

ENVIRONMENTAL AND CLIMATE POLICY

1. Introduction and Purpose

At BioGaia, we believe that caring for human health begins with caring for the ecosystems that sustain all life. Our very name reflects this interconnection: "Bio" for life and "Gaia" for the Earth itself. Since our foundation, when pioneering research explored the potential of beneficial bacteria to support health beyond the human body, science and sustainability have guided our mission. Today, we continue to harness the power of probiotic products to improve well-being in ways that are safe, ethical, and future-minded.

We recognize that climate change and environmental degradation pose serious risks to the health and resilience of societies worldwide, and that businesses like ours have a responsibility not only to reduce their environmental footprint but also to operate in a way that safeguards natural resources, minimizes waste, and promotes biodiversity — supporting a sustainable future for generations to come.

Just as we strive to promote better health through our products, we are equally committed to minimizing our environmental impact and driving positive change across our operations and value chain. Environmental considerations are integrated into our decision-making, aligned with our commitment to ethical business conduct and long-term sustainability. Our commitments are anchored in BioGaia's sustainability goals, which form part of our long-term sustainability program and are reported annually in the Annual and Sustainability Report. The Environmental and Climate Policy formalizes our commitments and actions to reduce environmental impact across our operations and value chain.

2. Scope

All BioGaia AB (publ) legal entities, directors, affiliated companies, and employees worldwide, including agents, consultants, and temporary employees working for BioGaia ("BioGaia Professionals"), must adhere to this Global Policy.

3. Compliance

Compliance with environmental laws and regulations is a fundamental principle of our operations. We pledge to meet or exceed all applicable environmental requirements, utilizing them as a minimum standard for our environmental stewardship efforts.

4. Governance, responsibilities and review

The Board of Directors has ultimate oversight responsibility for BioGaia's environmental agenda and ensures alignment with corporate strategy and compliance. The Audit Committee oversees sustainability reporting, while the CEO provides regular updates to the Board. The Sustainability Committee, chaired by the Sustainability Director and Chief Legal Officer and composed of representative from the Board, Executive Team, and key functions, is responsible for integrating environmental objectives into strategy and operations, monitoring progress, and addressing regulatory developments. The Sustainability Committee meets regularly, typically on a quarterly

basis, and the Board conducts an annual review of environmental performance, targets, and future actions.

The Board has endorsed both long- and short-term sustainability targets as part of the company's strategic plan. These targets are integrated into the long-term incentive program for employees and selected executive team members have individual sustainability performance objectives.

5. Climate Impact

BioGaia has committed to a science-based target to reduce our Scope 1 and 2 emissions by 46% by 2030 from 2019-levels, in alignment with the goals set forth by the Paris Agreement.

We are also committed to measuring and reducing our Scope 3 emissions, recognizing the importance of addressing indirect emissions throughout our value chain.

6. Renewable Energy Commitment

BioGaia is dedicated to procuring non-fossil-based electricity across all operations under our direct control. We will prioritize renewable energy sources such as wind, solar, and hydropower to further reduce our carbon footprint and support the transition to a sustainable energy system. This commitment ensures that our operations are powered by low-emission energy and supports both the global transition to renewable systems and stakeholder expectations for climate leadership.

7. Office Environmental Impact

While our offices have a smaller environmental impact compared to other areas of our operations, BioGaia remains committed to minimizing this footprint through the implementation of sustainable office practices, including:

- **Employee Awareness and Training:** Promoting awareness and providing training for employees on sustainable practices, including how everyday behaviors - such as conserving water, reducing waste, conscious consumption, and managing energy use - can make a positive environmental impact.
- **Sustainable Commuting:** Encouraging low emission commuting options, such as public transportation, cycling, carpooling, and remote work arrangements.
- **Waste Reduction Initiatives:** Implementing measures to reduce waste, including responsible procurement, recycling programs, and minimizing the use of single-use plastics.

8. Reduce, Reuse, Recycle

BioGaia adheres to the "reduce, reuse, recycle" principle to minimize environmental impact, with a focus on sustainable material use and waste management. Our goals and efforts include:

- **Material Reduction:** We strive to reduce the use of raw materials in our production and packaging processes. Sustainability parameters are at the core of our innovation processes for product development. Sustainability assessments are integrated into product development and procurement to ensure continuous improvement.
- **Certified or Recycled Materials:** All paper packaging in our production should be certified from responsibly managed forests or made of verified recycled materials.
- **Sustainable Packaging:** We aim to ensure all BioGaia's packaging meets or exceeds recyclability or other sustainable end-of-life criteria, such as biodegradable solutions and

reusable packaging where feasible, without compromising product stability for probiotics; while also identifying new packaging solutions that reduce climate impact per dose and prioritize environmental sustainability. We aim to be ahead of regulation and lead the way for sustainable packaging solutions.

- **Optimized Waste Management:** We enhance waste management through initiatives that promote responsible disposal and maximize recycling efficiency across all operations.

9. Environmentally Responsible Sourcing

BioGaia prioritizes materials with lower environmental impact and evaluates them based on resource use, emissions, and end-of-life handling. We partner with suppliers who have documented sustainability practices and continuously explore alternatives that reduce our environmental footprint. Further expectations for suppliers and partners are detailed in the following section.

10. Supplier and Partner Expectations

BioGaia recognizes that our environmental impact extends beyond our direct operations. We therefore expect our key suppliers and partners to share our commitment to responsible environmental management and continuous improvement. All suppliers are required to comply with BioGaia's Supplier Code of Conduct and to maintain sound environmental practices in line with applicable laws, international standards, and BioGaia's sustainability goals.

BioGaia strives for its key suppliers to adopt science-based climate targets, reflecting our ambition to reduce value chain emissions and drive broader industry change. Suppliers are expected to measure and report relevant environmental data, including greenhouse gas emissions, and to support BioGaia's Scope 3 reporting and reduction efforts.

We also encourage suppliers and manufacturing partners to participate in recognized third-party sustainability assessments, such as Sedex (SMETA) or EcoVadis, to ensure transparency and verified progress. Business partners, including distributors, are expected to act in accordance with BioGaia's Partner Code of Conduct and to integrate environmental considerations into their operations in a manner consistent with our environmental principles.

Further details on supplier requirements, selection and evaluation processes are outlined in BioGaia's Procurement Policy.

11. Water and Chemical Usage

BioGaia is committed to the responsible and sustainable management of water and chemicals, with an emphasis on minimizing environmental impact.

- **In-House Water Usage and Management:** At BioGaia, water usage is primarily limited to office functions and minor cleaning processes within our production unit. Although water plays a minor role in our operations, we are committed to responsible water management and continuously strive to improve efficiency and reduce consumption where feasible.
- **Focus on Supplier Practices:** In our upstream value chain, where water usage and management have a more significant environmental impact, BioGaia requires suppliers to maintain robust environmental management standards. Compliance with these

standards is assessed through internationally recognized audits and performance evaluations, such as SMETA (Sedex Members Ethical Trade Audit) and EcoVadis assessments.

- **Chemical Safety and Compliance:** We ensure the safe handling, storage, and disposal of chemicals, following all relevant regulations at our production units and laboratories.

12. Air Pollution and Emissions

BioGaia acknowledges the importance of air quality and climate impact and aims to reduce both air-pollutants and greenhouse gas (GHG) emissions by:

- Ensuring low emissions in manufacturing and supply chain logistics.
- Utilizing cleaner energy sources and adopting low-emission technologies.
- Monitoring and reporting air pollution metrics where feasible and relevant.

13. Sustainable Production

BioGaia promotes sustainable production practices, including:

- Optimizing energy efficiency in manufacturing processes.
- Reducing emissions and waste through innovative technology.
- Improving material use and operational design to minimize environmental impact throughout production.
- Ensuring that BioGaia's own operations and contracted manufacturers uphold our standards for environmental responsibility and ethical conduct.

14. Transportation and Business Travel

To minimize our transportation-related environmental impact, BioGaia commits to:

- Encouraging virtual meetings and remote collaboration to reduce business travel.
- Utilizing energy-efficient and low-emission transportation methods whenever possible.
- Evaluating and optimizing supply chain logistics to reduce fuel consumption.
- Measuring, assessing and reducing impacts from travels.

15. Biodiversity

BioGaia contributes to enhancing microbial biodiversity through our clinically-proven probiotic products, which support the diversity and balance of the human microbiome. This fosters ecological fitness in the human body and promotes long-term health and well-being.

We also recognize the importance of protecting natural biodiversity in ecosystems such as forests, soils, and waterways. While the direct impact of our operations on these ecosystems is limited, indirect effects may result from emissions, ingredient sourcing, and packaging. We are committed to minimizing these impacts through responsible sourcing, supplier collaboration, and product innovation. Therefore, we have committed to:

- Phasing out palm oil from all BioGaia products by the end of 2027, with the exception of markets with regulatory constraints where government approvals are not possible or significantly delayed.
- No new food supplement registrations containing palm oil are allowed.
- When palm oil is used in our products, it is sourced exclusively as certified sustainable, in accordance with recognized environmental standards.
- Sourcing all paper and fiber-based packaging exclusively from sustainably managed forests, certified under recognized sustainability standards.

- Collaborating with suppliers to promote strong biodiversity management practices and prioritizing those who actively prevent deforestation, habitat destruction, and ecological degradation.

16. Animal Welfare

BioGaia does not conduct animal trials but may collaborate with external research entities that do. To ensure responsible animal welfare in such cases, we:

- Require all research partners to follow the 3Rs principles-Reduce, Refine, and Replace-to minimize animal use and ensure ethical research:
 - Reduce: Prioritizing alternatives to animal testing where possible.
 - Refine: Applying best practices to minimize harm and ensure humane treatment.
 - Replace: Working with partners to improve animal welfare standards and develop alternative testing methods.

In line with this, animal models are only to be used when absolutely required to understand mechanisms, and whenever possible non-mammalian species such as worms, parasite larvae, or fish are chosen instead of mammals.

17. Sustainability Evaluation

Sustainability considerations must be integrated into every stage of the project process to minimize environmental impacts. This includes concept development, product development, packaging and ingredient selection, material choice, and investment processes.

18. Reporting and Accountability

BioGaia will track and report on key environmental performance indicators, ensuring transparency and accountability. This includes:

- Regular reporting on energy, water, and material consumption, including estimated data where direct tracking is not possible.
- Documentation of sustainability initiatives and continuous improvements.
- Commitment to external audits and adherence to recognized environmental assessment frameworks.

19. Stakeholder engagement

We actively engage customers, investors, and suppliers to promote sustainability, transparency, and shared environmental goals. Expectations are communicated through our sourcing criteria, Supplier and Partner Code of Conduct, and BioGaia's Environmental and Climate Policy.

Document owner	Jelena Jovanovic Sustainability Director
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