metrics in future reporting cycles.

Looking ahead, Alvotech is committed to providing the full quantitative disclosure required under ESRS G1-6 from 2026 onward, including average payment times, performance against standard terms, and any legal proceedings related to late payments. This phased approach reflects the current stage of our systems integration and supports the accuracy and reliability of the metrics we will report.

Targets

Alvotech is committed to managing supplier relationships responsibly and ensuring fair payment practices.

As part of this commitment, Alvotech is working to define measurable objectives. Areas under consideration include phased ESG risk screening, beginning with its largest and most strategically significant suppliers.

Accounting Policies: Business Conduct

Alvotech follows ESRS G1 (Business Conduct) under CSRD, ensuring transparent reporting on governance, ethics, compliance, and supplier relationships.
This policy defines how business conduct-related metrics are measured and reported.

Corporate culture is monitored through policy adherence, employee training, and business conduct of incident tracking.

Supplier relationships are evaluated through Alvotech's developing supplier scorecard, alongside due-diligence processes, compliance screening, and engagement initiatives, supported by data on the proportion of suppliers assessed and actively engaged.

Whistleblowing and compliance monitoring ensures confidential reporting mechanisms with substantiated cases leading to corrective actions.

Anti-corruption and bribery compliance are tracked through mandatory employee training and incident reporting, with internal audits ensuring regulatory adherence.

Average number of days to pay invoice

The average number of days it takes Alvotech to settle an invoice from the invoice date until the invoice has been cleared.

Percentage of payments within due date

Includes all transactions where the invoice cycle time is equal to or less than the specified due date (payment term), divided by the total number of transactions. Small suppliers are defined as all suppliers with less than 1 million USD in spending over the year 2025.

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