



Sustainability report 2023

Cambrex Karlskoga AB



Our legacy from Alfred Nobel

Alfred Nobel laid the foundation for Cambrex in Karlskoga as early as 1896. For more than a century, we have carried out qualified chemical development and manufacture in the industrial area adjacent to Alfred Nobel's Björkborn – The Nobel Museum. Such long ancestry is accompanied by an understanding of the importance of long-term thinking and acting sustainably. With over a hundred years' experience, we know that an organization's success and survival are not determined by an individual quarter or year. We also know that we are not judged on growth and financial results alone, but at least as much on the basis of the impact we make on our organization, our surroundings and our environment. For us, while we continue to be a successful global export company in Karlskoga, it is a matter of course to manage the legacy we have received from Alfred Nobel and to ensure sustainability in everything we do.

THE SUSTAINABILITY REPORT

This document is aimed for those who want a deeper insight into Cambrex’s operations, our long-term work with sustainability issues, and how we work internally with our staff in relation to health and safety, environmental and climate issues, and ethics in our business. The sustainability report is a supplement to the annual report and should be read in that context. Further information about the company’s business model, public policies and guidelines can be found on our website: www.cambrex.com

The report covers these areas:

- 1. Climate change
- 2. Health, Safety and Environmental work
- 3. Water and use of resources
- 4. Biodiversity
- 5. Working conditions and community involvement – social responsibility
- 6. Responsible business
- 7. Cambrex Karlskoga management system

Risks relating to sustainability work are managed by means of continuous improvement in the area and controlled KPIs. The report below explains how Cambrex manages these risks, and the table below gives a general overview of the risks involved:

| Sustainability risk | Page |
|---------------------|------|
| Climate change | 6 |
| Safety | 10 |
| Emissions to air | 11 |
| Emissions to water | 11 |



CAMBREX'S SUSTAINABILITY WORK

For us, sustainability means that our products must be manufactured in a way that has minimal negative impact on people and the environment. This also means that we are actively involved in networks and with both local and national partners, e.g. WSP environmental and sustainability network, the industry organization IKEM, and Västra Bergslagens Industriförening VBIF.

People:

Our motto – Safety first! Putting safety first in all situations means our production should not negatively affect anyone, whether inside or outside the organization.

All stages of our production are safety reviewed and analysed by experts to ensure that the work involves minimal risk of injury or exposure to chemicals and avoids noise, poor ergonomics and general health hazards.

All chemicals used undergo an assessment to find out which safety equipment should be used. A further goal is for all work that involves a risk of exposure to chemicals to be phased out.

Cambrex Karlskoga's operations not only affect the people who work in Karlskoga, but also the many suppliers and employees in our supply chain.

All suppliers are classified and assessed across several parameters, including safety, employment conditions, and general working conditions. They must also undergo an approved safety audit in order to supply us with raw materials and other business-related products. Depending on the type of supplier involved, different types of classifications are carried out. Some suppliers are visited on-site to ensure that requirements relating to safety, quality, and environmental issues are complied with.

To strengthen our sustainability work, we have established a Supplier Code of Conduct. This document now forms part of our supplier classification and must be signed and adhered to by our suppliers.

Read our Supplier Code of Conduct here:
www.cambrex.com

Cambrex Karlskoga manufactures and develops advanced pharmaceutical intermediates and active pharmaceutical substances for pharmaceutical companies. We deliver the products in volumes between 1 tonne up to almost 1,000 tonnes to our customers, the pharmaceutical companies.

Environment:

At Cambrex we work to reduce our impact on the local environment. As part of our health, safety and environment management system, we regularly identify aspects that may be significant in relation to the environment. We have identified the following areas as significant:

- Emissions to water
- Emissions to air
- Chemical management
- Waste management

Where the environment outside our manufacturing premises in Karlskoga is concerned, we work to reduce our overall impact through cooperation with our suppliers. Read more about this in the following section: Climate change.

Operations in Karlskoga have expanded in recent years and our production capacity is continuously increasing. This places great demands on our organization as the growing business should not mean a greater environmental impact.

1. CLIMATE CHANGE

Cambrex Karlskoga, like everyone else, is affected by ongoing climate change, for which the largest contributing cause is increased emissions of greenhouse gases.

While we are working in various ways to reduce our contribution to climate change, we are simultaneously adapting our operations to cope with the new reality involving, among other things, extreme heat and precipitation.

Since 2017, Cambrex has calculated its greenhouse gas emissions in accordance with the GHG Protocol Scope 1 and 2. The calculations have subsequently also been supplemented with Scope 3. This means that we can now take responsibility for and work to reduce greenhouse gas emissions throughout the value chain.

Cambrex Group Management has set a target to reduce emissions as follows:

| Scope | Base year | 2030 target (% reduction from base year) |
|-------|-----------|--|
| 1 | 2018 | 52% |
| 2 | 2018 | 52% |
| 3 | 2020 | 42% |

All targets have been established according to the Science Based Targets Initiative (SBTi). Cambrex's ambition for the next few years is to have the targets validated according to SBTi. Cambrex's Commitment letter was sent to SBTi in 2023.

Reaching these targets will be a challenge, but it is a challenge for which we are well prepared. We have already been working for many years to reduce our climate impact by:

1. Replacing chemicals with more environmentally friendly alternatives.
2. Reducing the use of chemicals.
3. Investing in the production facilities in order to achieve contained manufacturing processes.

4. Conserving energy and working with energy efficiency.
5. Reducing the amount of waste from our operations.

Climate change affects operations in Karlskoga in a number of different ways:

- Periods of persistent heat increase demands on ventilation and for efficient cooling/heating systems in our production facilities.
- Increased water flows in connection with rapid snow melt and brief periods of extreme precipitation have a major impact on our sewerage systems and the wastewater treatment plant. The increased water flow affects the efficiency and capacity of the wastewater treatment plant. In recent years, a number of projects have been initiated to reduce the amount of extraneous rain and meltwater entering our process wastewater system. The work has resulted in us being able to reduce the amount of extraneous water entering the wastewater treatment plant. This work is not finished, however, as it is part of a continuous process.

Our impact:

Cambrex Karlskoga is determined to take responsibility for the impact we have on climate change.

Cambrex calculates its emissions in accordance with the GHG Protocol where emissions are categorised as follows:

Scope 1: Direct emissions from operations. Emissions within this scope originate from the use of solvents in production, internal transport and from the treatment plant.

Scope 2: Emissions generated by energy use. Cambrex Karlskoga reports the utilisation of electricity and steam in this category. All electricity used is origin-labelled hydropower, which generates zero emissions. Steam is obtained from the combined heat and power plant in Karlskoga and is 88% bio-based.

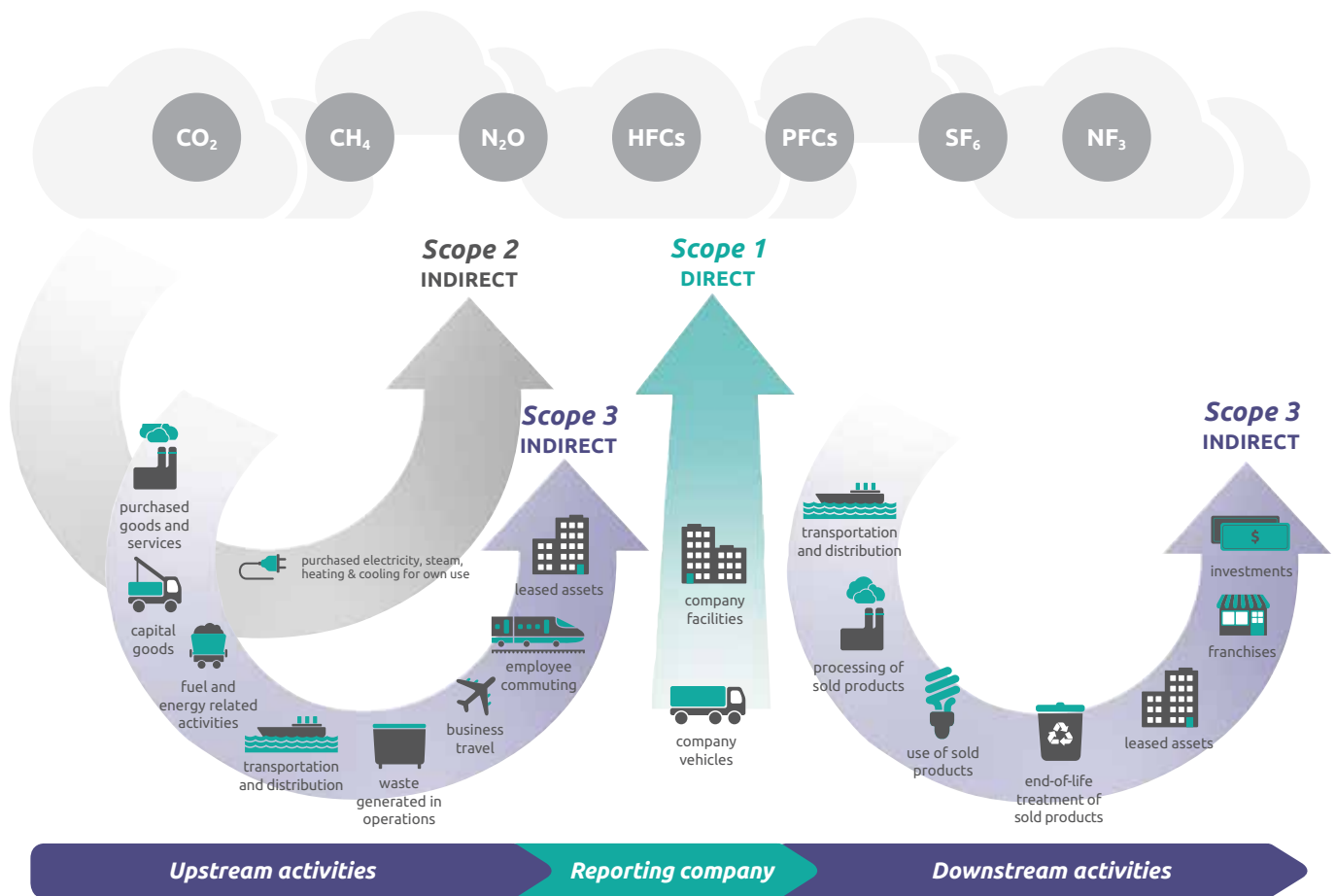
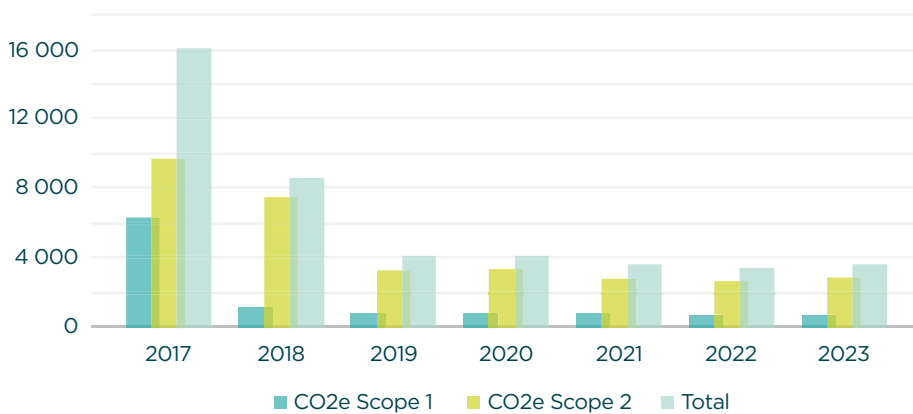


Figure 1. Source: <https://ghgprotocol.org/blog/you-too-can-master-value-chain-emissions>

Greenhouse gases emission (scope 1-2)



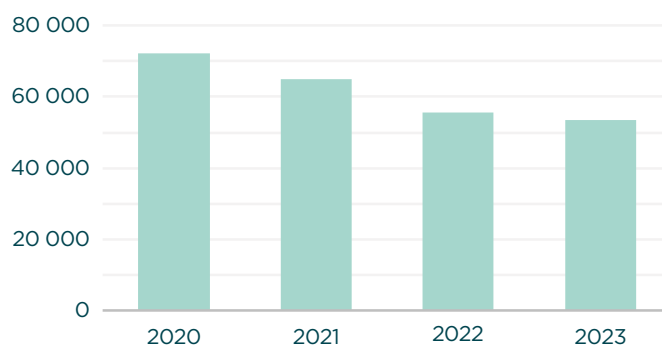
| Scope 3 category | Subcategory | Comment |
|--|---|---|
| 1. Purchased goods and services | Packaging Raw materials Consumable goods Other purchased goods | |
| 2. Capital goods | | Excluded/ partly included in category 1 |
| 3. Fuel- and energy related emissions | | |
| 4. Transport and distribution | Upstream Downstream | |
| 5. Waste management | | |
| 6. Business travel | | |
| 7. Commuting | | |
| 8. Leased assets | | Irrelevant. |
| 9. Downstream transport and distribution | | |
| 10. Processing of sold products | | Excluded. |
| 11. Use of sold products | | Excluded. |
| 12. End-of-life treatment of sold products | | Irrelevant/ excluded. |
| 13. Downstream leased assets | | Irrelevant. |
| 14. Franchise | | Irrelevant. |
| 15. Investments | | Excluded. |

Figure 2. Source 2050 (external consultant)

Scope 3: Downstream and upstream emissions within the value chain. Cambrex Karlskoga has calculated the Scope 3 emissions produced by operations. The work was undertaken with the company 2050, which has extensive experience of GHG calculations. Scope 3 calculations are based on 15 categories, three of which were deemed relevant to the operations in Karlskoga. See Figure 2.

The Scope 3 calculations show that approximately 90% of Cambrex's total emissions fall under Scope 3. All GHG emissions and reduction targets will be reported in the 2023 registration to the Carbon Disclosure Project (CDP).

Greenhouse gases emission (scope 3)



2. HEALTH, SAFETY AND ENVIRONMENT WORK

Safety is our top priority at Cambrex and is defined in our Safety Policy. The Cambrex Karlskoga management team is responsible for ensuring that the safety policy is firmly established and complied with in all our operations.

Safety policy summary

At Cambrex Karlskoga:

- we work in accordance with the motto "Safety first".
- we work with preventive measures to avoid personal injuries and accidents.
- we meet the requirements of customers and authorities in accordance with applicable legislation and other relevant standards.
- we believe that the basis of our Health, Safety and Environment work is each individual employee's participation, understanding and competence.
- we maintain open dialogue with the public regarding our business and the risks associated with our business

The environmental area is managed on the basis of the environment and climate policy. The Cambrex Karlskoga management team is responsible for ensuring that the policy is firmly established and complied with in all our operations.

Summary of environment and climate policy

At Cambrex Karlskoga:

- we work through continuous improvement to provide a safe local environment and to minimize our environmental impact.
- we design and develop our manufacturing processes in a climate-efficient way.
- we meet the requirements of customers and authorities in accordance with applicable legislation and other relevant standards.
- we believe that the basis of our Health, Safety and Environment work is each individual employee's participation, understanding and competence.
- we maintain open dialogue with the public regarding our business and the risks associated with our business.

The company is a Responsible Care affiliate and is committed to working in accordance with its sustainability program.



Part of our annual HSE work at Cambrex is undertaken by means of the HSE plan.

By setting clear goals and making action plans for our environment work, all employees should know which issues are important and what we wish to achieve in both the long and short term. The HSE plan defines visions, goals and activities in the health, safety and environmental field. The focus of the company's improvement work is in the current year, but visions and long-term goals as well as certain sub-activities naturally extend further ahead.

The HSE plan encompasses the following main areas:

- Safety
- Working environment – exposure to chemicals
- Chemical management
- Emissions to water
- Emissions to air



Safety

No employee should suffer detrimental effects on account of our operations. It is therefore important that the number of incidents is reported, and that they are rectified and communicated in order to avoid serious incidents occurring.

The company's Safety Culture work constitutes continuous improvement, where it is important to be able to take measurements to see that the desired effect is achieved over a longer period of time. On the basis of the KPIs we use for measuring and following up our safety work over time, we can see improved results. Incident reporting has increased – and this is positive in a reporting culture – while the number of serious incidents has decreased.

In 2023, Cambrex Karlskoga carried out several projects and activities to reduce the number of workplace incidents.

A Safety Week was held in 2023. The Safety Week included both lectures and practical parts. The topics of the lectures included job satisfaction and sustainability. The week also included practical exercises in CPR, chemicals in closed systems, evacuation, and factory knowledge.



The expansion of the sprinkler system that commenced during the previous year continued in 2023 and has been expanded to include a larger factory facility that was upgraded during the year. Investments have also been made in new storage sites for chemicals and solvents, both to increase storage capacity and to improve the safety of chemical handling.

Working environment – exposure to chemicals

In 2023, numerous work environment measurements were performed in production. Measurements were performed where there was possible risk of exposure to solvent fumes or dusting powder and in potentially noisy environments.

The measurements show that exposure in production is low and that our protective barriers are functioning satisfactorily.

Despite this satisfactory result, production personnel and engineers have nevertheless seen it fit to discuss additional protection or changes in working methods in order to reduce exposure still further.

Chemical management

Chemical management at Cambrex Karlskoga AB includes all physical handling of raw materials, intermediate products, end products and waste. Approximately 12,000 tonnes of raw materials, 3,000 tonnes of intermediate products and end products, and 6,000 tonnes of waste are handled annually.

Cambrex endeavours to optimise processes to reduce the amount of chemicals and, if possible, avoid chemicals that are unfavourable from an environmental and health perspective. Even if it would be environmentally justified to replace products that are hazardous to health and the environment with less hazardous products, it may be difficult to implement for technical and patient safety reasons. Pharmaceutical manufacturing is strictly regulated and places

strict demands on patient safety. The manufacturing processes are validated and registered with authorities, which complicates the implementation of changes.

The company's chemical handling procedures are reviewed each year to ensure safe, secure handling for both people and the environment. To ensure that all personnel who handle chemicals have the skills and information necessary to do this in a safe, risk-free manner, they undergo regular training.

In 2023, a number of other activities were also undertaken with the operational staff and emergency services to further enhance safety. Among other things, a comprehensive spill exercise was carried

out together with the Industrial Fire Brigade where alarms and managing spills/leaks were practised, including the disposal of contaminated water in the wastewater treatment plant tanks.

Emissions to air

Emissions to air occur via our manufacturing processes, venting from tanks and from the treatment plant. Emissions are reported as VOCs and via the GHG protocol as Scope 1.

Table 1 shows that our emissions to air are gradually being reduced. A further long-term goal of the company is to reduce our VOC emissions as far as technically and financially possible.

| Area | Outcome 2017 | Outcome 2018 | Outcome 2019 | Outcome 2020 | Outcome 2021 | Outcome 2022 | Outcome 2023 | Goal 2023 |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------------------|
| VOC (ton) | 57 | 70 | 52 | 54 | 53 | 48 | 49 | Permit 80 ton/year |
| CO ₂ e Scope 1 and 2 | | | 4 160 | 4 160 | 2 852 | 2 607 | 2 849 | 52 % reduction from 2018 |
| Scope 3 | | | NA | 72 070 | 64 980 | 55 540 | 53 330 | 42 % reduction from 2020 |

Table 1. Emissions to air 2017-2023

Emissions to water

The treatment plant, which is part of Cambrex Karlskoga's operations, handles process wastewater from various operations in the Björkborn industrial area. Emissions to the recipient lake, Möckeln, are monitored

daily. Measurements are also reported to the relevant authorities. The long-term goal of the wastewater treatment plant is to have as low an impact as possible on the surrounding environment.

Table 2 shows that we met all our targets for 2023.

| Area | Outcome 2017 | Outcome 2018 | Outcome 2019 | Outcome 2020 | Outcome 2021 | Outcome 2022 | Outcome 2023 | Goal 2023 |
|-------------------------|--------------|--------------|--------------|--------------|-----------------------------------|-----------------------------------|-----------------------------------|---------------------------|
| TOC (ton) | 180 | 164 | 94 | 83 | 81 | 72 | 52 | Permit 20 ton/month |
| Reduction TOC (%) | 77 | 78 | 84 | 91 | 91 | 93 | 92 | 90 |
| Ammonium nitrogen (ton) | 53 | 67 | 50 | 75 | 57 (NH ₄ -) 85 (tot-N) | 47 (NH ₄ -) 80 (tot-N) | 35 (NH ₄ -) 55 (tot-N) | Permit 15 ton tot-N/month |

Table 2. Emissions to water 2017-2023 from Cambrex wastewater treatment plants

3. WATER AND USE OF RESOURCES

Cambrex Karlskoga aims to help fulfil Agenda 2030, SDG (Sustainable Development Goal) 6: 'Clean water and sanitation for all', SDG 7: 'Sustainable energy for all', and SDG 9: 'Sustainable industry, innovation and infrastructure'.



For Cambrex, this means:

- Reducing the use of drinking water.
- Increasing the treatment plant's capacity and reduction ratio.
- Reducing the use of drinking water, river water and energy in heating and cooling of production processes through innovative solutions such as digitalisation (programming).

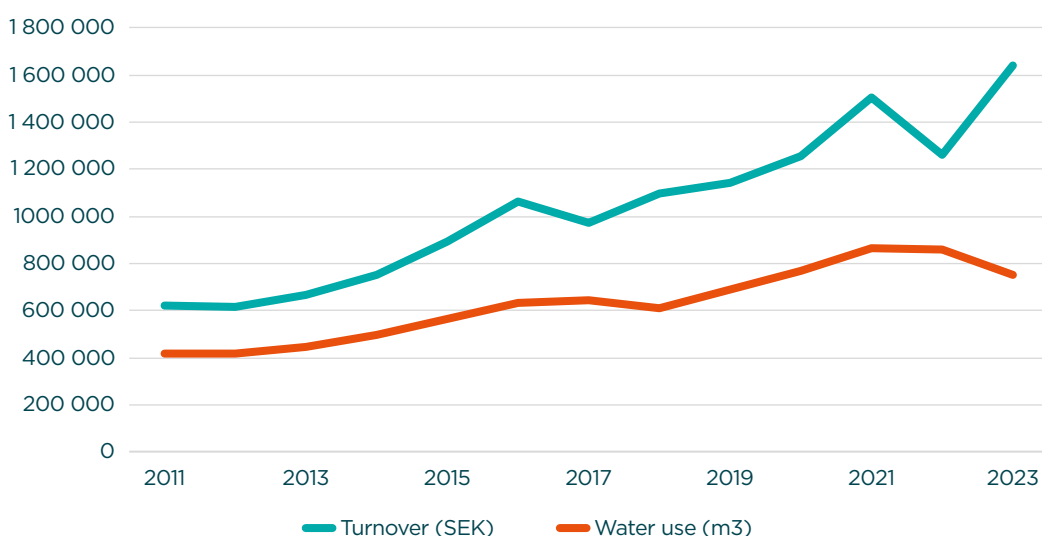
Water use

In recent years, Cambrex Karlskoga has made great efforts to limit the use of drinking water in its processes. Despite the company's considerable economic development in recent years, we have managed to keep our use of water down to a limited level.

We aim to reduce our total water use by 20% by 2030. We will achieve this by:

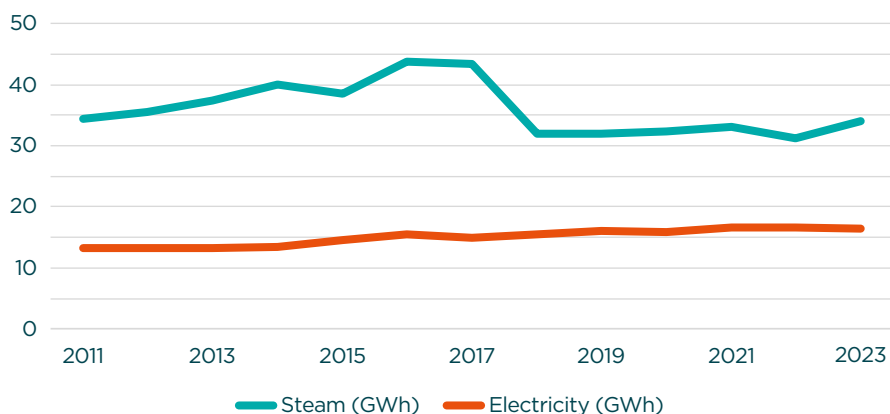
- Measuring all water usage in our production (not just in and out of the company).
- Controlling manufacturing processes so that water is not left on "unnecessarily".
- Installing smart cooling/heating systems.

Water use and turnover 2011-2023



Energy use

Use Electricity and Steam 2011–2023



Electricity

Since 2019, Cambrex Karlskoga has been a signatory to an agreement ensuring that 100% of electricity use is origin labelled. This agreement ensures that the company uses 100% renewable electricity.

Steam

Cambrex Karlskoga uses steam for heating production processes. The steam is supplied by the Karlskoga combined heat and power plant and is classified as 88% renewable. Cambrex has collaborated with the supplier to increase the use of renewable fuels in steam production. We are very pleased that 99% of the steam supplied by our partner will be from renewable sources by 2025.

Compressed air

Compressed air is supplied by an external supplier at Björkborn industrial park. Cambrex conducts periodic inspections on the compressed air system to ensure leakage and pipeline rifts are kept to a minimum. This serves our goal of reducing energy consumption by the compressed air compressors. Loss of compressed air could have a major impact on production, so extra compressed air containers have been installed to safeguard critical equipment.

Energy efficiency

We work with energy efficiency on a continuous basis, always aiming to reduce the amount of electricity used.

Since 2019, energy efficiency work has been systematically undertaken in a working group that develops proposals for measures and implements those considered to have the best effect on the business. The working group is also responsible for carrying out energy audits with a certified energy auditor in accordance with the Act on Energy Audits for Large Companies.

Since 2019, Cambrex has implemented more than 28 measures resulting in savings of 10,324 MWh of steam and 1,816 MWh of electricity. In addition, Cambrex saves over 3,000 MWh/year in heating costs as condensate from the production facilities is dealt with through a central heating system for heating buildings. In addition to pure savings measures, major efforts have been made to increase awareness of energy use by introducing specific measurements. The purpose of this work is to follow energy flows in real time in order to be able to reduce energy consumption still further.

4. BIODIVERSITY



Agenda 2030 SDG 15:
"Ecosystems and
biodiversity".

As a company, we have the
opportunity to influence
and favour activities that
protect biological diversity

by being actively involved in local environmental
networks and water councils.

All process wastewater that is handled by our treat-
ment plant undergoes an environmental risk analysis
by our chemicals committee before it is treated in
the plant.

We are members of Gullspångsälven's water conser-
vation association, which has the task of protecting
wildlife in Lake Möckeln and other areas.

We work with our suppliers and partners via our
'Supplier Code of Conduct' and supplier qualification
process to ensure that they work actively to minimise
the impact on people and the environment from
their operations.



5. WORKING CONDITIONS AND COMMUNITY INVOLVEMENT – SOCIAL RESPONSIBILITY



Attractive employer

Cambrex Karlskoga strives to be an attractive employer and works to create a positive corporate culture and an environment that encourages creativity, innovation and collaboration. We take active steps to offer our employees career and development opportunities, and we believe that freedom with responsibility makes our employees feel motivated and committed.

In addition to competitive salaries, all employees are included in our local bonus programme, which is based on local goals linked to safety, financial outcome and quality.

At Cambrex, we believe the work-life balance is very important. To ease the schedules of everyday life, we have flexible working hours for all daytime staff, the possibility of remote work and a positive attitude towards parental leave.

In order to attract employees to Karlskoga, we offer relocation subsidies and guaranteed accommodation through Karlskoga Municipality's business priority scheme. For employees who do not speak Swedish, Cambrex Karlskoga arranges language tuition during paid working hours for the first year of their employment.

Working conditions

At Cambrex Karlskoga, we work to ensure that all people are of equal worth. For us, it goes without saying that everyone working within our organization –

as an employee, consultant or subcontractor – should be guaranteed the basic human rights established by the UN and the ILO (International Labour Organization). This means that we have zero tolerance for all forms of child labour, forced labour and all forms of discrimination in employment. We wholeheartedly support the ten principles of the UN Global Compact and ILO's eight core conventions on human rights at work:

Freedom of association and right of organization

- Convention 87: Freedom of association and protection of the right to organize
- Convention 98: Right to organize and collective bargaining convention

Forced labour

- Convention 29: Prohibition of forced and punitive labour
- Convention 105: Abolition of forced labour

Discrimination

- Convention 100: Equal remuneration convention
- Convention 111: Discrimination in respect of employment and occupation

Child labour

- Convention 138: Minimum age convention
- Convention 182: Against the worst forms of child labour

For 2023, no KPIs linked to human rights were set. These will be drawn up over the next few years in collaboration with purchasing and supplier assessment and qualification based on the above-mentioned Code of Conduct.

Forced labour

Cambrex Karlskoga strongly rejects all forms of forced labour where someone is forced to perform work against their will by means of violence or threat. The conditions for established industry in the Swedish



labour market provide additional safeguards through unequivocal central collective agreements with defined conditions for employment benefits and rules for the start and termination of employment.

Cambrex procedures ensure that all employees have valid residence and work permits. This means there is no risk of Cambrex exploiting illegal labour which is dependent on the company for its livelihood, for example.

When employees from other companies within the Cambrex Group are posted to us for a limited period of time, Cambrex Karlskoga is responsible for reporting the posting to the Swedish Work Environment Authority and for ensuring that the employees receive their rights in line with Swedish legislation.

Child labour

Cambrex Karlskoga strongly opposes all forms of child labour that do not fall within the framework of ILO conventions (138 & 182) and Principle 5 of the UN Global Compact. We adhere strictly to the laws and regulations that exist to protect and safeguard the

health and safety of children. At Cambrex Karlskoga, we do not usually employ staff who have not reached the age of 18. An exception is made during the summer period when Cambrex offers summer internships to young people aged 16 to 17. The work performed is of a simpler nature, both in terms of load and complexity, and falls under what the ILO classifies as "light work". The work is supervised and coordinated by an appointed manager. All employment of this kind is in accordance with ILO conventions for child labour as well as all current regulations for working hours, working conditions and pay.

Labour law

Cambrex Karlskoga complies with the laws and regulations that exist for the Swedish labour market where, for example, employment protection, working environment and influence are concerned.

Cambrex Karlskoga is a member of the employers' organization IKEM and observes its collective agreement. The trade unions with which we have collective agreements are represented at the company through a local board mandated to make decisions and represent

its members in negotiations. As the employer, we value our relationship and cooperation with trade unions and we enjoy regular, productive dialogue. It goes without saying that we do not disadvantage employees whether they choose to be a member of a union or not.

Cambrex Karlskoga strives to maintain a culture in which all employees dare and wish to express their opinions and where internal dialogue is used to address any problems that arise in our operations.

In accordance with Swedish legislation, Cambrex Karlskoga has a Whistleblower Policy containing procedures to ensure the safe and secure handling of whistleblower cases. We have elected to use an external supplier to get a system that enables completely anonymous two-way communication if desired, as well as the opportunity for our whistleblower committee to engage legal assistance if needed.

Diversity and equality

At Cambrex Karlskoga, we have an open and inclusive working climate, where diversity and differences are seen as assets. We welcome and value differences as a strength, and strive to create an environment where each individual feels respected, included and appreciated for their unique experiences and perspectives. Our differences lead to the birth of new ideas and improvements, which in turn lead to innovation and lasting, long-term results.

We work actively to strengthen our diversity and to ensure that our workplace is free of harassment



or victimisation relating to gender, disability, transgender identity/expression, ethnicity, religion/belief, sexual orientation or age.

Cambrex Karlskoga has particular focus on establishing and maintaining an equal workplace. For us, this means actively working to:

- give women and men the same rights and obligations
- ensure women and men are paid the same for work of equal value
- establish a more even gender distribution at all levels and functions of the company
- adapt our premises, equipment and protective clothing so that they are equally suitable for both men and women

We value everyone's work on an equal basis and there should be no unjustified pay differences linked to gender. We have open dialogue with union representatives in our annual salary surveys to ensure this is the case and make adjustments if necessary. When recruiting, employees will be offered the correct salary for the role on the basis of their experience/education.

Where gender equality in senior positions is concerned, our vision is that this should reflect the distribution of employees in general. In production, which historically has tended to attract more men than women, the proportion of male managers is also higher. In the same way, we have more female managers in the more female-dominated work groups. At the management team level, we have a relatively even gender distribution with 55% women and 45% men.

Wellness allowance

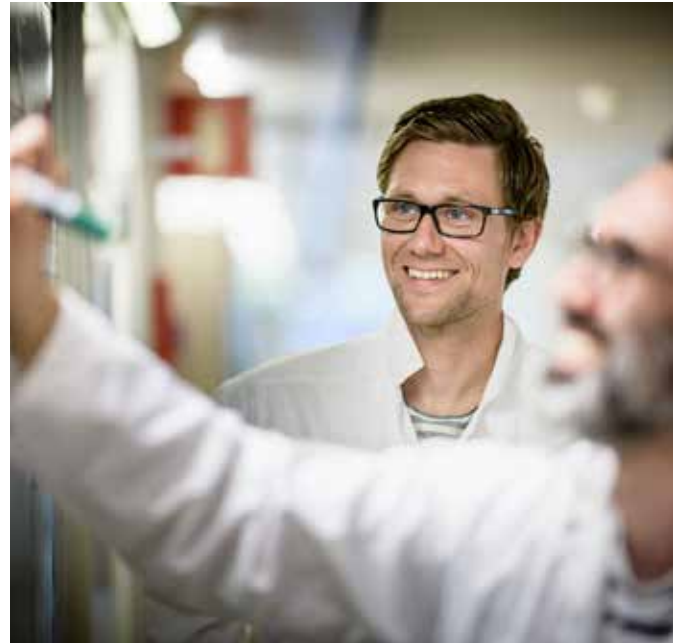
The company invests in health-promoting activities and offers heavily subsidised on-site massage during office hours and free fruit in addition to a healthcare contribution of SEK 3,000 per employee per year.

At Cambrex we have colleagues who are particularly passionate about healthcare and well-being at work. Our Health Inspirers are a group of employees from various parts of the business who encourage commitment and contribute to the health-promoting work at the company. They organize several try-out activities every year as well as running competitions, photo competitions and the standing exercise card challenge. Cambrex Karlskoga also has a well-being group of dedicated employees who organize activities of a more festive nature.

Training and introduction

To maintain our goal of having staff who are motivated to go to work, we need to give our employees the conditions to succeed, develop and perform. For this reason, we strive to offer our employees a wide range of skills development on a continuous basis so that they may take the next step in their personal and professional development with us.

During the year, one focus area was reviewing the introductory programmes in each department. To ensure that staff quickly feel at home in their new positions, all new employees undergo our internal training



programmes. These aim to provide the basic skills and knowledge to be able to perform their work according to our procedures and the requirements relating to safety and quality that are placed on our business.

In addition to the basic introduction, some fifty courses directly linked to different work steps and positions are on offer. The broad course catalogue features internal training with competent colleagues as trainers alongside complementary external training schemes. We encourage our employees to be creative and come up with suggestions for activities and training to contribute to their own – as well as the company's – competence and continued development.

Cambrex operates in a strictly regulated industry where our mission is to ensure that the products we manufacture maintain high quality and are thus safe for use by patients. We are subject to the cGMP (current Good Manufacturing Practice) regulations and work continuously with training linked to quality issues. All employees undergo annual GMP training to assimilate the information required to comply with applicable regulations.

In 2023, a number of mandatory safety training courses

were arranged. For our production staff, a training course was arranged in solid chemical handling. The course was a practical exercise in how raw materials and products are handled and packed via canisters in a closed system. The course also included a review to increase knowledge about how a safety sheet should be read and what information it contains. The course is part of our ongoing safety work and part of our efforts to ensure that our employees always feel safe in their work and develop their knowledge of the products and processes with which we work.

During the past year, a strong focus was placed on highlighting the importance of job satisfaction. Lectures on job satisfaction were arranged and were mandatory for everyone at the company. An excellent opportunity where employees from different parts of the organization had the chance to share experiences from different functions and get to know each other.

We want to give our managers opportunities for continuous development and the right conditions to be confident in their leadership. Therefore, in 2023, we offered a handful of lectures on the topics of stress, conflict management, target-based management, and the psychosocial work environment.

The right skills

Cambrex' competent staff is the company's greatest asset and we want to do our utmost to encourage employees to stay and develop with us. Our business is a complex affair and ensuring that we have the right skills is crucial to meeting both internal and external expectations and the requirements placed upon us.

Cambrex encourages employees who want to develop in their current roles or investigate new positions within the company. By offering continuous development opportunities and new challenges, we broaden the company's expertise across all functions and increase the possibility of retaining staff who continue to develop together with the company.



At Cambrex Karlskoga, most recruitment is in-house. Before recruiting to new positions, the recruiting manager and HR jointly develop a requirement profile describing the experience and skills necessary for the position. For us, it is important that the link between candidate and requirement profile informs the entire recruitment process, thus facilitating a fair assessment regarding which candidate is most suitable for the role.

When recruiting managers, a so-called Second Opinion is always made on the final candidates by an external company, with the aim of obtaining a broader assessment basis and a more objective assessment of the candidates' potential to succeed in the managerial role.

The company works actively to ensure that employee turnover remains at a reasonable level. Our goal is to have an employee turnover rate below 10%. Employee turnover at Cambrex Karlskoga over the past 3 years:

| Year | Employee turnover |
|------|-------------------|
| 2021 | 9,6 % |
| 2022 | 10,2 % |
| 2023 | 11,6 % |

In addition to the right skills for the position, we also place considerable emphasis on creating well-functioning teams and groups of individuals who complement each other. All employees in the Human Resources department are trained in Human Resources and certified in the use of tools for personality and capacity tests. As a complement to interviews and reference checks, we use tests and allow candidates to give a presentation in their area of expertise.

Social responsibility

Cambrex works actively to strengthen the opportunities of local associations to offer an enriching leisure time, especially to children and young people in the region. The company actively supports equal sponsorship and distributes its resources equally between women's and men's sports in order to contribute to equal opportunities for both genders to develop in their sport.

Every year, Cambrex Karlskoga awards chemistry scholarships to selected students who complete year nine at one of Karlskoga's three high schools. The scholarship is awarded to students who have

demonstrated commendable knowledge and shown great interest in the natural sciences. In addition, all scholarship holders are offered summer internships over the next summer period at Cambrex Karlskoga.

Cambrex Karlskoga is a member of the association VBIF, Västra Bergslagens Industriförening. Together, we encourage our municipal politicians to work systematically towards improving the business climate, the attractiveness of the area as a place to live, and education. VBIF highlights the importance of the business climate for a thriving municipality. A good business climate generally makes a municipality more attractive as a place to live, which in turn makes it easier for companies to recruit staff. During the year, and alongside other VBIF member companies, we have organized technology-related practical work life orientation programmes for schoolchildren, corporate safaris for students from nearby universities, and we have participated in recruitment fairs.

Cambrex Karlskoga also contributes to strengthening local entrepreneurship in the region through its membership in Möckelnföretagen, an association represented by almost 300 companies and organizations in eastern Värmland.

Business ethics

At Cambrex Karlskoga, we continuously strive to be a trustworthy, reliable partner to all our customers and suppliers. For this to be possible, it is essential that we as a company respect and observe corporate ethical principles and regulations. The highest possible ethical conduct is, and always will be, our standard.

It is mandatory for all our employees to read and comply with the company's Ethics Policy. It is also our shared obligation to report and investigate suspected infringements. Employees are encouraged to talk to their manager or other appropriate person concerning any illegal or unethical behaviour that may have occurred, or report it via the whistleblower channel.



Anti-corruption

Cambrex Karlskoga has a systematic procurement process to counteract bribery and corruption, and transparency is safeguarded through the participation of multiple staff members and various stakeholders from our organization in each new procurement process. Business decisions are to be made on objective ethical and commercial grounds subsequent to competitive tendering. In our operational work, moreover, each individual purchase order requires approval by persons other than the person who initiated the purchase. The sums of money involved determine the organizational level at which approval must take place.

Organizational and psychosocial work environment

Systematic work environment management is about organizing, investigating and following up the work of the business to create a good working environment. Cambrex's Diversity and Discrimination Policy states that we have zero tolerance for all forms of victimisation, discrimination and harassment. Cases

of perceived victimisation that come to the employer's attention are always investigated promptly and in accordance with established procedures.

During the year, we held several management training courses linked to the psychosocial work environment in order to highlight managerial responsibilities in the area and to give managers tools to handle stress in the work team and cooperate in challenging situations.

New managers attend a course in the systematic work environment management and receive training in the company's Diversity and Equality Policy. Moreover, a supplementary description of responsibilities in relation to the work environment as a whole accompanies each manager's job description.

Risks relating to the organizational and social work environment are identified at different levels in the company and with varying frequency. Mapping of the company's greatest risks is undertaken every three years in questionnaire form. This is aimed at all employees and covers all areas in AFS 2015:4 (Organizational and social work environment). A global employee survey in which our employees are encouraged to provide feedback and suggestions for improvements within the business is also conducted annually. Managers and employees also follow up the psychosocial working environment and workloads as part of the annual employee appraisal.

Risk assessments prior to restructuring, for example, are carried out within the framework of the Co-determination in the Workplace Act at local or central level within the company in accordance with Swedish Work Environment Authority regulations.

Through the efforts of attentive, responsive managers in combination with sick-leave follow-up and other preventive measures, we often succeed in identifying employees who lack well-being in their work situation at an early stage.



6. RESPONSIBLE BUSINESS

Supplier relationships

An important part of Cambrex' business is to select the right suppliers and contractors to work with so that all work carried out is in line with our ambitions in terms of the environment and climate, as well as social issues and the work environment. Everyone who works on assignment from us shall enjoy good conditions and have a good working environment. Our responsibility upstream in the value chain is safeguarded by selecting suppliers who ensure that their suppliers also act in accordance with the above-mentioned principles.

We strive for long-term, professional supplier relationships that allow us, together with our suppliers, to pursue the lowest possible total cost. At the same time, being an active customer means we can influence suppliers towards sustainability improvements in their business.

During the year, a Purchasing Policy was established as a tool to guide the company's purchasing decisions and promote responsible and sustainable business principles.

Supplier qualification

Supplier qualification is part of the process safeguarding the quality of products manufactured by Cambrex Karlskoga. Supplier qualification ensures that suppliers have systems in place to guarantee the quality of their product or service. Where goods are concerned, supplier qualification ensures that there are systems for traceability and manufacturing and delivering the correct quality. For services, it ensures that suppliers possess the right skills and that appropriate procedures are in place. Furthermore, it also assesses how suppliers work with issues in the areas of health, safety, environment and sustainability.

All raw materials and services used in regular production are purchased from qualified suppliers. The scope of a supplier qualification depends on the category of the product or service and its area of use.

Staff involved in the procurement process receive annual training relating to the Supplier Qualification Policy, which governs the supplier qualification process.

All qualified suppliers must either sign our Supplier Code of Conduct or be able to demonstrate that they have their own code of conduct that is at least as comprehensive as ours.

Supplier Code of Conduct

At Cambrex, we are committed to being a leading company where corporate responsibility is concerned. This commitment not only has a direct affect on our own operations, but also means being a catalyst for positive change in global environmental sustainability, health and safety, labour and employment rights, business ethics, social responsibility and global trade practices. As a supplier to Cambrex, you must observe this Code of Conduct and work in full compliance with the laws and regulations of all countries in which you operate. Where local laws and regulations may be less stringent than this Code of Conduct, Cambrex' principles should be followed. Failure to comply with internationally recognised standards and the expectations set out in this Supplier Code of Conduct may result in termination of existing supply agreements as well as further business opportunities with Cambrex.

Read our Supplier Code of Conduct in full on our website www.cambrex.com

Supplier audits

Each year, audits are conducted at a number of suppliers who either supply critical raw materials of various kinds or regulatory start-up materials, or provide services which are similarly critical. These audits are primarily undertaken in relation to quality aspects, but HSE and sustainability practices are also reviewed and followed up.



Ethics and anti-corruption in the procurement process

Cambrex' ethics policy is to be followed by all employees in relation to procurement and contact with suppliers and customers. Employees with tasks in procurement processes receive annual updates in the relevant policies.

We have a systematic procurement process to counteract bribery and corruption, and transparency is safeguarded through the participation in each new procurement process of multiple staff members and different stakeholders from our organization. Business decisions are to be made on objective ethical and commercial grounds subsequent to competitive tendering. In our operational work, moreover, each

individual purchase order requires approval by persons other than the person who initiated the purchase. The sums of money involved determine the organizational level at which approval must take place.

In connection with the preparation of the Purchasing Policy, an initial risk analysis was carried out regarding which internal positions may be at risk of corruption to a greater or lesser extent.

For 2023, no KPIs linked to corruption and bribery were set. These will be drawn up over the next few years in collaboration with purchasing, supplier assessment and qualification through the above-mentioned Code of Conduct, and on the basis of information reported via the whistleblower function.

7. CAMBREX MANAGEMENT SYSTEM

Goal process and operational management - The Company



| Content | Overall and long-term targets | Complete company budget | Improvements | Approved targets for actual year | Goal for processes and departments Personal goals |
|----------|-------------------------------|-------------------------|------------------------------|----------------------------------|--|
| Period | July | Draft Q3 Approved Q4 | January | January | December–March |
| Approver | Cambrex board | Cambrex board | Cambrex Karlskoga Management | Cambrex Karlskoga Management | Cambrex Karlskoga Manager |

The general process for managing and running our business.

Established goals (KPIs) are set at various levels of the business. Follow-up takes place on a monthly basis.

Operational control - Pulse:

Day-to-day, operational management is exercised by means of pulse meetings in the operational part of the business. Our pulse meetings are a very important part of our management system for the business.

All production lines conduct standing, brief follow-up meetings at a pulse board each weekday morning. Purchasing/customer service, warehousing and QC also hold daily pulse meetings.

Pulse meetings are conducted at three levels. Incidents and non-compliances relating to safety, environment, quality or delivery/production may be escalated to the next level if necessary. The final level is a summary board for the entire operational business where the pulse meeting is held by the CEO or Production Director.

At the end of each week, all activities are summarized in a newsletter that is posted on the intranet. The

summary may be supplemented by the award of virtual “gold stars”, which aim to draw attention to the activities and people who can be held up as good examples of work in accordance with the company’s values.

Safety and environmental management systems

Safety and environmental work at Cambrex Karlskoga is undertaken on the basis of:

- Environmental permits
- Legal compliance
- Our own risk analyses
- Continuous improvement

Goals and KPIs for Health, Safety and the Environment are established in accordance with the company’s goal-setting process and broken down in the annual HSE plan (refer to Section 2).

HSE work is followed up by means of reports to the relevant authorities and inspections by authorities and customers, as well as internally within the Karlskoga management team.



