



DFE
pharma

ESG REPORT 2021





FOREWORD BY OUR CEO

Dear Reader,

In many ways, 2021 was a challenging year. The fight against the COVID-19 pandemic continued into its second year forcing us to adapt to changing circumstances and deal with increased uncertainty. At DFE Pharma, we managed to quickly act and to keep up with the latest developments in the industry. We ensured a healthy and safe working environment for our employees who continued to work at our sites. We showed solidarity to our people through a range of targeted company initiatives and efforts. At the same time, we increased our focus on our sustainability journey through launching our Environment Social and Governance (ESG) Program.

Our ESG Program is a holistic approach that balances the three sustainability pillars through precise target setting, disclosure, and follow-up. Delivering our top-notch excipient solutions in a sustainable manner is of strategic importance for us and our customers. As such, DFE Pharma aims to have a positive impact on our society and our planet. This fully aligns with our purpose statement, “Your medicine, our solutions. Moving to a healthier world”.

In 2021, we earned the Ecovadis Bronze Medal which shows an above-average sustainability rating within our sector. This past year’s focus was to assess our current sustainability performance to set a reference point for further target setting. In our targets, we endorsed the United Nations Sustainable Development Goals. Furthermore, we received two EcoGrants from our parent company CVC Capital Ventures which were used to sponsor environmental projects at our production locations.

In 2022, we will set our long-term sustainability targets, and publicly communicate them to our stakeholders, and prepare for SBTi validation – including our 2030 Energy Roadmap. We aim to increase our social contributions both locally in societies where we operate and globally .

Beyond 2022, we aim to fully embed sustainability in every aspect of our business. With that in mind, we look forward to engaging and exchanging ideas with you. We invite you to contribute to the DFE Pharma ESG Program, via contacting: esg@dfepharma.com



Best Regards,
Martti Hedman
Chief Executive Officer

ABOUT THIS REPORT

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This report documents the sustainability activities of DFE Pharma. With the ESG Program, DFE Pharma aims to fully integrate sustainability into its corporate strategy. We have set ourselves the ambition of being the industry leader in sustainability.



Sustainably delivering our solutions is very important to us. We have publicly endorsed the United Nations Sustainable Development Goals (SDGs).



In this ESG Report, DFE Pharma voluntarily informs its stakeholders in a transparent manner about its sustainability strategy and its progress in achieving the set goals.



As DFE Pharma, we care about healthier people and the planet.



This report covers 2021 Financial Year (1 January to 31 December).

This report is published in English as a PDF file and appears annually.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) standards.



ESG stands for Environment, Social and Governance. These are the three main dimensions that make up DFE Pharma’s fields of action.

We have been guided by our company purpose, “Your medicines, our solutions. Moving to a healthier world”. At the heart of our company is striving for holistic health. Therefore, we selected ESG as the framework for our sustainability strategy.

Our Company DFE Pharma in 2021



100+
Years of
heritage

2
Shareholders

7
Sales
Offices

5
Production
Plants



440
Employees

24 %
Gender
Diversity

100+
Active sales
countries

35
Nationalities



658.7 billion
tablets

4
Product
Groups

90
kilotons
Product sold



500+
Suppliers

4000+
Customers
globally

ESG AT DFE PHARMA

What is ESG?

ESG stands for Environment, Social and Governance. ESG is a set of standards for the extent ecological, social and corporate governance aspects are taken into account in the decision-making process of company. As such, these standards ensure that the company operates responsibly and limits the impact on the environment and society.

What is our ESG Approach? We have the following steps.

Select Framework

UN Sustainable Development Goals (SDGs)

Align with our Purpose

Selected 5 out the 17 SDGs
Stakeholder input

Set Baseline

Validated 2020 numbers

Disclose Progress

Ecovadis yearly
Science -based targets
(planned for 2023)

Set Targets

Targets for 2025, 2030
and 2050

Why are we accelerating our ESG journey?

At DFE Pharma, we recognize our responsibility in ensuring present needs are met without compromising the ability of future generations to meet their needs.

At DFE Pharma, we aspire to...

...do our part towards a healthier world: People and Planet

...maximize customer value through ESG collaboration.

...be a reliable supplier and reputable employer.

...be the trendsetter in excipient ESG.

How do we measure progress?

We measure our progress using external standards by Ecovadis and self-disclosure. Ecovadis is the world's largest and most trusted provider of business sustainability ratings.

Read more here: <https://ecovadis.com/>



Our Focus

Environment

Energy & Emissions
Water
Waste

Social

Health & Wellbeing
Safety
Diversity, Equity & Inclusion

Governance

Compliance
Ethics

ESG HIGHLIGHTS 2021

We have made good progress in our sustainability goals over the last few years. The formalized ESG Program enables us to further align our sustainability ambitions with our corporate goals.

Environment

E

- Installed Solar Panels, at our facility in Cuddalore (India)
- Participated in 2021 World Clean Up Day
- Environment Days (Cuddalore)
- 65% General waste reduction Kapuni
- Electric car chargers installed at two offices

Social

S

- Fundraising and community activities organized
- Global Health & Wellness Challenge
- Gallup Employee Engagement Score

Governance

G

- Earned Ecovadis Bronze Medal
- 3 out of 5 Plants certified in Environment Management (ISO 14001)
- Endorsed 5 out 17 Goals

OUR ESG AMBITIONS AND ROADMAP

Our ambition is to be an ESG leader within our sector. We achieve this through ambitious target setting and voluntary disclosure of our progress.

OUR AMBITIONS

Environment:

- 100% Carbon-Neutral by 2030 (Scope 1 and 2)
- Zero waste to landfill by 2025
- Fully circular packaging by 2030

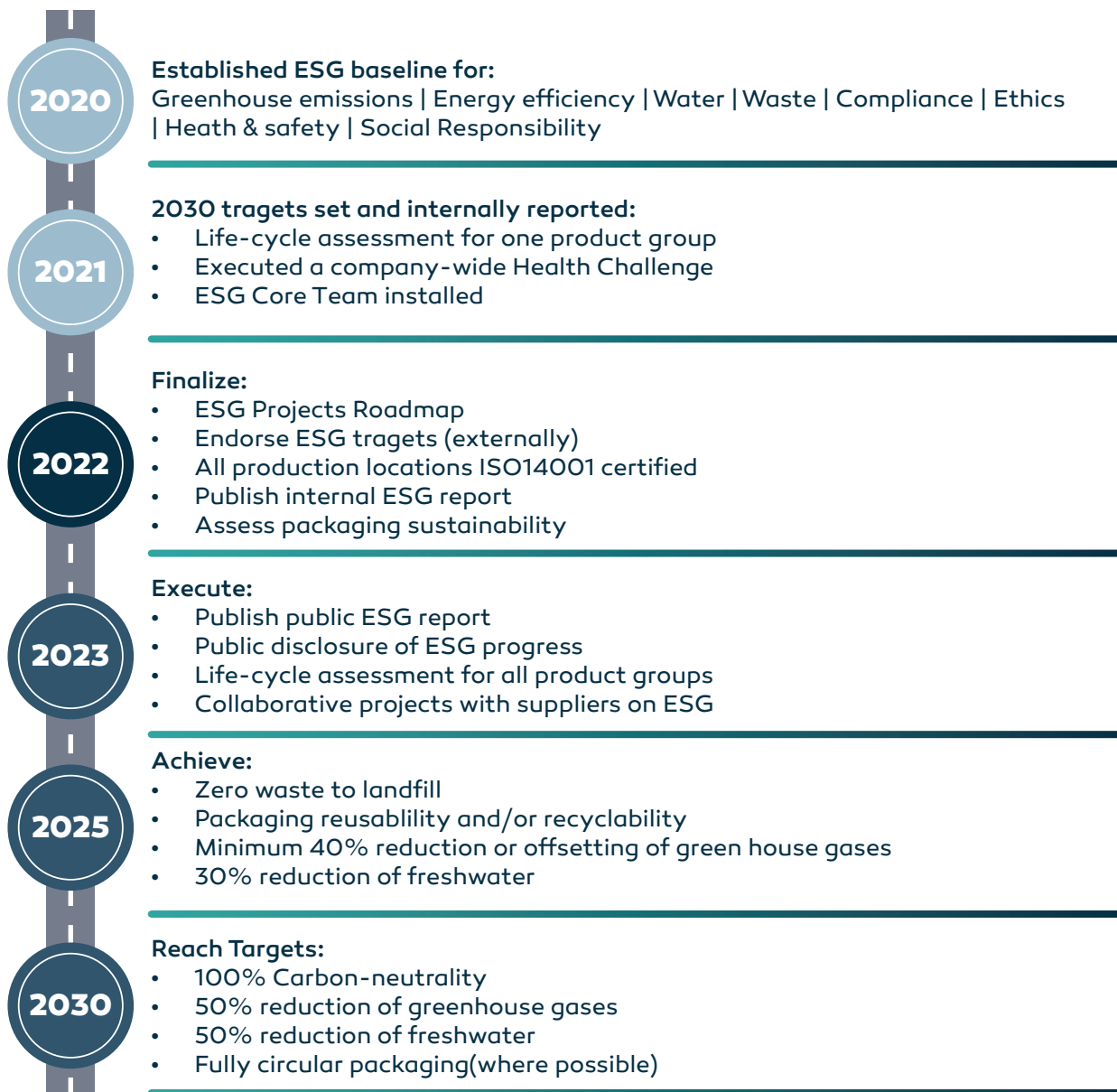
Social:

- Corporate Sponsorships
- Promote full and productive employment through our programs on: Diversity, Equity & Inclusion; and Health, Well being & Safety

Governance:

- Ensure 100% of our stakeholders comply with our bussiness code of conduct
- Maintain our zero tolerance on ethics and compliance violations

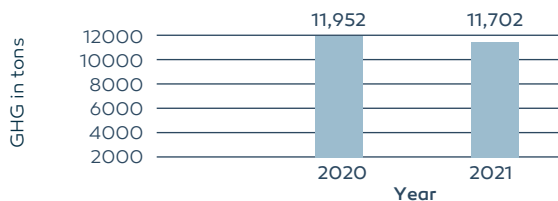
Our 2030 Roadmap



ENVIRONMENT

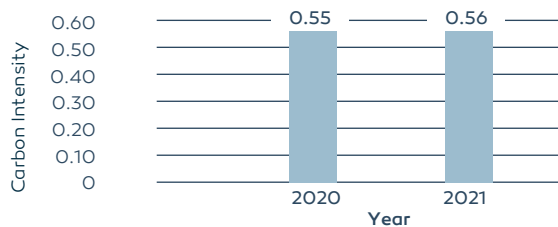
Total greenhouse gas in metric tons

(scopes 1 and 2)



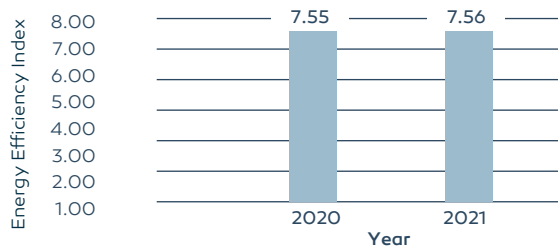
Carbon intensity

(greenhouse emission / volume produced)



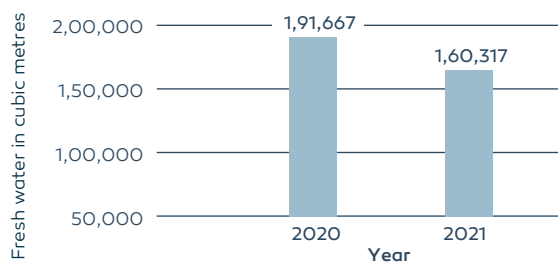
Energy efficiency index

(Energy consumed / Volume produced)



Fresh water

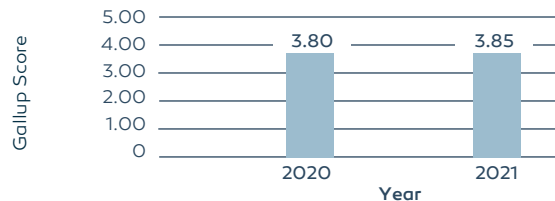
Greenhouse Gases (metric tons)



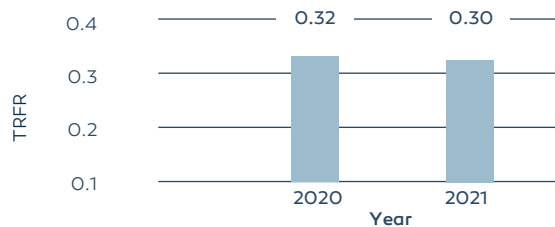
SOCIAL

Employee Engagement

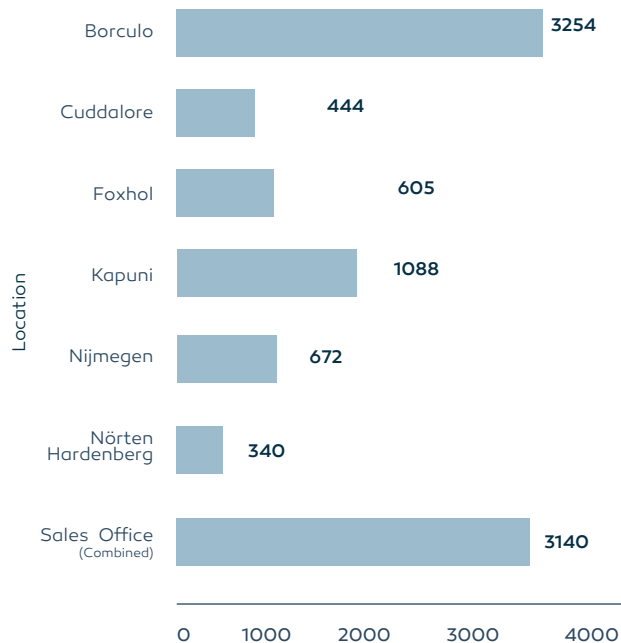
Gallup Engagement Survey Score



Total recordable frequency rate (TRFR)



Days recordables free



GLOSSARY

Based on Global Reporting Initiative (GRI) definitions

Carbon Dioxide (CO₂) Equivalent

Measure used to compare the emission from various types of greenhouse gas (GHG) based on their global warming potential (GWP). (GRI-305)

Carbon footprint

Describes the balance of greenhouse gas emissions along the entire life cycle of a product within a defined application and in relation to a defined unit of use.

Carbon Intensity

Refers to carbon emissions as a set in relation to another factor.

Climate Neutral

is whereby the amount of greenhouse gases emitted is equal to the amount of greenhouse gases offset.

Global Warming Potential

GWP is the value describing the radiative forcing impact of one unit of a given GHG relative to one unit of CO₂ over a given period of time. (GRI-305)

Greenhouse gas (GHG)

gas that contributes to the greenhouse effect by absorbing infrared radiation. (GRI-305)

GRI

Stands for Global Reporting Initiative, read more here: <https://www.globalreporting.org/>

Renewable energy source

Energy source that is capable of being replenished in a short-time through ecological cycles or agricultural processes. Renewable energy sources can include geothermal, wind, solar, hydro and biomass.

SBTI

stands for Science-Based Target Initiative, read more here: <https://sciencebasedtargets.org/>

Scope 1 (direct) GHG emissions

GHG emissions from sources that are owned or controlled by an organization. (GRI-305)

Scope 2 (indirect) GHG emissions

GHG emissions that result from the generation of purchases or acquired electricity, heating, cooling and steam consumed by an organization. (GRI-305)

Scope 3 (other indirect) GHG emissions

Indirect GHG emissions not included in Scope 2 (indirect) GHG emissions that occur outside of the organization, including upstream and downstream emissions.

Sustainable Development Goals

17 Sustainable Development Goals were developed by the United Nations, read more here: <https://sdgs.un.org/goals>

Total Recordables Frequency Rate (TRFR)

Stands for Total Recordables Frequency Rate and is calculated as the total number of recordables multiplied by 200'000, divided by the total number of hours worked in a year.



DFE
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MOVING TO A HEALTHIER WORLD

