

Envirotainer^o

The Active Cold Chain

Envirotainer Sustainability Report 2020



ENVIROTAINER SUSTAINABILITY REPORT 2020

About the Report

This report, along with additional information available on our website, describes Envirotainer's sustainability initiatives and performance in 2020, and addresses issues that Envirotainer has identified as the most important to its stakeholders. Envirotainer has identified four Core Sustainability Areas, mapped on the UN Sustainable Development Goals, that lay the foundation for the content in the 2020 sustainability report. The report describes how we work today and includes our ambitions, priorities, goals, achievements and relevant key performance indicators. The report covers our own facilities, products, services, and staff within Envirotainer Holding AB and its subsidiaries. Other partner stations and staff are not included.

A WORD FROM THE CEO

The debate on environmental sustainability in the pharmaceutical industry has until recently mainly concerned production related issues, including discharges of substances to water and the use of certain chemicals. During the last year, the focus has increasingly turned to circular economy, climate change and how the choice of transportation solution impacts. Although only some 5-10% of total pharmaceutical companies' CO₂ emissions are generated by transportation, the choice of transportation solution can have significant impact on the overall emissions. The reason is that 80-90% of the CO₂ emissions in the pharmaceutical value-chain are generated in production and raw material sourcing, so preventing temperature-sensitive pharmaceuticals from being exposed to temperature deviations during transport, which may cause them to be discarded and required to be manufactured all over again, is crucial. Some of Envirotainer's key sustainability KPI's tracks how well we are protecting the pharmaceuticals transported in our solutions, and we are happy to report industry-leading levels of 0.1% temperature deviations and 0.0% product loss during 2020. We believe this is especially noteworthy considering that some 600 million vials of pharmaceuticals were transported in our cold-chain solutions in 2020.

Envirotainer became CO₂ neutral in 2020, with lowest CO₂ footprint of all solutions

As market leaders, we believe it is important to be at the forefront of sustainability. During 2020, we finalized a major review and update of our Sustainability Strategy and sustainability action plans. The work conducted led to that Envirotainer, as the first company in our industry, became climate neutral in scope 1-3, excluding use-phase, already in 2020. In addition, a thorough life-cycle analysis of our shipment solutions compared to other solutions offered in the market clearly shows Envirotainer's solutions to be the most CO₂-efficient in the industry. We are very proud of both these achievements, and that the work done in 2020 gives a clear picture not only of our own environmental impact but also of how we can help our customers reduce their respective CO₂ footprint.

Envirotainer plays a critical role in ending COVID-19 pandemic

At the time of writing this (March 2021), the world has distributed approximately 2% of the total globally contracted volumes of COVID-19 vaccines. The remaining 98% will be distributed in a global environment where cold chain shipment capacity will be a scarce resource. As the market leader in the international cold chain for pharmaceuticals and vaccines, Envirotainer has a key role to play in ending the pandemic. Up to now, approximately 65% of all Covid-19 vaccines requiring air freight has been shipped in Envirotainer solutions.

Envirotainer's Role in Society

We believe that Envirotainer's largest contribution to a sustainable world is helping our customers enable global access to life saving pharmaceuticals and vaccines, through patient-safe, reliable and efficient cold chain solutions. This has been more relevant than ever in 2020 and 2021.

Our ambition is to lead the transformation to a more sustainable pharmaceutical cold chain and our sustainability strategy is closely aligned with our core business, with clear targets and action areas. We believe we can play a key role in industry collaboration based on our market leading position, strong product and service portfolio, and passion for innovation.

Michael Berg

CEO Envirotainer

CONTENT

- ABOUT ENVIROTAINER 5
- OUR IMPACT AND EMISSIONS..... 6
- SUSTAINABILITY FOCUS AREAS 10
- BASE: CONDUCTING BUSINESS RESPONSIBLY..... 13
- FOCUS AREA 1: ENSURING ACCESS TO PHARMACEUTICALS 16
- FOCUS AREA 2: DRIVING RESOURCE EFFICIENCY IN THE VALUE-CHAIN..... 17
- FOCUS AREA 3: BEING THE BEST PLACE TO WORK..... 18
- FOCUS AREA 4: BEING A TRUE AND TRUSTWORTHY PARTNER..... 21
- KEY PERFORMANCE INDICATORS 22

ABOUT ENVIROTAINER

Global Market Leader in Secure Cold Chain Solutions

Envirotainer is the global market leader in secure cold chain solutions for the pharmaceutical supply chain, providing services to more than 600 pharmaceutical companies, 100 airlines and 40 major freight forwarders.

The network includes more than 50 service and repair stations of which five are wholly owned and operated by Envirotainer. The company's own stations are located in Rosersberg, Amsterdam, Singapore, Incheon and Atlanta. Furthermore, there are three Operation Centers, located in Frankfurt, Singapore and Dallas. The Supply Chain and R&D departments are located in Rosersberg and the head office is located in Sollentuna outside Stockholm, Sweden.

Envirotainer's largest contribution to a sustainable world is helping our customers enable global access to life saving pharmaceuticals, through patient safe, reliable and efficient cold chain solutions. Many pharmaceuticals, and especially the new generation of biological drugs, are temperature sensitive and needs to be stored and transported within a certain temperature range, frozen, 2-8 °C, or for some drugs, 15-25 °C. If the temperature ventures outside of this range, there is a risk that patient safety is compromised and that the pharmaceuticals must be discarded.

By safe-guarding pharmaceuticals during transport so that they are not damaged, protects both the patients that depend upon them as well as the environment as the pharma products otherwise would need to be manufactured all over again. Envirotainer's role is to maximize pharma protection during the distribution cold chain.

An Integral Part of The Circular Economy

Envirotainer develops, manufactures and provides innovative cold chain air transportation solutions, including validation, support and service, for pharmaceutical products that require a temperature-controlled environment. Being part of this truly circular economy, where our products are leased to our customers and are thus re-used hundreds of times during their life-time, strongly benefits the environment by reducing packaging landfill.

310 EMPLOYEES

They make up the backbone of our network. This includes 45 in dedicated R&D roles. We are supported by a partner network that includes an additional 300 people who work with our containers every day.

600 GLOBAL CUSTOMERS

We provide secure solutions for pharmaceutical and biotech companies who transport time and temperature sensitive goods by air. We do this by working together with +100 airlines and 40+ forwarders across the world.



OUR IMPACT AND EMISSIONS

Emissions of Greenhouse Gases 2020

Envirotainer has calculated the total CO₂e footprint from our operations in 2020. The data collection and disclosure are aligned with the Greenhouse Gas Protocol¹ and encompasses all applicable gases in scope 1, 2 and 3. As expected, the main part of our emissions stem from the transportation and relocation of our containers (scope 3).

The emissions are presented in accordance with Greenhouse Gas protocol standards and divided between emission source and scope.

The majority of the total emissions in scope 1-3 comes from the use phase of the products (99.7%), where the largest contributor is the transportation of the containers, both with the customer's medical products inside the container and the repositioning of the containers.

Envirotainer's total emissions in scope 1 and 2 was 92 tons in 2020. The total emissions in scope 1-3 (excluding use phase) was 3,515 tons CO₂e, equaling 2.2 tons CO₂e per SEKm revenue. These emissions have been fully compensated for, making Envirotainer climate neutral, as the first company in our industry.

The Greenhouse Gas Protocol:

Scope 1 – are emissions produced directly by an organization, for instance through the combustion of fuels, e.g. natural gas combustion for heating, or the combustion of petrol in a vehicle

Scope 2 – includes indirect emissions generated through the consumption of purchased energy, e.g. through electricity use.

Scope 3 – other indirect emissions that occur in the value chain of the reporting company, including both upstream and downstream emissions.

Envirotainer 2020 Emissions of green house gases (tons CO ₂ e)	Scope 1	Scope 2	Scope 3	Total 2020	Share of total emissions excl. use phase	Share of total emissions
Overhead	20	52	942	1 014	28,8%	0,1%
Heating	-	23	1	24	0,7%	0,0%
Electricity	-	29	1	30	0,9%	0,0%
Waste management	-	-	7	7	0,2%	0,0%
Air travel	-	-	536	536	15,3%	0,0%
Car travel	20	-	4	24	0,7%	0,0%
Hotel stays	-	-	8	8	0,2%	0,0%
Taxi	-	-	12	12	0,3%	0,0%
Commuting	-	-	373	373	10,6%	0,0%
Production	4	16	2 482	2 502	71,2%	0,2%
Heating	-	16	1	17	0,5%	0,0%
Electricity	-	-	12	12	0,3%	0,0%
Waste management	-	-	13	13	0,4%	0,0%
Purchased goods	-	-	2 179	2 179	62,0%	0,2%
Transport of goods	4	-	276	280	8,0%	0,0%
Total emissions excluding use phase	24	68	3 424	3 515	100,0%	0,3%
<i>Use phase of containers</i>	<i>0</i>	<i>0</i>	<i>1 070 069</i>	<i>1 070 069</i>		<i>99,7%</i>
Logistics - Air freights	-	-	1 069 433	1 069 433		99,6%
Logistics - Ship freights	-	-	170	170		0,0%
Logistics - Road freights	-	-	455	455		0,0%
Leakage of refrigerants	-	-	11	11		0,0%
End-of life waste management	-	-	-	-		0,0%
Total	24	68	1 073 493	1 073 585		100,0%

Container Production

Envirotainer manufactures all the active temperature-controlled containers it uses for its business, together with certain spare parts, in the production facility in Rosersberg, outside Stockholm. According to the Swedish law on Annual Reports, Årsredovisningslag (1995:1554), companies that

¹ Using operational control approach and market-based method

carry out activities that are subject to authorization or notification under the Environmental law (1998: 808) need to state the impact on the external environment.

Envirotainer’s operations require environmental permits. The group holds permits to produce both aluminum containers and composite containers at the Rosersberg production site in Sweden since 2014. For the production of aluminum containers, the permits refer to the use of polyurethane as insulation material. The company uses best available technology, “BAT”, in the manufacture of aluminum containers with polyurethane isocyanates. For the production of the composite containers the permits refer to the emission of styrene and acetone into the air. In addition, the manufacture of composite containers uses best available techniques “BAT”.

All emissions from the manufacturing are reported to the relevant authorities and are well within the defined limits of our permits.

We are committed to reducing impact on the environment from our operations. Our manufacturing facilities are complying with comprehensive Swedish environmental regulations, and we strive for high transportation efficiency and minimized use of resources in our logistic solutions.

Waste is primarily created from three activities:

- Manufacturing of new containers and spare parts
- Regular maintenance and repair of containers at the service stations
- Scrapping and dismantling of containers at the end of their lifecycle

Waste created from the manufacturing of new containers and spare parts amounted to 121.5 (93.8) tons (non-hazardous) and 8.6 (8.9) tons (hazardous) in 2020.

Waste, per type	2020 (%)	2019 (%)	2018 (%)
Paper and combustibles	42.1	43.3	47.5
Wood	30.4	28.8	29.8
Aluminum	4.2	4.0	5.5
Chemical	6.6	1.3	1.0
Electrical	0.4	1.0	2.0
Plastic	0.2	0.5	0.2
Unsorted	16.1	21.1	13.9

Our ambition is that as much as possible of all fractions are recycled.

Environmental Policy

Envirotainer’s environmental policy describes the ambition and targets for our environmental agenda. The driver for our environmental policy is that Envirotainer should be a climate leader and partner that decreases green-house-gas emissions and improve resource efficiency in the pharma cold chain.

As we are aware that some emissions unfortunately cannot be reduced to zero, in order to deliver much needed pharmaceuticals in time to patients across the whole world, Envirotainer has taken a strategic decision to compensate for all remaining emissions in scope 1 and 2 and in scope 3 excluding the use phase.

“Some emissions simply can’t be mitigated to zero. Our core business is to help provide pharmaceuticals to patients in need and that requires airfreight. While we will never compromise patient safety, we can compensate these unavoidable emissions and thereby contribute to a more

sustainable world as well. We are continuously striving to lower our emissions further and thereby reduce the need to compensate our operations,” explains Michael Berg, CEO of Envirotainer.

Life Cycle Analysis

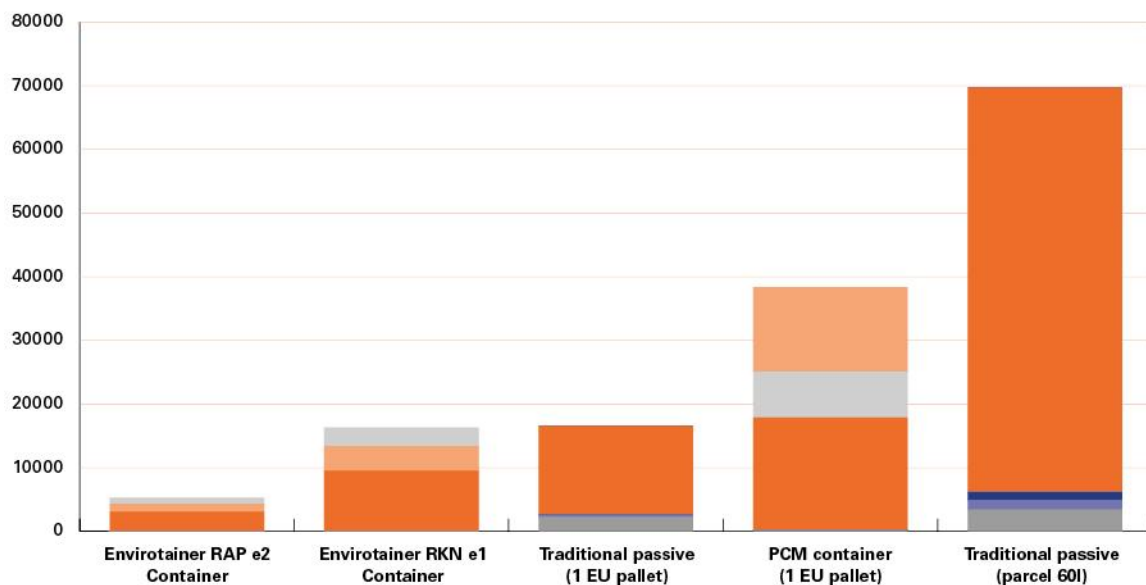
As part of our sustainability work, Envirotainer has commissioned a Life Cycle Analysis (LCA) of our active containers, to compare with passive solutions. The containers that have been included in the analysis are the Envirotainer RAPe2 and RKNe1.



The competitor containers consist of a passive parcel container and two different passive pallet-in-pallet containers, all with Phase Change Material (PCM).

Based on the Life Cycle Analysis it is evident that the majority of the CO₂e impact comes from the usage phase of the container, e.g. when it is flying on an aircraft. The single largest impact comes from the transportation of medical products, amounting to about 50% of the total CO₂ emissions in all the analyzed containers. Containers that are used more than one time may need to be repositioned, either by air, road or by ocean. The return transport consists of repositions made by customer and repositions that are handled by the supplier (Envirotainer). The total emissions of the repositions are about 40-50% depending on transport solution.

Kg CO₂/m³ Medical product:



The result of the Life Cycle Analysis shows that the containers from Envirotainer have low CO₂e impact per cubic meter of medical product compared to other solutions. The major reason for this is the ability

to ship goods more effectively in an Envirotainer container, which has the benefit of large internal volume versus external volume, especially in the largest containers RAPE2.

Furthermore, the Envirotainer containers enables a more efficient utilization of the aircraft cargo space, as they are Unit Load Devices (ULD) which means they are adapted to the inner shape of the aircraft. Being ULDs, Envirotainer's containers can be repositioned in an efficient way, using otherwise unused cargo space – so-called courtesy repositioning – in partnership with the airlines.

In terms of the reusable containers, the remaining impact categories have minor effect on the total CO₂e. Regarding the single use pallet in pallet and Parcel 60l the manufacturing and waste is responsible for about 10-15%. The waste category includes disposal of medical products due to temperature control failure. For the Parcel 60l container this is assumed to be 5%, whilst for Envirotainer's active containers there are zero product losses.

SUSTAINABILITY FOCUS AREAS

Sustainability in all that we do has always been a part of the “DNA” of Envirotainer; our solutions are minimizing pharma product loss and are re-used in a circular way, the purpose of our company is to ensure global access of life critical pharmaceuticals, we strongly believe in developing and treating our people well, and we take a collaborative leadership role in industry to drive innovation and optimization across the entire pharma cold chain.

Envirotainer’s sustainability strategy is based on UN’s 17 Global Goals for Sustainable Development, aimed at transforming our world by 2030. Through goals such as eradicating poverty, reduced inequality, and responsible consumption and production, the SDGs make the route to a better world more tangible and actionable. By reducing the negative impacts of our operations, contributing to positive change and engaging in society at large, we can contribute above all to seven of the SDGs:

- Goal 3: Ensure healthy lives and promote well-being for all at all ages
 

- Goal 13: Take urgent action to combat climate change and its impacts
 

- Goal 12: Ensure sustainable consumption and production patterns
 

- Goal 17: Revitalize the global partnership for sustainable development
 

- Goal 5: Achieve gender equality and empower all women and girls
 

- Goal 8: Promote inclusive and sustainable economic growth, employment and decent work for all
 

- Goal 10: Reduce inequality within and among countries
 

Based on the materiality assessment and stakeholder analysis, Envirotainer have identified the strategic sustainability areas, or *Core Sustainability Areas*, that we see as prioritized for our contribution to sustainability.

Envirotainer’s Core Sustainability Areas

The strategic sustainability areas are organized in a framework consisting of four Core Sustainability Areas “Pallets” and a “Base”. The Base *Conducting Business Responsibly* is the foundation on which our core sustainability areas stand and articulates the undertaking of working with the highest standards of compliance, building strong governance structures and ethical operations.

Envirotainers sustainability container – pallets



The *Pallets* are the four core sustainability areas.

Core Sustainability Areas	Overall objective
1. ENSURING ACCESS TO PHARMACEUTICALS	<i>Ensuring uninterrupted patient-safe and cost-efficient global access to pharmaceuticals.</i>
2. DRIVING RESOURCE EFFICIENCY IN THE VALUE-CHAIN	<i>Being a climate leader and partner that decreases green-house-gas emissions and improve resource efficiency in the pharma cold chain.</i>
3. BEING THE BEST PLACE TO WORK	<i>Being an attractive employer with healthy, diverse and engaged employees to foster a value driven high-performance culture.</i>
4. BEING A TRUE AND TRUSTWORTHY PARTNER	<i>Collaboration and innovation within our ecosystem to actively expand economic, environmental and social sustainability.</i>

Strategic Objectives and Key Performance Indicators

Each of Envirotainer’s four Core Sustainability Areas has been mapped to the UN Sustainable Development Goals, and Strategic Objectives as well as Key Performance Indicators have been developed for each area.

Core Sustainability Area and SDG	Strategic Objectives	Key Performance Indicators
<p>ENSURING ACCESS TO PHARMACEUTICALS</p> 	<ul style="list-style-type: none"> • Together with our partners, we help our customers deliver around 2 million doses of medicines and vaccines to patients all over the world, every day. • We continuously improve the cost-efficiency per dose delivered, to contribute to affordable access to pharmaceuticals. • We safeguard patient safety by delivering 100% reliability, ensuring zero temperature excursions during shipments, zero pharma product losses as well as having a rigid system to detect product tampering. • We simplify access to critical pharmaceuticals by having a broad global supply-chain network and give peace of mind to our customers by offering an outstanding availability of containers. 	<ul style="list-style-type: none"> • # of doses of pharmaceuticals delivered • Reliability: <ul style="list-style-type: none"> ○ # of product losses ○ % of trips without temp deviations • Availability: <ul style="list-style-type: none"> ○ % of trips on time in full
<p>DRIVING RESOURCE EFFICIENCY IN THE VALUE-CHAIN</p> 	<ul style="list-style-type: none"> • Zero pharma product loss. • Climate neutral company in scope 1 and 2, and in scope 3 excluding use phase, including compensation of all non-avoidable emissions. • Continuously decrease emissions per dose delivered in scope 3 use phase by advocating the consolidation to larger containers and decreasing unnecessary movements of empty containers. 	<ul style="list-style-type: none"> • Reliability <ul style="list-style-type: none"> ○ # of product losses ○ % of trips without temp deviations • Absolute CO₂eq for scope 1 and 2 and in scope 3 excluding use phase • CO₂eq for scope 1-2 and in scope 3 excluding use phase per SEKm revenue • CO₂eq for scope 1-2 and in scope 3 excluding use phase per SEKm revenue, after climate compensation • CO₂eq / dose* delivered including use phase in scope 3
<p>BEING THE BEST PLACE TO WORK</p> 	<ul style="list-style-type: none"> • Continuous improvement of employee survey results year by year • Improved gender mix. Increase the proportion of women in leadership positions. • Continue the work to prevent discrimination and to promote diversity within the company. 	<ul style="list-style-type: none"> • Employee satisfaction <ul style="list-style-type: none"> ○ This is a great place to work ○ Total result from survey (Trust index) ○ “My Manager”-index ○ Employee survey response rate • Gender Diversity <ul style="list-style-type: none"> ○ Employees in leadership positions of each gender ○ Employees of each gender • Employee turn-over • Absenteeism
<p>BEING A TRUE AND TRUSTWORTHY PARTNER</p> 	<ul style="list-style-type: none"> • Closer partnerships with pharma to increase trust based on Envirotainer’s core values and our record of always available and reliable solutions. • Increased collaboration with key stakeholders to set joint objectives, increase bi-lateral transparency to develop more resource efficient solutions. • Position as the “industry leader” - innovating products and services for the pharma cold chain, including development of new and innovative digital services based on container positioning and sensor data. 	<ul style="list-style-type: none"> • Reliability: <ul style="list-style-type: none"> ○ # of product losses ○ % of trips without temp deviations • Availability: <ul style="list-style-type: none"> ○ % of trips on time in full • Training: <ul style="list-style-type: none"> ○ # of people trained in the Envirotainer academy

BASE: CONDUCTING BUSINESS RESPONSIBLY

“Working with the highest standards of compliance, building strong governance structures and ethical operations”

We are fully committed to conduct our business working with the highest standards of compliance, building strong governance structures and ethical operations. Envirotainer has developed high standards in areas of human rights, anti-corruption, labor rights and the environment in line with international conventions and principles.

Governance Structure of the Organization

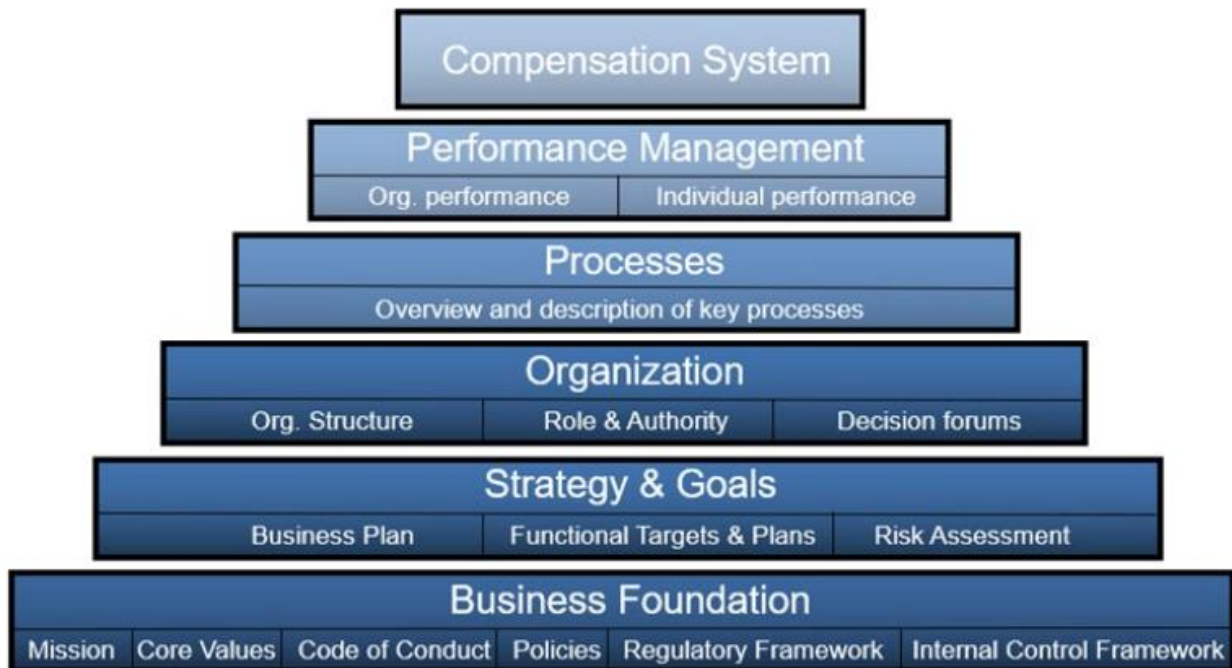
The Board of Directors is ultimately responsible for the company’s organization and its purpose, values, and strategy. The Board also addresses matters related to overall Group strategy, IT, human resources, such as incentive programs, environment, health and safety, and issues concerning investments and financial performance.

As of 31st of December 2020, Envirotainer’s Board consisted of six members elected by the Annual General Meeting. The Board consists of members with experiences from different geographic areas and different industry sectors. Pursuant to Swedish legislation, trade unions are entitled to representation on the Board and they have appointed two members.

The Board has, from its members, appointed a Remuneration Committee and an Audit Committee. The Remuneration Committee governs remuneration and incentives for the Group. In respect of the Audit Committee, matters include risk management, compliance, internal control as well as the result of the external audit.

The CEO is appointed by the Board and is responsible for managing the overall operations and resources of the company, as well as leading the development of the company’s short- and long-term strategy. The distribution of responsibilities between the Board and the CEO is laid down in the Board’s rules of procedures which are reviewed and adopted each year.

Envirotainer has a well-defined governance model, “Envirotainer Governance Framework”, which is available to all employees on the company’s intranet.



Code of Conduct

The Envirotainer Code of Conduct outlines the main principles of Envirotainer’s corporate responsibility, as well as the personal, ethical and professional principles to which all Envirotainer employees shall adhere. The guiding principles for Envirotainer’s Code of Conduct are based on the UN Global Compact ten principles as well as the UN Code of Conduct for Suppliers. The Code gives guidance to relations with employees, customers, suppliers, shareholders, and the society.

Envirotainer’s Code of Conduct is foundational and is non-negotiable. Failure to comply with the Code will result in an investigation which may result in disciplinary action, termination of employment, or criminal charges. Employees and other stakeholders are encouraged to report any breaches of the Code of Conduct through the Code of Conduct hotline system, which is an externally managed whistleblowing function. This facilitates rapid identification of risks and enables corrective remediation to take place.

The Board of Directors adopts the Code of Conduct, and each manager in Envirotainer assumes responsibility for ensuring compliance with it. All employees have undergone training in Envirotainer’s Code of Conduct, and the Code is part of the induction program for all employees.

Human Rights and Anti-Corruption

Business ethics is prioritized on the group’s agenda, representing an issue that is continuously addressed, for example in the onboarding process for new employees. Envirotainer has recognized and adopted all Human Rights and Anti-Corruption principles as stated in the UN Global Compact. With international operations, Envirotainer remains vigilant to the risk of slavery and human trafficking and checks the implementation and respects of its policies.

Guidelines on anti-corruption are set out in the Code of Conduct, and Envirotainer does not accept any form of corruption, bribes, or unfair anti-competitive practices. No reports of breaches of our Code of Conduct with regards to human rights and anti-corruption were submitted during 2020.

Supply Chain and Sourcing

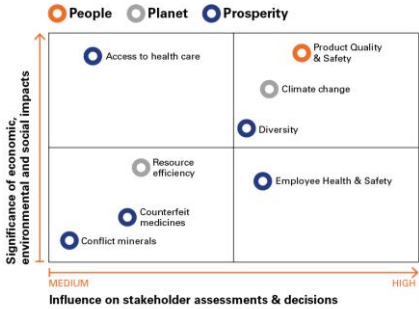
Envirotainer is committed to sustainable sourcing practices that minimize our social and environmental negative impacts, improve the sustainability performance of our supply base and generate value for business, our customers and society at large.

Envirotainer has a diverse supply base, totaling some 900 suppliers in 2020, where most are located in Sweden. We require our suppliers to make every effort to comply with our Code of Conduct and we will not do business with suppliers that fail to comply with applicable laws and regulations.

We assess the risk related to violations of our Code of Conduct, primarily based on the suppliers’ location and activities involved in the production, delivery of goods and services to us. During 2020 no deviations from our Code were reported.

Risk Management

The Envirotainer risk management processes support our business to manage and effectively mitigate critical risks. The Envirotainer Management Team analyze risks in operations and related to the strategic objectives at least annually. Stakeholders input on risks are identified and mapped based on importance to Envirotainer’s business.



The requirements for management on how to act in a crisis is outlined in a crisis management plan. The overall purpose of Envirotainer’s crisis management is to complement our proactive risk management work. Once a risk materializes, the priority of Envirotainer’s crisis management is to minimize harm to people, to the environment, and to minimize damage to our business, as well as ensuring a swift return to normal activities and safeguarding the company reputation.

Reporting Mechanism and Hotline Function

Since Envirotainer is committed to sustainable growth, the company will continuously reinforce the importance of timely and accurate reporting of all potential breaches of our Code of Conduct. A hotline (external reporting function) is available to report potential breaches. The intention of the reporting system is to give employees the possibility, when all other options are explored, to report serious breaches. No grievance cases were reported via the hotline in 2020.

Health, safety and risk management performance indicators are reported regularly to the Board of Directors. The following KPIs are reported quarterly; Employee survey results, Employee turnover, Absenteeism, Gender diversity, Accidents and incidents rates, Employee grievances, Anti-bribery and Corruption and Carbon footprint.

FOCUS AREA 1: ENSURING ACCESS TO PHARMACEUTICALS

“Ensuring uninterrupted patient-safe and cost-efficient global access to pharmaceuticals”

Access to pharmaceuticals can be the difference between life and death for millions of people around the globe. As many pharmaceuticals are temperature sensitive, uninterrupted distribution via a trustworthy, patient safe and cost-efficient cold chain is of critical importance to the pharma industry and to patients. Pharmaceutical product loss during transportation affects peoples’ access to life-saving products and also has the largest environmental impact on the complete pharma value-chain.



Envirotainer’s cold chain solutions for patient safe and cost-efficient distribution of sensitive pharmaceuticals minimizes those risks and costs.

This is the single most important contribution to society of Envirotainer’s business, and in this quest Envirotainer strives to;

- Ensure global availability of a patient safe, cost-efficient and trustworthy pharma distribution cold chain.
- Ensure zero temperature excursions or pharma product loss.
- Minimize the risk of product tampering and theft by providing thorough processes, products and operations.

Strategic Objectives

- Together with our partners, we help our customers make around 2 million doses of medicines and vaccines available all over the world, every day.
- We continuously improve the cost-efficiency per dose delivered, to contribute to affordable access to pharmaceuticals.
- We safeguard patient safety by delivering 100% reliability, ensuring zero temperature excursions during shipments, zero pharma product losses as well as having a rigid system to detect product tampering.
- We simplify access to critical pharmaceuticals by having a broad global supply-chain network and give peace of mind to our customers by offering an outstanding availability of containers.

KPIs

ENSURING ACCESS TO PHARMACEUTICALS	2020	2019
# of doses of pharmaceuticals delivered	595 million	630 million
# of product lost during transport	0	0
% of trips without temp deviations	99.9%	99.4%
Availability (% of trips on time in full)	100.0%	99.9%

FOCUS AREA 2: DRIVING RESOURCE EFFICIENCY IN THE VALUE-CHAIN

“Being a climate leader and trusted partner that decreases green-house-gas emissions and improves resource efficiency in the pharma cold chain”

Together with our customers, we are committed to balance the negative effect on the climate of airfreight, with the social benefits of global access to life-saving pharmaceuticals. By far the largest share of carbon emissions in the pharma value-chain occurs in pharmaceutical production and raw material sourcing, whereas logistics only makes up a fraction (approximately 5-10%)², making prevention of product loss during shipment the key priority for the industry. Envirotainer aims to be a climate leader and a driving force to improve resource efficiency and by mitigating overall emissions in the pharma supply-chain together with our partners and customers.

As part of our strategy to decrease our emissions we work according to the principle of *“reduce, promote and compensate”*. This means that we first strive to mitigate our emissions where possible, including both our own operations and influencing our partners. Secondly, we should always promote the best solutions, looking at all aspects, to our customers.

For Envirotainer, this implies:

- Improving resource efficiency by minimizing pharma product loss in the cold chain thanks to the high reliability of our solutions.
- Further mitigating our own emissions, for example by using green energy and minimizing emissions from our production and service stations, and simultaneously reducing packaging waste by effective, efficient and circular use of the containers, with minimized unnecessary movements of the containers.
- Contributing to mitigating the overall emissions in the pharma cold chain, by actively partnering with other participants in our eco-system to optimize shipment sizes, logistics flows and processes.

Strategic Objectives

- Zero pharma product loss.
- Climate neutral company in scope 1 and 2, and in scope 3 excluding use phase, including compensation of all non-avoidable emissions.
- Continuously decrease emissions per dose delivered in scope 3 use phase by advocating the consolidation to larger containers and decreasing unnecessary movements of empty containers.

KPIs

DRIVING RESOURCE EFFICIENCY IN THE VALUE-CHAIN	2020	2019
# of product losses	0	0
% of trips without temp deviations	99.9%	99.4%
Absolute CO ₂ eq for scope 1 and 2 and in scope 3 excluding use phase	3,515 tons	4,234 tons
CO ₂ eq for scope 1 and 2 and in scope 3 excluding use phase per SEKm revenue	2.2 tons	2.8 tons
CO ₂ eq for scope 1-2 and in scope 3 excluding use phase per SEKm revenue, after climate compensation	0	-
CO ₂ eq / dose delivered including use phase in scope 3	1.9 kg	1.7 kg

² <https://www.sanofi.com/-/media/Project/One-Sanofi-Web/Websites/Global/Sanofi-COM/Home/common/docs/download-center/Carbon-footprint-2019.pdf>

FOCUS AREA 3: BEING THE BEST PLACE TO WORK

“Being an attractive employer with healthy, diverse and engaged employees to foster a value driven high-performance culture”

As a company founded in Sweden, social responsibility is deeply rooted in the core of our business. At Envirotainer, the employees are the backbone of our success. Therefore, we strive to be the best place to work, with a value-driven high-performance organization and best in class employee satisfaction.

In order to achieve that, we need to continuously improve our attractiveness by cultivating a company culture where we foster healthy, diverse and engaged employees. Our employees and customers are global, and we depend on understanding the perspectives of different markets and people. Research shows that diverse, equal and inclusive businesses perform better by improved innovation capability, decision-making and more satisfied employees.

For Envirotainer, this implies:

- A safe, healthy and value-driven workplace with clearly integrated Core Values.
- High employee engagement and satisfaction resulting in innovative and high-performance teams.
- Focus on performance management and people development to make sure we have outstanding leaders and employees.
- A diverse and inclusive workplace, with equal opportunities for everyone.
- Sharing the financial success of the company through bonus programs for all employees.

Strategic Objectives

- Continuous improvement of employee survey results year by year.
- Improved gender mix.
- Increase the proportion of women in managerial positions.

Core Values

Envirotainer’s Core Values (Trustworthiness, Passion, Agility and Team spirit) are an integral part of all relevant processes and widely referred to in the company. Creating awareness around our guiding principles and Core Values will always be key to continue to reinforce the company culture. The Code of Conduct, Governance model and Core Values is therefore an integral part of our induction program for all new employees.

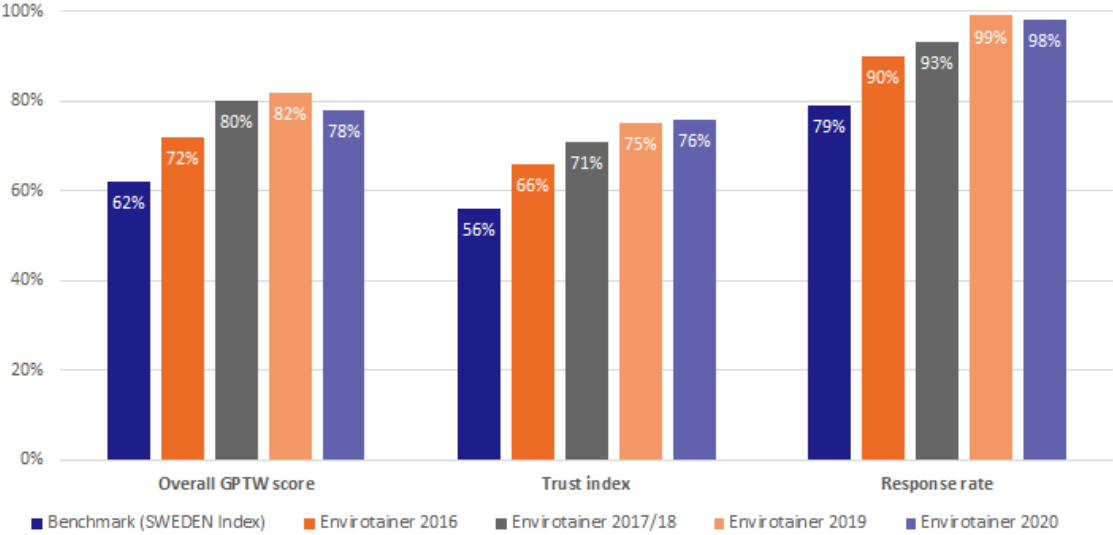


Employee Engagement

Envirotainer conducts employee surveys annually to ensure continuous improvement of our work environment. The objective is clearly stated - To become the best place to work and improve our employee survey results year by year.

The employee survey results provide valuable and detailed information regarding the employees’ trust in management, how proud they are of what they do and how much they enjoy working with their colleagues. It indicates both strengths and improvement areas and serves as input for how to create the best conditions for employee commitment and a sustainable working life.

Throughout the year, all departments have compiled actionable plans based on the results to ensure that the company acts on potential deviations and low scores and take necessary measures to further improve results and become an even greater place to work.



Employee and Manager development

All Envirotainer’s employees are important, and management strives to engage, develop, and coach every individual and team to achieve their goals. Yearly performance appraisals are performed to ensure that everyone in the company knows the company’s and their own individual goals and performance and have a continuous dialogue on employee competence development.

A global leadership program, which includes all managers, was initiated in 2019 and was completed in 2020. The ambition is ensuring training for all new managers and offer tailored initiatives and individual coaching when needed. All new employees participate in an Induction Training program in Sweden, which is held several times per year.

The development dialogue between managers and employees in the yearly appraisal sets the foundation for the development and training needs in year. Employee development is also a key component by the yearly Mid-year review dialogue between manager and employees and is to be tracked in regular 1-2-1s. Most development initiatives are derived from an individual’s need for

development but in addition, development initiatives for functions and group are carried out such as Sales training or Communication training for Customer Service employees.

Discrimination and Diversity

Envirotainer offers a safe work environment and does not accept any kind of discrimination or harassment in the workplace. The latest employee survey shows that Envirotainer’s employees in general believe they are being treated fairly in regardless of age, race, race or ethnic origin, gender, sexual orientation or disability. No discrimination and harassment incidents have been reported in 2020.

Employees are recruited and promoted based on their qualifications for the job, regardless of race, religion, age, national origin, gender, sexual orientation, political opinion, union membership, marital status, or disability unrelated to the work tasks. We take pride in being a global company that believes that diversity improves our enterprise. Our workforce reflects the diversity of the countries and cultures in which we operate. At Envirotainer everyone is of equal value; we strive for everyone to feel respected for being whom they are, and we show tolerance for differences.

We have a strong focus on diversity in recruitment using specialized recruitment firms to improve the company’s gender mix. The ambition is to improve the gender mix as well as number of females in leadership positions in the coming years. We have a structured approach to ensure gender equality by performing an annual compensation benchmark. This benchmark provides us with the necessary data to perform salary gap analyses in alignment with Swedish law.

Health and Safety

Envirotainer is committed to providing safe and healthy working conditions in compliance with Swedish law for the facilities in Sweden and with local laws abroad. Relevant local laws are regularly reviewed related to work environment to ensure we are compliant globally. The company works diligently to reduce and eliminate occupational hazards and has a structured approach to work with workplace environment.

The company operates with clearly stated guidelines, roles and responsibilities in the Rosersberg production facility and at headquarters. This includes regular meetings, structured safety checks and follow-ups. Workplace representatives, responsible managers, and HR are involved in the process. Incidents in the workplace are reported in a structured manner.

KPIs

BEING THE BEST PLACE TO WORK	2020	2019
This is a great place to work	78%	82%
Total result from survey (Trust index)	76%	75%
“My Manager”-index	84%	83%
Employee survey response rate	98%	99%
Employees in leadership positions of each gender (F/M)	9/47	8/46
Employees of each gender (F/M)	77/210	76/209
Employee turn-over	7 %	9%
Absenteeism	3.7 %	3.0%

FOCUS AREA 4: BEING A TRUE AND TRUSTWORTHY PARTNER

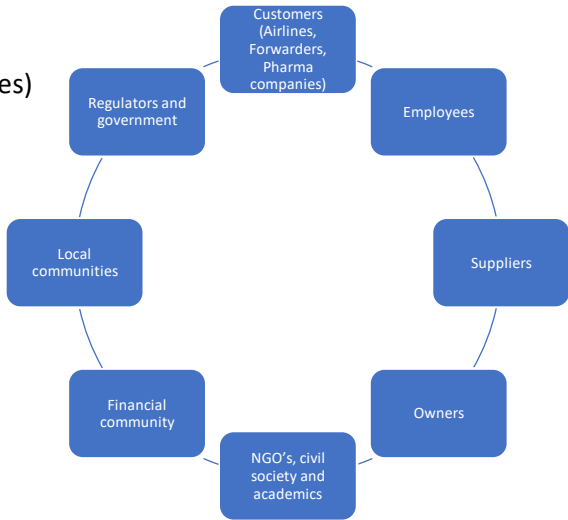
“Collaboration and innovation within our eco-system to actively expand economic, environmental and social sustainability”

At Envirotainer we have the competence, experience and the motivation to drive the sustainability agenda within our industry. Despite that, we cannot on our own achieve the systematic changes that are required since it is beyond the capabilities of individual companies. To drive real change, we believe that we must work together, in line with our core value of *Team spirit*. Envirotainer is the primary and trusted partner chosen by pharma, airlines and forwarders when developing new innovations and solutions that aim at increasing the overall environmental, social and economic performance of the complete value-chain. We aim to continue to drive vertical cooperation within our value-chain.

For Envirotainer, this implies a holistic industry perspective to drive change on a system level towards more sustainable solutions. We believe that we are stronger when we work together, sharing our knowledge and developing new solutions by engaging with our stakeholders. We collaborate and interact with a variety of stakeholder groups around the globe, to make a meaningful positive impact.

Our stakeholder groups include:

- Customers (Airlines, Forwarders, Pharma companies)
- Employees
- Suppliers
- Owners
- Financial community
- Local communities
- Regulators and government



Strategic Objectives

- Closer partnerships with pharma to increase trust based on Envirotainer core values and our record of always available and reliable solutions.
- Increased collaboration with key stakeholders to set joint objectives, increase bi-lateral transparency to develop more resource efficient solutions.
- Position as the “industry leader” - innovating products and services for the pharma cold chain, including development of new and innovative digital services based on container positioning and sensor data.

KPIs

BEING A TRUE AND TRUSTWORTHY PARTNER	2020	2019
# of product losses	0	0
Availability (% of trips on time in full)	100.0%	99.9%
# of people trained in the Envirotainer academy	6,181	7,141

KEY PERFORMANCE INDICATORS

Key Performance Indicators	Core Sustainability Area	SDG	2020	2019
# of doses of pharmaceuticals delivered *	❶		595 million	630 million
# of product losses	❶ ❷		0	0
% of trips without temp deviations	❶ ❷ ❹		99,9%	99,4%
Availability (% of trips on time in full)	❶ ❷ ❹		100,0%	99,9%
CO2eq for scope 1-2 and in scope 3 excluding use phase	❷		3,515 tons	4,234 tons
CO2eq for scope 1-2 and in scope 3 excluding use phase per SEKm revenue	❷		2.2 tons	2.8 tons
CO2eq for scope 1-2 and in scope 3 excluding use phase per SEKm revenue, after climate compensation	❷		0 tons	-
CO2eq/dose delivered including use phase in scope 3	❷		1.9 kg	1.7 kg
Employee satisfaction				
- This is a great place to work	❸		78%	82%
- Total result from survey (Trust Index)	❸		76%	75%
- My Manager Index	❸		84%	83%
- Employee survey response rate	❸		98%	99%
Employees in leadership positions of each gender (F/M)	❸		9/47	8/46
Employees of each gender (F/M)	❸		77/210	76/209
Employee turn-over	❸		7%	9%
Absenteeism	❸		3.7%	3.0%
# of people trained in the Envirotainer Academy	❹		6,181	7,141

*) Based on an average ratio of 6,000 doses per pallet

- ❶ Ensuring Access to Pharmaceuticals
- ❷ Driving Resource Efficiency in the Value-Chain
- ❸ Being the Best Place to Work
- ❹ Being a True and Trustworthy Partner

[End of document]