

Envirotainer Sustainability Report 2019





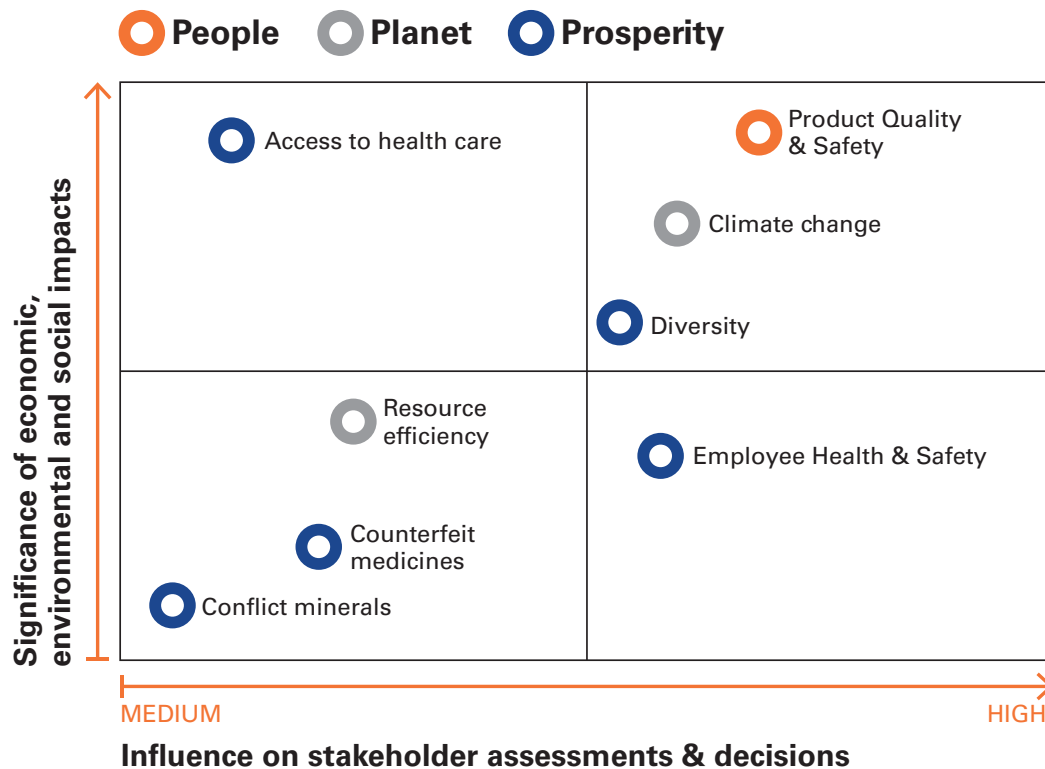
Envirotainer Sustainability Report 2019

Envirotainer is the global market leader in secure cold chain solutions for air transport of pharmaceuticals. Our employees are the backbone of our success.

Our combined experience and more than 30 years of industry expertise allows us to provide advice and help pharmaceutical companies, and their logistics partners, to deliver temperature-controlled logistic solutions for pharmaceuticals all over the world. The main objective is the safe delivery of pharmaceuticals by maintaining the integrity and quality of the products throughout the cold chain.

About the Report

This report, along with additional information available on our website, describes Envirotainer's sustainability initiatives and performance in 2019, and addresses issues that Envirotainer has identified as the most important to its stakeholders. The five prioritized focus areas lay the foundation for the content in the 2019 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. Other partner stations and staff are not included.



CEO Message

Envirotainer's Role in Society

For more than 30 years, Envirotainer has been a pioneer and a market leader in solutions for the global cold chain for air transportation of pharmaceuticals. Our extensive experience and drive for innovation have led to business with all major pharmaceutical manufacturers, airlines and forwarders.

Many pharmaceuticals, and especially the new generation of biological drugs, are temperature sensitive and needs to be stored and transported within a temperature range of 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. Since 90-95% of the carbon emission in the pharma value-chain occurs in pharmaceutical production and raw material sourcing, it is of utmost importance that the pharmaceutical cold chain is 100% reliable, with no temperature excursions and consequently no pharma product loss during distribution. We believe that 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. During 2019, approximately 630 million doses of pharmaceuticals were shipped in Envirotainer's solutions. These pharmaceuticals are saving lives and enhancing quality of life for millions of patients.

Envirotainer's Sustainability Strategy

– Based on UN Sustainable Development Goals

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.

However, in order to fully reflect our commitment to sustainability, and to set transparent targets, we have during 2019 initiated work to update our Sustainability Strategy, a task which will be completed during first half of 2020. Envirotainer's sustainability strategy is based on the UN Sustainable Development Goals (SDGs) and consists of four "Pallets" and a "Base";

- Ensuring global access to pharmaceuticals
- Driving resource efficiency in the value-chain
- Being the best place to work
- Being a true and trustworthy partner
- ... and the Base; Conducting business responsibly

Industry Leadership in Sustainability

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

We are pleased to present this sustainability report, and we look forward to reporting our progress in next year's issue.

Michael Berg
CEO Envirotainer

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About Envirotainer

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 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, both of which are located just outside Stockholm, Sweden.

Envirotainer develops, manufactures and offers leasing of innovative cold chain air transportation solutions, including validation, support and service, for pharmaceutical products that require a temperature-controlled environment. Due to a truly global presence with the world's largest active container fleet, the most extensive logistics network, and more than 30 years of industry expertise, Envirotainer can meet the customers' need for innovative and reliable temperature-controlled solutions – available from any location to any destination. The company operates through an open, global network of airlines and forwarders.

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.



Envirotainer's Role

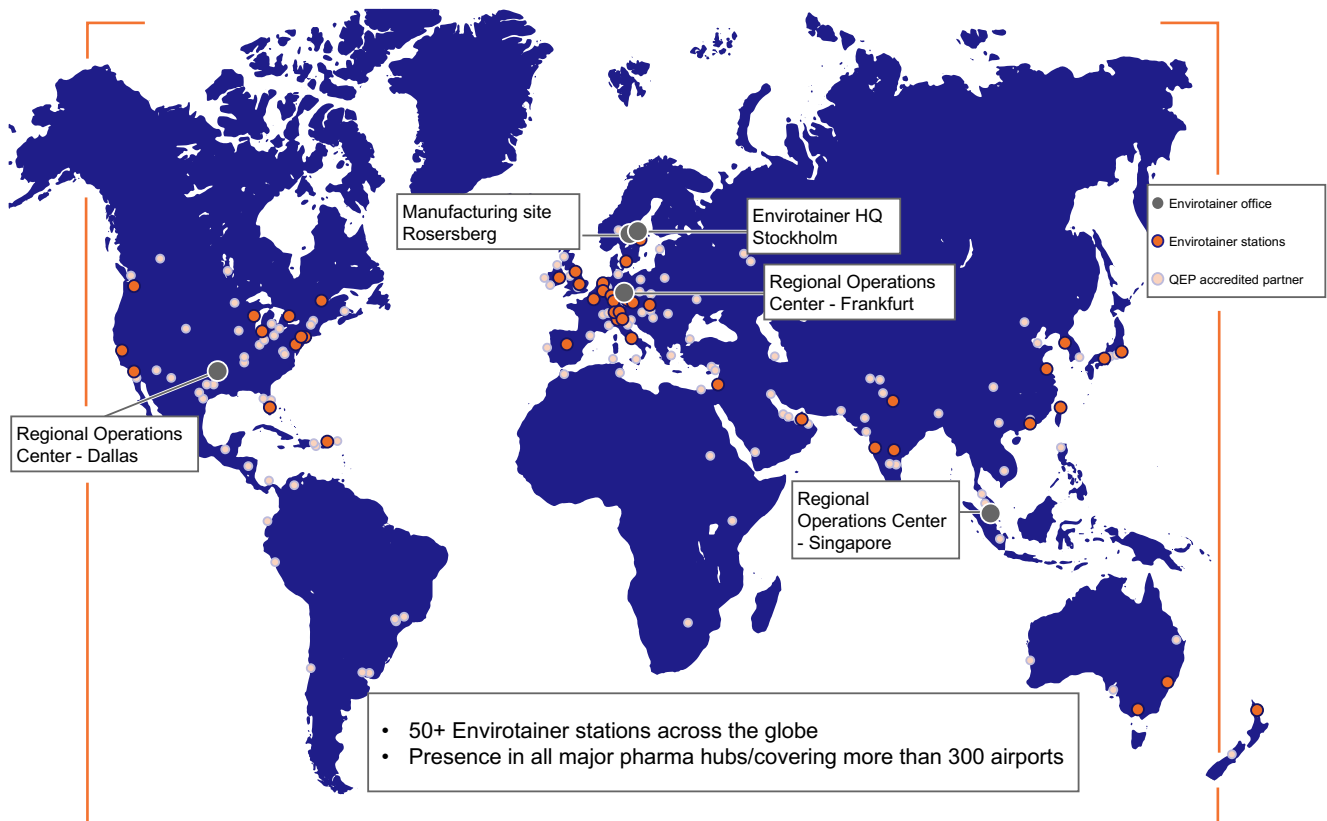
Many pharmaceuticals, and especially the new generation of biological drugs, are temperature sensitive and needs to be stored and transported within a temperature range of 2–8 °C, or for some drugs, 15–25 °C. If the temperature ventures outside of this range, there is a risk that patient safety is compromised and that the pharmaceuticals must be discarded. Envirotainer's role is to maximize pharma protection during the distribution cold chain.

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.

Company History

Envirotainer was founded in 1985. In 1995, the first container with an active temperature control system was developed and marketed. During the second half of the 1990s, the company partnered with leading airlines and has since then established a network of airline and forwarder partners for worldwide leasing services. Envirotainer has further

Envirotainer in the world



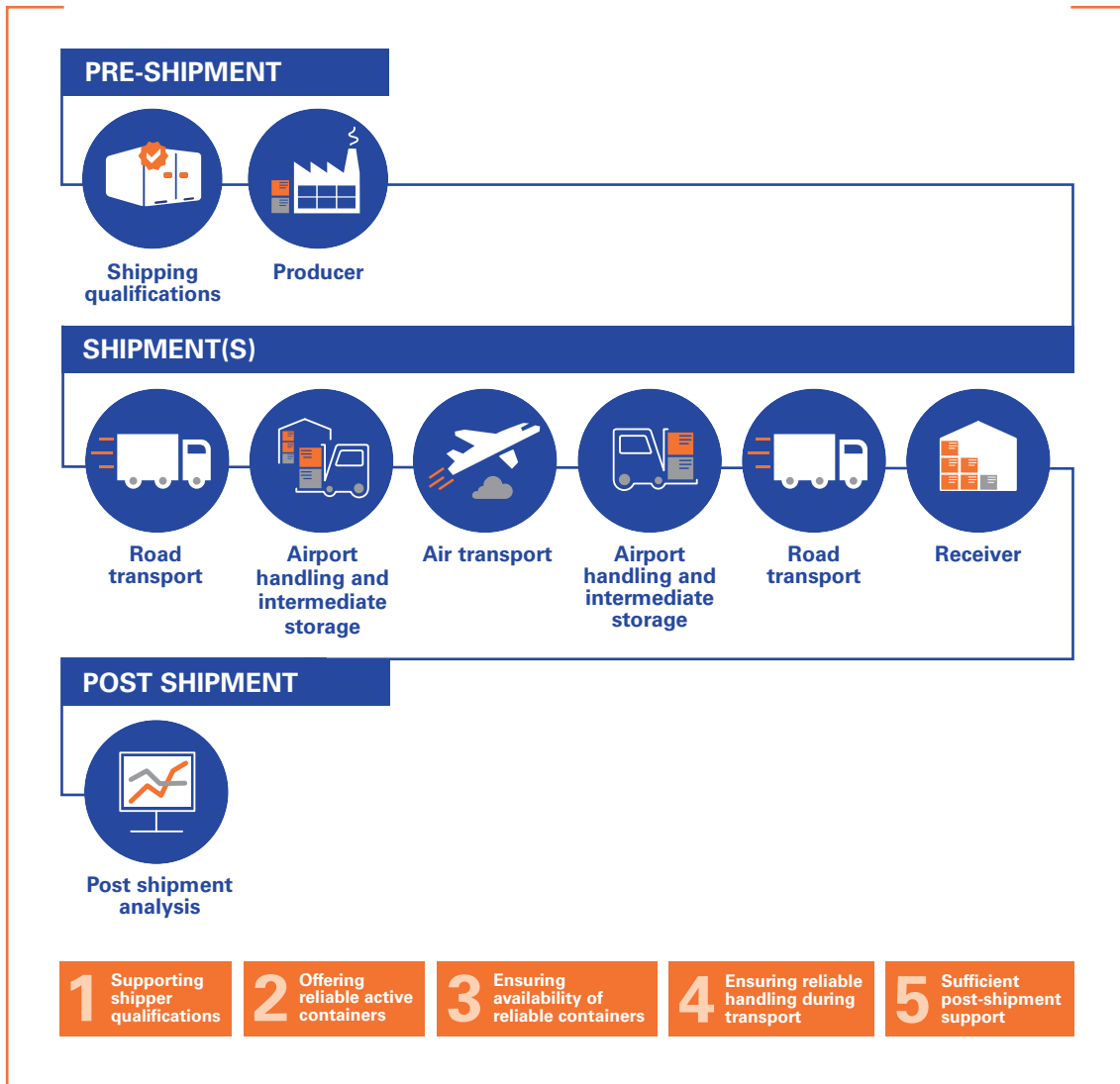
focused its strategy, resulting in today's main emphasis on temperature-controlled transport for the healthcare and biotech industries.

Envirotainer introduced cold chain management services in 2004, including product validations in the company's own testing facilities, and qualifications in the field. The year after, in 2005, the company launched its revolutionary RKNe1

electrical heating and compressor cooling container, designed for the highest requirements of temperature-controlled transport.

In 2006 the QEP Training and Quality Program was launched, to acknowledge service providers that are capable of properly managing temperature-controlled shipments using the Envirotainer containers. In 2010 the company launched the

Envirotainer solutions are designed for maximum product safety:



latest addition to the Envirotainer fleet, as the electrical heating and compressor cooling RAP e2 container received EASA certification. This LD-9 size container has been developed by Envirotainer engineers, using a proprietary composite technology.

2019 in Brief

Envirotainer has continued to grow its operations during 2019, with net revenue amounting to 1.5 billion SEK in the year. The underlying market growth for airfreight of temperature sensitive pharmaceuticals is estimated at 6–8%, and Envirotainer expects to maintain a growth rate that is faster than the market also in the coming years.

The continued growth has enabled significant investments in R&D, our fleet and in customer service. During the year, the head office was moved to new premises in Sollentuna outside of Stockholm, in close proximity to the production facility in Rosersberg and to Arlanda Airport. In 2019, Envirotainer had approximately 300 employees.

Our Impact and Emissions

Life Cycle Analysis

As a part of revising our Sustainability Strategy, we have conducted a Life Cycle Analysis (LCA) of our active containers, to compare with passive containers. The containers that have been included in the analysis are the Envirotainer RAP e2 and RKN e1.

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.

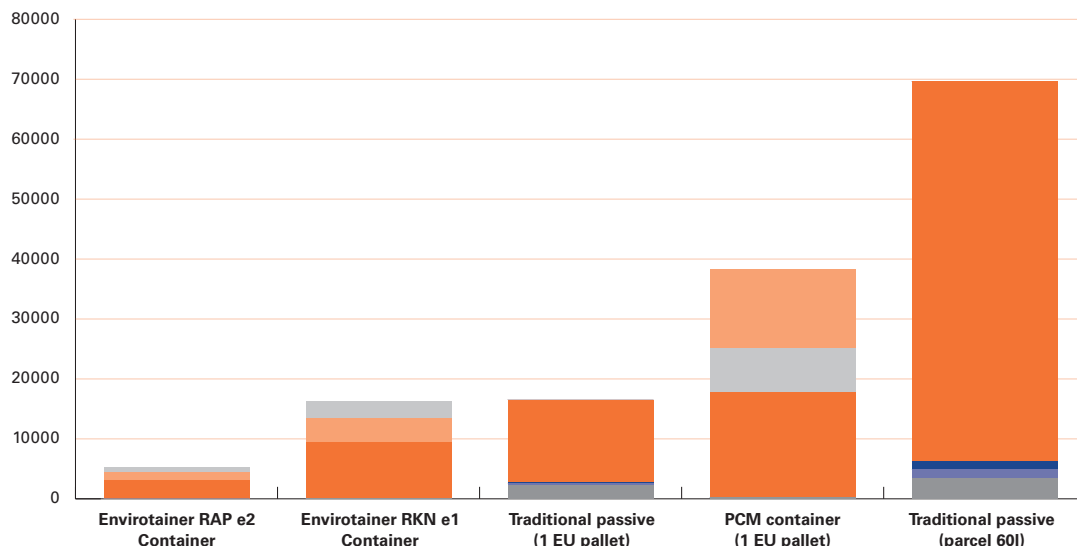
The result of the LCA shows that the containers from Envirotainer have low CO₂e impact per cubic meter of medical product compared to other solutions. The major reason for this is the ability to ship goods more effectively in an Envirotainer container, which has the benefit of large internal volume versus external volume, especially in the largest containers RAP e2.

Kg CO₂/m³ Medical product:

Materials (Kg CO₂e)
 Energy, Production and Transportation (Kg CO₂e)
 Storage (Kg CO₂e)
 Total Waste (Kg CO₂e)

 Charging and cooling box (Kg CO₂e)
 Transport to destination (Kg CO₂e)
 Roundtrip Repo transport (Kg CO₂e)

 Return repo transport (Kg CO₂e)



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 stands for about 10–15%. The waste category includes disposal of medical products due to temperature control failure; this is assumed to be 5% for the Parcel 60l container.

Emissions of Greenhouse Gases 2019

Envirotainer has calculated the total CO₂e footprint from our operations in 2019. 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, our main part of emission is generated 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 (99.6%), 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.

Container Production

Envirotainer manufactures all the active temperature-controlled containers it uses for its business, together with certain spare parts,

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.

in the production facility in Rosersberg, outside Stockholm. According to the Swedish law on Annual Reports, Årsredovisningslag (1995:1554), companies that 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".

¹ Using operational control approach and market-based method

Envirotainer's total emissions in scope 1 and 2 was 93 tons in 2019. The total emissions in scope 1-3 (excluding use phase) was 4,234 tons CO₂e, equaling 2.8 tons CO₂e per MSEK revenue.

Envirotainer 2019 Emissions of green house gases (tons CO ₂ e)	Scope 1	Scope 2	Scope 3	Total 2019	Share of total emissions excl. use phase	Share of total emissions
Overhead	21	51	1 659	1 731	40,9%	0,2%
Heating	-	23	1	24	0,6%	0,0%
Electricity	-	29	1	30	0,7%	0,0%
Waste management	-	-	7	7	0,2%	0,0%
Air travel	-	-	1 216	1 216	28,7%	0,1%
Car travel	21	0	4	25	0,6%	0,0%
Hotel stays	-	-	20	20	0,5%	0,0%
Taxi	-	-	12	12	0,3%	0,0%
Commuting	-	-	399	399	9,4%	0,0%
Production	4	16	2 482	2 503	59,1%	0,2%
Heating	-	16	1	17	0,4%	0,0%
Electricity	-	-	12	12	0,3%	0,0%
Waste management	-	-	13	13	0,3%	0,0%
Purchased goods	-	-	2 179	2 179	51,5%	0,2%
Transport of goods	4	-	276	280	6,6%	0,0%
Total emissions excluding use phase	25	68	4 141	4 234	100%	0,4%
Use phase of containers	0	0	1 068 092	1 068 092		99,6%
Logistics - Air freights	-	-	1 067 397	1 067 397		99,5%
Logistics - Ship freights	-	-	98	98		0,0%
Logistics - Road freights	-	-	583	583		0,1%
Leakage of refrigerants	-	-	11	11		0,0%
End-of life waste management	-	-	4	4		0,0%
Scope 1-3 Incl. use phase	25	68	1 072 233	1 072 326		100%

“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 necessary emissions and thereby do what’s right to the planet 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.

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 93.8 tons (non-hazardous) and 8.9 tons (hazardous) in 2019.

Waste, per type	2019 (%)	2018 (%)
Paper and combustibles	43.3	47.5
Wood	28.8	29.8
Aluminum	4.0	5.5
Chemical	1.3	1.0
Electrical	1.0	2.0
Plastic	0.5	0.2
Unsorted	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 offset all remaining emissions in scope 1 and 2 and in scope 3 excluding the use phase.



Sustainability Focus Areas

In 2019, Envirotainer initiated a thorough revision of our Sustainability Strategy, including setting detailed goals and actions areas. The starting point was Envirotainer's business plan and the global sustainability agenda, including frameworks and initiatives such as Agenda 2030 and the UN Global Compact.

The Sustainability Strategy revision process included a stakeholder analysis, a materiality assessment, a mapping of which Sustainable Development Goals (SDGs) Envirotainer can contribute most to, a calculation of Envirotainer's total CO² footprint according to the Greenhouse Gas Protocol, and a Lifecycle Analysis of our products. Based on this, Envirotainer's revised Sustainability Strategy now includes our defined Core Sustainability Areas and for each of those, Strategic Objectives, Key Performance Indicators and Action Areas.

The UN Sustainable Development Goals (SDGs) – Where Can Envirotainer Contribute Most?

The SDGs are at the base of Envirotainer's sustainability strategy. Launched by the UN in 2015, the SDGs are a set of 17 global goals 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.

We have reviewed all 17 Global Goals for Sustainable Development and their 169 targets and evaluated where we as an organization can make the most impact. 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 these goals;



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	

Envirotainer's sustainability container – pallets



Envirotainer's Core Sustainability Areas

Based on the materiality assessment and stakeholder analysis conducted in 2019, Envirotainer has identified the strategic areas, or Core Sustainability Areas, that we see as prioritized for our contribution to sustainability. The Core Sustainability Areas have been organized in a framework consisting of four "Pallets" and a "Base";

The Base is the foundation on which our four core sustainability focus areas stands:

- Working with the highest standards of compliance, building strong governance structures and ethical operations.

The Pallets are the four core sustainability focus areas:





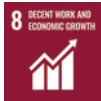


- Ensuring uninterrupted patient-safe and cost-efficient global access to pharmaceuticals.
- Being a climate leader and partner that decreases green-house-gas emissions and improve resource efficiency in the pharma cold chain.

- Being an attractive employer with healthy, diverse and engaged employees to foster a value driven high-performance culture.
- Collaboration and innovation within our eco-system to actively expand economic, environmental and social sustainability.

Strategic Objectives and Key Performance Indicators

Each of Envirotainer's four core sustainability focus areas has been mapped the UN Sustainable Development Goals, and Strategic Objectives as well as Key Performance Indicators have been developed for each core sustainability focus area.

Strategic objectives & Key performance indicators:

Core sustainability focus area	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"> • Global distribution: # of doses delivered in a year • Reliability: <ul style="list-style-type: none"> – # of product losses • Availability: OTIF
<p>Climate action & resource efficiency</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, by 2021, 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 • Absolute CO²eq for scope 1 and 2 and in scope 3 excluding use phase. • 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 to work against discrimination and to promote diversity within the company. 	<ul style="list-style-type: none"> • Employee survey results <ul style="list-style-type: none"> – Positive answer to “Taking all into account, I would say this is a Great place to work” – Total result from survey (Trust index) – “My Manager”-index – Number of respondents in comparison to total number of employees • 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 • Availability: <ul style="list-style-type: none"> – OTIF • Training: <ul style="list-style-type: none"> – # of QEP (Qualified Envirotainer Providers) – # 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 2019, 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 the 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 should 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.

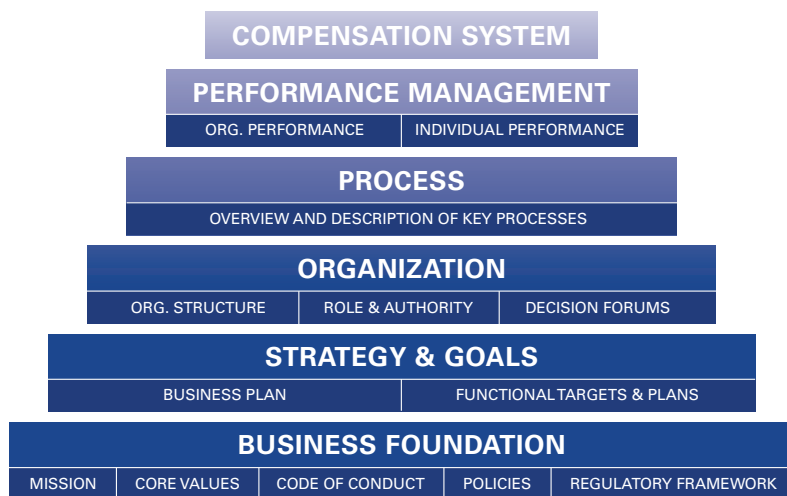
Envirotainer's Code of Conduct is foundational and is non-negotiable. Failure to comply with the Code will result in an investigation which may result in disciplinary action, termination of employment, or criminal charges. Employees and other stakeholders are encouraged to report any breaches of the 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.

Envirotainer Governance Framework:



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 2019.

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 in 2019 some 755 suppliers, 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 2019 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. In 2019, Envirotainer performed a risk assessment in all processes to increase risk awareness, enhance

transparency of risks and to establish internal controls.

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 Whistle-blowing 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 new hotline (external whistleblowing function) to report potential breaches was introduced in 2019. The intention of the reporting system is to give employees the possibility, when all other options are explored, to report serious breaches. One grievance case was reported via the hotline in 2019.

In 2019 Envirotainer strengthened its health, safety and risk management reporting with regular reporting to the Board of Directors. The following KPIs are reported quarterly; Employee survey results, Absenteeism, Gender diversity, Accidents and incidents rates, Employee grievances, Anti-bribery and Corruption and Carbon footprint. In 2020, Employee turnover will be added to the KPI reporting.

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.



**AROUND
2 MILLION**
doses of medicine
each day.

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	2019	2018
Global distribution: # of doses delivered in a year	630 million	617 million
# of product lost during transport	0	0
Availability measured as On Time In Full (OTIF)	99.9%	98.5%

FOCUS AREA 2:

Driving resource efficiency in the value-chain

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

Together with our customers, we are committed to balance the negative effect on the climate of air freight, with the social benefits of global access to life-saving pharmaceuticals. By far the largest share of carbon emission 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 it the key priority for the industry to ensure no product loss during shipment.

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, this include both our own operations and influence our partners. Secondly, we should always promote the best solutions, looking at all aspects, to our customers.

For Envirotainer, this implies:

- Improve resource efficiency by minimizing pharma product loss in the cold chain thanks to high reliability of our solutions.
- Further mitigate our own emissions, for example by using green energy and minimize emissions from our production and service

stations, and simultaneously reduce packaging waste by effective, efficient and circular use of the containers, with minimized unnecessary movements of the containers.

- Contribute to mitigate the overall emissions in the pharma cold chain, by actively partnering with other participants in our eco-system to optimize shipment sizes, logistic flows and processes.

Strategic Objectives

- Zero pharma product loss.
- Climate neutral company in scope 1 and 2, and in scope 3 excluding use phase, by 2021, 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	2019	2018
Reliability measured in # of product losses	0	0
Absolute CO ² eq for scope 1 and 2 and in scope 3 excluding use phase	4,234 tons	N/A
CO ² eq for scope 1 and 2 and in scope 3 excluding use phase per MSEK revenue	2.8 tons	N/A
CO ² eq / dose delivered including use phase in scope 3	1.7 kg	1.7 kg

² <https://www.sanofi.com/-/media/Project/One-Sanofi-Web/Websites/Global/Sanofi-COM/Home/common/docsdownload-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 with its roots in Sweden, social responsibility is deeply founded 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 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.

TRUSTWORTHINESS

Trustworthiness
We are professional, act with integrity and take responsibility for our work and our actions. We are open, honest and transparent in our communication.

PASSION

Passion
We are passionate about our business and walk the extra mile to contribute to our customers’ success. We are proud of our company and ultimately how we help bring critical medical supplies to people.

AGILITY

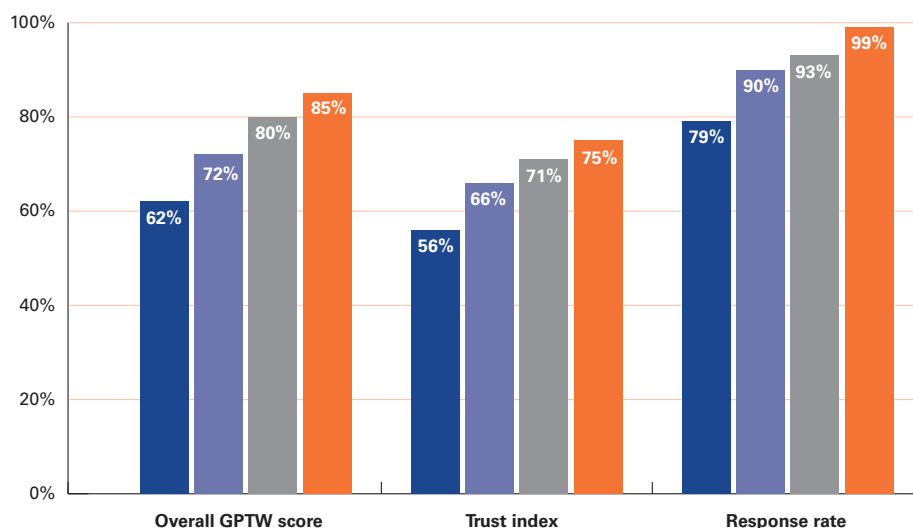
Agility
We strive to be agile and to act fast. We have a pragmatic, creative and solution oriented approach to how we do business.

TEAM SPIRIT

Team Spirit
We are a strong team working together with our partners towards common goals, across functions and borders. We treat each other with respect and trust.

Envirotainer employee engagement

■ Benchmark (Sweden Index) ■ Envirotainer 2016) ■ Envirotainer 2017/2018) ■ Envirotainer 2019



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 will be 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 to 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 or ethnic origin, gender, sexual orientation or disability. No discrimination and harassment incidents have been reported in 2019.



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.

In 2019 we strengthened our 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 provide safe and healthy working conditions in compliance with Swedish law for the facilities in Sweden and with local laws abroad. In 2019 a review of relevant local laws related to work environment was performed 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. In 2019 the company strengthened its procedures around how to handle hazardous chemicals in our Production facility.

KPIs

BEING THE BEST PLACE TO WORK	2019	2018
Positive answer to "Taking all into account, I would say this is a Great place to work"	82%	80%
Total result from survey (Trust index)	75%	71%
"My Manager"-index	83%	80%
Number of respondents in comparison to total number of employees	99%	93%
Employees in leadership positions of each gender (F/M)	8/46	7/37
Employees of each gender (F/M)	76/209	73/203
Employee turn-over	9%	N/A
Absenteeism	3%	N/A

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 within the industry that aims 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 develop 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	2019	2018
# of product lost during transport	0	0
Availability measured as On Time In Full (OTIF)	99.9%	98.5%
# of QEP (Qualified Envirotainer Providers) trained companies	39	36
# of people trained in the Envirotainer academy in total since start 2014	27,040	19,899

