Evolan sustainability report 2025

Message from CEO

Pharmaceutical companies play a crucial role in supporting public health by ensuring access to safe and effective medicines. In a world facing ongoing challenges, including geopolitical tensions and global health crises, the resilience of healthcare systems is more important than ever. At Evolan, ensuring the continued availability of essential and supplementary medicines is central to our operations and contributes to both market needs and crisis preparedness. By working to maintain resilient supply chains and robust operations, we support the stability of healthcare systems and the communities they serve.

The sustainability regulatory landscape is currently undergoing significant change, with new requirements and expectations emerging at both European and global levels. While this creates complexity and requires careful monitoring, it also provides an opportunity to strengthen transparency, risk management, and long-term resilience. Even though Evolan no longer falls within the scope of the Corporate Sustainability Reporting Directive (CSRD), we have chosen to continue our sustainability reporting and related activities using established frameworks where relevant.

In 2024, we completed a double materiality analysis to identify Evolan's most significant sustainability impacts, risks, and opportunities across the value chain. This work was reviewed in 2025, confirming the relevance of the identified material topics. The process has deepened our understanding of where our sustainability impacts, risks and opportunities are most pronounced. In parallel, we have taken further steps to strengthen our insight into our value chain, enabling more proactive risk management and informed decision-making.

Operational resilience continues to be a priority. By working closely with partners and industry initiatives, and by maintaining strong internal capabilities, we aim to ensure reliable supply, high quality, and responsible business practices. Our focus remains on building robust operations that can adapt to change while meeting the needs of patients and healthcare systems.

Despite external uncertainty, Evolan remains a stable company with a well-established product portfolio serving our markets. I am proud of the commitment shown by our employees and partners and remain confident in our ability to continue creating value for patients, society, and our stakeholders, in a responsible and sustainable manner.

Richard Karroum, CEO, Evolan Pharma AB 2026-03-17 [1]

Richard Karroum (Mar 17, 2026 13:57:53 GMT+1)

[1] This report includes only Evolan Pharma AB, reg No 556718-9781.

About Evolan

Evolan Pharma AB is a privately owned Swedish pharmaceutical company headquartered in Danderyd, Sweden. The company operates in other Nordic countries through subsidiaries and sales representatives. Evolan's main competencies lie in business development, marketing, and sales of pharmaceutical products and products closely related to pharmaceuticals. To secure high product quality and dependable supply, Evolan works in partnership with several established manufacturers and service providers.

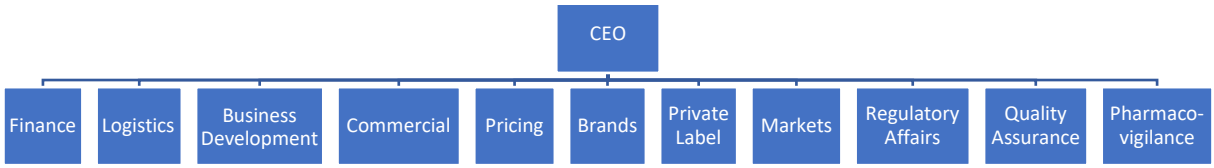
Manufacturing and product development are fully outsourced. The Danderyd office is responsible for all other core functions required within a pharmaceutical company, including regulatory affairs, pharmacovigilance, quality assurance, and logistics. The logistics function is of particular importance in supporting Evolan's daily operations.

In 2025, no changes have been made in the legal structure of Evolan Pharma AB.

The company is experiencing strong growth, with many new products in the launch phase and in registration process. Net sales in 2025 amounted to 1 186 466 TSEK. Net sales rose by 18 percent compared to the previous year (2024: 6 %). The total capitalization amounted to 955 640 TSEK.

Our organisation

Evolan's organisation of different functions



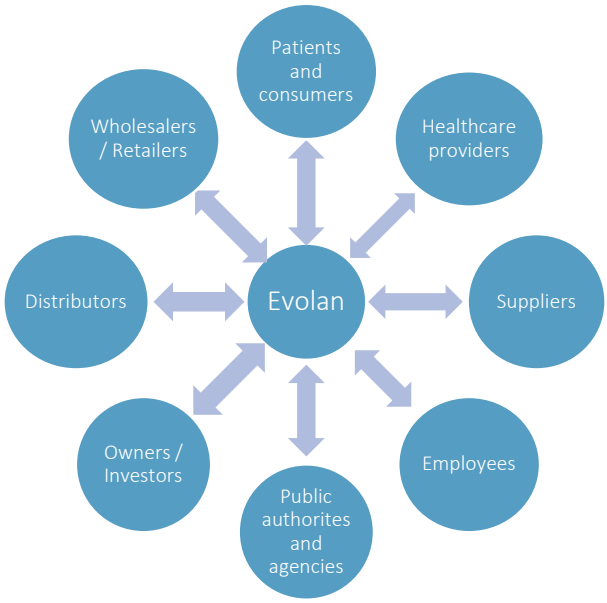
The Board, the highest governance body, is structured by the CEO and owner of Evolan, Richard Karroum, who is also a part of the Board together with Fredrik Engström, Head of OTC Private Label / Head of Medical Dpt. Evolan's CFO is responsible for HR at Evolan and Fredrik Engström is responsible for the operative sustainability work as developing policies and frameworks as well as conducting work related to Evolan's impact. These are all communicated to Evolan's CEO, who has the ultimate responsibility, including overseeing the effectiveness of Evolan´s sustainability work.

Evolan´s organisation is by choice presented in a flat horizontal way to illustrate that the company has short decision channels, and that cross-functional dialogues are encouraged and also identified as part of our success. For situations when conflict of interest may take place, the praxis is that involved individuals are not allowed to be part of such business decision and that full transparency is encouraged. Instructions can be found in the employee handbook. In 2025, no conflict of interest has been reported.

Our stakeholders

Our ability to understand and respond to the needs of our stakeholders is essential to Evolan's success. Evolan continues to engage in informal dialogue with key stakeholder groups, including customers, suppliers, employees, and owners. Much of this dialogue takes place digitally. In 2024, Evolan also engaged with an industry expert as part of the double materiality assessment conducted during the year.

It is important for Evolan to stay informed about issues of relevance to stakeholders both in the markets where our products are sold and in regions where products are manufactured, stored, and transported.



Our business areas

Evolan is an expansive company that aims to grasp new business opportunities and models. The core of our business is about improving the health of people in general. We take pride in our products and the value that they add to society by increasing the well-being of people and enhancing their quality of life. In line with our strategy, Evolan is growing and expanding with new products.

Evolan divides its business operations into four main areas - Store brand OTC, Branded OTC, Generic Rx and Originator products. During 2025, 229 (2024: 201) different products were attributed to Evolan's business. This includes pharmaceutical products, medical devices, food supplements and cosmetic products.

Store brand OTC

- Four store brands – ABECE and Apofri for the leading pharmacy chains in Sweden and NET for general OTC sales in Sweden. Norfri for the leading pharmacy chain in Norway, as well as one new additional brand – PUNKT, for the biggest online pharmacy in Sweden.
- Generic pharmaceuticals of well-known originator products but also medical devices, food supplement and cosmetics.

Branded OTC

- Distributor of Panodil, Hydrokortison Evolan, Tiger Balm, Clear Eyes, Melatan, Bamse, Oliva, Pedicare and Sasco.

Generic Rx

- Monthly tender business for generic pharmaceuticals.
- Focus on smaller specialty products and niche generics.

Originator products

- Dedicated sales force for Invicorp (erectile dysfunction) and Zipzoc, Viscopaste and Ichthopaste (wound care).

Our engagements

The Pharmaceutical Supply Chain Initiative (PSCI)

As a member of the Pharmaceutical Supply Chain Initiative (PSCI) (pscinitiative.org), Evolan, together with other PSCI members, can act as a collective voice to drive complex global change more effectively than any single organisation alone. This collaboration supports responsible value chain management and improved business conditions across the pharmaceutical industry. Evolan has been a member of PSCI since 2017.

PSCI is a non-profit business membership organisation that brings together companies to define, establish, and promote responsible supply chain practices, human rights, environmental sustainability, and responsible business conduct. Its vision is to achieve excellence in safety, environmental, and social outcomes across the global pharmaceutical and healthcare supply chain, while facilitating the sharing of knowledge and expertise among its members.

By articulating expectations through the PSCI Principles for Responsible Supply Chain Management[2] and supporting suppliers in meeting industry standards, members are expected to incorporate these principles into key supplier documents and agreements. Through Evolan's engagement in PSCI, the company has access to a comprehensive library of resources, as well as webinars, events, conferences, and supplier training initiatives organised by PSCI.

Today, PSCI is not only recognised as an organisation that provides value to its members, but membership is also either an expectation or a strong recommendation from some of Evolan's customers. Evolan has therefore adopted the PSCI Principles as its own Supplier Code of Conduct.

FGL (Föreningen för Generiska läkemedel och Biosimilarer)

Evolan's major operations are related to generic pharmaceuticals. Evolan is a member of the Swedish organisation FGL, which is a lobby organisation for generic pharmaceutical companies in Sweden and an affiliate member of the European organisation Medicines for Europe. FGL aims to contribute as the representative for the generic and biosimilar industry in dialogue with the government, authorities, the health care sector and other associations and organisations in this field. Evolan is taking a leading role in the organisation by holding the position as Chairman of the Board.

[2] Link: The PSCI Principles - PSCI (pscinitiative.org)

Evolan's Sustainability Agenda

Evolan's ambition is to conduct business in a responsible and ethical manner. As a company in a regulated industry, we comply with Swedish and local laws, including legislation on bribery and improper influence, as well as relevant industry standards. We do not accept violation of any laws or regulations, nor any unethical business dealings, and our Evolan Business Code of Conduct sets the standard for ethical behaviour for all our employees. To support a common understanding of expected conduct guidance on corruption, gifts, and representation has been clarified and included in an update of our employee handbook during 2025. We aim to minimise negative impacts while maximising the positive impacts on our business and the society. There have been zero instances of non-compliance with laws during 2025.

Our sustainability ambitions can be found in all stages of our value chain; from the development of new products to the use of them in medicinal treatment of patients. Customers and legal requirements are always considered, and our staff is well trained and up to date on sustainability requirements and requests for documentation in tenders and in dialogues with customers.

Evolan´s work to continuously improve our sustainability efforts is a natural part of how we work, and it is engrained in our processes and in our dialogues with our business partners. In 2021, we adjusted our Supplier Code of Conduct for pharmaceutical products to further be in line with the PSCI Principles for Responsible Supply Chain Management. The implementation of the policy continued during 2025. As it is our goal to work with suppliers that fully share our sustainability ambitions, all our new suppliers are requested to sign our Supplier Code of Conduct.

During 2025, we also developed a sustainability policy that outlines our fundamental principles and commitments to sustainable development and applies to our entire business. The policy forms the basis of our sustainability work and supports our ambition to create long-term value for patients, employees, partners, and society.

Evolan´s sustainability agenda originates from 2017. In order to ensure the agenda is kept relevant, it has been reviewed and updated regularly. We also have a Carbon Reduction Plan and are committed to achieving Net Zero emissions by 2045. In 2024 we streamlined our operations further by reducing the number of locations, which has helped us overcome transportation challenges the past years that have occurred due to geo-political events. This consolidation has led to greater efficiency and reduced transportation needs, enabling us to ship larger quantities less frequently. As a result, we have both lowered costs and improved our environmental impact.

During 2024, Evolan conducted a double materiality analysis (DMA) aligned with the requirements of the Corporate Sustainability Reporting Directive (CSRD). The analysis resulted in some changes to our material topics compared to previous years and helped identify Evolan's most significant positive and negative sustainability impacts, as well as key sustainability-related risks and opportunities across the value chain. The DMA was reviewed in 2025 and confirmed that no changes to the material topics identified in 2024 were required. Following regulatory developments, Evolan has since fallen outside the scope of CSRD and has therefore decided to continue sustainability reporting in accordance with the GRI Standards 2021, while continuing to use the DMA as a foundation for our sustainability priorities and actions.

During 2025, Evolan has also further structured its sustainability work by defining a set of sustainability goals linked to our material topics. These goals provide direction for our sustainability efforts.

The following goals have been established:

- Climate: Reduce climate impact from offices, company cars, and transport.
- Pollution & Environment: Ensure that key suppliers handling Evolan products manage wastewater safely and follow good environmental practices.
- Biodiversity & Ecosystems: Protect biodiversity by selecting suppliers that minimise pollution to water, soil, and land use, and by favouring sustainably sourced materials.
- People & Human Rights: Ensure labour rights and fair, safe working conditions in the supply chain.
- Supplier Management: Integrate sustainability considerations into supplier selection and follow-up processes.
- Health Impact: Contribute to better health by providing safe and accessible medicines.

In parallel, Evolan is developing key performance indicators (KPIs) to support the monitoring and follow-up of these goals. This work is ongoing, and efforts are currently focused on defining relevant KPIs, establishing baselines, and determining appropriate data collection methods. The KPIs will be further refined and implemented as part of Evolan's continued sustainability work.

In the following sections of this report, we describe how we work and perform within our four sustainability focus areas – People, Products, Environment, and Supplier Management – under which the material topics are addressed.

- People
- Products
- Environment
- Supplier Management

Our assortments are mainly produced in Europe with a few being produced in India and elsewhere. It is important to be aware of, and informed about, challenges when it comes to both environmental performance and social sustainability within the pharmaceutical industry. Evolan is aware of that a large part of manufacturing pharmaceuticals take place within countries that are to be considered high-risk when it comes to having a negative impact on people, the environment and society. Simultaneously, the manufacturing of pharmaceuticals takes place within a global supply chain that is known for low transparency. Evolan acknowledges these issues, which is further addressed throughout the report.

Being a small actor within the global pharmaceutical industry, our greatest opportunity to make an impact comes from putting clear requirements on our suppliers upstream. By choosing to only work with credible and ethical suppliers that we trust, we aim to prevent and mitigate any violations against nature and humanity that may take place further up the value chain. We ensure our partnerships involve suppliers who maintain high standards of credibility and ethics by adhering to our Supplier Management Framework, conducting thorough evaluations, analysing risks, and implementing regular audits and corrective actions. Furthermore, by being part of industry initiatives, such as PSCI, and using our collective leverage we want to take proactive measures and hope to contribute to a more sustainable pharmaceutical industry.

Evolan's Value Chain

As a pharmaceutical distributor based in Sweden, our core business is to ensure safe, compliant, and timely access to medicines across the Nordics and beyond. We act as an intermediary between pharmaceutical manufacturers and healthcare providers, serving both public and private sector customers through sales representatives.

Inputs

Evolan divides its business operations into the above described four main areas. This includes pharmaceutical products, medical devices, food supplements and cosmetic products, which we source from a broad and diverse supplier base across many countries, including France, Italy, Spain, India, Romania, the UK, and Finland, to name a few. While we don't have full visibility into the raw material sourcing of every product, we work to strengthen our knowledge and engagement with suppliers, particularly those providing active substances and high-volume products. Building long-term relationships with key suppliers is central to securing product quality and continuity of supply.

Outputs and outcomes

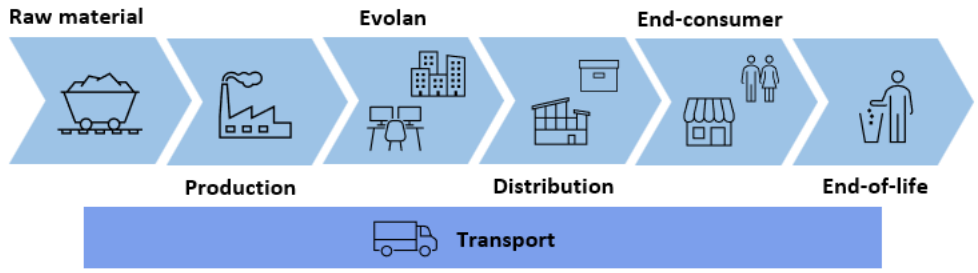
Our primary outputs are the safe and reliable distribution of medicinal products. The value we create includes improved access to healthcare for patients, operational reliability for healthcare systems, and long-term trust with our partners and stakeholders. We contribute to public health outcomes by supporting stable medicine supply across our markets and by ensuring compliance with national and EU pharmaceutical regulations.

Our position in the value chain

We are positioned in the middle of the pharmaceutical value chain, between manufacturers and end users such as pharmacies, hospitals, and healthcare providers. Our upstream value chain consists of a wide network of pharmaceutical suppliers, with varying profiles in terms of company size, geography, and market role. We maintain direct relationships mainly with our Tier 1 suppliers and engage in ongoing dialogue around quality, compliance, and responsible business conduct.

Downstream, we distribute products within Sweden and to several other countries, working with logistics partners and local distributors to reach our end markets. Our operations also include logistics, quality assurance, and regulatory support, which are critical for maintaining product integrity and meeting legal requirements throughout the distribution process.

During 2025 we have continued to develop our value chain understanding through mapping and risk assessment activities, with a focus on identifying where we have the most significant sustainability impacts – and where we can drive improvements through active engagement.



Evolan's value chain

Double materiality analysis and material topics

In a constantly changing world, it is vital that we understand and continuously evaluate our impacts on people and the environment.

In 2024, Evolan updated the single materiality analysis conducted in 2022 to include a double materiality perspective. The 2022 materiality analysis, which was aligned with the updated Global Reporting Initiative (GRI) Standards, served as the foundation for our DMA. In 2022, draft ESRS frameworks were used to identify preliminary sustainability topics relevant to Evolan. In 2024, this work was updated using the final ESRS structure to ensure a comprehensive review, and alignment with CSRD.

The focus in 2024 was not only to review the work conducted in 2022, but to incorporate both dimensions of double materiality, i.e. looking at Evolan's most significant impacts on the environment and people, and sustainability-related risks and opportunities that may affect the company. To support this, we carried out a desktop analysis of relevant sustainability issues in the pharmaceutical sector across the value chain and reviewed internal documentation as well as external reports from procurement authorities and industry organisations. Parallel to the desktop analysis, we conducted an interview with an external stakeholder from an industry organisation to gain insights into Evolan's potential financial risks and opportunities, as well as our broader impacts. Additional internal stakeholder interviews carried out for the 2023 sustainability report also informed the DMA. External stakeholders consulted in 2022 included a client and a supplier. Other experts were contacted during the 2024 process, but where interviews could not be conducted, published reports were used instead.

The combined findings from the desktop review and stakeholder dialogues resulted in a gross list of more than two hundred IROs. This was narrowed down to a net list of 32 IROs for detailed assessment. Negative and positive impacts were analysed using criteria such as severity, scale, scope, irremediability, and likelihood. Financial risks and opportunities were assessed based on likelihood and potential financial effect. A time horizon (short, medium, or long term) was also considered for each IRO.

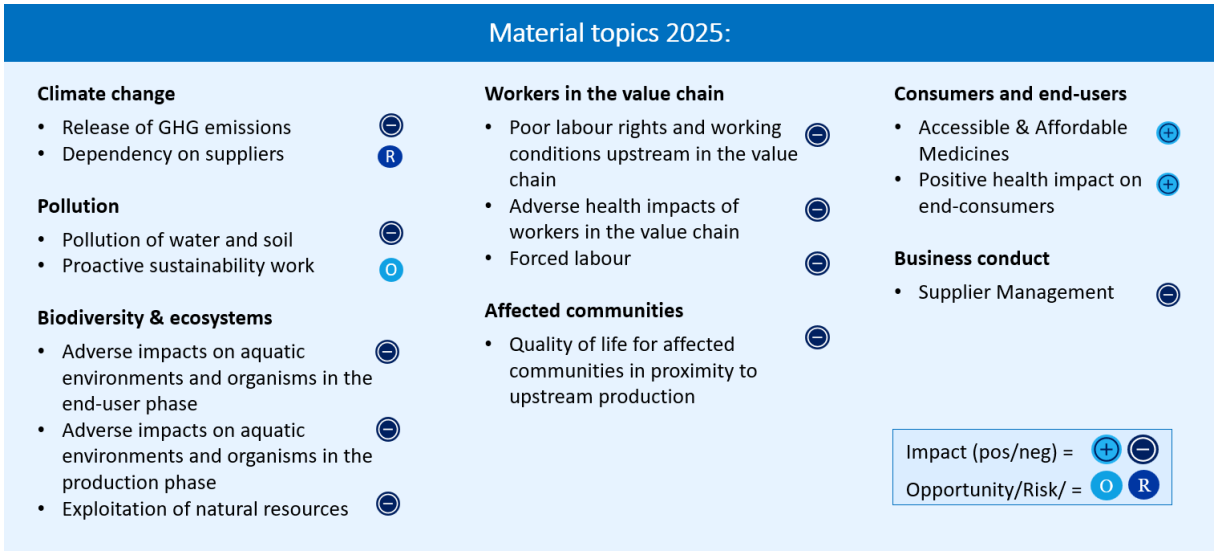
To prioritise the IROs, a materiality threshold was set in dialogue with internal representatives and sustainability experts. Negative impacts scoring 12 or above on a 1–15 scale, combined with 4 (potential) and 5 (actual) on likelihood, were considered material. For human rights issues, there was no need to prioritise severity over likelihood (as required according to ESRS), as the likelihood for these issues was always high. Two positive actual impacts were assessed and both considered material. Supplier Management, although slightly below the threshold, was qualitatively assessed as material due to its importance. Financial risks and opportunities rated medium to high in financial effect and high in likelihood were determined to be material.

In total, 14 material IROs were identified and validated by the CEO. These have been grouped into seven material topics, listed below, which will guide Evolan's sustainability reporting and future sustainability initiatives.

In 2025, we also conducted a review of our DMA, following a significant expansion of our product portfolio and markets. In line with GRI and ESRS principles, such changes require an updated assessment. An external sustainability expert supported the review, which focused on evaluating whether the material topics and impacts identified in 2024 remained accurate.

The review focused on new upstream production countries, that weren't included in the previous analysis. The results showed that the existing DMA remains valid, with no changes required at this stage, although some recommendations were provided for continued monitoring.

New material topics presented in this year's report include exploitation of natural resources (biodiversity and ecosystems), pollution of water and soil, accessible and affordable medicines for consumers and end-users, dependency on suppliers, and proactive sustainability work. At the same time, water consumption, discrimination in the supply chain, inclusion and equal opportunities in our own operations, and employee wellbeing are no longer considered material based on the current assessment.



People

Patient safety and product quality

Product quality along with customer and patient safety are of the highest importance to us. We make sure that all our products and services follow the highest possible safety and quality standards, and we expect nothing less from our suppliers and partners. Evolan is certified by the Swedish Medical Products Agency (MPA) to import, release and sell medicinal products manufactured within the EU or imported into the EU. We are inspected regularly by the MPA in order to ensure that we meet Good Manufacturing, Distribution and Vigilance Practice (GMP, GDP and GVP). These are regulations that all pharmaceutical companies must meet in order to ensure the products are of high quality and safety for consumers. We also provide all the demanded necessary information about our products, including instructions on the handling of residues. Evolan was inspected by the Swedish Medical Products Agency in 2025, an inspection from which we received an extended certificate to proceed with our business. The cosmetic assortment is handled similarly to non-prescription medicine.

To act according to GMP, GDP and GVP means that Evolan is responsible for products even after they are expedited to customers. This includes having systems for receiving and investigating product complaints, dealing with medicinal questions from customers and health care professionals, as well as handling adverse events reporting. Data from complaints, adverse events, and supplier audits are compiled and analysed. This is done to recognise possible issues and to make decisions on changes

that must be implemented in order to improve the products and to minimise health risks. This is a continuous process. Cases that are considered to be of significant concern are communicated to the CEO, internally through direct dialogue and for external concerns, the info@evolan.se email is open for contacting Evolan. In 2024, zero significant concerns were reported to our CEO.

Evolan upholds a certification for medical devices according to ISO 13485:2016 and MDSAP, which is the equivalent to the certification Evolan has received for its pharmaceutical products. Also in 2025, Evolan was subjected to a MDSAP audit by the British Standards Institution (BSI) with a positive outcome. All Evolan's activities that relate to medical devices and pharmaceuticals are controlled via Evolan's quality system, with instructions on how to act in order to fulfil the requirements of the legislation.

Employees

During 2025, Evolan employed 30 people in Sweden.

Evolan's success depends on committed and skilled employees, and we work to provide a healthy and supportive work environment where people can thrive and contribute. As a small privately owned company, we have short decision paths and an informal, collaborative culture that encourages employee involvement and influence in day-to-day work and broader company decisions. Each individual plays an important role, and we aim to offer meaningful work, flexibility, and regular dialogue between managers and employees, including annual development discussions.

We follow workload and wellbeing closely to maintain a sustainable work situation, and all employees are offered an annual health check. Evolan has a work environment policy, available in both Swedish and English, that we work with regularly. New employees receive ergonomic guidance, and support relating to psychosocial or physical work environment needs is available when required.

Our employees receive regular training in various areas throughout the year. As part of the double materiality assessment and validation of material topics carried out in 2024, elements of learning and knowledge-sharing regarding sustainability were included in the validation meeting, which was attended by management and key personnel at Evolan. During 2025, additional training on the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines was provided to key personnel, helping to ensure that relevant information is communicated to management.

During 2025, Evolan employed, on average, 30 people in Sweden (2024: 28), out of which 19 were women and 11 men. In addition, we have had three subconsultants working with sales in the UK and Ireland during 2025. In 2025, 4 new persons were employed by Evolan (2024: 1) and 3 left the company (2024: 1).

Evolan's remuneration policy shall encourage further professional development and reflect good professional performance. It must always be done in a way that does not disadvantage anyone on the basis of gender, ethnicity, religion or in any other discriminatory way. Due to our flat organisational structure and composition of the Board, there are no particular remuneration policies specific to the members of the Board. In 2025, the ratio between the highest paid employee at Evolan and the median annual compensation is 1,5 (2024: 6,5) and the average salary increase was 3,19% (2024: 3,18%). All data has been retrieved from Visma, the payroll system we use.

Human rights and Labour rights

As new legislation and regulatory requirements related to corporate responsibility and human rights due diligence continue to develop, it is becoming increasingly important for Evolan to reflect on and address these issues. We recognise that in higher-risk sourcing countries, such as India, there is a risk that inadequate working conditions and labour standards may occur, particularly in regions with limited regulatory oversight. This may include risks related to workers' rights to freedom of movement, freedom of association, and collective bargaining.[3]

As the most significant risks related to human rights are primarily located upstream in the supply chain, it is important to ensure that suppliers comply with the human rights requirements set out in our Supplier Code of Conduct, which is based on the principles established by PSCI.

Evolan's business relies on a wide range of partners involved in the supply and distribution of our products. To support sustainable business development, it is important for us to understand who we do business with. Our Supplier Management Framework, described further in this report, outlines our approach to respecting human rights and promoting responsible sourcing through the identification, prioritisation, and mitigation of risks in the value chain.

Evolan does not have a collective agreement for our employees, however, the content in our employment agreements upholds a standard very much in line with a Swedish standard private civil servant agreement (*privattjänstemännens kollektivavtal*). For suppliers, and in line with PSCI principles, freedom of association and collective bargaining, open dialogue and direct engagement with workers are encouraged as a means of addressing workplace and compensation-related issues.

Human rights and labour rights considerations are included in Evolan's regular supplier audits. In accordance with PSCI principles, suppliers are expected to provide a safe and healthy working environment, and health and safety measures are required to extend to contractors and subcontractors operating at supplier sites.

Affected communities

As Evolan sources products from for example India, which is generally considered a higher-risk country within the pharmaceutical industry, there is a risk of environmental pollution occurring during pharmaceutical manufacturing. Such pollution may negatively affect local communities by impacting their right to a healthy environment, including access to clean water, air, and soil. Water contamination can reduce agricultural productivity and cause fish mortality, which in turn may lead to loss of income. In addition, individuals who come into direct contact with polluted water may experience adverse health effects.[4] Affected communities were identified as one of Evolan's material topics with focus on the quality of life for affected communities in proximity to upstream production.

Evolan recognises the lack of transparency for raw material supply and chemicals bought on commodity markets to be a huge problem within the industry, making it also a major challenge for Evolan to manage. Evolan's Supplier Management Framework aims to cover these topics, but as raw material supply often takes place far upstream the value chain, our engagement in PSCI and to work with peers in the industry are becoming more important.

---

[3] https://www.upphandlingsmyndigheten.se/riskanalyser/vard-och-omsorg/lakemedel/#manskliga_rattigheter
https://swedwatch.org/wp-content/uploads/2021/01/pharma-reportfinal200219-ab-fin-enkelsidor.pdf

[4] https://swedwatch.org/wp-content/uploads/2021/01/pharma-reportfinal200219-ab-fin-enkelsidor.pdf

Products

Evolan has a broad product portfolio. Most products are pharmaceuticals but there are also medical device products, food supplements and cosmetic products. Within the pharmaceutical product group, there are originator products, generic products, including both over the counter and prescription medicine and our industry is regulated and followed-up by local authorities.

Evolan strives to ensure high quality and availability of our products and we are therefore partnering with several well-established suppliers to produce our products. We have high demands in terms of the quality of our products and Evolan's quality management system is continuously being further digitalised. This allows for not only our suppliers but also authorities to have safer and easier access to SOPs etc.

In 2025, we have continued to see an increased demand from our customers on being aligned with the international sustainability frameworks and member organisations such as PSCI. Many of our main customers promote sustainability by selling a "sustainable assortment" and we are more and more being asked to provide information about the products and to ensure that the products we deliver to these customers fulfil sustainability requirements.

Environment

Environmental issues are widely recognised as significant challenges within the pharmaceutical industry and are an important area of focus due to the sector's potential impacts across the value chain. Evolans way to manage the challenges are mainly through responsible sourcing practices.

In our last Supplier Assessment Questionnaire (SAQ), Evolan asked all suppliers of products if they had established environmental goals. The result was that 85% of the respondents had environmental goals (2024: 78%). Only 23% have set environmental goals for their supplier base (2024: 29%).

When asked if the supplier has ambitious climate ambitions or targets regarding emissions, 85 % of the respondents answered positively and stated that they either have a vision for zero emissions, a climate positive ambition and/or have climate goals in line with Science Based Targets initiative (SBTi).

Biodiversity and ecosystems

It is widely known and reported that within the pharmaceutical industry, active drug substances are released into the environment and water streams during the production phase as well as in the end-consumer phase. This has had a negative impact on aquatic environments and affected the behaviour of aquatic organisms in many areas, by for example inhibiting reproduction or being toxic to some species.[5] Adverse impacts on aquatic environments and organisms in the production phase as well as in the end-user phase, and exploitation of natural resources for the production of packaging materials, are identified to be part of Evolan's material topics.

During 2025, Evolan implemented a Sustainability Policy, and work has begun to identify goals that address biodiversity. The policy is not based on the Kunming–Montreal Global Biodiversity Framework,

[5] https://cdn.naturskyddsforeningen.se/uploads/2021/05/11103126/lakemedel_i_miljon_2019.pdf

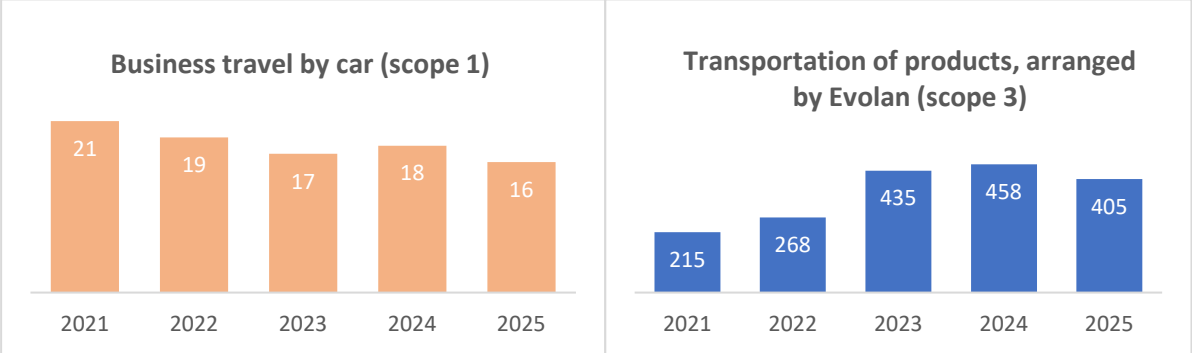
but instead aligns with widely accepted international guidelines and frameworks, including the OECD Guidelines for Responsible Business Conduct, the UN Guiding Principles on Business and Human Rights, and PSCI, the leading association for pharmaceutical and healthcare companies working to advance responsible value chains.

Evolan recognises this to be another challenge for their industry and also a challenge for Evolan to manage. Evolan´s Supplier Management framework covers the topics and the Supplier Code of Conduct states that Evolan´s suppliers shall operate in an environmentally responsible and efficient manner to minimise adverse impacts on the environment. Suppliers are encouraged to conserve natural resources, to avoid the use of hazardous materials where possible and to engage in activities that reuse and recycle.

GHG Emissions

Our climate impact for CO_2 emissions is linked to energy consumption during production of our product assortment, business travel and logistics within our value chain and the distribution of our products. By outsourcing our production, we are aware that a large portion of our climate impact is linked to parts of our value chain where we have the least control. The activities we handle ourselves, and therefore have a greater opportunity to influence, are the CO_2 emissions associated with distribution of our products and business travel by car.

Evolan's CO_2 emissions (tons)[6]



When transporting finished goods, Evolan tries, as far as possible, to transport goods by boat and truck, avoiding air freight. For transport of all goods, Evolan strives to fill containers and trucks in order to minimise emissions per unit delivered. When transporting only small quantities, trucks are often shared with others to fill the trucks to maximum capacity. In 2025 we continued to make improvements in our production line, making it more efficient and resulting in less emissions from transport. There is also a constant objective trying to lower the number of suppliers to Evolan, thereby making transportation more efficient as well as being able to focus on fewer suppliers in the sustainability dialogues.

[6] Calculation method: *Naturvårdsverket schablonmall utsläpp koldioxid.* Gases included in the calculations: CO_2
Calculation method: EcoTransIT, Euro5, DHL Carbon Calculator. Gases included in the calculations: CO_2

Evolan's business travel by car is mainly related to the company´s sales representatives' activities. This is usually the most efficient way of travelling, and for most occasions, the only possible alternative. Since COVID-19, travel by car has been reduced as many customer events are held digitally, and even if physical events and meetings are possible to arrange today, many remain digital. We also encourage a move towards electrical and hybrid cars.

We are through our supplier management processes following up on how our suppliers of pharmaceutical products work with waste and emissions. Based on our latest Supplier Assessment Questionnaire (SAQ), when it comes to GHG emissions, 62% out of the responding suppliers did measure energy and fuel consumption (2024: 83%).

Furthermore, we have become better at sorting our waste, and have in our office different bins for glass, paper, electronics and food. This not only saves resources and the environment, but subsequently also leads to less emissions. During 2025, we have digitalized our work related to incoming order and invoicing administration, which has significantly reduced our paper consumption. We also use renewable energy (scope 2) for our office energy consumption.

Water

As described in this report, a challenge within our industry is the emissions to water both during the production phase and to some extent also in the end consumer phase causing negative effects on both ecosystems as well as people. Since Evolan does not manufacture pharmaceuticals, the environmental impacts that are limited to the production phase are managed in accordance with our Supplier Management framework and through collaborative efforts, such as our membership within PSCI. This is also a topic included in our process for supplier audits.

From our last SAQ, we note that 69% of our responding suppliers of products report that they have a systematic way of working when it comes to minimising negative water related impacts (2024: 16%). 77% when it comes to minimising waste and spill (2024: 16%) and 69% when in it comes to minimising emissions to soil, air and water (2024: 14%). 62% report that they have a policy in place manage water and effluents (2024: 7%) while 46% of responding suppliers (2024:33%) report that they measure, or ask their suppliers to measure, total water discharge, and 15% report that they go beyond any regulatory requirements in controlling the quality of effluent discharge to water. There were no reported major incidents causing significant harmful effluents.

Supplier Management

With an ambition to work for a responsible and sustainable value chain, collaboration with suppliers is needed. Through clear expectations, risk analysis and a structured way of working with follow-up, risk exposure will be reduced and by increased knowledge about Evolan´s sustainability risks, it is possible to together and in dialogue with our suppliers also work for a sustainable business growth.

By the end of 2025 Evolan had about 60 (2024: 60) suppliers of pharmaceuticals, located mainly in Europe, all but seven of the suppliers supplied finished goods. As a general rule, Evolan only has commercial agreements with suppliers of finished products. The suppliers of finished products, in their turn, have agreements with suppliers of raw material, packaging material, etc. This is a challenge for Evolan. As we have no agreements with the subcontractors supplying the raw materials to produce our products, we are dependent on our finished product suppliers to pressure their suppliers of raw materials to meet our sustainability requirements throughout the supply chain.

During 2025, we have continued to increase our demands on our suppliers in terms of sustainability. For Evolan, hygiene is not the only factor driving us to make sure we have a sustainable and functioning supply chain, it is also a matter of competitive advantage and fulfilling an increased customer demand. In addition to this, we need to make sure that both people working within the supply chain and the surrounding environment are being respected.

Evolan assesses environmental and social aspects in the supply chain through a Supplier Assessment Questionnaire (SAQ), which going forward will also be used when onboarding new suppliers and in selected follow-up assessments. During the year, four suppliers were assessed for environmental and social impacts, of which none were identified as having significant actual or potential negative environmental or social impacts. Where such impacts are identified, Evolan engages in dialogue with suppliers to agree on improvement measures.

Supplier Management Framework

Evolan has in 2022 developed a Supplier Management Framework to describe how we are managing our suppliers during their entire lifecycle as our supplier. It describes how to perform Responsible Sourcing practices, including relationship -, risk - and performance management, to ensure a supplier portfolio that fulfils the expectations we have lined out in our Supplier Agreements and Supplier Code of Conduct. Evolan strives to apply a proactive, structured, and systematic way of tracking suppliers' performance.

The purpose of our Supplier Assessment Framework is to secure professional management of our supplier portfolio and ensure that we contract strategic suppliers that both fulfil our business needs and act in line with our business values. It also serves to align actions and communication across the company.

Our Responsible Sourcing model is built on data-based decisions and a systematic approach anchored in our company goals, sustainability efforts and international frameworks, with the OECD Due Diligence guidelines as a reference point. The model is presented in five steps below but can in practice rather be described as ongoing activities embedded in Evolan's sourcing process and a way of working with our supplier base.

Expectations

In 2021, Evolan implemented an updated Supplier Code of Conduct for pharmaceutical products to further be in line with the PSCI Principles for Responsible Supply Chain Management. 62% (2022: 47%, 2023: 63%, 2024: 68%) of Evolan´s pharmaceutical suppliers have by end of December 2025 signed the code, and the roll-out will continue during 2026, why we expect to increase this number. Evolan has commercial agreements covering 100 % of our suppliers of finished products.

Evaluation

A Supplier Assessment Questionnaire (SAQ) was developed in 2023 to replace the previous annual supplier survey and was reviewed again in 2025 to reflect updates from the revised materiality assessment. The SAQ was sent to 59 suppliers in November 2024, with a response rate of 32%. In November 2025, it was sent to 55 suppliers, of which 29% responded. Most respondents completed the SAQ, while two suppliers submitted their own documentation. Eight respondents had not taken part in 2024. To improve response rates, suppliers who had completed the SAQ in 2024 were allowed to skip previously answered questions and respond only to the new 2025 items. Four suppliers used this option, but it did not increase the overall response rate compared with 2024. Any feedback may result in adjustments, and the SAQ will continue to be distributed to key suppliers in 2026.

Risk analysis

Risk management means understanding holistic supplier related risks and defining mitigation activities that will lead to an action plan. Risks may be related to finances, compliance, delivery, quality and sustainability, but risk analyses are also used for more specific topics such as environmental, human rights and labour rights risks. In 2025, a Country Risk analysis was conducted, and the routine for Sustainability Risk Analyses is currently undergoing a review.

Follow-up

Continuous follow-up includes maintaining an active dialogue to ensure that suppliers and products delivered are compliant, but also that supplier development efforts are in alignment with Evolan´s goals and sustainability focus areas. The topics for such development dialogues may change over time. For key suppliers we conduct business review meetings where we can, and besides the business dialogue, we also follow-up on sustainability performance and progress.

Each year, a few suppliers are selected for on-site audits performed by us or by a third party. The selection process for this is described in the next section.

Corrective actions

Non-conformances found in a supplier audit, reported as an incident or identified in a risk analysis or follow-up, are initially handled by Evolan´s sustainability function. If an approved supplier does not fulfil Evolan´s requirements on performance or compliance after assistance from Evolan, the case is escalated to the Head of OTC Private Label / Head of Medical Dpt. An escalation can, if not solved, lead to a decision on business on hold, phase out or termination of the business between Evolan and the supplier. Business on hold as well as termination is decided by the Head of OTC Private Label / Head of Medical Dpt., and if business critical, also by Evolan´s CEO. An escalation is initiated by procurement or Evolan´s sustainability function. Actions regarding escalation cases are documented and filed in accordance with Evolan´s escalation process.

Supplier audits

Evolan´s ambition is to perform a minimum of three supplier audits per year, focusing on sustainability. The suppliers to be audited are prioritised according to:

- The supplier's operations, and the risk of having a negative impact on sustainability.
- The supplier's location – if it is in a high-risk country according to the Country Risk Classification from Amfori BSCI.
- The amount of the active pharmaceutical ingredient(s) (API) Evolan sells per year and product.

In practice, this means that API suppliers are prioritised over finished product manufacturers since the API production process is considered to have a higher negative impact on sustainability, for example when it comes to the use of, and effluents to, water. It also means that suppliers outside the EU are prioritised as they are generally associated with higher risk according to the Country Risk Classification from Amfori BSCI.

Depending on the outcome of an audit, Evolan will decide on the need of an action plan and a follow-up audit. The ambition is always to resolve deviations in close dialogue with the supplier. In the case of serious deviations and if deviations are not corrected, decisions are taken on requirements for continued cooperation or whether the partnership should be terminated.

In 2025, four supplier audits were conducted in India, Romania, and Italy. Two of the audited suppliers had been assessed in previous years. All facilities examined where generally compliant to the requirements of the audit and recommended to remain part of the supply chain.

Risk management

During 2025 we have initiated a more comprehensive value chain mapping to better understand for what products the most negative impacts may occur and to identify areas where we have information gaps. This work supports long-term planning, helps us prioritise action and helps us manage risks. Given the scale and complexity of our operations, with thousands of products, we started by mapping all suppliers of active substances. For the work to be pragmatic, we will initially focus on two of our biggest tier 1 suppliers in two high risk countries.

By starting with these two suppliers, Evolan aims to develop and refine methodologies for identifying and managing risks on a product level – an approach that can later be scaled to other suppliers.

About the report

Evolan's sustainability report for 2025 is the company's nineth sustainability report. This report has been prepared in accordance with the revised GRI Standards. By doing so, Evolan aims to ensure transparent reporting based on content which is relevant to our stakeholders and where Evolan has our biggest impact.

The report is structured according to four thematic areas which correspond to the areas where Evolan has the most impact; People, Product, Environment and Supplier Management.

Throughout this report, we reference a few verified sources related to the issues in the pharmaceutical industry.

Evolan reports on an annual basis. This report's sustainability data covers the fiscal year 2025, and no restatements of information has occurred. This report describes Evolan, defined as Evolan and its subsidiaries, as well as Evolan's value chain. From 2019, Evolan's reporting to a larger extent entails all products rather than a mere focus on pharmaceuticals.

Evolan's annual sustainability report is externally assured by a third party and the report of 2025 has been externally assured by a third party.

GRI content index

Statement of use	Evolan has reported in accordance with the GRI Standards for the period [reporting period start and end dates].
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE	OMISSION REQUIREMENT(S) OMITTED REASON EXPLANATION	
General disclosures				Comments
GRI 2: General Disclosures 2021	2-1 Organizational details	3		
	2-2 Entities included in the organization's sustainability reporting	2		
	2-3 Reporting period, frequency and contact point	19, 25		
	2-4 Restatements of information	19		
	2-5 External assurance	19, 24		
	2-6 Activities, value chain and other business relationships	8		
	2-7 Employees	11		
	2-8 Workers who are not employees	11		
	2-9 Governance structure and composition	3		
	2-10 Nomination and selection of the highest governance body	3		
	2-11 Chair of the highest governance body	3		
	2-12 Role of the highest governance body in overseeing the management of impacts	3		
	2-13 Delegation of responsibility for managing impacts	3		
	2-14 Role of the highest governance body in sustainability reporting	3		
	2-15 Conflicts of interest	3		
	2-16 Communication of critical concerns	11		
	2-17 Collective knowledge of the highest governance body	11		
	2-18 Evaluation of the performance of the highest governance body		Not applicable due to the organisational structure and small size of the company.	
	2-19 Remuneration policies	11		

	2-20 Process to determine remuneration	11		
	2-21 Annual total compensation ratio	11		
	2-22 Statement on sustainable development strategy	2		
	2-23 Policy commitments	5,17		
	2-24 Embedding policy commitments	6-7, 17		
	2-25 Processes to remediate negative impacts		Information incomplete. Processes have yet to be developed. Evolan recognises this to be an area to look further into in 2026.	
	2-26 Mechanisms for seeking advice and raising concerns	11		
	2-27 Compliance with laws and regulations	6		
	2-28 Membership associations	5		
	2-29 Approach to stakeholder engagement	4, 9		
	2-30 Collective bargaining agreements	12		
Material topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	9-10		
	3-2 List of material topics	10		
Biodiversity and ecosystems				
GRI 3: Material Topics 2021	3-3 Management of material topics	6-7, 14		
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	13-14		
GRI 101: Biodiversity 2024	101-2 Management of biodiversity impacts	13-14		
GRI 101: Biodiversity 2024	101-4 Identification of biodiversity impacts	13-14		
Water				
GRI 3: Material Topics 2021	3-3 Management of material topics	6-7, 15		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	12, 15		
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	15		
GHG emissions				
GRI 3: Material Topics 2021	3-3 Management of material topics	6-7, 14		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	14-15		
	305-2 Energy indirect (Scope 2) GHG emissions		Information unavailable at the moment. Such data has not been gathered before. Steps are being taken to gather data within next year.	
	305-3 Other indirect (Scope 3) GHG emissions	14-15		

Supplier management				
GRI 3: Material Topics 2021	3-3 Management of material topics	6-7, 15-18		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria		Information unavailable at the moment. New suppliers have not been screened, this process will be implemented next year.	
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	12-15		
GRI 414: Supplier Social Assessment	414-1 New suppliers that were screened using social criteria		Information unavailable at the moment. New suppliers have not been screened, this process will be implemented next year.	
GRI 414: Supplier Social Assessment	414-2 Negative social impacts in the supply chain and actions taken	12-13		
Health and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	6-7, 11		
GRI 403: Occupational Health and Safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	11-12		
Human rights and Labour rights				
GRI 3: Material Topics 2021	3-3 Management of material topics	6-7, 12		
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	12		
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	7, 12		
Affected communities				
GRI 3: Material Topics 2021	3-3 Management of material topics	6-7, 12		
GRI 413: Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	12		
People Wellbeing				
GRI 3: Material Topics 2021	3-3 Management of material topics	6-7, 10-11		
Own disclosure:	Positive contribution to end-consumers health	8, 10-11		

Evolan Pharma's Sustainability Report of 2025 is signed off on behalf of Evolan Pharma AB by

2026-03-17

Richard Karroum (Mar 17, 2026 13:57:53 GMT+1)

Richard Karroum

Board Member, CEO

Fredrik Engström

Board Member, Chair of the Board, Head of OTC Private Label / Head of Medical Dpt.

For any questions related to this report, please contact Fredrik Engström:
Fredrik.Engstrom@evolan.se

Evolan Pharma AB
Postal Adress: Box 120, SE-182 12 Danderyd, Sweden
Visiting Address: Svärdvägen 19, SE-182 33 Danderyd, Sweden
+46 8 544 960 30
www.evolan.se

Evolan Sustainability Report 2025

Final Audit Report 2026-03-17

Created:	2026-03-17
By:	Fredrik Engström (fredrik.engstrom@evolan.se)
Status:	Signed
Transaction ID:	CBJCHBCAABAA0iOCpOg5bz7P9ubexJTkJ2n5uyfG4-BA

"Evolan Sustainability Report 2025" History

Document created by Fredrik Engström (fredrik.engstrom@evolan.se)
2026-03-17 - 12:52:49 PM GMT

Document emailed to Richard Karroum (richard.karroum@evolan.se) for signature
2026-03-17 - 12:54:01 PM GMT

Email viewed by Richard Karroum (richard.karroum@evolan.se)
2026-03-17 - 12:56:30 PM GMT

Document e-signed by Richard Karroum (richard.karroum@evolan.se)
Signature Date: 2026-03-17 - 12:57:53 PM GMT - Time Source: server

Agreement completed.
2026-03-17 - 12:57:53 PM GMT