

A close-up photograph of a scientist in a laboratory setting. The scientist is wearing a white lab coat, a white surgical mask, safety glasses, and a white hairnet. They are looking intently at a piece of laboratory equipment, possibly a pipette or a small vial, which is held in their gloved hand. The background is a blurred laboratory environment with various pieces of equipment and a blueish tint. The overall scene conveys a sense of precision and scientific research.

Recipharm Sustainability Report 2022

Recipharm



A top five CDMO on the global arena

Recipharm is a leading global pharmaceutical Contract Development and Manufacturing Organisation (CDMO). We provide pharmaceutical companies around the world with tailor-made development and manufacturing services, including a wide variety of drug dosage forms, inhalation products and devices.

Our comprehensive services cover the entire life cycle of a pharmaceutical product – from drug substance through to commercial manufacturing – to get products to market in a time and cost-efficient way.



The annual Sustainability Report 2022 has been prepared in accordance with the GRI Standards 2021. We continue to be a signatory to the UN Global Compact and our sustainability reporting supports our communication on progress submission.

Recipharm in 2022

1,227

€ million revenue

10

Global presence:
30+ sites in 10 countries

85.8%

Electricity from
renewable sources

100+

Supplying more
than 100 markets

8,747

Number of employees

15.8%

Reduced greenhouse gas
emissions scope 1 and 2

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Stepping up our sustainability governance and reporting

Accelerating the transformation of our business is not only shaping our organisation – it is making sustainability an integral part of our daily work.

I am extremely proud that during the year, we continued our journey towards our mission to be the bridge between patients and innovators, whilst looking to decrease our impact on the environment.

From a patient perspective, the acquisitions of Genlbet, Arranta Bio and Vibalogics mean that Recipharm now provides drug developers access to Advanced Therapy and Medicinal Products (ATMPs) services and expertise, including gene therapy, viral vectors, mRNA/plasmids, oncolytic virus and microbiome.

In terms of sustainability governance, we continued our journey to future-proof Recipharm by transforming our business to better meet upcoming legislation and stakeholder expectations. This involved developing our sustainability KPIs and reporting, and preparing global standards and more detailed Group sustainability policies that will be rolled out in 2023.

We agreed on our four Sustainability Focus Areas: Enable Good Health, Drive Safe and Ethical Business, Increase Resource

Efficiency, and Reduce Climate Impact – which are each aligned with a corresponding UN Sustainable Development Goal (SDG). The four areas will ensure we have a holistic approach to sustainability that transcends our entire business with targets and goals at both Group and site level. We have already agreed long-term targets to step up our sustainability ambitions and to closely monitor our progress going forward.

We committed to the Science Based Targets initiative and submitted our 2030 climate science-based target for external approval in early 2023. Our target consists of bold and demanding commitments: to reduce our scope 1 and 2 emissions (direct and indirect emissions from our operations) by 42 per cent and scope 3 emissions (other indirect emissions) by 25 per cent.

At site level, I am proud of many of the sustainability achievements we have made this year – from installing solar panels at our Holmes Chapel site in the UK and engaging with employees to reduce waste, to receiving a Gold EcoVadis score at some of our sites.

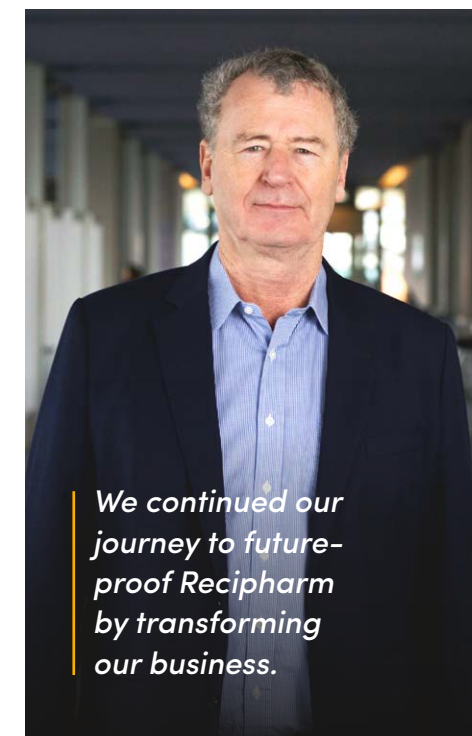
Read more about the concrete progress we have made in this report.

I firmly believe that sustainability is, and can continue to be, a differentiator for Recipharm to ensure we are the CDMO of choice for our customers, employees and partners. I hope you enjoy reading this report – and particularly about how we work with sustainability, our progress in 2022 and our ambitions going forward.

I would finally like to express my gratitude to everyone who has contributed to our transformational journey and our sustainability work in 2022. We will achieve great things together in the years ahead as we continue to shape the future for Recipharm and the CDMO industry.



Marc Funk,
CEO of Recipharm



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About
Recipharm

Our business focus in 2022

Our business is organised around four clear business areas:

The image displays four vertical panels, each representing a business area. Each panel features a teal icon at the top, a title, a descriptive sentence, and a photograph of representative pharmaceutical products at the bottom.

- STERILE FILL & FINISH**: Aseptic fill and finish development and manufacturing across biologics and small molecules. Image shows various vials and ampoules.
- ORAL SOLID DOSAGES**: Development and manufacturing solutions for oral delivery of medicines. Image shows a pill bottle, a tube, and several pills.
- ADVANCED DELIVERY SYSTEMS**: Drug-device combinations targeting inhalation and injectables. Image shows various inhalers and syringes.
- BIOLOGICS**: Advanced and emerging therapeutics and vaccines. Image shows several vials.

In 2022, we acquired Genlbet (operations in Portugal), Arranta Bio (operations in the USA) and Vibalogics (operations in the USA and Germany), which have enhanced our competence and offering in the Biologics market, with a particular focus on drug substance manufacturing of novel Advanced Therapy Medicinal Products (ATMPs).

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Supporting customers throughout the value chain

Our integrated development and manufacturing services – from pre-clinical development to commercial supply – help customers to manage complex projects and meet their sustainability objectives.

As one of the largest CDMOs in the world, we are part of a wider global pharmaceutical development and manufacturing value chain. Beyond our customers and supply chain partners, our operations are indirectly linked to various suppliers, the end users of pharmaceutical products, and pharmaceutical regulatory bodies.

Driving sustainability in the value chain

We understand that the services we provide to our customers contribute to their supply chain sustainability impacts and their scope 3 greenhouse gas emissions. By drawing on our broad experience as a CDMO, we can help customers to report on, and reduce, their scope 3 emissions. In this way, our services throughout the value chain can help our customers to meet their sustainability objectives.

See our value chain illustration on the following page.



Pre-clinical development



Formulation development



Material and clinical studies



Manufacturing and packaging



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Our value chain



Area	Pre-clinical development	Formulation development	Material for clinical studies	Manufacturing and packaging
Description	Our team has extensive experience in medicinal chemistry and can help to optimise the development of synthetic routes and analytical methods in drug substance development. The pre-clinical development stage is essential to reduce emissions and environmental impact by designing in more sustainable processes and chemicals from the outset.	Improving a drug product's efficacy and performance through formulation development can help avoid manufacturing issues as well as increase convenience and patient compliance. Responsible choices in the design of the formulation can reduce environmental impact in the manufacturing stage, such as by choosing formulation without chlorinated solvents or by using aqueous solutions.	We offer comprehensive Clinical Trial Material (CTM) services to produce lab and pilot scale batches, as well as placebo development and manufacture. CTM manufacturing is performed in accordance with the same management systems as full-scale manufacturing and done with the same sustainability considerations.	We work actively to minimise the environmental and social impacts related to our operations – for example through our site-level continuous improvement work related to ISO 14001 environmental management and ISO 45000 occupational health and safety standards. We develop more sustainable packaging solutions together with our customers.
Challenges	Persuading customers to opt for more sustainable solutions that are potentially more costly.	Persuading customers to opt for more sustainable solutions that are potentially more costly and would potentially require change in dossiers.	Expensive to make changes at this time-critical stage.	Consistently applying our sustainability standards throughout our company. Raising customer sustainability awareness and deciding who will pay for sustainability improvements.
Managing impacts	Demonstrating the benefits of more sustainable solutions among customers.	Demonstrating the benefits of more sustainable solutions among customers.	Prepare for potential improvements at the time of scale-up to commercial manufacturing.	We have comprehensive local teams working with sustainability topics that are supported by a central operations team.
Value creation	Developing pharmaceuticals with lower sustainability impact.	Pharmaceutical manufacturing with lower sustainability H&S impact.	Potential for clinical material with lower sustainability impact.	Our operations minimise sustainability impacts and can report on sustainability data to stakeholders.

Global presence to meet local needs

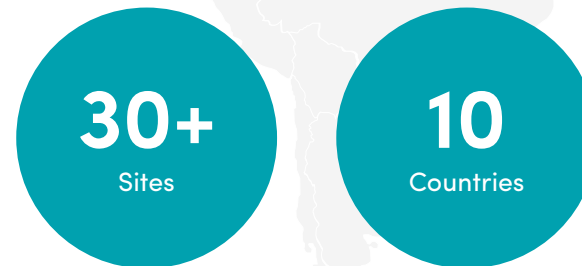
With sites in ten countries, our global presence can meet local customer requirements.

Our sites around the world specialise in offering the manufacturing and development of drug substances and drug products as well as device development and manufacturing services. We draw on this expertise by coordinating projects between our sites to meet local needs in the best possible way.

Recipharm's sites around the world

We have manufacturing sites in Sweden, France, Germany, Italy, Spain, Portugal, India, the US, and the UK as well as development sites in Sweden, France, Italy, India, Israel, and the US. Our development organisation has a global presence with centres of excellence in Europe, Israel, the US, and India.

OUR GLOBAL PRESENCE



USA	Boxborough ²⁾ Research Triangle Park Watertown ²⁾
SWEDEN	Stockholm Höganäs Karlskoga Solna Strängnäs Uppsala
UNITED KINGDOM	Cambridge Cramlington ¹⁾ Holmes Chapel King's Lynn Milton Keynes ³⁾ Nelson Queenborough
GERMANY	Cuxhaven ²⁾ Monheim Wasserburg Zwickau

SPAIN	Leganés Parets
ITALY	Brescia Lainate ³⁾ Masate Paderno Dugnano Pianezza
PORTUGAL	Odivelas Oeiras ²⁾ Queluz
FRANCE	Fontaine ¹⁾ Kaysersberg Monts Pessac
ISRAEL	Yavne
INDIA	Bengaluru Karnal Paonta Sahib

¹⁾ Sold in January 2022.
²⁾ Acquired first half of 2022.
³⁾ Closed in 2022.

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Sustainability
at Recipharm

Sustainable business

Sustainability is an integral part of our daily business. We work proactively to mitigate potential negative impact on the environment and do our best to act responsibly in society.

While pharmaceutical products can contribute positively to society by improving human health and quality of life, we recognise that our operations can have negative social and environmental impacts. We take a responsible approach to all aspects of our operations, and believe that high ethical standards, accountability, and good stakeholder relations create long-term benefits for both Recipharm and society at large.

Our business responsibility

Our operations must not only meet our customers' expectations in terms of technology, quality and supply, but also respond to stakeholder demands regarding climate and environmental topics, ethics and responsibility. Sustainability is embedded into our operations, and we work to integrate sustainability topics into our updated business processes.

Enabling sustainability research and development

We enable research and development by supporting our customers with pharmaceutical development services – including process development services and manufacturing materials for clinical studies. Close collaboration and dialogue with our customers are crucial for us to influence environmental topics in pre-clinical development and clinical stud-

ies by offering solutions that are more sustainable, such as by incorporating bioplastics in inhalers and by using new propellants.

In manufacturing, sustainability topics typically concern environmental impact, supplier management, labour conditions and social responsibility. In sales and marketing, we mainly receive queries on our scope 3 emissions, diversity and inclusion, and effluent discharges.

External standards and recognition

Our sites use the ISO 14001 environmental management system and the ISO 45001 occupational health and safety standard as baselines for their work. Some sites also use the ISO 50001 energy management system to ensure they work with energy efficiency in a structured manner. We are committed to the UN Global Compact and respond to the CDP Climate and Water questionnaires to obtain external evaluation of our environmental work. In 2022, we scored B- on CDP Climate and C on CDP Water.

Sustainability contributes to our vision

Our approach to sustainability differentiates us from our competitors. We strive to meet expectations from all our stakeholders to be able to achieve our vision.

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OUR VISION

To be the CDMO of choice

SUSTAINABILITY FOCUS AREAS


Enable good health

Drive safe and ethical business


Increase resource efficiency


Reduce climate impact

GUIDING PRINCIPLES



Internal policies such as Code of Conduct





UN Global Compact, CDP, Global Reporting Initiative

OUR CORE VALUES



Respect



Entrepreneurship



Reliability



Tenacity

Sustainability strategy

We decided on our Sustainability Focus Areas in 2022 and continued to develop our internal sustainability network throughout the company.

Our refined sustainability strategy and governance

Our sustainability work is based on focus areas decided at Group level. The Director Global Sustainability drives our sustainability work together with representatives throughout our global organisation.

External reporting is managed by the Global Sustainability function. We have a dedicated sustainability person on the Board, which highlights the long-term commitment to sustainability from our owners.

At local level, our work is driven by EHS representatives at all sites and coordinated at Operational Unit level together with Global Sustainability and the global Quality Manager who is also Head of Operational EHS and Sustainability. Site Managers have the ultimate responsibility for local sustainability work.

Materiality

Our approach to sustainability is based on a materiality analysis that we conducted with a third party in 2021. It included an environ-

mental, social and governance (ESG) materiality matrix, and a peer analysis. Data was collected from employees, customers, and suppliers to identify Recipharm’s material sustainability topics.

Our Sustainability Focus Areas

In 2022, we drew on our materiality analysis to decide on our four Sustainability Focus Areas which are aligned with a corresponding UN Sustainable Development Goal (SDG). The four SDGs were chosen as they are

Recipharm’s greatest contribution to a more sustainable future for people and the planet by 2030.

During the year, we developed long-term goals to step up our sustainability ambition and to monitor our progress going forward. These goals will ensure we have a holistic approach to sustainability that transcends our entire business with goals at Group and site level.

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SUSTAINABILITY FOCUS AREAS



Enable
good
health

FOCUS AREA

Enable good health



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As a leading CDMO, we provide high-quality and safe medicines and vaccines to people all around the world who need them. We also run modern manufacturing sites that meet stakeholder expectations on contributing towards global health by minimising emissions and pollution.

PRODUCT QUALITY AND SAFETY

Our approach

We operate in a strictly regulated market that is designed to safeguard public health and safety. Product quality is important from a sustainability perspective as it was one of the aspects identified as material in our materiality assessment. Our well-developed processes, including Good Manufacturing Practice (GMP) certificates, ensure we can help our customers to meet all the necessary regulatory standards related to product quality and safety.

Progress in 2022

We continued to improve how we work with quality throughout our business globally. A new Group Quality Manager was appointed

along with a centralised quality organisation, KPIs and reporting.

The quality organisation owns operational excellence and EHS to drive an integrated system. Our global quality organisation works to ensure we have the same level of quality throughout the Group.

Our work in 2023 and beyond

In 2022, we will continue to improve how we work with quality throughout our business.

Product quality and safety challenges and how we manage them

Despite our limited influence as a contract manufacturer, we try to influence our customers and partners to further promote quality and safety where possible.

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SUPPORT ACCESS TO MEDICINES AND VACCINES

Our approach

We provide developing, emerging and industrial countries with medicinal products to support patients all around the world. This is illustrated through some of the projects we run with our customers as well as the joint ventures we have established in India and in Morocco.

Progress in 2022

In 2022, we worked with the SENSYO Pharmatech facility, which will promote vaccine independence in Morocco and provide other African countries with affordable vaccines. The facility is still being developed.

Our work in 2023 and beyond

We will continue to support access to vaccines and medicines wherever and whenever possible through projects with customers and through continued participation in our joint ventures.

Challenges related to access to medicines and vaccines and how we manage them

We have limited influence as a contract manufacturer. But we seek to use our influence in the value chain to improve access to medicines and vaccines by working with our partners.



FOCUS AREA

Drive safe and ethical business

We promote responsible production by prioritising employee health and safety, diversity and inclusion, business ethics and governance, and supply chain management throughout our business.

As Recipharm's pharmaceutical development and manufacturing services can affect the lives, health and well-being of its employees and stakeholders, we must not only comply with laws and regulations, but also work to ensure responsible and ethical behaviour throughout our value chain.

In close collaboration with HR representatives at all our sites, we have worked to streamline definitions and align local reporting requirements to our central KPIs. This work will continue in 2023, making sure that we are well set up to meet increasing requirements on reporting and transparency.

EMPLOYEES

	2022			Total
	Europe	Asia	USA	
Permanent employees	5,235	1,438	244	6,917
Temporary employees	304	0	14	318
Leased employees	478	1,029	6	1,512
Total number of employees	6,017	2,467	264	8,747

For legacy reporting reasons employee data for our site in Israel is included in the European headcount data.



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DIVERSITY AND INCLUSION

Our approach

All employees are expected to abide by our Code of Conduct, which states that we are not to discriminate based on gender, sexual preference, age, religion, ethnicity or skin colour. All our employees must be treated with respect and dignity and offered equal opportunities for personal development and advancement. Our diversity and inclusion activities and initiatives are managed on a site level relative to the local society they operate in.

Progress in 2022

At the end of 2022, 36 per cent of our site heads were women and two of our six external directors on the Recipharm Board of

Directors were female. Around a third of our people-management positions were held by women. During the year, we had numerous ongoing local activities to promote diversity and inclusion around the world.

We conducted our first employee engagement survey in 2022. The survey highlighted that diversity and inclusion is perceived as a key strength of Recipharm. In the survey, 75 per cent of respondents answered that Recipharm is positive to diversity and difference at the company, which was 7 per cent higher than the benchmark.

All our employees are welcome to organise themselves or join unions. At the end of 2022, 63 per cent of our permanent employees globally were covered by collective bargaining agreements.

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER, 2022

	Men			Women		
	Europe	Asia	USA	Europe	Asia	USA
Total new hires	518	224	46	452	28	41
New hires, additional position	286	5	33	247	2	25
New hires, replacement	232	219	13	205	26	16
Total leavers	419	285	86	317	48	59
Leaving voluntary	324	278	56	268	46	37
Leaving involuntary	95	7	30	49	2	22

This information covers permanent and temporary employees, but not leased employees. For legacy reporting reasons employee data for our site in Israel is included in the European headcount data.

Our work in 2023 and beyond

We will continue our local approach to diversity and inclusion in 2023.

Diversity and inclusion challenges and how we overcome them

Limited global overview due to local approach. Although this will gradually improve as we become a more centralised organisation.

8,747
Total number of
employees

DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

	Managers		Non-management positions	
	Men	Women	Men	Women
>30 years	1.8%	1.7%	13.9%	8.6%
30–50 years	43.1%	22.9%	31.0%	22.8%
<50 years	20.9%	9.6%	12.8%	10.9%

This information covers permanent and temporary employees, but not leased employees.

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EMPLOYEE HEALTH AND SAFETY

Our approach

Recipharm aims to provide safe and engaging workplaces that protect labour rights and promote both the physical health and well-being of its employees. We implement EHS management systems, and we aim to certify all our sites according to the ISO 45001 occupational health and safety standard. ISO 45001 provides our sites with a robust risk management process framework that helps them to identify hazards and conduct safety risk assessments to mitigate risks as much as possible.

All our sites have dedicated health and safety professionals who help ensure compliance with the relevant requirements in their country. They also provide advice and guidance to assure employees understand these requirements and how they are managed within our occupational health and safety management system. Health and safety

initiatives are part of the daily continuous improvement work throughout our operating companies.

Employee health and safety engagement

Employee health and safety training is part of our onboarding process. Our site teams engage with employees on health and safety through various channels and activities. Our global EHS team holds regular forums with our health and safety representatives, conducts campaigns to share knowledge and raise awareness of health and safety topics, and some of our town hall meetings cover health and safety.

Promoting worker health

Worker health is promoted at site level through various programmes designed to encourage health and well-being. At some sites, this has started to include a focus on mental health as part of our work to build resilience in the workforce.

WORK-RELATED INJURIES

	2022	
	Employees	Workers who are not employees but whose work and/or workplace is controlled by Recipharm
Number of lost-time accidents	86	5
Lost-time accident rate ¹⁾	6%	–
Fatalities as a result of work-related injury ²⁾	0	0
Rate of fatalities as a result of work-related injury ²⁾	0	–

¹⁾ The lost-time accident rate covers recordable work-related injuries and high-consequence work-related injuries for our own employees. High-consequence work-related injuries are defined according to local legislation. The rate has been calculated based on 1,000,000 hours worked. The total number of working hours for Recipharm was 14,229,247.

²⁾ There were no work-related fatalities in the reporting period. Information is not available on independent contractors.

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Progress in 2022

At year end, 15 manufacturing operations out of 23, representing 65 per cent of Recipharm had a certified ISO 45001 health and safety system in place. In 2022, five of our UK sites became certified to ISO 45001.

During the year, a total of 86 work-related lost time accidents were reported. Fortunately, these only involved minor injuries among manufacturing facility employees. An analysis of these accidents enabled us to develop two core reduction campaigns – one covering ‘slips, trips and falls’ and the other focusing on muscular skeletal disorders predominately associated with manual handling.

We began to run quarterly Safety Forums for our health and safety representatives in 2022. The forums cover lessons learned from significant health and safety events and lost-time accidents to share knowledge and experience throughout the Group.

All Recipharm sites continued to manage the potential impacts of the Covid-19 pandemic in 2022 – to both promote employee health and maintain our manufacturing operations, although Covid-19 related incident rates generally decreased during the year.

Our work in 2023 and beyond

- Monheim and Zwickau sites in Germany are aiming to be certified ISO 45001 health and safety system.
- New global Health and Safety Policy and health and safety standards will be launched in 2023.
- Visual displays to communicate good health and safety practices will be rolled out in 2023.

Health and safety challenges and how we overcome them

- Instilling a safety reporting culture at our manufacturing sites that includes reporting even small safety risks related to minor injuries. We are working to improve our near miss incident reporting to allow any employee to spot and report potential hazards.
- Some employees not linked to a site and their well-developed EHS systems do not belong to a formal EHS work.

BUSINESS ETHICS**Our approach**

Operating in an ethical manner with a holistic approach to responsibility for all aspects of our business is an essential part of our sustainability work. EHS work is part of the sustainability work at all our sites as we aim to ensure we operate responsibly. Our Code of Conduct covers our main policy commitments that guide how our employees and our suppliers work. Our Global Whistleblowing Hotline ensures that employees can report suspected misconduct.

Our sustainability approach is based on various internationally recognised principles on human rights, including the International Labour Organisation (ILO) core conventions, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

The Global Compact has inspired our sustainability work since its launch in 2000, and we have been a signatory since 2016. Based on these international guidelines, our Code of Conduct regulates our approach to business ethics and relations with employees, customers, suppliers, authorities, competitors, and other stakeholders.

Progress in 2022

In 2022, there were no material incidents reported to our Global Whistleblowing Hotline.

EcoVadis is a ratings platform that is used by our customers to assess our sustainability performance. To date, 13 of our sites have been requested by customers to do this rating, scoring either Silver or Gold.

Our work in 2023 and beyond

- Strengthen corporate compliance.
- Refine our Code of Conduct.
- Launch a new Anti-Corruption and Anti-bribery Policy.

Business ethics challenges and how we overcome them

Encouraging our employees to report suspected ethical behaviours via our Global Whistleblowing Hotline. We will launch a global ‘Speak up’ campaign in 2023 to encourage employees to report suspected ethical breaches without fear of retaliation if done in good faith.

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DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

As a major employer and taxpayer, Recipharm creates significant direct economic value in the markets in which it operates.

Government involvement in shareholding structure

None of our fully-owned sites or subsidiaries have a government as a shareholder.

SUPPLY CHAIN MANAGEMENT

Our approach

We strive to ensure that suppliers understand and comply with the requirements of our Code of Conduct in terms of providing safe working conditions and avoiding environmental damage. Our audit team works with our main suppliers of primary materials based on the GMP standards. Each year, approximately 300 suppliers are identified as critical.

Progress in 2022

Most of our suppliers had adopted our Code of Conduct by the end of the year. The rest complied with their own equivalent compli-

ance standards that have been approved by Recipharm.

In 2022, 232 supplier audits were conducted by our supplier audit team. Decisions on which audits are required are based on how critical a supplier is and what type of service or product it provides. During an audit, the supplier's environmental and social criteria are rated by the auditor with our supplier sustainability data reporting tool. A sustainability questionnaire was also built into our reporting tool during the year to obtain sustainability information prior to our quality audits.

During the year, we developed a new supplier audit process together with various internal stakeholders. The Group-wide supplier evaluation process will promote more consistent supplier sustainability

evaluations regardless of where in the world they are situated and will ensure that sustainability is more integrated into how we work with procurement.

We observed no material environmental or social non-compliance issues in 2022 among our suppliers.

Our work in 2023 and beyond

Our objective is to launch our new Group-wide supplier evaluation process in 2023.

Supply chain management challenges and how we overcome them

- Customers often require us to use specific suppliers. We try to ensure all suppliers work according to our standards.
- In some rare cases, we might depend on single suppliers for particular products.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED, 2022 (MILLION €)*

Direct economic value	
Revenue	1,227
Economic value distributed	
Operating costs	660
Employee wages and benefits	405
Payments to providers of capital	0
Payments to governments	0
Community investments	0
Economic value retained	161

*Our small development team that is partly owned is not included in our sustainability reporting as it is judged to have no material impact. However, this small development team is included in our financial reporting.

FOCUS AREA

Increase resource efficiency

We have identified waste and water as key resources that we need to protect in our operations. We work with responsible resource management in a structured manner at all our sites around the world.

Recipharm implements EHS management systems throughout its business, such as the ISO 14001 environmental management standard to ensure waste and water issues are managed in an efficient and proper manner. We compile waste and water data for all our manufacturing and development sites.

We are not aware of any non-compliance with environmental laws and regulations involving any material or significant violations in 2022.

We plan to launch a new global Environmental and Climate Policy in 2023 as we work towards a common set of management policies throughout the Group. The policy will raise the bar on all environmental sustainability topics.

We will also launch visual displays to encourage more environmentally responsible behaviour – such as by using less energy and water or producing less waste. The displays will feature eye catching icons and will be translated into local languages.

WASTE MANAGEMENT

Our approach

Our overall aim is to send zero waste to landfill and to promote circularity. We meet all relevant waste regulations at the local level – including properly managing hazardous waste produced at our sites. Waste management is an important aspect of our ISO 14001 environmental management systems at site level.

Our sites sort waste into various fractions, including pharmaceutical waste, hazardous waste and various fractions of non-hazardous waste. Managing pharmaceutical waste and hazardous waste involves ensuring that such waste is correctly identified, handled and stored on our sites. We work with specialist waste management contractors to properly process and dispose of pharmaceutical waste and hazardous waste.

WASTE, TONNES

	2022		2021	
	Non-hazardous	Hazardous	Non-hazardous	Hazardous
Total weight of waste	11,288.4	5,908.4	11,285.1	7,444.3
Reuse	99.6	51.3	–	–
Recycling	7,289.6	508.7	–	–
Composting	192.1	–	–	–
Incineration with energy recovery	988.6	974.9	–	–
Incineration without energy recovery	481.1	519.8	–	–
Landfill	1,473.4	31.6	–	–
On-site storage	0.3	1.2	–	–
Other	763.6	3,820.9	–	–

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Increase resource efficiency

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Progress in 2022

In 2022, 27 Recipharm sites fulfilled our Group goal to not send waste to landfill. One site worked on a project to significantly reduce its landfill volume from an average of 129 tonnes per month to 0.68 tonnes per month. The site is expected to further reduce its waste in 2023 with the aim of reducing it to zero in the near future. Our ambition is for all our sites to work in this proactive way.

We continued to improve how waste such as plastics, carton and paper can be sorted and sent for recycling, while complying with the strict GMP requirements on how all waste from manufacturing pharmaceuticals should be handled.

During the year, we began reporting waste monthly rather than annually. This will help us to focus on improving the quality and consistency of data reported by our sites as well as supporting sites to drive waste management projects. The overall aim is to help our sites to better understand their own waste data and

to empower them to use it to further streamline their operations.

Our work in 2023 and beyond

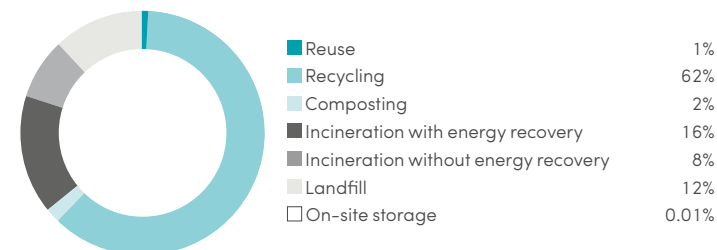
Our focus going forward is to further reduce, reuse and recycle waste – towards our local site-level waste objectives and zero waste to landfill across the Group.

Waste challenges and how we overcome them

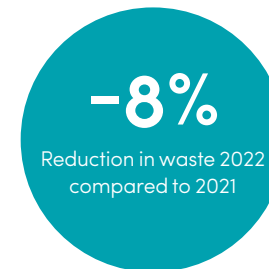
- Local regulations define waste differently – particularly for pharmaceutical waste. We have extensive knowledge of all regulations that we are required to follow.
- We are trying to improve traceability on how waste is handled in some countries once waste has been collected by waste management companies.
- Most pharmaceutical waste and hazardous waste are difficult to repurpose and we actively seek opportunities to send such waste for waste-to-energy.



SPLIT BETWEEN WASTE TREATMENT METHOD



Total hazardous and non-hazardous, excluding the category 'Other'.



*Between 2021 and 2022 we divested two sites and acquired four. These sites have a different waste profile.

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WATER MANAGEMENT

Our approach

We respect water as a shared resource by minimising our total water withdrawal and abiding by all local regulations on water use. Our sites use water to clean equipment in between batches and some of our manufactured products that contain water. Some sites also use water for cooling in closed-loop systems. As water is a very local issue that affects each of our sites and their surroundings differently, water related targets are set individually by our sites.

The amount of drug residues in our wastewater is small and most Recipharm sites are authorised to release wastewater into normal sewage systems for processing in treatment plants. Some sites operate their own local water treatment plants, before sending wastewater to the local municipal water treatment system. Our site in Bengaluru in India recirculates purified wastewater for irrigation in the local community.

The ten Recipharm sites that produce at least one product on the AMR Industry Alliance’s product list have each conducted a risk assessment. None of these sites identified any risks related to AMR.

Progress in 2022

We are not aware of any deviations from our site water permits in 2022. During the year, we launched a new Group level escalation process to ensure that any significant deviation related to water is properly reported.

In 2022, we conducted a water risk assessment with the WWF Water Risk Filter to identify areas of water scarcity where Recipharm operates. The availability of fresh water is generally good in the locations around the world where Recipharm has sites, but the assessment identified India, Israel, Portugal and Spain as areas of water stress. In 2022, 14 per cent of our water withdrawal was from these water-stressed areas and we work proactively to minimise our impact on these local water systems. For example, in India, we use groundwater from wells that is pre-treated at our sites before it is used in our manufacturing processes to minimise the burden on municipal fresh water supplies.

Regarding the implementation of the AMR standard, some of the concerned sites had customer audits in 2022. No material concerns were identified by these audits.

22 of our sites reported a reduction in water withdrawal in 2022. This was achieved through projects to improve process efficiency. Examples of water-saving initiatives at our sites during the year included one of our sites in Italy altering their equipment cleaning routines to use less water and production lines at King’s Lynn were optimised to reduce the number of lines in operations.

In 2022, Recipharm scored C on CDP Water.

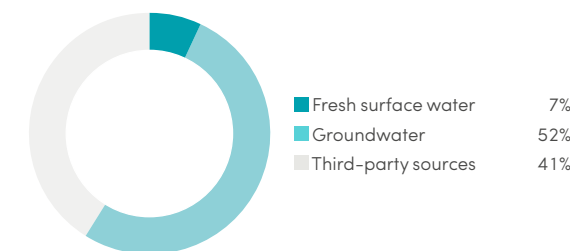
Our work in 2023 and beyond

- Continue our AMR project to ensure low levels of antimicrobial products in our wastewater discharges.
- We plan to develop targets for our sites in water-stressed areas.

Water challenges and how we overcome them

- Measuring water consumption at some sites is a challenge and we are working to improve our data reporting.
- Some sites use chemicals that cannot be discharged into municipal wastewater drains. We operate wastewater treatment plants on some of our sites.
- We will focus on sites in water-stressed areas to cope with anticipated stricter water regulations.

WATER WITHDRAWAL



WATER, m³

	2022	2021
Total water withdrawal, m ³	2,023,266	2,249,101
Withdrawal from water scarce areas, %	14	14
Total water discharge, m ³	1,734,170	2,283,267

FOCUS AREA

Reduce climate impact

We are proactively working to reduce our climate impact by increasing the amount of renewable energy we use and by decreasing the greenhouse gas emissions produced by our operations.

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RENEWABLE ENERGY

Our approach

Our procurement team works actively to secure renewable energy agreements when our existing agreements are to be renewed. Several of our sites have sourced renewable energy for several years.

We encourage our sites to investigate projects for renewable electricity, such as photovoltaic solar panels to generate their own on-site energy. We procure unbundled Energy Attribute Certificates (EACs) to compensate for the sites where we do not have 'green certificates' as part of our local electricity agreement.

Progress in 2022

At the end of the year, 85.8 per cent of our electricity globally was sourced from renewable sources. In 2022, we installed a photovoltaic solar system at our Holmes Chapel site in

the UK (see the Case Story on page 23). Other Recipharm sites are also investigating the potential for photovoltaic solar systems.

During the year, we initiated a project with an external company to draft a global long-term renewable energy strategy. The project will help us to develop a plan how to progress – both at a Group and local level.

Our work in 2023 and beyond

- New global Renewable Energy Manager in place from 2023.

Renewable energy challenges and how we overcome them

- Sourcing renewable electricity can be difficult in some markets. We develop solutions together with local partners where possible.
- The supply of biogas is a challenge for many of our sites. We will work with potential suppliers to see how we can improve future supply.

ENERGY, MWh

	2022	2021
Fuel (scope 1) *	205,077	226,947
Electricity, steam, heating, and cooling (scope 2)	218,736	223,476

*Including fossil gas, oil, diesel, LPG and wood chips.



CASE STORY

2,300 solar panels installed at Recipharm’s Holmes Chapel

The photovoltaic solar system will save our Holmes Chapel site in the UK around € 170,000 a year and meet about a third of the site’s annual electricity needs.

The panels were installed as part of a Power Purchase Agreement (PPA), which required no up-front investment as a third party manages the installation, maintenance and ownership of the system. The financial savings for Recipharm are expected to amount to more than € 6 million over the 25-year agreement.

Avoiding over 200 tonnes of carbon each year

Overall, the system will reduce carbon emissions by an estimated 222 tonnes per year. This is equivalent to planting 3,500 trees every year over the 25-year lifespan of the project.

“The PPA company provided us with an investment-free turnkey solution that significantly reduces our annual electricity costs while decreasing our environmental footprint,” explains Rob Lester, Responsible Electrical and Instrument Engineer at Recipharm. “Having a solar energy park on our site also sends out a clear message to our customers, partners and local stakeholders that we are serious about reducing our own emissions.”

The installation of the 2,300 panels began in the summer of 2022 and the system became operational in February 2023. The panels are positioned to provide a relatively consistent supply of electricity throughout the day with a peak production of 770 kW.

Meeting high summer energy demands and sharing good practice

“We expect to generate around 40 per cent of our electricity from solar power between late April and late September. This suits our operations well as we typically use a lot of energy during this period to power our Heating, Ventilation and Air conditioning (HVAC) systems for our temperature-controlled areas,” says Lester. “We actually have more space on the site to expand the solar system in the future once we have evaluated its operation.”

The photovoltaic solar panel installation at Holmes Chapel has sparked interest from other Recipharm sites that are interested in installing similar systems and the site has shared its learnings.



Solar panels on the roof of our site in Holmes Chapel, UK, installed during 2022.

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GREENHOUSE GAS EMISSIONS

Our approach

GHG emissions are monitored as part of our local ISO 14001 environmental management and reported in accordance with the GRI Standards 2021 and through CDP. We use the Greenhouse Gas (GHG) Protocol to calculate our emissions.

Our direct emissions (scope 1) are primarily generated by the consumption of oil and gas used in our operations and sites, fuels for company owned cars, propellant gas leakages from production and refrigerants. Our indirect (scope 2) emissions result from electricity consumption in our manufacturing and development sites as well as district heating and district cooling. Our scope 3 emissions have been calculated with the spend-based

approach, except for use-phase emissions from propellants that is based on actual data. Transport emissions related to our supply chain are included in our scope 3 emissions.

Updates to our 2021 base-year emissions data

In 2022, we added refrigerants and propellant gases to our scope 1 emissions data for 2021 and updated several outdated emission factors. Our scope 2 market-based electricity emissions in 2021 included our green energy contracts but excluded EACs purchased centrally and distributed to sites that had not procured green electricity themselves. EACs are now included in our updated 2021 emissions figures.

The scope 3 emissions calculation for the base-year emission data has been updated based on actual data for the use-phase emissions related to propellant gases.

Progress in 2022

In 2022, our scope 1 and 2 emissions amounted to 76,482 tonnes CO₂e. This was equivalent to 8.7 tonnes CO₂e per employee, or a decrease of 15.8 per cent compared with the previous year.

We committed to the Science Based Targets initiative (SBTi) in 2022 and submitted our science-based targets in 2023 (see the Case Story on page 25). During the year, we did an updated draft of our Greenhouse gas inventory management plan, which is to be finalised in 2023. This updated plan provided the basis for our science-based target submission at the end of the year.

In 2022, we kicked off an energy efficiency project to identify and initiate energy saving measures around the Group. Examples of measures on a site level included installing

heat pumps for chiller units, insulating hot water steam tanks and piping, energy-efficient lighting and installing heat exchangers.

Our work in 2023 and beyond

- New Group Decarbonisation Roadmap in 2023.
- Improve the calculation of our scope 3 emissions.

Greenhouse gas emission challenges and how we overcome them

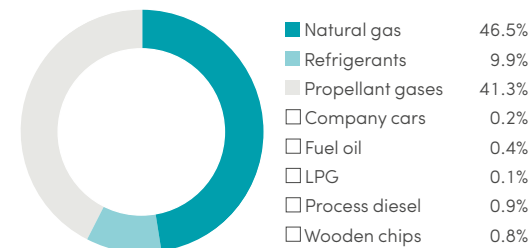
Ensuring we choose the most optimal emission reduction investments across our global organisation can be challenging. We are improving our procurement capabilities and emissions monitoring.

GREENHOUSE GAS EMISSIONS, tCO₂e ¹⁾

	2022	2021
Total scope 1	61,189	80,282
Total scope 2	15,293	10,572
Total scope 3 ²⁾	1,751,957	1,606,261

¹⁾ 2021 year data has been recalculated and is not comparable with the data reported in the 2021 Sustainability Report. Read more in the 'About this report' section on page 32.
²⁾ To meet SBTi requirements, our scope 3 data will be recalculated in 2023.

SCOPE 1 EMISSIONS BY SOURCE



SCOPE 3 EMISSIONS BY MAIN CATEGORY



CASE STORY

Recipharm submits its climate target for third-party verification

In 2022, Recipharm committed to science-based targets according to the SBTi as the company aims to reduce its scope 1 and 2 emissions by 42 per cent and scope 3 emissions by 25 per cent by 2030.

Recipharm has long been committed to reducing its own carbon footprint, as well as supporting its pharmaceutical customers to reduce their climate impact through its role as a CDMO. Supported by its owners, Recipharm has stepped up its sustainability work with the aim to future-proof its business.

The climate target was submitted to the SBTi in the beginning of 2023, which will verify if Recipharm's target is in line with the requirements of the Paris climate agreement to prevent global warming exceeding a 1.5° C increase. The submission followed a calculation of the Recipharm Group's baseline emissions of greenhouse gases (GHG) for our baseline year 2021. This work took us all of 2022 to finalise.

Recipharm's scope 1 and 2 emissions are directly linked to its operations, with scope 1 emissions generated from fuels consumed by the company, and scope 2 emissions from energy sourced from suppliers. Recipharm's scope 3 emissions are related to its value chain.

Recipharm's Group-wide climate targets

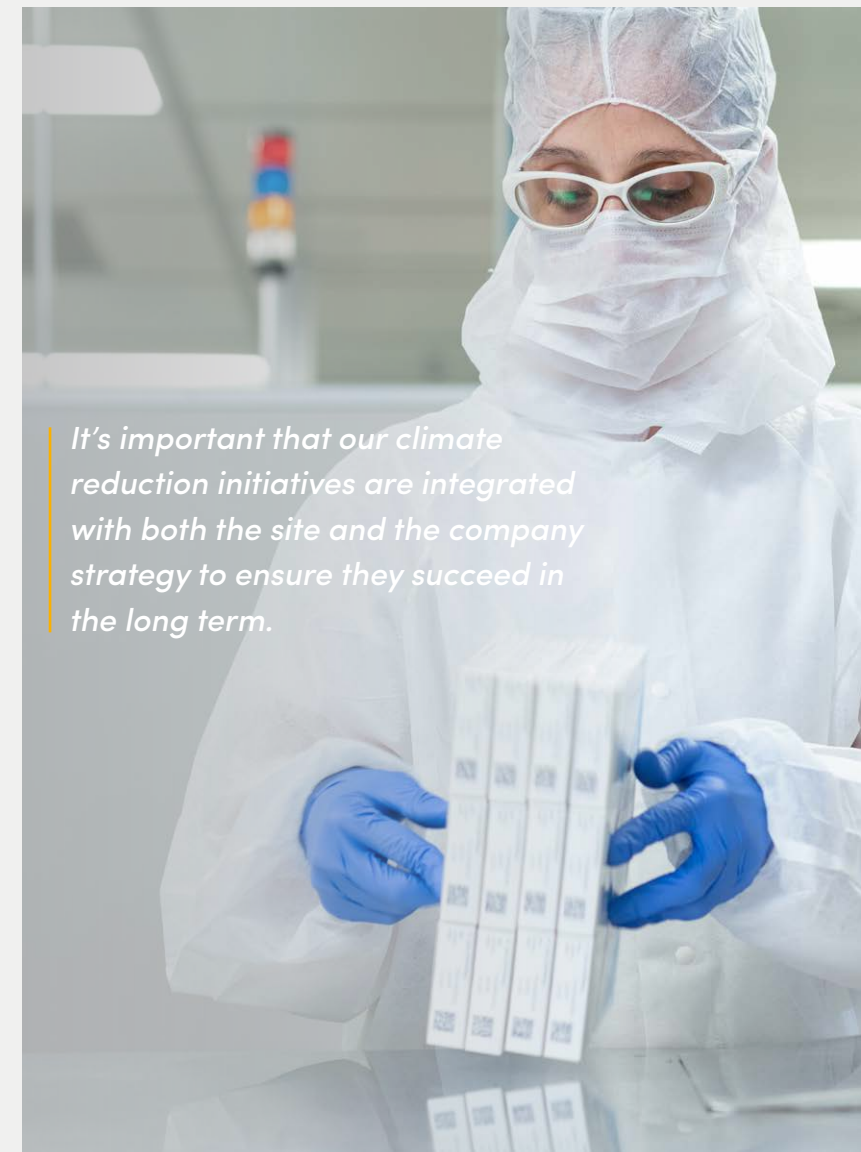
The reduction targets of 42 per cent for scope 1 and 2 emissions, and 25 per cent for scope 3 by 2030, are absolute targets, which means they are not related to sales or volumes produced.

"Meeting these targets will involve addressing both our current and future activities," explains Åsa Bergström, Director Global Sustainability. "Importantly, this will require us to assess investments and CapEx projects both from a financial and a GHG emission perspective."

Towards decarbonisation

In 2023, Recipharm will define a decarbonisation roadmap for its emission-reduction activities at all its sites.

"Each local site is setting up a long-term plan on how to reduce emissions from their current activities with support from the global operations and sustainability team," says Bergström. "It's important that our climate reduction initiatives are integrated with both the site and the company strategy to ensure they succeed in the long term."



It's important that our climate reduction initiatives are integrated with both the site and the company strategy to ensure they succeed in the long term.

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Sustainability
governance

Materiality and stakeholder dialogue

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Stakeholder dialogue

Recipharm has identified employees, customers, owners, and suppliers as key stakeholders. We are introducing a more ongoing and structured dialogue with all relevant stakeholders regarding important business topics, including sustainability. There is also ongoing dialogue regarding the sustainability require-

ments from our owners and how Recipharm performs according to these.

Materiality assessment

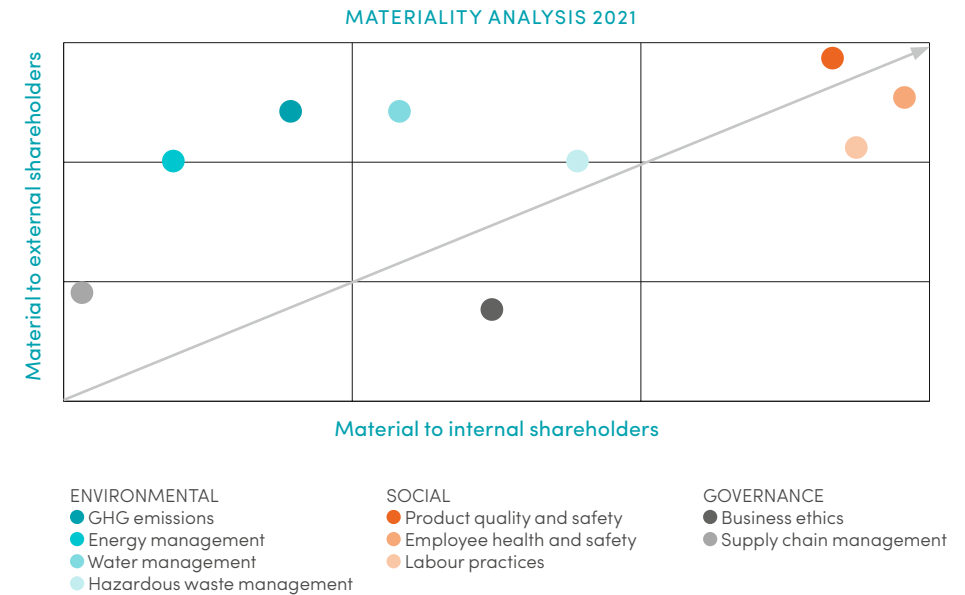
Recipharm last conducted a materiality analysis in 2021. The analysis was based on Recipharm’s strategy, sustainability context and stakeholder expectations. Recipharm’s

management team made the prioritisation of the most material sustainability topics. The graph to the right lists the sustainability topics that have been defined as the most material to Recipharm and forms the basis for Recipharm’s four Sustainability Focus Areas, which were refined along with long-term goals in 2022.

In 2023, we will conduct a new materiality analysis and are exploring the possibility to do a ‘double materiality’ assessment that would add our impacts on the environment and society to those that we face internally. This will also prepare us for the upcoming EU Corporate Sustainability Reporting Directive (CSRD).

Recipharm’s key stakeholders	Forum for dialogue	Key topics and Recipharm’s response
Owners	<ul style="list-style-type: none"> • Regular meetings • Ongoing contact 	<ul style="list-style-type: none"> • Scope and objectives • Prioritised areas • Current performance • Planned activities
Employees	<ul style="list-style-type: none"> • Regular dialogue on site level • Performance reviews • Townhall meetings • Wider employee survey 	<ul style="list-style-type: none"> • Performance reviews • Personal and team contribution to sustainability
Customers	<ul style="list-style-type: none"> • Ongoing contact • How we fulfil customer sustainability requirements • Surveys • Participating in customer training and review meetings 	<ul style="list-style-type: none"> • Customer meetings addressing sustainability • Customers’ sustainability requirements • Recipharm’s performance regarding sustainability
Suppliers	<ul style="list-style-type: none"> • Procurement requirements. Ongoing engagement • Supplier audits 	<ul style="list-style-type: none"> • Sustainability assessments included in supplier quality audits • Sustainability requirements communicated in our Code of Conduct
Government agencies and local society	<ul style="list-style-type: none"> • Ongoing engagement on site level 	<ul style="list-style-type: none"> • Meeting permit requirements • Participation in local sustainability-related initiatives

The table shows Recipharm’s key stakeholders, the forum for dialogue and their key topics and Recipharm’s response.



Sustainability risks

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Operational risk

Manufacturing and development operations are associated with environmental impact and risks associated with accidents. Risks related to the environment and work safety are addressed on a site level within our ISO 14001 and ISO 45001 systems and in accordance with relevant regulations.

Supply chain risk

Significant risks are related to the supply of goods, where manufacturing 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.

Quality control risk

All products require the necessary regulatory approvals in the countries in which they are to be sold. The Market Authorisation Holder (MAH), our customer, is primarily responsible for this but Recipharm must comply with the relevant terms of the registrations. Recipharm works actively with its customers and the quality systems within the framework of GMP and maintains EHS management systems at its sites.

Climate risk

Climate-related risks are included in our site risk assessments as risks vary significantly between sites. Potential risks due to extreme weather may include the risk of flooding and power outages caused by storms. Chronic physical climate risks might include increasing temperatures and the risk of extreme heat waves in India could have a negative impact of future water availability for our three sites in the country.

Regulatory risk

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

Sustainability management

Recipharm AB is owned by the private equity firm EQT, which invests in good companies across the world with a mission to help them develop into sustainable companies.

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THE BOARD OF DIRECTORS' WORK WITH SUSTAINABILITY

The Recipharm Board of Directors, composed of six external directors, oversees the company's sustainability and ESG agenda. One of the Board members is dedicated to sustainability and ESG topics, although the entire Board has good collective knowledge of sustainability. Sustainability issues are regularly included in the agenda of Board meetings. The Board of Directors oversees the implementation and performance of the company's sustainability-related objectives and oversees targets for addressing sustainability-related topics. ESG responsibility was transferred from the Head of Transformation to the General Counsel at the end of 2022.

The Board of Directors oversees and interacts closely with the General Counsel – with support from the Director Global Sustainability – to set policies, guidelines and monitor the overall company performance, and report to external initiatives. The performance of the Board of Directors is evaluated annually by EQT.

THE EXECUTIVE COMMITTEE'S WORK WITH SUSTAINABILITY

Recipharm's CEO has the ultimate responsibility for sustainability topics – together with the Executive Committee. The Recipharm Executive Committee is involved in the company's sustainability work and the actions taken.

The site managers are responsible for the sustainability performance of their site and sustainability targets are followed up on both a local and on a Group level by our global sustainability function.

INTERNAL AND EXTERNAL RULES AND GUIDELINES

Policy commitments are embedded into our business through our Code of Conduct, which must be obeyed by every Recipharm employee. Everything we do should be based on these principles.

Auditing and monitoring are conducted through third-party auditing bodies and self-assessments. Self-assessments include the monitoring of local company compliance with Recipharm's Code of Conduct, and other rules and guidelines.

Recipharm has a Global Whistleblowing Hotline to allow company employees to report suspected corporate compliance wrongdoings. Employees can also escalate matters to HR, the Legal function or their own manager. Recipharm has the necessary processes to remediate any negative impacts should they arise.

An approvals and signing authority internal governance document was introduced in 2022. Work methods and processes are constantly adapted to external expectations, requirements and legislation relevant to Recipharm.

Recipharm is a member of the AMR Industry Alliance in order to improve its work on AMR and enable engagement with other stakeholders. AMR is currently one of the most serious health concerns worldwide. As Recipharm manufactures antibiotics in several locations, it is important that we are involved in developing solutions to combat AMR.

In 2022, there were no material fines or legal action beyond our normal business conduct. Any fines or legal action are closely followed by our in-house legal department and our external council.

Read more about how we work with ethics in the 'Business ethics' section on page 17.



Board of Directors*

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Richard Ridinger

Chairman of the Board
(External)

Other current positions

Remuneration Committee, Chairman, Audit Committee, Member.

Christiane Hanke-Harloff

Board member
(External)

Other current positions

Board ESG champion.

Mark Keatley

Board member
(External)

Other current positions

Audit Committee, Chairman.

Henrik Giver

Board member
(EQT Representative)

Other current positions

Audit Committee, Member.

Erika Henriksson

Board member
(EQT Representative)

Other current positions

Audit Committee, Member
Remuneration Committee, Member.

Steven Klosk

Board member
(External)

Other current positions

Remuneration Committee, Member.



* As of 31 December 2022.

Executive Committee*



Marc Funk
Chief Executive Officer



Luc Burgard
Chief Operational Officer



Chris Hirst
Head of Business Unit
Advanced Delivery Systems



Gregor Kawaletz
Head of Business Unit
Oral Solid Dosages



Christophe Lamacq
Chief Human Resources
Officer



Ulrike Lemke
Head of Business Unit
Sterile Fill & Finish



Michael Tyroller
Chief Financial Officer

* As of 31 December 2022.

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About the Sustainability Report

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Recipharm's separate annual Sustainability Report 2022 has been prepared in accordance with the GRI Standards 2021. Additionally, as we continue to be a signatory to the UN Global Compact the report supports our communication on progress submission. The report has been approved by the Recipharm Executive Committee.

The annual Sustainability Report 2022 covers the reporting period 1 January 2022 to 31 December 2022. The previous report was published in May 2022. Our emissions data has been third-party certified.

Contact

With queries regarding our Sustainability Report, please contact Åsa Bergström, Director Global Sustainability, asa.bergstrom@recipharm.com.

Scope of the Sustainability Report

Recipharm's Sustainability Report focuses on Recipharm's most material topics but also addresses other aspects of sustainability when relevant. Recipharm will continue to further develop its sustainability work gradually and engage in active dialogue with stakeholders for input on its priorities and potential improvements.

Recipharm's Sustainability Report covers all subsidiaries in the Group, unless otherwise stated. There are no significant differences in

the disclosure of sustainability information and across material topics between subsidiaries to ensure the same data and quality throughout the Group.

The sustainability and financial data in this Sustainability Report includes full 2022 data from all the subsidiaries – including those that were acquired during the year. This differs from the Annual Report, which only includes data from subsidiaries when they were owned by Recipharm.

The two sites that Recipharm divested in 2022 are not included in this report as they were both divested at the start of the year. All Recipharm subsidiaries where we are minority owners report data according to the International Financial Reporting Standards (IFRS) requirements when reporting to the Recipharm Group.

Joint ventures and partnerships that Recipharm is involved as minority owners in are not included in the sustainability or financial data in this report to ensure the reporting focuses on the entities that it has complete operational control over.

Boundaries

The material sustainability topics have impacts on our own business and our employees. Some of the topics have impacts beyond Recipharm's organisational boundaries, such as the assessment and monitoring of suppliers. In the Sustainability Report, we describe

the impact of each sustainability topic, both within and outside the company.

Background data for GHG calculations

All GHG calculations are made according to the GHG Protocol. Direct scope 1 GHG emissions are primarily a result of the combustion of natural gas, fuel oil, process diesel and wooden chips in our factories and premises. Fuel in our company vehicles, refrigerants and propellant gases are also included. Indirect GHG emissions in scope 2 includes the use of district heating, cooling and steam, and electricity that are calculated using the market-

based methodology. Other indirect GHG emissions in scope 3 are calculated with the spend-based approach. This approach has been used for all scope 3 categories except for use phase emissions, which have been calculated using actual consumption data.

During 2022, as part of our work with setting a science-based target, we updated our 2021 emissions calculations. For scope 1, we included propellant gases that have a significant impact on our total emissions. In scope 2, we included EACs that were purchased in 2021 in the total scope 2 emissions. All outdated emission factors were also updated.

Calculation of GHG emissions	Source of data
Fuel for company vehicles	For company cars, Recipharm sites report on the type of fuel and amount used where this information is available. Where it is not available, the type of car and driving distance is used. Emission factor source DEFRA (2022).
Stationary combustion	Sites report on the amount of fuel combusted in the reporting period. Emission factor source DEFRA (2022).
Refrigerants	Sites report on the amount refilled. Emission factor source Naturvårdsverket (2022).
Propellant gases	Sites report on the amount leaked and released during testing at site. For sites where devices are stored for quality control, the full amount is included in the reporting year. Emission factor source DEFRA (2021).
Electricity	Sites report on kWh consumed. Emission factor source AIB (2021) for European sites, DEFRA (2022) for sites outside of Europe.
District heating, cooling and steam	District heating Energiföretagen (2021) for sites in Sweden, DEFRA (2022) for sites outside of Sweden. District cooling Energiföretagen (2022) for sites in Sweden and DEFRA (2022) for sites outside of Sweden. Steam DEFRA (2021) and Vattenfall (2021).

GRI index

Recipharm AB has reported in accordance with the GRI Standards for the period 1 January 2022 to 31 December 2022. The standard that has been used is GRI 1: Foundation 2021.

GENERAL DISCLOSURES

GRI Standard Title	Disclosure	Location/ Comment	Omission		
			Requirement(s) omitted	Reason	Explanation
The organization and its reporting practices					
	2-1	Organizational details	8, 29, 38		
	2-2	Entities included in the organization's sustainability reporting	32		
	2-3	Reporting period, frequency and contact point	32		
	2-4	Restatements of information	32		
	2-5	External assurance	37		
Activities and workers					
	2-6	Activities, value chain, and other business relationships	2, 5-8, 29		
	2-7	Employees	14-17		
	2-8	Workers who are not employees		Recipharm does not report on workers who are not employees.	Workers who are not employees is not material to Recipharm.
Governance					
	2-9	Governance structure and composition	29-31		
	2-10	Nomination and selection of the highest governance body	29		
	2-11	Chair of the highest governance body	30		
	2-12	Role of the highest governance body in overseeing the management of impacts	29		
	2-13	Delegation of responsibility for managing impacts	29		
	2-14	Role of the highest governance body in sustainability reporting	29		
	2-15	Conflicts of interest		Information is not public.	Confidentiality constraints. Recipharm is not a public company and does not report in accordance with related requirements in the Annual Accounts Act and the Swedish Code of Corporate Governance.
	2-16	Communication of critical concerns	29		
	2-17	Collective knowledge of the highest governance body	29		
	2-18	Evaluation of the performance of the highest governance body	29		
	2-19	Remuneration policies		Information is not public.	Confidentiality constraints. Recipharm is not a public company and does not report in accordance with related requirements in the Annual Accounts Act and the Swedish Code of Corporate Governance.
	2-20	Process to determine remuneration		Information is not public.	Confidentiality constraints. Recipharm is not a public company and does not report in accordance with related requirements in the Annual Accounts Act and the Swedish Code of Corporate Governance.

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GENERAL DISCLOSURES CONT.

GRI Standard Title	Disclosure	Location/Comment	Omission		
			Requirement(s) omitted	Reason	Explanation
	2-21	Annual total compensation ratio	Complete information from the sites is missing.	Information unavailable.	Recipharm will prepare to be able to report in time for the implementation of CSRD/ESRS.
Strategy, policies and practices					
	2-22	Statement on sustainable development strategy	3		
	2-23	Policy commitments	17, 19, 29		
	2-24	Embedding policy commitments	29		
	2-25	Processes to remediate negative impacts	10, 29		
	2-26	Mechanisms for seeking advice and raising concerns	29		
	2-27	Compliance with laws and regulations	19		
	2-28	Membership associations	29		
Stakeholder engagement					
	2-29	Approach to stakeholder engagement	17-18, 27		
	2-30	Collective bargaining agreements	15		
Material Topics					
	3-1	Process to determine material topics	27		
	3-2	List of material topics	27		

SPECIFIC DISCLOSURES - GRI 200: ECONOMIC

GRI Standard Title	Disclosure	Location/Comment	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 201: Economic performance 2016					
	3-3	Management of material topics	18, 29		
	201-1	Direct economic value generated and distributed	18		
GRI 205: Anti-corruption 2016					
	3-3	Management of material topics	29		
	205-2	Communication and training about anti-corruption policies and procedures	17		
	205-3	Confirmed incidents of corruption and actions taken	No incidents for 2022		
GRI 206: Anti-competitive behaviour 2016					
	3-3	Management of material topics	29		
	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	No incidents for 2022		

SPECIFIC DISCLOSURES – 300: ENVIRONMENTAL

GRI Standard Title	Disclosure	Location/ Comment	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 302: Energy 2016					
	3-3	Management of material topics			
	302-1	Energy consumption within the organization			
GRI 303: Water and Effluents 2018					
	3-3	Management of material topics			
	303-1	Interactions with water as a shared resource			
	303-2	Management of water discharge-related impacts			
	303-3	Water withdrawal			
	303-4	Water discharge			
GRI 305: Emissions 2016					
	3-3	Management of material topics			
	305-1	Direct (Scope 1) GHG emissions			
	305-2	Indirect (Scope 2) GHG emissions			
	305-3	Other indirect (Scope 3) GHG emissions			
	305-5	Reduction of GHG emissions			
GRI 306: Waste 2020					
	3-3	Management of material topics			
	306-1	Waste generation and significant waste-related impacts			
	306-2	Management of significant waste-related impacts			
	306-3	Waste generated			
	306-4	Waste diverted from disposal			
	306-5	Waste directed to disposal			
GRI 308: Supplier environmental assessment 2016					
	3-3	Management of material topics			
	308-1	New suppliers that were screened using environmental criteria			
	308-2	Negative environmental impacts in the supply chain and actions taken			

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SPECIFIC DISCLOSURES - 400: SOCIAL

GRI Standard Title	Disclosure	Location/Comment	Omission	
			Requirement(s) omitted	Reason Explanation
GRI 401: Employment 2016				
	3-3	Management of material topics		
	401-1	New employee hires and employee turnover		
GRI 403: Occupational Health and Safety 2018				
	3-3	Management of material topics		
	403-1	Occupational health and safety management system		
	403-2	Hazard identification, risk assessment, and incident investigation		
	403-3	Occupational health services		
	403-4	Worker participation, consultation, and communication on occupational health and safety		
	403-5	Worker training on occupational health and safety		
	403-6	Promotion of worker health		
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
	403-8	Workers covered by an occupational health and safety management system		
	403-9	Work-related injuries		
GRI 405: Diversity and equal opportunity 2016				
	3-3	Management of material topics		
	405-1	Diversity of governance bodies and employees		
GRI 406 Incidents and discrimination and corrective actions taken 2016				
	3-3	Management of material topics		
	406-1	Incidents of discrimination and corrective actions taken		No incidents for 2022
GRI 414: Supplier Social Assessment 2016				
	3-3	Management of material topics		
	414-1	New suppliers that were screened using social criteria		
	414-2	Negative social impacts in the supply chain and actions taken		

Auditor's limited assurance statement on Recipharm AB's CO₂ emission data for 2022

To the management of Recipharm AB, corp. id. 556498-8425.

We have undertaken a limited assurance engagement of the consolidated CO₂ emissions data in Scope 1, Scope 2 and Scope 3 for the reporting period 2022-01-01 – 2022-12-31 that will be reported to Recipharm AB's stakeholders. The CO₂ emissions that were the subject of our limited assurance engagement are found in the Sustainability Report for 2022, under the focus area: Reduce Climate Impact, on pages 22–25.

Responsibilities of Recipharm AB

Recipharm AB are responsible for the preparation of the CO₂ emissions data under the focus area: Reduce Climate Impact in accordance with the applicable criteria "The Green House Gas Protocol". This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of a CO₂ emissions report that is free from material misstatement, whether due to fraud or error. Quantifications related to the CO₂ emissions are also subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the CO₂ emission data based on the procedures we have performed and the evidence we have obtained. We con-

ducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements ("ISAE 3410"), issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the CO₂ emission data is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3410 involves assessing the suitability in the circumstances of Recipharm AB's use of "The Green House Gas Protocol" as the basis for the preparation of the CO₂ emission data, assessing the risks of material misstatement of the CO₂ emission data whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the CO₂ emission data and related information under the focus area: Reduce Climate Impact. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence

and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The firm applies International Standard on Quality Control 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Recipharm AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. Our review has, based on an assessment of materiality and risk, among other things included the following procedures:

- Analytical review of the reported CO₂ emission data.
- Review of the calculation of the CO₂ emission data.
- Review of underlying documentation, on a test basis.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Recipharm AB's CO₂ emission data have been prepared, in all material respects, in accordance with "The Green House Gas Protocol".

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Recipharm AB's the CO₂ emission data under the focus area: Reduce Climate Impact for the reporting period 2022-01-01 – 2022-12-31 are not prepared, in all material respects, in accordance with the above stated criteria.

Stockholm, April 26 2023
KPMG AB

Håkan Olsson Reising
Authorized Public Accountant

Karin Sivertsson
Expert member of FAR

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*Our small device development team that is partly owned is not included in our sustainability reporting as it is judged to have no material impact. However, this small development team is included in our financial reporting.

Serious about sustainability

As a top five global CDMO, we're leading by example in committing to the Science Based Targets initiative. Over the past 25+ years, as society has evolved, so have we. Now, we're taking steps to ensure our 30+ sites around the world leave the lightest footprint possible.

A close-up photograph of a scientist in a laboratory. The scientist is wearing a white hairnet, blue safety glasses, and a white surgical mask. They are wearing a white lab coat over a blue and white checkered shirt. The background is a blurred laboratory setting with various pieces of equipment and a computer monitor. The overall color palette is dominated by light blues and whites, with a teal overlay on the left side.

Recip^harm