



## Evolan sustainability report 2021

## Message from CEO

For almost two years, our society has been fighting COVID-19. On one hand, the pandemic has shaken us and our values – our health, wealth and freedom. On the other hand, we also witness the incredible power of collaboration and joint responsibility. One of our most important concerns in 2021 was the health and safety of our employees. When the global pandemic hit, we focused a lot of our efforts on the well-being of our employees and we immediately initiated social distancing, took extra hygiene measures and implemented remote working.

We have grown wiser during the past year and made many changes in our ways of working and finding new and creative solutions. We have continued to develop our business and create possibilities for a continued sustainable expansion. The revenue growth in 2021 was 19 percent, which was in line with our strategy. During 2021, we also launched a new assortment of cosmetics.

Five years ago, we became members of the Pharmaceutical Supply Chain Initiative (PSCI). The membership provides us with important tools in monitoring and managing sustainability issues in pharmaceutical supply chains. We have during 2021 adjusted our Supplier Code of Conduct for pharmaceutical products to be in line with the PSCI Principles for Responsible Supply Chain Management. As a small company, we believe that collectively it is possible to drive complex, global change and to promote responsible supply chain management and better business conditions throughout the industry.

In year 2020, we renewed our sustainability agenda by conducting a materiality analysis that led to a list of prioritised material sustainability issues and we also began to map the risks we see in our value chain. During 2021, we have continued to take actions in line with our agenda as well as customer demands in this area.

These unique times have proven that when we work together, we can achieve crucial change quickly and effectively. I am proud to say that Evolan and all of our employees have done a great job in adjusting to the new normal and I am looking forward to 2022 where we will continuously improve our sustainability efforts.



Richard Karroum, Managing Director, Evolan Pharma AB 2022-04-21

## About Evolan

Evolan Pharma AB, located in Danderyd, Sweden, is a privately owned Swedish pharmaceutical company with most of our sales coming from Sweden, but also to an increasing extent, from the other Nordic countries and other markets, such as the UK, Australia, New Zealand, USA and Canada.

Our competences are concentrated around business development, marketing and sales of pharmaceutical products and other products closely related to pharmaceuticals. To ensure high quality and availability of our products, we are partnering with a number of well-established producers and service providers.



Evolan divides its business operations into four main areas - Store brand OTC, Branded OTC, Generic Rx and Originator products. During 2021, more than 180 (150) different products were attributed to Evolan's business. This includes pharmaceutical products, medical devices, food supplements and cosmetic products.

In 2021, Evolan has had a change in the legal owner structure, reducing the number of owners to one, the CEO Richard Karroum. The change has not had any impact on the company's operation nor its strategy.

We outsource all of our manufacturing and product development activities. Apart from this, the office in Danderyd includes all other functionalities needed for a pharmaceutical company, including departments for regulatory affairs, pharmacovigilance and quality assurance, and a logistic department that plays a key role for Evolan in everyday business.

Net sales in 2021 for the consolidated group\* amounted to 694 361 TSEK. Net sales rose by 19 percent compared to the previous year (2020: 24 %). The total capitalization amounted to 714 257 TSEK.

\*Evolan Pharma AB, Apofri AB, reg No 556773-6847. More details can be found in the annual reports for 2021.

## Our business areas

### Store brand OTC

- Three store brands – ABECE and Apofri for the leading pharmacy chains in Sweden and Norfri for the leading pharmacy chain in Norway and one new additional brand- NET, for general OTC sales in Sweden.
- Generic pharmaceuticals of well-known originator products but also medical devices, food supplement and cosmetics.



### Branded OTC

- Distributor of Zilk Eye, Hydrokortison Evolan, Tiger Balm, Clear Eyes, Melatan, Bamse, Oliva, Pedicare and Sasco.



## Generic Rx

- Monthly tender business for generic pharmaceuticals
- Focus on smaller specialty products and niche generics



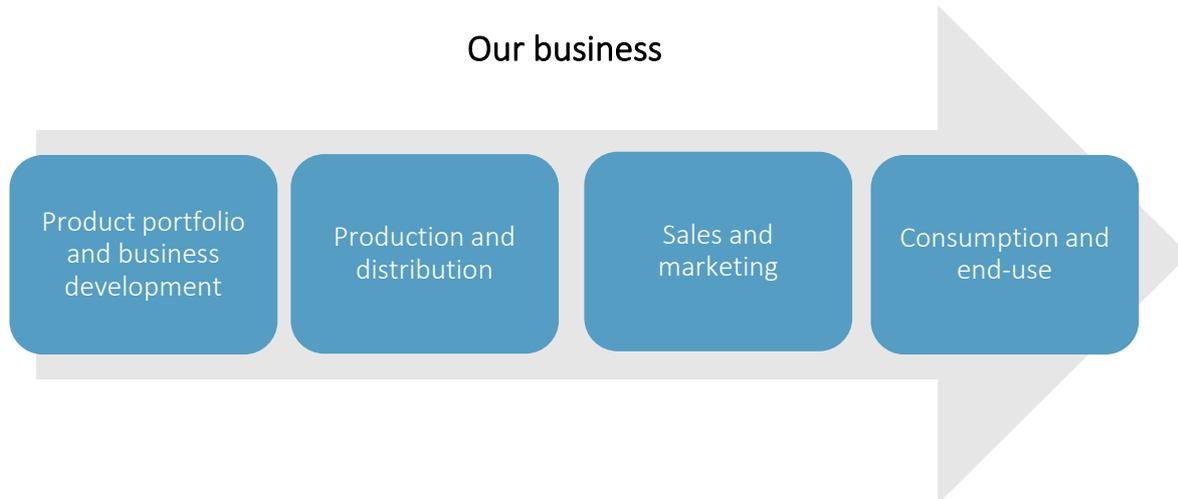
## Originator products

- Dedicated sales force for a product portfolio of ADHD medication
- Invicorp (erectile dysfunction) and Zipzoc, Viscopaste and Ichthopaste (wound care)



## Goals and strategies

Evolan is an expansive company that aims to grasp new business opportunities and models. We take pride in our products and the value that they add to society by increasing the well-being of people and enhancing their quality of life. When it comes to realising our goals, our employees are key. We are therefore working hard to both attract and retain the best talents. In line with our strategy, Evolan is slowly growing and expanding into new assortments and adjusting to supply an increased online market and grocery chains such as ICA and Coop.



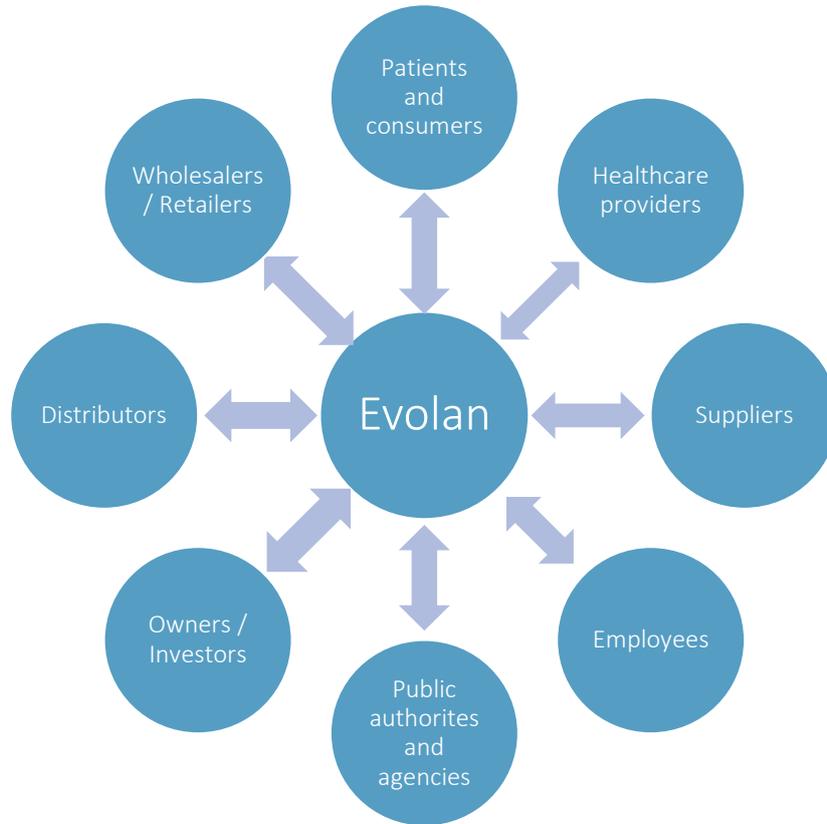
## Evolan and our surrounding world

Our business is focused on Sweden and the other Nordic countries, while our assortments are mainly produced in Europe with a few being produced in India. It is important to be aware of and informed about the issues that are of concern for various stakeholder groups in regions where we sell our products, but also in regions where our products are produced, stored and transported. Some stakeholders are of special importance to us, since they are either influencing our business to a large extent or vice versa.

Our capability to understand and respond to our stakeholders' needs is of vital importance for our success. During 2021, Evolan continued informal dialogues with different stakeholder groups, such as customers, suppliers, employees and owners. As a result of COVID-19, much of our dialogue with stakeholders was held digitally.

Evolan's sustainability agenda is based on the result of a survey taken in 2017 with key stakeholders from different stakeholder groups, see next page. In addition to these groups, policy institutes and research foundations were also contacted. To ensure the sustainability agenda is kept relevant, another stakeholder dialogue on a smaller scale was conducted in 2020, resulting in a renewed sustainability agenda.

## Our stakeholders



## Sustainability for Evolan

In Evolan’s sustainability report, we present how we work and perform within the different sustainability areas that we have identified as material for Evolan and our stakeholders. Our key sustainability areas can be found in all stages of our value chain; from the development of new products to the use of them in medicinal treatment of patients. Customers and legal requirements are always taken into account and our staff is well trained and up to date on sustainability requirements and requests for documentation in tenders and in dialogues with customers.

## Material issues along our value chain

In 2020, we renewed our materiality analysis by conducting interviews and internal workshop. As a result, seven sustainability topics were prioritised and established as material. Our stakeholder groups highlighted compliance with laws and regulations as a topic of great importance. Environmental and social topics related to manufacturing of pharmaceuticals and sustainability in the supply chain i.e. effluents and waste, human rights and supplier assessments, were considered among the most important topics for customers, public authorities, other organisations, owners and employees. Equal opportunity and anti-discrimination were considered as a very important topic by Evolan’s customers, suppliers, owners and employees. The latter two stakeholder groups also highlighted competence as a

topic of great importance. Topics related to customer health and safety, information about products and customer satisfaction were considered especially important by owners, suppliers and other organisations.

The topics were selected based on the level of relevance for our business and for our external stakeholders. The direct and indirect economic, environmental and social impacts of each issue were also considered in this prioritisation. Evolan continuously works with the following seven identified material sustainability issues:

- Our material issues:**
1. Customer health and safety
  2. Sustainability in supply chain
  3. Greenhouse gas emissions
  4. Occupational health and safety
  5. Equal opportunity and anti-discrimination
  6. Compliance
  7. Effluents and waste

- Other sustainability issues:**
- Environmental protection and biodiversity
  - Diversity
  - Water usage in production
  - Accessibility and reliability
  - Research and development
  - Energy usage
  - Information about products
  - Customer satisfaction
  - Stakeholder dialogue and participation
  - Sound finances
  - Attracting and retaining competence
  - Anti-corruption

## Sustainability risks in our value chain

In 2020, we also conducted a risk analysis where we mapped the sustainability risks found in our supply chain. The risk analysis was performed through internal workshops, stakeholder interviews and monitoring the external environment of the industry that we are a part of. Through this analysis we were able to identify the following six risks and the processes we have in place to manage them:

Risk	Description	Risk management
<b>Risk to the environment and human health due to emissions to land and water</b>	Risk to the environment and human health due to emissions to land and water in the country of production. The risk is greatest in low-cost countries but can also be found in Europe.	Collaborative efforts through the PSCI membership. Evolan has a process for supplier audits with regards to emissions to land and water. The audited suppliers are chosen based on type of production, location in a risk country and amount of API sold per year per product.
<b>Risk of human rights violations in the value chain</b>	Human rights violations in production, employee rights and health and safety, including accidents.	Our Supplier Code of Conduct includes our stance on human rights will be included in our contracts. Human rights violations are included in our regular supplier audits.

<b>Corruption</b>	This is mostly a risk in the country of production, regarding, for example, false analysis results and permits.	Our Supplier Code of Conduct includes our stance on corruption and will be included in our contracts. To qualify as a supplier to Evolan, inspection results from authorities is taken into account. Corruption is included in our regular supplier audits.
<b>High workload and stress</b>	There is a risk for high workload and stress for Evolan's employees.	Evolan promotes a work environment where all employees are given an opportunity to speak and influence their work situation. The entire organisation works closely together, helping in task prioritisation, and division managers have development meetings with employees and have a continuous open dialogue with team members.
<b>IT security and privacy risks</b>	Applies mainly to product documentation and leakage of sensitive personal data linked to side effects.	Evolan protects important and sensitive data through a high level of IT security, an area that has been strengthened during 2021. Sensitive physical data is stored in a safe.
<b>Competence provision</b>	There is a lack of specialised competence in the pharmaceutical industry in Sweden.	Evolan conducts trainings annually that keep employees up-to-date on the latest industry requirements. Evolan tries to secure specialised competence by being an attractive workplace, attracting new talent and retaining existing talent.

## Customer and patient

Customer and patient safety and product quality are the top priority for Evolan. We accept nothing less than the highest possible safety and quality and we place the same high demands on our suppliers and partners. Evolan is certified by the Swedish Medical Products Agency (MPA) to import, release and sell medicinal products manufactured within the EU or imported into the EU. The company is inspected regularly by the MPA in order to ensure that we meet Good Manufacturing, Distribution and Vigilance Practice (GMP, GDP and GVP). These are regulations that all pharmaceutical companies must meet in order to ensure products of high quality and safety for consumers. There is also a demand for providing all the appropriate information on our products, including instructions on handling residues. Evolan was lastly inspected by the Swedish Medicines Products Agency in 2019 where we received an

extended certificate to proceed with our business. The cosmetic assortment is handled similarly to non-prescription medicine.

To act according to GMP, GDP and GVP means that Evolan is responsible for products even after they are expedited to customers. This includes having systems for receiving and investigating product complaints, as well as dealing with medicinal questions from customers and health care professionals and handling adverse events reporting. We are also obliged to audit our suppliers on a regular basis, and to ensure that they are also living up to the required standards. Data from complaints, adverse events, audits etc. are compiled and analysed to see trends and to make decisions on changes that have to be implemented in order to improve the products and to minimize health risks. This is a continuing and a never-ending process.

In 2019, Evolan received certification for medical devices according to ISO 13485:2016 and MDSAP, which is the equivalent to the certification Evolan has received for its pharmaceutical products. In 2020 and 2021, Evolan was subjected to surveillance audits with a positive outcome.

All Evolan's activities that relate to medical devices and pharmaceuticals are controlled via Evolan's quality system, with instructions on how to act in order to fulfil the requirements of the legislation.

Evolan has a broad product portfolio. Most products are pharmaceuticals but there are also medical device products, food supplements and cosmetic products. Within the pharmaceutical product group, there are originator products for ADHD, generic products, including both over the counter and prescription medicine.

Evolan's major operations are related to generic pharmaceuticals. Consequently, Evolan is a member of the Swedish organisation FGL (Föreningen för Generiska läkemedel och Biosimilarer). FGL is a lobby organisation for generic companies in Sweden and Evolan is taking a leading role in the organisation by holding the position as chairman of the board.



## Employees

Innovation and the development of new products is driven by highly skilled and educated employees. This resource is often short in supply so being able to both attract and retain it is crucial for Evolan.

**During 2021, Evolan employed, in average, 27 people in Sweden.**

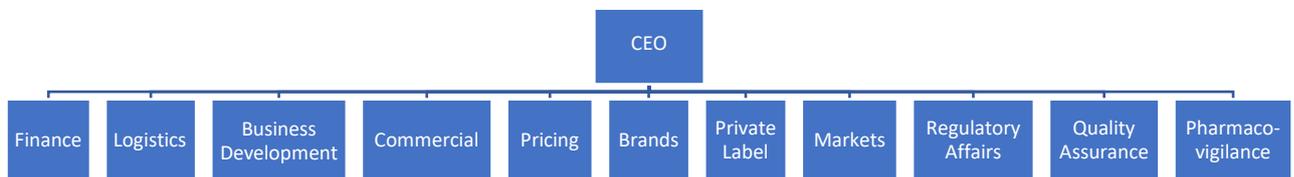
We believe that one important ingredient in attracting and retaining employees is our internal culture and our way of doing business. Evolan is a small family-owned company and this permeates all aspects

of our way of working. Our corporate culture is professional and informal at the same time; our organisation is decentralised with short decision paths that offers all employees a possibility to influence and be part of the decision making process. We take care of our employees, offer flexibility and more frequent manager – team member contacts, all of which were increasingly noticeable during COVID-19.

Two focus areas for Evolan are health and safety and diversity and equal opportunities, which we believe are crucial building blocks in creating an environment for our employees to thrive. To better adhere to our non-discrimination goals, we have during the past year re-written our employee handbook to make it gender neutral.

The Head of OTC is responsible for the sustainability work within Evolan with Evolan’s CEO having the ultimate responsibility.

### Evolan’s organisation of different functions



### Health and safety

A good working environment where our staff can thrive is essential in order to be able to keep our employees and provide them with the possibility to perform at their highest potential. As we work in an industry that relies on human capital and innovations, we understand the importance of creating and upholding a workplace where people’s wellbeing is in focus. The fact that Evolan is a small family-owned company with an entrepreneurial business model also affects the way we see our employees. Each individual at Evolan is an important player and is encouraged to take part in the decisions that we make. We believe that creating an environment where the job is both meaningful and appreciated is important. A flat hierarchy is equally important and gives our employees the possibility to impact their work and the company’s progress. Employees have at least one conversation about their wellbeing in the workplace with their manager per year.

To further increase the health of our staff, we offer an annual health check to all our employees. The results from 2021 shows that Evolan employees have a healthy lifestyle – most exercise on a regular basis, very few persons use nicotine products and almost no one has a BMI that is considered a risk to one’s personal health. This is consistent with 2020. Furthermore, Evolan has a work environment policy, available in Swedish and English, that we work with regularly. New employees are offered a run-through on an ergonomic workplace, and all employees have access to an annual health control that, among other things, provides access to psychosocial and physical workspace support.

The biggest health risk at Evolan is stress. During the past year, increased flexibility has been offered to all employees by encouraging them to work full time from home and by releasing a statement that there will be the possibility to work from home two days a week post Covid. During the times of public Covid restrictions, for those that cannot work from home, the company has provided a safe office environment with the possibility to keep distance and if needed, safe transportation to and from work, adjusted work hours, etc. The workload has also been evaluated and by adding staffing resources, significantly reducing business travel and increasing the use of digital tools such as MS Teams, reduced

stress levels have been noted. Through our insurance, we are able to offer higher compensation during prolonged sick leaves, as well as cover the costs needed to re-introduce the employees into the workplace.

In order to follow-up on health and safety, we measure both staff turnover and lost day rate. In 2021, 4 new people were employed by Evolan (2020: 3) and 4 left the company (2020: 0). The amount of total sick leave in the company was 155 days in 2021 (2,14%) (2020: 82 days, 1,26%).

### **Diversity and equal opportunity**

During 2021, Evolan had, on average, 18 female and 9 male employees (2020: 19 female, 8 male) and both management positions (members of the board) were held by men (2020: 1/3 female). All 27 employees worked full-time and no employee had a temporary employment. Being a small company, driven employees with necessary skills and experience are needed; we now have the opportunity to increase the number of junior positions available as we slowly grow. In our recruitment processes, diversity and equality are important elements considered and we aim for a more equal gender mix and to lower the average age of our employees in order to be a company that stays relevant and attractive on the work market.

Equal opportunities and diversity are important to us, and we have zero-tolerance towards discrimination. No employee at Evolan should be discriminated against based on gender, ethnicity, religion, disability, sexual orientation, age or any personal characteristics. All Evolan employees are covered by an insurance that can be used for counselling, at no cost for the employee and under confidentiality.

Zero incidents of discrimination were reported during 2021 (2020: 0).

### **Suppliers**

Evolan strives to ensure high quality and availability of our products and we are therefore partnering with a number of well-established suppliers to produce our products. We have high demands in terms of the quality of our products and in 2021, Evolan's quality management system has been further digitalized. This allows for not only our suppliers but also authorities to have safer and easier access to SOPs etc. Furthermore, we have also started to increase our demands on our suppliers in terms of sustainability. For Evolan, it is not only a hygiene factor to make sure we have a sustainable supply chain, it is also a matter of competitive advantage. In order to continue to expand, we need make sure that both people working within the supply chain and the surrounding environment are being respected.

Similarly to many other companies in 2021, Evolan had Covid related challenges including delivery delays due to lock-downs, shortages of transportation capacity and increased logistics costs. We have also seen an increased demand from our customers on our alignment with the international sustainability frameworks and member organizations such as PSCI. Many of our main customers promotes sustainability by selling a "sustainable assortment". We ensure that the products we deliver to this customer fulfils the sustainability requirements by collecting information for each of the products.



As a general rule, Evolan only has commercial agreements with suppliers of finished products. The suppliers of finished products, in their turn, have agreements with suppliers of raw material, packaging material, etc. By the end of 2021, Evolan had about 55 suppliers of pharmaceuticals, located mainly in Europe. All but two of the suppliers supplied finished goods. This is a challenge to Evolan, as we have no agreements with the subcontractors, supplying the raw materials to produce our products. Thus, we are dependent on our finished product suppliers to pressure their suppliers of raw materials to meet our sustainability requirements to cover the whole length of the supply chain.

In 2020, Evolan developed and launched a Supplier Code of Conduct, with the aim to strengthen and clarify our sustainability demands on our suppliers. We have during 2021 adjusted our Supplier Code of Conduct for pharmaceutical products to further be in line with the PSCI Principles for Responsible Supply Chain Management. We will continue the implementation of the policy during 2022.

Over the past year, the people and social aspect of what we do has increasingly started to influence our day-to-day work. Human Rights has always been part of our outlined requirements in, for example, our supplier contracts and Code of Conduct. However, as we begin to focus on our business from a more sustainable perspective, we are planning to start to implement training that equips key employees to address human rights in the course of their regular work in a structured way.

Since 2017, we have sent an annual supplier survey to collect sustainability related information and data from our pharmaceutical suppliers. Due to a consistently low response rate, the survey was re-worked during the past year. The new survey consists of 18 questions categorised into four areas: General, Environment, Waste and Effluents and GSG Emissions. The purpose of this survey is to give Evolan a better understanding of the different levels of sustainability work being performed by its suppliers and to serve as a benchmark for future work.

The survey was e-mailed to each supplier to fill out. The survey consisted of 18 questions with a yes or no answer and space to give clarifying information. The survey was sent to 53 suppliers and 41 responses were received (77%). This is an improvement compared to 2019 and 2020, when only 58 and 43% of the suppliers, respectively, replied to the questionnaire. One reason for this could be the fact that the questionnaire is downsized from 39 to 18 questions.

From the responses, the following was observed:

All suppliers are certified against GMP, ISO 13485 or equivalent, while 22% and 17% are certified with regards to environmental and occupational health and safety aspects, respectively. The maximum level certification with regards to product quality is expected given that most suppliers are manufacturers of pharmaceuticals. But it is positive that the certification with regards to environmental and occupational health and safety aspects is increasing (2020: 10% and 5%).

Furthermore, 29% produce a corporate sustainability report. This is a slight increase compared to 2020 when 25% produced a corporate sustainability report. In addition, there were no significant negative social impacts in 2021.

In the environmental section, 80% had established environmental policies and 73% had established environmental goals. This is in line with 2020 when 76% had established a policy and 67% environmental goals.

85% managed, controlled and treated their waste, wastewater and emissions prior to releasing it into the environment and 63% have taken actions to reduce water consumption and wastewater. Compared to 2020, when 90% had procedures for safe storage and handling of chemicals and waste and 81% had a system for reducing use of resources, this can be said to be more or less on the same level even though the questions in the survey were not identical. 49% of the suppliers had done a risk analysis on waste and effluents relating to their operations and/or value chain.

15 suppliers (37%) did measure or did ask their suppliers to measure total water discharge. This is a rather low value, but on the other hand, Evolan's suppliers are mostly manufacturing solid pharmaceuticals using small amounts of water in the production processes.

There were no reported major incidents causing significant harmful effluents during 2021.

When it comes to greenhouse gas emission, almost 3 out of 4 suppliers (73%) did measure energy and fuel consumption and worked actively to increase energy efficiency.

### **Supplier audits**

Our Supplier Management program states that we should perform a minimum of three supplier audits per year, focusing on sustainability. The suppliers to be audited are prioritised according to:

- the supplier's operations, and the risk of having a negative impact on sustainability,
- the supplier's location – if it is in a high-risk country according to the Country Risk Classification from Amfori BSCI, and
- the amount of the active pharmaceutical ingredient(s) (API) Evolan sells per year and product.

In practice, this means that API suppliers are prioritised over finished product manufacturers since the API production process is considered to have a higher negative impact on sustainability, for example when it comes to the use of, and effluents to water. It also means that suppliers outside the EU are prioritised as they are generally associated with higher risk according to the Country Risk Classification from Amfori BSCI.

Depending on the outcome of an audit, Evolan will decide on the need of an action plan and a follow-up audit. The ambition is always to resolve deviations in close dialogue with the supplier. In the case of serious deviations and if deviations are not corrected, decisions are taken on requirements for continued cooperation or whether the partnership should be terminated.

Due to COVID-19, no on-site audits were performed during 2020 and 2021. With our strengthened Supplier Code of Conduct, our ambition is to review our audit program and add the option for desk audits or the like in 2022.

## Pharmaceuticals and the environment



Pharmaceuticals and the environment is an important topic in the pharmaceutical industry and the industry is regulated and followed-up by local authorities. Waste and effluents to water associated with the production of pharmaceuticals and drug residues are the greatest indirect environmental impacts for Evolan. Since Evolan does not manufacture pharmaceuticals, the biggest potential environmental impacts are limited to the production phase at Evolan's suppliers.

As a small company, we believe that collectively it is possible to drive complex, global change and to promote responsibility within supply chain management and better business conditions across the industry. This is why the membership in PSCI (the Pharmaceutical Supply Chain Initiative) is of importance for Evolan. Together with peer companies from all around the world, we are reenforcing the PSCI Strategy to work for sustainable industry standards.

In the Supplier survey, Evolan asked all suppliers of products to present data on environmental compliance fulfilment with laws and regulations associated with their manufacturing of Evolan's products. The result showed that only one supplier did have compliance issues but had on-going discussions with the authorities on how to solve it. Evolan will follow up on this.



## The Pharmaceutical Supply Chain Initiative (PSCI)

Evolan has been a member of PSCI ([pscinitiative.org](http://pscinitiative.org)) since 2017, a non-profit business membership organisation with the purpose to bring together members to define, establish and promote responsible supply chain practices, human rights, environmental sustainability and responsible business. Its vision is for excellence in safety, environmental and social outcomes for the whole global pharmaceutical and healthcare supply chain.

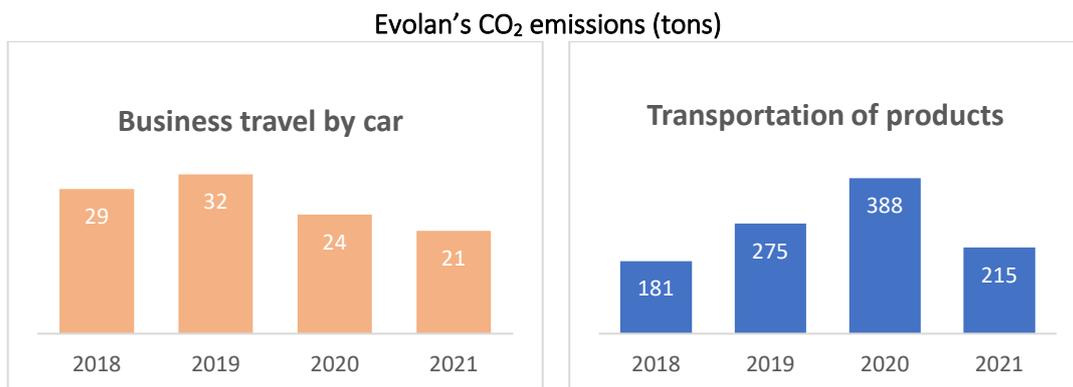
By helping suppliers meet industry expectations, and by articulating the expectations in the PSCI Principles for Responsible Supply Chain Management, all members are expected to support and incorporate these principles into their key supplier documents and agreements. Through Evolan’s engagement in PSCI, access to a full library of resources, webinars and events is provided. Furthermore, PSCI also hosts conferences and arranges trainings for suppliers.

PSCI is today not only seen as an organisation bringing benefits to its members, a membership is also either an expectation or a strong recommendation from some of Evolan’s customers.

## Our climate impact

Environmental topics were considered among the most important topics for our stakeholders participating in our recent the stakeholder dialogues.

Our climate impact for CO<sub>2</sub> emissions is linked to energy consumption during production of our product assortment, business travel and logistics within our value chain and the distribution of our products. By outsourcing our production, we are aware that a large portion of our climate impact is linked to parts of our value chain where we have the least control. The activities we handle ourselves, and therefore have a greater opportunity to influence, are the CO<sub>2</sub> emissions associated with distribution of our products and business travel by car.



When transporting finished goods, Evolan tries, as far as possible, to transport our goods by boat and truck, avoiding air freight. For transport of all goods, Evolan strives to fill containers and trucks in order to minimize emissions per unit delivered. When transporting only small quantities, trucks are often shared with others to fill the trucks to maximum capacity.

Evolan’s business travel by car is mainly related to the company’s sales representatives’ activities and is the most efficient way of travelling, and for most occasions the only possible alternative. Due to COVID-19, travel by car has been significantly reduced as most customer events have been held digitally. Digital education material and material for digital events have been developed. With growing a customer base asking for more digital solutions, the online formats are here to stay, and we expect a reduced need for travel moving forward.

We are through our supplier management processes following up on how our suppliers of pharmaceutical products work with their environmental goals as well as risk analyses on waste and effluents. From our Supplier Survey, we know that 73% of our supplier have environmental goals and

that 73% measure their energy and fuel consumption and are actively working to increasing their energy efficiency.

Evolan's work to continuously improve our sustainability efforts and to reduce our climate impact is a natural part of how we work, and it is engrained in our processes and in our dialogues with our suppliers, our landlord and other stakeholders.

## About the report

Evolan's sustainability report 2021 is the company's fifth sustainability report. This report has been prepared in accordance with the GRI Standards: Core option. By doing so Evolan aims to ensure transparent reporting based on content which is relevant to our stakeholders.

The report is structured according to four thematic areas which corresponds to the areas which are of importance to our stakeholders; customer and patient, employees, suppliers and our climate impact.

Evolan reports on an annual basis. This report's sustainability data covers the fiscal year 2021. This report describes Evolan, defined as Evolan and its subsidiaries, as well as Evolan's value chain. Definitions regarding boundaries as well as measuring techniques and calculations for each topic specific disclosure are given in the GRI-index. From 2019, Evolan's reporting to a larger extent entails all products rather than mere focus on pharmaceuticals.

## GRI-index

### General disclosures

Number	Disclosure	Page	Comment
102-1	Name of the organisation	3	
102-2	Activities, brands, products and services	3-5	
102-3	Location of headquarters	3	
102-4	Location of operations	3	
102-5	Ownership and legal form	3	
102-6	Markets served	3	
102-7	Scale of the organisation	3, 10	
102-8	Information on employees and other workers	10-12	
102-9	Supply chain	6, 12-14	
102-10	Significant changes to the organisation and its supply chain	3	New owner structure 2021
102-11	Precautionary Principle or approach	12-14	
102-12	External initiatives	9-10, 15-16	
102-13	Memberships of associations	9-10, 15-16	
102-14	Statement from senior decision-maker	2	
102-16	Values, principles, standards, and norms of behaviour	2, 9-10	
102-18	Governance structure	11	
102-40	List of stakeholder groups	7	
102-41	Collective bargaining agreements		No
102-42	Identifying and selecting stakeholders	6-7	
102-43	Approach to stakeholder engagement	6-8	
102-44	Key topics and concerns raised	7-9	
102-45	Entities included in the consolidated financial statements	3	
102-46	Defining report content and topic Boundaries	6-8, 19-22	
102-47	List of material topics	8	
102-48	Restatement of information		None
102-49	Changes in reporting		No significant changes
102-50	Reporting period	18	
102-51	Date of most recent report		2021-03-31
102-52	Reporting cycle	18	
102-53	Contact point for questions regarding the report	26	

102-54	Claims of reporting in accordance with the GRI Standards	18	
102-55	GRI content index	19-22	
102-56	External assurance	18, 24	

### Material topics

GRI Standard	Boundary	Number	Disclosure	Page	Comment
GRI 303: Water and Effluents	Production	103-1-3	Management Approach	12-14	
		Own indicator	Percent of our key pharmaceutical suppliers that have conducted a risk analysis within the area of waste and effluents	14	
GRI 305: Emissions		103-1-3	Management Approach	15-16	
	Own transports	305-1	Direct (Scope 1) GHG emissions	16	Data covers business travel by car. Calculation tools used: Naturvårdsverket schablonmall utsläpp koldioxid Gases included in the calculations: CO2
	Purchased transports	305-3	Other indirect (Scope 3) GHG emissions	16	Data covers all distribution arranged by Evolan. Data does not cover distribution arranged by our manufacturers. Calculation tools used: EcoTransIT, Euro5, DHL Carbon Calculator Gases included in the calculations: CO2
GRI 307: Environmental Compliance	Production	103-1-3	Management Approach	12-14	
		307-1	Non-compliance with environmental laws and regulations		No cases of non-compliance with environmental laws and regulations were identified.
GRI 308: Supplier Environmental Assessment	Production	103-1-3	Management Approach	12-14	
		308-2	Negative environmental impacts in the supply chain and actions taken	13-14	No significant actual and potential negative environmental impacts identified.
GRI 403: Occupational	Evolan	103-1-3	Management Approach	11-12	

Health and Safety					
		403-1	Occupational health and safety management system	11-12	
		403-2	Hazard identification, risk assessment, and incident investigation	9-11	
		403-3	Occupational health services	11-12	
		403-4	Worker participation, consultation, and communication on occupational health and safety	11-12	
		403-5	Worker training on occupational health and safety	11	
		403-6	Promotion of worker health	11	
		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	11-12	
		403-8	Workers covered by an occupational health and safety management system	11	
		Own indicator	Staff turnover and lost day rate	12	
GRI 405: Diversity and Equal Opportunity	Evolan	103-1-3	Management Approach	12	
		405-1	Diversity of governance bodies and employees		No data for age groups available for 2021
GRI 406: Non-discrimination	Evolan	103-1-3	Management Approach	10-12	
		406-1	Incidents of discrimination and corrective actions taken	12	
GRI 412: Human Rights Assessment	Evolan	103-1-3	Management Approach	13	
		412-2	Employee training on Human Rights procedures		No data available for 2021, planning to implement a training program ongoing.
GRI 414: Supplier Social Assessment	Production	103-1-3	Management Approach	12-14	
		414-2	Negative social impacts in the supply chain and actions taken	14	No significant actual and potential negative social impacts identified.
GRI 416: Customer Health and Safety	Consumer	103-1-3	Management Approach	9-10	

		416-1	Assessment of the health and safety impacts of product and service categories	9-10	100 % of our pharmaceutical products have been assessed on basis of their health and safety impacts. For our other main product categories, similar assessments are undertaken in most cases. No exact percentage for these product categories is available for 2021.
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Evolan Pharma's Sustainability Report of 2021 is signed off on behalf of Evolan Pharma AB by



Richard Karroum

Board Member, Managing Director

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Anders Håkanson (May 5, 2022 14:22 GMT+2)

Anders Håkanson

Board Member, Chair of the Board

Auditors' Limited Assurance Report on the Sustainability Report

For any questions related to this report, please contact Fredrik Engström:  
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# Evolan sustainability report 2021 final- 2021-05-05

Final Audit Report

2022-05-05

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