

Sustainability and ESG at SEVER PHARMA SOLUTIONS AB

2024

Sustainability is the front and center of an organization like ours. Sever Pharma Solutions is a Swedish pharmaceutical company dedicated to contract development and the manufacturing of advanced pharmaceutical products. Our focus is on enhancing therapy efficacy and promoting better health outcomes.

As a modern global company, we understand that our long-term success and ability to deliver lasting value to our customers depends on our strategic efforts to monitor and enhance our sustainability impact across multiple dimensions. As part of this vision, we consistently align with the UN Sustainable Development Goals and have identified three primary objectives to focus on: Advancing good health and well-being, promoting gender equality, and advocating responsible consumption and production.

ESG

Sustainable development goals





Source: United Nations, 2021.

SPS selection in November 2022:

-  Good Health and well-being
-  Gender equality
-  Responsible consumption and production

Headquartered in Malmö, Sweden, our pharmaceutical business has origins tracing back to 1975, when Ferrosan was established at the very location where Sever Pharma Solutions now stands. Sever Pharma Solutions currently employs approximately 350 professionals and proudly manages a diverse portfolio of pharmaceutical product development projects. Our end-to-end service offers spans product manufacturing, quality assurance in accordance with GMP regulations, proficient project management, strategic procurement, and meticulous supply chain oversight. Additionally, we prioritize the implementation of robust protocols concerning human resources, safety, health, and environmental

sustainability. These processes are designed to uphold the company's high efficiency and competitiveness in the market.



A COMMITTED CDMO
WE WANT TO MAKE A DIFFERENCE IN PEOPLE'S HEALTH

Offering expertise in high potent drug development with a drive to enhance performance, a passion for perfection, and a commitment to be your partner through the whole journey.

We will bring your pharmaceutical ideas to life.

SEVER
PHARMA SOLUTIONS

Sever Pharma Solutions core business and pharmaceutical offerings encompass a variety of product solutions and important features, with a particular focus on three product formulations:

- High potent API polymer-based dosage forms (implants and vaginal rings)
- High potent API aseptic fill and finish (sterile injectables) High potent API solid dosage forms (tablets)



OUR CAPABILITIES

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	Injection molding		Formulation of High potent compounds		Extrusion <ul style="list-style-type: none">• Hot Melt Extrusion• Twin screw extruders, co-extrusion
	Polymer-Based Dosage Forms		Solid Dosage Forms		Aseptic fill and finish

Sever Pharma Solutions operates in compliance with global GMP standards, is regularly inspected by authorities, and since 2022 has been a fully approved Pharmaceutical Supply Chain Initiative (PSCI) company, with emphasis on the following conduct principles:

- Ethics
- Human rights and labor
- Health and safety
- Environment

Our company's business model offers our customers advanced and extensive Contract Development and Manufacturing services. These services encompass various processes, including development, regulatory support, and commercial manufacturing. We provide tailored solutions across project management, procurement, purchasing, quality control, quality assurance, manufacturing, assembly, packaging, and worldwide commercial supply to accommodate customer requests.



Sever Pharma Solutions' main governance aspects are based on our fundamental operating principles summarized in well-defined, well-established, and well-communicated core company values:

- Make a difference
- Close to the customer
- Best workplace

Additionally, our company's sustainability and ESG commitments are grounded in the following official policies and statements addressed to all employees and external stakeholders. These policies are published and distributed as a set of governing documents across the organization:

Integrated Safety, Health, and Environmental Policy; Human Rights Statement; Staff governing documents; A set of company-related policies; Policies of social conduct, including Non-Discrimination Statement, Gender Diversity, and Inclusion Equality; IT Policy and Whistleblower Policy.

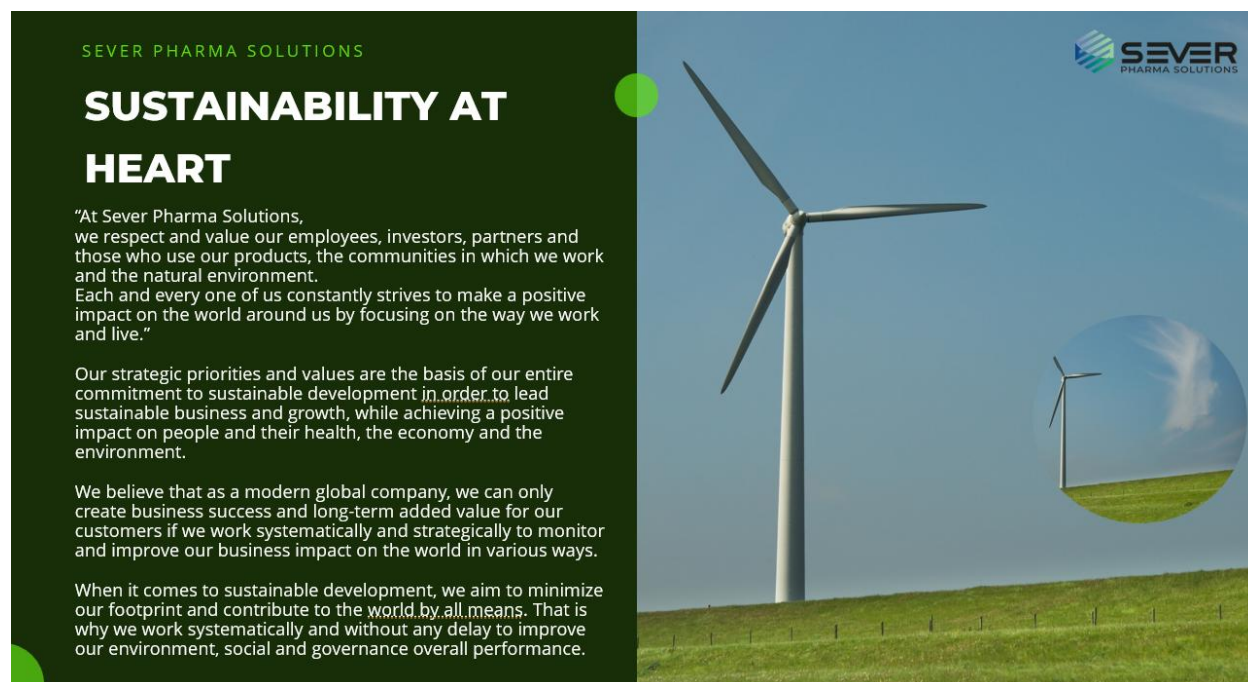
These statements, policies, and governing documents are shared and communicated to employees and external stakeholders. This is done via the company intranet site, the company internet website, as part of governing documents/operating procedures, as part of company training programs offered to employees, and through the company document management system.

All company governing documents, including policies, are managed in a structured manner according to the terms and requirements of the company's GMP Quality Management System. This system ensures that all governing documents are securely stored within the company's digital document management system, evaluated and approved by process owners or management prior to publishing, with accurate and automatic version management maintained by the document system.

Furthermore, all required policies, including those related to ESG, are offered to employees for acknowledgment within the scope of all company employees' personal training files. Proof of acknowledgment and the completion of training is recorded digitally and in individual training files for all company staff, ensuring a full understanding of the training offered and information provided.

The yearly audit program conducted by the company's Quality Assurance Department evaluates the completion levels of mandatory staff training across all company departments. Any established non-conformity regarding employee training scope results in corrective action requests. These are addressed to the department manager responsible for the deficiency.

In addition, the entire company is dedicated to fulfilling all current and future sustainability compliance requirements. This includes ESG, CSRD, Taxonomy, NET-ZERO initiative, SBDT (Science Based Decarbonization Targeting), and PSCI, as well as other relevant best practices in the field. We refer to this commitment as '*Sustainability by Heart*' – a principle that is strongly connected to Sever Pharma Solutions vision.

The graphic features a large wind turbine on a green hill under a blue sky. A circular inset on the right shows a smaller wind turbine on a similar landscape. The Sever Pharma Solutions logo is in the top right corner. The left side has a dark green background with white text.

SEVER PHARMA SOLUTIONS

SUSTAINABILITY AT HEART

"At Sever Pharma Solutions, we respect and value our employees, investors, partners and those who use our products, the communities in which we work and the natural environment. Each and every one of us constantly strives to make a positive impact on the world around us by focusing on the way we work and live."

Our strategic priorities and values are the basis of our entire commitment to sustainable development in order to lead sustainable business and growth, while achieving a positive impact on people and their health, the economy and the environment.

We believe that as a modern global company, we can only create business success and long-term added value for our customers if we work systematically and strategically to monitor and improve our business impact on the world in various ways.

When it comes to sustainable development, we aim to minimize our footprint and contribute to the world by all means. That is why we work systematically and without any delay to improve our environment, social and governance overall performance.

ESG: Environment



Various environmental sustainability measures are taken by Sever Pharma Solutions across the company and its value chain. In terms of fulfillment of legal environmental requirements, Sever Pharma Solutions holds the required environmental permits and government pharmaceutical authority approvals.

Sever Pharma Solutions also works to implement other measures connected to our impact on the environment and is striving to fulfill UN Development Goal 12: Responsible consumption and production. Various actions are described below.

Sever Pharma Solutions Safety, Health and Environment (SHE) policy outlines the company's commitment to minimizing negative impacts on both people and the environment. Specific environmental actions include efficiently managing raw materials, resources, and prioritizing waste sorting.

In alignment with our SHE policy, Sever Pharma Solutions uses proactive risk assessment techniques to ensure the safety of products for patients, employees and the environment.

Sever Pharma Solutions has also established an environmental management system based on documented and communicated environmental policies, applicable operating procedures, and appropriate environmental practices.

Our waste management service providers deliver an overall waste statistical evaluation and data report that includes information on our environmental load. This data is used as a base for the environmental reporting present at the end of this section.

Sever Pharma Solutions has also implemented a system to segregate its waste into several categories: hazardous (including Active Pharmaceutical Ingredients (API) containment waste), biohazardous (fermentation biomass), non-hazardous, combustible, and other waste.

All waste is disposed of in a controlled manner by Sever Pharma Solutions-approved providers, state environmental agencies and chemical authorities. One waste disposal method used is incineration with energy recovery. Wastewater from operational processes is collected in vessels and transported off premises for proper processing.

Pollution and emissions control is also carried out and reported in accordance with the environmental permit for the Sever Pharma Solutions Malmö site. Sever Pharma Solutions monitors the Volatile Organic Compounds (VOC) air emissions from its operational processes to make sure that emissions are kept within the permitted levels. The Sever Pharma Solutions Malmö site does not produce nor release any of the following damaging air-emissions: corrosive vapors (e.g. acid, caustic), ozone depleting substances, combustion by-products and/or other pollutants such as GHG, cyanides, sulfides, ammonias, bromines, or phosgene.

The Malmö facility has developed and implemented a Hazardous Chemicals (including APIs) Management Program that includes the development and maintenance of an inventory of all hazardous chemicals tested, provided, used, manufactured, prefabricated, or stored on-site. This encompasses chemicals used for production, maintenance, utilities, laboratories, and any other operational needs.

The external site sewer network manages water accumulated from precipitation. This network, with openings in the site ground surface, is designed and managed to avoid potential contamination or pollution of water flows. Any water accumulated goes to the nearby filtering facility before moving on into the municipality sewer system.

We also conduct regular external laboratory analyses of sewer water to detect potential contamination before discharging it into the municipality's water network. Samples are collected from designated points by external providers and the municipal water infrastructure company, with results reported to environmental authorities on a quarterly basis. Analysis includes assessing ammonia, nitrite, Total Organic Carbon (TOC), and Biochemical Oxygen Demand (BOD) levels.

Emergency spill management procedures are in place to block or redirect major chemical spills in the sewer network. In the event of a fire, external suppliers are equipped to pump and remove contaminated water to off-site storage tanks for disposal. Emergency plans are in place to cover various scenarios, including fire, explosion, and chemical spills.

Sever Pharma Solutions complies with EU Directive regulation 94/62/EC on packaging and packaging waste management. An example of a sustainable choice made within Sever Pharma Solutions packaging is the decision to use FSC-certified cardboard. Collaboration partners are also encouraged to adopt best practices that minimize their environmental footprint. Finished products, which are delivered to customers, are also managed, handled, and shipped according to ADR regulation regarding the transportation of dangerous goods.

Sever Pharma Solutions monitors various KPIs, including its energy mix, detailing energy sources and their usage.

Efforts are made to reduce overall energy consumption on a per full-time equivalent (FTE) basis, and to minimize water usage and waste generation across company operations. The company's electricity is sourced entirely from renewable energy.

Since last year's report, published in 2024, we have worked closely with external sustainability consulting company "SLR" to measure our environmental performance, further manage our overall carbon footprint, and reduce our Scope 1 (direct emissions), Scope 2 (indirect emissions from energy consumption), and Scope 3 (indirect emissions from the entire value chain). Below is our performance data for the Sever Pharma Solutions Sweden site for 2024. Consolidated data is valid for all Sever Pharma Solutions entities.

Scope 1

Unique Site ID	Fuel Type	Total Annual Quantity 2024	Unit	Data Source
SPS Malmö Sweden	Natural gas	141868	Kilowatt-hour, kWh	Invoice

1.B.i
Quantity-
Based
Reporting

Unique Site ID	Fuel Type	Total Annual Quantity 2024	Unit	Data Source
SPS Malmö Sweden				

1.B.ii
Distance-
Based
Reporting

Unique Site ID	Vehicle Type	Fuel Type	Total Annual Distance 2024	Unit	Data Source
SPS Malmö Sweden					

1.C
Refrigerant
Gas
Leakage

Unique Site ID	Refrigerant Type	Total Annual Leakage 2024	Data Source
SPS Malmö Sweden	Other, please state	No leakage OKg	External company control

Scope 2

2.A Electricity (Buildings)

Unique Site ID	Grey tariff kWh	Green tariff kWh	Total Grid Electricity kWh	Onsite renewables kWh	Data Source
SPS Malmö Sweden		6 524 534	6 524 534	-	Invoice

2.B Electricity (Road Transport)

Unique Site ID	Vehicle Type	Quantity	Unit	Data Source
SPS Malmö Sweden				

2.C Imported Heat, Steam or cooling

Unique Site ID	Category	kWh	Data Source
SPS Malmö Sweden	Heat	1 758 856	Invoices
SPS Malmö Sweden	Steam	3 340 190	Invoices

Scope 3 Category 1 Purchased Goods and Services

3.1.A Purchased Goods & Services

3.1.A.i Spend Based Reporting

Legal Entity	Category	Description	Spend	Currency	Data Source
SPS Malmö Sweden	Raw material	API - Chemical	23 184 374	SEK	ERP
SPS Malmö Sweden	Raw material	Silicone	18 693 975	SEK	ERP
SPS Malmö Sweden	Raw material	Chemical	11 793 280	SEK	ERP
SPS Malmö Sweden	Raw material	Alcohol	1 581 037	SEK	ERP
SPS Malmö Sweden	Packaging	Plastic	123 156 849	SEK	ERP
SPS Malmö Sweden	Packaging	Paper/carton	15 348 220	SEK	ERP
SPS Malmö Sweden	Packaging	Glas	8 536 975	SEK	ERP
SPS Malmö Sweden	Packaging	Aluminium foil	3 854 339	SEK	ERP
SPS Malmö Sweden	Packaging	Cardboard	764 977	SEK	ERP
SPS Malmö Sweden	Packaging	Wood	432 000	SEK	ERP
SPS Malmö Sweden	Packaging	Rubber	298 152	SEK	ERP
SPS Malmö Sweden	Other	Cleaning agent	2 573 436	SEK	ERP
SPS Malmö Sweden	Other	Other - Chemical	95 292	SEK	ERP

3.1.B Water

Unique Site ID	Quantity	Unit	Assumed % to drain (Waste)	Data Source
SPS Malmö Sweden	15 000	m3	90%	Invoice from supplier

Scope 3, Category 2 Capital Goods

3.2.A Capital Goods - Spend Based

Legal Entity	Category	Description	Spend	Currency	Data Source
SPS Malmö Sweden	IT equipment	ERP update + Infrastructure	8 600 000	SEK	SPS Capex management
SPS Malmö Sweden	Lab Equipment	Equipment	1 900 000	SEK	SPS Capex management
SPS Malmö Sweden	Manufacturing equipment	Expansion	5 230 000	SEK	SPS Capex management
SPS Malmö Sweden	Property / Buildings	Expansion	13 500 000	SEK	SPS Capex management
SPS Malmö Sweden	Other	Containment mgt/contingency	2 500 000	SEK	SPS Capex management
SPS Malmö Sweden	Other	R&D Equipment	2 300 000	SEK	SPS Capex management

Scope 3, Category 4 Upstream Transportation and Distribution

3.4.A Upstream Freight

3.4.A.i Spend-Based Reporting

Legal Entity	Transport Method	Spend	Currency	Data Source
SPS Malmö Sweden	Sea	10 477 701	SEK	Invoice - Medius
SPS Malmö Sweden	Air	1 552 415	SEK	Invoice - Medius
SPS Malmö Sweden	Land	1 270 301	SEK	Invoice - Medius

SLR SEVER Scope 3, Category 5 Waste Generated in Operations

3.5.A Waste

3.5.A.i Quantity-Based Reporting

Unique Site ID	Material Type	Quantity	Units	Waste Disposal Method	Data Source
SPS Malmö Sweden	Commercial and industrial waste	161790	kg	Combustion	SUPPLIER REPORT
SPS Malmö Sweden	Plastics: HDPE (incl. forming)	2800	kg	Recycled - Closed-loop	SUPPLIER REPORT
SPS Malmö Sweden	Paper and board: board	51995	kg	Recycled - Open-loop	SUPPLIER REPORT
SPS Malmö Sweden	Glass	690	kg	Recycled - Open-loop	SUPPLIER REPORT
SPS Malmö Sweden	Plastics: average plastic film	1510	kg	Recycled - Open-loop	SUPPLIER REPORT
SPS Malmö Sweden	Plastics: average plastic rigid	2987	kg	Recycled - Open-loop	SUPPLIER REPORT
SPS Malmö Sweden	Organic: garden waste	2890	kg	Composting	SUPPLIER REPORT
SPS Malmö Sweden	Average construction	13540	kg	Recycled - Open-loop	SUPPLIER REPORT
SPS Malmö Sweden	WEEE - mixed	676	kg	Recycled - Open-loop	SUPPLIER REPORT
SPS Malmö Sweden	Metal: scrap metal	4020	kg	Recycled - Closed-loop	SUPPLIER REPORT
SPS Malmö Sweden	Paper and board: paper	507	kg	Recycled - Open-loop	SUPPLIER REPORT

SLR SEVER Scope 3, Category 6 Business Travel

3.6.A Grey Fleet

Legal Entity	Vehicle Type	Fuel Type	Quantity	Unit	Data Source
SPS Malmö Sweden	Medium car	Petrol	14173,75	currency - stated in	Company "AGDA" payroll system

3.6.B Public Transport

Legal Entity	Vehicle Type	Quantity	Unit	Data Source
SPS Sweden	National rail	1259	km	Company Travel Agency

3.6.C Flights

Legal Entity	Haul	Class	Quantity	Unit	Data Source
SPS Sweden	Short-haul	Economy	105981	km	Company travel agency
SPS Sweden	Long-haul	Economy	235800	km	Company travel agency

3.6.D Hotel Stays

Legal Entity	Country of Hotel	Quantity	Unit	Data Source
SPS Sweden	Holland	3	Total # of nights	Company travel agency
SPS Sweden	Germany	12	Total # of nights	
SPS Sweden	Italy	3	Total # of nights	
SPS Sweden	USA	93	Total # of nights	
SPS Sweden	Belgium	6	Total # of nights	
SPS Sweden	England	2	Total # of nights	
SPS Sweden	France	2	Total # of nights	
SPS Sweden	Sweden	47	Total # of nights	

SLR SEVER Scope 3, Category 7 Employees Commute

3.7.A Commuting Data

Unique Site ID	Employee Contract	Total Number of Employees	Working days per week	Annual Leave Entitlement (inc public holidays)	Weeks per year	Annual Working Days	Working from Home	Complete either known Total commuting distance across		Unit	Car %	Train %	Walking %	Bus %	Bike %	Motorbike %	Tram %	Data Source
							Annual Working from Home Days	Total Commuting Distance	Assumed average individual commuting distance (from home to work)									
SPS Malmö Sweden	Full-time	324	5	30	52	74 520	0			16 km	50,00%	10,00%	10,00%	10,00%	20,00%	0,00%	0,00%	Swedish News Agency SVT statistic data on length of commuting distances by type. Car27km, bus/train31km, walk 2,3km and bike transportation 2,3km.

SLR SEVER Scope 3, Category 8 - Upstream Leased Assets

3.8.A Leased Assets

3.8.A.i Spend-Based Reporting

Legal Entity	Energy Type e.g Electricity / Gas	Spend	Currency	Data Source
SPS Malmö Sweden				

SLR SEVER Scope 3, Category 9 Downstream Transportation and Distribution

3.9.A Downstream Freight

3.9.A.ii Weight / Distance-Based Reporting

Legal Entity	Transport Method	Weight	Units	Distance Travelled	Units	Data Source
SPS Malmö Sweden	Air	27 377	kg	371 103	km	ERP
SPS Malmö Sweden	Land	530 360	kg	808 474	km	ERP

SLR SEVER Scope 3, Category 10+12 Processing of & End of Life of Sold Product

3.10.A Processing of product

Legal Entity	Intermediate Product Name	Quantity	Energy Required to Process into "Final product"	Unit	Final product output	Data Source
SPS Malmö Sweden						
SPS Malmö Sweden						

SLR SEVER Packaging

P.1.B Packaging - Spend based

Unique Site ID	Packaging Type	Spend	Currency	Recycled content %	Data Source
SPS Malmö Sweden	Paper/carton/Cardboard	16 330 623	SEK	3%	ERP
SPS Malmö Sweden	Plastic	119 364 702	SEK	0	ERP
SPS Malmö Sweden	Aluminium foil	3 927 733	SEK	0	ERP

SLR SEVER Chemicals

C.1.A Chemical use - Pollutants

Reporting level	Reporting Level Detail	Pollutant	Pollutant Quantity			Units	Total Quantity	Data Source
			to Air	to Water	to Soil			
Site	Sweden	Non-methane volatile organic compounds (NMVOC)	0,09	0	0	Kilogram, kg	0,09	Measuring Report enclosed. See also excell sheet with information about purchase volumes of natural gas. 13447,20m3 x 6,9mg(carbon over nitrogen per m3 natural gas)=92785,7mg=0,092kg

C.1.B Chemical use - Microplastics

Reporting level	Reporting Level Detail	Quantity of microplastics generated / used	Units	Data Source
Site	Sweden	No use/No pollution		

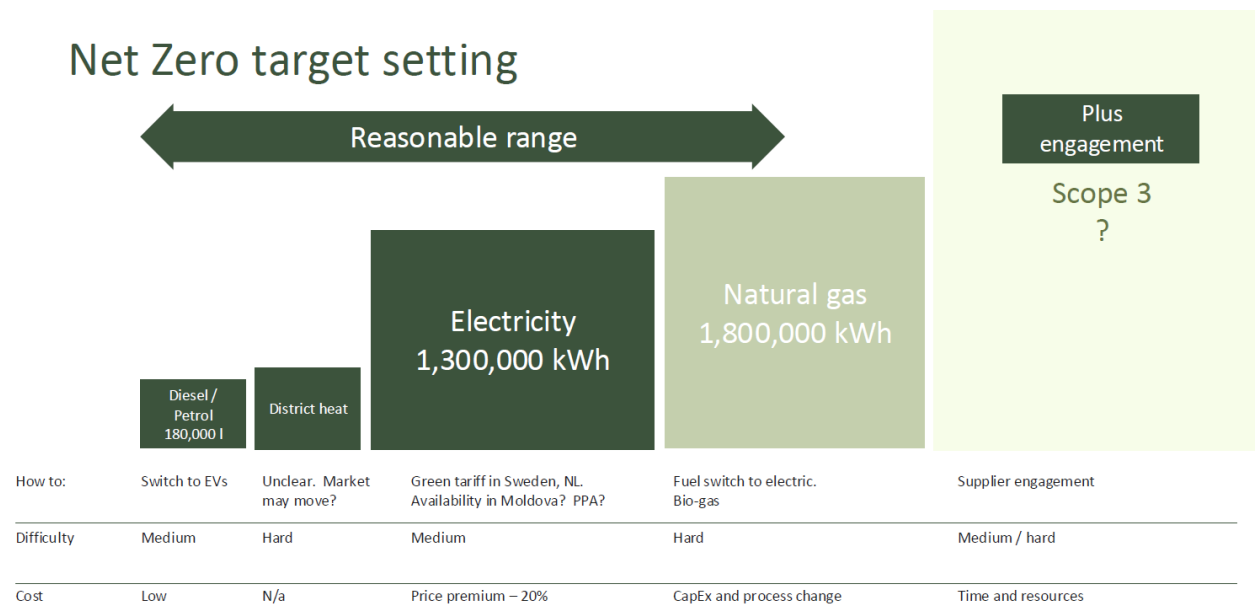
C.1.C Chemical use - SVHC

Reporting level	Reporting Level Detail	SVHC - type	SVHC - hazard class	Total Quantity	Units	Data Source
Site	Sweden	Decamethylcycllopentasiloxane	Hazardous to the aquatic environment	41,5	Kilogram, kg	ERP&MSDS
Site	Sweden	Dodecamethylcyclhexasiloxane	Hazardous to the aquatic environment	195,62	Kilogram, kg	ERP&MSDS
Site	Sweden	Octamethylcyclotetrasiloxane	Hazardous to the aquatic environment	0,3	Kilogram, kg	ERP&MSDS

C.1.D Chemical use - SHC

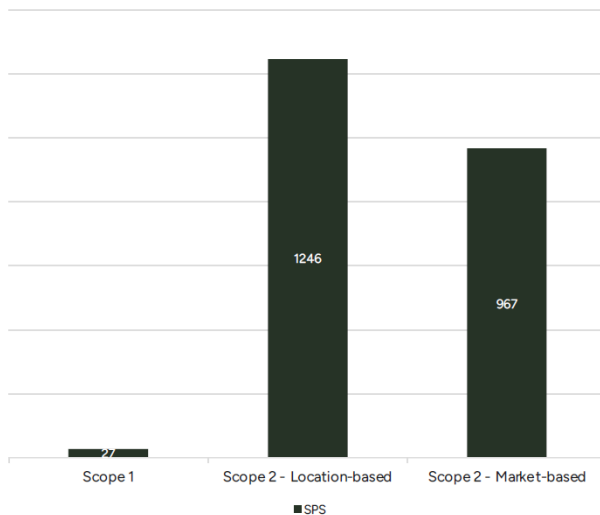
Reporting level	Reporting Level Detail	SHC - product	SHC - hazard class	Total Quantity	Units	Data Source
Site	Sweden	Company Confidential	H351	40,18	Kilogram, kg	ERP&MSDS
Site	Sweden	Company Confidential	H341	30,71	Kilogram, kg	ERP&MSDS
Site	Sweden	Company Confidential	H350	8,9	Kilogram, kg	ERP&MSDS
Site	Sweden	Company Confidential	H350	4	Kilogram, kg	ERP&MSDS

COMPANY GROUP Net-Zero Target Setting Strategy



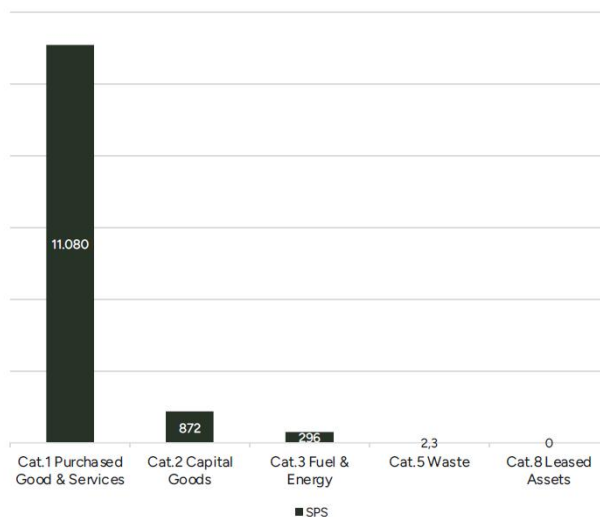
SUMMARY CONSOLIDATED AND UPDATED CSRD DATA FOR SEVER PHARMA SOLUTIONS 2024 ALL ENTITIES

FY2024 results: Carbon footprint – Scope 1+2



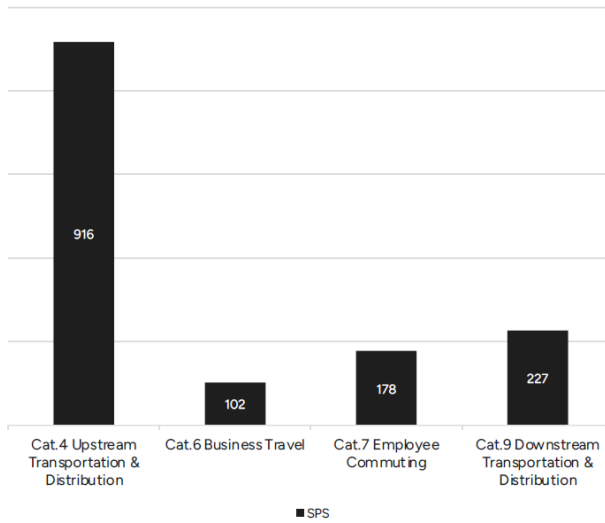
- **Scope 1**
Total 27 metric tons CO₂eq:
 - **100% static combustion**
Resulting from combustion of natural gas in Malmö (95% of emissions) and Putnam (5%)
 - No mobile combustion reported, nor fugitive emissions
- **Scope 2 (location-based)**
Total 1,246 metric tons CO₂eq:
 - **26% building electricity**
Total 330 tCO₂ for use of electricity in offices; 78% emissions from Putnam, 22% from Malmö
 - **74% heat and steam**
Total 916 tCO₂ resulting from imported heat (34%) and steam (66%)
 - No emissions from transport (offsite EV charging)
- **Scope 2 (market-based)**
Total 967 metric tons CO₂eq: same as above, but with conversion factors that account for renewables (impact on building electricity)

FY2024 results: Carbon footprint – Scope 3 (part 1)



- **Category 1: Purchased Goods & Services**
Total 11,080 metric tons CO₂eq:
Main categories:
 - Packaging – Sweden (66%)
 - Raw material – Sweden (31%)
 - Raw materials – USA (2%)
- **Category 2: Capital Goods**
Total 872 metric tons CO₂eq, mostly from property/buildings (84%)
- **Category 3: Fuel & Energy**
Total 296 metric tons CO₂eq: Upstream emissions well-to-tank (95%) and transportation & distribution (5%).
- **Category 5: Waste Generated in Operations**
2.3 metric tons CO₂eq resulting mostly from combustion of commercial and industrial waste (79%)
- **Category 8: Leased Assets**
Not applicable for SPS

FY2024 results: Carbon footprint – Scope 3 (part 2)



- Category 4: Upstream Transportation and Distribution**
 Total 916 metric tons CO₂eq:
 - All based on spend-based data (value \$1.3m), biggest impact from deep sea freight transportation (82% of emissions)
- Category 6: Business Travel**
 Total 102 metric tons CO₂eq:
 - 85% flights
 - 8% hotel stays
 - 7% grey fleet
- Category 7: Employee Commuting**
 Total 178 metric tons CO₂eq: mostly impact from commuting by car (relative high impact US employees)
- Category 9: Downstream Transportation and Distribution**
 Total 227 metric tons CO₂eq

SEVER PHARMA SOLUTIONS DECARBONIZATION ACTION EFFORT

Emission source	Tons CO ₂ eq (2024) – market-based	BAU* impact	Main emission sources	Decarbonisation actions planned	Expected reduction	Additional decarbonisation actions possible	Additional CapEx required?	Priority
Scope 1 – stationary combustion	Malmö: 25.9 Putnam: 1.5 Total: 27.4	Stable	Natural gas consumption	Malmö: Natural gas completely phased out in 2025 as effect of production transition	25.9 tCO ₂ e	No efficiency actions on natural gas consumption in the US feasible in short term, consumption may vary depending on weather	N/A	High; but already in implementation in Malmö
Scope 1 – mobile combustion	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Scope 1 – Fugitive emissions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Scope 2 – Electricity (buildings)	Malmö: 0 Putnam: 51 Total: 51	Stable	Grey tariff electricity consumption	Energy efficiency measures in Malmö	No effect on market-based emissions	1. US: Switch to full green tariff 2. US: consider investing in on-site solar PV	1. No, but increase in OpEx 2. Yes	Medium
Scope 2 – Electricity (road transport)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Scope 2 – Imported heat & steam	Malmö only: Heat: 316 Steam: 600 Total: 916	Stable	Purchased heat & steam (district/ neighbouring facility)	Steam consumption planned to decrease due to efficiency measures already taken	Steam: at least 10%	1. Additional measures possible to reduce district heat consumption. Work on improving getting supplier-specific data. 2.	1. Yes, TBC 2. No	High

* Expected increase/decrease of emissions due to growth of business activity/production

ESG: Social



Sever Pharma Solutions strives to offer fair and supportive working conditions to its employees, enabling sustainable economic growth. We uphold strong work ethics and endeavor to live by our values every day. These values, developed by our employees, are deeply ingrained in our business and are evident throughout the organization, guiding our performance and behaviors.

In today's fast-moving and demanding external environment, agile adaptation to challenges, including caring for people's health, is essential. That's why Sever Pharma Solutions has chosen UN Development Goal 3: Good health and well-being as a point of focus, encouraging employees to act as company ambassadors that embody our core values.

We believe that as a modern global company, we can only create business success and long-term added value for our customers if we work systematically and strategically to monitor and improve our business impact on the world in various ways.

We engage with our stakeholders, including our parent company, SEVER Life Sciences, our board, our employees, and the communities where we operate. By the end of 2024, our workforce comprised 353 employees across three locations. We are committed to providing equal opportunities to all employees, regardless of ethnicity, religion, politics, personal beliefs, disability, gender, or sexual orientation. We have a strict non-discrimination policy in place.

In alignment with UN Development Goal 5: Gender equality, we take pride in the products we produce for women in developing countries. This focus also aligns with our commitment to gender diversity, as evidenced by our relatively well-adjusted figures, with 157 or 44% of our workforce being female.

In our most recent Employee Engagement Survey, we achieved excellent coworker engagement and an 87% response rate. The figures displayed below are valid for the Sever Pharma Solutions Sweden site.

Index

	Sever Pharma 2024	Sever Pharma 2023	Sever Pharma 2022
	n = 284	n = 272	n = 259
MMI - Motiverad Medarbetarindex	2,7	2,8	2,7
Stolthet/Proudness	2,7	2,8	2,8
Allmän trivsel/General well-being	2,5	2,5	2,5
Mål & information/Goals & information	2,5	2,7	2,7
Våra värderingar/Our Values	2,7	2,9	2,8
Min närmaste chef/Manager	3,2	3,2	3,2
Arbetsmiljö/Work environment	3,0	3,1	3,0
Arbetsmiljö & stress/Work environment & stress	2,6	2,6	2,7

As a global company, we strictly prohibit the use of child labor and forced labor. We adhere to established human rights principles, as protected by municipal and international laws and policies. All our suppliers must also comply with these policies. Sever Pharma Solutions Human Rights Statement is widely understood across the business and is subject to regular review. Furthermore, we strive to create a motivating, supportive, and health-sustaining work environment, offering competitive salaries. Our equal pay index stands at 97.7%.

Equal Pay Index ⓘ

97.7

+2.5 I jämförelse med det svenska snittet som Medlingsinstitutet tillhandahåller **95.2**

We provide our workforce with various social and monetary benefits to establish a long-term sustainable working environment and increase employee interest in long-term professional engagement with the company. These initiatives align with employees' own interests in the company's business, management, development, and growth. Our aim is to improve staff retention rates and reduce staff turnover. See staff turnover (ST) in the table below. In total, ST for 2024 was 17%.

	January	February	March	April	May	June	July	August	September	October	November	December
2021	1,9%	2,8%	1,1%	2,1%	2,4%	1,5%	1,3%	4,5%	2,8%	1,4%	1,9%	1,0%
2022	2,1%	1,2%	2,4%	2,6%	3,4%	1,8%	1,1%	3,3%	1,7%	2,0%	2,1%	2,0%
2023	3,5%	2,1%	1,8%	1,2%	0,6%	1,5%	0,6%	2,3%	1,4%	1,2%	2,0%	1,1%
2024	1,4%	2,3%	1,7%	2,9%	1,1%	1,2%	0,5%	2,2%	1,1%	1,4%	1,2%	0,5%

As an important collaboration partner to many pharmaceutical companies, Sever Pharma Solutions develops and produces drugs that are essential for human health and well-being. Our operations must, therefore, be conducted in a manner that minimizes harmful effects on people and the environment.

To ensure this, our Safety Health and Environment Policy highlights several aspects connected to social sustainability. Examples include taking preventative measures to minimize risks to employees and environmental impact; creating working conditions perceived as engaging and development-orientated by all employees; maintaining a high level of safety and emergency preparedness; and transparently reporting our impact on safety, health, and the environment to various stakeholders. Through training and information sharing, we actively encourage all staff to participate and take responsibility for SHE initiatives.

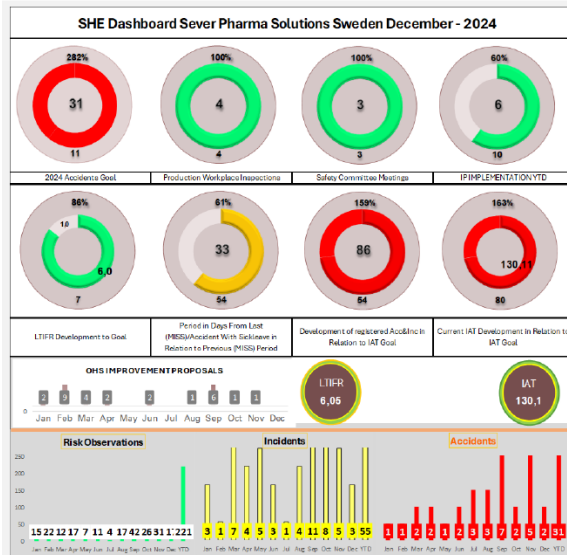
Health and safety performance within the company's SHE processes is a crucial measurement of organizational responsibility and a key priority for Sever Pharma Solutions.

In 2024, the LTIFR (Lost Time Injury Frequency Rate) final score was 6.05, aligning with our target level of less than 7. The IAT (Incident Action Threshold) Target for 2024 was also achieved, despite a slight increase in the number of accidents compared to 2023. The accident rate indicates a need for further improvement, and the SHE department will work diligently to achieve this in 2025.

It's important to note that during the last three years we saw a notable increase in new full-time equivalent (FTE) employees. This has led to a significant increase in total working hours, affecting the probability of safety incidents.

This trend indicates a positive trajectory for the success of the SHE policy, although there remains room for further improvement.

SPS H&S DASHBOARD 2024



ESG: Governance

Effective corporate governance is fundamental to sustainable action, both ensuring the consistent implementation of relevant standards and serving as a crucial tool for achieving organizational objectives.

As an international group, Sever Pharma Solutions operates within a complex legal framework, necessitating adherence to numerous rules and conditions. Transparent, responsible, and value-oriented corporate governance principles that have been agreed upon internally are essential prerequisites.

To reinforce our commitment to these principles, Sever Pharma Solutions has developed and implemented a comprehensive Sever Pharma Solutions governance management model, articulated in a distinct document, with corresponding policies to provide employees with additional guidance for navigating legal, social, or ethical challenges in their daily work.

We define governance as a set of rules, controls, policies, and resolutions that have been established to guide our corporate behavior. As such, this will outline the rules and models that we apply to direct our behavior.

Sever Pharma Solutions governance model outlines three levels in the organization, as defined below:

Operational Level

Situated within the organization's middle management, this level is responsible for daily operational decisions. Its focus predominantly revolves around short-term operational concerns.

Tactical Level

At the site leadership level, tactical decisions are formulated. These decisions, which have a longer-term perspective, have the potential to impact on a broader array of individuals or multiple departments.

Strategic Level

Found at the executive leadership tier of the organization, the strategic level is where overarching strategic decisions are made. Here, the emphasis lies on safeguarding the company's well-being and shaping its future trajectory.

Company standards, regulations, and policies are designed to prevent unethical or illegal behavior, such as acts of corruption. These encompass binding behavioral guidelines and internal control processes, with a focus on anti-bribery and anti-corruption measures.

To ensure understanding and compliance with these governance-related standards, all employees receive instructions through interactive e-learning or practical training sessions, with the completion of activities duly recorded.

To mitigate conflicts of interest in alignment with operational, legal, and ethical norms, employees are required to sign and confirm their familiarity with relevant requirements. This includes policies, instructions, procedures, or standards outlining preventive measures and terms to confirm the absence of conflicts of interest.

Furthermore, a global whistleblowing system was implemented in the reporting year 2022. This system serves as a vital component of the corporate compliance framework, allowing for the continuous recording and monitoring of any misconduct. Its objective is to strengthen governance-related compliance management, facilitating the efficient resolution of reported incidents. Separate and appropriate policies as a part of the overall company code of conduct not only serve the company itself, but also its employees, providing guidance for proper behavior when confronting legal, social, or ethical challenges. Sever Pharma Solutions is not aware of any cases of bribery or corruption associated with any company employee. A comprehensive code of conduct policy review is in progress, and the result is expected to be implemented throughout the organization during 2025.

	2022	2023	2024
Corruption/bribery cases	0	0	0
Whistleblower alerts	4	11	6

ESG Risks

As a Contract Development and Manufacturing Organization (CDMO) operating on a global scale, Sever Pharma Solutions encounters a variety of risks linked to environmental, social, or governmental aspects. These risks vary in nature and significance, yet each demands attention and effective management.

Quality Control Risk:

All products require necessary regulatory approvals in the countries where they are intended to be sold. The Market Authorization Holder (MAH), our customer, primarily handles this responsibility. However, Sever Pharma Solutions must comply with the relevant terms of the registrations. Sever Pharma Solutions actively collaborates with its customers and adheres to quality systems within the framework of Good Manufacturing Practices (GMP) while maintaining SHE management systems at its sites. If the quality of a product is impacted, it cannot be released to the market, causing both financial and environmental repercussions due to increased waste.

Operational Risk:

Manufacturing and development operations carry environmental impact and risks associated with accidents. Risks related to the environment and workplace safety are addressed at the site level within our systems and processes, in accordance with relevant regulations.

Cyber Risk:

Like any business organization, Sever Pharma Solutions is exposed to cybersecurity risks, which may result from cyberattacks or data breaches. Sever Pharma Solutions focuses on identifying potential threats and vulnerabilities in its organization's digital systems and networks. This risk encompasses not only the likelihood of a cyberattack but also potential consequences such as financial loss, reputational damage, or operational disruption. In response, Sever Pharma Solutions has made clear strategic choices to prioritize cybersecurity. This involves continually assessing and updating the cybersecurity risk management strategy to address evolving threats. By doing so, the company can protect its assets, maintain customer trust, and mitigate potentially crippling financial and reputational consequences. Proactive measures include regular employee training to recognize and respond to threats such as phishing, stringent compliance protocols, and maintaining robust systems to detect and mitigate malware and ransomware.

Supply Chain Risk:

Significant risks are associated with the supply of goods, where manufacturing and transportation interruptions may impact delivery performance and supply reliability. We continuously evaluate supply interruption risks in our operating companies. In several cases, mitigation plans are also requested by and presented to customers.

Regulatory Risk:

Sever Pharma Solutions operations are subject to regulatory approvals in several areas. According to legislation, all factories must have a manufacturing license to produce pharmaceuticals, and corresponding conditions are required for development laboratories depending on the extent of the development work being carried out. Our operations also require local environmental, health, and safety permits – the extent of these varies depending on the business and legislation in each country.

Energy Supply Risk:

Due to ongoing global conflicts and fluctuations in renewable energy production, electricity and gas supply are at risk of large instabilities. As a result, Sever Pharma Solutions identifies a potential future risk for restrictions or shortages in energy supply, including both electric and gas. This situation could lead to higher operational costs for Sever Pharma Solutions or even critical disruptions in all operations. Currently, this extreme situation seems unlikely. However, to mitigate and prepare for this risk, Sever Pharma Solutions is consistently monitoring the situation via the Swedish Energy Agency. We will also maintain our focus on energy efficiency to lessen our impact on the energy network and the environment.



