

How is Viatris addressing climate change?

Climate change is impacting both environmental and human health, and as a healthcare company with a global presence, we must do our part to address climate change head-on. (See our [Global Climate Change Policy](#)).

We have set near-term companywide emission reduction targets in line with the latest climate science. These near-term targets have been validated and approved by Science Based Target Initiative (SBTi). Our emission reduction targets are as follows:

Viatris commits to reduce absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2020 base year*. Viatris also commits to reduce absolute scope 3 GHG emissions covering purchased goods and services, capital goods, fuel and energy related activities, and upstream transportation and distribution by 25% within the same timeframe.

The SBTi classified Viatris' scope 1 and 2 target ambition and has determined that it is in line with the 1.5°C trajectory.

Moving forward, key actions and strategies for making progress toward our SBTi climate targets will include:

- Increasing renewable energy usage
- Implementing energy-efficiency projects
- Preventing refrigerant leaks and transitioning to greener refrigerants
- Using alternative fuels and technologies
- Leveraging infrastructure upgrades and utility replacement projects

We are implementing energy-efficiency and emissions-reduction projects and are tracking GHG emissions monthly, evaluating GHG reductions annually and re-evaluating short- and long-term emission reduction strategies as needed to achieve our targets.

For examples across the Viatris network, please see our [2022 Sustainability Report](#).

In addition to the above-noted climate targets, we have also launched water and waste goals.

Viatris concluded its climate scenario analysis in 2022 to re-assess and better understand our exposure to physical and economic risk drivers based on different climate change scenarios. Because of our global operational presence and supply chain, understanding how exposure to climate-related events looks across geographies and to what extent locations are vulnerable to these impacts helps us understand our associated risks and opportunities. Using this information will help inform future business strategies.

Our areas of focus have been protecting and enabling stable access to water, helping protect public water resources and maintaining operations during extreme weather events. The climate scenario analysis confirmed the relevance of these activities.

In addition to own operations, we are also working to reduce carbon emissions across our supply chain. We work across all three of our freight transportation modes - road, ocean and air - to that end. Transport efficiency is a primary objective. We focus on full truck loads and double stacking of pallets where possible. Full truck loads are considered the most efficient mode of transit. The sourcing of transportation providers considers sustainability as a factor. Our key logistics suppliers have sustainability programs and are active in reducing GHG emissions. To enable the shift to ocean and road freight - which is less GHG intensive than air - we have been building in more time for transportation into our processes, which hinges on good demand data and forecast planning. We have a rapid response system and have established a standard operating procedure to make ocean freight our standard mode. In 2022, road and ocean represented 89% of all transport. As timely access to medicine is the priority, there are exceptions when speed is of the essence.

In addition to disclosure in our [2022 Sustainability report](#), we also report to the CDP climate and water programs. Our responses are available on CDP's public responses page and provide additional information.

To help ensure the integrity of our supply chain, a highly experienced Viatrix cross-departmental committee including Sourcing and Quality undertakes a rigorous review of suppliers and third parties prior to their selection for the supply of active pharmaceutical ingredients and drug products.

Working with Health Authorities

We constantly review our products, processes and facilities throughout our network and work closely with external health authorities to ensure transparency regarding emerging information, including shortages, the development of new scientific and testing criteria and evolving regulatory and manufacturing expectations everywhere we operate. We continuously learn from these interactions as scientific, technological and regulatory expectations continue to evolve. In 2022, approximately 120 health authority inspections were conducted across our facilities.