

Sustainability report



Contribution to the United Nations sustainable development goals

Navamedic’s commitment to sustainability took tremendous strides in 2023. Not just in building a sustainable operation, but also in regard to embedding sustainability as a focus area both internally, but also up and down the supply chain. From the initial phases of Navamedic’s sustainability journey, 2023 emerged as a pivotal year marked by strong commitment and concerted efforts towards our goals communicated in the 2022 ESG report.

Throughout 2023, we embraced sustainability with renewed enthusiasm, recognizing that it is no longer a mere option but a fundamental driver of resilience, growth, and long-term value creation. In this section we reflect on our great journey undertaken during this transformative year—a journey characterized by concrete actions, measurable contributions, and a steadfast dedication to sustainable practices.

Navamedic continues to base its sustainability goals and efforts on the United Nations Sustainable Development Goals (SDGs). Our assessment of which SDGs to focus on is based on where we believe our contributions are most impactful, and they are:



3 GOOD HEALTH AND WELL-BEING

Contribute to safe and timely supplies of medicines by minimizing the risk of shortages through close collaboration with our partners included in the whole value chain

Contribute to people’s health by focusing on important medical needs, such as obesity, antibiotics and medical nutrition

8 DECENT WORK AND ECONOMIC GROWTH

Commit to respecting fundamental human and labour rights, both in our own business and throughout the entire value chain

Support work/life balance for employees as a flexible company

Promote employees competence development

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Focus together with suppliers on sustainability initiatives

Focus on packaging material of our products to reduce waste, introduce environmental-friendly alternatives and improve labelling to sort waste material

13 CLIMATE ACTION

Transport products in a more sustainable way to reduce CO₂ emission

Implement a travel policy to support business travel in a more sustainable way

Constantly improve and document our environmental actions through the ISO 14001 certification and internal Environmental Management System

In light of escalating environmental challenges, such as climate change, biodiversity loss and resource depletion, organizations and the international community has rallied together to implement robust sustainability strategies aimed at mitigating adverse impacts and fostering positive change. From the adoption of renewable energy solutions to the implementation of circular economy principles, the business community has demonstrated a heightened sense of responsibility towards safeguarding our planet for future generations. Navamedic is dedicated to joining these forces and maintains close dialog with all relevant partners up and down in our value chain in order to identify and implement actions that contribute to the reduction of the environmental footprint. We recognize that product packaging, product transportation as well as company cars and business travel are the main areas where we can contribute. Below are some of the concrete actions taken and results achieved in 2023.

Product packaging optimization

Environmental

During 2023, Navamedic, in collaboration with our product suppliers, succeeded in implementing the removal of excess plastic from one of our products packages. We also were able to reduce the size of the packaging of another product by reducing the empty space in the packaging, hence reducing the materials used. We are very pleased to see that the effect of these actions yields quantifiable contribution to our goals.

Product transport optimization

Environmental

In 2023, Navamedic made significant strides in optimizing our transportation practices by concentrating efforts on warehouse consolidation. By reducing the number of warehouses, we aimed to streamline shipments and minimize transportation requirements. Our primary objective remains the reduction of kilometers traveled in transporting products, both from suppliers to our warehouses and from warehouses to customers. Through collaborative efforts with our customers and suppliers, we prioritize maximizing shipment loads to effectively minimize our overall environmental footprint. This commitment to efficient logistics not only enhances operational efficiency but also aligns with our broader sustainability goals.

Science based target initiative

Environmental

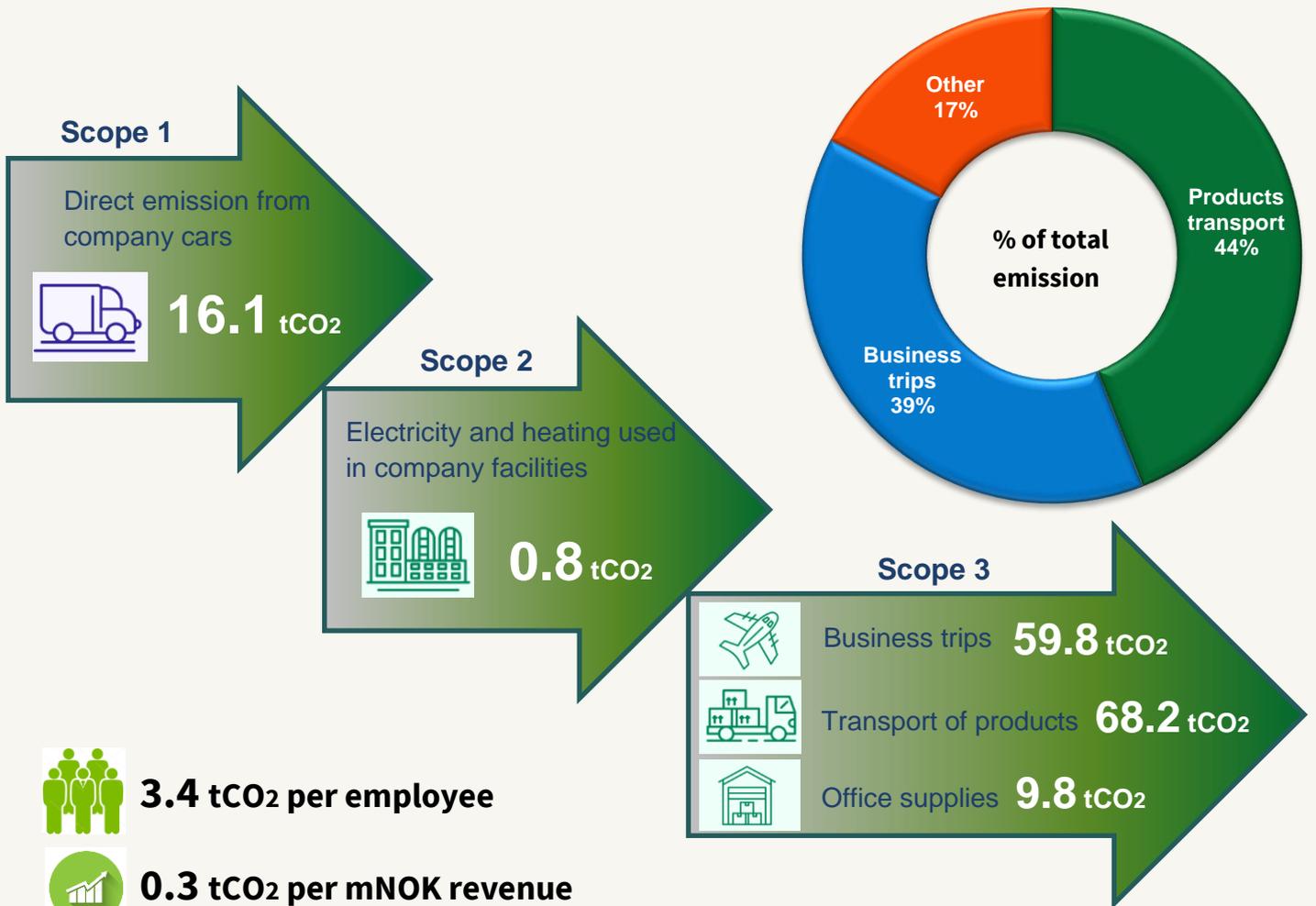
The Science Based Targets initiative, a collaboration between the CDP, the United Nations Global Compact, World Resources Institute, and the World Wide Fund for Nature, welcomed Navamedic into its ranks in 2023. Being part of this initiative affords us the opportunity to have our emissions reduction targets validated by the Science Based Targets initiative, ensuring alignment with the Paris Agreement's objectives. We take pride not only in setting comprehensive environmental goals and delineating future actions but also in ensuring that these actions are grounded in robust scientific foundations.

Recognizing the critical importance of tracking carbon emissions, Navamedic implemented robust methodologies to quantify its environmental footprint in 2023. By doing so, the company aims not only to monitor its environmental impact but also to set clear targets for emissions reduction and drive meaningful progress towards a more sustainable future. Navamedic has adopted World Favor, a renowned sustainability system, as our tool for calculating emissions across Scope 1, 2, and 3. These scopes delineate various categories of carbon emissions, each with its own significance in understanding and addressing our environmental impact.

Quantifying our environmental footprint

Environmental

Prior to 2023, Navamedic developed a methodology to collect the inputs from all aspects of our operations needed to measure total CO₂ emissions. During 2023, we have collected data related to key activities such as product transportation (from our suppliers to our warehouses and from our warehouses to our customers), business trips, purchases of various goods, energy consumption, waste etc. By quantifying emissions across these scopes, we gain comprehensive insights into our carbon footprint, allowing us to identify areas for improvement and implement targeted strategies to reduce our environmental impact.



As the societal landscape continues to evolve, businesses need to reassess their roles and responsibilities within the communities they operate. Embracing principles of corporate social responsibility (CSR) and stakeholder engagement, a vast majority of companies have embarked on their sustainability journey through initiatives aimed at fostering inclusive growth, promoting diversity and equity, and addressing pressing social issues. Navamedic is actively assuming its role in this realm by actively contributing to the well-being of society, both by being an important contributor to public health and by being an attractive place to work.

Central to our social responsibility is the unwavering commitment to ensuring a stable supply of necessary pharmaceutical products in our portfolio. We recognize the vital role these products play in contribution to public health, and as such, we prioritize the reliability and accessibility of our offerings. Through proactive supply chain

management and strategic partnerships, we strive to mitigate disruptions and ensure that patients have access to the medications they need, when they need them.

In addition to maintaining a stable supply chain, we proactively monitor and assess emerging healthcare needs to identify opportunities for innovation and product development. By staying abreast of evolving medical trends and public health challenges, we remain agile in our response, continuously seeking to address unmet medical needs and improve patient outcomes.

At the heart of our social responsibility initiatives is also our commitment to our employees. We recognize that our success is intrinsically tied to the dedication and expertise of our team members, and as such, we prioritize creating a culture of inclusion and non-discrimination, ensuring that every individual, regardless of race, gender, sexual orientation, disability, or background, feels valued, respected, and empowered within our organization. Through various initiatives, we strive to cultivate a workplace where every individual feels valued, empowered, and inspired to contribute their best. Of total 44 employees in 2023, 26 are women and 18 are men.

Lighter Together program

Social

Modifast Lighter Together is a support program to make weight management and lifestyle changes more achievable when done with others. Lighter Together is a structured program with different phases based on the Modifast method developed by a dietitian more than two decades ago. Rapid initial weight loss may increase motivation by providing positive feedback and promote further weight control behaviors, as shown in studies. Lighter Together starts with a low-calorie diet (LCD) with Modifast diet replacements following a gradual reintroduction with healthy and well-balanced meals. Physical activity is also included in the program with increasing intensity throughout. The program lasts for six weeks and provides evidence-based information, support and motivation from experienced dietitians online. The program includes dedicated newsletters several times a week and a Facebook group moderated by a dietitian where participants have the possibility to inspire and support each other during their weight journey. One main advantage of the program is that the participants start at the same time and therefore experience the different phases together throughout the process.

My control

Social

With our website MyControl, we hope to increase knowledge about obesity among the general public. The site, which highlights causes, risks and the benefits of a long-term weight loss, places great focus on the brain's role in developing and mastering the disease and, in addition to current treatment options, also addresses the importance of the right treatment. The website is available in Norwegian, Swedish, Danish and Finnish. Navamedic contributes to obesity management by providing top of the line pharmaceutical treatment that can help patients lose weight and keep a lower weight. Navamedic also educates healthcare personnel in obesity management.

6-in-1 meetings with pharmacy professionals

Social

Navamedic is proud to collaborate with five other prominent pharmaceutical companies in a program that directly engages pharmacy employees. By interacting with those who work closest with patients, we gain invaluable insights into their needs and receive constructive feedback. This engagement also offers us a chance to ensure a thorough understanding of our products within the healthcare community. We firmly believe that this initiative significantly enhances our ability to make a positive social impact by fostering better support systems for patients.

Further to this, governance considerations remain at the forefront of corporate agendas, as businesses are seeking to enhance transparency, accountability, and ethical conduct across their operations. Strengthening corporate governance frameworks, fostering board diversity, and upholding rigorous standards of integrity have become paramount objectives, ensuring that organizations uphold the highest standards of ethical behavior and decision-making. Navamedic is continuously committed to conducting its business with the highest ethical standards and ensuring compliance with applicable laws and regulations. We have therefore structured our governance on transparency principles that all relevant stakeholders need to adhere to, from our key suppliers to our customers, employees and management.

Navamedic's Code of Conduct establishes the standard for both business and personal conduct expected from all employees. It outlines our ethical expectations, commitments, and requirements applicable to all individuals representing the company, regardless of their contractual relationship. This includes employees, management, the Board of Directors, and relevant contractors. The Code of Conduct, approved by Navamedic's Board of Directors, covers essential topics such as business ethics, anti-corruption measures, workplace environment, and environmental stewardship. Additionally, Navamedic adheres to the European Federation of Pharmaceutical Industries and Associations (EFPIA) Disclosure Code. This commitment underscores our collaboration with stakeholders like patient organizations, healthcare professionals, and governments to influence research, regulatory decisions, and optimize medication use. Emphasizing transparency, EFPIA and its members advocate for mandatory registration of lobbying organizations in the EU transparency register. Furthermore, we uphold EFPIA's disclosure provisions, ensuring transparent reporting of financial support to patient organizations across Europe.

Navamedic upholds ethical standards, complying with national and international laws and guidelines on human and labor rights. We strictly prohibit corruption and bribery in any form, as outlined in our Code of Conduct. We maintain a zero-tolerance policy towards corruption in our daily operations and business interactions. Guidelines are in place for accepting gifts or benefits, and all employees are expected to identify and address potential conflicts of interest. The CEO holds ultimate responsibility for enforcing our ethical guidelines.

Navamedic Supplier code of conduct

Governance

During 2023, Navamedic launched the Supplier code of conduct, a comprehensive guideline and requirements for our suppliers describing Navamedic's expectations to our partners within various categories, including areas like human and labor rights, health & safety, sustainability, anti-bribery, child labor etc. We believe that having this document signed and committed to by our partners further strengthens our goal to work with the suppliers whose business is run according to the highest standards.

Sustainable sourcing partners

Governance

We have implemented World Favor, a sustainability software application, to distribute comprehensive questionnaires to all our partners, addressing key aspects of sustainability and governance. These questionnaires cover Business Ethics & Leadership, Environmental Practices, Sustainability Approach, and Sustainable Sourcing Approach. By leveraging this platform, we ensured that our partners adhere to the highest standards in terms of sustainability and governance across our supply chain and collaborative endeavors. This proactive approach underscores our commitment to fostering transparency, accountability, and sustainable practices throughout our ecosystem. More details on this can be found in the Norwegian Transparency Act report available on Navamedic.com.

Summary of Navamedic sustainable operations focus areas

Environmental	Social	Governance
Product packaging optimization	Contribution to public health	Anti-corruption and bribery
CO2 emission reduction	Attractive employer	Code of conduct
Waste and recycling management		Sustainable sourcing

Navamedic remains firmly committed to environmental stewardship, social responsibility, and robust governance practices. As we reflect on our current achievements, we take pride in the solid foundation we have established, but we also recognize that our journey towards sustainability is ongoing. Looking ahead, we reaffirm our dedication to continuous improvement, innovation, and transparency.

With a foundation established in the aforementioned focus areas, we have outlined clear objectives, initiatives, and measures that will guide our future actions. Some of our major targets are:

- Continuous partners evaluation and follow-up on their sustainable business practice
- Climate neutral business trips by 2030
- Stay at climate friendly hotels
- All company cars to be electric
- Continue with packaging optimization (removing unnecessary material, support recycling and use of recyclable materials)
- Continue developing and maintain a robust methodology and system for CO2 emission monitoring