

### Short description Goal and Policy

Lipomed is a small privately owned and internationally operating Swiss life science company with SME status (Small Enterprise).

LIPOMED is GMP/GDP and ISO 9001 certified, with a pharmaceutical production facility located in Arlesheim near Basel and a sister company in Germany at Weil am Rhein for importation and distribution of Lipomed's pharmaceutical products in the EU.

Lipomed is dedicated to the research, development, manufacturing, and commercialization of API and ethical pharmaceuticals with a particular focus on hematology, oncology, and niche indications.

As an ethical company, Lipomed has high social values and is engaged in environmental protection through reduction of emissions, reducing its consumption and waste, reducing air pollution and promote circular economy principles.

### Net Zero engagement

Lipomed is fully committed to achieving Net Zero by 2040 for emissions scope 1 and 2. and Net Zero by 2045 for emissions scope 3.

Lipomed recognizes the critical role that emissions play in our environmental impact. This document outlines our targets for reducing both the overall greenhouse gas (GHG) emissions (absolute targets) and the emissions intensity associated with our medical manufacturing business (intensity targets).

Lipomed also engaged in implementing a comprehensive monitoring and reporting system to track progress toward the scopes and annually make assessments, data collection, and performance analysis to identify areas for improvement and measure our success.

Lipomed will also act in collaboration with all stakeholders. Lipomed acknowledges the need for collaboration with suppliers, partners, and other stakeholders to achieve our scope 3 absolute targets. We will engage in open dialogue, share best practices, and work collectively to address emissions throughout our value chain.

Lipomed is committed to continuous improvement in addressing scope 1, 2 and 3 emissions. We will regularly review and update our strategies, leverage innovative technologies, and engage in research and development to minimize direct and indirect emissions.

### Status per scope:

#### Scope 1

Scope 1 emissions encompass direct emissions from sources that are owned or controlled by Lipomed.

Scope 1 categories include:

- Combustion of Fossil Fuels: Emissions from the combustion of fossil fuels in manufacturing processes and on-site facilities.
- Industrial Processes: Emissions resulting from industrial processes, such as chemical reactions and material transformations.
- Mobile Combustion: Emissions from on-site transportation vehicles, including company-owned vehicles.

**Absolute Targets:** In alignment with our commitment to achieving Net Zero by 2040, Lipomed sets the following Scope 1

- Combustion of Fossil Fuels: All equipment is already electricity driven. Net Zero achieved.
  - Industrial Processes: Lipomed does not drive processes with GHG emissions. Net Zero already achieved.
  - Mobile Combustion: Lipomed has no on-site transportation, only owned vehicle for its sales team. Interim goal is to achieve a 50% reduction in total emissions from company owned vehicles by 2030 by transition to low-emission and/or electric vehicles and by developing "online" presentations.
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*Intensity Targets:* Simultaneously, Lipomed sets the following Scope 1 intensity targets to improve the efficiency of emissions per unit of activity:

- Achieve a 50% reduction in emissions intensity per unit of transportation activity by 2030. By promoting “online” meeting practice and gradually transition to electric or low-emission vehicles.

### Scope 2:

Scope 2 emissions include indirect emissions associated with the generation of purchased electricity, heat, or steam consumed by Lipomed.

Scope 2 categories encompass:

- Electricity Consumption: Emissions resulting from the use of purchased electricity for manufacturing processes and on-site facilities.
- Emission due to sourcing of steam, heat, cold, sourced for own use.

*Absolute Targets:* In alignment with our commitment to achieving Net Zero by 2040, Lipomed sets the following Scope 2 absolute targets:

- Electricity Consumption: Achieve a 100% reduction in total Scope 2 emissions from purchased electricity by 2030 with transition to renewable energy sources and consider on-site renewable energy generation.
- Emission due to sourcing of steam, heat, cold, sourced for own use: Lipomed is not sourcing steam or cold. Lipomed is not owner of the location, therefore the heating costs linked to the rented space of the building are part of scope 3 emissions.

*Intensity Targets:* Simultaneously, Lipomed sets the following Scope 2 intensity targets to enhance the efficiency of emissions per unit of activity:

- Electricity Consumption: Reduce the emissions intensity of purchased electricity by 50% per unit of production by 2027. Implement energy-efficient technologies, optimize electricity usage, and explore opportunities for cleaner energy procurement.

### Scope 3:

Absolute Targets for Achieving Net Zero by 2045

Scope 3 emissions cover a wide range of indirect activities throughout our value chain. Lipomed is already engaged with all national agencies for the recycling of the waste generated by the usage of the product. Key Scope. 3 categories where Lipomed may have a possibility of action are:

- Purchased goods and services.
- Upstream leased asset
- Waste generated in operations.
- Transportation and distribution
- Business travel
- Employee Commuting

*Absolute Targets:* In alignment with our commitment to achieving Net Zero by 2045, Lipomed sets the following Scope 3 absolute targets:

Achieve a 50% reduction in total emissions by 2045 with an intermediate target of 20% reduction until 2030 implementing following strategy.

- Purchased goods and services. Lipomed, as a small company with mostly orphan drug products is dependent of a very small number of suppliers which can produce the needed goods.
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Transportation of goods is done exclusively with shared transportation. Optimization potential has been identified as:

- Collaborate with key suppliers to transition to low-carbon practices.
  - Bundel orders to minimize number of transportations.
  - Select new suppliers as near as possible to the company if economically justifiable.
- Upstream leased asset: the location is leased by Lipomed, therefore heating and lightning installations are under the responsibility of the owner. Lipomed will cooperate with the owner to:
- propose alternative sources of energy.
  - propose low-energy equipment for renovation.
- Waste generated in operations. Lipomed has an intensive waste management system which results to achieve a net zero waste to disposal. Nevertheless, now the efforts are oriented to the reduction of waste through:
- Develop the re-use of material.
  - Develop multi-packs for final products.
  - Optimize product design and materials to facilitate environmentally friendly disposal.
  - Develop on a long term a paperless system.
- Transportation and distribution: Lipomed has no own transportation facilities, therefore it is dependent on the established transportation companies. In the medical field, the logistic is quite established and controlled, the order intensity is driven through the medical need of patients, Lipomed has only limited capacity of actions. Nevertheless, where applicable, Lipomed will:
- Develop local storage possibilities to avoid long distance transportations.
  - In cooperation with our partner try to bundel the orders to reduce the number of shipments
- Business travel: Lipomed has only a limited sales force team. As a general politic, Lipomed try to:
- Favorize the usage of public transportation
  - Develop the usage of video-calls for the presentation of the products.
  - Favorize the usage of electric cars.
- Employee Commuting: Lipomed is situated in a well-deserved area with regular public transportation. Most of the employees are located in the near of the company. (less than 20Km) and uses public transportation or carbon neutral transportation. As amelioration potential, Lipomed will:
- Implement where possible at least 1-2 days home office working.
  - Support green initiatives as "bike to work" event.

This document is endorsed by Lipomed leadership and will be reviewed regularly to ensure its relevance and effectiveness in achieving our Net Zero goals.



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