



CORPORATE SOCIAL RESPONSIBILITY REPORT

MEDCHEMTRONICA AB
2022

Introduction

MedChemtronica AB (MCT) acts as the European distribution hub for MedChemExpress LLC (MCE). Supplying a wide range of high-quality biotech and life-science products with premium service and rapid logistics. We are serving the needs of research & development laboratories all over Europe.

This is MCT's first annual CSR report, we are proud to present where we stand in key areas of our operations, what we have achieved during the year and our plans for 2023. The plans are governed by the management team and the CEO, with input from employee representatives from several departments. All employees are encouraged to share new ideas and suggestions for improvement at any time.

This report covers the year of 2022: from January 1:st to December 31:th, and unless otherwise stated all data is from this period. All of MCT's operations should always be ethically responsible and in line with our business ethics policy. We support public accountability and transparency and will use the yearly CSR-report to report on our progress and keeping stakeholders informed and updated.

Our goals

- *Be a trusted logistics partner with a high service level*
- *Aim to reduce the environmental impact of our operations*
- *Be socially and ethically responsible, upholding the highest standards and codes of practice.*

For 2022 we had two major projects that were successfully completed in 2023:

- ISO certification of our quality and environmental management systems (9001 and 14001)
- Complete climate emissions calculations according to Greenhouse Gas Protocol with a Science based Targets initiative (SBTi) application.

The ISO project running during 2022 with audit in early January 2023, certificate was issued on January 31:st 2023.

To fully understand our environmental impact MCT has, with help of the company 2050 Consulting AB, made complete climate emissions calculations according to Greenhouse Gas Protocol and SBTi validation using 2022 as the base year.

MCT commits to maintain zero scope 1 emissions through 2030. And MCT also commits to reduce the absolute scope 2 GHG emissions 42% by 2030 from 2022 base year, and to measure and reduce our scope 3 emissions. As expected, Scope 3 accounted for over 99% of our total emissions, with manufacturing of products and transportation as the main emission sources.

KPIs related to our operations are specified in appendix 1.



Table of contents

Introduction.....	2	Results of climate emission calculations.....	14	Risk assessment	30
Our goals.....	2	Scope 1 emissions	15	Responsible sourcing	30
Table of contents.....	3	Scope 2 emissions	15	Supplier code of conduct	30
This is MedChemtronica AB	4	Scope 3 emissions	16	Supplier evaluation	31
Relationship with Chemtronica.....	5	Environmental impact of our facility	18	Cyber security.....	32
Our quality strategy.....	6	Whistleblower	20	Whistleblower.....	33
.....	7	Social impact and initiatives	21	Philanthropic actions	34
Management team.....	7	Management.....	21	Charity donation	34
Our sustainability strategy	8	Diversity and Inclusion	22	Support small local business.....	34
Sustainability Goals	9	Gender distribution & Pay gap.....	22	Buy responsibly produced products	34
Sustainability Policies and preventive		Health and safety	24	Allotment	34
measures.....	10	Product safety	25	Financial responsibility and integrity	36
Environmental policy.....	10	Employee training and development		The Importance of Financial	
Sustainable procurement in our own		26	Responsibility and Integrity.....	36
operations.....	11	Employee benefits	27	Improving Cash Flow through	
Sustainability Implementation &		Work-life balance	28	Enhanced Accounts Receivable	
Evaluation	12	Whistleblower	28	Management	37
Management team.....	12	Ethical responsibility.....	29	Whistleblower.....	37
Environmental impact.....	13	Anti-bribery and anti-corruption	29	Plan for 2023.....	38
Our emissions commitment	14	Antitrust and fair competition	29		
		Conflict of interest.....	29		

This is MedChemtronica AB

MedChemtronica AB (MCT) was founded in 2014, it is located in Sollentuna, Sweden and a privately owned small and medium sized enterprise (SME) that acts as the European distribution hub of MedChemExpress (MCE). MCE is a global leading supplier of a wide range of high-quality life science reagents, including bioactive small molecule tool compounds, compound libraries, peptides, recombinant proteins, etc. MCE also offers various services such as custom chemical synthesis service, virtual screening service, and compound screening service. The products are for scientific research purposes only and should not be used for clinical treatment or any non-scientific research purposes.

MCTs Business Idea

MCT is the distributor of MCEs Biotech and Life Science products for the European market, with premium service and rapid logistics

We strive to attain our goals by:

- *Having the logistics hub right here in Sweden, ensuring fastest delivery possible within Europe.*
- *Having a quick response team to support each and every issue related to product and delivery.*
- *A spontaneous business culture with employees being cross trained ensuring optimal efficiency.*

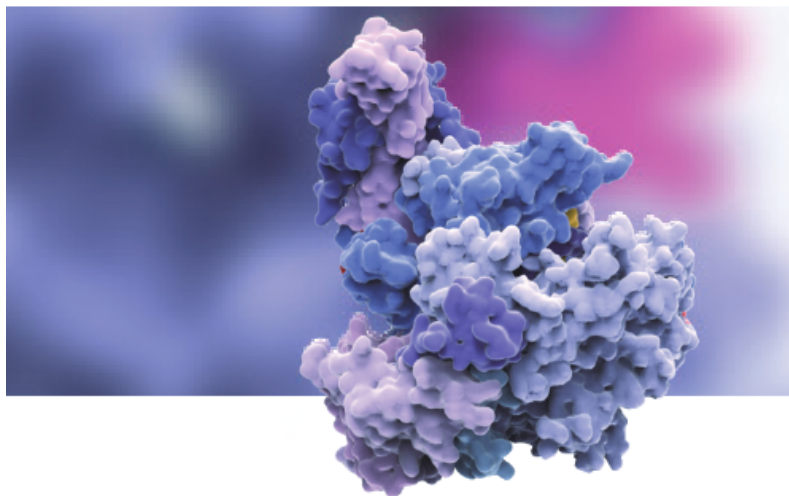


MCTs warehouse in Sollentuna, Sweden has more than 80 000 products ready for shipment with a delivery time for in stock products of 24 to 48 hours from the date of the official order. In case the product is not in stock in Sweden, the logistics department will organize a shipment from the warehouse in the United States or China.

With our extensive variety of products, smooth purchase process, adaptation to the legal and environmental frameworks of each country, proximity (with specialized personnel throughout Europe) and strict quality control (both products and processes), and strong support team, we are confident to provide our customers with excellent service.

Relationship with Chemtronica

MCT works closely with its sister company Chemtronica AB. They both sell to each other and buy products from each other. The companies have a comprehensive cooperation agreement. They have different product ranges. Chemtronica has most of its customer base inside Sweden, distributing while MCT focuses on distribution across Europe. Both companies have the same majority owner and the same management group. Both are based in the same facility in Sollentuna, Sweden. They are however legally two separate entities with separate tax ID numbers. Order-processing, logistics, invoicing, and financial reports are separated.



The two companies are located in the same building which is owned by Chemtronica. This means that MCT's energy and heat consumption goes through Chemtronica. All waste streams from both companies are also handled by Chemtronica, while the individual consumption is calculated separately, based on FTEs.

The majority of MCT's employees are provided through Chemtronica as consultants, with full time permanent work contracts. This allows for flexibility in allocating personnel according to shifting needs between the companies.

In the uncommon event that a chemical is classed as dangerous goods MCT can consult with Chemtronica's two safety advisors, fully accredited by MSB (Swedish Civil Contingencies Agency), for the transport of dangerous goods, both for road and air.

Our quality strategy

MCT offers a wide range of high-quality research chemicals and biochemicals, novel life-science reagents, reference compounds and natural compounds, for scientific use. Our products are not intended for human use. Product identity, quality, purity, and activity are assured by our robust quality control programs and procedures.

MCT is certified according to the ISO 9001:2015 quality management standard. This requires us to have a fully audited *“management system used to manage quality aspects, fulfil compliance obligations, and address risks and opportunities.”* The plan for maintenance and improvement of quality measures is governed by our Quality Management System (QMS). In accordance with the Plan-Do-Check-Act (PDCA)-cycle we are continuously maintaining and improving our QMS. The system includes the following framework:

Our quality policy governs our quality work and all employees at all levels are responsible to uphold this quality in their daily work.

We have a general quality goal to have 100% satisfied customers. We strive to reach this by offering high quality products, fast and reliable logistic, and a dedicated customer service with high chemical expertise.

The competence of the employees is a presumption for this, and because of that we have continuous development and broadening of competence for all employees.

Our customer relations are built upon availability, long-term perspective, and transparency to build a strong collaboration. A personal appeal by competent and reachable staff produces good results.

A strict procedure for corrective and preventive action (CAPA) helps us uphold high quality standards. CAPA is used to eliminate the actual or potential causes of non-conformity, take measures to prevent the occurrence of similar problems or prevent the recurrence of problems, continuously make improvements, and improve the level of enterprise management. We provide goods and services in the right time, at the right place with promised quality.



Management team

MCTs Quality Management System (QMS) is governed by the management team and the CEO, with input from employee representatives from several departments.

A cross-function team called the “ISO-group” is essential for improvement of the QMS via the Plan-Do-Check-Act-cycle.

The management team is responsible for the overall direction of MCTs quality work, and all policies are written and consolidated by the management team with final approval by the CEO.

The “ISO-group” consists of representatives from management, finance department, logistics, data analysts, customer service, and the quality & environmental manager. The team discusses quality projects, compiles and evaluates data, which was instrumental for the successful ISO-certificate audit. Employee involvement and participation is crucial for QMS to work as intended. A key function of the group is to spread information to their respective departments and report all ideas and suggestions back to management.

All employees are encouraged to share new ideas and suggestions for improvement at any time. During all bi-weekly meetings with all employees quality-related questions and projects are discussed, the floor is open for input from everyone.



Our sustainability strategy

MCT is certified according to the ISO 14001:2015 environmental management standard. This requires us to have a fully audited “*management system used to manage environmental aspects, fulfil compliance obligations, and address risks and opportunities.*” The plan for maintenance and improvement of environmental measures is governed by our Environmental Management System (EMS). The system includes the following framework:



In accordance with the Plan-Do-Check-Act (PDCA)-cycle we are continuously maintaining and improving our EMS to reduce our environmental footprint. This framework helps MCT identify key parts of our operations and make plans for improvement. All environmental aspects are routinely evaluated and documented. Plans for improvement of the identified key areas are then implemented according to the PDCA-cycle.

In accordance with our environmental management policy MTC shall in all its operations strive to limit the impact on nature and the environment as far as possible, in balance with quality management and economic aspects. We shall offer chemicals and consulting services that are selected in considerations with environmental aspects and promote sustainable use of limited natural resources and energy in our own operations. Every year the environmental aspects are evaluated and updated.

We have identified the following sustainability focus areas:

- Greenhouse gas emissions – complete calculations for all scopes
- Transportation – reduce the environmental impact
- Circular flows – reuse and recycle
- Sustainable procurement in our own operations

From these focus areas we have derived our sustainability goals and the majority of our KPIs.

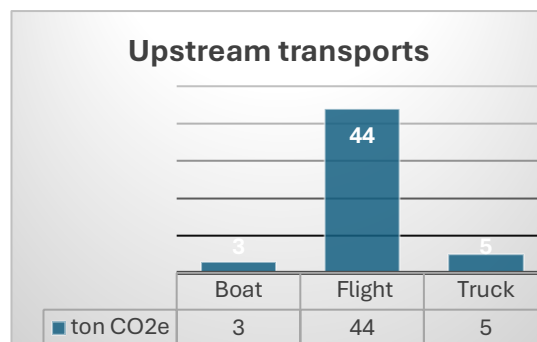
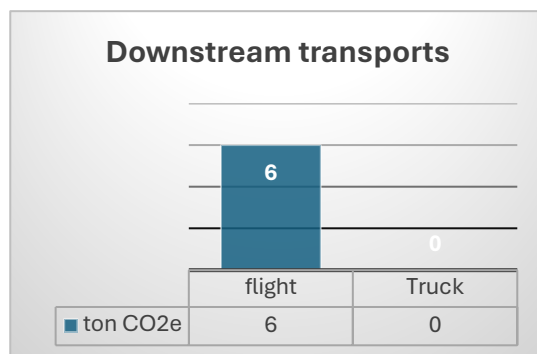
Sustainability Goals

MCT has goals and targets for our sustainability progress. All goals are being set annually and are being evaluated and updated each year. They are based on MCT's business and development through our focus areas and are set to be most suitable to increase MCT's sustainability.

For 2022 we identified two environmental targets

Target 1: Less environmental impact from transports

For 2022 one of MCT's targets is to reduce the environmental impact of transports from the company (downstream transports). All transports from MCT to customers are done by forwarding agents (DHL & FedEx). To lessen our environmental impact from transportation we are co-packaging as much as possible. Both for orders inbound to our facility and outgoing orders to customers. Most of our supplier consolidate multiple orders into one shipment to reduce the environmental impact of transports to MCT (upstream transports).

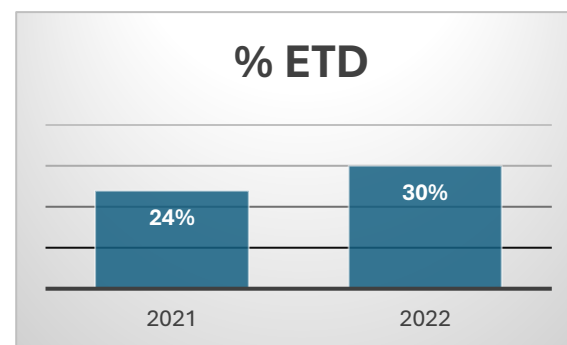


We have set up a system of shipment slots in to minimize the need for separate packages. The exception to this is incompatible dangerous goods. Transport safety regulations (IATA, IMDG and ADR) must always be followed. We are constantly working on improving our logistics to enable delivering multiple orders from the same customer in to one package. Packages leaving our facilities are always co- packed whenever possible, and safety regulations and different transportation modes are always priority. To evaluate our environmental impact from transports we have received carbon emissions data from FedEx and DHL for all our transports. This data was then analyzed by consultants from the firm "2050" as a part of our climate calculations before applying to join the Science Based Targets initiative (SBTi). As this is the first year of calculation, no previous data is available for comparison.

Target 2: Less printer paper and ink used relative amount of shipments

By using the system for Electronic Trade Documents (ETD) instead of printing Airwaybills and other documents needed for transport, MCT will reduce the paper consumption and lower the environmental impact. It will also give a large improvement in quality and efficiency, leading to improved customer satisfaction.

From 2021 to 2022 MCT increased the use of ETD from 24% to 30%. The target for 2023 is to print less paper by using ETDs more frequently.



Sustainability Policies and preventive measures

Environmental policy

MCT shall in all its operations strive to limit the impact on nature and the environment as far as possible, in balance with quality management and economic aspects.

- We shall offer chemicals and consulting services that are selected in considerations with environmental aspects.
- We must set an example in environmental aspects by always striving to minimize the harmful effects that our own operations can have on the environment. For instance, it could be an initiative of procuring products that are milder on the environment.
- Our deliveries and transports must be carried out with the least possible impact on the environment. We are continuously working on evaluations of the environmental impact of different transportations.
- Promote sustainable use of limited natural resources and energy in our own operations as well as recommending all our suppliers and customers to do the same. A part in this is to optimize delivery type, packaging size and delivering multiple orders from the same customer in one package.
- By whenever possible avoiding business trips, (which often takes place by air), we can significantly reduce our climate footprint, while saving time and money.
- We have calculated our full Green House Gas emissions according to GHG-protocol. Our emissions targets have been approved by the Science Based Target initiative. We will continue to monitor our emissions and progress to reach the SBTi-target.
- Strengthen the waste management by ensuring sorting of waste, recycling, and reuse.

- All our business operations are based on applicable laws and regulations.
- Our own environmental work and management system has been developed through continuous improvements. In their daily work all employees are responsible to ensure that the environmental policies are followed.



Sustainable procurement in our own operations

MCT does not have any production in our facilities. We distribute chemicals, solvents, and life-science products. As such the number of products procured for our own operations are limited. But we must nevertheless set an example in environmental and social aspects by always striving to minimize the harmful effects that our own operations can have on the environment while supporting social responsibility and biodiversity.

Products procured for our operations should to the greatest extent possible be eco-labelled, and fair trade labelled or energy rated if applicable. Orders should always be aggregated to minimize the number of transports.

Office supplies should be eco-labelled, recyclable, biodegradable and when possible, made for reuse. The use of printed paper in the office should be reduced as much as possible. We are buying eco- friendly paper and are actively updating our routines to more and more digital safekeeping of documents. All systems for accepting purchase orders, invoicing, and customer documentation like Certificate of Analysis and Safety Data Sheets are fully paperless. We are working with FedEx and DHL to fully integrate the ETD-system that generates E-AWB documents and removes the need for printed shipping documents to go with each shipment.

Food products, coffee, milk, etc, should be eco-labelled and most preferably also fair trade (or similar).

Procurement of chemicals (for cleaning and dishwasher detergents etc) should preferably be BASTA-registered chemicals, second choice is eco-labelled and without hazard pictogram followed by water-based chemicals. If no green product is available chemicals classified as harmful, flammable or health hazard may be used with caution.

Electronic products (computers, printers, phones etc) can be difficult to source sustainably. We strive to buy the most environmentally friendly products possible while staying within the given budget.

- First consider if a new product is needed, can an older product be upgraded or a broken product repaired?
- Also consider the products life cycle, it should preferably be easy to upgrade, repair, disassemble and recycle.
- Buy eco-labelled products with an as good energy rating as possible, preferably EPEAT or Energy Star, TCO-certified products are made with both environmental and social responsibility.



Sustainability Implementation & Evaluation

Management team

All sustainability efforts and goals are fully supported and encouraged by the management and CEO. MCT has a cross-function sustainability team with management and employee representatives from several departments. Together they work to ensure that sustainability is a part of our long-term strategies as well as day-to-day operations.

The management team is responsible for the overall direction of MCT's sustainability work and governs the EMS, Environmental Management System. All policies are written and consolidated by the management team with final approval by the CEO.

The management team is also responsible for setting a budget for sustainability projects and initiatives. One example is the public transportation card, where all employees are offered a yearly public transportation card as a part of our sustainability projects. This project aims to reduce our travel impact on the environment by offering an incentive for employees to use public transport instead of private cars to get to and from work.

The sustainability group consists of representatives from management, finance department, logistics, customer service and the quality and environmental manager. There is a large overlap with the "ISO-group", but some members differ. The team discusses sustainability projects, compiles and evaluates data, and was instrumental for the successful ISO-certificate audit. The climate emission calculations and Science Based Target initiative validation is another example of a major project successfully run by the sustainability team.

All employees are encouraged to share new ideas and suggestions for improvement at any time. During some bi-weekly meetings with all employee's sustainability questions and projects are discussed, the floor is open for input from everyone.

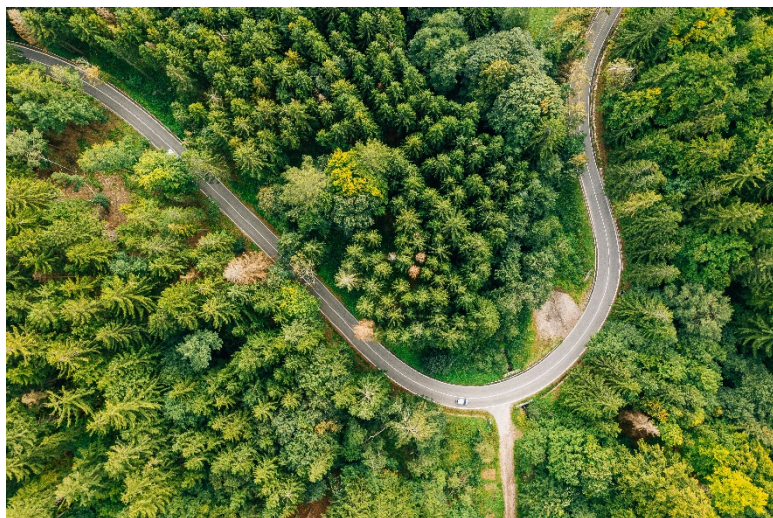


Assessment of environmental aspects

A full assessment of environmental aspects in MCT's operations is made by management and the sustainability team each year. The assessment looks at each aspect and rate them for environmental impact, significance in operations, possibility to affect, and combine these into a total score. This evaluation forms the basis for next year's environmental targets.

MCT's main environmental aspects in 2022:

- Transport of products
- Packaging and procurement for our own operations – paper, office supplies, computers, printers, etc
- Travel – to work and business trips



Environmental impact

To fully understand our environmental impact, MCT has with the help of the company 2050 Consulting AB, made complete climate emissions calculations according to Greenhouse Gas Protocol and a Science based Targets initiative (SBTi) application. The climate emissions calculations included:

- Audit and analysis of the company's operations to identify emission sources.
- Data collection strategy and compiling of collected data.
- Data quality review and completion of emission calculations according to GHG protocol. It includes data collection and calculations of emissions from Scope 1, Scope 2 and Scope 3 (both upstream and downstream)

Science-based targets are a list of climate goals that align with the latest climate science. And science-based target initiatives (SBTi) are a cooperation between world organizations. SBTi helps to set targets for enterprises to reduce their GHG emissions. And these targets are based on the latest climate science.



WE'VE SET A SCIENCE-BASED TARGET SME pathway

Our emissions commitment

MCT commits to maintain zero scope 1 emissions through 2030. And MCT also commits to reduce the absolute scope 2 GHG emissions 42% by 2030 from 2022 base year, and to measure and reduce our scope 3 emissions. These targets were approved using a streamlined target validation route exclusively to small and medium-sized enterprises (SMEs). <https://sciencebasedtargets.org/faqs-for-smes/>

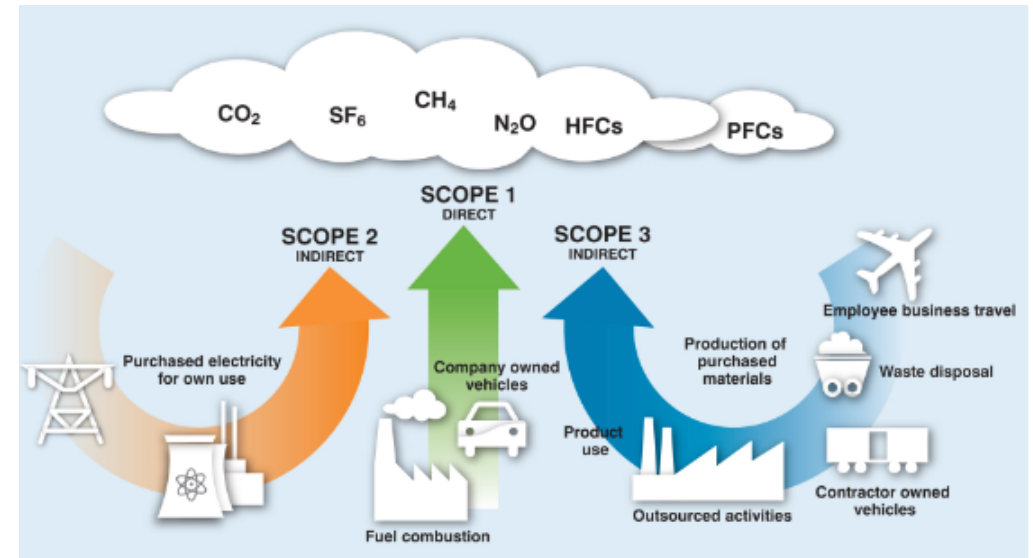
COMPANY/FINANCIAL INSTITUTION	TARGETS			ORGANIZATION TYPE	View less ^
	NEAR TERM	LONG TERM	NET-ZERO		
MedChemtronica AB Sweden, Europe	1.5°C	-	-	Small or Medium Enterprise	
Date published/updated 2024	Target summary Near term: 1.5°C by 2030		Target This target was approved using a streamlined target validation route exclusive to small and medium-sized enterprises (SMEs). https://sciencebasedtargets.org/faqs-for-smes/ MedChemtronica AB commits to maintain zero scope 1 emissions through 2030. OMedChemtronica AB also commits to reduce absolute scope 2 GHG emissions 42% by 2030 from a 2022 base year, and to measure and reduce its scope 3 emissions.		
Sector Pharmaceuticals, Biotechnology and Life Sciences					

Results of climate emission calculations

Scope 1 is direct emissions from operations.

Scope 2 is indirect emissions that occur during the production of purchased electricity, district heating, district cooling and process steam.

Scope 3 are other indirect emissions, upstream and downstream in the value chain, which arise from, among other things, purchased trips, transport, during the production of purchased goods and services and employees' commuting trips.



Scope 1 emissions

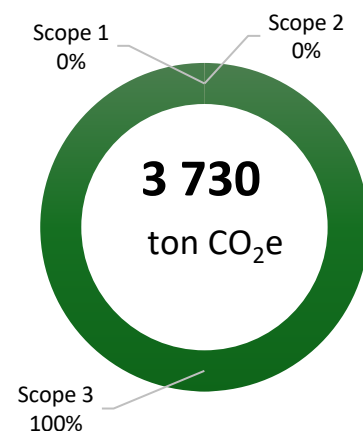
Since MCT does not have any kind of production and does not own any vehicles, there are no scope 1 emissions.

Scope 2 emissions

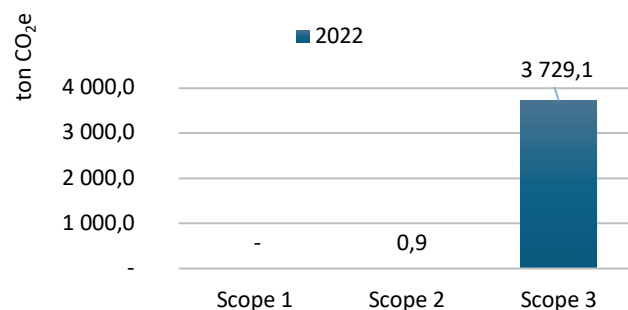
Scope 2 emissions for MCT includes electricity and heat. The consumption of electricity and heat are calculated based on invoices from the suppliers. Allocation per company has been based on the number of FTEs for MCT and Chemtronica, as these are located in the same premises. Consumed kWh have been matched with emission factors from Sollentuna Energy & Environment (SEOM). The origin labelled energy has been matched with an emission factor for hydropower.

Distribution of emissions

scope 1-3



Emissions per scope

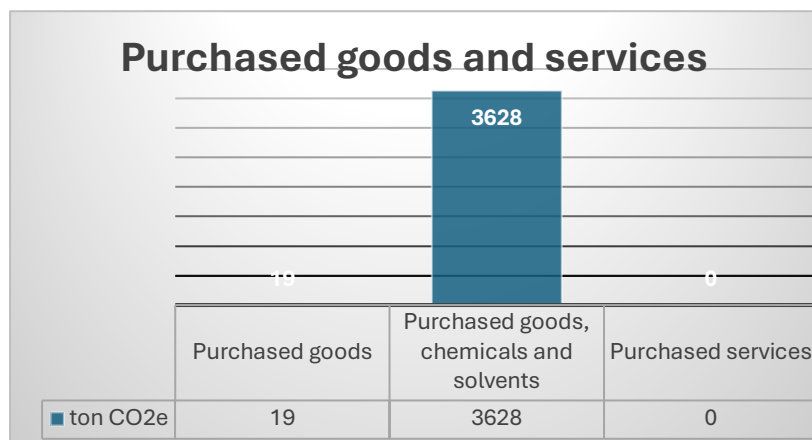


Scope 3 emissions

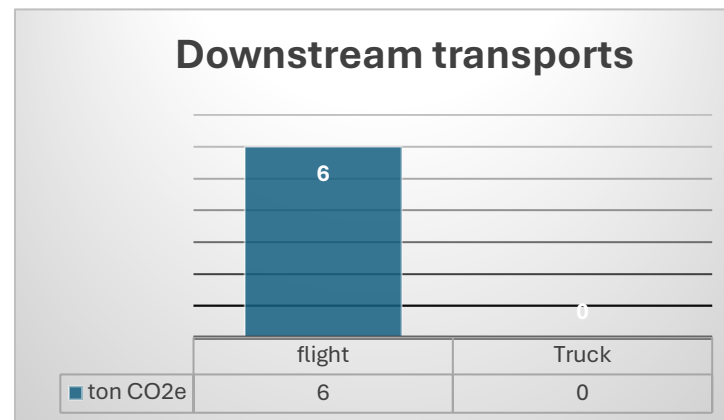
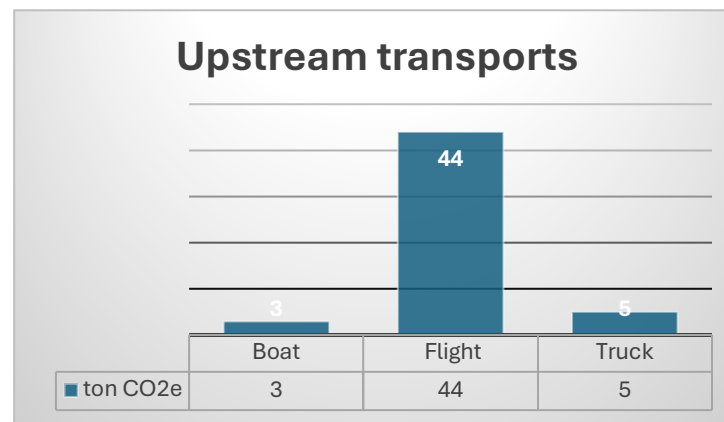
Allmost all MCTs emissions fall under scope 3. Scope 3 emissions for our operations includes the following parts: Purchased goods and services, Capital goods, Energy and fuel-related emissions, Upstream transports, Waste, Business travels, Commuting, Leased Assets, Downstream transports, and End-of- life of sold product.

97% of all scope 3 emissions are emissions related to purchases of chemicals and solvents. Since MCTs main business is distribution of chemicals these emissions are our biggest environmental impact. These emissions mainly come from our supplier's production of chemicals.

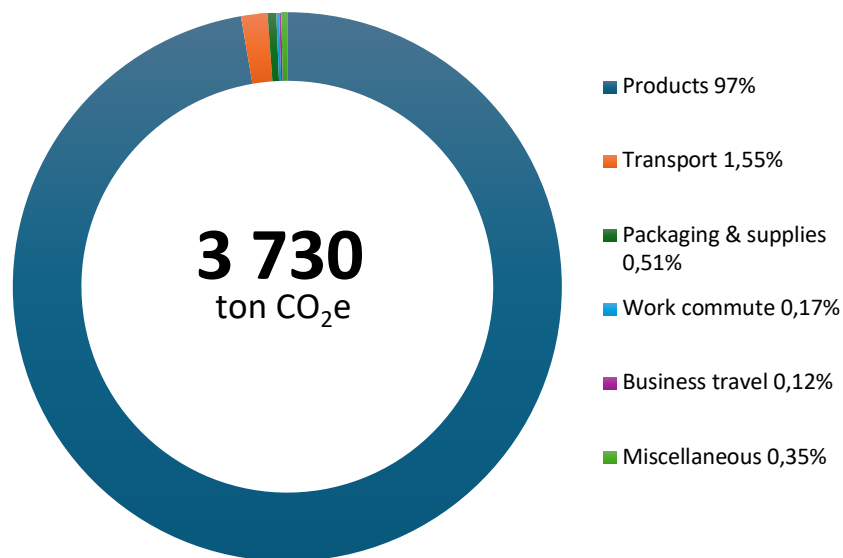
Another 1% of the scope 3 emissions comes from purchase of other goods, excluding the chemicals.



Most transports to MCT from suppliers, upstream transports, are also done by flight. And the rest is done by either truck or boat. Most transports to MCT come from China or USA. Most transports from MCT to customers, downstream transports, are done by flight. This is because most transports are small volume shipments for customers across Europe.



Distribution of emissions by category



Type	Scope 1	Scope 2	Scope 3	Total	%
Products	-	-	3 628	3 628	97,3%
Transport	-	-	58	58	1,55%
Packaging & supplies	-	-	19	19	0,51%
Work commute	-	-	6	6	0,17%
Business travel	-	-	5	5	0,12%
Energy use in own operations	-	-	-	-	0,00%
Distric heating	-	1	-	1	0,00%
Miscellaneous	-	-	13	13	0,35%
Total	-	1	3 729	3 730	100%

Table 1 Distribution of emission by category [ton CO₂e]

Products: input data (SEK) has been matched with emission factors from PSCI.

Transport: for all transports, upstream and downstream, data was received from relevant transport companies if available. When data was unavailable transport work in tonkilometre has been used or calculated. Emission factors from NTM (Network for Transport Measures) have been used.

Packaging & supplies: input data (SEK) used for categorization with expenditure emission factors from the Swedish Procurement Authority in 2021 and 2019 was used to obtain a value for CO₂e/SEK.

Work commute: The input data on the number of kilometers each employee has traveled to work has been calculated using FTE and the assumed number of commuting days per year (235). The journeys by public transport have been matched with an emission factor for electric trains in Sweden, and the journeys by car have been matched with an emission factor for an average car in Sweden from 2020.

Business travel: For hotel nights, a template for the emissions per night has been used. For taxis, the input (SEK) has been matched with emission factors from the Taxi Association. For aviation, the input (passenger kilometre has been used to calculate the emissions in 2050's own flight calculator. For trains, the input data (SEK) has been matched with an emission factor for public transport from the Swedish Procurement Authority 2021. For cars, the input data (SEK) has been recalculated to an assumed number of kilometers driven.

Electricity: We buy 100% renewable energy. Consumed kWh have been matched with emission factors from provider Sollentuna Energi och Miljö (SEOM). The origin labelled energy was matched with an emission factor for hydropower.

District heating: input (SEK), has been matched with an emission factor from templates for average energy consumption for district heating. The templates are based on experience values for average buildings and premises.

Miscellaneous: -80°C freezer: input (SEK), has been matched with an emission factor from the Procurement Authority for Electrical Household Appliances for Food.

End-of-life of sold products/disposal of sold products: An assumption has been made that 50% of the purchased chemicals and solvents are incinerated with energy recovery, 50% are incinerated without energy recovery.

Environmental impact of our facility

Waste and recycling

MCT is a distribution company, as such we do not have any industrial activities in our facilities. Therefore, the amount of waste, noise, and air pollution is limited to what is generated by packaging and transport. But we must nevertheless set an example in environmental aspects by always striving to minimize the harmful effects that our own operations can have on the environment.

We are fully compliant with the Swedish Producer Responsibility law. It requires us to report and pay for recycling of the amount of packaging used in our operations and/or released in EU markets. Each year a report on waste amounts and usage of all types of packaging materials is sent to Swedish Environmental Protection Agency, which is the basis for a fee for the recycling cost of all materials we have generated. We have been voluntarily fulfilling this responsibility long before it became mandatory to report.

We are continuously strengthening our waste management by improving sorting of waste, recycling, and reuse. We monitor all waste and in what part of operations it is generated, strict routines are in place for handling and reporting for hazardous waste. The generated amounts are very small. We strive to minimize the amount of waste, reuse as much as possible and recycle the rest.

All waste from MCTs operations is handled by Chemtronica and is included in the rent agreement. The waste from packages, plastic, and cardboard are separated and processed in a waste compressor and then recycled. The total waste from MCT during 2022 was 1 771,62 kg. This includes non-hazardous waste, recovered waste and hazardous waste according to table 2.

Total waste 2022 = 1 771,62 kg	
Non-hazardous waste	835,12 kg
Recovered waste	934,4 kg
Hazardous waste	2,1 kg

Table 2: Total waste of 2022. The hazardous waste was all electronic

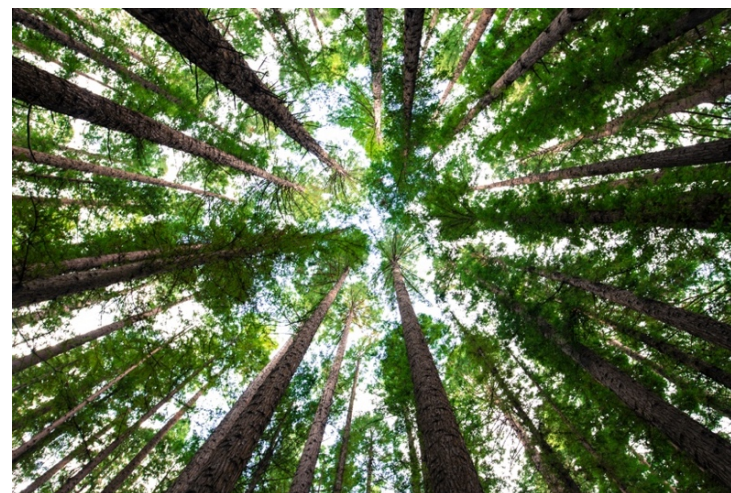
Noise

We do not have dangerous levels of noise in our facility, i.e., levels over the statutory work exposure limit of 85 decibel. Even without production the noise level from distribution can be disruptive for employees. We have taken a number of actions to reduce noise levels, including remodeling facilities to set up walls and ceilings that absorb more sound, sound absorbing panels around desks and fabrics. If temporary and localized peak noise levels should occur due to work, everyone in the area are required to wear provided hearing protections.

Air pollution

In our operations we do not directly generate any amount, or significant amounts, of any of the following:

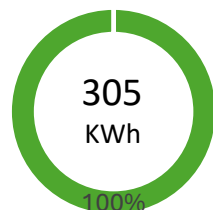
- Hazardous air emissions
- Non-hazardous air emissions
- Dust and other matter air emissions
- Odors



Energy consumption

The total energy consumption for MCT year 2022 was 30 587,73 kWh. 100% of all energy is from renewable sources, which results in zero carbon emissions.

Renewable energy consumption



■ Renewable energy 100%

Lighting

MCT has done a comprehensive review of our lighting and updated our light sources. Good lighting is important both for employee health and safety as well as improving our energy efficiency. Older non-LED lights have been replaced with adjustable LED lights that contribute to an improved working environment and lower energy consumption. Motion sensors and dimmers are installed where needed throughout the facilities.



Heating and cooling

Our facility is heated via district heating. The environmental impact from this is very limited since it uses waste and residual heat from other operations to generate heating and hot tap water. Our supplier SEOM's district heating emissions are also completely carbon-free. (See www.seom.se/varme/sa-har-fungerar-fjarrvarme/ for details)

Cooling during summer is done using heat exchange ventilation via central air source heat pump. They are connected to the ventilation system and provide fresh air in the facilities. When needed they can also provide cooling during heat waves.

Ventilation of the entire facility has been reviewed and updated during 2022 and will continue during 2023. More energy efficient units are being installed and overall improved.

Water

Water usage is limited to the amounts used by employees. MCT does not generate wastewater from any industrial operations. We have implemented several actions to reduce water consumption and raise the employee awareness on the importance of good water management. This includes having installed water efficient dishwashers, toilets, and faucets. All employees are informed of programs to further improve water management. We do not use any water for plants outside our facility. Outdoor greenery has been chosen with the criteria that natural rain must be enough.

Floor drains are plugged to make sure that in the event of an accident involving chemical spill, no chemicals can enter the wastewater system. Our emergency preparedness policy details actions to be taken in case of a chemical spill.

It is unfortunately not possible to install individual water meters for our facility, only the entire block's consumption can be measured. We are therefore at the moment unable to measure changes in our water consumption. We are investigating how an individual water meter could be installed for our facility.

Biodiversity

Biodiversity is the variety of plant and animal life in the world or in a particular habitat. It is essential for the processes that support all life on Earth. MCT acts to support both local and global biodiversity actions. Action on a global level includes avoiding or reducing deforestation by buying recycled or PEFC certified paper. Products procured for our operations should to the greatest extent possible be chosen with biodiversity and other environmental factors in mind. On a local level we have a local allotment close to our facilities. Here we grow a selection of berries, vegetables, and flowers. By planting a large variety of plants, only using eco-friendly fertilizers, not using any pesticides, and leaving some parts for naturally occurring vegetation we are improving conditions for butterflies, bees, and insects. We apply the principle of mitigation hierarchy (avoid, minimize, restore, and compensate as a last resort) in all the phases of infrastructure projects. We aim to raise biodiversity awareness among local communities, employees, and supply chain.



Whistleblower

Reporting any misconduct or reporting violations

Whistleblower concerns and/or violations can be reported via personal meeting, email, or letter. We have complete confidentiality- and non-retaliation-guarantee, it is also possible to report any concerns anonymously. Violations of the Policy can be reported in any of the following ways:

E-mail: offspec@medchemtronica.se

Post: Medchemtronica AB
Att: Visselblåsare
Bergkällavägen 37C,
SE-19279 Sollentuna, Sweden

Contact

E-mail: sales@medchemtronica.se

Social impact and initiatives

In our own operations we can guarantee all employees fair working conditions, including a living wage, that we follow social welfare protection regulations and all laws, guidelines and union mandates regarding working hours, rest, vacation, sick leave, parental leave etc.

We have full insurance for all employees, encourage parental leave, and support work-life balance.

All employees have a contract regardless of their form of employment. The company doesn't have a collective agreement but applies the corresponding rights and obligations. Each employee decides on their own if they want to be a part of a trade union or A-kassa unemployment fund.

- Our work environment must be welcoming, safe, and including for all employees.
- We work for open communication and consultation between management and employees. Cooperation on social and work environment issues is essential for a welcoming workplace.
- We strive to be active on a local level and interact with our community.

Case study:

Work environment target: Review and if deemed necessary improve lighting conditions, throughout the workplace.

During 2022 employees noticed that the lighting in the workplace, in some cases, were bad and had a negative effect on the work environment. To improve this MCTs work environment target for 2023 is to review the lighting conditions in the workplace. And where it's needed replace the bad lighting sources with new ones. Since MCT shares the workplace with Chemtronica this target is a collaboration between both companies.

Management

The management-team and HR-team are working together with the safety representative who is present as the employee representative.

The management team is responsible for the overall direction of MCTs HR-work, and all policies are written and consolidated by the management team with final approval by the CEO. Benefits and Christmas bonus are decided by the management group. Management, with the help of the safety representative, are responsible for all incidents regarding harassment, discrimination, or other serious workplace issues.

HR is responsible for the implementation of the policies and follow up on the compliance. Supply data and calculations for gender distribution and pay gap analysis. Also responsible for a psychosocial questionnaire made a few times every year. All employees get the opportunity to anonymously fill out the questionnaire regarding work environment, stress levels, safety, discrimination etc. All eventual issues that arise from the questionnaire will be handled by the management group and safety representative.

All employees are encouraged to share new ideas and suggestions for improvement at any time. During all bi-weekly meetings with all employees HR-related questions and projects are discussed, the floor is open for input from everyone.



Diversity and Inclusion

MCT does not accept any discrimination whether it is on age, gender, religion, sexual orientation, disability, transgender identity and expression, political affiliation, or ethnic background. During recruitment of new employees no consideration should be placed on these factors, all recruitments must be fully transparent and based purely on merits.

MCT has an *Equality- and Diversity Policy* that states the following:

- All our workspaces, work methods, work organizations and work conditions are arranged so that it is suitable for both men and women.
- All our work can be combined with parenthood.
- None of our employees should be subjected to sexual harassment.
- A more equal distribution between men and women should be achieved in all types of work at different levels in the organization.

MCT promotes diversity and are working to uphold an inclusive workplace without discrimination of any kind. As a part of the diversity work, MCT has a *Gender Equality Plan* which is containing a related operational strategy for integrating gender equality, diversity, and inclusion in all operations.

Every year the checklist issued by the Swedish Discrimination Ombudsman (DO) “*Active measures in 4 steps*” is being processed by representatives from the management group, the employees, and the safety supervisor. Eventual risks and obstacles that are discovered will then be analyzed and handled. Previous actions are being reevaluated continuously.

To ensure that our recruitment and promotion practice is open, only merit based, transparent and fully non-discriminatory we use the Swedish Discrimination Ombudsman guide “*A hundred possibilities to recruit without discriminating*” this contains comprehensive instructions of the entire process, checklists for each step, and tips on how to work against discrimination and to promote equal rights and opportunities.

Our facility is constructed to allow necessary accessibility to ensure that any employee with a physical disability could fulfill their work. For other types of disabilities we offer specialized plans tailored to the individual needs of each

employee. This includes adjustment of tasks, work hours, remote working, or devices to aid in job performance.

Whistleblower concerns and/or violations can be reported via personal meeting, email, or letter. We have complete confidentiality- and non-retaliation-guarantee, it is also possible to report any concerns anonymously. We have not received any reports on harassment or discrimination, through the whistleblower function or any other communication channel.

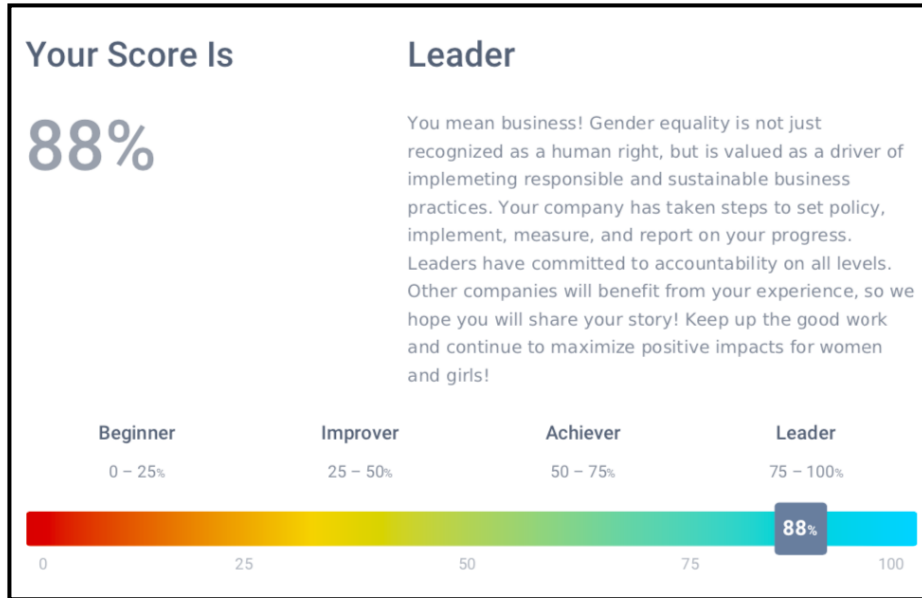
Gender distribution & Pay gap

Annually MCT conducts a salary comparison which includes wages levels and gender distribution. Since the majority of MCTs workforce is consultants from Chemtronica, this salary comparison is done for both own employees and consultants.

This data is then run through the WEPs gender gap analysis tool created by the UN Global Compact (<https://weps-gapanalysis.org>) MCTs score for 2022 was excellent at 88%. Placing us in the Leader bracket. One of our goals for the coming years is to work on our weaker areas to improve the overall score.

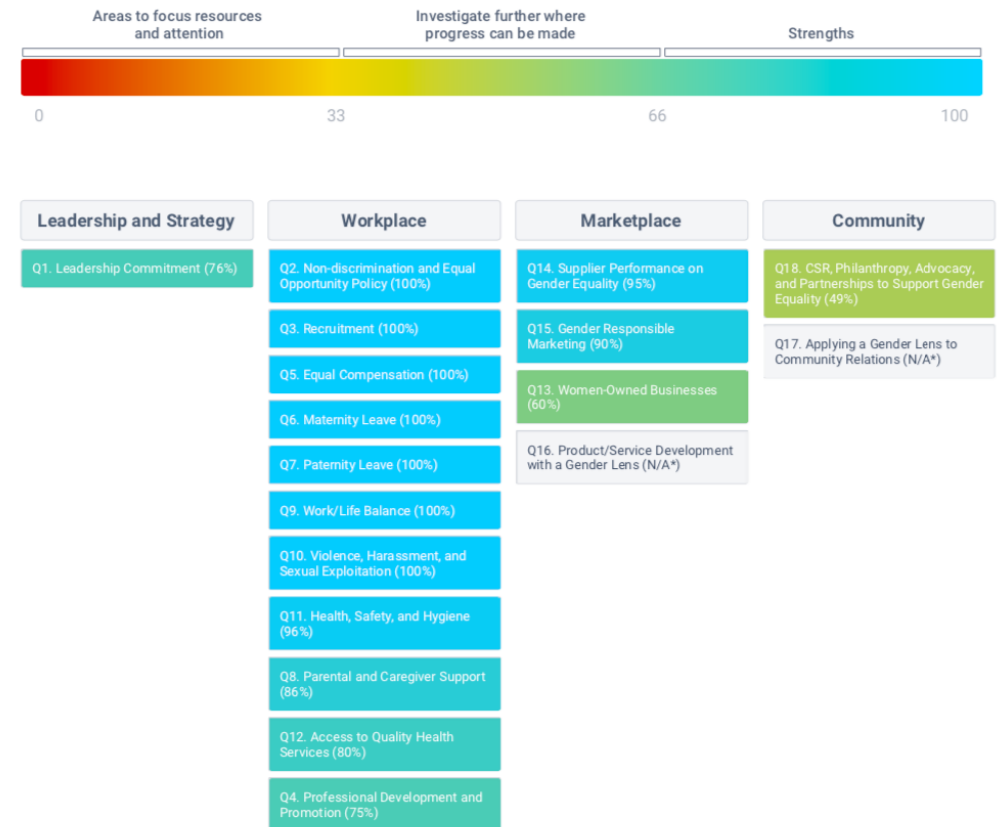
	Data 2022	Data 2021
Gender distribution	52% male employees	57% male employees
Gender pay gap	1%	5%
WEPs gender gap analysis score	88%	-

WEPs gender gap analysis score



1 PRINCIPLE High-level corporate leadership	2 PRINCIPLE Treat all women and men fairly at work without discrimination	3 PRINCIPLE Employee health, well-being and safety
4 PRINCIPLE Education and training for career advancement	5 PRINCIPLE Enterprise development, supply chain and marketing practices	6 PRINCIPLE Community initiatives and advocacy
7 PRINCIPLE Measurement and reporting	In support of WOMEN'S EMPOWERMENT PRINCIPLES <small>Established by UN Women and the UN Global Compact Office</small>	

Your Score by Individual Questions



Health and safety

MCT must always provide a safe and hygienic work environment. Evaluation of the workplace safety and risk assessment is done on regular basis by the safety representative and management and all work environment aspects are routinely evaluated and documented. (Minimum one per year). Results of each evaluation is communicated to all employees.

The safety representative is the employee's representative for issues regarding work environment. The safety representative is responsible for working with the management team to uphold a good work environment. Questions and concerns regarding both physical and mental health can be reported to either the safety representative or the management team.

Emergency and evacuation plans for the most likely incidents (fire, chemical risks and spills, dry ice issues) are communicated regularly and posted highly visible on walls in each room. Emergency exits, fire extinguishers, first aid stations, emergency showers etc, are clearly marked and regularly checked. Safety data sheets are readily available for all products and fully compliant with the current legislation. Through a specialist consultancy we receive a yearly update on all applicable changes in laws and regulations regarding health and safety for our operations.

All key personnel handling products have completed a training course for safe handling and transportation of dangerous goods, ADR certificate regulated by MSB (Swedish Civil Contingencies Agency). If further expertise is needed MCT can consult Chemtronica's two safety advisors, they are fully accredited by MSB for the transportation of dangerous goods by both road and air.

To prevent repetitive strain injury (RSI) several different measures have been taken. All desks are electrically adjustable to make it easy to vary the working position during the day. Fully adjustable office chairs and footrests are also provided to optimize the ergonomic office work environment. In the logistics department we have a forklift and other lift assisting and transportation devices. All tables have lockable wheels for easy movement and safe stationary handling. We also have a schedule for rotating task assignment, to avoid repetitive movements adding up to strain and potential injury.

It's very important that high workload and stress caused by work is reported. Necessary measures should be taken before exhaustion syndrome or stress-

related mental illness occur. To ensure that all employees are treated well and feel included at work we have a psychosocial questionnaire a few times every year. The employees get the opportunity to anonymously fill out the questionnaire and answer questions about the work environment, stress levels, safety, discrimination etc. All eventual issues that arise from the questionnaire will be handled by the management group and safety representative.

- We must always do our utmost to prevent work-related injuries and illnesses, concerning both physical and mental health.
- We will work for open communication and consultation between management and employees.
- Cooperation on work environment issues is essential for a safe workplace.
- We must provide clear instructions and information, and adequate training, to ensure employees are competent to do their work.
- Personal protective equipment will be provided as needed.
- We have implemented and communicated emergency procedures, including evacuation in case of fire or other significant incidents.

	Data 2022	Data 2021
Number of risk observations	7	9
Number of incidents	2	0
Number of accidents¹	1	1
Total recordable injury rate (TRIR)*	6	8
Lost-time injury rate (LTIR)*	240	96

* TRIR and LTIR are per 100 employees

¹Accident by the staircase led to a hospital visit, but no serious damage and no further medical care was needed. Reported safety issues are followed up and analyzed, before issuing action plans for avoiding repeat issues.

Product safety

MCT's products are not for sale to the general public. We do not sell to private persons or for any clinical use. The product does NOT comply with Good Manufacturing Practices (GMP) applicable to pharmaceutical ingredients or with Hazard Analysis Critical Control Point (HACCP) principles applicable to food ingredients. Therefore, the product is NOT suited for use in regulated markets or for regulated applications such as food additives, food-contact materials, oral care products, medical devices, and pharmaceutical products

MCT sells highly specialized products for laboratory research and development only. The products are only intended to be handled by trained professionals in accordance with all applicable legal provisions as well as health and safety regulations.

Product Safety Data Sheets (SDS) are always included when a product is sold, all known information for safe storage, handling and transportation is included here. All products and outer boxes are clearly labeled in accordance with relevant parts of CLP-regulation. MCT has access to two safety advisors, certified by the Swedish Civil Contingencies Agency, to ensure safe and correct labeling, handling, and transportation of hazardous substances.

MCT is a distribution company and does not have any production in the facilities. We have no production, processing, or rebranding of our products and no incoming raw materials and/or chemicals for MCT's own processes.

The SOP for CAPA regulates actual or potential causes of non-conformity, measures to take prevent the occurrence of similar problems or prevent the recurrence of problem, and product recalls. As a distributor MCT does not issue any product recalls without instructions and information from our supplier. In the event of a product recall and/or safety concern we immediately forward the suppliers instructions to our customer. Any concerns reported to us from end-users are forwarded to the supplier for investigation.

Customers ordering products on EU's candidate list for Substances of Very High Concern (SVHC) are informed both on the website before ordering and via email before delivery.

One of MCT's goals is to help phase out substances hazardous to health and/or environment where possible. We are actively working on substituting dangerous

and/or environmentally harmful products with more sustainable alternatives whenever possible. After consulting with the customer, we offer a substitution plan where particularly dangerous substances are substituted with less dangerous alternatives.



Employee training and development

MCT is expanding rapidly, hiring more employees to keep up with the increase in purchase orders. All new employees go through the same onboarding process, followed by training in their area. The company can be divided into three general areas: sales, logistics and finance. IT- department is mainly handled by external consultants. Training for new employees in each department is quite different and follow separate routines.

MCT recognizes the importance of employee training and development. We therefore encourage our employees to continually improving their skills and abilities both through on-the-job and off-the-job training. All employees have equal opportunity for development, individual training and development plans are discussed during the yearly development review process.

- Establish appropriate development and performance objectives
- Help staff identify a possible career path for themselves
- Identify ways in which the organization might enable individuals to improve their performance
- Ensure that information on job performance and achievements is recorded in each staff member's employment history



Employee training decisions take the following into account:

- Individual Development
- Organizational Responsibility
- Alignment with the business
- Knowledge transfer

MCT does not accept any discrimination during development or promotion planning. No consideration should be placed on discriminatory factors like age, gender, religion, sexual orientation, disability, political affiliation, or ethnic background. All plans for training and promotions must be fully transparent and based purely on merits.

Training can be in any of the following forms:

- Training provided by internal and/or external experts
- On the job training (OJT)
- E-learning
- Conferences/Seminars participation
- Rotation assignments
- Training apprentices
- Continuous education assistant
- Employee coaching and mentoring
- Job shadowing

Employee benefits

At the heart of our operations lies our dedicated and talented workforce. We recognize that our employees are our most valuable asset, and their well-being is integral to our success. By providing comprehensive benefits and fostering a healthy work-life balance, we aim to create a supportive and fulfilling work environment. Our commitment to our employees' professional growth and personal happiness not only enhances their individual performance but also drives the overall prosperity of our organization.

Pension Everyone with a permanent full-time employment over the age of 25 will receive extra pension, at the same rates as in the union's collective agreement.

Insurance Full insurances for all employees. We have insurances for accidents during working hours and on the way to/from work. We also have health insurance for long term sickness and a pension insurance.

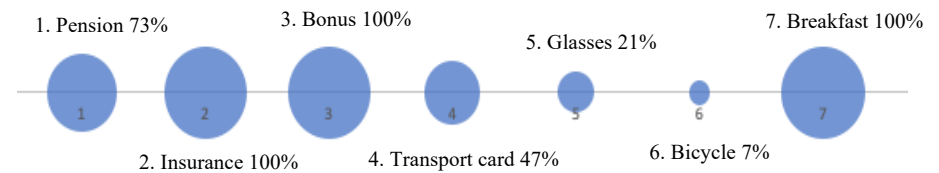
Christmas bonus If company performance is over a certain level the company will reward the employees with a monetary Christmas bonus. The bonus will be the same for all employees and will be based on the revenue level. For 2022 all employees received the bonus.

Public transportation card All employees are offered a yearly public transportation card as a part of our environmental policy, to reduce the impact on the environment. The company encourages everyone to use public transport to get to work.

Computer glasses The company pays for eye exam and terminal glasses for employees that works more than 2 hours per day in front of the computer. It's only glasses with a width of 40-70 cm, that's accepted, according to the Swedish law of work environment.

Bicycle If an employee wants to get to work by bike, there is a possibility to get a bicycle as a benefit from the company.

Breakfast In the kitchen there is a supply of coffee, tea, and breakfast goods. The company invites all employees to have breakfast together every morning.



Parental leave is a statutory right in Sweden, all employees have full right to plan their parental leave according to their individual wishes.



Work-life balance

We recognize the benefits to be gained by developing existing working arrangements and introducing new provisions as needed. MCTs workforce is diverse, women make up about half the workforce, and several employees are working parents. Work situation must sometimes be flexible to be compatible with parenthood. Most employees will experience child and/or elder care responsibilities during the course of their working lives.

Our Work Life Balance is about introducing flexible working practices so that all employees, regardless of age, race, gender, religion, sexual orientation, or disability can find practical arrangements that allow them to balance/combine their working life with their social, health, family, caring and other responsibilities or aspirations. All employees have the right to disconnect, and refuse contact outside of their working hours, unless an emergency makes the refusal unreasonable.

Each employee is offered a personal work-life balance plan if requested. Good working practices and the benefits that both the Company and its employees derive from are a key to delivering effective services, increasing morale, commitment and improving recruitment and retention of skilled and experienced employees. Flexible working also increases access to employment for disabled job applicants and existing employees who may need to work differently.



Whistleblower

Reporting any misconduct or reporting violations

Whistleblower concerns and/or violations can be reported via personal meeting, email, or letter. We have complete confidentiality- and non-retaliation-guarantee, it is also possible to report any concerns anonymously.

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Post: MedChemtronica AB
Att: Visselblåsare
Bergkällavägen 37C,
SE-19279 Sollentuna, Sweden

Contact

E-mail: sales@medchemtronica.se

Ethical responsibility

All of MCTs operations should always be ethically responsible and in line with our business ethics policy. We support public accountability and transparency and will use the yearly CSR-report to report on our progress.

Our ethical responsibility applies to all employees at all levels of MCTs operations, it also applies to MCTs suppliers, consultants, and sub-contractors. We must all always follow all laws and regulations and uphold the highest ethical standards and codes of practice.

All operations in MCT should be made in conditions that are in accordance with:

- The United Nations Universal Declaration of Human Rights
- The Eight Fundamental Conventions of the International Labor Organization
- The United Nations Convention on the Rights of the Child
- Labor protection and labor environment legislation
- Labor law, including legislation on minimum wages, and social welfare protection regulations
- The environmental protection legislation that is in force in the country of production
- Principles for sustainable procurement
- The United Nations Convention against Corruption, including anti-trust
- Global trade regulations, all transportation across borders is made in compliance with local and international trade laws

Anti-bribery and anti-corruption

MCT follows the UN convention against corruption. No employee at any level may under any circumstance give or accept a direct or indirect offer of undue payment or other forms of compensation to any person or organization.

We enforce strict rules for gifts, events, and travel. Personal compensation in any form can never be accepted. Employees are not allowed to accept gifts of a

higher value from customers or suppliers and no paid for trips can be accepted. All instances must be reported to management immediately. Likewise, customers, suppliers, auditors, or government officials should never be offered any gifts, events, travel, or anything that constitutes personal compensation, outside of low value gifts such as branded giveaways, small holiday gifts or similar token gifts. We must never take action that might be in any way taken as improper influence of decisions to our advantage. MCT is also educating the staff in this matter, by relevant courses.

Antitrust and fair competition

MCT will act respectfully and responsibly in every interaction with our customers, suppliers, and competitors. We will not enter into agreements with competitors, including but not limited to pricing, market allocations or boycotts. We will not enter into agreements with customers that conditions the sale of one product on the sale of another unrelated product, or prohibit customers from buying our competitors' products if they wish to continue using our services. We promote fair open markets and customer's free choice. We firmly believe that free competition is to our advantage.

Conflict of interest

MCTs employees should always act in accordance with good professional judgment. Conflict of interest, including family, friendships, financial, competitors or social factors can influence decisions must not occur in our operations. All potential conflicts of interest must be reported in order to avoid a situation where an employee feels conflicted about the right course of action.





Risk assessment

MCT operates as a distributor, our risk assessments show low direct risk of breaching our ethical responsibly. In our own operations we can guarantee all employees a living wage, that we follow social welfare protection regulations as well as all laws and guidelines regarding working hours, rest, parental leave etc. We are also regularly educating our employees in how to handle themselves according to our ethical and financial responsibilities. IT-security is identified as the main internal risk area. To ensure that we are compliant MCTs employees are continuously trained in cyber security and GDPR compliance.

The main risk factor in our assessment is the supply chain. We have therefore chosen to focus on responsible sourcing and comprehensive supplier evaluations.

Responsible sourcing

Responsible sourcing, supply chain transparency and supplier due diligence are important steps in upholding the highest ethical standards and codes of practice. Our risk assessment has identified our supply chain as the main area of possible concern, we have therefore spent considerable time evaluation our suppliers in order to ensure compliance with our ethics standards.

Supplier code of conduct

Our supplier code of conduct regulates our demands on suppliers regarding labor rights, occupational health and safety, environmental management, business ethics, and supply chain transparency. All suppliers are expected to fully comply with our Code of Conduct, as well as all applicable laws and regulatory requirements. In order to assess compliance, MCT reserves the right to conduct reviews, request documentation, conduct on-site audits, review and approve action plans and monitor the implementation of these plans. If suppliers fail to satisfactory address issues or are found to breach the code of conduct MCT reserves the right to terminate the cooperation. Suppliers are expected to take relevant measures to implement compliance in their own operations, as well as in their supply chain.

Supplier evaluation

Supplier evaluations and due diligence are performed yearly, or when new suppliers are added. We use three main evaluation criteria:

Supplier performance: Quality management, order processing, lead time, pricing, and reliability

Supplier risk assessment: industry-specific risks, geographical location, corporate due diligence, supply chain transparency, number of years of cooperation, criticality of supplier.

ESG: environmental management, labor and human rights, business ethics.

These are combined to generate an evaluation score that forms the basis for approval or disqualification of suppliers

Likelihood	Extremely likely	5	5	10	15	20	25
	Likely	4	4	8	12	16	20
	Possible	3	3	6	9	12	15
	Unlikely	2	2	4	6	8	10
	Extremely unlikely	1	1	2	3	4	5
		1	2	3	4	5	
		Negligible	Moderate	Major	Severe	Catastrophic	
		Impact					

Risk matrix for supplier evaluation

Cyber security

MCT works actively with the management of information security in order to secure availability, integrity and confidentiality of our systems and data.

MCT strives to comply with ISO 27001: 2013 / ISO27002: 2013.

MCT uses a risk-based approach where the level of protection and its cost is based on assessments of the business risk, a risk and impact assessment must be carried out annually.

IT security manual must be continuously updated. This handbook shall contain descriptions of implemented measures and where applicable references to relevant policies, guidelines, and procedures.

MCT aims to prepare an annual statement ie. ISAE3402, ISAE3000, ISO certificate etc.

Management of Cyber security

- The board has ultimate responsibility for MCT's information security. .
- The management group is responsible for the management principles and delegates specific areas of responsibility for safeguards.
- Ownership is set for each critical information system. The owner determines how protective measures used and handled in accordance with the security policy.
- The IT department consults, coordinates, controls, and reports on the status of security. The IT department prepares guidelines and routines.
- The individual employee is responsible for following the security policy and is informed via the IT-security policy, data management policy and personal data incident policy.

Policies and procedures

Our information security policy is used for identifying, assessing, and managing risks associated with information assets. Data management policy regulates handling procedures, storage, back-up and disposal. Our Incident response procedure (IRP) details how to manage breaches of confidential information. A whistleblower procedure, with complete confidentiality- and non-retaliation-guarantee, is set up for external or internal stakeholders to report any incident or suspected incident.

Data management and privacy

MCT focuses on ensuring the availability, confidentiality and integrity of its systems and data. Therefore, all employees must act in a responsible, ethical, and legally correct manner. All MCT employees, consultants and temporary employees are required to handle information with care and judgment, whether written, electronic, or oral. Therefore, handling must take place in accordance with the IT security policy and the following rules and principles. To ensure this, MCT and staff are continuously trained in cyber security and GDPR.

- Our information security policy is used for identifying, assessing, and managing risks associated with information assets. Data management policy regulates handling procedures, storage, back-up and disposal.
- Employees receive training and awareness instruction on information security.
- Data is saved in compliance with the GDPR. MCT only saves the information necessary for completing contractual and legal obligations. A filing plan details documents that needs to be saved, where they are saved and for how long they need to be saved.
- Our Incident Response Procedure (IRP) details how to manage breaches of confidential information.
- A whistleblower procedure, with complete confidentiality- and non-retaliation- guarantee, is set up for external or internal stakeholders to report any incident or suspected incident. It is also possible to report any concerns fully anonymously.

Whistleblower

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Bergkällavägen 37C,
SE-19279 Sollentuna, Sweden

Contact

E-mail: sales@medchemtronica.se



Philanthropic actions

Charity donation

Every year the company makes a substantial monetary donation in support of the Swedish organization Bris – Children's Rights in Society. Bris is a politically and religiously independent children's rights organization that listens to, supports and strengthens children and young adults' rights in society.

Bris' support services offer children and young adults up to 18 years old a secure, anonymous, and free way to email, chat, or call a counselor at Bris. Since its inception, physical abuse has been a central issue for Bris but support is also about other important issues where the child is mistreated, having problems or needs support and advice from knowledgeable and empathetic adults. Bris has employed counselors in the Support Services division.

Bris is a member of CHI (Child Helpline International), a global network with approximately 190 helplines for children in 145 countries. Together, the networks' helplines receive more than 14 million contacts per year from children and young adults who are in need of support and protection.

Support small local business

Whenever possible we always try to support local business.

One example is our Christmas gift for customers. For several years we have been giving ceramic coffee/teacups made in cooperation with an independent local pottery artist.

The artist designs line of specially decorated cups for our company with her district artistic touch. Where each cup has its unique pattern and is one of a kind, but visually cohesive with each other. We have also bought multiple sets for use in our own coffee breaks since they are appreciated by all.

Buy responsibly produced products

The amount of products procured for our own operations are limited. But we must nevertheless set an example in environmental and social aspects by always striving to minimize the harmful effects that our own operations can have on the environment while supporting social responsibility. Products procured for our operations should to the greatest extent possible be eco-labelled, and fair trade labelled or energy rated if applicable.

Allotment

MCT pays the fees for a local allotment close to our facilities. Here we grow a selection of berries, vegetables and flowers. There is also a deck and furniture to relax and eat lunch during breaks.

The allotment gives a lot of possibilities for interaction with the local community and cooperation between company departments.

By planting a large variety of plants, only using eco-friendly fertilizers, not using any pesticides, and leaving some parts for naturally occurring vegetation we are improving condition for butterflies, bees and insects.

All employees that are interested are free to help plan, grow, and harvest the produce. It is also an appreciated feature by everyone when produce is brought back to the facilities for all to share.



Case study:

The Arvid Nordquist AMIGAS coffee we buy for the office is organic, 100% climate compensated, fair trade labelled, and certified grown on farms run by women.

The Swedish company that sells the coffee has an extensive sustainability program, including ISO 14001 certification, climate emissions calculations verified by Science Based Target initiative, and tree-planting schemes in coffee-growing countries.

All coffee comes from sustainability certified coffee growers, guaranteeing cultivation that takes account of people and the environment.

Every package of Arvid Nordquist coffee contributes to the planting of trees in deforested areas of coffee-growing countries.

Coffee production generates emissions of carbon dioxide during cultivation, transport and roasting. The coffee we chose to buy climate compensate for the carbon emissions not offset through tree-planting schemes.



Financial responsibility and integrity

In today's rapidly evolving economic landscape, financial responsibility and integrity are more critical than ever. These principles are not only vital for personal financial health but also for the sustainability and trustworthiness of businesses and institutions.

Financial responsibility involves managing the company's finances prudently and making informed decisions to ensure long-term stability. It encompasses budgeting, saving, investing wisely, and avoiding unnecessary debt. For MCT as a business, it involves maintaining healthy cash flow, investing in growth opportunities, and ensuring that financial practices align with long-term strategic goals.

The Importance of Financial Responsibility and Integrity

Trust and Credibility

Financial responsibility and integrity build trust with stakeholders. Investors are more likely to fund businesses that demonstrate sound financial management and ethical practices. Customers prefer companies that are transparent and honest.

MCT is constantly working to ensure that we follow all laws and regulations regarding all kinds of fraud and money laundering. We are fully compliant with all relevant laws and regulations. Both our bank, SEB, and our financial auditor conducts regular controls to avoid and detect any potentially illegal transactions or other suspicious activity in our operations. We must always ensure that our operations are done in a transparent and accountable way. By maintaining these robust financial practices, we not only protect the interests of our stakeholders but also foster trust and confidence in our business.

MCT is also educating the staff in this matter, by sending them to relevant courses.

All business and financial records are maintained in accordance with all local laws and accounting principles. We have practices and policies in place to

ensure that all records are accurately reflecting business transactions and that no false entries can be recorded, nor transactions withheld from books.

Sustainable Growth

Responsible financial practices ensure that resources are used efficiently, promoting sustainable growth. Companies that manage their finances well can invest in innovation and expansion.

We believe that financial integrity is crucial for sustainable growth and long-term success. By prioritizing ethical conduct and responsible financial management, MCT is dedicated to achieving our strategic objectives while upholding our core values and corporate social responsibility commitments.

Risk Management

Financial responsibility helps in identifying and minimize risks. By maintaining a balanced budget and avoiding excessive debt, our business can better weather economic downturns.

MCT is proud to have the best possible rating from UC, one of Sweden's leading business and credit reference agency. Our credit risk class is 5 and our risk forecast was less than 0,03%

Credit rating for MCT

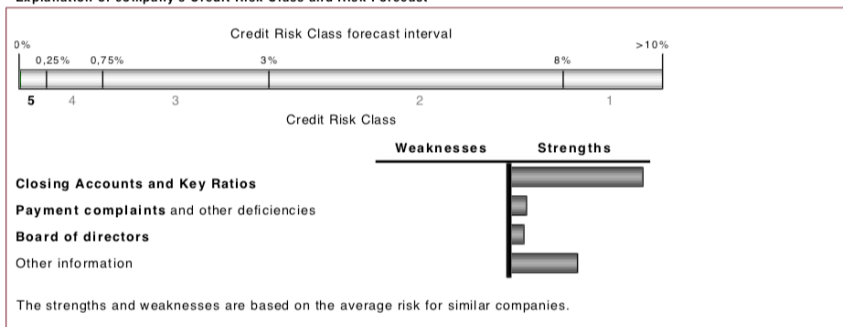
Credit Risk Class: 5

The classification is based on UC Risk forecast, 1 indicates the highest and 5 the lowest risk.

Risk forecast: < 0,03 %

The forecast states the probability that the company will become insolvent within 12 months.

Explanation of company's Credit Risk Class and Risk Forecast

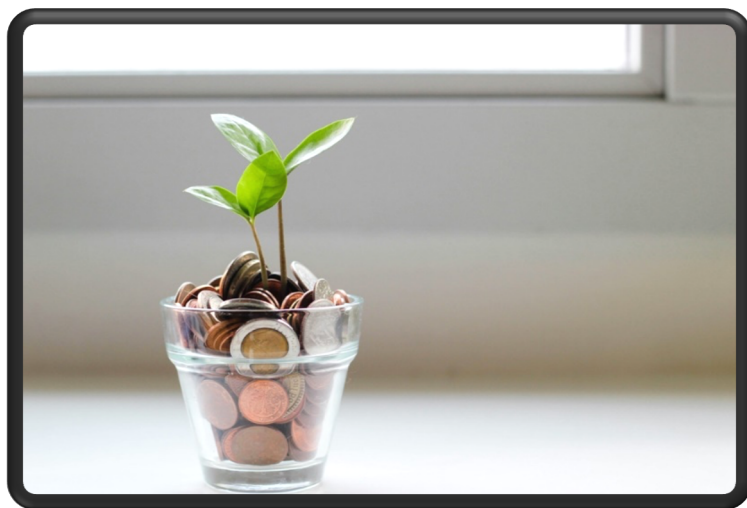


Improving Cash Flow through Enhanced Accounts Receivable Management

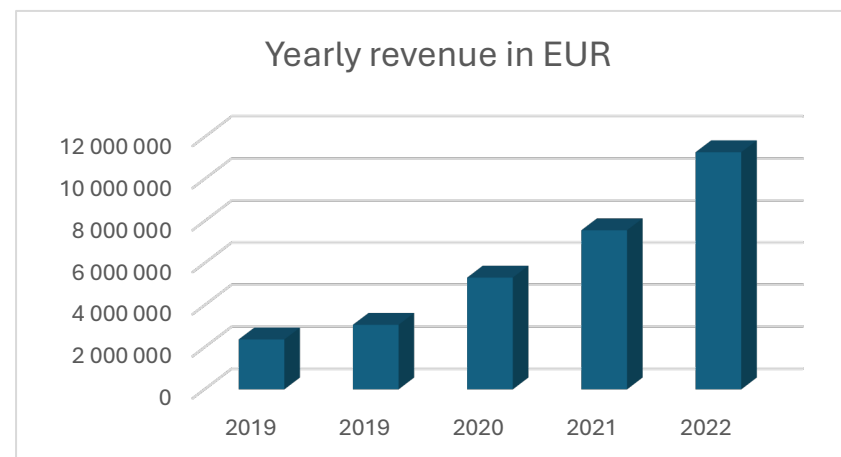
At MCT, we recognize the importance of maintaining a healthy cash flow to support our ongoing operations and strategic initiatives. To achieve this, we have implemented robust measures to enhance our accounts receivable management.

We prioritize efficient and effective processes for invoicing and collections, ensuring that our billing practices are accurate and timely. By closely monitoring outstanding invoices and proactively engaging with our customers, we aim to reduce payment delays and minimize overdue accounts.

Our dedicated team utilizes advanced financial software to track receivables, analyze payment trends, and identify potential issues early. This data-driven approach enables us to implement targeted strategies for improving collection rates and maintaining strong relationships with our customers. When necessary, we regularly send out Statements of Accounts to provide a clear overview of outstanding balances and encourage timely payments.



Additionally, we offer flexible payment options and clear communication channels to facilitate prompt payments, fostering a cooperative and transparent relationship with our customers. By streamlining our accounts receivable processes, MCT enhances its cash flow, ensuring financial stability and the ability to invest in future growth opportunities.



Whistleblower

Reporting any misconduct or reporting violations

Whistleblower concerns and/or violations can be reported via personal meeting, email, or letter. We have complete confidentiality- and non-retaliation- guarantee, it is also possible to report any concerns anonymously. Violations of the Policy can be reported in any of the following ways:

E-mail: offspec@medchemtronica.se
 Post: MedChemtronica AB
 Att: Visselblåsare
 Bergkällavägen 37C,
 SE-19279 Sollentuna, Sweden

Contact

E-mail: sales@medchemtronica.se

Plan for 2023

This is MCT's first annual CSR report, we are proud to use this report to present where we stand in key areas of our operations. For 2023 we will continue to work on improving and refining our strategies and actions for environmental, social, and ethical impact while keeping our high quality level and sound financial climate.

2022 will be used as the baseline for future comparison, both for official targets like Science Based Target initiative and our own goals set to follow up on our commitment to continuous improvement.



Our goals:

- *Be a trusted logistics partner with a high service level*
- *Aim to reduce the environmental impact of our operations*
- *Be socially and ethically responsible, upholding the highest standards and codes of practice.*

To help us improve our operations and aligning further with our goals we have identified aims for each target area:

- Quality
- Sustainability
- Social impact
- Ethics
- Finance

To follow up on our progress each aim has a KPI that will be reported and used for future comparison.

Target	Aim	KPI
Quality	Faster delivery time: maintaining our high on time delivery rate and investigate how to further improve	Number of shipments delivered on time
	Maintaining and improving our high customer service level.	Percentage of returning customers
	Further increase the product portfolio to new product groups	Increase percentage for number of products
Sustainability	Keep the SBTi commitment for emissions.	Calculate GHG emissions for 2023
	Investigate how we can improve sustainable circular flows for reuse and recycling	Amount of waste compared to revenue
	Lessen the environmental impact from our shipments	Average environmental impact per number of shipments
Social	Implementation of health program benefits, a monetary grant specific for exercise and wellbeing.	Number of employees that utilized the grant
	Continue to monitor gender distribution and pay gap data using WEPs gender gap analysis tool	Score in WEPs gender gap analysis tool
	Employee training and development, encourage employees to continually improving skills and abilities.	Increased number of training hours per employee
Ethics	Train employees in ethics, anti-corruption, bribery etc to uphold the highest ethical standards and codes of practice.	Percentage or number of employees trained on ethics
	Continue risk assessments and responsible sourcing program	Percentage of suppliers assessed
	Investigate ways we can increase interaction with local community and support small local businesses	Number of small business/initiatives supported
Finance	Increase revenue and service levels	Yearly turnover and % of returning customers
	Keeping up with regulatory changes and updates in best practice.	Number of courses or other training
	Keep the good credit rating	Credit report from UC

Appendix 1

Key Performance Indicators (KPI:s)

MedChemtronica AB 2021 & 2022

External acreditations

Description

ISO 9001

Certified quality management system

ISO 14001

Certified environmental management system

Science Based Targets initiative

Verified Grennhous gas emissions target

Health and Safety

Description	unit	2022	2021	Comment
Number of risk observations		7	9	all lowest grade observations
Number of incidents		2	0	
Number of accidents		1	1	Accident by the staircase led to a hospital visit, but no serious damage.
total recordable injury rate (TRIR) per 100 employees		6	8	
lost-time injury rate (LTIR) per 100 employees		240	96	
Product recalls		0	0	
Number of customer health and safety incidents		0	0	
Whistleblower cases		0	0	

Employees

Description	unit	2022	2021	Comment
Number of employees		16	12	Employees and consultants
Full-time employees		14	11	
Part-time employees		2	1	
Number of hours worked per year by all employees	hours	33280	24960	
New hires		9	3	
Positions filled by internal candidates	%	22%	18%	
Employee turnover rate	%	20%	0%	
Work-life balance plan	%	13%	8%	
Whistleblower cases		0	0	

Diversity and Inclusion				
	unit	2022	2021	Comment
Male employees - overall	%	52%	57%	
Female employees - overall	%	48%	43%	
Male employees - management	%	25%	25%	
Female employees - management	%	75%	75%	
Gender Pay Gap	%	1%	5%	
WEPs gender gap analysis score	%	88%	-	
Employees from minority groups (%)	%	50%	28%	
Collective agreement		0	0	We don't have an agreement, but we offer the same or better conditions for our employees. Verified by auditor
Harassment incidents		0	0	
Discrimination incidents		0	0	
Training and development				
	unit	2022	2021	Comment
Completed introductory training	%	100%	100%	% of new hires who has completed introductory training
Introductory training (hours/employee)		6	5	
Internal recruitments		1	0	
Personal development plans	%	100%	100%	
Completed courses		4	4	
Benefits				
	unit	2022	2021	Comment
Pension	%	73%	50%	
Insurance	%	100%	100%	
Christmas bonus	%	100%	100%	
Public transportation card	%	47%	64%	
Terminal glasses	%	1%	1%	All employees are offered, but only a few choose to use it
Bicycle	%	7%	-	
Breakfast	%	100%	100%	
Parking		53%	36%	

Environment

Energy				
	unit	2022	2021	Comment
Total energy consumption in MWh	MWh	31	28	

Total renewable energy consumption in MWh MWh 31 26 100% renewable energy

Greenhous gas emissions	unit	2022	2021	Comment
Total GHG emissions in metric tons CO2e	ton CO2e	3730	-	
Total Scope 1 GHG emissions in metric tons CO2e	ton CO2e	0	-	
Total Scope 2 GHG emissions in metric tons CO2e	ton CO2e	0,9	-	
Total gross Scope 3 GHG emissions	ton CO2e	3729,1	-	
Total gross Scope 3 Downstream GHG emissions	ton CO2e	6,2	-	
Total gross Scope 3 Upstream GHG emissions	ton CO2e	51,9	-	
Purchased products Scope 3 Upstream GHG emissions	ton CO2e	19,2	-	
Purchased products (end-of-life) Scope 3 GHG emissions	ton CO2e	0,1	-	
Sold products (end-of-life) Scope 3 GHG emissions	ton CO2e	7,4	-	
Transport Scope 3 Downstream GHG emissions	ton CO2e	6	-	
Transport Scope 3 Upstream GHG emissions	ton CO2e	52	-	
Total purchased packaging & supplies Scope 3 GHG emissions	ton CO2e	19	-	
Total employee work comute Scope 3 GHG emissions	ton CO2e	6	-	
Total business trips Scope 3 GHG emissions	ton CO2e	5	-	
Total energy use GHG emissions	ton CO2e	0	-	- All our energy is 100% renewable
Totalt weight of air pollution	ton CO2e	0	-	- We don't make any transportations
Emission per FTE	ton CO2e	266		

Waste	unit	2022	2021	Comment
Total weight of non-hazardous waste in kg	kg	1772	-	- Measurements started 2022
Total weight of hazardous waste in kg	kg	2	0	0 No hazardous waste during 2021
Total weight of waste recovered in kg	kg	934	-	- Measurements started 2022
Water consumption		-	-	- Not possible to reliably measure
Waste water pollutant		0	0	
Hazardous air emissions		0	0	
Dust and other matter air emissions		0	0	
Odors		0	0	

Progress of the promotion of sustainable consumption of company's own products or services among their customer base

Sustainability whistleblower cases

94

0

Number of informed customers, Via: e-mails, offsite-audit replies, customer's questionnaires on environment etc.

74

0

Suppliers

Description	unit	2022	2021	Comment
Supplier who signed code of conduct	%	12,5	0	
Suppliers with clauses on environm, labor, human rights	%	37,5	37,5	
Suppliers covered by CSR assesment	%	100	100	
Suppliers covered by CSR on-site audit	%	0	0	Travel was restricted due to covid
Potentially risky supplier	%	0	0	
Suppliers covered by on-site quality audit	%	0	0	Travel was restricted due to covid
Suppliers with environmental programs, carbon audit, SBTi etc	%	60	50	
Buyers who received training on sustainable procurement	%	0	0	We offer training as part of framework agreements, so far no one has accepted or requested
Audited suppliers that are engaged in corrective actions or capacity building on environmental or social issues	%	0	0	
Whistleblower cases		0	0	

Financial

Description	unit	2022	2021	Comment
Annual revenue (EUR)	kEUR	1 275 000	779 000	
Credit rating from UC		5	5	5 is the highest, 1 is the lowest
Credit risk forecast		<0,03%	0,04%	
Whistleblower cases		0	0	
Returning customers	%	68	53	

Ethics

MedChemtronica AB KPIs for 2022 and 2021



Description	unit	2022	2021	Comment
Percentage or number of employees trained on ethics	%	0	0	One of our targets for 2023 is to start an training program on ethics.
Number of confirmed corruption incidents		0	0	
Number of confirmed information security incidents		0	0	
Number of reported incidents of modern slavery		0	0	
Number of reported incidents of child labor		0	0	
Number of ethics-related whistleblower cases		0	0	