



Sustainability report 2023

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Expert in food supplements and CE-marked 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.

About 100 professionals – from product development to production – work for us at the production facilities in Tuusula and Loviisa.

FOUNDED IN
1993
IN TUUSULA

TURNOVER 2023
18.5
MILLION EUROS

WE EMPLOY
97
PEOPLE (FTE 12/2023)

CLIENTELE OF
40
B2B AND B2C COMPANIES

IN 2023, WE MANUFACTURED
6.7 M
CONSUMER PACKAGES

Sustainability is our success factor

At Pharmia, sustainability is all about taking care and assuming responsibility: for our employees, our own operations and all our partners who allow us to develop and manufacture safe and healthy products for final consumers.

Pharmia's first sustainability report helped us to see our activities from new perspectives and find targets for development. We have taken these development targets into account both in our sustainability work and in the updated report that you are now reading.

2023 was a challenging year for Pharmia, but also a year for increasing effectiveness and developing competitiveness. We value our employees and want to offer them a safe and meaningful working environment where they can learn and develop. Last year, we made considerable progress in improving occupational safety, and we are proud to have reduced the number of accidents significantly.



The ongoing strategy and brand reforms also bring their own element to our work, as sustainability is an integral part of both. We will continue our strong commitment to sustainability work also in the future.

Petteri Laaksomo, CEO, Pharmia Oy



Sustainability at Pharmia

Our commitment to sustainability

Pharmia’s operations are based on strong customer relations, skilled employees and dedicated product development. Thanks to our strong vision and a new investor, sustainability has also become a key part of Pharmia’s strategy.

For Pharmia, sustainability is both a competitive advantage and a means to build long-term value, and economic sustainability is the foundation of all our activities. Our sustainability work is also guided by CapMan’s sustainability requirements, which focus on building sustainable value for the benefit of society. CapMan wants to act as an example for its portfolio companies and, as an active owner, to promote well-managed, sustainable business operations through its goals. We promote our sustainability work in cooperation with CapMan.

The board deals with sustainability issues systematically. The board assesses the progress of our sustainability work and reviews timely measures in each meeting. In addition, one meeting is completely dedicated to sustainability issues, such as reviewing the sustainability report. This ensures that sustainability issues are discussed regularly and that we can respond to them when necessary.

We monitor the achievement of the sustainability goals also in our executive meetings.

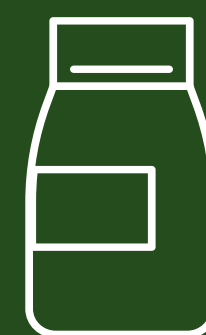
The management team is also responsible for:

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

For us, sustainability is not a one-off project, but a continuous process where we persistently improve our operations. That is why we updated our sustainability program and goals in 2023 to better comply with the increased expectations, future regulation and Pharmia’s clearer intentions. Sustainability is now an even more integral part of our everyday work.

PHARMIA’S SUSTAINABILITY THEMES

TOP-CLASS HEALTHY PRODUCTS



PEOPLE DRIVE PHARMIA'S SUCCESS



JOINT EFFORTS FOR THE ENVIRONMENT



Highlights of our sustainability work 2023



We published our first sustainability report

In November 2023, we published our first sustainability report, which was an important step forward in our sustainability work. The report contains an extensive description of the social and environmental impacts of our activities. Our goal is to increase transparency in our activities and promote dialogue with our stakeholders. The report allows us to evaluate and improve our practices.



Implementation of sustainability

We updated the sustainability program and identified the need to strengthen its integration into daily operations. A sustainability officer and coordinator were appointed, and participatory workshops were held for each department. From this process, we identified key development targets. The updated goals and indicators help Pharmia monitor the impact of its sustainability efforts more effectively.



Certified quality – systematically

Pharmia Luonnontuote Oy in Loviisa was granted the ISO 9001 certificate for quality management systems. The ISO 9001 certificate shows that our team is committed to quality, efficiency and continuous improvement. It also reinforces our commitment to meeting customer needs and to ensure their satisfaction. [Read more on page 15.](#)



We calculated our carbon footprint for the 2nd time

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 30.](#)



Even safer working days

In 2023, we made significant improvements to occupational safety, extending our practices to the unit in Loviisa as well. We invested in safe working conditions and ergonomics. When compared to the previous year, the number of workplace accidents decreased from eleven to four. We introduced a system for recording incidents and observations and organized safety and ergonomics assessments. [Read more on page 24.](#)

Our sustainability goals

For Pharmia, sustainability is not just a word. We want Pharmia to be known as a sustainable business and that our employees can be proud of the work we do. Through cooperation and continuous development, we can strengthen Pharmia's position as a responsible operator and partner.

Our goal is for sustainability to run through the entire company, both in terms of culture and actions. The commitment of the entire staff to promoting sustainability is key for successful sustainability work. When drafting our first sustainability report in 2023, we identified the need to make sustainability work a more integral part of our everyday operations. We appointed a sustainability officer and a coordinator to promote sustainability work.

The sustainability goals and indicators defined in 2022 and updated in 2023–2024 help Pharmia monitor and assess the impact of its sustainability work. We have selected sustainability goals that are relevant and meaningful to our business. We present the sustainability goals and their progress at the beginning of each sustainability theme.

GOAL:
PHARMIA'S OWN OPERATIONS WILL BE
CARBON-NEUTRAL BY

2027

(SCOPES 1 & 2)

GOAL:
PHARMIA WILL BE
ISO 14001-COMPLIANT BY

2027

GOAL*:
OUR SUPPLIERS WILL COMMIT TO PHARMIA'S
CODE OF CONDUCT BY

2026

Goal in two parts:

100% of our A-category suppliers will commit to our Code of Conduct by the end of 2024. 60% of our B-category suppliers will commit to our Code of Conduct by 2026.

A-category suppliers = key major suppliers, approx. 10

B-category suppliers = medium-sized suppliers, approx. 30–40.

C-category suppliers = small suppliers, e.g. individual orders.

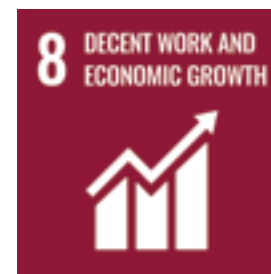
UN Sustainable Development Goals

We have selected five of the UN Sustainable Development Goals that are particularly relevant to Pharmia and our stakeholders. These goals have been taken into account in Pharmia's sustainability work, and they are closed linked to our three sustainability themes.



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 and quality are fundamental values that guide Pharmia's operations and take first priority in everything we do.



8 Decent work and economic growth

- We provide jobs for people in Finland and promote Finnish industry.
- We take care of our employees' wellbeing and safety.
- We expect sustainable practices from all our partners in Finland and abroad.
- We updated our supplier contract and created our Code of Conduct guidelines in 2023.



9 Industry, innovation and infrastructure

- We promote sustainable domestic industrial production.
- We encourage our partners towards sustainable business.
- We develop our production process, pay attention to our use of resources and avoid waste.
- We monitor our energy and water consumption.
- We improve our sorting and recycling of waste.



12 Responsible consumption

- We offer our customers more sustainable packaging options.
- We ensure that the chemicals used in production and the waste are processed sustainably.
- We minimize loss by having fewer rejected production batches.
- We communicate our environmental impact in our sustainability report.
- Our goal is to operate in accordance with the ISO 14001 environmental management system by 2027.



13 Climate action


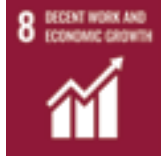
- Pharmia aims to be carbon-neutral by the year 2026 in terms of its own direct operations (scope 1 & 2).
- We calculate our carbon footprint every year and reduce our carbon emissions.
- We explore possibilities to switch to renewable energy in 2024.
- We aim to conduct an energy survey at the factory premises in cooperation with the lessor.

SUSTAINABILITY THEME 1:

Top-class healthy products

Sustainability goals: Top-class healthy products

The number one priority for 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 2023
MORE SUSTAINABLE PACKAGING MATERIALS		We will include more sustainable packaging options in our portfolio for our customers by the year 2024.	We examined the environmental impact, properties, suitability and availability of more sustainable packaging materials.
MORE SUSTAINABLE INGREDIENTS		We will survey the supply chain in accordance with Food Fraud & Food Defense processes every year. Each ingredient will be assessed for risks every three years.	We identified the countries of origin of our existing ingredients. We assessed the risk of product fraud for each ingredient.
CODE OF CONDUCT		Our suppliers will commit to Pharmia's Code of Conduct by 2026.*	The Code of Conduct was finalized in the autumn of 2023 and sent to suppliers in November.

* Goal in two parts: 1) 100% of our A-category suppliers will commit to our Code of Conduct by the end of 2024. 2) 60% of our B-category suppliers will commit to our Code of Conduct by 2026.

A-category suppliers = key major suppliers, approx. 10. B-category suppliers = medium-sized suppliers, approx. 30–40. C-category suppliers = small suppliers, e.g. individual orders.

Pharmia's product portfolio

We develop and manufacture high-quality food supplements and CE-marked medical devices under contract. We have an extensive product portfolio, and 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.

VITAMINS

- Vitamin B
- Vitamin C
- Vitamin D
- Multivitamins
- Other vitamins

MINERALS

- Calcium
- Zinc
- Magnesium
- Iron
- Other minerals

PROBIOTICS

- Lactic acid bacteria
- Boulardii
- Other lactic acid bacteria

OTHER FOOD SUPPLEMENTS

- Caffeine
- Enzymes
- Fatty acids
- MSM
- Amino acids
- Xylitol
- Glucosamine

MEDICAL DEVICES

- Flu treatment via the nose
- Flu treatment via the mouth
- Nasal health
- Aural health
- Gastric health
- Oral health

PRODUCT FORMS

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

COLLAGENS

- Collagens

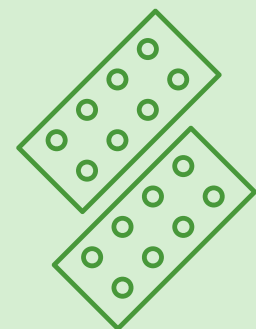
MELATONINS

- Melatonins

OVER THE YEARS, OVER

2,600

DEVELOPED PRODUCTS

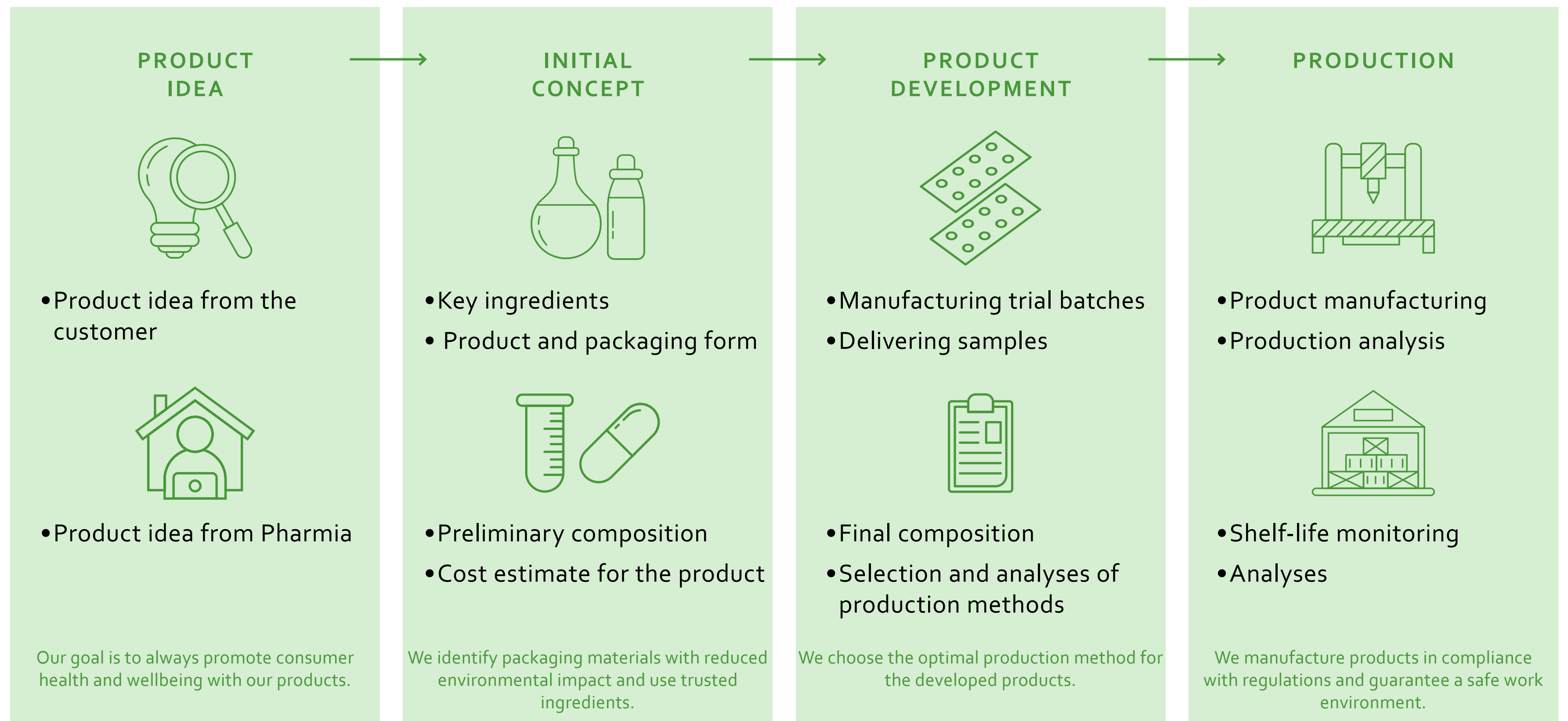


Quality and innovation at the core of product development

We are professionals in product development and, during our years of operation, we have developed over 2,600 different products for our customers. We manufacture approximately seven million consumer packages every year for our customers. We are constantly on the lookout for new product ideas and continue to develop them to suit the needs of our customers.

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. We take sustainability into account at different stages of the product development and production process.

In 2023, we focused on developing the innovation process to better meet the needs of our customers.



Product safety – we ensure wellbeing

Top-class healthy products are the foundation of all our activities. Pharmia is committed to responsible manufacturing and invests constantly in the quality and safety of its products. Product safety is also a key part of our sustainability work, and we guarantee a safe supply chain all the way to our customers.

We always make sure that our products are safe and promote the health and well-being of their users. Our products always comply with statutory requirements and applicable standards. We pay particular attention to the origin, purity and monitoring of the ingredients of our products. We also improve product safety by training our staff and ensuring the safety of the materials we use and the condition of the equipment and facilities.

In 2023, we further strengthened our internal auditing and supervision. To reinforce our safety culture, we conducted over 40 safety assessments to identify and correct potential risk factors. We also continue to cooperate with the cleaning company and conduct monthly visits to ensure sufficient levels of hygiene and cleanliness.

WAYS IN WHICH WE ENSURE PRODUCT SAFETY

- 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 constantly assess the risk of product sabotage and fraud.
- We have received an excellent result in the Oiva report (safety inspections conducted by food control authorities).
- We verify the regulatory compliance of our operations through supplier audits and internal audits.
- Our operations are regularly audited by authorities and certification organizations.
- We carry out extensive risk-based shelf-life tests and laboratory analyses to ensure product compliance.



Quality is the foundation of our business



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.

Our operating systems are designed to fulfill both national (e.g. own-check, HACCP) and international standards (e.g. FSSC 22 000 and ISO 13485). This ensures that our products are safe, high-quality and meet our customers' expectations.

We survey the supply chain in accordance with Food Fraud & Food Defense processes every year. We also conduct a risk assessment for each ingredient every three years. In 2023, we identified the countries of origin of our existing ingredients, and in 2024, we plan to export the risk assessment data to the ERP system. In the future, we will assess the risk of product sabotage and fraud annually.

PHARMIA'S CERTIFICATES

Pharmia has been awarded a number of certificates and standards related to product safety and the systematic development of business operations. These include, for example:

- Product development, manufacturing and packaging of food supplements, FSSC 22000 Food Safety System Certification.
- Medical devices: ISO 13485 quality management system for CE-marked medical devices.
- EU MDR 2017/745
- **NEW IN 2023:** ISO 9001 quality control system in Loviisa.

CERTIFIED MEDICAL DEVICES SINCE 2013

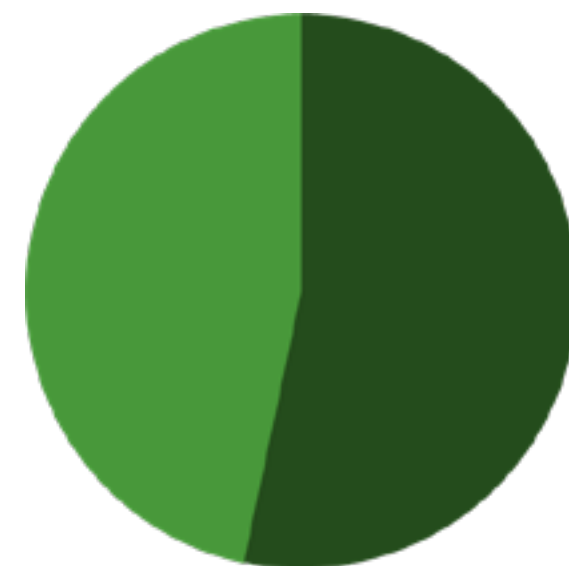
- The MDR (Medical Devices Regulation) is a regulation concerning CE-marked medical devices issued by the European Union that aims to improve patient safety, among other things.
- Pharmia Oy was awarded a certificate under EU MDR 2017/745 on 1 December 2023, making it one of the first MDR-certified companies in Finland.
- We were the first MDR-certified company in the risk class of substance-based nasal sprays in Europe.
- Our goal is to have all of Pharmia's existing MDD devices MDR-approved by 31 December 2028 and to also develop innovative solutions for our customers in the upcoming years.

Procurement of packaging materials and ingredients

There are multiple phases in the manufacturing and production processes of food supplements and CE-marked medical devices, and they require careful planning and implementation. We work in close, long-term cooperation with several suppliers. We try to use well-known, trusted and proven suppliers when procuring new packaging materials and ingredients.

Pharmia's main priorities in procurement are quality, total costs and supply chain sustainability. The ingredients and materials procured by Pharmia are manufactured in about 50 different countries. Due to our vast product portfolio, we procure ingredients directly from manufacturers as well as through our European partners.

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.



SUPPLIER LOCATION

- Finland 53.5%
- Rest of the EU 46.5%

OF OUR CARBON FOOTPRINT

51%

COMES FROM INGREDIENTS

Sustainability of packaging materials

An important part of our practical sustainability work is the product development of packaging materials, as they are among our most significant emission sources. Ingredients accounted for 51.3% of Pharmia’s carbon footprint (2,035 tCO₂e). Packaging accounted for 24.6% (976.42 tCO₂e).

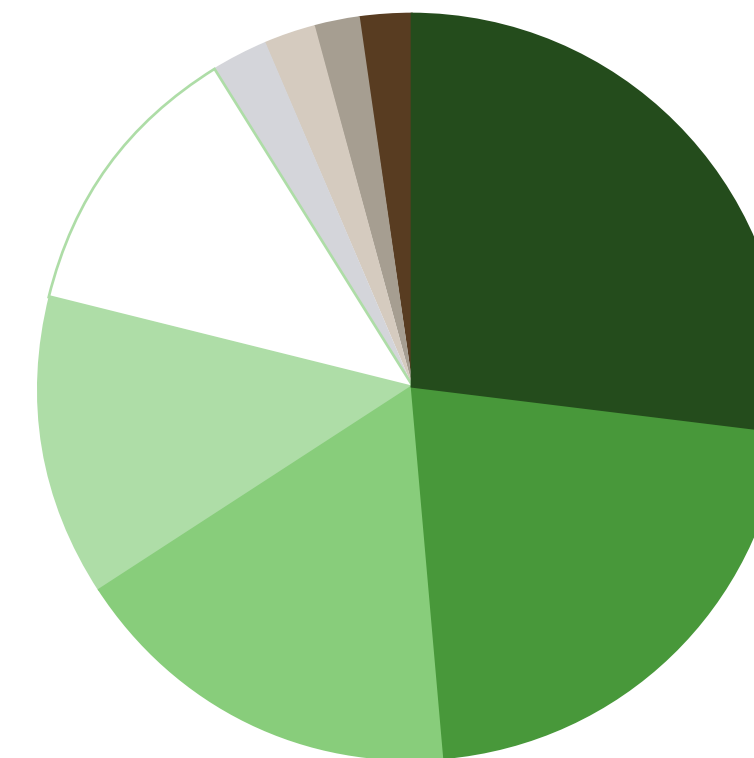
Our packaging materials come from European suppliers. We procure all our printed packaging materials, such as package leaflets, labels and cases, from our long-term Finnish partners. Cardboard accounted for 13% of our packaging material procurement. We are looking into the availability and suitability of recycled and FSC-certified cardboard.

The majority of the packaging materials we use (74% of the total material purchase costs) are different types of plastics. However, we are constantly exploring alternatives to virgin HDPE plastic whose environmental impact, such as carbon footprint, would be lower than that of HDPE.

RINKI PACKAGING MATERIALS 2023	
Material	Tonnes
Cardboard and paper packaging	7.2
Corrugated cardboard packaging	0.5
Plastic multi-packs	44.9
PVC/PVDC packaging, plastic	2.7
PVC/PVDC packaging, aluminum	1.8
Glass packaging	15.7
Wooden pallets	6.7

*Descriptions of the plastic types used in packaging (source: plastics.fi):
 LDPE or PE-LD = low-density polyethylene, the world's most common type of plastic.
 HDPE or PE-HD = high-density polyethylene, suitable for e.g. food packaging.
 PVC = polyvinyl chloride, waterproof plastic widely used in industry.
 PET = Polyethylene terephthalate, thermoplastic used in the packaging industry.
 PP = Polypropylene, plastic used in films, fibers, ropes, plates and tubes.
 PPC = Polypropylene carbonate.
 PPH = Polypropylene homopolymer.

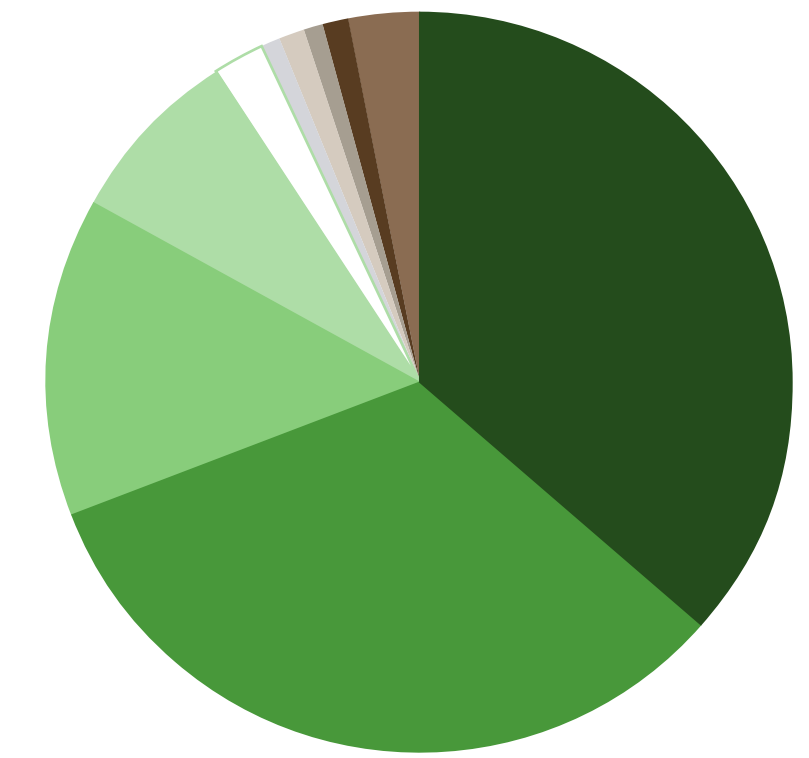
PHARMIA'S PACKAGING MATERIALS*



- LDPE+HDPE 27.4%
- HDPE 21.5%
- LDPE 17%
- Cardboard 13%
- Glass 12.4%
- PVC 2.3%
- PET 2.2%
- HDPE + LDPE 2%
- Other 2.1%

Packaging materials used in own production (percentage of total material purchase costs).

INGREDIENT PACKAGING COUNTRIES



- Germany 37%
- Sweden 33%
- Denmark 14%
- France 8%
- Norway 2%
- Netherlands 1%
- Italy 1%
- Austria 1%
- Poland 1%
- Other 3%

Ingredients used in own production (percentage of total ingredient purchase costs).

Code of Conduct guides our supplier cooperation

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

We pay close attention to working conditions, human rights and environmental policies in our supply chain whenever possible. Supply chains are long and complex, and we still have work to do to improve supply chain transparency. Pharmia's Code of Conduct summarizes the minimum requirements we expect our partners to meet.

We started updating the Code of Conduct at the end of 2023. We sent the Code of Conduct to our A-category suppliers for signature at the end of 2023, and 8/10 of them have committed to it so far. We expect the signatories to respect our business secrets and to promote environmental sustainability, human rights and occupational safety.

GOAL*:
OUR SUPPLIERS WILL COMMIT TO PHARMIA'S
CODE OF CONDUCT BY

2026

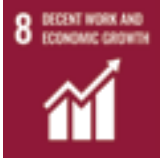
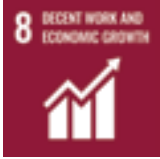
* Goal in two parts: 1) 100% of our A-category suppliers will commit to our Code of Conduct by the end of 2024. 2) 60% of our B-category suppliers will commit to our Code of Conduct by 2026.
A-category suppliers = key major suppliers, approx. 10. B-category suppliers = medium-sized suppliers, approx. 30–40. C-category suppliers = small suppliers, e.g. individual orders.

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 work proactively. We develop the wellbeing and expertise of our employees. We also offer them a safe and encouraging work environment where they can develop themselves professionally.

TOPIC	SDG	GOAL	PROGRESS IN 2023
CUSTOMERS & COMMUNICATION		We communicate our sustainability program to our customers on our website, presentations, customer letters and sustainability report.	Publication of the sustainability report 11/2023.
OCCUPATIONAL SAFETY		We aim to have zero workplace accidents.	Accident rate was 22 in 2023. 4 accidents. Substantial efforts made in accident prevention and occupational safety.
OCCUPATIONAL HEALTH		We will reduce the sick leave rate to be below the industry average (5%).	Sick leave rate was 6% in 2023.
JOB SATISFACTION		We will use surveys to monitor employee wellbeing.	In 2023, we conducted an employee survey and established a staff working group to support the development of employee wellbeing.

Experts in cooperation

Pharmia is known for its strong expertise, knowledge of industry regulations and product development capabilities. We are committed to developing our operations to promote sustainability, and our customers' requirements and preconditions guide our joint sustainability work. We are an active product developer and contractual manufacturer, which puts us at the core of our customers' value chain.

Confidential client collaboration is of paramount importance to us. Our delivery reliability has developed in the desired direction, and our target delivery time is 3 months. We measure customer satisfaction every few years, and the next measurement is planned for 2024 (in 2021, the NPS was good: 75*).

We always strive to promote the success of our customers. The close cooperation of our customer, product development and quality teams play a key role in this. We customize recipes according to each client's specific needs, but we also offer generic products that can be manufactured with the same composition for multiple clients. We sell these generic products only to customers with whom we have agreed to do so in advance.

Being a responsible 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 the 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 sustainability practices.

In addition to food supplements, we manufacture CE-marked medical devices. As the owner of the compositions, we ensure compliance with the requirements set by the directive for these products. We are currently focusing on bringing the product compositions under the scope of new regulation. We received the first certificate for our nasal oil product at the end of 2022. In addition to this, we want to develop new CE-marked products.

*Source: Pharmia customer survey 2021



IN 2023, WE MANUFACTURED APPROX.

6.7 M

CONSUMER PACKAGES

CLIENTELE OF

40

COMPANIES

Pharmia employees are a priority

We are committed to improving the wellbeing of our employees. 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 our work community. We foster an open atmosphere and open communication between employees and management.

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. We create an annual training plan for our entire staff, which is based on our strategic goals and, for example, the competence development needs identified in performance appraisals

We hold a performance appraisal meeting every year with each employee. In 2024, we introduced new performance appraisal guidelines as well as regular interim appraisals between the annual appraisals.

In the future, we will focus even more on developing performance appraisals. We believe that the time invested in this will help supervisors build good management and improve the wellbeing and productivity of our employees.

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 through apprenticeship or while working at the same time. Our employees have completed, for example, vocational qualifications in pharmaceuticals and in process engineering.



STAFF OF
97
(FTE 2023)

98%
OF EMPLOYEES ARE
FULL-TIME

98%
OF EMPLOYEES
ARE NON-FIXED

SICK LEAVE RATE IN 2023
6%
(2022: 7%)

CHANGE NEGOTIATIONS AND STRUCTURAL ADJUSTMENTS

Last year was challenging for Pharmia Oy, and due to the economic situation and the rapid changes in the market environment, we had to make difficult but necessary decisions regarding our staff. We initiated change negotiations for the entire staff as part of a plan to secure the continuity of our operations.

After a comprehensive assessment of the situation and an intensive change negotiation process, we laid off nearly all of our employees for a fixed term as part of our structural adjustment measures. In addition, the employment of 15 employees was terminated for economic and productive reasons. The decisions were difficult, but they were necessary to ensure the future viability of our company.

The impact of the change negotiations on our staff was significant, and we wanted to approach the structural adjustments with due consideration. We worked together with the multi-professional occupational health care team to provide support to both laid off employees and those continuing their work.

We will continue to offer support to employees continuing their work in 2024. We will also continue to have an active dialogue with our employees to improve their job comfort.

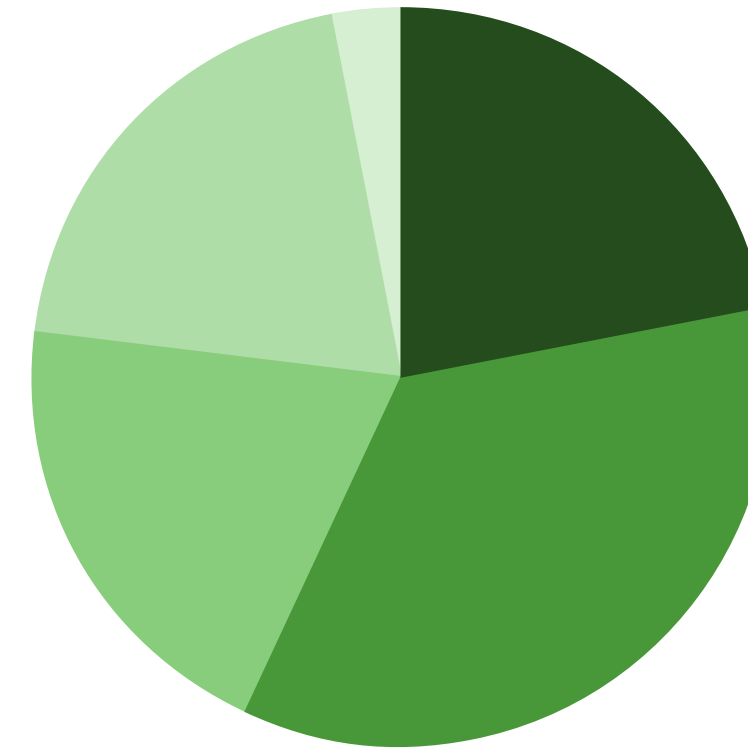
THE PHARMERS

We founded the Pharmers wellbeing team in the spring of 2024, which consists of six staff representatives. The aim of the team is to improve employee comfort and well-being by listening to the needs of the employees and to create joy in the workplace by organizing fun and exciting events.

The team also participates in the planning and implementation of the wellbeing survey and is responsible for the practical implementation of the development proposals arising from the survey. The Pharmers team also makes improvement suggestions to the management team.

We also plan to create an internal code of conduct, i.e. Pharmia's guidelines for operations, in 2024.

DURATION OF EMPLOYMENT



- 0-2 years 22%
- 3-5 years 35%
- 6-10 years 20%
- 11-20 years 20%
- Over 21 years 3%



Advances in occupational safety

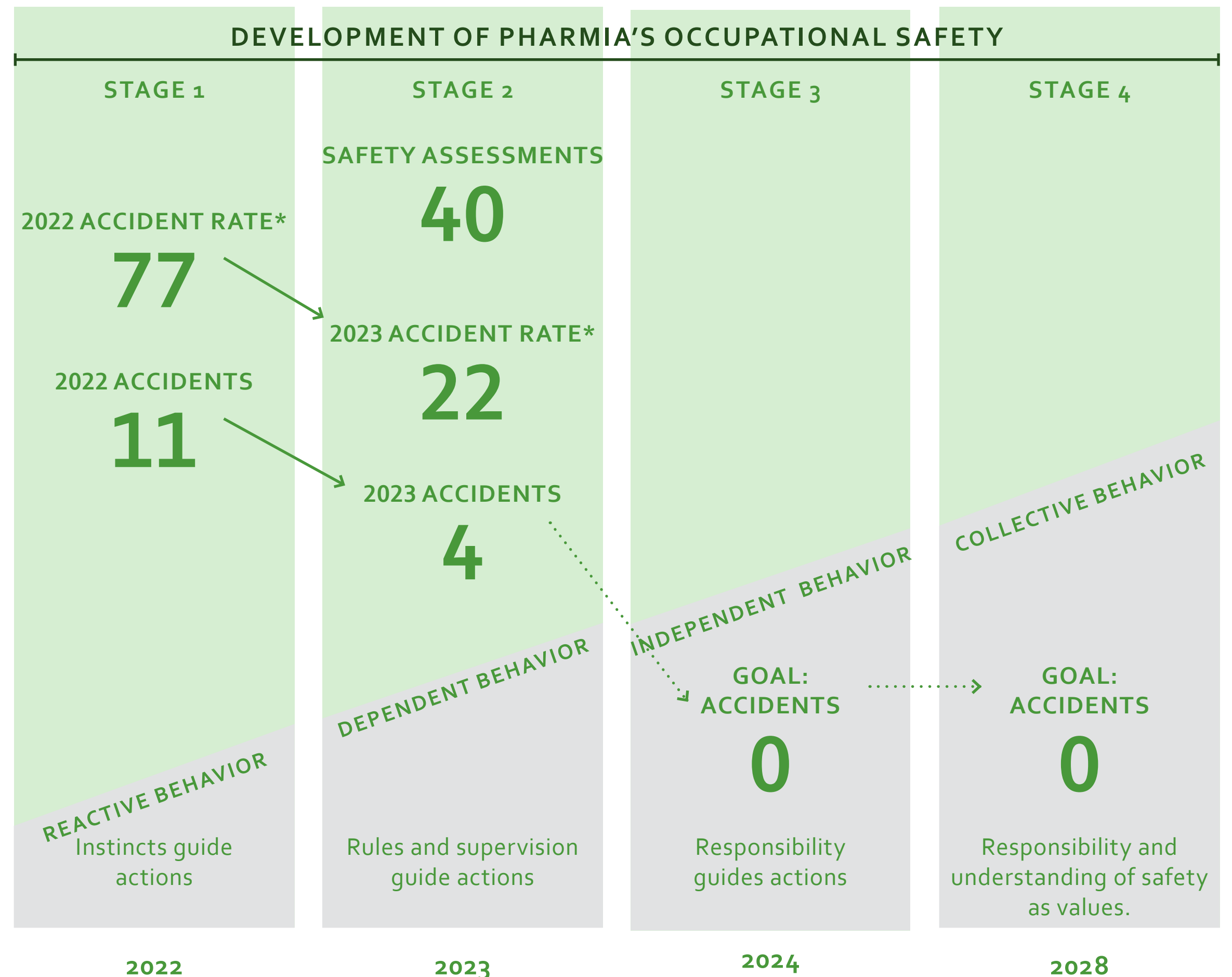
Taking care of our employees' physical and mental health is a top priority for us. We invest in a healthy and safe work environment. In 2023, we made significant progress in the development of occupational safety and accident prevention. We also put our best practices into use at the unit in Loviisa.

We make sure that we have safe working conditions and ergonomically designed workstations. We pay special attention to appropriate lighting, air quality, noise control and the use of necessary protective equipment. Our goal is to have zero accidents at work.

We have introduced a system for recording incidents and observations. We also organize regular safety assessments that include representatives from different staff groups. We have also undertaken corrective measures for machine safety in cooperation with an external expert.

We hold regular cooperation meetings with occupational health care services where we discuss how to promote occupational health. We have developed our work ergonomics by conducting work ergonomics assessments at the office and in production, as well as by addressing the flaws found during the assessments.

*Accident rate = number of accidents / actual hours worked hours x 1 million.



Equality and diversity at Pharmia

Pharmia focuses on a fair and equal working culture that supports a diverse, healthy and safe working environment. We treat everyone equally in our work community. Our employees come from a variety of backgrounds and nationalities. The age range of our employees is very broad: 18–71 years.

The gender distribution among management changed somewhat, as the share of women in the management group fell from 50 percent to 20 percent between 2022 and 2023. The decrease was due to staff changes and reduction in the total number of people in the management team. 20 percent of the members of the board are women. The gender pay gap decreased to 0.04. The gender distribution remained almost the same as in 2022: 55 percent men and 45 percent women. In 2023, Pharmia promoted equal pay between genders and among employees carrying out the same tasks.

Creating and maintaining a good working environment is everyone's responsibility. The internal audit team, established in 2023, makes sure that we operate according to our own guidelines and standards. The team has carried out over 40 audits so far.

We support the development of teamwork, and our teams work independently according to the LEAN principles. 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 also actively engage our employees in the development of our sustainability work.

AGE RANGE
18 - 71
YEARS

1/5
OF OUR MANAGEMENT
TEAM ARE WOMEN

45%
OF OUR EMPLOYEES
ARE WOMEN

1/5
OF OUR BOARD
ARE WOMEN



STAFF AGE DISTRIBUTION

- 17-26 years 5%
- 27-36 years 20%
- 37-46 years 25%
- 47-56 years 22%
- Over 57 years 28%

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. We aim to be carbon-neutral by the year 2027 in terms of our own direct emissions (scope 1 & 2). To achieve this, we will focus on improving our energy efficiency, optimizing our waste management and using natural resources sustainably. We work actively to promote environmentally sustainable practices.

TOPIC	SDG	GOAL	PROGRESS IN 2023
CARBON NEUTRALITY		We will calculate our carbon footprint every year.	Carbon footprint calculated.
		Pharmia will be carbon-neutral in terms of its own direct emissions (scope 1 & 2) by 2027.	Work is in progress, emissions have decreased by 187 t. since 2022.
LOSS		We will reduce loss by 5% each year.	Losses are measured and monitored weekly. We prevent loss by improving processes, optimizing batch sizes and ensuring quality in production, among other things.
ENERGY, HEAT AND WATER CONSUMPTION		Our delivered energy will be renewable by the year 2026, and we will improve our use of resources.	Discussions about switching delivered energy to renewable energy have begun with the lessor.
RECYCLING OF WASTE		We will recycle all our waste by the year 2026.	We added several new waste categories: energy waste, cardboard, metal, WEEE, hazardous waste (extractor powders, secure disposal), mixed waste.
ENVIRONMENTAL CERTIFICATE		We will be ISO 14001-compliant by the year 2027.	We started drafting a plan for ISO 14001-compliance. The work will start in June 2024.

Environmental focus at our factories



As in all industrial operations, Pharmia’s production also generates environmental impacts, such as energy and water consumption, waste and climate emissions. We work actively to reduce the environmental impact of our operations and to minimize loss.

Due to the acquisition of Pharmia Luonnon-tuote Oy and the establishment of two new facilities, Pharmia’s energy and water consumption and waste volume increased from 2022. Although these figures grew, our carbon footprint decreased from 2022 (read more on the following pages), so we believe we are on the right track. In 2024, we will begin our journey towards ISO 14001 environmental system compliance. We believe that we can get this project started quickly, as we have already added elements from ISO 14001 to our product safety management system.

ENERGY AND WATER CONSUMPTION

We will focus on improving energy efficiency in our production processes to reduce environmental impacts. This includes, among other things, optimizing our electricity consumption and metering the power supply of our production machinery. Air conditioning and cooling

are among the main sources of electricity consumption in production, as effective cooling is necessary to ensure the appropriate nature and conditions of production, as well as the quality of the products.

Our aim is to optimize waste recycling and to save water through efficient tank cleaning methods. We turned the air conditioning down at night and in the weekends, which reduced the need for heating during wintertime. This year, we will continue to take measures to optimize the efficiency of the air conditioning. Our production facilities are located on leased premises, and we want to work together with the lessor to transition to renewable electricity in the near future, which would reduce our scope 2 emissions.

ENERGY, HEAT AND WATER CONSUMPTION		2023	2022
Electricity	Tuusula	415 MWh	446 MWh
	Loviisa	173 MWh	
	Total	415 MWh	
District heating	Tuusula	548 MWh	417 MWh
	Loviisa	n/a	
	Total	548 MWh	417 MWh
Water	Tuusula	1,291,000 l	768,000 l
	Loviisa	120,000 l	
	Total	1,411,000 l	

LOSS

We actively focus on reducing production losses in order to minimize environmental impacts. This means the effective management and utilization of both ingredients and finished products. We strive to constantly improve and optimize our processes to reduce and prevent loss. In practice, we can reduce loss by optimizing production processes and batch sizes, among other things.

We focus on improving our operations and quality so that no loss occurs. Our goal is to identify challenges related to loss at an early stage. We have emphasized carefulness for our staff throughout the production process. We have also defined the relevant processes, responsibilities and interfaces and increased problem-solving skills. In order to reduce material loss, we constantly develop our warehousing and monitor the shelf-life of materials. We also invest in daily management and continuous improvement.

In production, we ensure product quality and the results of analyses before packing the product. We are also constantly developing loss tracking for each machine. Measures also include improving the efficiency of proactive maintenance. In the future, we will also engage our employees in improving waste recycling and reducing food waste.

IMPACT OF THE SUPPLY CHAIN

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

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

WASTE

Due to the nature of the ingredients used, we have found that our production generates a fairly large amount of side streams, which are defined as hazardous waste. According to the environmental report by Lassila & Tikanoja, we generated 8,393 kg of organic solid waste and 300 kg of organic liquid waste. Organic solid waste mainly consists of discarded mass, i.e. production loss, as well as some extractor dust.

Organic liquid waste consists mainly of production loss, such as sesame oil. We do not sort biowaste and clear plastic waste separately at the moment, but we have increased the number of waste categories significantly. We plan to start recycling clear plastic in 2024.

WASTE TUUSULA AND LOVIISA 2022-2023

WASTE TYPE KG	TUUSULA 2023	TUUSULA 2022	LOVIISA 2023
Energy waste	34,020	36,740	0
Mixed waste	9,976	10,045	9,800
Hazardous waste (organic)	8,393	10,103	0
Hazardous waste (laboratory & chemical)	1		0
Hazardous waste (solvent & liquid)	300	1,189	0
Biowaste	0		0
Plastic	0		750
Cardboard	18,500	24,530	3,600
Paper	244		50
Metal	4,500	4,900	150
Hazardous waste	0		3
Secure disposal	7,660		150
Wood waste	5,000		1,000
Construction waste	1,000		0

Pharmia's carbon footprint 2023



Pharmia assessed the climate emissions of its activities by calculating its carbon footprint for the year 2023 using the Normative service. The consumption-based calculation was conducted following the GHG Protocol calculation method. The emissions of Pharmia Oy's own activities and the emissions of the value chain, where applicable, were included in the carbon footprint calculation.

The carbon footprint for the year 2023 was 3,966 tCO₂e. Our emission reduction measures have clearly been effective, as our carbon footprint was 4,153 tCO₂e in 2022. The emissions of the product chain, or scope 3, made up 91.4% of all our emissions.

Of all emissions, 89% came from purchased packaging materials, ingredients and services. Ingredients accounted for 51.3% of Pharmia's carbon footprint (2,035 tCO₂e). Packaging accounted for 24.6% (976 tCO₂e).

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.

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.
- This data is combined with the service provider's database to produce an estimate of the generated emissions.



- Scope 1: 0 t CO₂e
- Scope 2: 340 t CO₂e
- Scope 3: 3,625 t CO₂e

OF THE EMISSIONS,
89%
CAME FROM PROCUREMENT

SCOPE	2023 TCO ₂ E	2023 %	2022 TCO ₂ E	2022 %
Scope 1	0	0%	0	0%
Scope 2	340	8.5%	147	3.3%
Scope 3	3,625	91.4%	4,369	96.7%
Total:	3,966	100%	4,153	100%

*We acquired the food supplement business of Elokuu Luonnontuote Oy in 2022. The food supplement business of Elokuu Luonnontuote Oy will continue as a subsidiary of Pharmia, under the name Pharmia Luonnontuote Oy. Due to the acquisition, the figures are not fully comparable.

PHARMIA'S CARBON FOOTPRINT 2023

SCOPE	SECTION	TCO ₂ E	SHARE	SCOPE'S SHARE
Scope 1: Own emission sources	Energy production fuel emissions	0	0%	0%
	Company vehicle fuel emissions	0	0%	
Scope 2: Delivered energy emission sources	Electricity	248	6.2%	8.5%
	District heating	93	2.3%	
	District cooling	0	0%	
Scope 3: Value chain emission sources	Purchased goods and services	3,540	89.2%	91.4%
	Leased assets	33	0.8%	
	Transportation to factory or warehouse	3	0.1%	
	Waste generated in operations	2	0.1%	
	Business travel	3	0.1%	
	Transportation to customers	44	1.1%	
	Total	3,966		

THE CALCULATION INCLUDES

- Ingredients, packaging and other materials used in production
- Other purchased products and services
- Production waste
- Business travel
- Transportation of final products to customers in part (Loviisa)

THE CALCULATION DOES NOT INCLUDE

- Transportation of products to customers
- Employee commutes
- Machinery and equipment used in production
- Further processing and use of sold products

NOT ESSENTIAL:

- Disposal of sold products after their removal from use
- Leased or leasing items, franchising or investments

Sustainability prospects for 2024

The importance of sustainability work has continued to grow at Pharmia, and our commitment was further strengthened in 2023. 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 in 2024, we intend to focus specifically on planning our journey towards ISO 14001-compliance. We will also discuss how to improve energy efficiency and possibilities of switching to renewable energy. In addition, we will look into the setting of science-based climate targets.

The ongoing strategy and brand reforms in 2024 will also bring their own element to our sustainability work, as sustainability is an integral part of both. We will also 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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