

## For tomorrow and beyond, no matter what.

Sustainability Report 2019-2020



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# **About this** report

This is the fourth Sustainability Report published by Hovione. It has been prepared in line with the Global Reporting Initiative Standards content and quality principles, with the aim of ensuring information accuracy, clarity and reliability. It is intended to demonstrate Hovione's accountability to stakeholders communicating the company Environmental, Social and Governance (ESG) performance and highlighting our alignment and contribution to the United Nations Sustainable Development Goals (UN SDGs).

### **Reporting Scope and Boundaries**

This Report covers all Hovione owned manufacturing and research facilities worldwide and the data presented is global data unless otherwise specified.

### **Reporting Period**

The data provided in this Report is based on activities during Hovione's fiscal years 2019 and 2020. To facilitate review changes in the evolution of the main performance indicators, previous years data is also presented where relevant.

### 01 02 03

### **Global Reporting Initiative**

The GRI Sustainability Reporting Standards (GRI Standards) are the common language for organizations to communicate their economic, environmental and social impact. The GRI Standards enables greater transparency and accountability of organizations, by enhancing global comparability and quality of information around ESG performance.

### **Contact Hovione**

For further clarification on the information presented in this Sustainability Report, please consult the website or contact us via the following email: **sustainability@hovione.com**.





## We are living in unprecedented times. **From the Covid Pandemic to Climate** Change, society today is being challenged in ways never before encountered.

The Covid Pandemic showed the world the effects of ignoring longterm risks. A global pandemic has impacted the economy, increased inequality and driven social fragmentation. Climate Change is different, it feels less acute than a pandemic but its impact is incalculable. Climate Change will alter the world, our country, the place where we live in dramatic ways we find difficult to imagine. We cannot fail, we must embrace Sustainability as an existential requirement.

Hovione has always understood the need to manage its activities in a way that protects the Environment. Our early understanding of the need for responsible governance is largely down to the foresight of the company founders and this commitment lives on in the company values today.

It is perhaps best expressed in our tagline "In it For Life", which speaks to the impact we have in the lives of team members as well as those living in the communities where we operate, and of course it also recognizes our impact on the lives of the patients who benefit from the medicines we produce.

The consequences of Climate Change are so devastating that Hovione must change tack and do more and do better for all those people impacted by our activities and for the planet.

Our over-arching commitment is to codify Environment, Social and Governance within our business systems, so that performance with respect to people and planet is measured. We must ensure that improved performance is targeted, supported and rewarded. The speed with which Climate Change is occurring and the evident impact it is having on the world mandates that our company steps up to the challenge with a determination that will lead to an inflexion of our consumptions and reduces its harm on the environment.

The company shareholders have signalled their wish that Hovione remain at the forefront of what makes a company "a good corporate citizen" and the board and management are fully committed to realizing that goal.

**Guy Villax** CEO for the Management Board

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## 01











# We are driven by our purpose: to help to improve people's lives

### Established over 60 years ago, we are an international pharmaceutical company, nurturing a strong quality culture that leads to safe medicines.

The privilege of serving patients with uncompromising honesty, integrity and transparency.

We are **In it for life.** 





Sustainability Report 2019-2020

chapter 01 the fundamentals

## About Hovione

01 02 03

## Elements that make us what we are



## **01** About Hovione

Hovione (#)

## We exist because patients need us and serving patients is a privilege.

Hovione is a Contract Development and Manufacturing Company dedicated to helping our customers bring new and off-patent drugs to market. We do well what is difficult, to give our customers what they cannot find elsewhere.

Hovione's culture remains true to the values established by our founder Ivan Villax. He was someone who passionately believed in the importance of the company's values, integrity, serving customers well, scientific rigor and teamwork.

The same principles define how we conduct business today and run deep throughout the organization. We remain fully committed to solving complex problems through science and delivering solutions that are highly valued by our customers. These themes have been a constant for more than 60 years and no one at Hovione wishes to see them change. Hovione is a company with a culture based on innovation, quality, and delivery but we are not just about the end goal. The journey about how we get there is also important.

We want to manufacture and deliver medicines of the highest quality to the patients; we want to do this in a way aligned with our commitment to operating a sustainable business. We want a business with the highest standards of safety and environmental performance, staffed by an engaged, diverse and satisfied workforce.

Our moto "**In it for Life**" has many interpretations within Hovione. It speaks to Hovione as a family company, and it connects the work we do, to the patients who benefit from the medicines we produce. In it for life also speaks to our sustainability journey and reminds us of the need to protect our people, our communities, our partners and the environment around us.

### **Our mission**

To passionately turn any challenge into a solution by collaborating with our partners to create great medicines.

### **Our vision**

To become the #1 innovative, integrated pharmaceutical solution provider to the global pharmaceutical industry by 2028.

## **01** 02 03

### **Our values**

## We are Principled

- Honesty, integrity and transparency
- Family
- Partnership
- Never give up

### **Think Differently**

- Team-thinking wins
- Innovate everywhere
- Creativity driven by diversity
- Dare to do the impossible

## **And Deliver**

- Passion and rigor in everything we do
- Uncompromising quality
- Committed to our customers









## **Celebrating 60 years**

In 2019 Hovione celebrated its 60<sup>th</sup> anniversary. Hovione was established in Portugal in 1959 by Ivan Villax with his wife, Diane Villax, and two other Hungarian refugees: Nicholas de Horthy and Andrew Onody, thus forming the name Hovione. The company that started by working out of the basement of the Villax family home in Lisbon, now employs over 2000 people worldwide and offers more than 825 m3 of manufacturing capacity, while remaining a privately-owned, family business.







## What we do

Hovione's main activity is to develop drugs that improve and save lives.

Our objective is to help our clients and partners place pharmaceutical products on the market that will improve people's lives. We provide services that integrate three processes: chemical synthesis, particle engineering and drug product formulation.

The first step in the creation of a pharmaceutical drug product is the discovery of an Active Pharmaceutical ingredient (API). The API is the molecule that functions to eliminate or control a disease. After its discovery the new API undergoes several development stages before undergoing a series of clinical trials to test its safety and effectiveness through the different clinical phases. Finally, if approved by health authorities it becomes available to the market for patients to access.

Our focus is on the development and production of APIs and drug products at pilot or commercial scale on behalf of our customers. Hovione does not work on the discovery of new APIs or on the distribution of pharmaceutical drug products.

At Hovione we work in multidisciplinary and multicultural teams with integrity, scientific insight, and orientation towards innovation. It is them that contribute to the quality of life of thousands of patients.



## **Pre-clinical development**

We work hard to be as fast as we can and always with the highest quality.

We believe this is an important contribution for the benefit of Humanity.

## **Clinical development**











## How we create value

Hovione has over 60 years of experience in the development and compliant manufacture of Active Pharmaceutical Ingredients (API) and Drug Product Intermediates.

With four manufacturing sites, in the USA, China, Ireland and Portugal, inspected by the U.S. Food and Drug Administration (FDA) and the European Medicines Agency (EMA), Hovione offers branded pharmaceutical customers services for the development and compliant manufacture of innovative new drugs including highly potent compounds. For generic pharmaceutical customers the company offers niche generic API manufacturing capability. Hovione also offers proprietary product development and licensing opportunities for drug products.

Hovione is a member of Rx-360 European Fine Chemical Group and participates actively in industry quality improvement initiatives to lead new global industry standards.

Hovione is a Company with a culture based on innovation, quality and delivery.

### **Brand cornerstones**

- Strong scientific / technical capabilities
- Exceptional people
- 360° Quality
- Extensive manufacturing capacity
- Rigorous project management
- Focused expertise in high performance products

## **3 primary service lines**

- Contract manufacturing services
- Generic API products
- Proprietary drug product licensing

## **01** 02 03



## 4 areas of expertise in off-patent products

- Corticosteroids
- LABA/LAMA

   (Long-Acting Beta Agonists / Long-Acting Muscarinic Antagonists)
- Antibiotics
- Mectins





## How we create value in 2020





Our Resources	C
Society 2006 employees 81% of senior management hired from local community	4 5 R +
<b>The Environment</b> 431 936 GJ energy input 533 978 m <sup>3</sup> water intake	lr fc
Employees 35 nationalities 717 female employees 91 female managers at 1 <sup>st</sup> /2 <sup>nd</sup> management level below the board	<b>T</b> 6 12 4
<b>Knowledge</b> 797 STEM employees 300 scientists	<b>3</b> 6 8 e 5
<b>Production</b> 34 801 ton raw materials input	5

## **Our Business**



manufacturing sites offices

R&D as driver for resources saving + 400 patents

nnovation as a growth driver for our markets and customers

### The Environment

65 244 ton CO<sub>2</sub>eq emissions (scope 1, 2 and 3) 123 83 m<sup>3</sup> water consumption 410 895 m<sup>3</sup> effluents

**3Rs** 6 741 ton recycled waste 8 270 ton waste recovered, including energy recovery 55% circular material use rate

### **Value Creation**



302 new jobs



1.2 the ratio of standard entry level salary compared to local minimum wage40 non-profit organizations supported

Employees 9% employee turnover 85 871 training hours 2.55 lost time accident frequency rate

Procurement
65% of spending on local suppliers

Knowledge30 PhD and masters students120 PhD new hires

Production468 ton output9% of world global FDA new productapprovals were from Hovione





## Main events in 2019-2020





## **Project Spring**

Hovione (#)

As the Covid-19 pandemic continues to evolve—turning the world as we know it upside down—, we at Hovione have the privilege of participating in many ways on the ongoing war to defeat the disease.

Sustainability Report 2019-2020

Old products, like Doxycycline, are being used to combat pneumonia—one of the most common complications of Covid-19. Others are being used as part of novel vaccines and medicines being tested to prevent or treat Covid-19 patients. Our facilities around the world are all supporting the fight against Covid-19!

"The pharmaceutical supply chain is working together in an unprecedented fashion to treat patients and save lives. Hovione is privileged to be part of this truly global response."

Jean-Luc Herbeaux Chief Operating Officer

One of the three approved therapies for Covid-19, Remdesivir, needs factories in two continents just to make the active ingredient, but it only works with an enabling excipient called Captisol<sup>®</sup> that Hovione makes exclusively.

To meet Captisol<sup>®</sup> demand associated with Remdesivir, Hovione increased its Captisol<sup>®</sup> production to produce more each month than it had previously produced annually. This sudden spike in demand required unique mobilization efforts across Hovione network to secure additional raw material supply, execute major capital expenditure projects at our sites, maximize operational efficiency, hire additional talent, and identify external partners to expand our overall capacity. To coordinate this effort, we created a specific project. We called it Project Spring.



**Hovione increased its Captisol® production to** produce more each month than it had previously produced annually.











## Hovione 🕃 Sustainability Report 2019-2020

Being a responsible company



# the chapter 02 formula

Elements to make this world a better place



## **02** Being a responsible company

Hovione (#)

**Aiming for a sustainable** world is caring for the quality of our lives, protecting our ecosystems and preserving natural resources for future generations.

In a business context sustainability is an approach to creating long-term value by taking into consideration how an organization operates in the ecological, social and economic environment. Sustainability is built on the assumption that developing such strategies foster company longevity.

Of course, sustainability is about a lot more than business and in a broader context sustainability is defined as meeting the needs of the present without compromising the ability of future generations to meet their needs.





Global greenhouse gas emissions have grown every year since the global financial crisis in 2009, at a rate of 1.5% annually.

> The 2020 World Population Data Sheet indicates that world population is projected to increase from 7.8 billion in 2020 to 9.9 billion by 2050.

The Earth's temperature has risen 1°C

since 1950 at a rate of 0.08°C annually and increasing. Current Projections for 2050 are for a 2.8°C increase.

By 2050, almost

20% of the world

population

will be age +65, against approximately 6% in 1990.

In 2008 around

50% of the world's population lived in cities

This will rise to 70% by 2050.







## **History and trends**

Hovione (#)

In recent times the importance of sustainability and the need for action has become increasingly more topical, reinforced by international agreements and community activism. But this is not a new topic.

In 1987 the Brundtland Commission's report, Our Common Future, defined sustainable development as 'development that meets the needs of the present without compromising the ability of future generations to meet their own needs.'

A few years later, in 1992, 178 Governments at the United Nations Conference on Environment and Development (UNCED) adopted the **Rio Declaration on Environment and Development**—Agenda 21 — which was a comprehensive plan of action for organizations of the United Nations addressing every area where humans impact on the environment.

The Global Reporting Initiative (GRI) was founded in 1997 aimed to create the first accountability mechanism to ensure companies adhere to responsible environmental conduct principles, which was then broadened to include social, economic and governance issues. Nowadays it is the most recognized Standard to report non-financial information. It's also the Standard that Hovione uses for its Sustainability Reports.

In 1999, United Nations (UN) Secretary-General Kofi Annan, in an address to the World Economic Forum (WEF), announced the UN Global Compact, which is a nonbinding UN Pact to encourage businesses to adopt sustainable and socially responsible policies and report their implementation. Right after that, in 2000, a total of eight goals were set for the Millennium at the UN Millennium Summit.



In 2015, a total of 193 member states of the UN adopted a 15-year action plan to achieve sustainable development. The **Sustainable Development Goals (SDGs)** address the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace and justice. There are 17 goals and 169 targets, that need to be achieved around the world, and by all UN member states.

Most recently, the European Union (EU) launched the European Green Deal with an overarching objective to become the first climate neutral continent by 2050, resulting in a cleaner environment, more affordable energy, smarter transport, new jobs and an overall better quality of life.







## The Sustainable Development Goals

### **SDGs Response**

Hovione (#)

The 2030 Agenda for Sustainable Development is a call to action in response to the global challenges faced by mankind. At Hovione we are committed to making the UN Sustainable Development Goals (SDGs) a reality.

Based on the materiality analysis conducted, we identified those SDGs where we can make the most direct contribution and we are proud that through our actions we contribute to those SDGs.

## SUSTAINABLE G ALS

### **Core SDGs**

These SDGs are central to what we do, providing an opportunity to create longterm sustainable value.



### **Supportive SDGs**

Responding to these SDGs provides an opportunity for sustainable economic growth through more responsible management of resources, generating value in communities and establishing partnerships.







## Being a responsible company

Hovione (#)

We desire to maintain and enhance our reputation as a Company focused on honesty and uprightness, committed to behaving in an ethical way and running our operations in full compliance with all legal requirements governing our business.











## **Governance and Business Ethics**

Hovione (#)

Hovione has remained to this day a family-owned group in the specialized pharmaceutical sector. Its shareholder structure has remained essentially unchanged since 1964.

Hovione has a two-tier management structure consisting of a Board of Directors and an Executive Committee:

- The **Board of Directors** supervises the Executive Committee, chaired by an independent non-executive member, determines the company's general strategy and monitors its implementation and performance, ensures proper management and organization and, as such, actively contributes to its development. The Villax family has a strong representation in the board.
- The **Executive Committee** manages Hovione's activities, with each member having responsible for a specific area of the business.

### **Board of Directors**





**Diane Villax** Founder-Chairman

of the Board

**Committees of the Board of Directors** 

AFRC—Audit and **Financial risk Committee** 

**GRC**—Governance and **Remuneration Committee** 

**DTO**-Development and **Technical Operations Committee** 

**Science Committee** \*\*committee under constitution\*\*

Committee Chair









## **Governance and Business Ethics**

Hovione (#)

Since its foundation, Hovione's activity has been governed by ethical values. These are expressed in our sense of responsibility and diligence towards the Company and towards each other; in our compliance with the law and in our courteous and respectful behavior.

Strong Governance, ethical business practices and Legal and Compliance, are crucial to Hovione's activity and help ensure the Company's daily journey towards market leadership. They form the foundation of our governance model.

Operationally, Sustainability is led by the Global Health, Safety & Sustainability team, who have a remit to manage the Global Sustainability strategy and to monitor and report on performance, reporting directly to the CEO. This team works with other global teams such as Operations, Engineering, Procurement and Human Resources in addition to the Site Management teams to identify opportunities for improvement and to integrate sustainability practices within the business.

## **Executive Committee**





**Guy Villax** CEO

Jean-Luc Herbeaux COO



**David Basile VP** Technical Operations Americas





António Almeida CFO



Luís Gomes SVP Operations

**Filipe Gaspar** Chief Technology Officer



**Tiago Ferreira** de Matos General Counsel



Ilda Ventura VP Human Resources





## **Business Ethics**

Hovione's culture remains faithful to the values established by Ivan Villax, since its creation, remaining constant over 60 years:

- Our principles: honesty, integrity, transparency, family, partnership and resilience;
- We are originals due to our recognized team for winning ideas, the constant search for innovation, creativity fostered by diversity and for always believing in the impossible;
- We deliver with dedication, rigor and maximum quality, prioritizing our customers.

These define well the way Hovione conducts its business. They are rooted in the company and demonstrate the continuous work in solving complex problems and providing solutions, which is highly valued by our customers and ensures a continuous trusting relationship with all stakeholders.

Hovione Code of Ethics establishes fundamental rules of conduct which govern relationships between Hovione's employees and board members, as well as with our Clients, Suppliers, Leaders, Competitors, Shareholders, Public Authorities, and the Community.

### The main areas of the rules of conduct

Fraud



Hovione's ethical principles aim to establish and develop transparency and integrity in all our relationships. While the Company strives to defend and promote scientific, industrial, commercial, and financial interests, truth and honesty are valued above all. Hovione commits to labor practices that support the principles of diversity, inclusiveness, equality and pay that is fair and competitive and we seek to offer challenges and opportunities for personal development to all.

This code of ethics is a set of principles. Local Hovione companies use them to develop additional internal procedures (if required) under local laws, regulations and local custom or business.







## **Reporting Misconduct**

Hovione has created the **Speak-Up Policy** with the purpose of addressing potential wrongdoing or unethical behaviours, and to make sure that appropriate corrections are taken when appropriate.

Hovione's Speak-up policy covers all activities across all our sites, by Team members, clients, contractors, suppliers, and third-party providers. The Speak-up program is used when the normal mechanisms of escalation and oversight have been exhausted and or are not appropriate.

The Speak-up policy is governed by an external organization assigned to provide independent confidential reporting service to all Team Members.

Access to this policy is guaranteed to all, and everyone has the right to raise concerns, knowing that they will be taken seriously and that all situations will be properly investigated.

Get to know the full story here

Hovione (#)













## Sustainability at Hovione

Hovione (#)

As a company we want to achieve success in business by meeting the highest standards of social and environmental performance; we want our Team Members to be successful while balancing the competing demands of work and home; and we aspire to use the power of markets to solve social and environmental problems. For us it is paramount the construction of a robust and prosperous business for the long term that serves society by harnessing science and industry.

Sustainability is fully integrated into the business strategy and makes the best use of science, innovative technologies, systems and business practice to ensure we endeavor to protect the environment, giving back to society while conducting business in a responsible way.

Our objective is to take an holistic approach, considering every aspect of the organization: from manufacturing to logistics; from the products we make to the waste we dispose-off, and the resources we consume. We use our business sense to take sound and long-term decisions that allow us all to be proud of everything we do.

Our duty largely exceeds the strict legal compliance of our business conduct and we take our responsibility to the Community seriously: **we believe we can contribute to a better society**.

Key to this is our Human Resource strategy which plays a critical role in developing an innovative and resilient workforce, aligned with our sustainability vision.







## **Our Policy**

Hovione (#)

Hovione is a family business, and its paramount goal is the construction of a robust and prosperous business for the long term that serves society by harnessing science and industry.

To ensure our long-term viability we will contribute positively to economic, environmental and social sustainability.

These concerns are embedded in our core values and purpose. Sustainability is fully integrated into the business strategy and makes the best use of science, innovative technologies, systems and business practice to ensure we endeavor to protect the environment, giving back to society while conducting business in a responsible way.

We will not make sustainability depend on a pay-back, for us sustainability is a matter of principle, it is simply another dimension

of our integrity. We do not just comply with legislation minimums, we want to be ahead and proactively act as a force for good.

These are tough commitments and difficult goals, requiring from us all the courage and wisdom to take new decisions in a new dimension. We know we will not build Rome in a day, but we will not lose a moment. We will be decisive, generous and relentless because we have set for ourselves a high bar: to be competitive and sustainable.

As we grow our business, we want to impact our environment in a positive way and contribute to the social dimension of those that surround Hovione everywhere we operate, from sourcing materials to the interaction with our local communities. In the long run, we will be proud of our work and we wish to inspire others.



"Hovione is committed to doing its part for a better world. We do the right things, in the right way, for the right reasons."

**Guy Villax** CEO for the Management Board





## Our **Sustainability Principles**



Hovione (#)

## **1. Real Change**

We aim to balance Profit, People and Planet. This idea of the "Triple Bottom Line" has been in vogue for over 25 years and in recent years has come into some disrepute, not because of its ideals but because it has become a marketing tool for some companies, rather than a tool to drive real change. To genuinely live our sustainability policy, real change is required, and this change needs to be extensive and transversal.

We must change our activities and do "Better Things" as well as do "Things Better".



## **2. Sustainable Accounting Standards**

We will adopt sustainable accounting standards so that we can assign an economic value to our social and environmental impact. Finance will extend its scope of competence and its responsibility to the measurement of company impact on people and planet and incorporate such systems into:

- a. our annual budget system;
- **b.** the company performance appraisal system;
- c. into the business case methodology used to justify investments i.e., ensuring the pay-back considers not only profitability but also people and planet.



## **3. Equality**

We wish to become an industry role model in how we deal with issues such as equality and inclusiveness. Human Resources will actively drive policies to measure, monitor and promote equality for all and will actively seek hiring opportunities for those with disabilities.

### 03 01 02



### 4. Decarbonization

We will seek to minimize our reliance on fossil fuels. The use of foss fuels for utilities and heating will also be minimized and steps will taken to minimize the impact of business travel.

Digital meetings will be prioritized and when travel is required, the scheduling and duration of travel will be designed to minimize impact



### **5. Circular Economy**

We will develop and implement strategies that promote less consumption and make the best use of what we consume. We will start with projects intended to minimize our consumption and reus of "Water" and "Solvents". Beyond our supply chain we will seek opportunities for the reuse of our waste materials in other industrie

We will also seek to develop "Greener" production processes, working with our customers and utilizing Innovation and Development by Design approach to target processes and materia which have a lesser Environmental Impact.

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## **Transforming Hovione** to a more Sustainable **Company is a journey**

Hovione (#)

Transforming Hovione to a more Sustainable company is a journey. Sustainability maturity models reflect different milestones on that journey typically starting with Compliance and moving in stages through Risk Management and Efficiency to Leadership.

The Covid-19 pandemic showed the world the effects of ignoring long-term risks. A global pandemic has affected the economy, increased disparities and augmented social fragmentation. Societal fractures, uncertainty and anxiety will only increase if we fail to address the Sustainability challenge.

The iconic pictures of Greta Thunberg sitting on the steps outside her school or speaking at the United Nations reflect the increasing recognition by communities and consumers that we need a more sustainable society. As individuals and as a company must all play our part.



### 01 03





## **Stakeholders Engagement and** Communication

Hovione (#)

Stakeholders are fundamental to business development and Hovione recognizes their importance and role in influencing the long-term direction and success of the company.

For Hovione, it is a priority to continuous engage with and be attentive to their communications or suggestions and to reply to requests addressed by them, which is why Hovione has developed specific engagement strategies aimed at understanding and responding to individual expectations and interests through the most appropriate channels.

Conferences Webinars Press Releases Hovionews Internal events

Conferences Articles **Press Releases** Scientific Presentations Intranet Hovionews Internal events

> Hovionews Internal events





## **Materiality** identifying what matters

Our material topics articulate what matters most to our business and our stakeholders.

This awareness is crucial for identifying and managing our risks and opportunities, and therefore effectively answering to our stakeholders.

For this reason, in 2020 we conducted an internal revision of the previous materiality assessment carried out in 2017, so that we could better understand the material topics relative importance and identify new and emerging issues.

All the procedure of the materiality assessment and our new material topics are presented in the following scheme.

Hovione will continue to monitor the relevancy and importance of these topics to our business and stakeholders and will evaluate conducting future assessments, since what our stakeholders consider to be ESG material issues may change over time.

As we identify emerging ESG topics, trends, risks, and opportunities, Hovione will continue to engage with its key stakeholders to ensure we address the most strategic and impactful topics to our business and the communities in which we operate.

- Governance and Business Ethics
- Legal and Compliance
- Community Engagement
- Energy and Climate

### Our materiality assessment was comprised of three key steps:



We analysed insights and information from a range of external and internal sources to identify the issues relevant to our business. These included:

Benchmarking peers and sector & industry associations; Research into sector and industry megatrends.

### Outcome

This research formed the basis of a list of material issues which were used in surveys and interviews. It also informed our reporting of our global context.

In-depth interviews were conducted with senior leaders to allow for a deeper dive into Hovione's material issues. Senior leaders included executive committee and Board members as well as leaders from other departments.



Qualitative outcomes of interviews, along with our broad understanding of stakeholder perspectives, were used to rank each issue into the materiality list.

### Outcome

The outcome of the materiality assessment we reviewed by Hovione's Sustainability Area and, finally, reviewed and approved by the Board

### **Our material topics**

- Waste and Circular Economy
- Water Management
- Inclusion, Diversity, and Non-Discrimination
- Safety
- Wellbeing
- Talent Management
- Innovation and R&D
- Supply Chain Management
- Product Safety, Quality and Supply



## How we watch our progress

Hovione commitments in the market is strengthened by its participation in associations and organizations in the sector and by the commitments it subscribes to.

## Change is important. Monitoring Change is essential.



'he International harmaceutical

### **RX-360**

In 2009 we were one of the founding organizations of the International Consortium of pharmaceutical and biotech companies. This group aims to develop a global quality system to ensure product quality throughout the pharmaceutical supply chain.



### **RESPONSIBLE CARE**

Responsible Care is the global chemical industry's unifying commitment to the safe management of chemicals throughout their life cycle, while promoting their role improving quality of life and contributing to sustainable development. Hovione is part of the Responsible Care Program since 1995.

### ecovadis **Business Sustainability Ratings**

### **ECOVADIS**

Ecovadis is a Business Sustainability Rating Platform. As we grow, we want to impact our environment in a positive way and contribute to the social dimension anywhere we operate, from sourcing materials to the interaction with our local communities. We joined Ecovadis in 2016.



Hovione (#)

### GRI

GRI (Global Reporting Initiative) is the independent, international organization which provides the world's most widely used standards for sustainability reporting—the GRI Standards. GRI pioneered sustainability reporting and, today, the GRI Standards are the leading global standards for organizations to report on economic, environmental and social impacts. Hovione follows the GRI reporting standards since 2015 when compiling and reporting its Sustainability reporting data.



### **B** CORP

B Corporations are businesses that meet the highest standards of verified social and environmental performance, public transparency, governance and legal accountability to balance profit and purpose. B Corps lead a growing global movement of people using business as a force for good. In 2017 Hovione became the 1<sup>st</sup> chemical / pharmaceutical company certified as a B Corporation.



### ISO

ISO stands for International Standard Organization, which Is a worldwide federation of national standards bodies.

- ISO 14001:2015 specifies the requirements for an environmental management system.
- ISO 45001:2018 specifies the requirements for an occupational health and safety (OH&S) management system.
- ISO 50001:2018 specifies the requirements for an energy management system.









In 2020 Hovione was awarded

## 2 bronze 1 silver

by Ecovadis for its operations in Portugal, Ireland and the United States. Every year BLab recognizes the top performing Certified B Corporations around the world. In 2018 and 2019 Hovione was in the top

10%

of BCorps that are best for Customers.





In 2021 two Hovione's facilities in Portugal received

**gold & silver** LEED certifications. Our Cork Facility was certified to

## ISO 50001

with respect to Energy management in the production of API and drug products.





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## **Product Safety, Quality and Supply**

**Product safety, quality and good** supply is a mandatory requirement for the manufacture of products within the boundaries of Good **Manufacturing Practices (GMP).** 

The importance of product safety and quality is consistently reinforced by the management not only internally to all employees, but also externally to all stakeholders.

Hovione produces medicines for patients in need. We are proud to work with our clients on new developments, to commercially manufacture important drugs and medicines that make a difference to people's lives and their families. Two things are of utmost importance -our products must be safe, effective and on time. We consider it a privilege to serve patients.

**Constantly changing!** In 2018, Hovione launched a transversal program, named **ETC** (Experts Transforming Capacity), to identify our productivity pain







points, design solutions to address and then successfully implement them. This program identified 25 initiatives designed to ensure we have the right processes, organization and operational performance required to increase our productivity. After more than 2 years of implementation the program reached its conclusion in December 2020. By then all initiatives were internalized within their own areas, which are responsible to ensure their sustainability and continuous improvement as "business-as-usual".







## **Innovation and R&D**

Hovione relies heavily on R&D and Innovation to guarantee long-term sustainability of the Company.

**R&D and Innovation represents more than 10% of Hovione's workforce.** 

Innovation lets us make better products and work better, leaner and quicker. Entrepreneurship turns risk into value and makes us more competitive. This is the core of our **» Innovation & Entrepreneurship Policy**.

The R&D department develops new processes that will be used during product manufacturing. Consequently, it has a crucial impact on the efficiency and sustainability of our commercial operations which apply these processes.

Our Innovation department sponsors new ideas and proof-ofconcept projects that, if successful, will have a material impact on the safety, quality, yields, cycle times and sustainability aspects (namely, emission levels, waste streams quality and quantities).













### **Sustainability in chemical processes**

Hovione has developed the proprietary tool PRIME—Process Ranking of Inputs from Manufacturing and Environment which evaluates multiple aspects of each process, including eco-scale factors. Through in-depth knowledge and modelling, we are continuously reducing both the need for experimentation and for the consumption of active pharmaceutical ingredients and organic solvents during the development phase. The impact of this tool will be determined in the coming years, as it was launched its potential was recognized by the industry in the CPhI awards.

### **Innovation with positive impact**

Being an innovation hub for the development of new processes, products and services with low environmental impact is our major commitment. To achieve that in September of 2019 Hovione joined The American Chemical Society Green Chemistry Institute Pharmaceutical Roundtable (ACS GCRT) as an associate member.

Virtual Tour to our R&D Center in Portugal





## Hovione Research Program

Hovione (#)

Hovione's business is, at its core, highly scientific and technological. The Hovione Research Program (HRP) was created in 2009 to stimulate our R&D scientists and to deepen our know-how in areas of interest. Secondary goals include the widening of our knowledge base, networking with the local academic community and the identification and capture of talent from scholars participating in the program. We continue to encourage that spirit by maintaining strong relationships with our academic colleagues, and by supporting their work through collaboration and funding opportunities. All these activities are legally framed by confidentiality agreements and specific contract agreements with universities. Currently, we have 15 PhD thesis ongoing. We also had 14 MSc students per year to do their research project at our labs or manufacturing sites. In the last 3 years, the retention of PhD is 100% and MSc retention is around 50%.

## Innovation Awards 2019



FY19	FY20
124	63
6	20
13	17
	124 6







## **Supply Chain** Management

Hovione (#)

We partner, connect and align with suppliers to shape solutions that help Hovione reach its growth and profitability objectives; we challenge and innovate our internal processes, providing our customers a user friendly, transparent, and efficient procurement experience; and we reduce our supply chain risk through a rigorous and robust supplier relationship management approach.

The success of Hovione is linked to the efficiency of its supply chain. A well-managed supply chain significantly mitigates business risks connected to that chain, which contributes to a greater profit. It supports the strategic plan for the business and helps to build the infrastructure to support future growth, even on a global scale.

In the context of Supply Chain Management, suppliers at Hovione, are as important as our customers. Hovione relies on suppliers to bring us innovation and create customer value. In a regulated industry as the one Hovione operates, our suppliers are critical in terms of Compliance, Quality, and the Company reputation.

Suppliers engaged with the new "Sustainability **Principles for Suppliers** 

Percentage of local supplier





	2018	2019	2020	
		ry 2021 the red with all		
ers	60%	57%	65%	

In 2019, a Procurement Center of Excellence for Sustainability was created with the mission of introducing and embedding sustainability principles into Hovione's Procurement practices and to reach to our supplier network raising their consciousness to the topic. One of the first actions was to develop and publish a formal policy stating our core sustainable procurement principles what is expected from our suppliers.

The "Sustainable Procurement Principles" policy states the responsible business practices such as Labor, Ethics, Environment, Health and Safety we expect our supplier to comply with. These principles were as well incorporated into our Procurement Policy as well as in our Purchasing Terms & Conditions.

Visit the Sustainable **Procurement Principles** 







## **To Our Communities**

We aim to go beyond the strict legal compliance of our business conduct, and we take our community responsibility seriously—we believe that we can contribute to a better society.

At Hovione, we aim to impact the largest number of people possible, supporting social, educational, health and environmental organizations and local authorities. We support organizations that help others—whether these are local schools, fire departments, NGOs, arts and sports organizations—as well as applications that have outstanding merit or worth.

Hovione is committed to doing its part for a better world. We do the right things, in the right way, for the right reasons. Historically Hovione has always played an important role in the communities in which we have established operational sites. This remains true until today. We actively work towards positive outcomes, providing support in our areas of expertise, and maintaining rich and useful relationships with community members and institutions.

We believe that we can contribute to solving global challenges by being part of local solutions.

### **Our Global Responsibility Policy**

In 2019, we published our first version of the Global Responsibility Policy. We believe that we can contribute to solving challenges by being part of local solutions. Whenever possible, we establish partnerships with organizations that are dedicated to and specialized in areas in which our Social Responsibility is focused. We aim to support a small number of projects with the potential to create the greatest impact at both local and global level.

36



Hovione (#)






# More than 40 non-profit organizations were supported by Hovione

### Education

Hovione (#)

Hovione has promoted and supported a program SDG@Loures, aiming the development of projects with direct contribution to the United Nation SDGs in local schools, by students.

### **Environmental protection**

Hovione has challenged two local scout groups to develop environmental initiatives.

### **Social Support Health and Well-being**

Hovione supports the work of the NGO World Doctors. In 2020, the intervention involved providing basic health care to individuals living in vulnerable social contexts.

### Humanitarian support

Concern Worldwide is an international humanitarian organization. In 2020, Hovione grant supported Concern, to reduce the risk of HIV infection among 1200 vulnerable adolescents in 20 primary schools and communities in Kenya.

### **Local communities**

In the last years, we have been organizing a Solidarity Running Race for the community of Loures, Portugal. In 2021, due the pandemic situation, a decision was taken to move forward with a virtual run. Participants across the globe have joined this virtual initiative. "We want to be part of the solution for local challenges by providing the fishing rod to those in need, rather than providing fish."

Guy Villax





# Valuing our People

As a Company Protecting the Health and Well-being of our staff and ensuring that they have a work environment which provides them with the opportunity to maximize their talents without regard to race, gender, sexual orientation, or any other source of discrimination is one of our main priorities.





Diversity and Inclusion











**Talent Attraction** and Retention



**Occupational Health** and Safety

### Commitments

- Vouching principles of diversity, at all levels of the organization, to promote an inclusive workplace.
- Promoting equality, ensuring women's full and effective participation and equal opportunities for leadership at all levels of decision-making.
- Investing and promoting a work environment where everyone feels well at work, balancing work, and life.
- Continuously building a working environment that inspires people to grow and develop, a place where everyone wants to work.
- Providing a work environment where everyone feels well and safe and to protect our employees, our communities, and our assets, through the promotion of Sustainable World-Class Safety Culture and a focus on effective management systems.





Hovione 🔃 Sustainability Report 2019-2020

# chapter 03 the action

### Our Performance

01 02 03

Elements to achieve the highest expectations



# Diversity & Equal Opportunity

Our corporate culture embraces diversity and equal employment opportunity. We are committed to maintaining a workplace environment free from discrimination and harassment. Practices that discriminate based on race, sexual orientation, political affiliation, disability, religion, age or gender and these practices are codified in our corporate policies.

**AsIAm**, Ireland's National Autism Charity is supporting us by increasing our awareness of autism and in making our sites autism friendly. Supporting this initiative is **Specialistern** an organization which specializes in recruiting and supporting talented Autistic people and those with ADHD, Dyspraxia/DCD, Dyslexia, and similar challenges. Over the last 18 months they have worked to ensure our recruitment practices access the widest pool of resources possible and that our job vacancies are accessible to the wider community. We also celebrated a partnership with, **APSA (Associação Portuguesa de Síndrome de Asperger)**. This association is now supporting Hovione in managing the integration of people with Asperger syndrome in the Hovione Group.



Hovione (#)





2018 **1745** employees

2019

**1889** employees

2020

2006

employees

### Commitments

- Vouching principles of diversity, at all levels of the organization, to promote an inclusive workplace.
- Promoting equality, ensuring women's full and effective participation and equal opportunities for leadership at all levels of decision-making.
- Investing and promoting a work environment where everyone feels well at work, balancing work and life.
- Continuously building a working environment that inspires people to grow and develop, a place where everyone wants to work.
- Providing a work environment where everyone feels well and safe; and to protect our employees, our communities, and our assets, through the promotion of Sustainable World-Class Safety Culture and a focus on effective management systems.









# Hovione has people from **35 different nationalities.**









# **Talent Attraction**, **Health and Wellbeing**

At Hovione we believe that our employees are at the heart of our success.

That is why we invest time and apply focus, rigor and commitment to our "Hire to Retire" processes.



Hovione (#)



Hovione is grateful to the individuals that dedicate or have dedicated all, or a large part, of their professional life to making Hovione a great company.

Hovione commits not only to creating mechanisms for all to share in its success but also to providing working conditions that promote everyone's well-being and inspire collaboration and mutual trust.

We believe it is important that we recognize our talents and that we provide them with the right opportunities to develop emotionally rewarding and satisfying careers, thus maintaining and developing a highly skilled and motivated workforce, which translates into happy clients, who, in turn, translate into long-term sustainable business.

We are expanding our manufacturing capacity and adding a new R&D facility. These are times of wonderful opportunity for all our Team Members to grow professionally, take ownership and be accountable in their respective jobs.

At the same time, this growth puts a lot of pressure in our lives—we are expected to do more, make decisions at a faster pace, take risks, deliver at the expectation level of our customers and be flexible to react to changing plans. These circumstances can cause stress, unbalance our professional and personal lives and make us neglect our health and well-being.

Hovione has implemented a Health and Well-being Policy to promote healthy behaviors, reduce stress and provide the conditions for Team Members to take care of their own health, to find the time to renew and restore their energy.

There is an ongoing concern for personal well-being, which includes having workshops on topics as varied as healthy eating, stress management or mindfulness. Each site Wellness Committee ensures support and mindfulness programs, engagement and wellness initiatives. During the pandemic, we helped our employees in different ways. We provided direct assistance by offered unlimited quantities of disinfectant gel and masks to team members and their families and by enabling the purchase of essential food goods at our facilities. Indirectly we offered flexible working arrangements and home working where possible.

We are equally committed to doing our best to provide healthy food during working hours, to encourage healthy habits and to support the development of the young children of our Team Members.

	2018	2019	20
Total number of new employees hire	321	372	30
Rate of new employees hire	18.4%	19.7%	15.
Total number of employee turnover	171	190	183
Rate of employee turnover	9.8%	10.1%	9.1
Hours of training	85 229	96 414	85







5.1%

33

.1%

5 871

# **Employee engagement** and enablement survey - Spotlight

The results showed some improvements in the focus areas when compared to the previous survey, and also highlighted areas which can be improved. We will continue to place a strong emphasis on providing a stimulating and professionally challenging workplace for all employees.

Each year we conduct an Employee Engagement and Enablement Survey as one of the many ways of receiving feedback from our Team Members. We are interested in measuring our performance against indicators that we know drive high levels of Engagement and Enablement, such as, Respect & Recognition, Authority & Empowerment, Pay & Benefits, Development Opportunities and Collaboration.

In 2020, the response rate to the survey was 90%, an increase when compared to 2018. This was the highest participation rate from the last 4 years, globally and across all sites.

The employee effectiveness profile showed the level of engagement and enablement for Hovione employees' and how they interrelate: 53% of the employees are engaged and enabled, they feel productive and efficient, willing and able to perform at their best.





### **Global Effectiveness (%)**





Hovione (#)



### 01 02 03

**Global Enablement (%)** 

Top Dimensions						
1	Quality & Customer focus	Favorable				
2	Integrity & Respect	Favorable				
3	Strategy & Business Direction	Favorable				
Top S	trenghts					
1	Hovione operates in an ethical manner	Favorable				
2	Hovione is socially responsible	Favorable				
3	My work area is safe	Favorable				
4	l am treated with respect as an individual	Favorable				
Тор С	pportunities					
1	Pay & Benefits	Favorable				
2	Collaboration	Favorable				
3	Work, Structure & Process	Favorable				



# **Hovione Social** and Sports Club

Hovione (#)

Hovione has a Social Sports Club on each manufacturing site. These Clubs are composed of company Team Members of different departments whose main objective is to promote cultural, social and sports activities. This allows Team Members and their families to enjoy some moments of relaxation.

In 2019/20, about 44 different activities were undertaken involving over 2600 participations. The activities included theatre, cinema, workshops, sport tournaments, guided tours, summer camps among other recreational offerings.





# TOGETHER AS HOVIONE



# Hovione VIRTUAL RUN JUN 4<sup>™</sup> 5<sup>™</sup> 6<sup>™</sup> 2021











# **Occupational Health** and Safety

As a manufacturing organization engaged in the production of life saving medicines, Hovione stores and handles chemicals and engages in activities which can be hazardous to the health and well-being of our employees and collaborators, as well as to the communities in which we operate. Safe operations are thus of paramount importance, and that is why Hovione promotes policies and working methods which place "Safety First".

Safety is a compulsory subject matter for everyone at Hovione. Because there are risks, we have developed ways to control and reduce them—Safety is a learning process. Each team member in one's workplace is responsible for her or his own Safety and that of those around her or him.

Hovione is committed to provide a safe work environment to protect our employees, our communities, and our assets, through the promotion of a World-Class Safety Culture supported by effective management systems.

Our Management System is aligned with the ISO standards and follows the Plan Do Check At (PDCA) principles. This helps us ensure that performance is monitored and the necessary actions to drive improvements are identified and continuously implemented.



**A Framework** for a Mindful **Safety Culture** 



Hovione (#)



An HSE complaint mechanism is in place at Hovione, which assigns a multidisciplinary team to investigate the root cause of the complaint and to define the corrective/preventive actions that will mitigate the risk of its re-occurrence to a minimum.

Everyone	Supervisors	Managers
Follow Rules	Ensure Compliance	Set High Standards
Speak Up	Encourage the Team	Communicate Oper
Be Mindful	Promote Risk Awareness	Confront Risk
Get Involved	Involve the Team	Involve the Workfo
	Follow Rules Speak Up Be Mindful	Follow RulesEnsure ComplianceSpeak UpEncourage the TeamBe MindfulPromote Risk Awareness







# **Occupational Health** and Safety

Hovione (#)

Hovione has established a dedicated global HSE function to provide guidance and governance to its occupational, health and safety management program. All facilities have dedicated HSE staff focused on the management and oversight of occupational health, safety and environmental risks. Each site HSE report to site management and to corporate HSE to ensure functional alignment.

In 2020 the HSE leadership Team was formed in recognition of the benefits that can be gained when sites align on priorities and work collaboratively to maximize productivity, enable the sharing of best practices and align standards across the organization.

		2018	2019	20
	Fatalities resulting from work-related injuries	0	0	0
Employees	High-consequence work-related injuries (excluding fatalities)	0	2	3
	Recordable work-related injuries	27	15	28
	Fatalities resulting from work-related injuries	0	0	0
Non-Employees	High-consequence work-related injuries (excluding fatalities)	0	0	1
	Recordable work-related injuries	8	14	12

In 2019 and 2020 we launched the programs of "Material Safety Cards", promoting awareness about the risks and handling conditions of chemical compounds.

Also the Industrial Hygiene Toxicological **Evaluation Program was streamlined,** allowing for 153 toxicological evaluations in 2020-for occupational health categorization (OHC), occupational exposure limits and permitted daily exposure (OEL/PDE) determination.





# **Reducing the Environmental Impact**

At a time when the physical environment is under so much pressure and the impact of climate change increasingly evident, we are committed to reducing our carbon footprint and lessening the environmental impact of our operations and products.

**Material Topics** 



















Energy and **Climate** 

Waste Management & Circular Economy

### Commitments

- Use energy efficiently and to reduce operational carbon emissions, contributing to a low carbon economy.
- Reduce manufacturing waste footprint and contribute actively for the circular economy, by adopting the key pillars of waste management: reduce, reuse, recycle and generate energy from waste.
- Secure a Safe Wastewater discharge, reducing the risk of microbial resistance to APIs.

Water Management





# **Energy & Climate**

Energy usage is a major contributor to Hovione's Carbon Footprint. Hovione is committed to improving our energy efficiency. We are investing in more energy efficient equipment and energy efficiency is a key consideration in the design of our new facilities.

We are also improving our governance around energy management with recent certification to ISO 50001 in Ireland and LEED certification of buildings in Portugal and Ireland. LEED (Leadership in Energy and Environmental Design) is one of the most widely used green building rating system in the world.



### Renewable energy



### Energy usage typ



<b>ed (GJ)</b> 403,595	Efforts have been realized to secure third-party electricity fro certified renewable sources. This is assured for Portugal and I since 2017 and for New Jersey since 2020. Hovione is working their local suppliers in Macao to provide electricity from certi
403,333	renewable sources.
414,601	
431,936	In 2019 and 2020 photovoltaic panels were installed in the tw facilities in Portugal (Loures manufacturing plant and in Lumi R&D centre). Macao site substituted two high energy consum cooling water chillers for more efficient ones, allowing for an
	consumption reduction of 168,5MWh/year.
gy (%)	Initiatives far least renewable spergy production with photoy
36%	Initiatives for local renewable energy production with photov panels lead to the increase of renewable energies weight in tl energy consumption value, from 39% in 2018 to 43% in 2020.
6	
53%	Projects like ISO 50001 and LEED certifications, brine and HV temperature optimizations and replacement for efficient cool equipment, led to an improvement in the energy consumptio ton of production.
pes FY20 (%)	
59%	













## **Energy & Climate**



**Loures** site implemented an optimization project on the compressed air production system. The project was lead by Engineering & Maintenance teams, aiming to improve energy efficiency in the compressed air production, by allowing for two pressure networks (high and low pressure air) dedicated for each users pressure requirements. This eliminated the energy consumption required to reduce from high compressed air (13bar) to lower requirements (8bar).

This project also includes further acquisition of a hybrid dryer with a technology that will further reduce energy consumption for the production of dry compressed air at 8 bar. It is estimated to reduce in 42% of energy consumption for the drying process.





### **Energy consumed per ton of product (GJ/ton)**



### 01 02 03



**Cork** site has a large utility infrastructure and generation capability across all site services . ISO 50001 framework was adopted to support a management strategy on site to:

- 1. Map large energy users;
- 2. Confirm generation efficiencies;
- 3. Measure distribution and point of use losses;
- 4. Target energy reduction;
- 5. Support continuous improvement through the development of an opportunity register and de-carbonisation program.

A 5-year energy reduction program in FY2019 was launched by Engineering and Utility teams to reduce the energy usage. The site engaged in a national scheme that independently verified energy reduction on site.

Energy consumption targets were set for all major energy users, and a cross functional team was convened weekly to review both positive and negative variances and determine root causes.

Working within the ISO 50001 framework supported the reduction of 1,328 MWh across the financial years FY19 and FY20, the equivalent reduction of 3,676 tons of carbon dioxide released into the environment for that period.

ISO 50001 is a recognized international standard for energy management, certification demonstrates our commitment to sustainability both within the local community and to our customers.













# **Carbon Footprint**

Since 2016 we calculate our carbon footprint. This methodology for calculation of the greenhouse gas (GHG) emission inventory was updated for 2019 and 2020.

The calculation for 2018 was reviewed to ensure that the same criteria were applied to all fiscal years. Operational boundaries were defined according to the GHG Protocol Corporate Accounting and Reporting Standard guideline.

Hovione total emissions GHG emissions (Scope 1,2 & 3) declined by about 7% per annum within the last three years.

The major parcel for the GHG emissions result from activities which the company indirectly impacts in its value of chain, under Scope 3.

In FY20 Scope 3 was responsible for almost 58% of Hovione's emissions, followed by Scope 1 (31%) and Scope 2 (11%).









### 01 02 03









# **Carbon Footprint**

In 2017 Hovione has set the objective of reducing the total amount of GHG emissions by 15% during the 2017-2021 period, when compared to the base year 2016.

This objective was accomplished in 2019, and in 2020 the GHG emissions were reduced in 21% compared to the baseline year. 21% reduction on GHG emissions from the baseline was a great achievement, nevertheless we understand the importance to minimize our reliance on fossil fuels.

We are seeking to decarbonize our activities: onsite renewable electricity production, "drive electric" is company policy and facilities will support and encourage the use of electric vehicles, the use of fossil fuels for utilities and heating will also be minimized and steps will be taken to minimize the impact of business travel.



FY16 Baseline

FY19

FY20













# **Carbon Footprint**

Projects like solar panels installation contributed to a lower impact of the energy production. LEED certification and cooling equipment replacement for more efficient ones contributed to a lower consumption of energy and consequent lower levels of emissions. These improvements, in energy production and in a more efficient use of it, led to a great decrease of GHG emissions per ton of production.

The location making the biggest contribution to Hovione's total Carbon Footprint is Portugal (57%), followed by Ireland (19%), Macao (14%) and New Jersey (10%). The R&D nature and high product turn-over from New Jersey and Loures sites, respectively, makes them the two sites with major carbon footprint per ton of product.

Portugal and Ireland sites had direct emissions rise between FY19/20, mainly due to higher natural gas consumption. Both sites had significant reduction in scope 2 emissions during FY19/20 reflecting the sites switching over to certified renewable energy supply.

The New Jersey site is the only Hovione site where scope 3 emissions constitute less than 40% of the site's total GHG emissions, namely 31%.





### GHG emissions per ton of product per site FY20 (tons of $CO_2 eq/ton$ )









# Waste Management and Circular Economy

Hovione as a company has always understood the need to manage its activities in a way that protects the Environment. Most of our waste is originated during the usage of hazardous materials during manufacturing operations. We aim to work in the most efficient possible way, following a clear hierarchy of waste management: prevention, minimization, reuse, recycling, energy recovery and proper disposal of remaining waste.

From FY18 to FY20 we have reduced the generation of waste by 10,6% across all our installations. Hovione recycles and recovers every year over 80% of all waste produced, of which more than 37% are recycled internally and externally.



### Waste treatments carried out FY20

On-site storage

Incineration

Recovery, including energy recovery







### 53



# Waste Management and Circular Economy

Hovione (#)

The daily effort in reducing the production of waste in our operations is visible: in FY20 our waste footprint per finished product decreased 65%.

API manufacturing processes are solvent intensive. We want to reduce our environmental impact from our operations, for that Hovione has proactively defined environmental protection measures and has made significant investments to recycle and reuse these solvents. In the last years we have taken actions to reuse and recycle solvents such as dichloromethane in Loures site and methanol in Macao site.

We have strengthened local partnerships with external waste management companies to secure recycling and recovery of waste outside our installations, complement internal capabilities for recycle and energy recovery.

Waste recycled, reused and recovered FY20(%)

Waste produced per site FY20(ton)

Waste produced per ton of product (ton/ton)













# Efforts to better manage our waste and towards a circular economy

Hovione's commitment to a more circular economy involves the adoption of recycling technologies, whenever feasible, as one of our main goals. Hovione is also committed to making the best use of its R&D capabilities to follow the hierarchy of waste management, seeking to develop "Greener" production processes, working with our customers and utilizing the functionality of "PRIME" tool to target processes and materials which have a lesser Environmental Impact.

While doing this, Hovione looks to holistic solutions that are not exclusively confined to its own plants, e.g., recycling and reuse a particular material through a third party may have priority over internal energy recovery. By understanding the importance of circular and sustainable use of resources, we start to monitor and mapping global circular metrics to better understand where we are and how we contribute towards a circular economy. This was our first approach to circular metrics and was based on the rate of raw materials consumption and waste products reused, recycled and recovered, giving a circular material use rate. We are committed to develop and implement strategies that promote less consumption and make the best use of what we consume, starting with projects intended to minimize our consumption and reuse of "Water" and "Solvents".

Hovione consumes large quantities of these scarce resources and the learnings gained from making improvements in the consumption and use of these materials will benefit us in other areas. Beyond our supply chain we seek opportunities for the reuse of our waste materials in other industries.

### Circular material use rate (raw materials/waste recovered & recycled) (%)





# Water and Wastewater Management

Hovione strives to minimize the consumption of water and to ensure that no pollution is brought about by its activities.

Water is consumed at several levels, mainly on the manufacturing processes and ancillary operations such as utilities production and waste treatment. Water is supplied by third-party, with further purification step to be used in Hovione manufacturing processes. Water and wastewater treatment are part of Hovione's major investments. All manufacturing sites have wastewater treatment plants (WWTP) with control systems to ensure the quality of the wastewater discharged. New Jersey, Macao and Loures sites have pre-treatment WWTP by chemical and physical processes. followed up by secondary treatment in the local municipal WWTP. Cork site treats the aqueous effluent on a biological WWTP and discharges directly to the seawater, ensuring continuous monitoring and control of the treated water quality and safety.

In FY20 Hovione had a global increase of water needs, mainly due to the increase of production of Captisol® for Covid treatment, from 30 to 300ton across Ireland and Portugal sites. Captisol® manufacturing process is a high water consumer and Project Spring approached the impact of water and wastewater for this scale-up: by optimizing the cleaning strategy and the purification steps it was possible to reduce by 74% the water requirements of Captisol® manufacturing process.





Hovione (#)









# **Pharmaceuticals** in the Environment

Hovione (#)

Hovione has produced, for decades many APIs and has enabled that innovative molecules are brought to the patient quickly and that medicines find a reliable and accessible supply of high-quality API. Hovione is involved in the development efforts to fight antimicrobial resistance by supporting the clinical development of new antibiotics and is committed to making sure the quality of its waste streams is such that they will not contribute to antimicrobial resistance and degradation of the ecosystems.

The concentration of active pharmaceutical ingredients and antibiotic on the environment have been focus of increased concern from the pharmaceutical industry. In the past years Hovione prompt the search for new approaches to better manage its pharmaceutical wastewaters.

The requirements to re-evaluate and design a new concept for managing Hovione's wastewaters emerged on an environmental holistic framework, with opportunity to include waste segregation at source, best available techniques and anticipating API safe discharge regulations.

The pilot test, developed in 2017, with the new technology of electro-peroxi-coagulation to degrade APIs and pharmaceutical compounds in wastewater was successful and the first unit will start operation in 2022 at Loures site.

In 2020 Hovione started a joint project with University College Cork, "Pharmaceuticals in the environment".





This project aims to develop online sensor method that will detect active pharmaceutical ingredients (APIs) in wastewater and ensure that the concentration of those APIs is below the predicted no-effect concentration safe limit.

### Water consumed (m<sup>3</sup>)



### Water consumed per ton of product (m<sup>3</sup>/ton)











# 02 01 GRI context index



03





sure Disclosures ofile of the organization	Hovione Hovione	2019	2020			Page Repor	
Disclosures ofile of the organization	2018	2019	2020				
ofile of the organization		2019	2020				
of the organization	Hovione						
	Hovione						
ies, brands, products, and services	Chapter 01 The Fundament	als, About Hovione   What we do als, About Hovione   How we create value about-hovione/what-we-do				Pg. 09 Pg. 11	
on of headquarters	Sete Casas, 2674-506 Lour	es, Portugal					
on of operations	Chapter 01 The Fundament https://www.hovione.com/	als, About Hovione   Our global presence novione-worldwide				Pg. 10	
ship and legal form	Holding						
s served	Chapter 01 The Fundament Chapter 01 The Fundament	als, About Hovione   What we do als, About Hovione   How we create value				Pg. 09 Pg. 11	
of the organization							
i. Total number of employees	1 745	1889	2 006				
ii. Total number of operations	4 manufacturing operation	s + 5 offices				Pg. 09	}
iii. Net sales	Confidentiality constraints						
al capitalization broken down in terms of debt and equity	Confidentiality constraints						
v. Quantity of products provided (ton)	339	333	468			Pg. 12	
ation on employees and other workers							
al number of employees with permanent contract female	481	527	579				
s s of al	served the organization i. Total number of employees ii. Total number of operations iii. Net sales capitalization broken down in terms of debt and equity v. Quantity of products provided (ton) ion on employees and other workers	ip and legal form       Holding         served       Global pharmaceutical indu Chapter 01 The Fundament Chapter 01 The Fundament https://www.hovione.com/a         the organization       i. Total number of employees         ii. Total number of operations       4 manufacturing operations         iii. Net sales       Confidentiality constraints         capitalization broken down in terms of debt and equity       Confidentiality constraints         v. Quantity of products provided (ton)       339	ip and legal form       Holding         served       Global pharmaceutical industry market. Chapter 01 The Fundamentals, About Hovione   What we do Chapter 01 The Fundamentals, About Hovione   How we create value https://www.hovione.com/about-hovione/what-we-do         the organization       it Total number of employees         i. Total number of operations       1 745         ii. Total number of operations       4 manufacturing operations + 5 offices         iii. Net sales       Confidentiality constraints         capitalization broken down in terms of debt and equity       Confidentiality constraints         v. Quantity of products provided (ton)       339       333	ip and legal form       Holding         served       Global pharmaceutical industry market. Chapter 01 The Fundamentals, About Hovione   What we do Chapter 01 The Fundamentals, About Hovione   How we create value https://www.hovione.com/about-hovione/what-we-do         the organization       I T45       1 889       2 006         i. Total number of employees       4 manufacturing operations + 5 offices       Image: Confidentiality constraints       Image: Confidentiality constraints         capitalization broken down in terms of debt and equity       Confidentiality constraints       Image: Confidentiality constraints       Image: Confidentiality constraints         v. Quantity of products provided (ton)       339       333       468	ip and legal form       Holding         served       Global pharmaceutical industry market. Chapter 01 The Fundamentals, About Hovione   What we do Chapter 01 The Fundamentals, About Hovione   How we create value https://www.hovione.com/about-hovione/what-we-do         the organization       2 006         i. Total number of employees       1 889       2 006         ii. Not alon       4 manufacturing operations + 5 offices	ip and legal formHoldingservedGlobal pharmaceutical industry market. Chapter 01 The Fundamentals, About Hovione   What we do Chapter 01 The Fundamentals, About Hovione   How we create value https://www.hovione.com/about-hovione/what-we-dothe organization174518892 006i. Total number of employees4 manufacturing operations + 5 officesServedConfidentiality constraintscapitalization broken down in terms of debt and equitiesConfidentiality constraintsSaid (Said Constraints)Said (Said Constraints)v. Quantity of products provided (too)339333468	ip and legal form       Holding         served       Global pharmaceutical industry market. Chapter 01 The Fundamentals. About Hovione   What we do Chapter 01 The Fundamentals. About Hovione   How we create value https://www.hovione.com/about-hovione/what-we-do       Pg. 05         the organization       Image: Comparison of the fundamentals. About Hovione   Name of the provide o

ovior	e 🗊 Sustainability Report 2019-2020 GR	I content index		0	01 02	03	ſ
GRI Std.	Disclosure	Hovione				Page f Repor	
	a. Total number of employees with permanent contract, male	930	963	1071			
	b. Total number of employees with temporary contract, female	132	166	145			
	b. Total number of employees with temporary contract, male	202	233	211			
	c. Total number of employees in full-time, female	595	686	718			
	c. Total number of employees in full-time, male	1,128	1,193	1,280			
	c. Total number of employees in part-time, female	18	7	6			
	c. Total number of employees in part-time, male	4	3	2			
	d. Description of the nature and scale of work performed by workers who are not employees	Construction workers. Cleaning	, cafeteria and some maintenance c	craft support is performed by service contrac	t companies.		
	e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries).	No significant variations					
	f. An explanation of how the data have been compiled, including any assumptions made.	No relevant information					
02-9	Supply chain						
	a. A description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services	Strategic items are negotiated	ng a responsible company   Suppl			Pg. 35	,
02-10	Significant changes to the organization and its supply chain						
	a. i. Changes in the location of, or changes in, operations, including facility openings, closings and expansions	No changes					



GRI Std.	Disclosure	Hovione
	a. ii. Changes in the share capital structure and other capital formation, maintenance, and alteration operations	No changes
	a. iii. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination	No major changes in th
102-11	Precautionary Principle or approach	
	Whether and how the organization applies the Precautionary Principle or approach	The Precautionary Prin when Hovione invested concern in each activit
102-12	External initiatives	
	A list of externally-developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or which it endorses	MassBio Open Letter to (https://www.massbio.o Responsible Care Fram (https://cefic.org/respo Business in the Commu ie/the-leaders-group-o
102-13	Membership of associations	
		APIC/CEFIC (Active Ph EFCG/CEFIC (Europea EP (European Pharmac APQuímica (Portugues BCSD (Business Counc

A list of the main memberships of industry or other associations, and national or international advocacy organizations

ean Fine Chemicals Group) acopoeia) ese Association of Chemistry, Petrochemical and Refining) BCSD (Business Council for Sustainable Development) BITC (Business in the Community Ireland) BPCI (BioPharmaChem Ireland) ICH (International Council for Harmonisation) IPAC (International Pharmaceutical Aerosol) Rx360 (International Pharmaceutical Supply Chain Consortium) USP (United States Pharmacopeia) Industry Association of Macau, Macau Chamber of Commerce

Page Repor

the supply chain structure compared to previous years

inciple is embedded in the Hovione SustainabilityPolicy and has been in force since the 80's, date edon a fully dedicated unit to solvents recycling in Loures. Theenvironmental impact is always a ity.

to the BioPharma Community on gender diversity o.org/news/recent-news/an-open-letter-to-thebiopharma-community-129524) mework to improve the environmental, health and safety performance of chemical producers oonsiblecare)

nunity Ireland Low Carbon Pledge for the transition to a low carbon economy (https://www.bitc. -onsustainability/low-carbon-pledge)

Pharmaceutical Ingredients Committee of the European Chemical Industry Council)

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Hovion	e 🕕 Sustainability Report 2019-2020	GRI content index	01	02	03	$\bigcirc$
GRI Std.	Disclosure	Hovione			Page Repoi	
Strategy						
102-14	Statement from senior decision-maker	Chapter Intro   Message from the CEO			Pg. 04	4
102-15	Key impacts, risk and opportunities	Chapter 02 The Formula, Being a responsible company   Materiality			Pg. 29	
Ethics and	d integrity					
102-16	Values, principles, standards, and norms of behavior	Chapter 01 The Fundamentals, About Hovione   About Hovione https://www.hovione.com/about-hovione/mission-vision-and-values			Pg. 07	7
102-17	Counseling mechanisms and ethical concerns	Chapter 02 The Formula, Being a responsible company   Governance and Business Ethics			Pg. 20	)
Governan	ce					
102-18	Governance structure	Chapter 02 The Formula, Being a responsible company   Governance andBusiness Ethics https://www.hovione.com/about-hovione/management			Pg. 20	)
Stakehold	ler engagement					
102-40	List of stakeholder groups	Chapter 02 The Formula, Being a responsible company   StakeholderEngagement and Com	munication		Pg. 28	}
102-41	Collective bargaining agreements (only to Portugal)	100% 100% 100%				
102-42	Identifying and selecting stakeholders	The stakeholders were identified by an internal assessment including allthe relevant areas Chapter 02 The Formula, Being a responsible company   Materiality			Pg. 29	)
102-43	Approach to stakeholder engagement	Chapter 02 The Formula, Being a responsible company   StakeholderEngagement and Com	munication		Pg. 28	}
102-44	Key topics and concerns raised	Chapter 02 The Formula, Being a responsible company   Materiality			Pg. 29	)
Reporting	g Practice					
102-45	Entities included in the consolidated financial statements	Hovione Group				
102-46	Defining report content and topic Boundaries	Chapter 02 The Formula, Being a responsible company   Materiality			Pg. 29	)
102-47	List of material topics	Chapter 02 The Formula, Being a responsible company   Materiality			Pg. 29	)

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GRI Std.	Disclosure	Hovione
102-48	Restatements of information	There were no restate
102-49	Changes in reporting	No changes
102-50	Reporting period	01 April 2019 to 31 Ma
102-51	Date of most recent report	02 July 2019
102-52	Reporting cycle	Hovione's sustainabili
102-53	Contact point for questions regarding the report	Questions and comm
102-54	Claims of reporting in accordance with the GRI Standards	Chapter Intro   About
102-55	GRI content index	This table
102-56	External assurance	Hovione did not seek
GRI 200 -	- Economic Disclosures	
Economic	: Performance	
103-1	Explanation of the material topic and its Boundary	Chapter 02 The Form Chapter 03 The Actio Chapter 03 The Actio
103-2	The management approach and its components	Purpose: At Hovione That is why we invest Policy: Global Wellbe Commitments: To cor people to grow and d Responsibility: Huma

Hovione	Page 1 Repor
There were no restatements of information	
No changes	
01 April 2019 to 31 March 2021	
02 July 2019	
Hovione's sustainability reports are issued every two years	
Questions and comments should be sent to: sustainability@hovione.com	
Chapter Intro   About this report	Pg. 02
This table	
Hovione did not seek external assurance for this report.	
Chapter 02 The Formula, Being a responsible company   Materiality Chapter 03 The Action, Our performance   Talent attraction and Retention and Well-being Chapter 03 The Action, Our performance   Employee engagement and enablement	Pg. 29 Pg. 42 Pg. 43
<ul> <li>Purpose: At Hovione we believe that our employees are at the heart of our success.</li> <li>That is why we invest time and apply focus, rigour and commitment to our "Hire to Retire" processes.</li> <li>Policy: Global Wellbeing Policy</li> <li>Commitments: To continuously build a working environment that inspires</li> <li>people to grow and develop, a place where everyone wants to work.</li> <li>Responsibility: Human Resources Department</li> <li>Grievance Mechanism: Not applicable</li> </ul>	

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GRI Std.	Disclosure	Hovione					Repoi	
03-3	Evaluation of the management approach	management, we also rely ratings, whenever available	s and assesses indicators associated on feedback from our stakeholders, e. products-and-services/supporting-c	benchmarking exercises, and exte	ernal perforn	nance		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	1.3	1.3	1.2				
202-2	Proportion of senior management hired from the local community							
	a. Percentage of senior management at significant locations of operation that are hired from the local community	84%	81%	81%				
Procuren	nent Practices							
103-1	Explanation of the material topic and its Boundary	Chapter 02 The Formula, B https://www.hovione.com/	Being a responsible company   Suppl procurement	y chain management			Pg. 35	
103-2	The management approach and its components	<ul> <li>Purpose: The purpose is documented in our Mission Statement. We partner, connect and align with suppliers to shape solutions that help Hovione reach its growth and profitability objectives; we challenge and innovate our internal processes, providing our customers a user friendly, transparent and efficient procurement experience; and we reduce our supply chain risk through a rigorous and robust supplier relationship management approach.</li> <li>Policy: We have adopted two main Policies related with the Supply</li> <li>Chain: (i) Global Procurement Policy; and (ii) Supplier Qualification.</li> <li>Commitments: Be a model in the supply chain management, by creating shared value towards our society.</li> <li>The company enforces Policies adoption across the entire organization and there are quality audits part as part of the Quality System.</li> <li>Responsibility: Global Procurement is responsible for managing this topic in strict collaboration with various departments across Hovione.</li> <li>The Head of Global Procurement is ultimately responsible for supplier compliance with our policies and procedures.</li> <li>Grievance Mechanism: All SCM topics are discussed at Hovione at the highest level through a Strategic Procurement Council with membership from Finance, Engineering, Operations, Quality and R&amp;D.</li> </ul>						

GRI Std.	Disclosure	Hovione				Page fro	
103-3	Evaluation of the management approach	management, we also r ratings, whenever availa	tors and assesses indicators associated w ely on feedback from our stakeholders, be able. om/products-and-services/supporting-cap	enchmarking exercises, and external perfo		Report	
04-1	Proportion of spending on local suppliers	60%	57%	65%			
3RI 300 ·	- Environmental Disclosures						
Energy Po	erformance						
03-1	Explanation of the material topic and its Boundary	•	Our performance   Reducing the Environ Our performance   Energy & Climate	mentalImpact		Pg. 47 Pg. 48	
103-2	The management approach and its components	the related GHG emission <b>Policy:</b> There is no policy <b>Commitments:</b> To use end economy. <b>Responsibility:</b> Efficient manufacturing sites, du	<ul> <li>Purpose: Hovione is committed to making the best use of energy by using it as efficiently as possible and by mitigating the related GHG emissions.</li> <li>Policy: There is no policy.</li> <li>Commitments: To use energy efficiently and to reduce operational carbon emissions, contributing to a low carbon economy.</li> <li>Responsibility: Efficient use of energy is managed by sites Engineering and maintenance areas. In Loures and Cork manufacturing sites, due to their size, energy is managed by an expert in this field.</li> <li>Grievance Mechanism: Not applicable.</li> </ul>				
103-3	Evaluation of the management approach		tors and assesses indicators associated w ely on feedback from our stakeholders, be able.				
302-1	Energy consumption within the organization	Chapter 03 The Action,	Our performance   Energy & Climate			Pg. 48	
	a. Fuel consumption from non-renewable sources(diesel, natural gas, petrol) (GJ)	185,193	189,691	200,581			
	b. Fuel consumption from renewable sources(electricity from renewable sources) (GJ)	157,463	166,763	185,301			



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GRI Std.	Disclosure	Hovione					Page f Repor	
	c. Electricity consumption within the organization (GJ)	218,402	224,910	231,355				
	c i. Self-generated electricity (GJ)	1,127	1,223	1,516				
	e. Total energy consumption within the organization (GJ)	403,595	414,601	431,936				
Vater and	d Wastewater Performance							
03-1	Explanation of the material topic and its Boundary		ur performance   Reducing the Environr ur performance   Water and Wastewate	-			Pg. 47 Pg. 56	
103-2	The management approach and its components	Policy: Sustainability Policy Commitments: 1) Achieve of demonstrate effective pro- discharge, reducing the ris Resistance Alliance (AMR) Responsibility: Efficient us their size, water is manage Grievance Mechanism: Ho management system to re have open communication	Purpose: Hovione strives to minimize the consumption of water and to ensure that no pollution is brought about by its activities. Policy: Sustainability Policy Commitments: 1) Achieve compliance with the European Water Stewardship Standard (EWS) as a means to demonstrate effective protection and efficient management of water resources. 2) Secure a Safe Wastewater discharge, reducing the risk of microbial resistance to APIs. Adhere to expectations set out in the Antimicrobial Resistance Alliance (AMR) framework. Responsibility: Efficient use of water is managed by sites Engineering and maintenance areas. In SC and HE, due to their size, water is managed by an expert in this field. Grievance Mechanism: Hovione manages any complaint through a CAPA (Corrective Actions and Preventive Actions) management system to record and manage all observations which include environmental topics. Local communities have open communication channels (email and phone) with local HSE teams. Every complaint is subject to an internal investigation to find out the causes of the incident. Feedback is systematically given back to the community.					
103-3	Evaluation of the management approach		s and assesses indicators associated wi on feedback from our stakeholders, be e.					
303-1	Interactions with water as a shared resource	According to WRI (World quantity risk (risk related to variability, decline,flood) it Jersey facilities, and Low to	tensive periods without rain are becom Resources Institute) Aqueduct data abo to too little or too much water, byaggre indicates a High (3 to 4 in a scale of 5) to Medium (1 to 2) waterphysical quanti tuation, working with local authorities a er to itsfacilities.	out water risk, specifically for thewater gating all indicators for water stress, o ) water physical quantity riskfor Loure ty risk for Cork and Macao facilities. H	r physical depletion es and Ne lovione w	l n, èw vill		



GRI Std.	Disclosure	Hovione				Page fro Report	
03-2	Management of water discharge-related impacts		o using the best available technology so c resistance due to its wastewater discha	-	ly possible,		
303-3	Water withdrawal						
	a. Total water withdrawal (megaliters)	426	388	534		Pg. 56	
	ii. Groundwater (megaliters)	3	1	5			
	v. Third-party water (megaliters)	423	387	529			
303-4	Water discharge						
	a. Total water discharge (megaliters)	376	313	411		Pg. 56	
	ii. Seawater (megaliters)	126	77	123			
	iv. Third-party water (megaliters)	250	236	288			
GHG Emi	ssions Performance						
103-1	Explanation of the material topic and its Boundary		napter 03 The Action, Our performance   Reducing the Environmental Impact napter 03 The Action, Our performance   Carbon Footprint			Pg. 47 Pg. 50	
103-2	The management approach and its components	See chapter "5. Reducir	ng the Environmental Impact. 5.1 Energy	and Climate"			
103-3	Evaluation of the management approach	Please refer to the Man	agement Approach of GRI 302: Energy				
305-1	Direct GHG emissions (Scope 1) (metric tons of CO <sub>2</sub> equivalent)	17,421	20,846	20,164		Pg. 51	
205-2	a. Energy indirect GHG emissions (Scope 2) (location- based) (metric tons of CO2 equivalent)	23,612	20,481	18,992		Pg. 51	
305-2	b. Energy indirect GHG emissions (Scope 2) (market-based) (metric tons of CO2 equivalent)	11,920	9,395	7,363		Pg. 51	

Std.	Disclosure	Hovione			Page from Report	
-3	Other indirect (Scope 3) GHG emissions (metric tons of CO <sub>2</sub> equivalent)	46,445	39,848	37,717	Pg. 51	
5-4	GHG emissions intensity ratio (market-based) (metric tons of CO <sub>2</sub> equivalent per ton of product)	223	211	139	Pg. 52	
5-5	Reduction of GHG emissions					
	a. GHG emissions reduced as a direct result of reduction initiatives	_	_	_	Pg. 51	
	a. in metric tons of CO <sub>2</sub> equivalent	7,018	12,715	17,560		
	a. in %	6.1%	8.5%	21.2%		
	c. Base year		2016			
	d. Scope in which reductions took place	Scope 2	Scope 2 and 3	Scope 1, 2 and 3		
	e. Standards, methodologies, assumptions and/or calculations tools used	GHG Protocol. A Corporate and Reporting Standard, revised edition, March 2004. World Resources Institute and World Business Council for Sustainable Development. Amendments and Corrections: Required gases and GWP values, February 2013. GHG Protocol. Scope 2 Calculation Guidance. An amendment to the GHG Protocol Corporate Standard, 2015. World Resources Institute. GHG Protocol. Corporate Value Chain (Scope 3) Accounting and Reporting Standard, September 2011. World Resources Institute and World Business Council for Sustainable Development. IPCC (2006). Guidelines for National Greenhouse Gas Inventories IPCC (2019). 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories				
Vaste Pe	rformance					
	103-1 Explanation of the material topic and its Boundary	Chapter 03 The Action, Our perform Chapter 03 The Action, Our perform	ance   Reducing the Environmental Im ance   Waste Management and Circula	•	Pg. 53	



GRI Std.	Disclosure	Hovione			Page fro Report	
103-2	The management approach and its components	<ul> <li>Purpose: To work in the most efficient possible way, following a clear hierarchy of waste management: prevention, minimization, re-use, recycling, energy recovery and proper disposal of remaining waste.</li> <li>Policy: Hovione has clear procedures for waste management at each site, but not a Corporate Policy specific for this topic.</li> <li>Commitments: To reduce manufacturing waste footprint and contribute actively for the circular economy, by adopting the key pillars of waste management: prevention, minimization, re-use, recycling, energy recovery and proper disposal of remaining waste.</li> <li>Responsibility: All Hovione manufacturing sites have a Health, Safety and Environmental (HSE) Department which manages the local implementation of the policies in force. Furthermore, the Corporate HSE &amp; Sustainability updates and define strategies, policies and provides guidance.</li> <li>Grievance Mechanism: Hovione manages any complaint through a CAPA (Corrective Actions and Preventive Actions) management system to record and manage all observations which include environmental topics. Local communities have open communication channels (email and phone) with local HSE teams. Every complaint is subject to an internal investigation to find out the causes of the incident. Feedback is systematically given back to the community.</li> </ul>				
103-3	Evaluation of the management approach	Hovione regularly monitors and assesses indicators associated with this topic. To evaluate the effectiveness of our management, we also rely on feedback from our stakeholders, benchmarking exercises, and external performance ratings, whenever available.				
306-2	Waste by type and disposal method (in tons)				Pg. 54	
	Total Hazardous	19,326	18,944	17,167		
	Reuse	64	0	0		
	Recycling	8,045	8,276	5,987		

Waste by type and disposal method (in tons)			Pg. 54
Total Hazardous	19,326	18,944	17,167
Reuse	64	0	0
Recycling	8,045	8,276	5,987
Composting	0	0	0
Recovery, including energy recovery	0	0	0
Incineration	1,633	1,771	1,912
Deep well injection	0	0	0
Landfill	1,616	794	974





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	On-site storage	116	157	147				
	Other	4	70	2				
	Total Non-hazardous	1,154	1,190	1,147				
	Reuse	0	0	0				
	Recycling	664	611	754				
	Composting	31	0	0				
	Recovery, including energy recovery	177	180	125				
	Incineration	276	278	219				
	Deep well injection	0	0	0				
	Landfill	0	0	0				
	On-site storage	0	0	0				
	Other	6	120	49				
	Total Recycled, Reused and Recovered	16,829	16,943	15,011				
RI 307	: Environmental Compliance							
3-1	Explanation of the material topic and its Boundary	Chapter 03 The Action, Our perfor	mance I Reducing the Envir	ronmental Impact			Pg. 47	7
3-2	The management approach and its components	Please refer to the following Manag	gement Approaches: GRI 30	02, GRI 303 and GRI 306.				
3-3	Evaluation of the management approach	Please refer to the following Manag	gement Approaches: GRI 30	02, GRI 303 and GRI 306.				



GRI Std.	Disclosure	Hovione
307-2	Non-compliance with environmental laws and regulations	New Jersey site: 1 non-compliance for w Cork site: 6 non-compliances for sewer, air and bunding Loures site: 4 notifications for emin and air
Supplier	Environmental Assessment	
103-1	Explanation of the material topic and its Boundary	Chapter 02 The Formu https://www.hovione.c
103-2	The management approach and its components	Please refer to the Ma
103-3	Evaluation of the management approach	Please refer to the Ma
308-2	Negative environmental impacts in the supply chain and actions taken	No negative impacts i
GRI 400	- Social Disclosures	
Employm	ent	
103-1	Explanation of the material topic and its Boundary	Chapter 02 The Formu Chapter 03 The Action Chapter 03 The Action
103-2	The management approach and its components	Please refer to the Ma
103-3	Evaluation of the management approach	Please refer to the Ma

			Page fr Report
or waste labelling for emissions to ing missions to sewer	<ul> <li>New Jersey site:</li> <li>1 Excursion outside ELV for emissions to sewer</li> <li>Macao site:</li> <li>Excursion outside ELV for emissions to air</li> <li>Cork site:</li> <li>2 non-compliance for emissions to sewer and for waste management</li> </ul>	Cork site: 3 non-compliance for emissions sewer, offsite odors and pipeline testing Macao site: Excursion outside ELV for emissions to air	
mula, Being a respo e.com/procurement	nsible company   Supply chain managem	ient	Pg. 35
Management Approa	ach of GRI 204: Procurement Practices		
Management Approa	ach of GRI 204: Procurement Practices		
s identified			
ion, Our Performanc	onsible Company   Valuing our People ce   Diversity & Equal Opportunity ce   Talent Attraction, Health and Wellbeir	ng	Pg. 38 Pg. 40 Pg. 42
Management Approa	ach of GRI 202: Market Presence		
Management Approa	ach of GRI 202: Market Presence		





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GRI Std.	Disclosure	Hovione		Page fr Report
401-1	New employee hires and employee turnover			
	a. Total number of new employee hires	321	372	302
	female	123	165	101
	male	198	207	201
	<30 years old	158	219	152
	30-50 years old	151	139	133
	>50 years old	12	14	17
	a. Rate of new employee hires	18%	20%	15%
	female	7%	9%	5%
	male	11%	11%	10%
	<30 years old	9%	12%	8%
	30-50 years old	9%	7%	7%
	>50 years old	1%	1%	1%
	b. Total number of employee turnover	171	190	183
	female	68	65	69
	male	103	125	114
	<30 years old	76	69	59
	30-50 years old	79	99	100
	>50 years old	16	22	24

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RI Std. Disclosure		Hovione				Page 1 Repor
b. Rate of e	employee turnover	10%	10%	9%		
	female	4%	3%	3%		
	male	6%	7%	6%		
	<30 years old	4%	4%	3%		
	30-50 years old	5%	5%	5%		
	>50 years old	1%	1%	1%		
<b>3-1</b> Explanation of the material topic and its Bou	undary	https://www.hovione.com/products-and-services/supporting-capabilities/quality-and-compliance/hseen/potent- compounds https://www.hovione.com/products-and-services/supporting-capabilities/quality-and-compliance/health-safety- environment-and https://www.hovione.com/products-and-services/supporting-capabilities/capabilities/enhanced-process- understanding/process-0				



GRI Std.	Disclosure	Hovione	Page from Report
103-2	The management approach and its components	<ul> <li>Purpose: To establish effective and robust controls to manage the occupational and safety risks associated with the company's activities.</li> <li>Policy: Hovione has a Global policy which is related with a wider area:</li> <li>Global Social Responsibility Policy. This policy and all areas under focus in it, cover all HSE matters.</li> <li>Commitments: To provide a work environment where everyone feels well and safe and to protect our employees, our communities, and our assets, through the promotion of Sustainable World-Class Safety Culture and a focus on effective management systems.</li> <li>Responsibility: Hovione has established a dedicated Corporate HSE function to provide guidance and governance to its occupational, health and safety management program.</li> <li>In addition, all facilities have dedicated HSE staff focused on the management and oversight of occupational health and safety risks. Site HSE report to site management and to corporate HSE to ensure functional alignment.</li> <li>Grievance Mechanism: A complaint mechanism is in place at Hovione.</li> <li>To any Health and Safety related complaint received we assign a multidisciplinary team to investigate the root cause of the complaint and to define the corrective/preventive actions that will mitigate the risk of its re-occurrence to a minimum.</li> <li>Hovione has a Health, Safety and Environment Management System which ensures that all actions are implemented and assesses the effectiveness.</li> </ul>	
103-3	Evaluation of the management approach	Hovione regularly monitors and assesses indicators associated with this topic. To evaluate the effectiveness of our management, we also rely on feedback from our stakeholders, benchmarking exercises, and external performance ratings, whenever available.	
403-1	Occupational health and safety management system	All Hovione manufacturing sites have a Health, Safety and Environmental (HSE) management system, in accordance with the OHSAS 18001	
403-2	Hazard identification, risk assessment, and incident investigation	The safety of our employees and the security and integrity of our operating facilities, materials and products are priorities. Risk assessment is performed on all new and existing activities to prevent incidents and nonconformities.	
403-3	Occupational health services	The Job Hazard Analysis (JHA) engages employees from specific areas. Their input is essential because they work in these areas every day.	
403-4	Worker participation, consultation, and communication on occupational health and safety	Hovione has arrangements in place to communicate and consult with employees through Safety committees and other means. Additionally team members participate in Safety through risk assessment, first id and emergency response activities.	





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Hovione 🔃

**GRI content index** 

GRI Std.	Disclosure	Hovione
403-5	Worker training on occupational health and safety	Communication, traini the company.
403-6	Promotion of worker health	Injuries caused by che few, thus confirming t The company has acti
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Hovione has control o necessary to ensure sa
403-9	Work-related injuries	
	Total number of:	
	a. i. fatalities as a result of work-related injuries, for all employees	0
	a. ii. high-consequence work-related injuries (excluding fatalities), for all employees	0
	a. iii. recordable work-related injuries, for all employees	27
	b. i. fatalities as a result of work-related injuries, for all workers who are not employees	0
	b. ii. high-consequence work-related injuries (excluding fatalities), for all workers who are not employees	0
	b. iii. recordable work-related injuries, for all workers who are not employees	8
	Total number of:	
	a. i. fatalities as a result of work-related injuries, for all employees	0.0
	a. ii. high-consequence work-related injuries (excluding fatalities), for all employees	0.00
	a. iii. recordable work-related injuries, for all employees	0.09

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					Page Repo	
ining and awarenes	s is provided to all staff, including	g to contracted/subcont	racted staff v	working fo	or	
the care and preve	noise exposure, ergonomic handl ention that is actively applied in o fare programs at all locations.		industrial act	ivity are		
over both its work safety.	and workplace. The company er	ngages its suppliers and	contractors a	IS		
					Pg. 46	6
	0	0				
	2	3				
	15	28				
	0	0				
	0	1				
	14	12				
	0.0	0.0				
	0.01	0.01				
	0.04	0.07				
75						

VIOI	<b>1e 🔃</b> Sustainability Report 2019-2020 <b>GR</b>	l content index		01	02	03	[
l Std.	Disclosure	Hovione				Page f Repor	
	b. i. fatalities as a result of work-related injuries, for all workers who are not employees	0.00	0.00	0.00			
	b. ii. high-consequence work-related injuries (excluding fatalities), for all workers who are not employees	0.00	0.00	0.90			
	b. iii. recordable work-related injuries, for all workers who are not employees	0.09	0.16	O.11			
	The main types of work-related injury:						
	a. iv. work-related injury, for all employees	Slip, trips and falls Chemical projection Skin cuts	Mechanical impact Chemical projection	Slip, trips and falls Chemical projection			
	b. iv. for all workers who are not employees	Slip, trips and falls	Slip, trips and falls Mechanical impact	Slip, trips and falls Mechanical impact			
	The number of hours worked:						
	a. v. for all employees	2,961,192	3,393,154	3,884,359			
	b. v. for all workers who are not employees	845,668	887,778	1,112,575			
aining	and Education						
)3-1	Explanation of the material topic and its Boundary		g a Responsible Company   Valuing ourP erformance   Talent Attraction, Health an			Pg. 38 Pg. 42	
)3-2	The management approach and its components	Please refer to the Manageme	nt Approach of GRI 202: Market Presence	e			
03-3	Evaluation of the management approach	Please refer to the Manageme	nt Approach of GRI 202: Market Presence	9			
04-1	Average hours of training per year per employee						
	a. Average hours of training per employee	49	51	43			
	a. i. Average hours of training, female	47	54	47			

RI Std.	Disclosure	Hovione				Page f Report	
	a. i. Average hours of training, male	50	49	41			
	a. ii. Average hours of training, BUSINESS OPERATIONS (B), category		34	27			
	a. ii. Average hours of training, ENTERPRISE LEADERSHIP (EL), category	_	2	16			
	a. ii. Average hours of training, MANAGEMENT (M), category	_	35	46			
	a. ii. Average hours of training, PROFESSIONAL (P), category	—	14	17			
	a. ii. Average hours of training, SCIENCE, TECHNOLOGY, ENGINEERING & MATHEMATICS (S), category	—	31	29			
	a. ii. Average hours of training, TECHNICAL OPERATIONS (O), category		105	73			
/ersity	and Equal Opportunity						
	103-1 Explanation of the material topic and its Boundary	-	eing a Responsible Company   Valu Performance   Diversity and Equa			Pg. 38 Pg. 40	
3-2	The management approach and its components	<ul> <li>Purpose: Hovione also wants to promote equality of opportunities to reach as much diversity as possible to increase value to the operations.</li> <li>Policy: Diversity, equality of opportunities, dignity at work policy.</li> <li>Commitments: 1) Vouch principles of diversity, at all levels of the organization, to promote an inclusive workplace.</li> <li>2) Promote equality, ensuring women's full and effective participation and equal opportunities for leadership at all levels of decision-making.</li> <li>Responsibility: Executive Committee is the responsible for this topic, having the Human Resources Department as the "gate keeper" of day-today management and control of relevant KPIs.</li> <li>Grievance Mechanism: Yes, Speak Up procedure. This procedure aims at preventing and stopping wrong actions and wrong behaviors, to be triggered whenever the corporate mechanisms of escalation and oversight are found not to function properly.</li> </ul>					

GRI Std.	Disclosure	Hovione			Page from Report		
103-3	Evaluation of the management approach	Hovione regularly monitors and assesses indicators associated with this topic. To evaluate the effectiveness of our management, we also rely on feedback from our stakeholders, benchmarking exercises, and external performance ratings, whenever available.		management, we also rely on feedback from our stakeholders, benchmarking exercises, and external performance			
405-1	Diversity of governance bodies and employees						
	a.% of individuals within the Board by gender and age group						
	a. i. female	29%	29%	29%			
	a. i. male	71%	71%	71%			
	a. ii.< 30 years old	0%	0%	0%			
	a. ii.30-50 years old	0%	0%	0%			
	a. ii.> 50 years old	100%	100%	100%			
	b.% of employees per employee category by gender and age group						
	b. BUSINESS OPERATIONS (B) category	-	2%	2%			
	b. i. female	-	89%	92%			
	b. i. male	-	11%	8%			
	b. i. male	-	23%	17%			
	b.ii.30-50 years old	-	40%	50%			
	b. ii.> 50 years old	-	37%	33%			
	b. ENTERPRISE LEADERSHIP (EL) category	-	0.4%	0.4%			
	b. i. female	-	25%	25%			

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Std. Disclosure	Hovione					Page	
						Repo	rt
b. i. male	-	75%	75%				
b. ii.< 30 years old	-	0%	0%				
b.ii.30-50 years old	-	50%	50%				
b. ii.> 50 years old	-	50%	50%				
b. MANAGEMENT (M) category	-	16%	15%				
b. i. female	-	31%	29%				
b. i. male	-	69%	71%				
b. ii.< 30 years old	-	2%	1%				
b.ii.30-50 years old	-	72%	70%				
b. ii.> 50 years old	-	26%	28%				
b. PROFESSIONAL (P) category	-	13%	13%				
b. i. female	-	58%	56%				
b. i. male	_	42%	44%				
b. ii.< 30 years old	-	15%	13%				
b.ii.30-50 years old	-	65%	68%				
b. ii.> 50 years old	-	20%	19%				
b. SCIENCE, TECHNOLOGY, ENGINEERING 8 MATHEMATICS (S) category	_	40%	40%				
b. i. female	_	53%	53%				

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GRI Std.	Disclosure	Hovione					Page Repo	
	b. i. male	-	47%	47%				
	b. ii.< 30 years old	-	44%	42%				
	b.ii.30-50 years old	-	48%	50%				
	b. ii.> 50 years old	_	9%	9%				
	b. TECHNICAL OPERATIONS (O) category	_	29%	29%				
	b. i. female	_	4%	4%				
	b. i. male	_	96%	96%				
	b. ii.< 30 years old	_	24%	23%				
	b.ii.30-50 years old	-	62%	63%				
	b. ii.> 50 years old	_	14%	14%				
Data for	2018 is not available because Hovione defined new category levels	Information of this year is available or	the last report by the	e old category level definition.				
Non-dis	crimination							
103-1	Explanation of the material topic and its Boundary	Chapter 02 The Formula, Being a Res Chapter 03 The Action, Our Performa					Pg. 38 Pg. 40	
103-2	The management approach and its components	Please refer to the Management Approach of GRI 405: Diversity and Equal Opportunity						
103-3	<b>Evaluation of the management approach</b> Please refer to the Management Approach of GRI 405: Diversity and Equal Opportunity							
406-1	Incidents of discrimination and corrective actions taken							
	a. Total number of incidents of discrimination during the reporting period.	No incident						
Child La	bor							

103-1	Explanation of the material topic and its Boundary	Chapter 02 The Form Chapter 03 The Action
103-2	The management approach and its components	Please refer to the Ma
103-3	Evaluation of the management approach	Please refer to the Ma
406-1	Incidents of discrimination and corrective actions taken	
	a. Total number of incidents of discrimination during the reporting period.	No incident
Child Lab	or	

GRI Std.	Disclosure	Hovione
103-1	Explanation of the material topic and its Boundary	Chapter 02 The Form https://www.hovione.
103-2	The management approach and its components	Please refer to the Ma
103-3	Evaluation of the management approach	Please refer to the Ma
408-1	Operations and suppliers at significant risk for incidents of child labor	
	a. Operations and suppliers considered to have significant risk for incidents of: i. child labor; ii. young workers exposed to hazardous work.	<0.05%
	<ul> <li>b. Operations and suppliers considered to have significant risk for incidents of child labor either in terms of:</li> <li>i. type of operation (such as manufacturing plant) and supplier;</li> <li>ii. countries or geographic areas with operations and suppliersconsidered at risk.</li> </ul>	India is the single cou
	ii. countries or geographic areas with operations and suppliers considered at risk.	
	c. Measures taken by the organization in the reporting period intended to contribute to the effective abolition of child labor.	Policies in place and o
Forced o	r Compulsory Labor	
103-1	Explanation of the material topic and its Boundary	Chapter 02 The Form https://www.hovione.
103-2	The management approach and its components	Please refer to the Ma

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			Page 1 Repor	
mula, Being a responsible company   Supply chain management e.com/procurement			Pg. 35	
Management Approach of GRI 204: Procurement Practices				
Management Approach of GRI 204: Procurement Practices				
ountry of concern as we evolve for new projects and very specific materials				
d due diligence processes to review potential existence of these practices				
mula, Being a responsible company   Supply chain management			Pg. 35	
e.com/procurement				



GRI Std.	Disclosure	Hovione
103-3	Evaluation of the management approach	Please refer to the Ma
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor either in terms of:	At the moment forcec
Local Cor	nmunities	
103-1	Explanation of the material topic and its Boundary	Chapter 02 The Form
103-2	The management approach and its components	Purpose: Hovione has true till today. We acti maintaining rich and u We want to have the k environmental organiz Policy: There are at le Responsibility Policy. Commitments: We ma and by working collab Responsibility: Social Grievance Mechanism the subject) between and local HSE.
103-3	Evaluation of the management approach	Hovione regularly mor management, we also ratings, whenever ava
413-1	Operations with local community engagement, impact assessments, and development programs	Chapter 02 The Form
Supplier 9	Social Assessment	
103-1	Explanation of the material topic and its Boundary	Chapter 02 The Form https://www.hovione.c
103-2	The management approach and its components	Please refer to the Ma

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			Page Repo	
agement Approach of GRI 204: Procurement Practices				
or compulsory labor is not perceived as a risk.				
la, Being a responsible company   To Our Communities			Pg. 36	)
vely work towards having a positive impact, providing support in our areas of seful relationships with community members and institutions. iggest impact in the highest number of people, supporting social, education, ations and local authorities. ast two policies related with this topic: (1) Sustainability Policy and (2) Global intain a positive presence in the community by fostering constructive and op pratively and in partnerships with local community, authorities and academic	health ar Social en relatio	nd onships,		
Responsibility Committee; Sustainability Department. There are privileged communication channels (email, phone, personal contac upported organizations, the community and local authorities with the Sustain	•	-	nt	
itors and assesses indicators associated with this topic. To evaluate the effect rely on feedback from our stakeholders, benchmarking exercises, and externa lable.				
la, Being a responsible company   To Our Communities			Pg. 36	6
la, Being a responsible company   Supply chain management om/procurement			Pg. 35	
agement Approach of GRI 204: Procurement Practices				



GRI Std.	Disclosure	Hovione
103-3	Evaluation of the management approach	Please refer to the Ma
414-1	New suppliers that were screened using social criteria	High Risk suppliers ar
Costumer	' Health and Safety	
103-1	Explanation of the material topic and its Boundary	Chapter 02 The Form https://www.hovione.c certificate
103-2	The management approach and its components	<ul> <li>Purpose: Product Safe boundaries of Good M The importance of pro- employees, but also e Policy: Hovione has a do things right first tin dissatisfaction). Throu Hovione also has an Op Commitments: To ser sustainable way.</li> <li>Responsibility: Quality the Quality Unit's prin- improvements and de Grievance Mechanism To any product quality of the complaint and the minimum. It is the response effectiveness.</li> </ul>
103-3	Evaluation of the management approach	Hovione regularly mo management, we also ratings, whenever ava

	01	02	03	$\bigcirc$
			Page Repo	
Ianagement Approach of GRI 204: Procurement Practices				
are audited. The audit covers social criteria.				
mula, Being a responsible company   Product Safety, Quality and Supply e.com/products-and-services/supporting-capabilities/quality-and-compliar	nce/regulatory	y-affairs/	Pg. 32	2
afety and Quality is a mandatory requirement for the manufacture of product Manufacturing Practices (GMP). Product safety and quality is consistently reinforced by the management not externally to all stakeholders. a Quality Management System supported by a Quality Policy, which helps time round and to deliver without mishaps (errors, repetition of work, failur ough these instruments the company assures the quality and safety of its p Operational Excellence System which foster the Continuous Improvement of t erve society by ensuring high quality products, available to all patients, and	ot only interna the company res, and client roducts for pa he product qu	Ily to all to atients. ality/safety	У	
lity is the responsibility of all Hovione employees. We all play a role in mana time duty to manage this area within the organization (monitor quality indic define the agenda to a secure innovation, productivity, and continuous imple <b>sm:</b> A complaint mechanism is in place at Hovione. Ity related complaint received we assign a multidisciplinary team to investig d to define the corrective/preventive actions that will mitigate the risk of its esponsibility of Quality Unit to make sure that all actions are implemented a	cators, check rovement). gate the root s re-occurrenc	possible cause ce to a		

GRI Std.	Disclosure	Hovione
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No regulatory actions and safety impacts, re Hovione.
Marketing	g and Labeling	
103-1	Explanation of the material topic and its Boundary	Chapter 02 The Form https://www.hovione. ghs
103-2	The management approach and its components	Please refer to the Ma
103-3	Evaluation of the management approach	Please refer to the Ma
417-2	Incidents of non-compliance concerning product and service information and labeling	No regulatory actions import alert or recall of Pharmaceutical Ingred https://www.hovione.of history
Research	, Development and Innovation	
103-1	Explanation of the material topic and its Boundary	Chapter 02 The Form https://www.hovione.c
103-2	The management approach and its components	Purpose: Hovione relia Innovation represents Officer who sits in the Policy: Innovation & E Commitments: Be an environmental impact Responsibility: Hovior Grievance Mechanism This complaintsmecha investigational team is organization that raise in our Quality System

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	Page fre Report	om
ns, such as product or service alert, warning letter, import alert or recall due to defects or health related with Active Pharmaceutical Ingredients manufactured at Hovione, were ever received by		
nula, Being a responsible company   Product Safety, Quality and Supply e.com/products-and-services/supporting-capabilities/quality-and-compliance/hseen/reach-and-	Pg. 32	
lanagement Approach of GRI 416: Customer Health and Safety.		
lanagement Approach of GRI 416: Customer Health and Safety.		
ns, such as product or service alert, warning letter, I due to information or labelling, related with Active edients manufactured at Hovione, were received by Hovione. e.com/products-and-services/supporting-capabilities/quality-and-compliance/quality/inspections-		
mula, Being a responsible company   Innovation and R&D e.com/products-and-services/supporting-capabilities/capabilities/enhanced-process-understanding	Pg. 33	
lies heavily on R&D and Innovation to guarantee long-term sustainability of the company. R&D and its more than 10% of Hovione's workforce and reports directly to the Chief Science and Technology the Executive Team. Entrepreneurship Policy. In innovation hub for the development of new processes, products and services with low ct. In the company has an established complaintssystem which has been perfected over the years. In the company has an established complaintssystem which has been perfected over the years. In anism is also used regarding R&D and Innovation activities.Upon receiving a complaint, an is put together toevaluate the issue, propose corrective actions and communicate with theperson/		
sed the complaint, following a well-definedworkflow.Throughout the process, all steps are recorded n.		

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GRI Std.	Disclosure	Hovione
103-3	Evaluation of the management approach	Hovione regularly mor management, we also ratings, whenever avai
Governan	ce and Business Ethics	
103-1	Explanation of the material topic and its Boundary	Chapter 02 The Form
103-2	The management approach and its components	Hovione Code of Ethic https://www.hovione.c
103-3	Evaluation of the management approach	Hovione regularly mor management, we also ratings, whenever avai
Legal and	l Compliance	
103-1	Explanation of the material topic and its Boundary	Chapter 02 The Form
103-2	The management approach and its components	Hovione Policies https://www.hovione.c policies
103-3	Evaluation of the management approach	Hovione regularly mor management, we also ratings, whenever ava

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nitors and assesses indicators associated with this topic. To eva rely on feedback from our stakeholders, benchmarking exercise ilable.					
ula, Being a responsible company   Governance and Business Et	thics			Pg. 20	)
cs com/sites/default/files/assets/files/code_of_ethics.pdf					
nitors and assesses indicators associated with this topic. To eva rely on feedback from our stakeholders, benchmarking exercise ilable.					
ula, Being a responsible company   Governance and Business Et	thics			Pg. 22	
com/products-and-services/supporting-capabilities/quality-and	l-compliance/q	uality/ho	vione-		
nitors and assesses indicators associated with this topic. To eva rely on feedback from our stakeholders, benchmarking exercis- ilable.					



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