

NODEN PHARMA

SUSTAINABILITY REPORT

FOR THE PERIOD
FROM 2019 - 2022



PUBLISHED JUNE 2022



SUSTAINABILITY REPORT 2022

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CEO STATEMENT

I am delighted to be able to present Noden's first ever Sustainability report. Sustainability has always been important at Noden and this report enables us to share the progress we have made to date within the organisation and also our commitments and goals for the future.

Noden is a small specialty pharmaceutical company that wants to play its role in the global movement towards Net Zero and building more sustainable businesses.

We believe in taking little steps each year to play our part in this important societal shift.

Our journey to date

In parallel with the growth in the Sustainability agenda over the past number of years, we have used this time to gather, understand and formulate our sustainability framework, approach and commitments.



Detailed below are the key steps we have taken to date:

- **Developed our ESG strategy** which includes our four key pillars of Caring for our Planet, Social, Responsible Business and Product Impact Value. We used the Sustainable Development Goals as the overarching framework for this strategy
- **Engaged with our key stakeholders** to understand their views on sustainability including our first online survey to gather feedback from our staff on the priority ESG issues for our business.
- **Completed a first Carbon Footprint calculation** of our organisation that will be an ongoing annual objective as one of our KPIs.
- **Completed our first best efforts voluntary disclosure** against the Sustainability Accounting Standards Board ('SASB') Biotechnology and Pharmaceuticals standard.
- **Developed and published this report**, our first ever Sustainability report, on the Company website.
- **Set an ambition to reach Net Zero Carbon Emissions** – We have made a commitment to deepening our understanding of the impact we have on the environment to enable us to formalise a plan of how and when we can reach Net Zero Carbon Emissions.

Sustainability has always been important at Noden but since our Company was acquired by our new owners, Stanley Capital, it is now a key performance priority.

Our new investors have brought the issue to board level and as a result of this we are now delighted to be able to present our first ever sustainability report.

What Next?

The past year has been a critical time in our ESG journey. Going forward, we are committing to publishing this report on an annual basis.

This will include continued reporting of all the target metrics we have disclosed so that we can start to monitor the impact our business has across a much broader set of measures and not just purely financial.

We recognise the importance of disclosing relevant non-financial information to all our stakeholders. We will continue to align with appropriate corporate sustainability reporting best practice and to monitor the emerging regulatory requirements in this space.

We are very proud with what has been achieved over the past year and we are excited about continuing to work hard on sustainability in the future.

ALAN MARKEY
CEO

02 | ABOUT US

Noden Pharma DAC is a specialty pharmaceutical company that is focused on acquiring prescription medicines across a broad range of therapeutic areas in international markets.

We focus our resources on acquiring and optimizing established medicines.

As a company we keep our core values at the forefront of our decision making.



PRINCIPLED

In today's environment, behaving with integrity and honesty is essential to creating a culture which promotes high ethical standards.

At Noden, we strive to be a responsible corporate citizen employing a principled approach which is prevalent throughout our interactions

DEDICATED

Noden is committed to providing medicines, in a responsible manner, which enhance the lives of people around the world.

Advancing positive health outcomes is the goal for Noden and the shared focus for all employees.

UNIQUE

Noden offers a unique proposition as a small company with a global platform.

We are also differentiated based on our view of specialty pharma. At Noden we take a discerning view on product selection and asset optimization.



03 | OUR SUSTAINABILITY STRATEGY

At Noden Pharma we are committed to becoming a more sustainable business.

in sustainability amongst similar sized companies within our industry.

Each year we intend to build on our performance and to develop as a top performer

Taking our company values into account we have identified **four key pillars of our new sustainability strategy.**



CARING FOR OUR ENVIRONMENT

We commit to measuring our impact on the environment and seek to understand how we can become more environmentally friendly through our actions.



RESPONSIBLE BUSINESS

We seek to be transparent in our own actions through best in class compliance with all financial and non-financial regulations in addition to open and honest communications with all of our stakeholders.



SOCIAL /EMPLOYEE WELLBEING

Our people are at the heart of our business, and we aim to help foster a culture of learning and development and to enable employee wellbeing through our internal policies.



PRODUCT IMPACT VALUE

We are committed to the highest standards of quality for our product and creating sustainable value chains through responsible sourcing, distribution and operating measures.

OWNERSHIP

A steering committee has been set up and includes:

Alan Markey

(CEO),

Michael Conlan

(CFO and Sustainability Project Sponsor),

Clive Rudd

(Head of Technical Operations).

The steering committee has responsibility for:

- Developing policies, targets and initiatives
- Monitoring progress against KPIs
- Reporting to the Board
- Delivery of annual sustainability report

Sustainability Reporting

We understand our sustainability report needs to address the concerns of all our stakeholder groups.

To best meet this requirement, we have utilised the SDGs as our overarching reporting framework and completed best efforts voluntary disclosures against the investor led SASB Biotechnology and Pharmaceuticals standard which ensures we are disclosing comparable information to our investors.

The SDG Framework

The SDGs were published by the UN in 2015 as part of the 2030 Agenda for Sustainable Development. These goals form an urgent call to action for all countries to tackle the biggest issues humanity currently faces: from gender equality and decent working conditions to responsible resource consumption and climate change.



We have used the UN Sustainable Development Goals (SDGs) as the overarching framework for our sustainability strategy.

Noden’s activities have both direct and indirect impacts on the SDGs, and they are all interlinked – progress in one is supported by progress in others. For each of our pillars, we have identified four main SDGs that we believe we can influence and have impact.

These are:



This report includes our first best efforts voluntary disclosure against the Sustainability Accounting Standards Board (SASB) Biotechnology and Pharmaceuticals standard.

SASB helps companies to identify the ESG topics that are most relevant to financial performance and aim to provide transparent, financially material, and meaningful information on sustainability to investors and other stakeholders.

Our reporting against the SASB standard is a voluntary disclosure and can be found at the end of this report.

3.1 | CARING FOR OUR PLANET

At Noden we recognise the responsibility we have to reduce our carbon emissions, to minimise our use of important resources such as energy and water, and to protect biodiversity.

We recognise the next decade is crucial for climate action and are committed to playing our part.

We are now measuring our carbon footprint annually from a baseline year of 2019. The carbon measurement aligns with best practice reporting standards: The GHG Protocol and ISO 14064-1.

Measuring our emissions has helped us identify where we can have the most impact and will guide our future carbon reduction initiatives.



Our Results

Measuring our emissions has helped us identify where we can have the most impact and will guide our future carbon reduction initiatives.

Emissions Source	Unit	2019	2020	2021
Scope 1 Emissions	tCO2e	0	0	0
Scope 2 Emissions	tCO2e	11	6	1
Scope 3 Emissions	tCO2e	45,503	49,861	3,080
Total Carbon Emissions	tCO2e	45,515	49,868	3,081
Carbon Intensity	tCO2e/Million Revenue €	826.1	1110.3	87.5



Scope 1 emissions are from sources owned or controlled by the organisation.

Scope 2 emissions include the electricity we purchase from the grid.

Scope 3 emissions include emissions from other sources in our value chain. Currently we include Waste, Water, Business Travel & Employee Commuting,

Purchased Goods & Services and both upstream & downstream transportation and distribution. Short term targets – Completed within 1-3 years

Scope 3 emissions make up the vast majority of our total GHG emissions of which Purchased Goods and Services is over 99%



Key actions to date



The introduction of a **compostable** and **biodegradable** system for our office waste.



Move to **electronic forms of documentation** to reduce paper usage within our office.

This has helped us **save 5,200kg of carbon, 364kg of waste and over 50,000 litres of water to date.**



Supporting our employees **to commute in an environmentally friendly manner** by introducing a bike to work scheme and supporting access to tax saver commuter tickets



Implementing a **hybrid working model**



Completion of **carbon footprint measurement**

Short term Targets:

- Informed by our Carbon footprint we will use the information gleaned to help us to continue to monitor and reduce where possible our impact on the environment.
- We will continue to monitor how we care for the planet by tracking Co2 per million of revenue.
- Using our average carbon intensity over the past three years* we will set a target of 674 tCO2e / Million Revenue per year.

*Metric will update annually for average of latest three years of available data.

At Noden we strive to create a workplace of **fairness, equality and respect** while fostering a culture of inclusion and diversity.

We aim to ensure our employees are fulfilled and engaged within their roles and will do this by providing **training & development opportunities**, implementing **health & wellbeing initiatives**, and ensuring our workforce is **equal, diverse, and inclusive**.



1. Training & Development:



We recognise that our core strength lies in our people and credit our reputation to this fact. We offer individuals an opportunity to begin and grow their careers with us and aim to promote internally as much as possible.



Our employees are our greatest asset, so it is important to us that we support employees through educational courses to further career development. To monitor our career development and employee retention success we will measure the average number of hours completed on professional development each year, for all of our employees. This is a key action for us to implement as we go forward.

To date we have encouraged all of our employees to develop themselves professionally but this has been in a formal way. We are committing to formalising this approach in the coming year through Company support for appropriate courses and also annual monitoring of hours completed. We are very proud of three of our employees who are currently or who have just finished further professional exams.

Case Study

Noden pharma **supported Natalia Siekierka** (a member of the finance team) in her journey to become a fully qualified accountant. Noden assisted Natalia's professional development from 2018 – 2021 in the form of flexible working, additional training and support for course fees and materials while she was studying. In addition, Noden tried as far as possible to align her studies with her work in the finance team which benefitted both the staff member and the Company. Natalia was accepted

as a member of the Association of Chartered Certified Accountants at the end of 2021 having passed all of her exams first time. The initiative has also benefitted the Company as Natalia continues to take on more responsibilities and add value to the organisation in a more senior capacity.

“The support Noden has given me has allowed me to take a big step forward in my career”

Natalia

2. Diversity & Inclusion

We acknowledge the need to continuously improve equality, diversity, and inclusion across all levels of our business. We have been tracking our employee diversity for a number of years and will continue to be an equal opportunities employer.

We believe a diverse workforce is a stronger workforce and are very proud of the workforce we have in place at Noden. In addition, we have a hybrid working model in place which supports flexibility across our business and we are working to formalise this policy.



	2019	2020	2021
Male	29%	29%	33%
Female	71%	71%	67%
Foreign national	50%	50%	53%
Irish national	50%	50%	47%

BOARD COMPOSITION



SENIOR MANAGEMENT COMPOSITION



3. Health & Wellbeing:

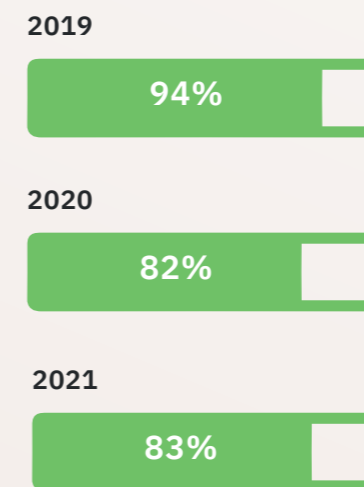


We are committed to creating a healthy working environment and will strive to ensure employees have the resources to make healthier living and lifestyle choices.

Some of our **current initiatives** include:

- Making **healthcare** and **pension plans** available to all our employees
- Ensuring access to **Employee Assistance Programs** is available
- Performing **annual employee** reviews to better **understand** their wants and needs
- Culture of **encouraging annual leave** to be taken

% OF ANNUAL LEAVE TAKEN BY EMPLOYEES



Short term Targets:

- o **Set a minimum goal** of 20 hours of career advancement training per employee to complete each year

We aim to align our values, ethical behaviours, processes, and culture with societal standards and ensure transparency with our stakeholder groups. Noden has a robust corporate governance environment in place, including strict process controls which are overseen by the Board.

Noden, like other health care companies is highly regulated.

KEY COMMITTEE MEETINGS PER YEAR

	2019	2020	2021
Committee	4	4	4
Board	0	0	1
Remuneration	0	0	1
Audit	4	4	6

We ensure full compliance in these areas particularly in the manufacture and distribution of products and patient privacy, and prevent improper billing, aggressive marketing tactics, and pricing manipulation.

Our areas of focus under this pillar are Privacy & Data and Transparency.



1. Privacy & Data Security

Protecting our stakeholder’s data is a priority. We always adhere to the relevant regulations for data protection and annually review our General Data Protection Regulation policy.

2. Transparency

Given the sector we work in, it is important to lead by example. We conduct business in a highly ethical and compliant manner and are transparent in our actions. Some initiatives we have completed in relation to transparency are below:

- Transformed monthly reporting environment to meet needs of new investors.
- Revised board composition to bring in two new non-Executive directors with diverse backgrounds.
- Implemented best practice board structures – independent observers and additional committees (Board Committee / Remuneration Committee / Audit Committee).
- Annual financial audit conducted by Big 4 Accounting Firm
- Publication of first ever Sustainability report in 2022.

We have set ourselves a long term goal to getting our sustainability report audited. Our near term targets in this area are the small steps we intend to take to get ourselves audit ready for the future.

Short term Targets:

- o **Develop methodologies** to collect standard and consistent data each year
- o **Develop processes and policies** and formalise the area of Sustainability in our business
- o **Continue to monitor** the reporting framework space and align with our peers and industry
- o **Engage a third party vendor** to complete a verification of the carbon data emissions

3.4 | PRODUCT IMPACT VALUE

We are committed to highest standards of quality for our product and creating sustainable value chains. Ensuring the quality of the medicines we deliver is of the utmost importance.

We use our Quality Policy and Quality Management System (QMS) to meet the requirements of our clients and customers in conformance with the Company's specifications and current legal and regulatory requirements.

Our QMS is evidenced by our holding of authorisations issued by the Health Products Regulatory

authority for procurement, supply, export and disposition of products around the world.

All of outsourced providers are qualified routinely, by means of Health Authority inspections and Noden's internal supplier qualification and audit program.

To date, we have had no major or critical critical findings following GMP and GDP inspections by the Health Products Regulatory authority which confirms our commitment to responsible sourcing and quality standards.

	2019	2020	2021
Internal Quality audits completed	1	1	1
External audits conducted by relevant Competent authority (HPRA etc)	0	2	0
External audits conducted by Noden Quality team	7	4	8
Major & Critical findings from GMP / GDP inspections	0	0	0
Product recalls	0	0	0
Field alerts	0	0	0

Safety, Quality & Access



1. Responsible Sourcing

Given the nature of our supply chain, we understand the importance of responsibly sourcing all our products. Our key initiative in this area to work on will be:

- Developing a Supplier Code of Conduct which will help to screen suppliers for material risks and ethical issues including modern slavery, bribery, and corruption.

We intend to apply this to all new suppliers we engage with and also retrospectively to all of our material suppliers.

2. Safety, Quality & Access

Putting our customers first means guaranteeing that our products are safe, of the highest quality and accessible. Some of our initiatives include:

- Ensuring compliance with product safety and quality standards.
- Reviews of our quality standards annually
- Working to ensure accessibility of products to end users.
- Audit mindset
- Fair pricing

Pricing

We are committed to fair pricing for our products. As part of our sustainability initiatives we will be publishing our price changes on an annual basis (net of inflation) across our two key regions. Detailed below is our first disclosure in this area:

Region	2021	2020	2019
US	-2%	3%	-2%
Europe	-3%	-0.25%	-1.2%

Calculations are performed by comparing price increases year on year in each region to the year on year inflation %.

Source
 EU inflation - <https://www.euro-area-statistics.org/inflation-rates?cr=eur&lg=en>
 US inflation - <https://www.usinflationcalculator.com/inflation/historical-inflation-rates/>

Short term Targets:

- o Develop a supplier code of conduct

04 | STAKEHOLDER ENGAGEMENT

Involvement and participation from our stakeholders is important to us as they play a significant role in supporting our strategies and decisions. We want to retain regular engagement with our stakeholders to understand how their decision-making impacts our sustainability outcomes.

Our **four key stakeholders** are:

INVESTORS

EMPLOYEES

CUSTOMERS

SUPPLIERS



	DESCRIPTION	MAIN ENGAGEMENT TOPICS	ENGAGEMENT METHODS
INVESTORS	Maintaining an open transparent relationship with our investors on all matters.	<ul style="list-style-type: none"> - All ESG topics 	<ul style="list-style-type: none"> - Monthly trading updates - Annual audited accounts - Quarterly board meetings & Governance Committees (Board, Remuneration and Audit committees) - Ad hoc investor requests / meetings
EMPLOYEES	Noden employees want to see a clear strategy and confidence that they will be safe and healthy at work. They also seek career progression and development opportunities.	<ul style="list-style-type: none"> - Diversity & Inclusion - Training & Development - Employee Wellbeing 	<ul style="list-style-type: none"> - Team meetings and company updates - Career development meetings & performance reviews - Employee surveys
CUSTOMERS	Our customers need assurance that all the manufacturing stages of product supplied has been carried out in full compliance with the cGMP and cGDP requirements, and with the requirements of the Marketing Authorisation(s) of the destination country/countries.	<ul style="list-style-type: none"> - Safety, Quality & Access 	<ul style="list-style-type: none"> - Marketing Authorisation Specifications - Quality Management System maintained by Noden in line with cGMP and cGDP requirements. - Quality / Technical Agreements with Distribution partners / customers - Company website - Pharmacovigilance systems (reporting from end users) - Prompt and detailed investigation of all customer complaints / incidents, with the results being shared in a transparent fashion
SUPPLIERS	We have a range of suppliers across the services and goods sectors. Our organisation relies on a lot of suppliers as we operate a mainly outsourced model.	<ul style="list-style-type: none"> - Responsible Sourcing 	<ul style="list-style-type: none"> - Supplier performance is rated monthly and annually in line with the Noden Quality Management system. - Supplier qualification and routine audits - Supplier ad hoc meetings - Supplier qualification and routine audits - Quality / Technical Agreements with Suppliers

SASB DISCLOSURE

This is our first Sustainability Accounting Standards Board (SASB) best efforts voluntary disclosure using the SASB Biotechnology and Pharmaceuticals industry standard.

This standard was selected as the most appropriate using the SASB Materiality Finder tool. It is our intention to continue to disclose against the metrics below on an annual basis.



ACTIVITY METRICS

HC-BP-000.A	Number of patients treated	Not reported – data not available to company.
HC-BP-000.B	Number of drugs (1) in portfolio and (2) in research and development (Phase 1-3)	<ol style="list-style-type: none"> 1. In Portfolio – Two brands and one Authorised Generic. Brand - Tekturna and Tekturna HCT in US (Rasilez and Rasilez HCT Ex US). Alsikiren AG (Authorised Generic of Tekturna). 2. In research and development – 0.

SAFETY OF CLINICAL TRIAL PARTICIPANTS

HC-BP-210A.1	Discussion, by world region, of management process for ensuring quality and patient safety during clinical trials	Not applicable. No ongoing clinical trials.
HC-BP-210A.2	Number of FDA Sponsor Inspections related to clinical trial management and pharmacovigilance that resulted in: (1) Voluntary Action Indicated (VAI) and (2) Official Action Indicated (OAI)	Not applicable. No ongoing clinical trials.
HC-BP-210A.3	Total amount of monetary losses as a result of legal proceedings with clinical trials in developing countries [€]	Not applicable. No ongoing clinical trials.

ACCESS TO MEDICINES

HC-BP-240A.1	Description of actions and initiatives to promote access to health care products for priority diseases and in priority countries as defined by the Access to Medicine Index	No ongoing initiatives
HC-BP-240A.2	List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme (PQP)	No products are on the list at time of reporting.

AFFORDABILITY & PRICING

HC-BP-240B.1	Number of settlements of Abbreviated New Drug Application (ANDA) litigation that involved payments and/or provisions to delay bringing an authorized generic product to market for a defined time period.	None.
HC-BP-240B.2	Percentage change in: (1) average list price and (2) average net price across U.S. product portfolio compared to previous year	For detail on changes in pricing on annual basis see our Product Impact Value section in our Sustainability Strategy.
HC-BP-240B.3	Percentage change in: (1) list price and (2) net price of product with largest increase compared to previous year	As above.

DRUG SAFETY

HC-BP-250A.1	List of products listed in the Food and Drug Administration's (FDA) MedWatch Safety Alerts for Human Medical Products database	Not applicable
HC-BP-250A.2	Number of fatalities associated with products as reported in the FDA Adverse Event Reporting System	None
HC-BP-250A.3	Number of recalls issued, total units recalled	None
HC-BP-250A.4	Total amount of product accepted for takeback, reuse, or disposal	Not disclosed
HC-BP-250A.5	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	None, we have no such FDA enforcement actions

COUNTERFEIT DRUGS

HC-BP-260A.1	Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	We use third-party distributors for distributing our products and this process is supported by: <ul style="list-style-type: none"> - Supplier qualification - Supplier audits - Quality Technical agreements - Serialisation as applicable in territory in line with falsified medicines directive - Quality management system
HC-BP-260A.2	Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products	We have defined procedures in place designed to alert our customers, business partners and regulatory authorities. Our procedures require us to perform and document root cause investigation, corrective/preventative and reporting mechanisms.
HC-BP-260A.3	Number of actions that led to raids, seizure, arrests, and/or filing of criminal charges related to counterfeit products	Not applicable

ETHICAL MARKETING

HC-BP-270A.1	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	None
HC-BP-270A.2	Description of code of ethics governing promotion of off-label use of products	There is no ongoing promotion of our products

EMPLOYEE RECRUITMENT, DEVELOPMENT & RETENTION

HC-BP-330A.1	Discussion of talent recruitment and retention efforts for scientists and research and development personnel	Not applicable. No scientists and research and development personnel currently employed.
HC-BP-330A.2	(1) Voluntary and (2) involuntary turnover rate for: (a) executives/senior managers, (b) midlevel managers, (c) professionals, and (d) all others	<p>(a) Voluntary turnover rate 2021:</p> <ul style="list-style-type: none"> (a) Executives / senior managers – 0% (b) Midlevel managers – 0% (c) Professionals – 15% (d) All others – 0% <p>(b) One involuntary turnover occurred in 2021. Mid level manager – 8%</p> <p><small>% are expressed as % of total organization given limited number of employees employed at Company</small></p>

SUPPLY CHAIN MANAGEMENT

HC-BP-430A.1	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in the Rx-360 International Pharmaceutical Supply Chain Consortium audit program or equivalent third-party audit programs for integrity of supply chain and ingredients	<p>Noden does not participate in the Rx-360 International Pharmaceutical Supply Chain Consortium. However, our Tier I suppliers facilities are frequently audited by the respective Health authorities of the countries in which we distribute our Healthcare products.</p> <p>In addition we perform quality audits over all of our suppliers on an ongoing basis.</p>
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BUSINESS ETHICS

HC-BP-510A.1	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	None.
HC-BP-510A.2	Description of code of ethics governing interactions with health care professionals	Currently no promotion directly to Health Care Professionals.





