



Sustainability Report 2022



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Expert in food supplements and medical devices

Pharmia Oy is a pioneer in the development of food supplements and CE-marked medical devices. Pharmia was founded in 1993 as the first company in Finland to produce contract manufacturing services within the pharmaceutical and food supplement sector.

We offer our customers a unique service concept from product development to manufacturing, packaging and expert services. Our operations are based on solid scientific expertise, innovation and client-orientedness.

Our product portfolio includes vitamins and minerals, probiotics and CE-marked flu treatment products and nasal sprays. Pharmia's customers include well-known pharmaceutical and food supplement companies, pharmacies and wholesalers in the sector in Finland and abroad.

Over 100 professionals work for us in Tuusula and, following the business acquisition carried out in the fall of 2022, also in the production facility in Loviisa.

FOUNDED
1993

TURNOVER 2022
18
MILLION EUROS

PROFIT 2022
1.3
MILLION EUROS

WE EMPLOY
100 +
EMPLOYEES

CLIENTELE OF
40
B2B COMPANIES

CUSTOMER SATISFACTION
75
(NPS)

OVER THE YEARS, OVER
2500
DEVELOPED PRODUCTS

WE MANUFACTURE MORE THAN
8 M
CONSUMER PACKAGES A YEAR

Sustainability is our success factor

The year 2022 was quite exceptional in many ways. Just as the COVID-19 pandemic started to ease, the Russian offensive in Ukraine escalated to a new level. This created new rules for our operating environment. Despite the changes and market uncertainties, Pharmia continued to grow steadily in 2022.

When we set out to build the “sustainability house of Pharmia”, it was easy to rely on the company’s almost thirty-year-old approach and values, which provided a natural basis for creating a sustainability strategy for Pharmia.

We have focused particularly on six key UN Sustainable Development Goals, which are relevant to Pharmia and its stakeholders. These six goals are intertwined with the three sustainability themes that drive Pharmia’s sustainability work.

1. Safe and healthy products
2. Pharmia is made by people
3. Together for the good of the environment

Our sustainability is guided by a roadmap that allows us to monitor our progress more closely, measure important milestones and communicate our successes openly with the outside world. This also helps us keep our stakeholders better informed about the state of sustainability at Pharmia.

Petteri Laaksomo, CEO, Pharmia Oy

”When developing sustainability, we can rely on Pharmia’s almost thirty-year-old approach.”



Sustainability at Pharmia

Our commitment to sustainability

Pharmia’s operations are based on strong customer relations, skilled employees and strong product development. With the new owner, sustainability has also become a key part of Pharmia’s strategy.

Economic sustainability is a prerequisite for our operations, because a responsible company takes care of its profitability and competitiveness in order to remain viable in the long run. The commitment of the management team to promoting sustainability is particularly important to Pharmia.

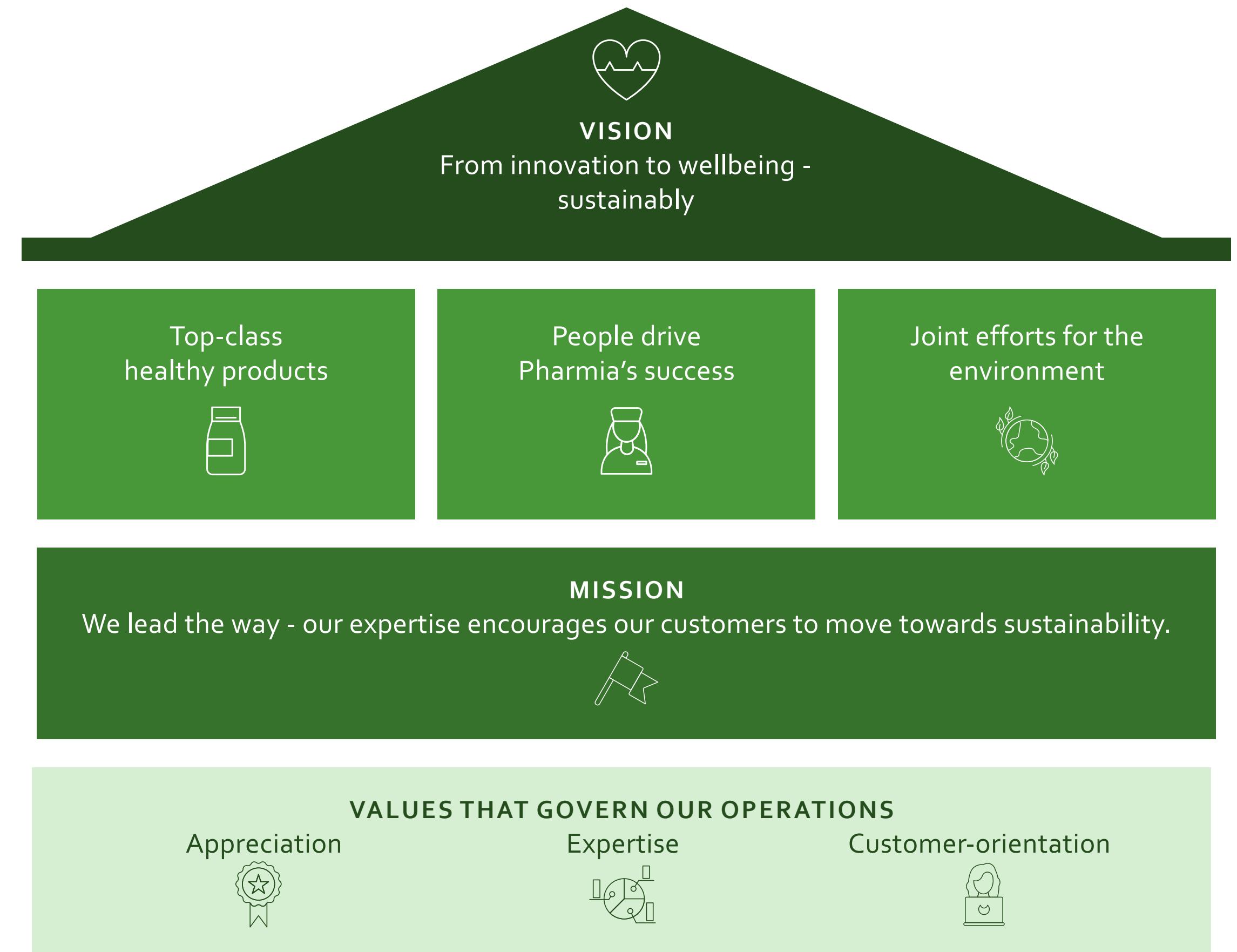
We created a sustainability program for Pharmia in 2022. Sustainability themes and goals were defined for the program, and a roadmap was created to guide the development of sustainability work.

We understand that sustainability is not a one-off project, but a continuous process where we persistently improve our operations. We divide our sustainability work under three themes:

1. Top-class healthy products
2. People drive Pharmia’s success
3. Joint efforts for the environment

In addition, our responsible work is guided by ethical principles and Pharmia’s values:

- Appreciation
- Expertise
- Customer orientation





Our sustainability goals

Our long-term goal is that sustainability would be ingrained in Pharmia’s DNA and run through the entire company, both in terms of culture and actions. We also aim to make Pharmia known as a sustainable business and make our employees proud of the sustainability efforts of the company.

The sustainability goals* and indicators created for the sustainability program help Pharmia monitor and assess the impact of its sustainability work. We have selected sustainability goals that are significant and relevant for our operations. We monitor the achievement of the sustainability goals in our executive meetings. Members of the management team are responsible for:

- communicating Pharmia’s sustainability commitments with their subordinates
- monitoring the sustainability efforts of their department and keeping them up to date
- addressing any needs for amendments

It is important for Pharmia to communicate about the achievements, goals and development measures of its sustainability work both internally with employees and externally with customers and other stakeholders. This is the reason why you are now reading the very first sustainability report in the history of Pharmia.

GOAL:
PHARMIA WILL BE
CARBON-NEUTRAL BY
2027
(SCOPES 1 & 2)

GOAL:
PHARMIA WILL BE ISO
14001-COMPLIANT BY
2027

GOAL:
99% OF OUR A-CATEGORY SUPPLIERS
COMMIT TO OUR CODE OF CONDUCT BY
2026

*The sustainability goals and their metrics are described in the beginning of each sustainability theme.

UN Sustainable Development Goals

We have selected six of UN Sustainable Development Goals that are particularly relevant to Pharmia and our stakeholders. These six goals are intertwined with the three sustainability themes that drive Pharmia’s sustainability work.



3 Good health and wellbeing

- Our safe products improve health and wellbeing.
- Our first-rate products are of high quality and safe for end users.
- Product safety is a fundamental value that guides Pharmia’s operations and the first priority in everything we do.
- We regularly organize health information training on our products for employees and customers.



8 Decent work and economic growth

- We provide jobs for people in Finland and maintain industry.
- We take care of our employees’ wellbeing and safety.
- We expect sustainable practices from all our partners in Finland and abroad.
- We are establishing contracts and a Code of Conduct for suppliers in 2023.



9 Industry, innovation and infrastructure

- We promote domestic industrial production.
- We develop production processes to manufacture supplements resource-efficiently in Finland.
- We encourage our partners towards sustainable business.
- We monitor energy and heat consumption.
- We improve waste sorting and recycling.



12 Responsible consumption

- We offer our customers sustainable choices.
- We ensure that the chemicals used in production and waste are processed sustainably.
- We minimize loss by having fewer rejected production batches.
- We communicate our environmental impact in our sustainability report.
- We will be ISO 14001-compliant by 2027.



13 Climate action

- Pharmia aims to be carbon-neutral by the year 2027 in terms of its own direct operations (scope 1 & 2).
- We calculate our carbon footprint every year and start to reduce our carbon emissions.
- We explore the possibility to switch to renewable energy in 2024.



14 Life below water

- We filter all the water and oil used in production. We collect the remaining solutions separately and do not drain them into the sewer.
- Less water is consumed thanks to the new tank cleaning method.
- We enhance and optimize our water usage by efficient production planning and sourcing.

Highlights of our sustainability work 2022



We established Pharmia Luonnontuote

We acquired the food supplement business of Elokuu Luonnontuote Oy in a business transaction. The food supplement business of Elokuu Luonnontuote Oy will continue as a subsidiary of Pharmia, under the name Pharmia Luonnontuote Oy.



We created a sustainability program

We created a sustainability program for Pharmia. The program includes:

- Sustainability risks and opportunities
- Sustainability goals and a roadmap
- Orientation and occupational safety and health development



We started implementing sustainability

The main theme of the Pharmia Day was sustainability. We collected almost 100 sustainability initiatives from our employees. They also voted for the most important initiatives to put into action. Read more on page 24.



We calculated our carbon footprint

We calculated our carbon footprint using Normative's service. The calculation showed that the majority (96.5%) of our emissions are created in the production chain, or scope 3. Of the scope 3 emissions, 98% came from purchased materials, ingredients and services. Read more on page 29.



We produce even safer products

Pharmia is an EU MDR 2017/745-certified manufacturer as of 1 December 2022. The MDR certificate is key to Pharmia's development in terms of CE-marked medical devices. We were one of the first companies in Finland and in the EU as a whole to receive this certificate.



We supported Ukrainian families

We donate our Christmas gift funds every year to a charity chosen by our employees.

In 2022, we supported Ukrainian families and children through the Red Cross.

SUSTAINABILITY THEME 1:

Top-class healthy products

Sustainability goals: Top-class healthy products

The number one priority of Pharmia’s sustainability and business activities is to manufacture products that are safe and promote their users’ wellbeing. We comply with rigorous safety and quality standards for food supplements and CE-marked medical devices. We always ensure that our products meet all the applicable statutory requirements and standards.

TOPIC	SDG	GOAL	PROGRESS IN 2022
MORE SUSTAINABLE PRODUCTS		We will include more sustainable alternatives in our portfolio for our customers by the year 2024.	We examined the requirements and availability of sustainable ingredients.
MORE SUSTAINABLE INGREDIENTS		We will identify the origins of current ingredients. We will survey the supply chain in accordance with Food Fraud & Food Defence processes.	We assess the risks of product sabotage and fraud annually.
CODE OF CONDUCT		99% of our a-category suppliers will commit to our Code of Conduct by the year 2026.	Code of Conduct was finalized in the beginning of 2023.
MORE SUSTAINABLE SUPPLY CHAIN		We will create procurement instructions for supplier collaboration. We will create minimum sustainability criteria for suppliers and a supplier selection policy.	The first version of the supplier survey was sent to class A suppliers. It will always be sent to new suppliers to fill in.
HEALTH-AWARENESS		We regularly organize health information training on our products for employees and customers.	Product information training for employees was organized in spring 2022. The health effects of ingredients are regularly discussed with customers during meetings.

Pharmia's product portfolio

We develop and manufacture high-quality food supplements and CE-marked medical devices under contract. Our product portfolio includes a comprehensive range of food supplements and CE-marked medical devices. We specialize in tablets, capsules and liquid products. Our clientele consists of pharmaceutical companies that advertise food supplements and CE-marked medical devices and natural product wholesalers around the world.



FOOD SUPPLEMENTS

- Vitamins and minerals
- Melatonin
- Probiotics
- Immunity-boosting products
- Enzymes
- Oral and dental care
- Skin, hair and nail care
- Energy and weight management
- Joint and bone health
- Mental wellbeing



CE-MARKED MEDICAL DEVICES

- Flu treatment
- Relief for a sore throat
- Treatment for dry mucosa in the nose
- Relief for digestive and gastric problems
- Dry mouth



PRODUCT FORMS

- Tablets
- Coated tablets
- Chewing tablets
- Hard gelatin and cellulose capsules
- Liquid sprays and drops
- Powders

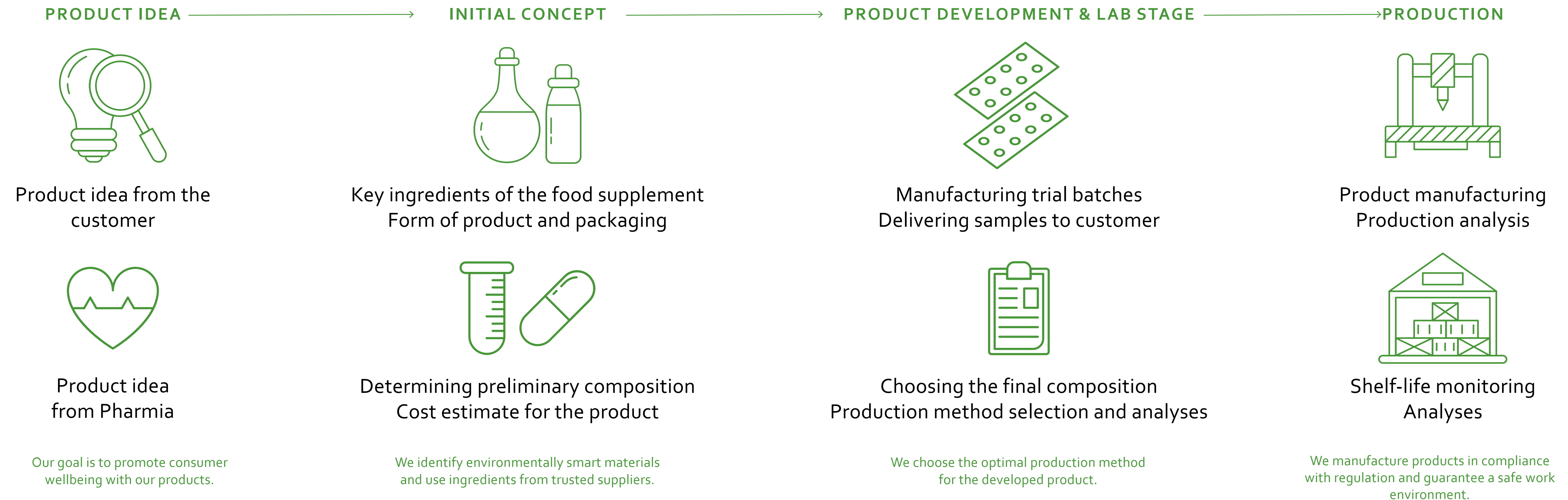


SOURCING

- Ingredients for product development and manufacturing needs
- Packaging materials according to our customers' needs
- We can also use ingredients and packaging materials supplied by our customers

Our products are the result of active development

We are professionals in product development and, during our years of operation, we have developed over 2,500 products for our customers. We manufacture more than eight million consumer packages per year for our clients. Our knowledge of food supplements and CE-marked medical devices is combined with versatile pharmaceutical and technological expertise. Our services include everything from product design and material acquisition to packaging the final product.



Product safety - we ensure wellbeing

Pharmia is a responsible manufacturer of food supplements and invests in the quality and safety of its products. One of the top priorities of our sustainability work - and the business of Pharmia as a whole - is to manufacture and design products that are safe and promote their users' wellbeing. We work to ensure product safety and the protection of our customer's brand.

Our products always comply with statutory requirements and standards. The origins, purity and monitoring of the ingredients of our products are key aspects that we consider in our production.

We improve product safety by training our staff and ensuring the safety of the materials we use and the condition of the equipment and facilities.

WAYS IN WHICH WE ENSURE PRODUCT SAFETY

- Safe and healthy products form the basis for all our activities
- We obtain our ingredients from trusted suppliers so that we can be sure of their high quality and sustainability
- We comply with hygiene rules, instructions and recipes
- We identify potential risks already before production according to the HACCP principles
- We assess the risk of product sabotage and fraud
- We have received an excellent result in the Oiva inspection
- We verify the regulatory compliance of our operations by supplier audits and internal audits.
- Our operations are verified with audits by authorities and certification organizations





Quality is the foundation of our business

We always fulfil our customers' expectations for the quality of our products and services. When working with food supplements and CE-marked medical devices, it is especially important for sustainability to ensure that the products comply with all the safety and quality standards and that their user instructions and warnings are clear.

Our quality policy allows us to ensure the consistent quality of our products. In order to achieve these goals, our operating systems fulfil both national (e.g. own-check, HACCP) and international standards (e.g. FSSC 22 000 and ISO 13485).

PHARMIA'S CERTIFICATES

Our certificates and standards focus on product safety and the systematic development of business operations.

- Product development, manufacturing and packaging of food supplements, FSSC 22000 Food Safety System Certification
- Medical devices: ISO 13485 quality management system for CE-marked products.
- EU MDR 2017/745

CERTIFIED MANUFACTURING OF MEDICAL DEVICES SINCE 2013

- The MDR (Medical Devices Regulation) is a regulation issued by the European Union that aims to improve patient safety, among other things.
- Pharmia Oy was awarded a certificate under EU MDR 2017/745 on 1 December 2022, making it one of the first MDR-certified companies in Finland.
- We were the first MDR-certified company in the risk class of substance-based nasal sprays on a European level.
- Our goal is to have all of Pharmia's existing MDD devices MDR-approved within the transitional period (31 December 2028) and to also develop innovative solutions for our customers in the upcoming years.

Sustainable procurement

There are multiple phases in the manufacturing and production processes of food supplements and medical devices. We work in close, long-term cooperation with dozens of suppliers. Whenever possible, we try to use well-known, trusted and proven suppliers when procuring new materials.

The ingredients and materials procured by Pharmia are manufactured in about 50 different countries. We procure materials directly from manufacturers and via European partners. Due to our vast product portfolio, we procure ingredients globally. Our packaging materials come from European suppliers. All our printed packaging materials, such as package leaflets, labels and cases, come from a long-term Finnish supplier.

We make procurements competitively, based on volumes, market intelligence and delivery reliability. We constantly monitor the price, quality and availability of ingredients. With our procurement process, we try to anticipate and secure smooth production processes, optimize stock levels and secure our high delivery reliability.

Pharmia's main priorities are quality assurance, a total cost approach and supply chain sustainability. We take working conditions, human rights and environmental policies into consideration in our supply chain whenever possible. Supply chains are long and complex, and we still have work to do to improve supply chain transparency.



WE PURCHASED
15 960 535
PCS OF FINNISH PACKAGING MATERIAL

58%
OF OUR INGREDIENT MANUFACTURERS
COME FROM FINLAND OR THE EU

THE MAJORITY OF OUR PACKAGING IS
RECYCLABLE



TARGET BY 2026:
99%
OF OUR A-CATEGORY SUPPLIERS WILL
COMMIT TO OUR CODE OF CONDUCT

WE REVIEWED OUR SUPPLIER'S SUSTAINABILITY

At the turn of the year 2022-2023, we sent out a survey to our 12 biggest suppliers to review their sustainability efforts in terms of e.g. quality systems and the environment and social responsibility.

We have received a response from 9 suppliers so far. The responses show that all the respondents safeguard our business secrets and promote environmental protection, human rights and occupational safety.

Pharmia's code of conduct

Pharmia's code of conduct summarizes the minimum requirements we expect our partners to meet. We started preparing Code of Conduct in the beginning of 2023 and are still developing it. Next version will be introduced in summer 2023.

We aim to make ethical procurements by choosing sustainable suppliers and partners. We communicate our commitment to human rights to our partners and expect the same level of commitment from them. We treat our partners fairly.

SUSTAINABILITY THEME 2:

People drive Pharmia's success

Sustainability goals: People drive Pharmia's success

We want to build long-term relationships with Pharmia's customers and partners. We actively listen to their needs and expectations and try to behave responsibly towards them. We develop the wellbeing and expertise of our employees. We offer them a safe and encouraging work environment where they can develop professionally.

TOPIC	SDG	GOAL	PROGRESS IN 2022
CUSTOMERS & COMMUNICATION		We will plan the contents of a sustainable product. We will create a sustainable product alternative.	The survey and search for materials has begun.
		We will communicate our sustainability program to our customers on our website, presentations, customer letters and sustainability report.	Publication of sustainability report 06/2023.
OCCUPATIONAL SAFETY		We aim to halve the number of accidents (from the previous year).	2022 accident rate 78, substantial efforts made in accident prevention and occupational safety.
OCCUPATIONAL HEALTH & JOB SATISFACTION		We will use surveys to monitor employee wellbeing.	We have invested in employee wellbeing, employee survey in 2023.
		We will reduce the sick leave rate to 5.5% in 2022.	We were unable to reduce the sick leave rate in 2022 due to COVID-19.

Competent customer cooperation

Pharmia's long-term goal is to enable sustainability for our customers. As an active product developer and contract manufacturer, we play a key role in ensuring customer sustainability throughout the supply chain.

Pharmia is known for its strong expertise, knowledge of industry regulations, and our product development capabilities. We have also received excellent feedback from our clients for our solution-oriented and proactive approach.*

We are committed to continuously improving our operations in line with our sustainability and ethical principles. Confidential client collaboration is of paramount importance to us.

Pharmia team always strives to promote the success of our clients. We customize recipes according to each client's specific needs, or alternatively, we have products in our range that have generic compositions and can be manufactured with the same composition for multiple clients, if agreed upon in advance.

Being a sustainable business companion, we promptly inform our clients of any safety threats or detected counterfeits related to our products. We believe in fair competition and operate in compliance with competition legislation.

We provide our clients with up-to-date information on the origin of the raw materials used in our products, the manufacturing process, and our responsible practices.

In addition to food supplements, we own and manufacture CE-marked medical devices. As the owner of compositions, we ensure compliance with the requirements set by the directive for these products. Our current extensive project is to bring the product compositions under the scope of new regulation.

We obtained the first certificate for our nasal oil product in late 2022, and now the work continues for other products. Additionally, we aim to develop new CE-marked products.

*Source: Pharmia customer survey 2021



WE MANUFACTURE MORE THAN
8 M
CONSUMER PACKAGES A YEAR
CLIENTELE: MORE THAN **40** B2B COMPANIES
CUSTOMER SATISFACTION
75 (NPS)

Employee wellbeing as a priority

We are committed to sustainability and employee wellbeing. We provide a safe and healthy work environment and aim to ensure that everyone at Pharmia will thrive and feel comfortable in their job. We invest in the development of competence and the establishment of good practices in the workplace.

Our employees come from a variety of backgrounds and their ages range from 18 to 71 years. It is important for us to treat everyone equally without discrimination. We build and maintain a good work atmosphere together, and Pharmia is a positive and encouraging workplace where employees feel they are heard.

We foster an open atmosphere and open communication between employees and management. We create channels where employees can express their concerns, provide suggestions and give feedback.

COMPETENCE DEVELOPMENT

We want to help all our employees perform as well as possible in their jobs and we actively provide training and orientation for developing deeper or broader competence.

We create an annual training plan for our entire staff, based on our strategic goals and, for example, the competence development needs identified in performance appraisals. We provide orientation for new employees using an extensive orientation program. In production, we encourage employees to build multiple skills by providing opportunities for learning new and/or more advanced tasks.

We provide the opportunity to complete an upper secondary vocational qualification or part of a qualification, either as apprenticeship or while working at the same time. Our employees have completed, for example, vocational qualifications in pharmaceuticals and in process engineering.



STAFF OF
109
(FTE 2022)

WE HIRED
15
NEW EMPLOYEES

AGE RANGE
18 - 71
YEARS

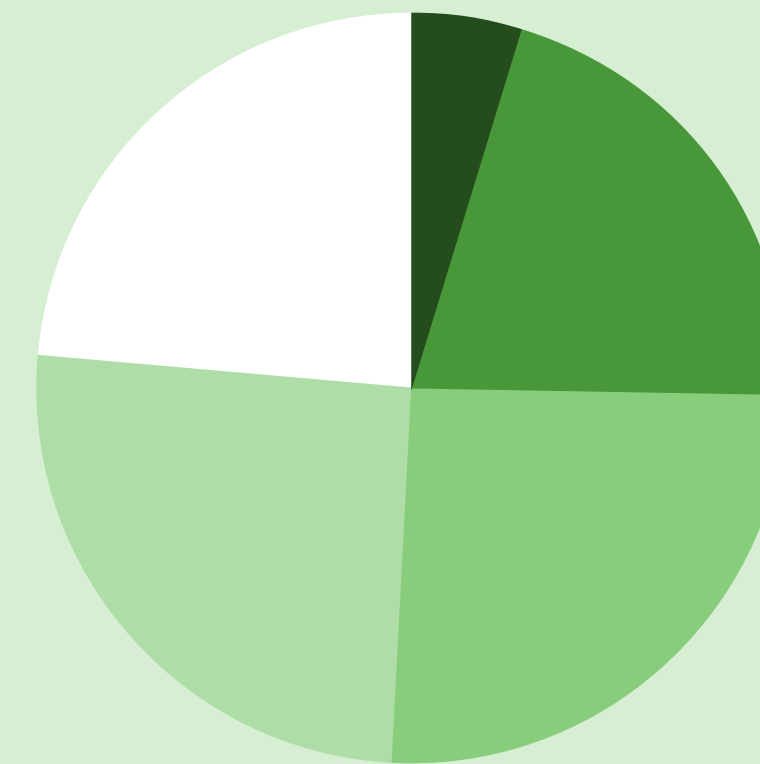
4/8
OF OUR MANAGEMENT
TEAM ARE WOMEN

1/5
OF OUR BOARD ARE
WOMEN

55%
OF OUR EMPLOYEES ARE
WOMEN



EMPLOYEES BY AGE



- 17-26 years: 4.9%
- 27-36 years: 20.6%
- 37-46 years: 25.5%
- 47-56 years: 25.5%
- 57 years or over: 23.5%

91%
OF OUR EMPLOYMENT
CONTRACTS ARE
INDEFINITE

95%
OF OUR EMPLOYMENT
CONTRACTS ARE
FULL-TIME



Job satisfaction and occupational safety

Taking care of our employees' physical and mental health is a top priority for us. We invest in a healthy and safe work environment for both the employees of Pharmia and our visitors.

We make sure that our factory in Tuusula has safe working conditions and ergonomically designed workstations. We pay special attention to appropriate lighting, air quality, noise control and access to necessary protective equipment. Our goal is zero accidents at work.

We offer our employees training and opportunities for professional development. This helps them obtain the necessary know-how to perform their tasks and offers opportunities for career advancement.

ACCIDENTS AT WORK

11

IN 2022

ACCIDENT RATE*

78

IN 2022

SICK LEAVE DAYS

7%

IN 2022 (AVERAGE)

*Number of accidents / actual hours worked x 1 million

We encourage employee participation

It is important for us to include everyone at Pharmia in our decision-making and to give them the opportunity to help improve our work environment and processes. We want also want our employees to be actively involved in developing our sustainability work.

The main theme of the annual Pharmia Day in August 2022 was sustainability. We asked our employees to present their ideas and initiatives for improving sustainability. We collected almost 100 sustainability initiatives from our employees and they voted for the ones they felt were the most important. We started developing these initiatives further near the end of 2022 and continued this work in the beginning of the year.

Read more about the proposals chosen by our employees on the next page.



One of the activities of Pharmia Day, church boat rowing.

EMPLOYEES' SUSTAINABILITY INITIATIVES

THEME	MEASURE	GOAL	SCHEDULE
TOP-CLASS HEALTHY PRODUCTS	FOLLOWING INSTRUCTIONS AND RECIPES	Shift managers and management team have interviewed production employees. Saanto project and development of the R&D process has begun.	Discussions held 11/2022. Feedback process between R&D and production in order by 06/2023.
	TRUST AND RESPONSIBILITY FOR YOUR JOB	Shift managers and management team have interviewed production employees. Development of daily management of the Saanto project and increasing transparency.	Discussions held 11/2022. Implemented via the Saanto project by 06/2023.
	PROBLEM-SOLVING AND INSTRUCTIONS	Shift managers and management team have interviewed production employees. Development of daily management of the Saanto project and increasing transparency.	Discussions held 11/2022. Implemented via the Saanto project by 06/2023. Continuous improvement.
PEOPLE DRIVE PHARMIA'S SUCCESS	MANAGEMENT AND COMPLETING PROCESSES	Defining responsibilities and obligations	In progress
	BETTER ERGONOMICS	Ergonomic assessment by an occupational physiotherapist and implementing the recommendations of the assessment	12/2022
	ORIENTATION TO OCCUPATIONAL SAFETY	Review of the orientation plan	In progress
	PROTECTIVE EQUIPMENT AND INSTRUCTIONS FOR THEIR USE	Preparing work instructions for the use of protective equipment	12/2022
	SAFETY OF MACHINERY AND PRODUCTS	1. Organizing a machinery safety assessment 2. Implementing the recommendations of the safety assessment	1. 11/2022 2. In progress
	ACCIDENTS	Assessment of the measurement system	01/2023
	MORE THOROUGH INSPECTION OF ACCIDENTS	1. Accident reporting policy 2. A team is set up for investigating accidents and a publication policy for the final report is created	1. In use 2. In use
	MORE COMFORTABLE WORKWEAR	1. Workwear options from the current supplier – new shirts obtained 2. Search for a new workwear supplier	1. October 2022 2. Continued, if necessary
	SALARY AND HOW IT IS CALCULATED	1. A team is set up 2. New production salary model is introduced	1. October 2022 2. April 2023
JOINT EFFORTS FOR THE ENVIRONMENT	BETTER RECYCLING OF WASTE	1. Survey and offer on sorting options 2. Implemented in connection with the renovated kitchen	1. 03/2023 2. 07/2023
	USE OF MORE ECO-FRIENDLY MATERIALS	1. Preliminary survey of the alternatives completed 2. More detailed planning, calculations and testing	1. 03/2023 2. 07/2023
	USE OF OPTIMAL PACKAGING SIZES, REDUCING LOSS AND REUSE	1. Preliminary survey of the alternatives completed 2. More detailed planning, calculations and testing	Starting from 2023

SUSTAINABILITY THEME 3:

Joint efforts for the environment

Sustainability goals: Joint efforts for the environment

We aim to reduce the environmental impact of our activities and minimize our carbon footprint. Our goal is to improve energy efficiency, optimize waste management and use natural resources sustainably. We work actively to promote environmentally sustainable practices.

TOPIC	SDG	GOAL	PROGRESS IN 2022
CARBON NEUTRALITY		We will calculate our carbon footprint every year.	Carbon footprint calculated.
		We will create a roadmap to minimize carbon emissions in 2024.	Work will begin in 2024.
		Pharmia will be carbon-neutral in terms of its own direct emissions (scope 1 & 2) by 2027.	We have set goals towards our 2027 carbon neutrality target.
		Our delivered energy will be renewable by the year 2026.	Discussions about switching delivered energy to renewable energy have begun with the lessor.
LOSS		We will minimize loss by reducing the number of rejected production batches.	We are planning measures to reduce loss.
ENERGY, HEAT AND WATER CONSUMPTION		We will improve the use of energy, heating, cooling and water through optimal production planning.	Water consumption has been calculated and we try for example to reduce the washing frequency through production planning and procurement.
RECYCLING		We will recycle all our waste by the year 2026.	We have mapped our current waste sources and pre-examined our recycling possibilities.
ENVIRONMENTAL CERTIFICATE		We will be ISO 14001-compliant by the year 2027.	In 2024, we will start making a plan for ISO 14001-compliance.

Environmental focus at our Tuusula factory

As all industrial operations, the production of Pharmia generates an environmental impact, for example in the form of energy and water consumption, waste and climate emissions. We work actively to reduce the environmental impact of our operations.

Energy consumption

Improving the energy efficiency of production processes is one of these measures aiming for reduction. Our aim is to also optimize waste recycling and to save water through new tank cleaning methods. Since our production facilities are located on leased premises, we do not have full control over the energy carrier. However, we have informed the lessor about our goal to transition to renewable electricity.

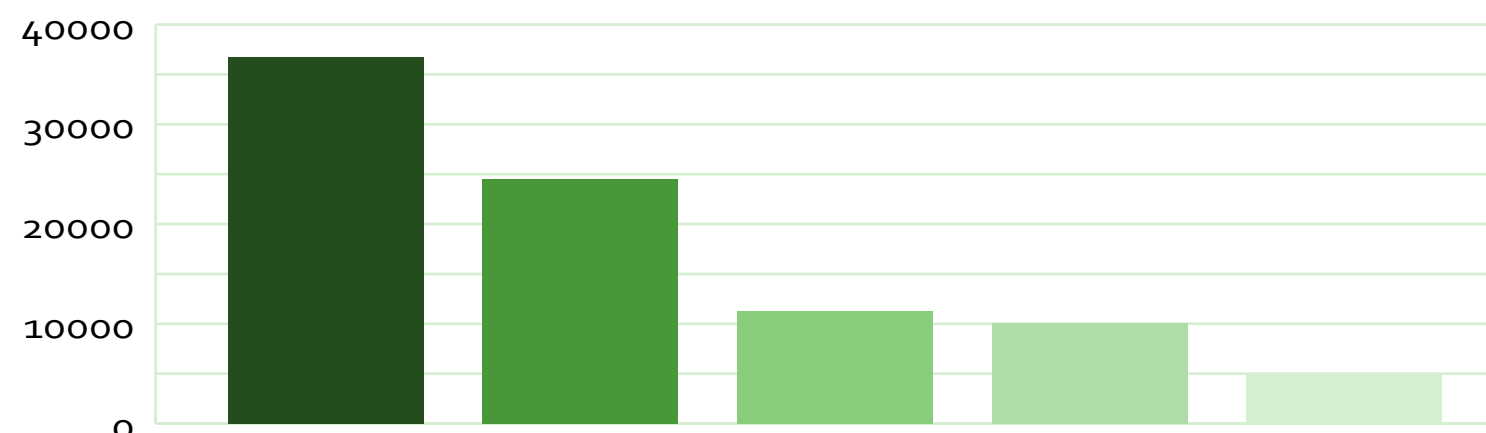
In 2022, we turned the air conditioning down by -50% at night and in the weekends. This allowed us to reduce the district heating we use by 26%. This year, we will continue to optimize air conditioning to reduce the consumption of district heating.

ENERGY AND WATER CONSUMPTION 2022	
Electric energy	446 MWh
Water	768 m3
District heating	417 MWh

Waste

We have noticed that our production causes a fairly large amount of organic solid and liquid waste. According to Lassila & Tikanoja company's environmental report, our production caused 10,103 kg of organic solid waste and 1,189 kg organic liquid waste.

Biowaste and plastic waste are not currently recycled separately, but our goal for the year 2023 is to reform our waste management system entirely to make it more efficient and environmentally friendly.



Impact of the production chain

We try to ensure that the appropriate sustainability standards are applied throughout the supply chain and materials are used that are not only safe, but also eco-friendly. For example, we favour recycled or certified materials and ingredients with a smaller environmental load. We offer our customers these material options, but the final decision concerning the selected materials is always made by the customer.

We try to reduce transport emissions through an efficient degree of utilization, route optimization and by avoiding air freight. We favour online meetings and try to minimize unnecessary travel for work.

Carbon footprint of Pharmia 2022

Pharmia assessed the climate emissions of its activities by calculating its carbon footprint for the year 2022. The consumption-based calculation was conducted following the GHG Protocol calculation method. The emissions of the activities of Pharmia Oy and the emissions of the value chain, where applicable, were included in the carbon footprint calculation.

The emissions of the product chain, or scope 3, made up 96.5% of all our emissions. Of the scope 3 emissions, 98% came from purchased materials, ingredients and services.

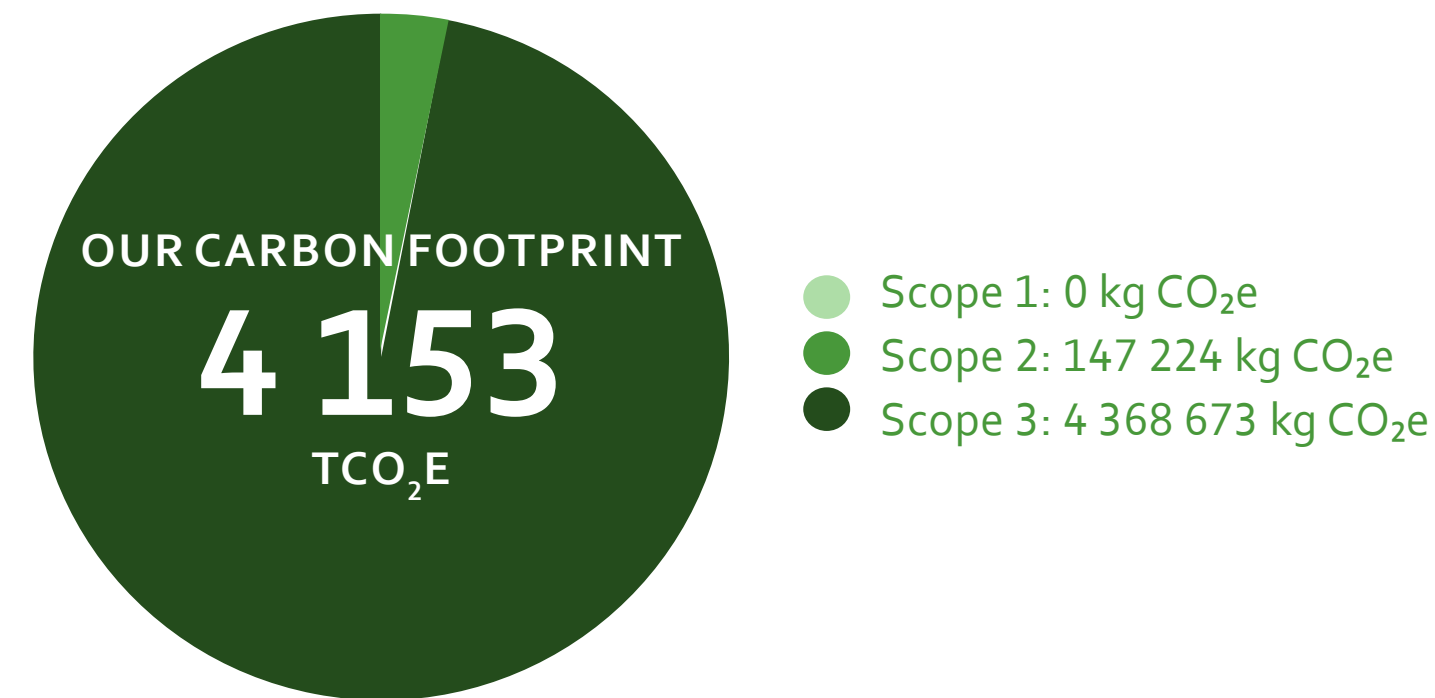
The calculated carbon footprint helps us understand the climate impact of our activities and to identify opportunities to reduce emissions in different areas. Monitoring our carbon footprint is a key part of our sustainability work and our efforts to reduce our environmental impact.

THE CALCULATION INCLUDES

- Ingredients, packaging and other materials used in production as consumption-based values
- Other purchased products and services as consumption-based values
- Production waste
- Business travel as consumption-based values
- Transporting final products to customers in part

THE CALCULATION DOES NOT INCLUDE

- Product transportation by customers
- Employee commutes
- Machinery or equipment used in production
- Use of sold products or disposal after their removal from use
- Leased or leasing items owned by the company, franchising or investments



CONSUMPTION-BASED CARBON FOOTPRINT

- Consumption-based emission factors are based on the average greenhouse gas emission factors for the sector.
- The carbon footprint is calculated by combining emission data with purchase invoices and other available information, such as fuel, transport, business travel and material consumption.
- These data are combined with the database of the service provider to produce an estimate of the generated emissions.

OUR CARBON FOOTPRINT
4 153
TCO₂E

THIS CORRESPONDS TO THE ANNUAL EMISSIONS OF
2 055
DIESEL CARS

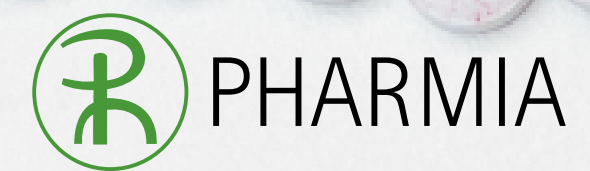
OF THE SCOPE 3 EMISSIONS,
98%
COME FROM PROCUREMENT

Our sustainability work continues in 2023

The importance of sustainability work has continued to grow at Pharmia. For us, sustainability means continuous development and learning, and it guides the daily choices in the life of every single person at Pharmia.

We have made steady progress in this work and our journey will continue in 2023 with the implementation of sustainability and the development of sustainability communication.

We will continue our commitment to sustainability work to ensure that our products will remain safe and of high quality and meet our customers' expectations.



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