



Climate Policy

for Redcare Pharmacy N.V.

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Confidentiality level | Public

Redcare's objectives

At Redcare, our vision is clear: **Until every human has their health**. As climate change remains one of the greatest challenges of our time, this policy reflects our commitment to meaningful action for a healthy life on a healthy planet. We want to ensure that our business strategy and actions are compatible with the limiting of global warming to 1.5° in line with the Paris Agreement.

Building stakeholder transparency and trust in our climate ambition is essential to our approach. We are dedicated to openly communicate our actions and progress towards our targets, enabling our stakeholders to understand past, current and future mitigation efforts. At the same time, we aim to foster stakeholder engagement along our entire value chain as it is inevitable to realize our targets.

By mitigating climate related risks, as well as their negative impact on our operations and the value chain, we aim to ensure the availability and affordability of medications in relation to potential climate- and energy-induced disruptions. This entails both, transitional risks that include legal, technology, market and reputation risks, as well as physical risks that include for instance extreme weather events.

This policy aligns with the European Sustainability Reporting Standards (ESRS) and addresses material impacts, risks and opportunities related to Climate Change Mitigation, Adaptation and Energy while fulfilling our core mission: taking care of people's health.

Redcare's approach

1. Our approach to Climate Change Mitigation

1.1. Measure emissions along the value chain

Redcare accounts emissions according to the Greenhouse Gas (GHG) Protocol, ensuring comprehensive and standardized reporting and steering across all scopes. Following the GHG Protocol Scope 1 & 2 guidelines, Redcare's energy mix is categorized into direct and indirect energy use. Direct energy use reported encompasses all energy generated and consumed on-site at Redcare facilities, including the fuel used for company vehicles. Indirect energy use covers the consumption of purchased electricity and heat. For Scope 3, we have identified 9 of the 15 categories listed in the GHG Protocol & GHG Protocol Scope 3 technical guidance supplement as material. Further details are available in the Redcare's Annual and Sustainability Report.

Furthermore, we have updated the GHG Emissions Recalculation Policy in 2024 as it is a key GHG Protocol requirement. This recalculation policy states that significant changes (structural or methodological, as described in the Recalculation Policy) will trigger a recalculation of the base year emissions. Specifically, any changes over 5 percent in emissions (increase or decrease) for Scope 1 & 2, Scope 3 or Scope 1, 2 & 3 (combined) will trigger a base year emission recalculation. Changes under 5 percent may also cause an adjustment to the base year values if deemed significant, especially if tied to structural or methodological changes. Recalculations are done at the end of the financial year and reported in the Annual and Sustainability Report.



1.2. Set and monitor targets

Redcare is committed to ambitious climate action through setting and monitoring emission reduction targets.

Short-term: Our goal is to achieve an 80% reduction in absolute market-based Scope 1 and 2 emissions by 2025, compared to the base year of 2020. This target aligns with a 1.5°C pathway and reflects an absolute reduction approach, achieved without reliance on GHG removals.

Long-term: We are developing a transition plan, aimed for disclosure in 2026, which will include time-bound targets in the short- and long-term for Scope 1, 2 and 3 emissions.

By monitoring progress and transparently reporting on our achievements in annual report, Redcare ensures accountability and continuous improvement.

1.3. Align climate targets with business strategy to decouple growth from emissions

Redcare is committed to align its climate targets with its business strategy to ensure sustainable growth and a decoupling of emissions from economic growth. This approach includes the following key initiatives:

Executive accountability: The Managing Board's variable long-term remuneration incorporates intensity-based Scope 1, 2, and 3 emissions targets, ensuring leadership accountability in driving decarbonization efforts.

Internal carbon pricing: Our internal carbon pricing scheme assigns a cost per ton of GHG emissions, effectively internalizing the environmental impact and incentivizing climate conscious decision-making. This innovative approach aligns financial planning with the climate strategy, channeling financial resources towards decarbonization measures.

Transition to renewable energy: We have made substantial progress in decarbonizing our operations through investments in renewable energy sources across key logistics and operational sites.

With these three initiatives we aim to decouple our growth from our emissions.

1.4. Align with 1.5° path according to Paris Agreement

Redcare is dedicated to align its business strategy and activities with the 1.5° global warming limit set by the Paris Agreement. To achieve this, we leverage the scientifically robust X-Degree Compatibility (XDC) model developed by right. based on science GmbH.

The XDC model provides a precise temperature alignment framework, helping us quantify and understand the global warming impact of our emissions relative to our economic activities and which emission budget Redcare is allowed to emit.



This methodology is compatible with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations and incorporates the FalR Model, a climate modeling approach endorsed by the IPCC.

The XDC model provides insights on our 1.5°-alignment via:

Emission intensity pathways: Using economic dimensions such as Gross Value Added (GVA = EBITDA + labor costs) and Redcare's current emissions in the base year, the model compares our emission intensity against sector-specific benchmarks. With that information, the model assesses how global warming would progress if all companies world-wide mirrored Redcare's climate performance, resulting in (among others) business as usual pathway.

Scenario analysis: Through scenario analysis tools, we evaluate the effectiveness of our climate targets and decarbonization measures under various scenarios until 2100 and find out whether we are aligned with 1.5°.

With that level of transparency, we aim to align with 1.5°.

1.5. Engage stakeholders in the value chain

Redcare is committed to build strong relationships with value chain partners to accelerate collective action towards achieving climate goals. Recognizing that collaboration is essential to address climate challenges effectively, we actively engage with suppliers, service providers, and other stakeholders to align efforts with the 1.5°C pathway under the Paris Agreement.

Collaborative decarbonization: We maintain open dialogue and have strategic partnerships with business partners to jointly identify and implement opportunities for reducing GHG emissions across the value chain.

Transparency and data sharing: We value the transparent exchange of climate-related data to assess performance, foster accountability, and drive improvement in emission reductions across all levels of the value chain.

By uniting efforts with our partners, Redcare aims to build a value chain that contributes meaningfully to global decarbonization.

2. Our approach to Energy

Energy plays a central role in Redcare's strategy to reduce GHG emissions, as it is the primary driver of our Scope 1 and Scope 2 emissions. By transitioning to renewable energy sources across our international locations, we have taken significant steps to decarbonize our operations and align with the 1.5°C target of the Paris Agreement.

100% renewable energy achieved: Our three main logistics and warehouse facilities operate entirely on renewable energy, including contributions from solar capacity initiatives that we have actively driven.

Planned expansion of renewable energy: We aim for the same renewable energy setup for our future sites via the implementation of renewable energy criteria in due diligence processes of potential acquisitions, ensuring future operational expansions are aligned with our climate ambition.



Energy efficiency: In addition to sourcing renewable energy, we are investing in energy-efficient technologies such as heat pumps to further reduce energy consumption.

Redcare's renewable energy initiatives not only advance our climate goals but also strengthen the resilience of our operations.

3. Our approach to Climate Change Adaptation

We plan to perform a climate risk and resilience analysis and define a climate change adaptation plan in 2025.

Monitoring and review

In order to consistently fulfill our goals in reducing negative impact on the environment, we conduct internal steering and monitoring of targets on quarterly basis including Managing and Supervisory Board reporting which is aligned to financial steering processes.

Additionally, we perform external disclosure of results on an annual basis in ESRS sustainability statements of Annual Report, where the limited assurance is provided by an independent auditor.

Accountability & scope

The CEO is accountable for the implementation and upkeep of this policy. The Director Sustainable Development is responsible for applying this policy and implementing it together with all departments in the organisation. This policy, along with our climate ambition, applies to all entities within Redcare.

