



 alvotech

Equality Report 2023

Alvotech People



Gender Pay Gap

0,7% | **0,6%**
Iceland | Global

Promotion/ Progression

55% | **45%**
Women | Men

50% | **50%**
Women | Men



64
Nationalities

38
Average Age



Alvotech's Equality Report for 2023

Alvotech is committed to fostering a workplace culture centered on equality and mutual respect for and among all employees. We ensure fair treatment and equal opportunities for everyone, regardless of origin or gender.

Our company and its management prioritize establishing a workplace environment characterized by respect, integrity, fairness, and equality.

Alvotech's Equality Policy was initially issued in January 2021. It outlines the conditions and opportunities available to employees, irrespective of gender, age, religion, nationality, or other attributes. The policy aims to prevent discrimination or harassment based on these or any other irrelevant factors.

According to the equality policy, an Equality Report is to be published annually.

This marks the third Equality Report for Alvotech.

The reference date for the report is December 31st, 2023. The data encompasses all active employees, whether permanent or temporary.

However, the report excludes external workforce members and interns.

At present, 99,9% of Alvotech employees identify themselves as either women or men. Non-binary individuals will therefore not be shown as a separate variable.



Equal Pay Certification

Alvotech received an Equal Pay Certification in January 2021 from the Directorate of Equality in Iceland. Alvotech is audited annually for the certification. The third audit was successfully completed in October 2023 and a new Equal Pay Certification issued in January 2024.

64

Nationalities

38

Average Age

While our Equality Policy is based on Icelandic law, it is globally applicable to all Alvotech employees. It ensures consistent adherence to company-wide career frameworks and equal pay standards, positioning Alvotech as a leader in gender equality among international companies. Through diligent implementation across all aspects of our people processes, notable progress has been achieved over the past few years.

50%

Women

50%

Men



Closing the gender pay-gap at Alvotech

Alvotech's Equal Pay objectives were initially set in December 2020. They established that the unexplained gender pay gap for base salaries should **not exceed 4% by end of 2021 and not exceed 2,5% by the end of 2023.**

Furthermore, the objective is for the R-squared coefficient, to exceed 80% by 2021 and 85% for the year 2023. This coefficient is a measure of the statistical accuracy of the estimated gender pay gap.

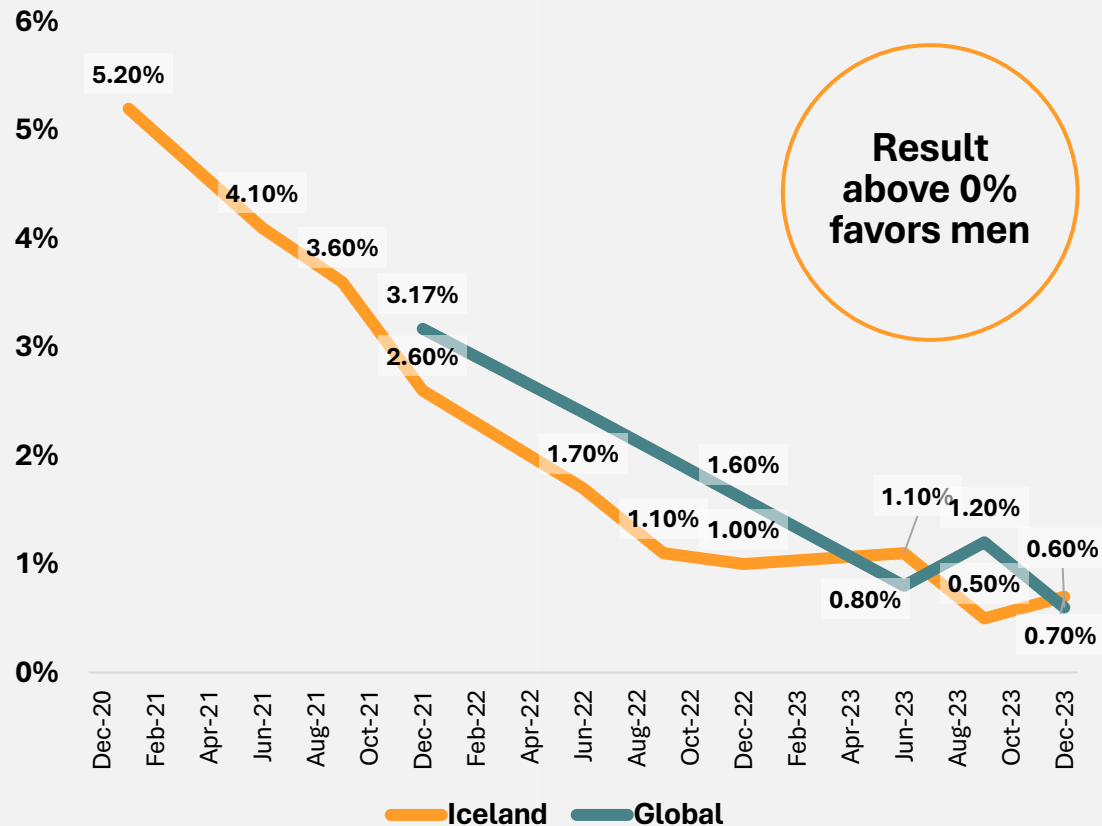
Result

The gender pay-gap for Alvotech Global where site is a categorical variable was **0.6% (women lower)** in December 2023 and the R-squared coefficient was 91,8%.

The results also showed that the gender pay gap was **0,7% (women lower)** for Iceland and the R-squared coefficient was 93,5%.

The gender pay gap objectives for the end of 2023 were therefore exceeded by a wide margin.

Alvotech's Gender Pay Gap



Equal Pay Analysis

The graph illustrates the results of all Equal Pay analyses conducted since December 2020 for both Iceland and the global operations of Alvotech, spanning from December 2021.

All sites are assessed and tracked using uniform criteria, including job level, tenure, education, and experience.

The unexplained wage gap between men and women is 0.6% for Alvotech overall and 0.7 for Alvotech in Iceland.

Alvotech has pledged to systematically measure and monitor the gender pay gap across all our sites, utilizing this data to inform decision-making processes. Our ultimate objective is to minimize this gap as much as feasible.

Nevertheless, fluctuations in the pay gap between measurements are anticipated due to organizational dynamics, such as changes in staffing, promotions, and employee turnover.

Alvotech Iceland
0.7%

Alvotech Overall
0.6%

Salary distribution and unadjusted pay gap

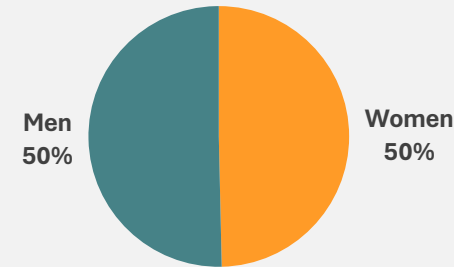
On December 31, 2023, half of Alvotech employees were women and they received 46% of the total salaries paid within the organization. Men constituted the other half of our workforce but received 54% of the total salaries paid.

There was a small but important improvement from the previous year, when women were also 50% of the workforce but received 45% of the salaries.

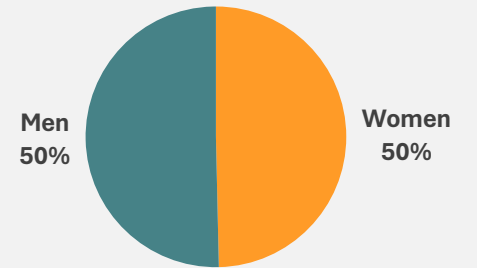
The graphs illustrate the gender ratio at Alvotech as of December 2022 and 2023, with the corresponding share of total salaries.

A rise in the unadjusted pay gap from last year was observed. This change is partially due to changes in staffing as the company shifted more resources into manufacturing but, as shown on the previous page the adjusted pay gap is below 1%.

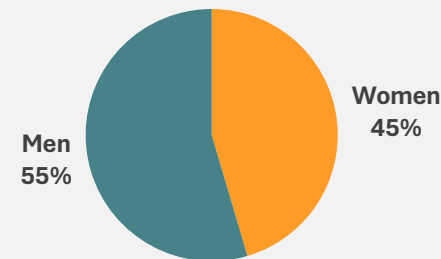
Gender Ratio 2022



Gender Ratio 2023

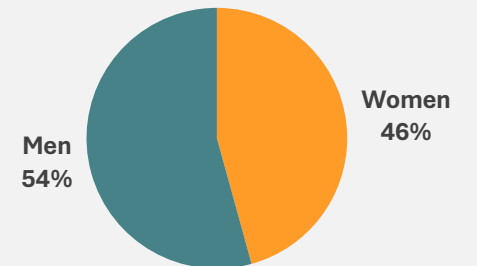


Salary Distribution 2022



2022 Unadjusted Pay Gap: 14%

Salary Distribution 2023



2023 Unadjusted Pay Gap: 18,1%

(1) Salaries include base salaries and STIP (Short Term Incentive Plan) compensation

Alvotech's Global Career Framework

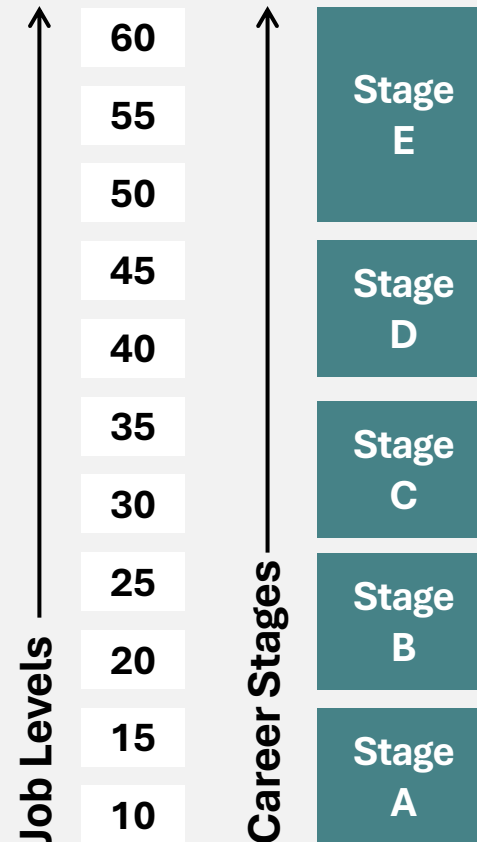
Alvotech's career framework was implemented in 2021 and consists of clearly defined job stages, job families and job levels.

The career framework is a foundational tool for reward and talent management and drives systematic, fair alignment of pay and titles, provides the basis for career planning including progression and promotions.

The career framework is scalable and flexible to accommodate future growth and structural changes.

The Alvotech Career Framework gives a:

- Systematic, objective reference for evaluating employee competencies relative to position requirements
- Reliable, consistent basis for determining and justifying fair salaries and equal pay.
- Support for future promotion and merit decisions with transparency and fairness



CORE COMPONENTS

Alvotech Global Career Framework

JOB FAMILIES

Describe the nature of work performed i.e., Admin/Technical, Professional (individual contributor), Managerial or Executive.

CAREER STAGES

Major steps in terms of responsibility and requirements in jobs. Moving to a higher stage represents a major change in career progression (five stages from A to E).

JOB LEVELS

Represent steps within each stage, i.e., smaller yet still significant changes in career progression.

Gender Ratio

The gender ratio at Alvotech is 50/50 men and women. Women however represent the majority at level A and men are in the majority at levels C, D and E. Here, D represents director level positions and level E are VP, SVP and C-level positions.

The blue bar shows our status in December 2022 and indicates that Alvotech has already taken significant steps towards a more equal representation on all levels of the organisation.

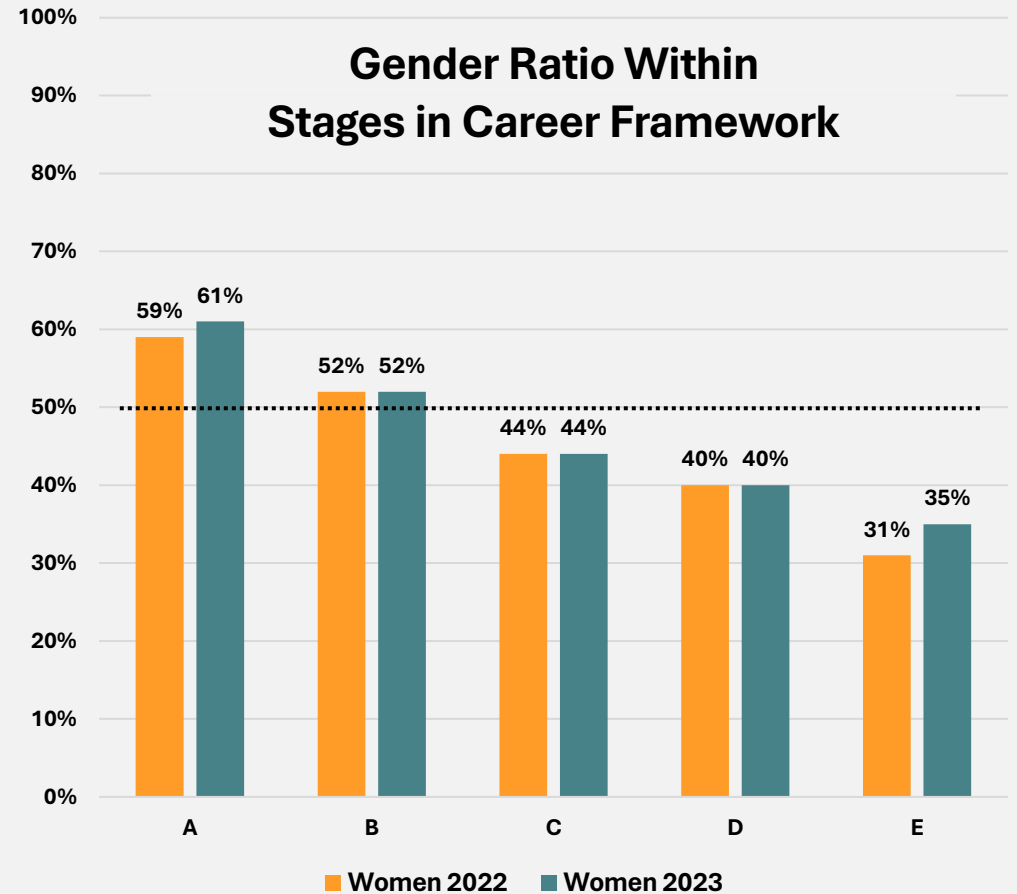


Ensuring a balanced gender ratio in the workplace is not just about a metric but ultimately innovation and growth.

Gender balance helps create a more inclusive environment, fosters diverse perspectives, and ultimately drives better decision-making.

A commitment to equity therefore benefits both individual employees and the organization as a whole.

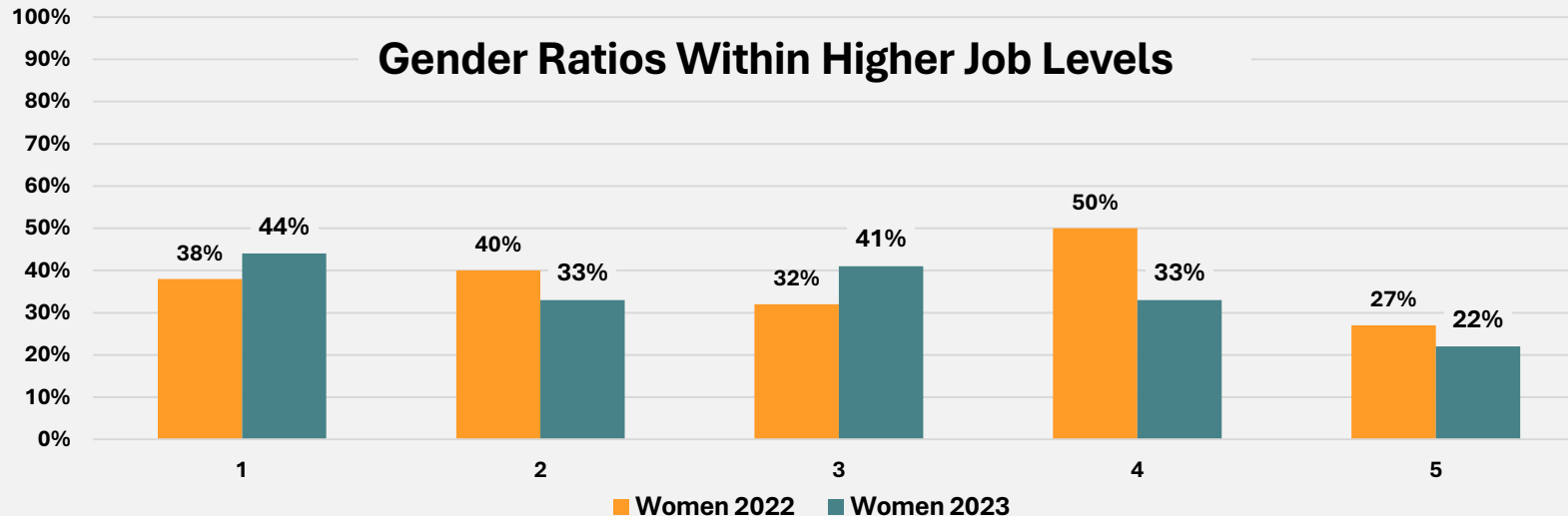
Robert Wessman, CEO of Alvotech



Alvotech's Leadership

Gender ratios at the leadership level (senior director and above) show that women are underrepresented at higher job levels compared to Alvotech overall where the ratio is 50% women and 50% men.

Compared to 2022, the percentage of women on Director and VP positions has increased, however the percentage of women in Senior Director, Senior VP and C-level positions has decreased.



GemmaQ

Chairman Male

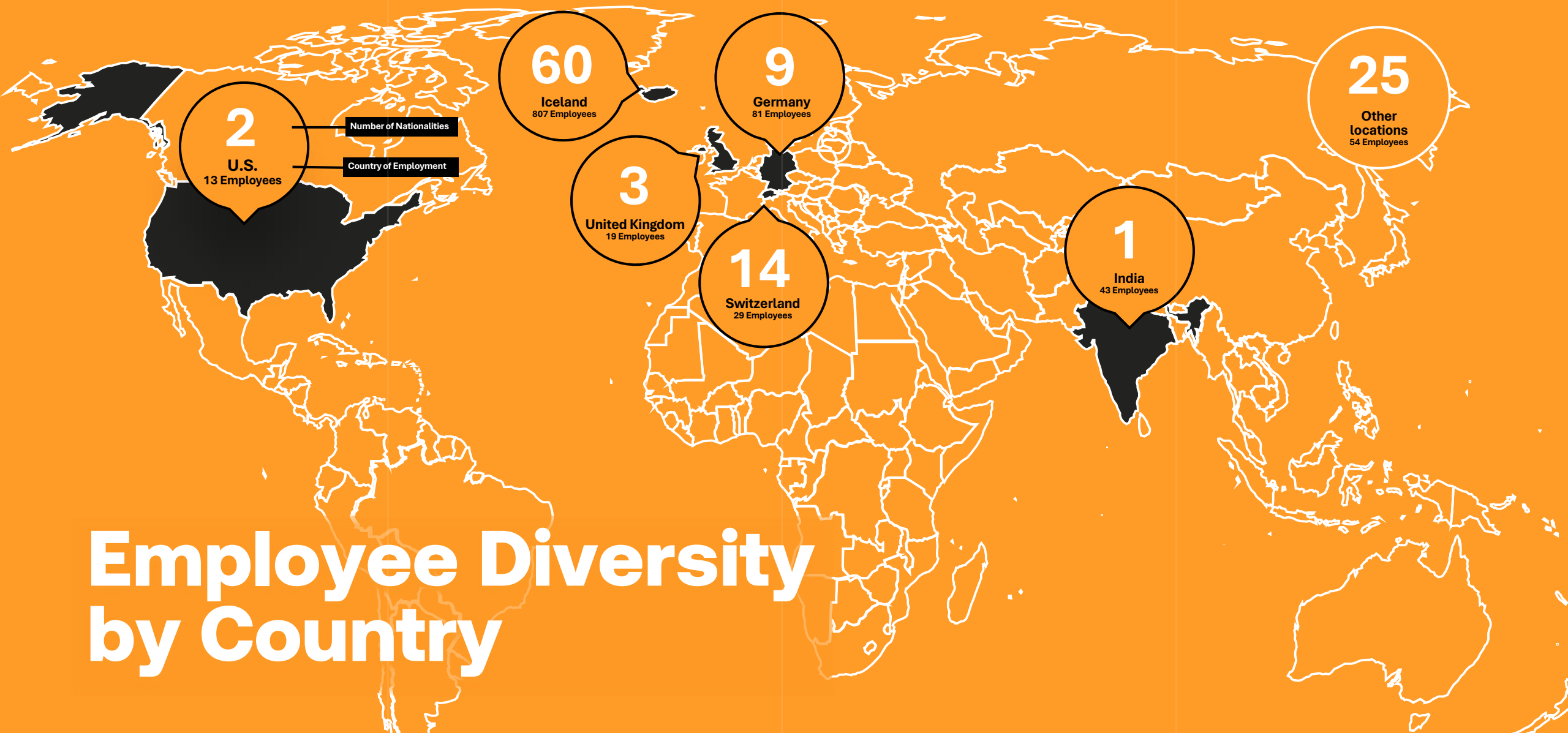
CEO Male



Women in Leadership Team 30%

Women in Board 38%

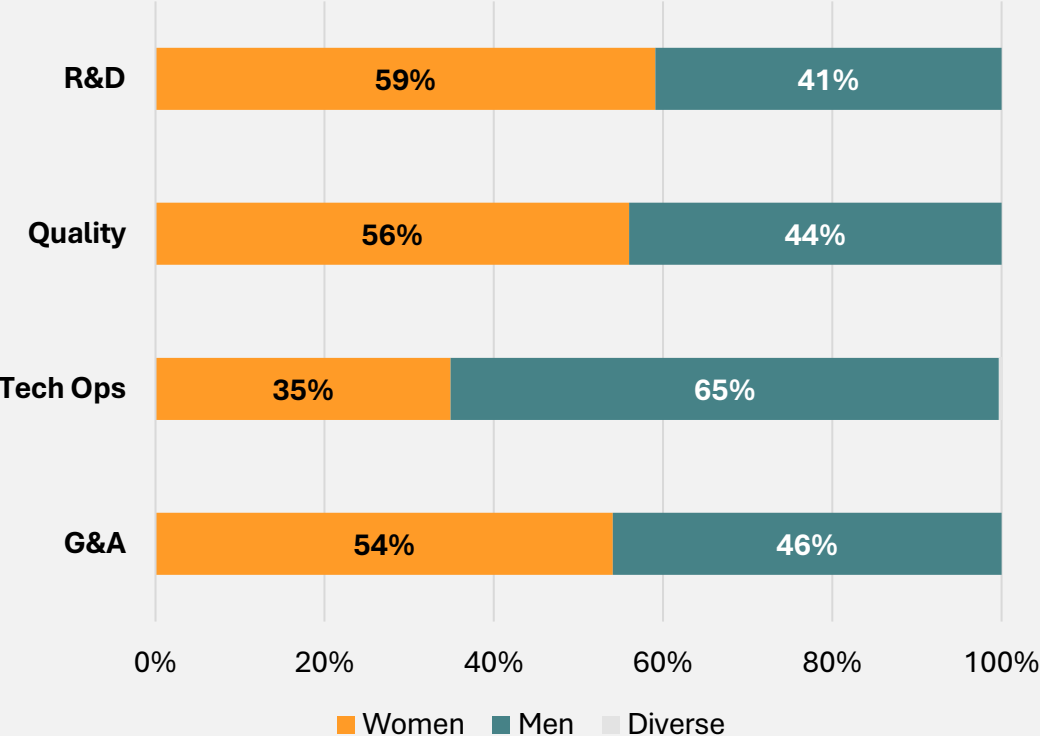
Employee Diversity by Country



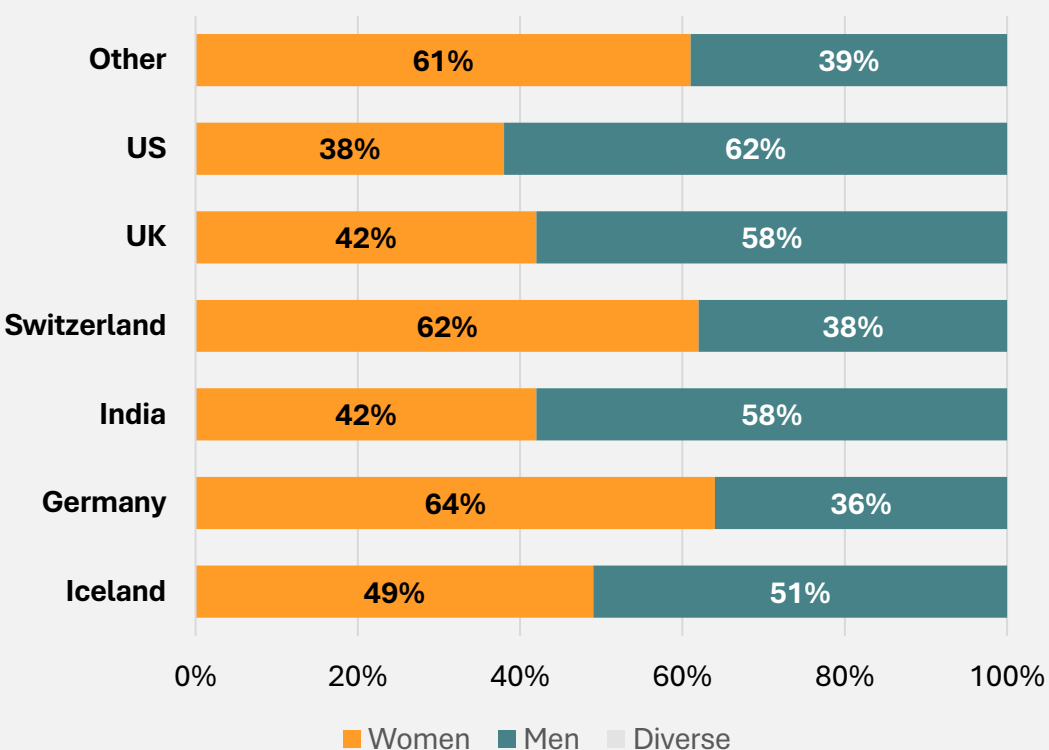
Gender Ratio

By Function & Location

Gender Ratio by Line Function



Gender Ratio by Location



Diversity

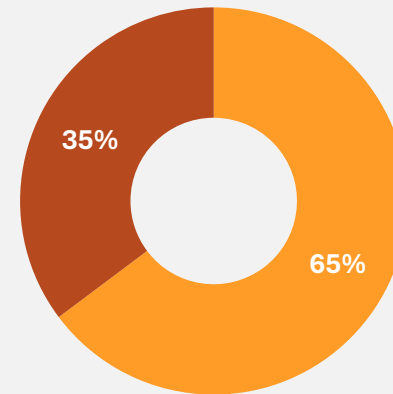
Our aim is to attract the best people, irrespective of their background, and leverage their expertise to achieve optimal results.

Our workforce currently comprises **64 nationalities**, which is uncommon, both for companies headquartered in Iceland as well as other international pharma companies

At the headquarters in Iceland employees are from **60 nationalities**, and non-Icelandic employees comprise **55% of our workforce in Iceland as well as 65% of our workforce overall**.

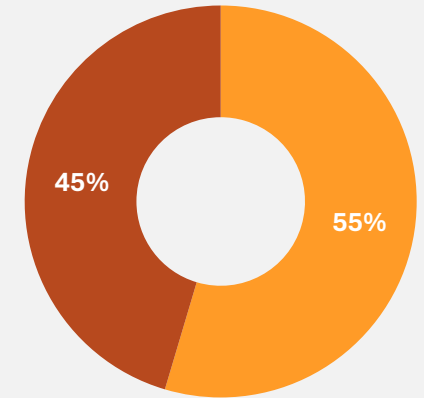
Our diversity shows that Alvotech has been successful in attracting talent from all over the world and building an attractive workplace.

**Nationality
- Alvotech -**



■ Non-Icelandic ■ Icelandic

**Nationality
- Icelandic site -**



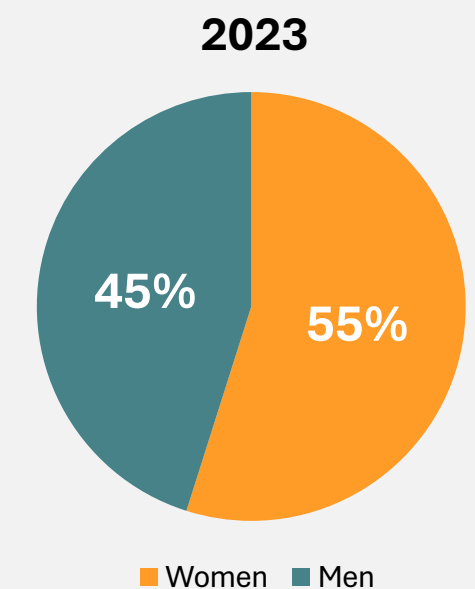
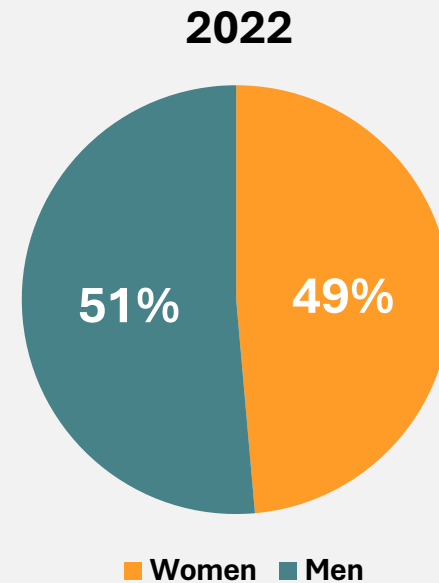
■ Non-Icelandic ■ Icelandic

Promotion & progression

Alvotech's promotion & progression policy and procedure is aligned with Alvotech's career framework and job leveling.

The promotion and progression policy and procedure was first implemented in 2021. It provides guidelines and procedures for advancing and promoting employees at Alvotech as well as opportunity to track promotions and progression.

In 2022, slightly more men were promoted and progressed at Alvotech. In 2023, the majority or 55% of those that received promotion or progression were women. We see this as evidence of the fact that the promotion and progression policy is having a positive impact on the gender ratio.



*The pie charts show the gender ratio in promotions in 2022 and 2023.

Age Distribution and Turnover

Age distribution

The largest age bracket at Alvotech is 30 to 50 years, which includes almost 75% of our employees.

Employees under 30 are predominantly women while the ratio is more equal, yet slightly biased towards men, for the older age brackets.

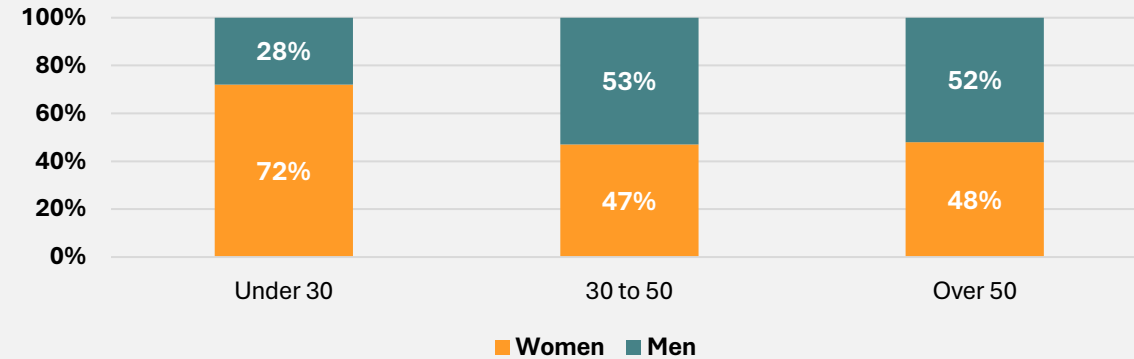
Turnover

In the youngest age bracket, turnover for men is higher than for women.

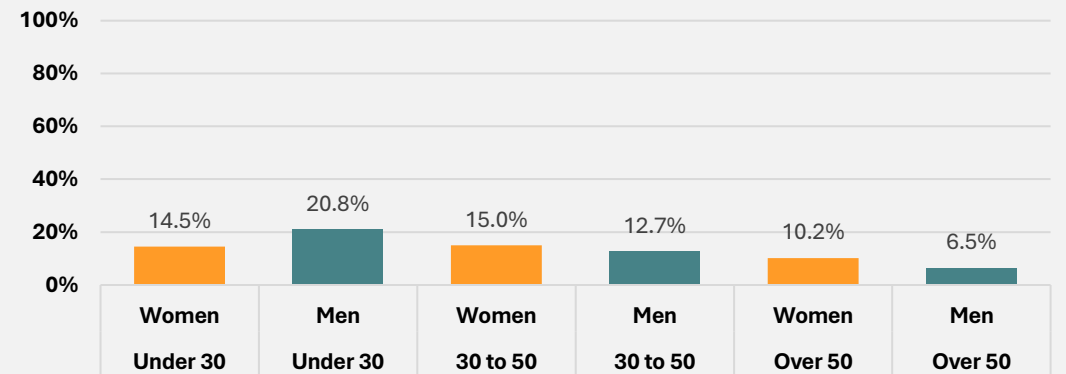
In the 30 to 50 years age bracket, which includes the majority of our employees, the rate of turnover for women and men is more equal, but slightly biased towards women.

In the highest age bracket, turnover for women is also higher than for men.

Age Distribution



Turnover



Recruitment and Selection

Recruitment and Selection Process

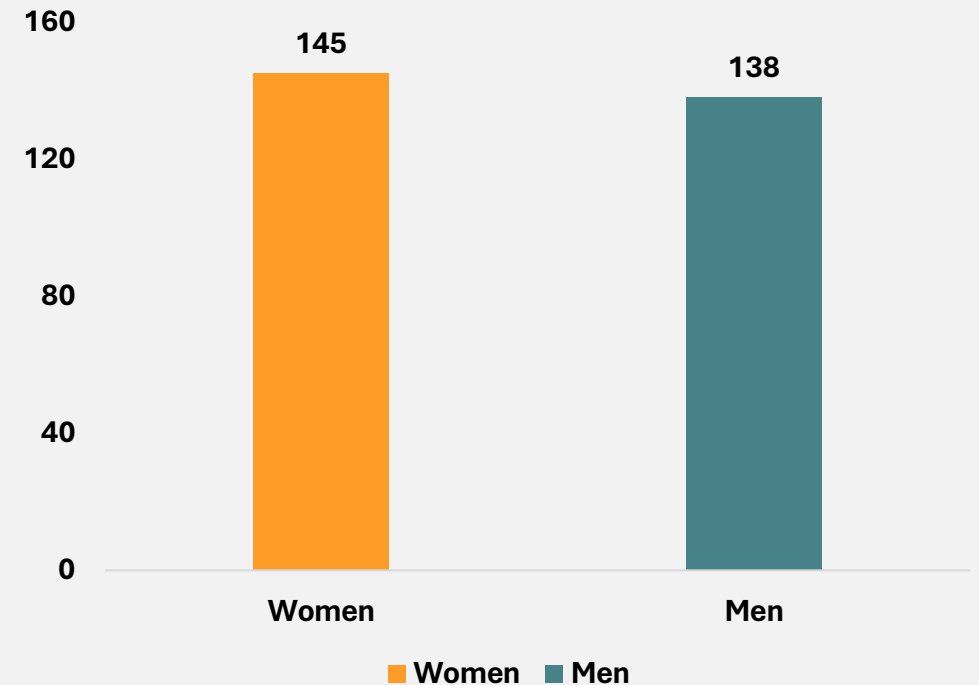
In 2023 we hired almost an equal number of women and men.

This shows alignment with between the hiring process and Alvotech's Equality Policy.

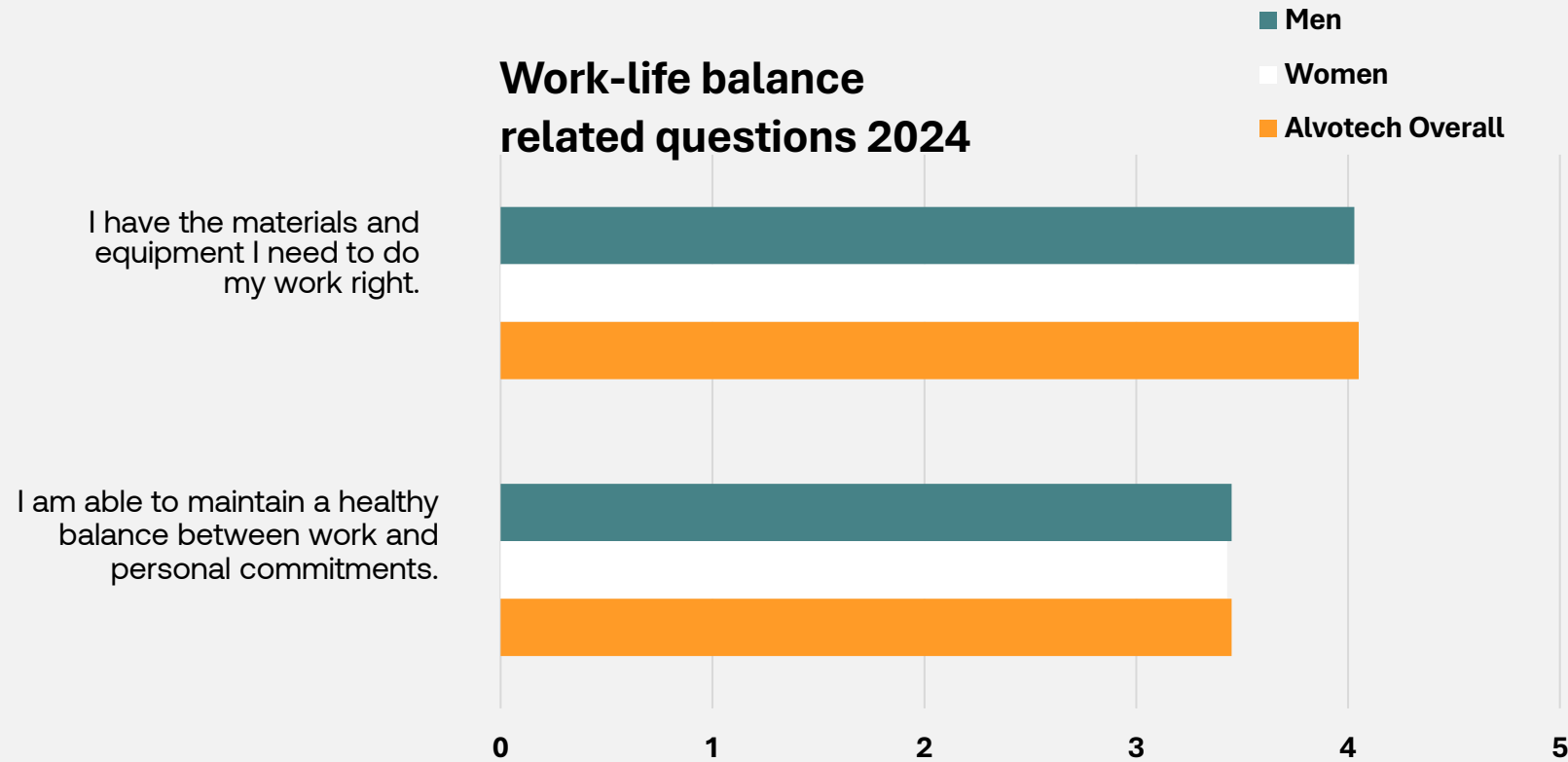
Important factors in the hiring process

- Recruit from a diverse talent pool and interview a diverse group of people.
- Look at the group we are hiring into and strive to maintain diversity.

New Hires in 2023



Work-Life Balance



Our annual employee engagement survey measures work-life balance.

Overall, all genders evaluate the working environment similarly.

Equality



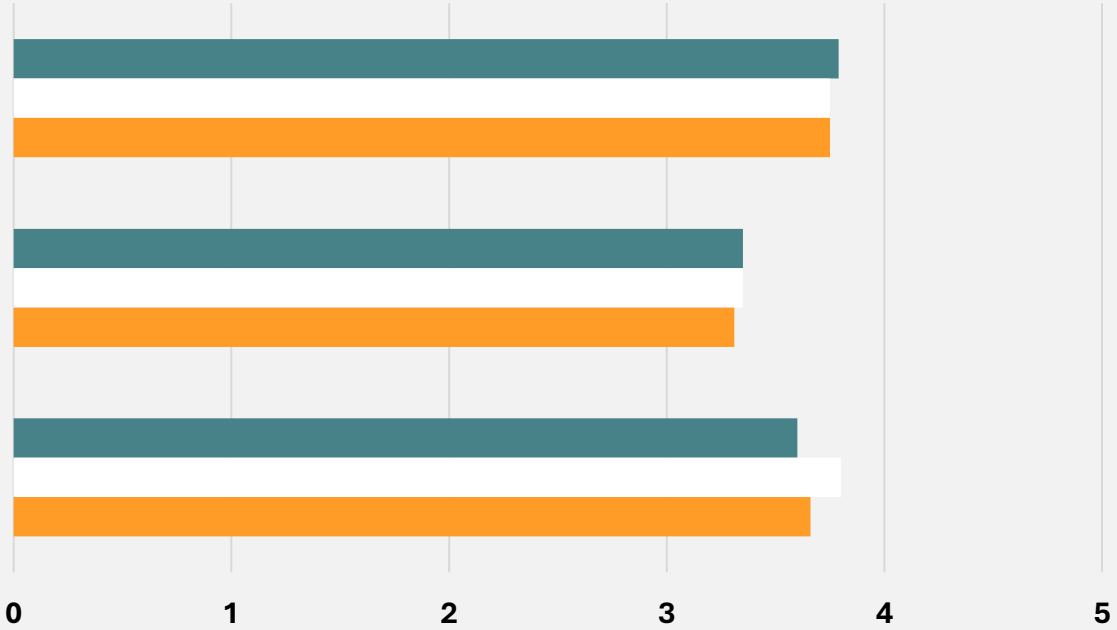
Equality related questions 2024

■ Men
■ Women
■ Alvotech Overall

Everyone at this company is treated fairly, regardless of individual differences, such as ethnic background, race, age, disability, sexual orientation, gender or gender identity.

I believe that there are enough growth opportunities for me at my company.

This last year, I have had opportunities at work to learn and grow.



The annual employee engagement survey measures equality and equal opportunities.

Previous years, men have been more inclined to say that equal opportunities are present, and that no one is discriminated against. The difference between men and women this year is very low, or 0,04.

According to this year results women agree more with the statement they have had opportunities at work to learn and grow this last year.

What comes next?



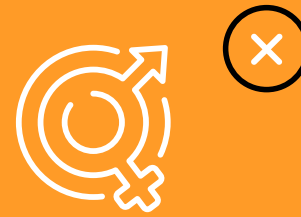
Maintain Gender Pay Gap under 1%

- Alvotech's current gender pay gap globally and in Iceland is below 1% which means we have already reached our initial goal for 2025.
- We will focus on maintaining the Gender Pay Gap under 1%.



Maintain Equal Opportunities

- All employees have equal opportunities for promotion and progression and perceive that they have equal opportunities regardless of gender.
- We will focus on continuing to have equal ratios of employees who receive promotion or progression.



Gender Equality in all Stages of the Career Framework

- We aim for approximately equal gender ratios in all career stages by 2025*



* Ratio where either gender represent 45% or more is considered equal