

Environmental policy

Introduction

At Nomeco we acknowledge our responsibility to minimize our environmental impact and contribute to a sustainable future. We are committed to acting responsibly and continuously improving our environmental performance – striving for a sustainable future.

Scope

This policy applies to the management, employees and contract workers of all entities in Nomeco. This policy also applies to all associates, contractors and third parties who do work on behalf of Nomeco at all owned, leased, or rented workplaces where Nomeco has operational responsibility. All our employees are to be aware of our targets and have knowledge regarding our procedures and management relating to targets in this policy. This is to ensure that we comply with own standards and continuously work towards our goals.

Roles and Responsibilities

- Chief Executive Officer (CEO): Overall responsibility, overseeing the Sustainability Department, ensuring alignment with the company's financial and strategic goals.
- Sustainability Manager: Responsible for the daily management and execution of the company's environmental policy.

Governance structure

- The Sustainability Manager reports directly to the CEO, ensuring that environmental initiatives are integrated with the company's overall financial strategy.
- Regular meetings are held between the CEO and the Sustainability Manager to review progress, address challenges, and plan future actions.

Our environmental policy is based on the following principles:

1. Compliance with laws and regulations: We commit to complying with all applicable environmental laws, regulations, and standards that apply to our business. We will ensure that our activities at all times are in line with environmental requirements and obligations.

2. Reduction of environmental impact: We will actively work to minimize our environmental impact by identifying and implementing effective and sustainable solutions. Our initiatives will be measured against the following targets and KPIs:

- a. Target: Reduce energy consumption by 10% (baseline year 2021) by the end of fiscal year 2024.
KPI: Measure energy consumption monthly and track progress towards the target.
- b. Target: Achieve zero waste to landfill by implementing a comprehensive waste management program within two years starting in 2024 and achieve 95% recycle/reuse.
KPI: Monitor waste generation and diversion rates, aiming for 95% recycle/reuse.
- c. Target: Reduce CO2 emissions from transportation, within distribution, by 15% by 2025.
KPI: Measure emissions from transportation activities and track progress towards the target.

3. Sustainable resource utilisation: We will utilise natural resources in a responsible and long-term sustainable manner, with focus on closed loops and circular economy. To achieve this, we will work towards the following targets and KPIs:

- a. Target: Increase the sustainability share of packing materials used to 70% by 2027.
KPI: Measure the sustainability share of materials used in packaging and track progress towards the target. Measure semi-annually total packaging bought.
- b. Target: Reduce water consumption by 5% by implementing water-saving measures within one year of 2025.
KPI: Monitor water consumption on a monthly basis to keep track.

4. Responsible supplier management: We will collaborate with our suppliers and partners to ensure that they share our environmental values and standards. We will set the following SMART targets and KPIs:

- a. Target: Conduct sustainability assessments of 100% of our key suppliers by 2027.
KPI: Track the percentage of key suppliers assessed for sustainability and monitor progress towards the target.
- b. Target: Increase the percentage of sustainable suppliers (as specified by buyers KPIs) by 20% within 2027.
KPI: Measure the percentage of suppliers recognised as sustainable and track progress towards the target.
- c. Target: By 2027 50% of our indirect procurement suppliers are covered by at least 50% renewable energy.

Approach to business activities

Nomeco together strives to continually improve our environmental performance by embedding sustainability into our everyday. We actively engage employees at all levels to assume responsibility for – and participate in – environmental activities. We embrace sustainable technologies, materials and practices, including processes and standards, to monitor, measure and evaluate our progress towards our environmental goals by joining forces with different stakeholders. To secure awareness and improvement through the implementation of best practices and innovative solutions, we keep track with the following targets and KPIs:

- a. Target: Conduct annual audits regarding sustainability to identify opportunities for improvement and achieve a minimum score of 90%.
KPI: Track the results of sustainability audits and measure the overall score achieved.
- b. Target: Increase employee awareness and engagement in sustainability initiatives by conducting regular training sessions and achieving an average employee satisfaction rating of 80%.
KPI: Conduct employee satisfaction surveys and track the average rating for environmental initiatives.

Transparency and communication

We will be open and transparent about our environmental efforts and achievements. We will regularly communicate our progress to stakeholders and seek feedback for improvement.

We have committed to the United Nations Global Compact (UNGC) to emphasize our strong commitment to the 2030 agenda, follow best practices, and align with global standards in areas such as human rights, labor, environment, and anti-corruption. Additionally, by disclosing in the Carbon Disclosure Project (CDP), we commit to being available and transparent wherever possible, allowing us to report our environmental impact and engage with stakeholders on our progress.

Chapter 1: Waste management

An essential part of our sustainability efforts is the implementation of effective waste management practices. Our waste management approach follows the 3 R's: reduce, reuse, recycle. To achieve lowering our waste and maximizing reuse and recycle we have implemented best practices in waste handling. Nomeco believe in adopting a proactive and sustainable waste management strategy that helps us achieve our climate related goals and KPIs.

To ensure that everyone follow along with these practices, we ensure the following steps:

1. Roles and responsibilities

All employees at Nomeco A/S who handle waste must ensure that all waste is sorted correctly, followed by ensuring that containers/plastic bags and all sorted waste are properly compacted and disposed of.

2. Training and Awareness:

At Nomeco A/S, we prioritize structured training and discourage reliance on informal peer-to-peer training. To ensure consistent and comprehensive training, it is mandatory for all employees to acknowledge their receipt and understanding of this instruction. This acknowledgement serves as a documented record of their completion of the training, indicating their compliance with the established guidelines.

3. Execution

Waste at Nomeco is sorted and stored in designated areas until it is collected by a waste management company named Stena Recycling. Co-operating with Stena Recycling, we aim to utilize the reduce, reuse and recycling approach:

- a. Reduce: We aim to reduce our waste, by optimising our resource usage and eliminate one time usage as much as possible. Through ongoing evaluation, implementation of best practices, and employee engagement, we continuously strive to improve our waste reduction efforts and contribute to reach our climate related goals.
- b. Reuse: At Nomeco, we are dedicated to finding alternative uses for resources that can no longer be utilized within our organization. We actively seek opportunities to repurpose these resources either within different departments of our organization or outside of Nomeco altogether.
- c. Recycling: Sometimes resources are too worn or do no longer serve a purpose in the form it is at. In such cases, we proactively engage with our trusted waste management partners to ensure that these resources are properly managed through recycling and diversion practices.

Chapter 2: Energy management

To achieve our climate goals and to identify possibilities and keep Nomeco on track, we ensure the following steps:

1. Identify Sources of Energy Consumption

Take steps to monitor usage activity and break down energy consumption to help identify which areas consume the most.

2. Analyse Meter Data

Analyse how energy is being used: time intervals of peak and lows in different areas.

3. Identify Opportunities to Save on Consumption

By understanding what time of the days or which days of the week energy consumption is the highest, proactive steps can be taken to reduce consumption. Whether it's replacing machinery or understanding which systems may still be running during off hours.

4. Track Progress

After action is taken and changes are made to daily operations, track the difference between energy usage. If the data is the same and no progress is being made, then an alternative action should be taken.

5. Engage Employees

To achieve savings, we often need to change behaviour as well. Changes are to be communicated and overall raise awareness of our energy performance goals to employees. Key employees are to receive training on best practices and saving opportunities.

Chapter 3: Distribution

Given that a large part of our business operations revolves around the transportation and logistics of pharmaceuticals, the significance of route optimization and the implementation of various transportation strategies cannot be overstated. Thus, to effectively meet our sustainability goals, Nomeco have implemented and are looking into more practices to reduce CO2 emissions from our transport:

1. Route Optimization

Nomeco are to implement a robust route optimization system specifically designed to optimize transportation routes for the efficient and secure delivery of pharmaceuticals.

2. Transport Management

Nomeco has partially implemented a monitoring system to gather data about our logistics activities, including fuel consumption and driving distance, and are now looking into real time CO2 emissions. By collecting this data, we can evaluate our performance, identify areas for improvement, and set achievable goals to reduce CO2 emissions without compromising GDP. This progress will be assessed annually, with the ultimate objective of achieving emission-free own logistics at Nomeco by the year 2030.

3. Driver training and Qualifications

At Nomeco, we prioritize safety and professionalism in our driving workforce. Therefore, it is a mandatory requirement that all drivers employed by Nomeco hold the necessary certifications, such as Eco-driving and possess the appropriate qualifications.

We verify and regularly monitor the validity of their licenses to ensure compliance with legal requirements and to mitigate any risks.

4. Documentation and record keeping

Documentation about transportation will be stored in our Quality Management System (QMS), where all documentation will be stored for up to 11 years. Regular auditing and monitoring of all our external and internal logistics are to take place on a yearly basis.

Chapter 4: Procurement

Prior to making new purchases, employees are expected to consider: the need for the purchase; opportunities to extend the life of the existing item or material; meeting the operational need through a different mean; and if there is a more sustainable version of the product/service. When making a purchase Nomeco's indirect procurement policy must be followed.

When considering the right product/service to buy it is understood that you shall undertake conjunction with traditional purchasing considerations, such as budget, product/service performance requirements, and availability.

Chapter 5: Revision and approvals of the last version of this document

Valid from: 25 July 2023

This policy will be reviewed annually to ensure its effectiveness and relevance. The review will be conducted by the Sustainability Department, and any necessary updates will be made in consultation with key stakeholders. Feedback from employees, suppliers, and partners will be considered during the review process.

Revision history			
Version	Date	Revision description	Author
1	15/05/2023	New policy	SANDE Sustainability Manager
2	24/07/2023	Targets added	SANDE Sustainability Manager
3	23/08/2024	Scope, Roles and responsibilities, and Governance added	LAGRO Sustainability Manager
4	1/2/2025	Roles and responsibilities, and Governance updated	LAGRO Sustainability Manager