

Sustainability Report 2024

Cambrex Karlskoga AB





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INTRODUCTION



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 organisation'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 organisation, 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.

Opening words from Petter

We are proud to present our Sustainability Report, which demonstrates the company's commitment to reporting non-financial information in the context of social and environmental responsibility.



We have long focused our work on issues such as safety, ethics and the environment along the entire value chain of our products. We pay particular attention to ensuring a safe working environment for our employees, and we work preventively to avoid accidents and injuries. In this report, we highlight how sustainability has become the core of our business and how we are working to have a long-term, positive impact on people and the environment.

This Sustainability Report aims to provide you, the reader, with an overview of our strategy, the measures implemented and the results achieved over the past year. It also serves as an in-depth analysis of the areas where the company can improve further. Our culture is permeated by continuous improvements, as is our sustainability reporting. In this issue, we have actively worked to present more key figures on the topic of sustainability. We hope you will find them informative, and that they will help you to gain a good overview of our sustainability work.

Our sustainability work is an expression of our commitment to having a positive impact on both people and planet. We recognise that we have a duty to act responsibly, not only to meet current needs, but also to ensure that future generations can enjoy a healthy and just world. Through this work, our aim is to integrate sustainability into all aspects of our business, from product development and supplier relationships to internal processes and community involvement.

We are proud of the progress we have made so far, and we are looking forward to continuing to evolve alongside our stakeholders towards a more sustainable world.

Petter Lybeck
Managing Director, Cambrex Karlskoga

Our mission and values

Mission

We enable our customers to develop and deliver therapeutic solutions that improve the quality of life for patients around the world.

Values

Deep Customer Partnerships

Expertise
Quality
Regulatory Excellence
Responsiveness

Engaging Workplace

Safe
Inclusive
Honest & Transparent
Supportive

A Passion to Win

One Cambrex Team
Agile
Always Improving
Celebrating Success

About us

Cambrex in the world

Founded in 1981, Cambrex Corporation has evolved from a chemical manufacturer to a leading supplier within API manufacturing, focusing on helping customers to bring life-enhancing treatments to market. With more than 40 years of experience and a growing team of over 2,400 experts, the company works with customers worldwide. We have become a trusted partner for the development and manufacture of APIs, utilising our extensive expertise to develop treatments for those patients who need them.

The company's business includes technology transfer, product and process development of pharmaceuticals, formulation development, manufacturing, scale-up and validation, as well as the development of analytical methods. This allows us to collaborate with our customers at every stage of their journey, from initial development to commercialisation of the final product.

Cambrex Corporation has a growing global customer base in a variety of competitive fields, and has become the preferred partner for many major pharmaceutical, generic and biotechnology companies. With both scientific and manufacturing expertise, we are committed to being a good partner and creative problem solver, adapting smoothly to the changing needs of our customers' projects at all stages of the product life cycle.

This success has been made possible by the Group's core values, which have guided its strategies for growth and continuous development. In addition to being a partner with excellent skills within advanced chemistry, every Cambrex facility around the world is dedicated to promoting sustainability and improving environmental performance as a basis for being a sustainable supplier over time.

As part of Cambrex Corporation, Cambrex Karlskoga works closely with other manufacturing facilities in several countries. The Group's head office is located in East Rutherford, New Jersey, USA, and it has additional sites in Europe and the USA.

This report focuses on the Cambrex business that is located in Sweden, Cambrex Karlskoga AB.

Cambrex Karlskoga

Cambrex Karlskoga is an innovative, research-oriented company. The company works with advanced organic chemistry, with a focus on developing processes and delivering products to innovative pharmaceutical companies. Production consists primarily of active pharmaceutical ingredients and intermediates. Cambrex Karlskoga has considerable resources on both the development and manufacturing side, and specialises in high energy reactions under cGMP. The company has around 470 employees and sells products to pharmaceutical companies, mainly in Europe, the USA and Japan.

In 2024, work continued on adapting an existing factory to allow the further large-scale production of GMP manufacturing. This investment is part of an effort to expand capacity and meet the growing demand in the pharmaceutical industry. Staffing levels in production have also been increased in an



attempt to increase the number of production hours by having more plants running 6 shifts.

Summary of the facility:

- 5 cGMP pilot plants
- 6 commercial full-scale production facilities
- 15 reactor trains
- Synthesis and analysis laboratory
- 1 cGMP kilo laboratory
- Extensive experience of regulatory production activities

Participation in partnerships, networks and associations

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 networking and with cooperation partners both locally and nationally.

Cambrex is located on the Björkborn Industrial Estate and cooperates actively with other companies on the site. This collaboration takes place in areas such

as security, health and safety, sustainability and the environment, as well as regarding operational issues such as energy supplies and wastewater treatment. The wastewater treatment plant is owned and run by Cambrex, but is used by other companies on the site.

Cambrex Karlskoga also contributes to strengthening local entrepreneurship in the region through its membership in Möckelnföretagen, an association represented by almost 300 companies and organisations in eastern Värmland, as well as active participation in VBIF, Västra Bergslagens Industriförening. Within VBIF, we work actively to create a better business climate and to influence local politicians. See more under Social responsibility/Community involvement (see page 32).

We also participate in national collaborations. WSP has a network in respect of sustainability and the environment, while Ramboll has a chemicals network focusing on chemicals legislation. We consider involvement in these networks to be extremely valuable. We are also active in the IKEM trade association.

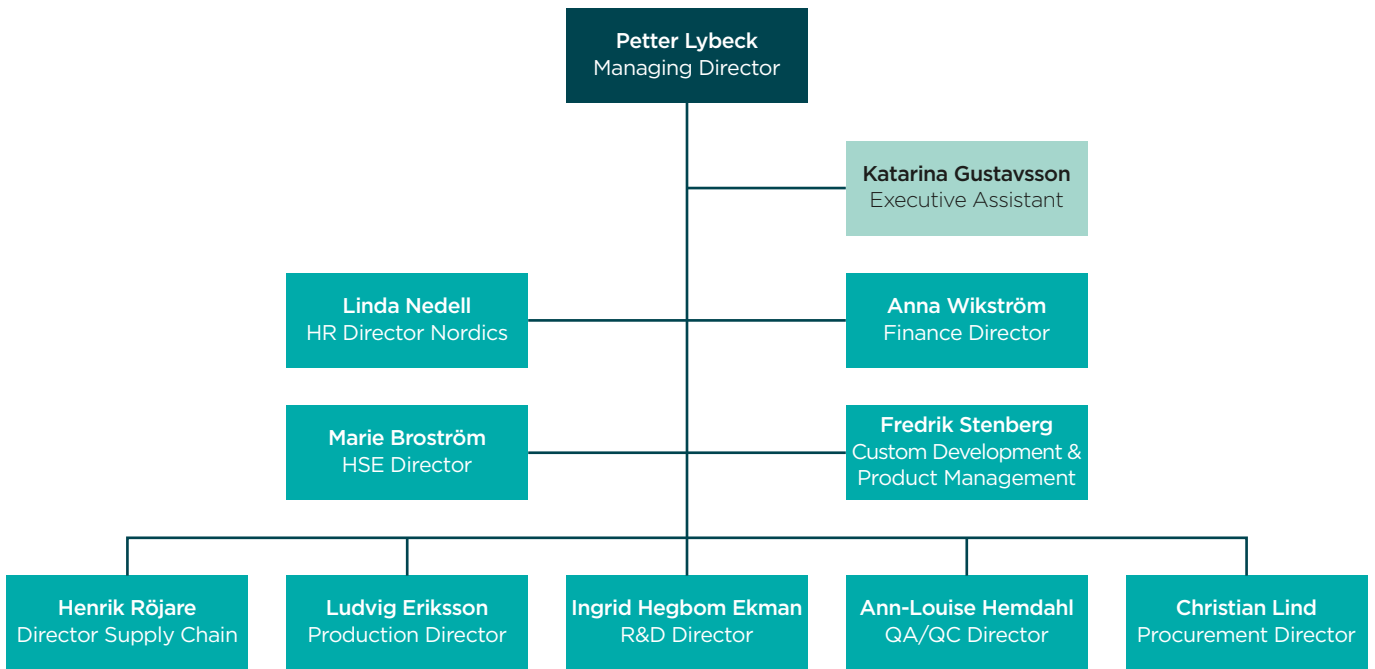


Management

Organisation

Cambrex AB is a wholly owned subsidiary of Cambrex BV, based in the Netherlands, which is part of the Cambrex Group, with Cambrex Corporation in

the USA as its parent company. Cambrex Corporation is owned by the investment company Permira. Cambrex Karlskoga is led by the following management team:



Goal-setting and strategic management

The general process for managing and running our

business is presented below. In the model, Cambrex refers to Cambrex Karlskoga.



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 overall Vision and Mission with long-term goals are communicated to Cambrex Karlskoga from Cambrex Corporate. The management team in Karlskoga breaks these down into specific goals and associated activities.

The company's focus is to have a safe and reliable production operation, so that customers can rest assured that they will always receive the product they have been promised at the right time. We are working hard to reduce variations and thereby increase productivity, as well as working on continuous improvements. These are important parameters in a sustainable production operation.

Follow-up is performed monthly and is presented to all managers once a month via a Management group meeting. The presentation is also shared with all employees in Karlskoga via the Intranet.

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 summarised 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.



SUSTAINABILITY REPORTING



General information

About the report

Through this Sustainability Report, our aim is to provide you with a summary description of our sustainability work. It is aimed at anyone who wants to gain a deeper insight into Cambrex Karlskoga AB's operations and how we work in the long term with sustainability issues. Cambrex's global operation is only covered in one section in the introduction. The remainder of the text focuses on the operation in Karlskoga, although it is referred to as Cambrex.

The report describes how we work both internally and externally on safety, health, the environment, the climate, ethics and responsible 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

This year's report has focused on the presentation of various relevant key figures in more areas, in order to provide the reader with a better picture of the company's performance. We have also worked on the structure of this year's report to some extent.

Our sustainability work

Our sustainability work is an expression of our commitment to having a positive impact on both people and planet. We recognise that we have a duty to act responsibly, not only to meet current needs, but also to ensure that future generations can enjoy a healthy and just world. Through this work, our aim is to integrate sustainability into all aspects of our business, from product development and supplier relationships to internal processes and community involvement. Our aim is to reduce our negative environmental impact, at the same time as promoting social responsibility and economic justice. We are committed to continuous improvement and transparency, and view sustainability as a key part of our long-term value creation.

Cambrex Karlskoga is focusing its work in the following areas:

Environment

- Climate and the environment
- Resource-efficient production
- Biodiversity

Social responsibility

- Human rights
- Gender equality, equity and inclusion
- Training and development
- Health and safety
- Community involvement

Responsible business

- Business ethics and anti-corruption
- Supplier assessment
- Code of Conduct



Policy commitments

Our operations are governed by policies and standardised processes. We have both global and local policies. In certain situations, there is both a global and a local policy. In order for the local policy to apply, it must always be more comprehensive and impose stricter demands than the global one. There is usually a law stipulating that the local policy must be designed to ensure that we work according to Swedish or European law. Set out below are the policies that we consider primarily govern our sustainability work.

Group-wide

- Environmental Policy
- Corporate Social Responsibility – Sustainability Policy
- Health, Safety and Security Policy
- Anti-Corruption Policy
- Code of Business Conduct and Ethics Policy

Local

- Ethics Policy
- Environment & Climate Policy
- Safety Policy
- Policy on Working Conditions and Human Rights
- Whistleblowing Policy

In the different sections of this report, we make reference to the policies governing the topic in that particular section.

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

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.

Part of our annual HSE work at Cambrex is undertaken by means of the HSE plan, which includes the following main areas.

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

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.

Corporate sustainability initiatives and programmes

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



We are involved in EcoVadis, CDP and Sievo, as well as other platforms and evaluations. For some initiatives, we participate by means of Cambrex being involved as a global company, while in others we report separately for each site, in which case we are representing Cambrex Karlskoga AB.

In the case of EcoVadis, we are participating as Cambrex Karlskoga. In the survey that was conducted in 2023, the EcoVadis score was 66/100, i.e. 87th percentile. As a result, we remained at Silver Level in their evaluation. Our aim is to progressively improve the EcoVadis score over the coming years by implementing specific sustainability projects in our facility.

In 2024, we have been assessed under the CDP and received a company-wide assessment. We are constantly working to understand these results and to see what we can improve in this area.

The Sustainable Development Goals (SDGs) are 17 global goals established by the United Nations in 2015 to address critical challenges facing the world, such as poverty, inequality, climate change, peace and justice. These goals provide a global framework for promoting human well-being, protecting the planet and ensuring prosperity for all by 2030.

For Cambrex, the SDGs provide a basic framework for integrating sustainability into decision-making processes and for demonstrating the company's commitment to responsible, future-oriented growth.

In our Sustainability Report, we have identified the SDGs that are relevant to our business and operations.



These goals guide us when assessing the positive or negative impact of our operations on key areas such as the environment, society and the economy. Each section in our Sustainability Report is structured to reflect our specific commitment to the relevant Sustainable Development Goals

The “Pharmaceutical Supply Chain Initiative (PSCI)” is a reference initiative for companies that are involved in pharmaceutical supply chains, and that intend to work in a way that is consistent with the sector’s expectations in order to increase and improve their social, economic and environmental performance. In 2024, two audits were carried out under this standard for two customers.

Materiality assessment and stakeholder engagement

In 2024, work was initiated in respect of a double materiality assessment and the execution of a stakeholder engagement. This is part of Cambrex Karlskoga AB’s preparatory work in order to comply with the new EU directive regarding sustainability reporting, the Corporate Sustainability Reporting Directive (CSRD). The assessment has been carried out in various stages in order to map and assess impacts, risks and opportunities. This forms the basis for decisions on material sustainability issues in accordance with the European Sustainability Reporting Standards (ESRS). The

process is based on a combination of reviewing external and internal documents as well as interviews with representatives across the entire value chain.

The stakeholder engagement took the form of interviewing key individuals at suppliers, customers, the municipality, neighbours on the Björkborn Industrial Estate, as well as Cambrex’s internal staff. A survey was also carried out, in which a selection of employees were asked to participate in order to learn their perceptions of sustainability and the role of Cambrex. This constituted an important part of the assessment.

The results were validated in a workshop. We are presenting the preliminary result of this work in this year’s Sustainability Report. During 2025, we will be actively working on areas of improvement that have been identified in order to comply with the EU Directive.

The double materiality assessment is based on an analysis of Cambrex’s most significant sustainability issues from an external perspective:

- How Cambrex affects the environment and the people around it.
- How Cambrex might be affected financially by sustainability issues.

In the following table, Table 1, you can see the assessment that has been made according to ESRS.

European Sustainability Reporting Standards	Material impact on sustainability issues	Assessed type of impact
E1: Climate change	Yes	
E2: Pollution	Yes	
E3: Water and marine resources	Yes	
E4: Biodiversity and ecosystems	No	Marginal impact on this.
E5: Resource use and circular economy	Yes	
S1: Own workforce	Yes	
S2: Workers in the value chain	Yes	
S3: Affected communities	No	The business does not directly affect society
S4: Consumers and end-users	No	We consider that only our customers are impacted in this area
G1: Business conduct	Yes	

Table 1: Summary ESRS

Environment

Significant environmental aspects

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 and air – mainly affected by our production processes.
- Chemicals – consumption is difficult to influence in some respects. Efforts to switch to more environmentally friendly chemicals and reduce consumption.
- Chemical handling – emissions to land and water during storage and transportation.
- Waste – affected by the production processes and packaging.
- Energy consumption – affected by current production and weather.
- Transportation – external and internal.

Where the environment outside our manufacturing premises in Karlskoga is concerned, we work to reduce our overall impact by cooperating with our suppliers.

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

In this section regarding our environmental impact, you can read about our targets and related activities. The targets are challenging, but we are well prepared as we have been working continuously for many years to reduce our environmental and climate impact by:

- Replacing chemicals with more environmentally friendly alternatives.
- Reducing the use of chemicals.
- Investing in the production facilities in order to achieve contained manufacturing processes.
- Conserving energy and working with energy efficiency.
- Reducing the amount of waste from our operations.

The environmental area is managed on the basis of the Environment and Climate Policy. Cambrex Karlskoga's management team is responsible for ensuring that the policy is firmly established and complied with in all our operations. Below is a summary of the policy.

At Cambrex Karlskoga:

- We work through continuous improvement to provide a safe local environment and to minimise 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.

Climate impact



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

Climate change can affect operations in Karlskoga in a number of different ways: Periods of persistent heat increase the demands on ventilation and in relation to efficient cooling/heating systems for our production facilities. Increased water flows in connection with rapid snow melt and brief periods of extreme precipitation have a major impact on our sewage systems and the waste water treatment plant. High water flows affect the efficiency and capacity of the treatment plant. The amount of water has been reduced through continuous systematic improvement work.

Here at Cambrex Karlskoga, we are striving to reduce our impact on climate change. While we are working in various ways to reduce our contribution

to the climate change that is already taking place, we are simultaneously adapting our operations to cope with the new reality which, among other things, involves extreme heat and precipitation.

Cambrex has calculated its greenhouse gas emissions in accordance with the GHG Protocol Scope 1 and 2 since 2017. These 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’s Group management sets the targets for the various scopes. The targets for reducing emissions are as follows:

Scope	Base year	2030 target (% reduction from base year)
1	2018	50%
2	2018	50%
3	2020	42%

All targets have been developed in accordance with Science Based Targets (SBTi). Cambrex’s ambition in the coming years is to have these targets validated in accordance with SBTi. The Cambrex Commitment letter was submitted to SBTi in 2023 and we hope that the validation will take place during 2025. In the image below, you can see what the different scopes cover.

Cambrex calculates its greenhouse gas emissions in accordance with the GHG Protocol. In the following section, you can see how the emissions are distributed between the different scopes.

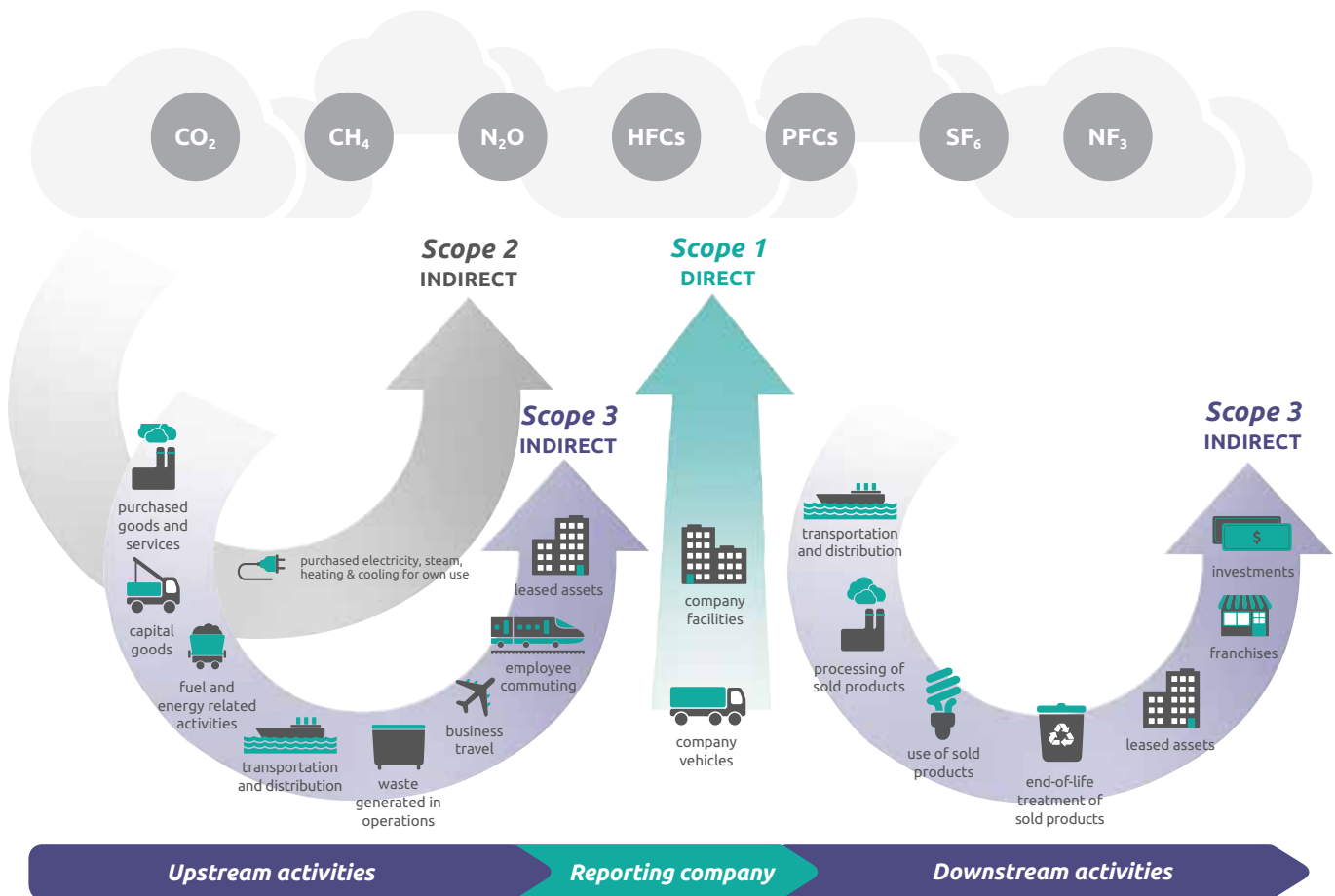


Figure 1. Source: <https://ghgprotocol.org/blog/you-too-can-master-value-chain-emissions>

Scope 1, 2 and 3

Scope 1

Direct emissions from operations. Emissions within this scope come from manufacturing processes and the use of solvents in production, coolants, internal transport and from the waste water treatment plant. The amount of emissions is shown in Diagram 1.

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. The steam is supplied from the combined heat and power plant in Karlskoga, and comprises 97% renewable and recovered energy. The amount of emissions is shown in Diagram 1.

Scope 3

Downstream and upstream emissions within the value chain. Cambrex Karlskoga has calculated the Scope 3 emissions that the business gives rise to. The work was undertaken with 2050, a company with extensive experience of GHG calculations. Scope 3 calculations are based on the 15 categories that have to be assessed as to whether they are relevant to the business or not. See Table 2 for this assessment.

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). The amount of emissions is shown in Diagram 2.



Diagram 1: CO2e emissions (tonnes), Scope 1+2 (2017-2024)

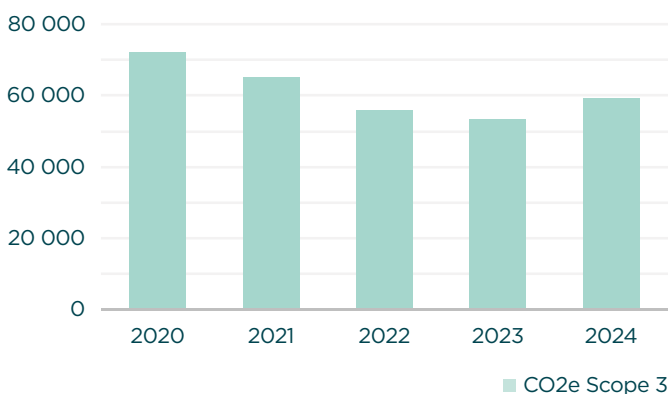


Diagram 2: CO2e emissions (tonnes), Scope 3 (2020-2024)

The increased production and product mix in 2024 compared to the preceding years is judged to be the reason for the increased amount of CO2e emissions in Scope 3.

Emissions

Emissions to air

Emissions to air occur via our manufacturing processes, venting from tanks and from the treatment plant. Reporting of emissions is done as VOC and via the GHG protocol as Scope 1, see previous sections. Cambrex's emissions to air are calculated using calculation software and reported annually in accordance with the environmental permit.

Scope 3 category	Subcategory	Comment
1. Purchased goods and services	Packaging Raw materials Consumables Other purchases	
2. Capital goods		Excluded/partially included in category 1
3. Energy and fuel-related activities		
4. Transport	Upstream Downstream	
5. Waste management		
6. Business travel		
7. Commuting		
8. Leased assets		Not relevant
9. Transport (not purchased downstream)		
10. Processing of sold product		Excluded
11. Use of sold product		Excluded
12. Final handling of sold product		Not relevant/excluded
13. Leased assets		Not relevant
14. Franchise		Not relevant
15. Financial investments		Excluded

Table 2. Scope 3 – categories. Source 2050 (external consultant)

Table 3 shows that we have been reducing our emissions to air for several years. An increase can be noted for 2024 as a result of increased production. A further long-term goal of the company is to reduce our VOC emissions as far as technically and financially possible. Cambrex has initiated work in response to new BAT conclusions for the treatment and management of waste gases in the chemical sector.

Emissions to water

The waste water treatment plant, which is part of Cambrex Karlskoga's operations, handles process waste water from various operations in the Björkborn industrial area. The long-term goal of the treatment plant is to have as low an impact as possible on the surrounding environment, as well as to increase the treatment plant's capacity and reduction ratio. Discharges to River Timsälven and indicators for the recipient lake, Möckeln, are monitored daily. Measurements are reported to the relevant authorities.

Table 4 shows that we met all our targets for 2024.

Area	Outcome 2018	Outcome 2019	Outcome 2020	Outcome 2021	Outcome 2022	Outcome 2023	Outcome 2024	Goal 2025
VOC (tonnes)	70	52	54	53	48	49	60	Permit 80 ton/year
CO2e (tonnes) Scope 1 and 2		4 160	4 160	2 852	2 657	2 944	2 866	Goal 2030: 50 % reduction from 2018
Scope 3		NA	72 070	64 980	55 540	53 330	59 142	42 % reduction from 2020

Table 3. Emissions to air 2017-2024

Area	Outcome 2018	Outcome 2019	Outcome 2020	Outcome 2021	Outcome 2022	Outcome 2023	Outcome 2024	Goal 2024
TOC (tonnes)	164	94	83	81	72	52	54	Permit 20 ton/month
Reduction TOC (%)	78	84	91	91	93	92	92	90
Ammonium nitrogen (tonnes)	67	50	75	57 (NH4-) 85 (tot-N)	47 (NH4-) 80 (tot-N)	35 (NH4-) 55 (tot-N)	28 (NH4-) 51 (tot-N)	Permit 15 ton tot-N/month

Table 4. Emissions to water 2017-2024 from Cambrex's waste water treatment plant

Resource-efficient production



Energy use

Our business is a resource-intensive industry in terms of energy use. It is therefore extremely important for us to work continuously on energy efficiency in order to be sustainable both economically and in terms of resources. Our aim is to always challenge the amount of energy that is used.

Since 2019, moreover, 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 2024, we have continued to work on using collected condensate to heat more buildings. This work will continue in 2025, as we carry on focusing on harnessing the heat that can easily be utilised in various buildings. We are also planning to look into the possibility of installing more efficient heat exchangers to make even better use of the condensate's energy.

Electricity use

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

We have slightly increased our electricity consumption during the year, but at the same time we have also

increased production. We are constantly working to ensure that new equipment is more energy efficient, and when old motors are replaced in connection with preventive or corrective maintenance, we bring new, more efficient equipment into our plant.

During 2024, we have secured the measurement of ventilation, for example in our building z15, which houses operations and a number of analysis labs as well as many offices. The ventilation in this building is complex and a very important part of the business, both in order to achieve the right climate so that the results are correct, and to create a safe and secure working environment as activities involving hazardous products are conducted in these premises. We have now connected control of the ventilation to a piece of software that enables us to monitor the extent to which the ventilation is used, as well as giving us the opportunity to control the ventilation. In this way, we hope to save energy in areas such as heating demand and electricity use.

Steam

Cambrex Karlskoga uses steam for heating production processes. The steam is supplied by the Karlskoga combined heat and power plant, with 97% being classified as renewable and recovered energy in 2023. Cambrex has collaborated with the supplier to increase the use of renewable fuels in steam production. We are very pleased with this collaboration, and the goal is that they will be able to supply 99% of the steam from renewable sources by 2025. See Diagram 3, Electricity and steam use, 2011-2024

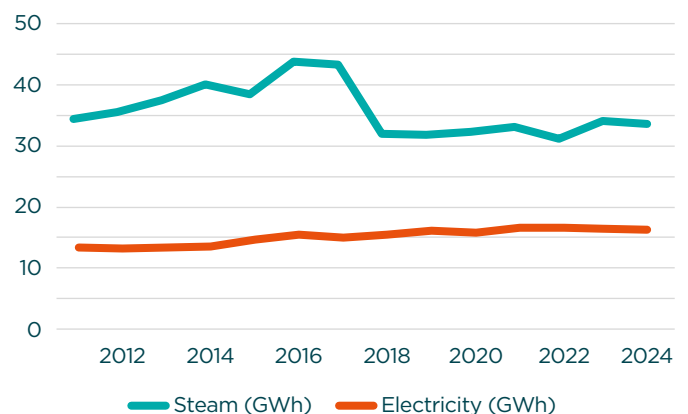


Diagram 3: Electricity and steam use (2011-2024)

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.

Water use

We use a large amount of water in our facilities. We divide our water consumption into different sources: drinking water, filtered or softened drinking water and river water. The softened water is mainly used in production. We are constantly working to reduce our water consumption through innovative solutions such as digitalisation (programming) and mapping of different water flows. Reducing our water consumption has positive effects as regards energy use, such as reducing the amount of heating and cooling.

Cambrex Karlskoga has been focusing mainly on reducing the use of drinking water, and in recent years we have made great efforts to limit the use of drinking water in our processes. Despite the company's considerable economic development of recent years, we have managed to keep our use of water down consumption to a limited level. As a result, we consider that we have made progress in this area. See the comparison of turnover versus water usage in Diagram 4.

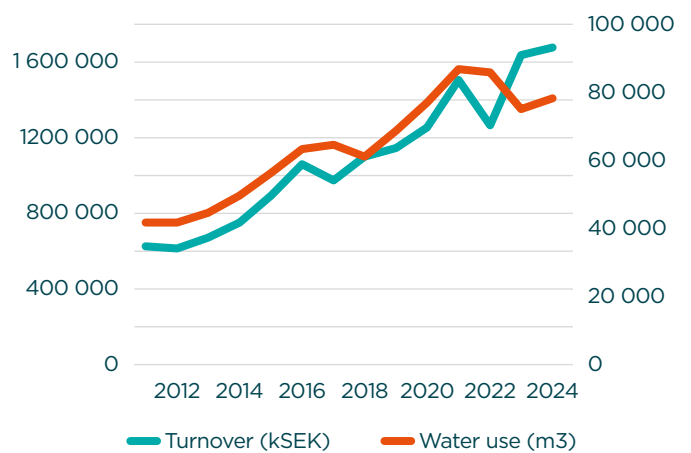


Diagram 4: Water usage compared to turnover (2011-2024)



Our aim is to reduce our total water consumption by 20% by 2030: We will achieve this by:

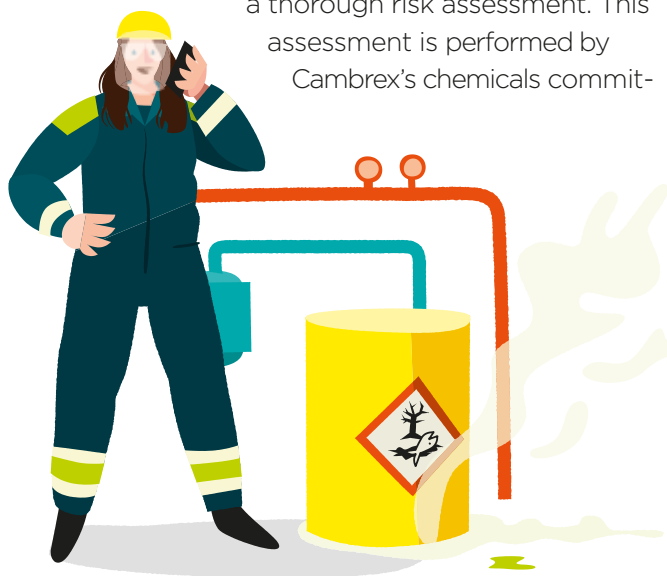
- Measuring all water usage in our production (not just in and out of the company)
- Controlling manufacturing processes so that water is not left on “unnecessarily”
- Installing smart cooling/heating systems

During 2024, we have focused on measuring outflows from each factory. This is still a fairly non-specific measurement, but it has helped us to detect more easily when large flows are leaving the facility and so made it easier to find the cause.

Chemical management

Chemical management at Cambrex Karlskoga AB includes all physical handling of raw materials, intermediate products, end products and waste. About 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 is striving to optimise its processes in order to reduce the amount of chemicals and, where possible, avoid chemicals that are unfavourable from an environmental and health perspective. Before starting pilot-scale development work or full-scale production, all chemicals undergo a thorough risk assessment. This assessment is performed by Cambrex's chemicals commit-



tee, which is an expert advisory and recommendation group. In cases where the combination of hazard and exposure indicates an unacceptable risk, substitution will be discussed where possible.

However, even when replacing products that are hazardous to health and the environment with less hazardous products might be justified from an environmental point of view, it may be difficult to implement this for technical and patient safety reasons. The manufacture of pharmaceutical products is strictly regulated and imposes stringent requirements as regards patient safety. The manufacturing processes are validated and registered with the authorities, which makes the implementation of changes more complicated.

To minimise the risk of exposure, Cambrex therefore aims to ensure that handling takes place in closed systems as far as possible, and with a sufficiently high level of protection in terms of ventilation and personal protective equipment.

Waste management

The business generates a large amount of waste, and the amount generated can vary from year to year as it is dependent on production volume, product mix, raw material requirements and whether new construction or refurbishment projects have been carried out. To create sustainable production, Cambrex is constantly working to optimise its manufacturing methods and processes so as to increase yields, reduce solvent consumption and, where possible, replace hazardous chemicals with less hazardous ones.

For us, working with regard to recycling is very important. We have a functioning system for recycling metal, paper, soft plastics and electronics. We have to handle a large amount of waste in the form of raw material packaging. A project has been launched regarding the recycling of empty packaging, and we hope to achieve results in 2025.

In 2024, the amount of hazardous waste increased by around 8% compared to the previous year. This increase was mainly due to production being restarted

at the F24 factory in 2024. F24 has undergone an upgrade in recent years to enable the production of pharmaceutical intermediates in accordance with GMP (Good Manufacturing Practice).

Waste from production can be reused or recycled in certain cases, and we mainly work with catalysts that have a considerable economic value and solvents that make up a very high proportion of our hazardous waste.

We reuse catalysts in certain processes, where possible, which reduces their consumption. Some are recycled by external parties when they are spent, and our aim is to recycle all spent catalysts.

Where possible from a logistical and regulatory perspective, solvents are recycled. Work on identifying these opportunities is performed in close cooperation with customers. Some fractions are recycled by an external party. A project is underway to identify more outflows that are suitable for recycling.

When waste cannot be processed in any other way, it is sent to incineration, and energy is thereby recovered.

Some process outflows can be handled in our internal waste water treatment plant, reducing waste that would otherwise need to be incinerated. The treatment plant produces non-hazardous waste in the form of sludge, which is incinerated. This sludge contains a large amount of water, so we are investigating the potential for dewatering the sludge. If this proves to be possible, it will reduce the amount of waste, which would result in fewer transportation operations and a financial gain.

The amount of waste in the various waste fractions can be seen in Table 3.

Waste fractions	2024 (tonnes)	2023 (tonnes)	2022 (tonnes)
Non-hazardous waste	934	1,058	1,826
Hazardous waste	5,292	4,918	5,049
Landfill	6	17	20
Recycling	6,220	6,534	6,226
- of which reuse	0	0	0
- of which recycling	198	279	285
- of which energy extraction	6,022	6,255	5,941

Table 3. Waste fractions from Cambrex Karlskoga (2022-2024)





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 waste water that is handled by our waste water treatment plant undergoes an environmental risk analysis by our chemicals committee before it is treated in the plant.

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

In addition to working locally to safeguard ecosystems and biodiversity, we collaborate with our suppliers and partners through our Supplier Code of Conduct and supplier qualification process to ensure that they are actively working to minimise the impact on their local environment.

Social responsibility

Health and safety



Health and safety is a priority at Cambrex, and safety must come first in all situations.

In our opinion, no

one should be injured or suffer ill health as a result of their work. We are working to maintain a safe workplace by keeping our requirements up to date, conducting risk assessments and safety audits, as well as promoting a safety culture where we always choose the safe route.

At Cambrex, we also recognise that a safe workplace has a positive impact on performance. In addition to reducing incidents and accidents, healthy and safe workplaces contribute to more secure production capacity, which is crucial for a stable, sustainable and profitable business.

Safety audits and risk assessments

A number of safety audits have been carried out during the year. The safety audit is a fundamental part of our work to ensure safe production for people, equipment and the environment. Safety audits are carried out in connection with the manufacture of new products and when making adjustments to existing processes, and we also carry out periodic audits of our regular products. Safety audits are always carried out by a group of people with a range of skills. During our periodic audits of regular products, any incidents linked to the product are studied to assess whether anything needs to be adjusted, such as procedures, chemical handling or equipment. Around 40 safety audits were established or updated during 2024.

The safety audit is a cornerstone when it comes to ensuring that the process and equipment used in a campaign are safe.

Risk assessments are carried out to differing degrees in the event of various changes. This includes changes in the plant, such as investments in processes and equipment maintenance, as well as changes in organisations and working methods.

Incidents and incident management

No employee should suffer detrimental effects on account of our operations. To work systematically with our working environment, it is important for us to have a good knowledge about where the risks are located in our business. This is why we work actively on incident reporting, as well as focusing on the reporting of risk observations, in order to deal more systematically with matters that could go on to become a serious incident before this happens. In 2024, we observed serious risks in relation to nitrogen leakage. Work has therefore been initiated to review where the greatest risks associated with nitrogen accidents are, and to ensure measures are put in place to mitigate these risks.

During 2024, we have focused on investigating and closing incidents more rapidly, and in 2025 we will start working in a more structured way on subcategories of incidents. By having more detailed statistics, we improve our ability to analyse and see patterns of recurring events and thereby make improvements in the working environment where there is the greatest potential for improvement.

During the summer, we experienced two power outage incidents. These incidents affected the industrial estate, and as a result a number of preventive measures have been identified to safeguard operations and limit the consequences of power outages in future.

We have repaired drainage valves in the pipeline for pumping process wastewater to the recovery basin at the treatment plant. The valve function's failure mode was changed from "failure open" to "failure closed", which means that the valves are placed in the closed position in event of loss of compressed air. We have updated/clarified the instructions for the safe shutdown and start-up of production facilities in connection with unplanned outages. We have also worked to safeguard evacuation, ensuring that we have sufficient emergency lighting as well as fluorescent markings along the evacuation route where such a need has been identified.

We had a shortage of backup systems (UPS) for HMI systems, and an investigation has been conducted

regarding both the required amount of batteries and the status of the technical equipment. Batteries that were not sufficiently reliable have been replaced. Work is ongoing to ensure redundancy in compressed air systems.

A review has been conducted regarding rapid cooling systems linked to equipment in production, in order to minimise media being diverted to the internal wastewater treatment plant in the event of a power failure, and this work will continue in 2025.

Safety culture

The company's safety 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, we can see improved results over time. Incident reporting has increased – and this is positive in a reporting culture – while the number of serious incidents has decreased. An important part of our Safety Culture and Safety First work is our recurring Safety Week, which was conducted in the autumn of 2024. You can read more about this week in the training section, page 31.

An important aspect of our safety work is for all relevant staff to have the correct PPE when carrying out various duties on our site. During the year, we have focused, while carrying out Gemba Walks, on checking that the right PPE is being used, and in this respect we exceeded our target of 400 checks by carrying out a total of 453.

Investments

The expansion of the sprinkler system, which was launched in 2022, was completed during the summer break in 2024. As a result, we have ensured that the correct sprinkler system is in place in factory F24 and in the tank storage facilities for factories F24 and F25. We experienced a few incidents during the year, mainly in relation to the foam extinguishing in the sprinkler system. This was caused by sensors being triggered by the sun, although measures have now been implemented to prevent it from happening again.

Working environment - exposure to chemicals and handling

In 2024, working environment measurements were taken in production. Measurements were taken where there was a possible risk of exposure to solvent fumes or dusting powder, or a possible risk of a noisy environment. 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 the risk of exposure still further.

One area of production where we experience ergonomic risks and the risk of exposure to chemicals is during repacking the material. Repacking is carried out to ensure that inputs are in the right type of packaging, and to ensure that we have the correct amount of product for a particular batch. This work is performed manually, and during the year we have put together a group that is responsible for planning and executing repacking and for ensuring that instructions are available for this. In the course of 2025, better, more appropriate equipment will be in place to carry out the repacking work.

The company's chemical management is 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, the staff undergo regular training.



Key safety indicators 2024

Key performance indicators	Outcome 2024
Number of fatal accidents	0
Serious incidents	18
Number of hours worked	720,041
First aid cases	9
First aid frequency	2.5
Total medical cases	2
Total medical cases (rate)	0.6
Number of work-related accidents	11
Number of days lost to work-related injuries, fatalities and ill health	14
DART* frequency (case rate)	0.6
DART* severity (days rate)	4
Number of risk observations	255
Number of safety rounds	146

*DART = Days Away Restricted or Transferred

Health

Cambrex Karlskoga works to ensure a healthy and sustainable working environment for all employees. The company strives to achieve a working environment that is characterised by job satisfaction, trust, respect, development opportunities, participation and security.

The employer has the primary responsibility for ensuring the existence of systematic work environment management and for confirming that applicable laws, rules and regulations are complied with. However, all employees have a responsibility to work together to contribute to a working environment that is sustainable and that promotes health.

During 2024, we have been working actively to clarify guidelines regarding work adaptation and rehabilitation policies. Through active and systematic adaptation and rehabilitation work, employers must create conditions for existing staff (AFS 2020:5). The employer has a duty to ascertain, on an ongoing basis, whether employees require work adaptation. It is in the interests of both the employer and the employee that measures are put in place at an early stage to prevent sickness absence or to create good conditions for a return to work.

Occupational health service

The occupational health service is a resource to support employees' health in work-related matters and contribute to a safe and healthy working environment. The occupational health service should only be used for work-related matters, such as prevention, rehabilitation in connection with work-related ill health, or support during work adaptation. For private or non-work-related health needs, the employee is referred to the general health service. In addition to physical health, we are also aware of the need to break patterns surrounding mental ill health and to offer support to those who need it.

During the coming year, we will be introducing Frisklinjen, a digital platform that helps managers to work systematically on occasions when employees have been absent from work for an extended period.

There was one serious occupational injury during 2024, caused by an employee slipping. The employee sustained a knee injury that resulted in prolonged sickness absence. It is difficult to completely prevent accidents involving slipping, but we are working continuously to improve our anti-slip procedures.

Healthcare

The company invests in health-promoting activities and, in addition to a Wellness Allowance of SEK 3,000 per employee per year, also offers heavily subsidised on-site massage during office hours and free fruit. During the year, around 70% of all employees opted to take advantage of the Wellness Allowance.

At Cambrex we have colleagues who are particularly passionate about healthcare and well-being at work. Our Health Inspirers are a group of employees who encourage commitment and contribute to the health-promoting work at the company. They organise several try-out activities every year and the exercise card challenge. In 2024, a total of 210 employees submitted exercise cards and participated in a draw to win a bicycle. Cambrex Karlskoga also has a well-being group of dedicated employees who organise activities of a more festive nature.

Committed workplaces



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 grants 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 during the first year of their employment.

Working conditions and human rights

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 organisation – as an employee, consultant or subcontractor – should be guaranteed the basic human rights established by the UN and the ILO (International Labour Organisation). 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.

During the year, we developed a training course on Working Conditions and Human Rights, and the goal for 2025 is for all staff to have completed e-learning on this topic.

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's 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 ensuring the posting is reported 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 rejects 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.

During the year, we reviewed our "Working conditions and human rights" policy and made adjustments regarding to child labour – the definition of minors and conditions for short-term employment of young people. In addition, if child labour is discovered in the workplace, there is now an action plan in the form of an appendix to the policy setting out how this matter should be handled.

Labour law and social dialogue

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. Our company maintains an open dialogue and has an inclusive communication structure, where all employees are encouraged to participate in the dialogue regarding the working environment and working conditions.

Cambrex Karlskoga is a member of the employers' organisation IKEM and observes its collective agreement. The trade unions with which we have collective agreements are represented at the company through a local board that has the mandate 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 or not they choose to be a member of a union.

Diversity and equality

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



We work actively to strengthen our diversity and to ensure that our workplace is free of harassment or violation in respect of gender, disability, transgender identity/expression, ethnicity, religion/belief, sexual orientation or age.

Cambrex Karlskoga has a 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 management team level, we have a relatively even gender distribution with 55% women and 45% men.

As part of our work to attract more women to our industry and to a career as an engineer or process operator, we arrange a number of activities aimed at young people, such as technology-related practical vocational orientation and corporate safaris. In addition, our female engineers take part in various high school events.

Analysis of equal pay	
Average basic salary, women in relation to men, %	
Total	102
Blue-collar workers	101
White-collar workers	91

Proportion of women and men in 2024	Women	Men
Distribution between women and men, %		
All employees	38	62
White-collar workers	52	48
Management team	55	45
Senior management positions	37	63

Age distribution					
Age range	-29	30-39	40-49	50-59	60-
Number of employees	50	144	108	126	46

Organisational and Social work environment

Cambrex's diversity and discrimination policy states that we have zero tolerance for all forms of abuse, discrimination and harassment. Cases of perceived victimisation that come to the employer's attention are always investigated promptly and in accordance with established procedures.

In 2024, we trained our managers regarding how to deal with discrimination, harassment and victimisation. We have also arranged workshops on topics such as work adaptation and rehabilitation, as well as managerial responsibilities regarding overtime. This has been done to prevent unhealthy workloads within the business.

New managers receive training in Systematic Work Environment as well as regarding the company's diversity and equality policies. 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 organisational 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 (Organisational 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 reorganisation, for example, are carried out within the framework of Co-determination in Working Life (MBL) at local or central level within the company, in accordance with the Swedish Work Environment Authority's regulations.

Through the efforts of attentive, responsive managers in combination with the following-up of sickness absence and other preventive measures, we often succeed in identifying employees who feel ill at ease in their work situation at an early stage.

Training, education, 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.

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.

We organise a safety week every year, and the theme this year was the safety culture. In addition to lectures on behaviour-based safety, training was also offered in CPR, first aid regarding dressings/stopping bleeding, as well as dealing with burns and cuts. A course on electricity was run for our production staff, and each factory went through the procedures relating to safe shutdown & start-up as well as evacuation routes.

Training hours in 2024	Men	Women	Total (h)
Average number of training hours per full-time employee	14	19	16

The right skills and development

Cambrex's competent staff are 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 a staff that continues to develop together with the company.

At Cambrex Karlskoga, the majority of recruitment is undertaken in house. Before recruiting to new positions, the recruitment manager and HR together

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 fair assessment of which candidate is most suitable for the role.

Other key performance indicators within HR

Staff turnover in 2024	
Number of persons who left their employment	49
Number of new employees	46
Staff turnover rate, %	10.3
Staff turnover - voluntary (resignation), %	8.7
Number of positions filled with internal candidates	52
Remuneration in 2024	
The highest paid person in the organisation to the annual average remuneration, full-time basis (excluding the highest paid person)	6.42
Ratio of the minimum wage in Sweden* to the minimum wage in the company	
All monthly-paid employees	1.2
White-collar workers	1.4
Blue-collar workers	1.2

*In Sweden, there is no statutory minimum wage (living wage). Wageindicator selects the lowest blue-collar wages as a reference. For 2023, the benchmark is SEK 21,840 per month. At the time of writing, the 2024 figures were not yet available.

Community involvement



Cambrex Karlskoga is a member of the association VBIF, Västra Bergslagens Industrieförening. Together, we encourage our local politicians to work systematically towards improvements in 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 organised technology-related practical vocational orientation ('prao') for schoolchildren, corporate

safaris for students from nearby universities and participated in recruitment fairs.

Cambrex works actively to strengthen local associations' opportunities to offer an enriching leisure time, especially to children and young people in the region. The company exercises an active stand for 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.



Responsible business



Cambrex sources a large number of raw materials and services from both a global and a local supplier base. The majority of our purchases relate to chemicals, packaging materials for the production of pharmaceutical substances, as well as various types of services in the form of technical consultants and support for our manufacturing operation. Another significant component of our purchases comprises materials/parts for the maintenance of our factories (reactors and other relevant factory equipment).

Cambrex's ambition is to act responsibly in all parts of the value chain. An important part of this work 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, climate, social issues and the working 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, alongside our suppliers, to pursue the lowest possible total cost. At the same time, being an active customer means we can influence suppliers to improve their business.

Code of Conduct

It is important for us to work with suppliers who are transparent and who strive to meet our sustainability requirements, and who adhere to our business ethics as set out in our Code of Conduct. Suppliers to Cambrex must always work in full compliance with the laws and regulations of all the countries in which they operate. Where local laws and regulations may be less stringent than Cambrex's Code of Conduct, Cambrex's principles must be followed. Failure to comply with internationally recognised standards

and the expectations set out in our Supplier Code of Conduct may result in termination of existing supply agreements as well as further business opportunities with Cambrex not being applicable.

Cambrex has a global Supplier Code of Conduct, which can be found on our website: www.cambrex.com

During 2024, we have been working actively to get our suppliers to sign up to our Code of Conduct. Of those requests sent out during the year, we have received responses to 85%, of which 38% have replied with their own documents/policies.

Supplier qualification

Supplier qualification is part of the value chain for safeguarding the quality of the products manufactured by Cambrex Karlskoga. The purpose of the qualification is to assess whether the supplier has systems in place that guarantee the quality of the product or service being sold to Cambrex. For the qualification of goods suppliers, there must be systems for traceability and for manufacturing and delivering the correct quality. For the qualification of service providers, the aim is to confirm that systems are in place to ensure that the provider has sufficient skills and procedures for the services being purchased. In addition, both raw material suppliers and service providers are assessed regarding their approach to health, safety and environmental (HSE) issues. This also includes an assessment of the supplier's undertakings, procedures and requirements in respect of ethics, employment conditions and general working conditions. Some suppliers are visited on-site to ensure that requirements relating to quality, safety, human rights and environmental issues are being complied with.

The scope of a supplier qualification depends on the category of the product or service, in terms of how critical it is to the completion of the final product, as well as the area of use of the product or service. In connection with supplier qualification, an investigation is performed as to whether, and how often, audits of the supplier should be carried out, as well as the frequency of future audits (see more in the Supplier monitoring section).

The supplier qualification process is governed by our Supplier qualification procedure. Everyone in the purchasing process receives training in this instruction.

Cambrex's suppliers who supply raw materials and other business-related products for our regular production must be qualified.

Supplier monitoring

Audit

Each year, audits are undertaken at a number of suppliers who either supply critical raw materials of various kinds, 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 can also be reviewed and followed up.

The audit programme is monitored annually, and the frequency of audits of a particular supplier may change from time to time. Our ambition is to expand the audit programme by having audits focusing on the sustainability aspect.

Supplier evaluation

To ensure that qualified suppliers remain qualified, suppliers must be evaluated and inspected at a set frequency, or more often if this is considered necessary following a decision by QA. The evaluation frequency is based on the criticality of the supplier and ranges from two to five years. The number of supplier evaluations planned for 2025 is around 100.

Business ethics

Cambrex's 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.

Anti-corruption

According to our Ethics Policy, the following applies regarding bribery and anti-corruption: "Cambrex Karlskoga has 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 various stakeholders from our organisation. 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 organisational level at which approval must take place."

An initial risk analysis has been carried out regarding which positions in our organisation may be at risk of corruption to a greater or lesser extent. Further analysis is still required to safeguard training and following-up among at-risk groups.

Whistleblowing procedure

We have a whistleblowing policy that includes procedures on how this should be managed. All incoming reports are considered by Cambrex Karlskoga's Whistleblowing Committee, which consists of the Director of HR and the appointed safety officers. If necessary, additional key personnel from the business are involved in the investigation. The whistleblowing function is intended for the reporting of serious work-related misconduct or irregularities within Cambrex, for example in relation to violations of the law, bribery or corruption, as well as effects on the life and health of individuals.

In 2024, no cases were reported to the whistleblowing channel.

