



SUSTAINABILITY REPORT

2023

This sustainability report is for the financial and physical year 1 January 2022 to 30 April 2023.



Table of Contents

Bluefish vision.....	3
A value driven organisation	3
Our business	4
Quality pharmaceuticals at affordable prices	4
Efficient Marketing Organisation	4
Product Selection.....	5
Robust Supply Chain	5
Our Sustainability approach.....	6
Sustainability integrated into our business	6
Sustainability risks to our business	6
Materiality analysis	7
Sustainability Strategy	8
Health and wellbeing for all patients	9
Driving continuous sustainable improvements	9
Ensuring responsibility throughout the supply chain	10
Audit program.....	10
Healthy workplace.....	11
Health and Safety.....	11
Corporate Social Responsibility.....	12
Shanti Bhavan Children's Project.....	12
Governance and Compliance	13
Code of Conduct as a driver	13
StateMent by the CEO.....	14

About the sustainability report

This Sustainability Report has been prepared in accordance with Swedish legislation on sustainability reporting, as stated in the Swedish Annual Accounts Act (6 kap 10-14 §§ ÅRL). The Sustainability Report aims to present Bluefish's' sustainability performance, risk management and value creation.

BLUEFISH VISION

Bluefish's vision is to make quality pharmaceuticals accessible to more people. We want to bring value to patients and societies and offer affordable pharmaceuticals, with high service level, in a sustainable supply chain. Our ambition is to grow and develop the business without sacrificing any of our values. It is essential in our international environment, today and for the generations to come.

A VALUE DRIVEN ORGANISATION

Bluefish has an established organization and an international footprint across EU and India. We are active in 13 European countries, along with export activities to countries outside Europe. Bluefish has local marketing and sales offices in Sweden, Germany, Austria, Poland, Ireland, Spain, and France. We also have a subsidiary in India, with focus on maintaining and developing the Group's product portfolio. Other core activities, business development, logistics, purchasing, quality control and pharmacovigilance are dealt with either by the head office in Stockholm or by the company's technology and development centre in Bangalore, India.

Bluefish has also engaged in activities on medical-clinical analysis for most valuable products/medical technologies that we consider for development and future supply to patients at attractive prices to improve clinical outcomes of EU societies and address unmet needs in countries where access to novel treatments is restricted.

Bluefish has established a set of company values to promote high ethical working standards, accountability, behaviours, and stakeholder relations. We are supported and guided through our values in our daily operations to create long-term benefits and to ensure sustainable growth over time.

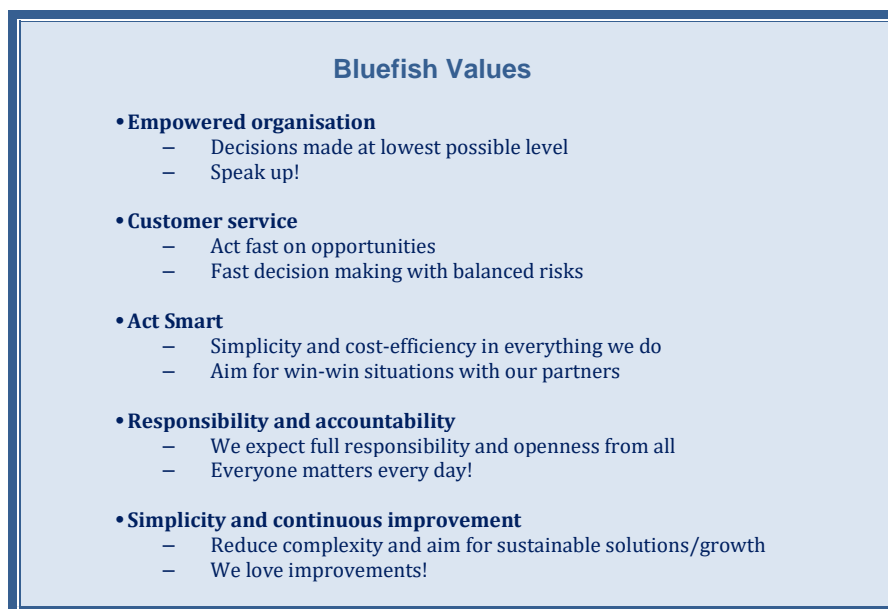


Figure 1 Bluefish Values



OUR BUSINESS

Bluefish provides quality generic pharmaceuticals at affordable prices. Our product portfolio contains a wide range of products within all major therapeutic areas. The company was founded in 2007 and since our inception, we have developed a platform for know-how and expertise in all steps of the generic pharmaceuticals value chain.

Quality pharmaceuticals at affordable prices

With the vision of offering quality pharmaceuticals at affordable prices, we strive to be innovative and cost-effective at the same time. This includes internal operational excellence as well as expertise in product development, quality assurance, finance, business development, pharmacovigilance, intellectual property, supply chain and logistics, as well as marketing and sales.

The company's strategy for achieving profitable growth is focused around three areas: strengthening our product portfolio, cost control on all levels, and being asset light. Bluefish future success is very much dependent of both outcome and the balance between these three areas. Our strategy depends also on excellence in identification future generics with great potential for growth and addressing chronic conditions for major patients' population which is foundation of our sustained revenue growth.

Efficient Marketing Organisation

Bluefish footprint expansion model is based on organic growth with a clear focus on a specific market segment. Normally, the expansion into new markets is a gradual process. A few selected products are introduced initially, before adding a full-fledged portfolio. All aligned with local market needs. The aim is to gradually grow and capture market shares and introduce a full product range. By offering affordable premium generics on a consistent basis, Bluefish is able to build strong and lasting customer relationships.

The structure for financing and purchasing pharmaceuticals varies from country to country. It not only determines the degree of penetration on the market in question, but also the choice of marketing model for optimization of the market potential. Bluefish target customers are pharmacies, pharmacy chains, wholesalers and payers e.g. governmental or private institutions.

Bluefish marketing organisation has created a strong platform on the European market and continue to do so. In-depth knowledge of each specific market is a prerequisite for successful optimisation of the product offering as well as the sales channel, partner selection and marketing activities. Our target customers are Health Care Providers/Practitioners and Doctors in particular whom we want to offer ability to give best medication to their patients at most affordable pricing, we thrive to partner with payers across EU as our products have embedded pricing attractiveness in their values, that is why we are a company that has a unique message to convey – highest standards with affordable prices hence line organisation set up and optimised marketing streamlined to create only brand awareness.

Through the company expertise and experience, Bluefish is able to introduce new products on the market quickly and effectively. Speed to market is a major competitive advantage and often determines the success rate for a specific product introduction. Bluefish aims to be very quick in responding to opportunities, and to be one of the most progressive generics companies in EU.

Product Selection

Bluefish has a well-established selection process for identifying products that meet the internally established criteria for each product category. Apart from blockbuster products, where patents are due to expire, Bluefish also reviews and introduces more niche-oriented products in segments which often consist of complex formulations.

Investing in the right products is essential for sustainable long-term sales growth. Prior to each new product investment, Bluefish conducts thorough commercial and technical analyses which take into consideration the earnings potential of the product, market intelligence, the development and registration costs in each relevant market, and any technical and quality aspects of the product. Our selection is also driven by thorough medical and clinical analysis of products, disease areas and future patient treatment needs that we strive to address.

As a result, the product portfolio comprises a broad range of high-quality generic pharmaceuticals within major therapeutic areas.

Robust Supply Chain

Bluefish collaborates with several strategic manufacturing partners for manufacturing of our products, and we are constantly working to ensure that our products are manufactured with the highest quality and at competitive prices. Optimising lead-times, supply planning, order placement, logistics, quality assurance and distribution are fundamental aspects of the company's competitiveness on each market.

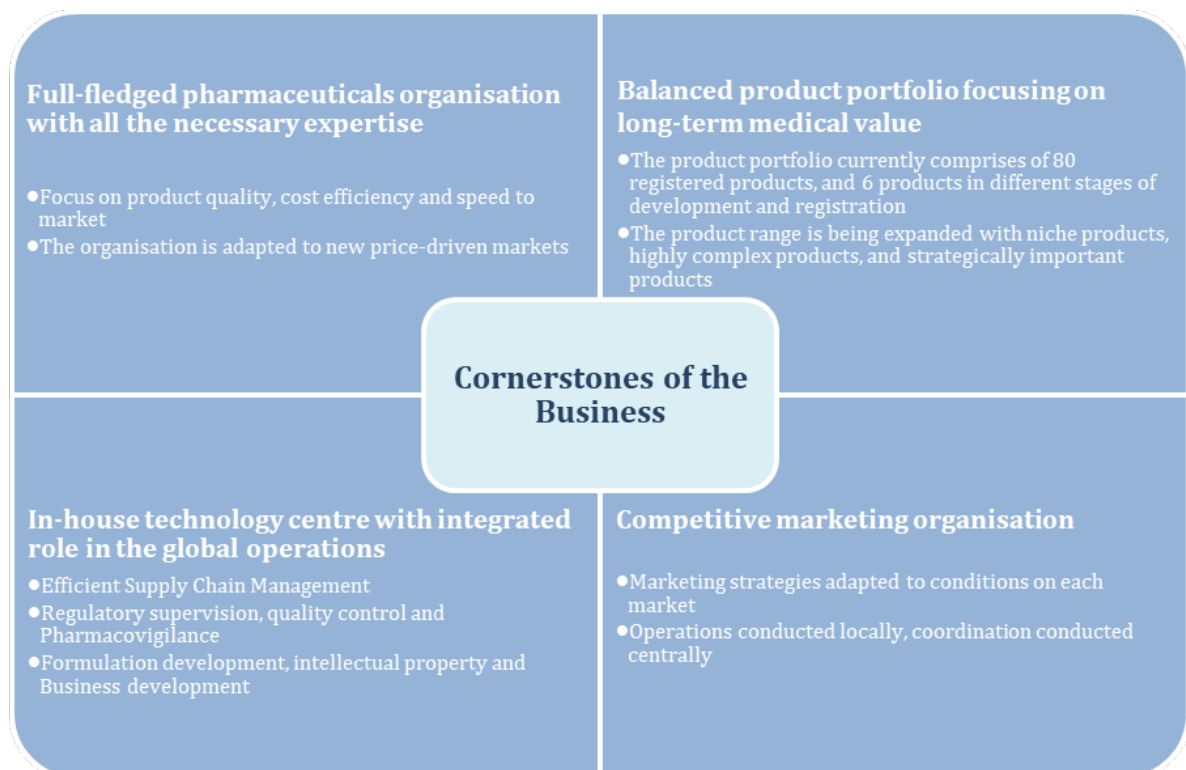


Figure 2 Cornerstones



OUR SUSTAINABILITY APPROACH

Sustainability is critical to our long-term business success and future. The expectations on sustainable solutions from different stakeholders, including our customers, are becoming more and more obvious and our aim is always to not only meet, but also to exceed those expectations. We are a value-driven organisation, and we want to make a positive and sustainable impact on the societies in which we conduct business.

Sustainability integrated into our business

Bluefish sustainability agenda is integrated with our business strategy and part of our day-to-day operations. It is managed through our policies, procedures, and governance program and monitored through follow-ups and the company's KPI development. The foundation is based on environmental, ethical, and social aspects. Our membership in the Medicines for Europe organisation is also a good source for learning and sharing to create an even further positive impact on society.

Sustainability risks to our business

Sustainability also plays an important role in Bluefish risk management process. Business risks and sustainability risks are captured, monitored, and mitigate through our risk-log. The top risks that can impact this strategy from a sustainability perspective are:

- Supply chain management – All manufacturing of our pharmaceuticals are outsourced to external partners. Bluefish is heavily dependent on the ability of the suppliers to meet the standards of GMP/GDP regulations and our internal Code of Conduct.
- Changes in the regulatory field – Health and safety aspects are fundamental to our business. Compliance guidelines impact every aspect of what the company do, everything from sourcing to supplying quality pharmaceuticals to patients. Being on top of new and changing regulations is absolutely key for compliance reasons and patient safety.
- Safety Health and Environment (SHE) measures – We are heavily dependent on partners and their ability to work in a sustainable way with Safety, Health, and Environmental aspects. Especially, our partners with manufacturing sites or laboratories. In 2018 Bluefish introduced a structured audit control programme which covers all current Indian manufactures. The audit programme aims to provide a safe workplace for employees and protect surrounding environment in particular. Changing treatment guidelines and long-term development process for new generics which we try to offset by having agile organisation and being able to embark on new development instantly according to recognised clinical opportunities. Another risk for our sustainability could be need for pan EU recognition of our Bluefish organisation (and better awareness amongst customers), which is yet to happen and could be a future leverage for our growth and value.

MATERIALITY ANALYSIS

As a foundation for our sustainability strategy, we conducted a materiality analysis including a stakeholder dialogue. The analysis was done through the lens of Patients, Environment, Employees, and surrounding Community. The result is presented in the top-10 list below. The list contains the most relevant topics where we see a clear influence from our decisions and actions.

Most important sustainability topics	
1	Product safety
2	Product information
3	Transports
4	Vendor management (SHE)
5	Prevent illhealth
6	Equality and equal opportunity
7	Upskilling
8	Human rights
9	Anticorruption
10	Community engagement

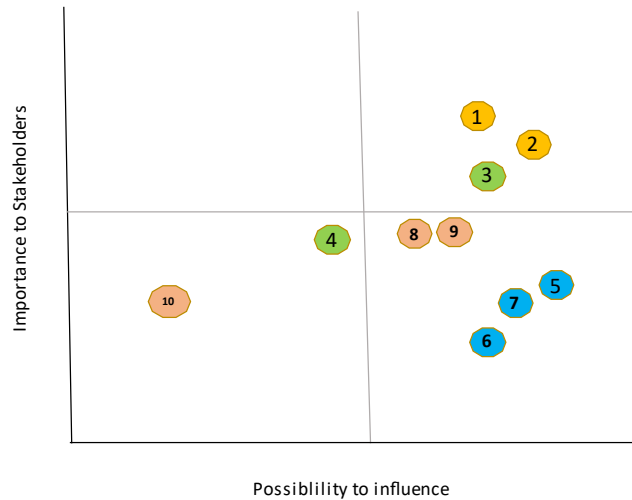


Figure. 3 Stakeholder dialogue

SUSTAINABILITY STRATEGY

Based on the materiality analysis, we have identified the areas where we need to excel as a company. Areas where our value adding activities play a very important role in the societies where we operate. The need and our commitment to ongoing analysis of medical and clinical arena, chasing changing treatment paradigms and new trends to be on the edge of changing medical environment and always understand how our developments planned today are going to serve patients and Health care professionals in future.

Base

The basic focus is the fundamentals that need to be in place to achieve an acceptable level of sustainable business. We see that Gender equality, Decent work and economic growth, Quality education, and Partnerships for the goals fit into this category.

Focus

In order to keep improving our sustainability work, we have identified areas where we need to focus and emphasize to maintain and improve current level, areas such as; Good Health and well-being, Climate action, Clean water and sanitation, and Responsible consumption and production. This is to enable us to fulfil future expectations from our customers and other stakeholders.

Excellence

Good health and well-being have been identified as an area where we strive to excel as a company and to take a leading role. Helping patients to access affordable pharmaceuticals across EU is fundamental to us and has been there as a company target since day one.

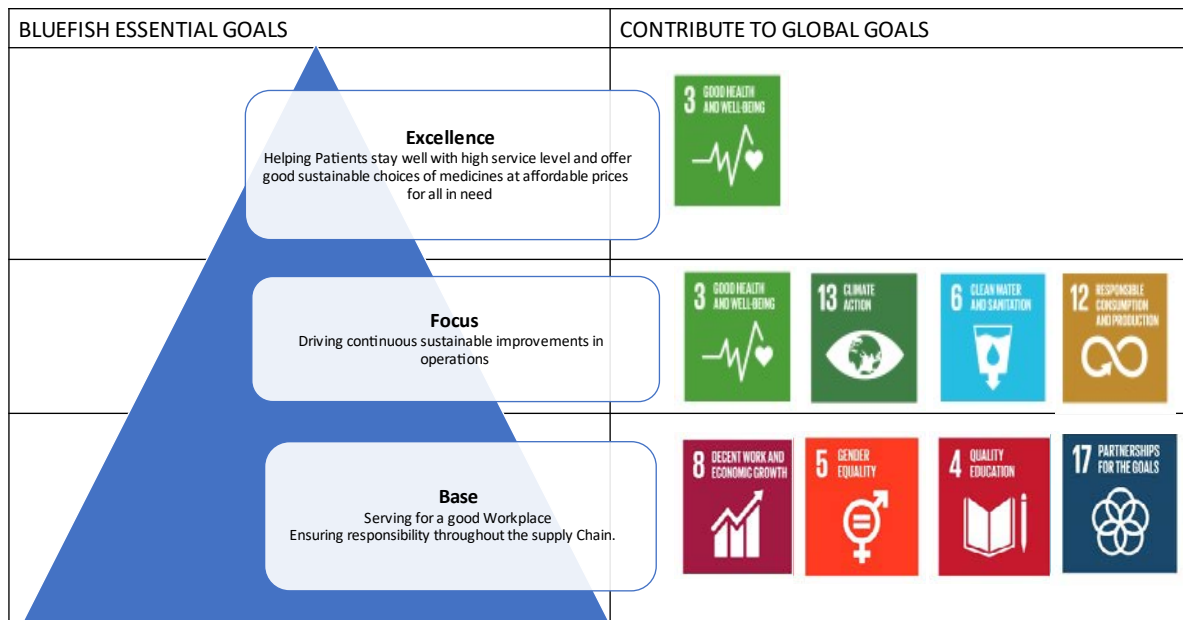


Figure 4 Bluefish Goals contribute to UN Global Sustainability Goals.

Health and wellbeing for all patients

Patients' health and wellbeing is a fundamental goal for Bluefish as a company and is very much aligned with UN Global Sustainability Goals number three. To deliver on this promise, we have established an organisation that is equipped to survey and manage product- and regulatory aspects of our pharmaceuticals.

The company is inspected regularly by the Swedish Medical Products Agency to ensure that Bluefish complies with Good Manufacturing Practice (GMP), Good Distribution Practice (GDP), and pharmacovigilance legislation (GVP). GMP is the regulatory regime all pharmaceuticals manufacturers must comply with to ensure that the finished pharmaceutical products have the right identity, strength, quality, and purity and to ensure patient safety. GDP is the regulation in place to ensure that all pharmaceutical products are distributed within regulated conditions throughout the supply chain.

We aim to offer a very high service level for our products that are available to customers. In 2020 we reached a service level of 95%, in 2021 98% and in 2022 96%.

Bluefish products are increasing year on year in terms of volumes (packs), and in the year 2022 we sold all time high of 13.05 million packs.

TARGET 2021: 93% service level. Target achieved (98%).

TARGET 2022: 93% service level. Target achieved (96%).

TARGET 2023: 95% service level.

Driving continuous sustainable improvements

To drive continuous improvements in the sustainability area is vital to our success and to our stakeholders. We want to constantly improve our operations and ways of working and to reduce the impact on the societies where we operate. We have identified reducing our carbon emission footprint a critical improvement for Climate Action.

The biggest source of carbon emissions we have are the transportation of pharmaceuticals from manufacturing sites to our customers. We have increased the share of sea transportation vs. air significantly to reduce the carbon emission. The weight of our air shipments was reduced from 25 668 kg to 20 365 kg in 2022. We reached a sea transportation share of 86% (2019), 93% (2020), 95% (2021) and 94% (2022).

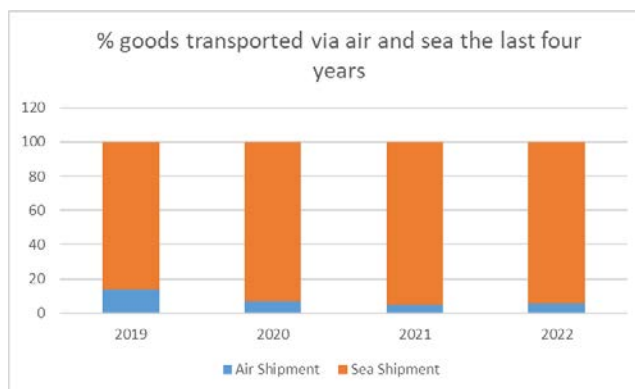


Figure 5 % Air vs Sea shipment

TARGET 2021: 85% sea transports. Target achieved (95%)

TARGET 2022: 87% sea transports. Target achieved (94%)

TARGET 2023 : 90% sea transports



Since Bluefish is a company with an international footprint, some business travel is still viewed as required to interact with customers, partners, and other stakeholders. Since the start of the COVID-19 pandemic, we have seen a change in pattern with an extensive increase in virtual meetings, both with internal and external stakeholders. Our aim is to keep the digital interactions as high as possible even after the COVID-19 pandemic.

Ensuring responsibility throughout the supply chain

Bluefish’s supplier management is based on the company’s Code of Conduct, which describes Bluefish expectations on suppliers in a variety of sustainability aspects. In order to enforce the Code of Conduct, Bluefish performs supplier inspections to ensure that patient safety, occupational safety, product quality, and other applicable business compliance and ethics aspects of suppliers are adequately considered.

Audit program

In 2018, we started our new Safety, Health, and Environmental (SHE) audit program together with our manufacturing partners. We used external EU certified competence to help shape and structure the audit content and approach to ensure we cover all aspects included in our policies as well as regulations. We initially prioritized safety, health, and environmental aspects in our audits based on risks and potency of drugs. We have committed to a long-term audit schedule including Active Pharmaceutical Ingredient plants and Formulation and Packing sites.

<p>The main objective of audit is to</p> <ul style="list-style-type: none"> ✓ Evaluate the management system for Business Ethics ✓ Evaluate the management system for process safety, safe system of work, critical equipment's, occupational health, and safety ✓ Evaluate the management system for Environmental Policies and Implementation including applicable legal standards 	<p>Audit comprises with a framework of mainly 9 Pillars</p> <ol style="list-style-type: none"> 1. SHE Policy & Legal Compliance 2. Business ethics 3. Environment 4. Accident Reporting, Investigation Analysis and First Aid 5. Hazard Identification, Risk Assessment & Control Measures 6. Emergency Preparedness & Fire Fighting Measures 7. General Plant Condition 8. Machineries, Lifting Tackles & Material Handling 9. Trainings & Participation
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Figure 6 SHE audit pillars

Our Safety, Health, and Environment (SHE) audit Program provides transparency and give us opportunities to drive positive change in the way we and our partners operate. Using a credible systematic approach and reviewing performance data we able to spot trends and do comparisons between our partners. We have seen improvements in safety, health, and environment. Our partners are actively contributing during the audits and act promptly on gaps or improvements suggested by Bluefish.

The SHE audits program typically occurs on a three-year cycle. SHE risks often depend on the type of operations, the complexity and size of the operation, past SHE performance and other factors. In 2022, we performed 17 SHE audits and completed audits of all our Indian suppliers. Any new supplier will be audited before onboarding them into Bluefish supply chain.

TARGET 2021: 15 audits performed. Target achieved (100%)



TARGET 2022: 17 audits performed. Target achieved (100%)

TARGET 2023: 05 audits to be performed.

Healthy workplace

As a healthy workplace, we believe that the wellbeing of our staff is essential for the success of our company. To create wellbeing, we focus on the following topics:

Through the 'Kraftsamla' programme under the Swedish Chamber of Commerce India, we seek to dynamically address gender issues in society, increase empowerment for women, greater collaboration between the sexes to together build an unbiased world, a place where all voices are equally heard and equally received. Kraftsamla in Swedish means "to harness our energies" or "to gather our forces together". It is a collaborative programme between Swedish companies in India, under the umbrella of the Swedish Chamber of Commerce India. Gender balance, equality, and equity are our non-negotiables. Three Bluefish employees were selected to be part of the first Task Force in 2022 on Gender Sensitisation, the first of its kind of train-the-trainer program. Close to thirty representatives from twenty Swedish companies in India, were trained and are now working to create awareness and promote diversity.

Research and experience show that diversity and equal opportunity play a key part in making companies successful. During recruitment we actively try to promote greater diversity and equal opportunity. Bluefish has chosen to focus on improving our gender leadership ratio by increasing the number of female leaders in the company.

Of the groups 122 employees, 44 percent are women. The board of directors has three women and one man, and the Leadership team has three women and three men. Among all leadership positions in Bluefish, 60 percent are now women after two years of close monitoring. Bluefish ambition is to have a balanced ratio in all managerial positions, hence the aim for a 50/50 split in 2023.

TARGET 2021: Increase of females in managing position by 3%. Target achieved.

TARGET 2022: Increase of females in managing position by 3%. Target achieved.

TARGET 2023: Have balanced leadership in managing positions, aim for 50-50 split

Health and Safety

At Bluefish, we strive to have the highest quality and safety focus in order to ensure sustainable growth. Our aim is to prevent accidents and minimize leave due to illness. Bluefish is committed to provide a work environment free from discrimination and harassment. All employees are entitled to a work free from discrimination; performance decisions based on merit and the right to speak up. Bluefish employees have the freedom to choose if they want to join a labour union or not in accordance with each country legislation. Bluefish has a methodical way of working with personnel Health and Safety at work, and we promote our ways of working through various guidelines. At Bluefish we also conduct various Wellness Sessions focusing on not only physical but also mental wellness of our employees. A safe and secure work environment is a pre-requisite for job satisfaction, creativity, and company success.

We aim to do our fair share of recycling of waste in our offices as well as actively reducing our energy consumption. Our largest office and lab is located in a green building in Bangalore, India.

Employee Experience

- We aim to create a workplace where our values come to life
- We strive to attract and retain talent
- We invite all employees to speak up

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility at Bluefish is all about contributing to and inspiring high performance in the societies where we are doing business. We believe that ordinary people can come together and achieve extraordinary things. Shanti Bhavan, a Bluefish partner, is a residential school in Tamil Nadu, was founded on the idea that any child can succeed given the right opportunities. That is why we are proud of our contribution to the Shanti Bhavan Children's Project, a project focusing on higher education to the underprivileged children in India. We want to put our efforts in programs where we believe we can make the most significant contribution to individuals and their families and increase diversity and inclusion at the same time. Since most of our operations are in India, it is natural to us to put our focus there. We believe that Shanti Bhavan is maximizing the impact on the community.



Figure 7. Children of Shanti Bhavan

Through Shanti Bhavan our employees and their families are able to touch lives in need and in return experience the blessing of giving. Their aim is to redefine education to empower future leaders with integrity, dignity, and a passion for excellence. Shanti Bhavan Residential School opened its doors in 1997 and welcome forty-eight students (24 girls and 24 boys) every year. The idea behind the school was simple: if children from underserved backgrounds were provided with education, resources, and opportunities, they could reverse the effects of abject poverty and social, economic, and gender inequity. Shanti Bhavan students are the first in their families to become authors, computer scientists, engineers, entrepreneurs, teachers, and more.

We contribute to the project by paying for their Wi-Fi and various IT support. Bluefish is also paying for the electricity and from time to time we donate laptops, furniture or other equipment needed at the school. Students from Shanti Bhavan are welcome to work for us on Internship programs and we also employ freshers from university to give them work experience on their growth journey. Our employees are encouraged to share their time, resources, and talents to enrich the community in which we work and live.

Shanti Bhavan Children's Program

The mission is unique and ambitious – to help children of deprived backgrounds become leaders through excellence in education and holistic personal development. Shanti Bhavan represents a radical change from basic literacy model and provides 17 years of intense intervention that reaches beyond individual students to tackle poverty and create positive change in their families and communities.

Shanti Bhavan's long-term approach to poverty alleviation and education is based on the belief that children of deprived backgrounds can not only meet but exceed expectations. These children move above and beyond the status quo into colleges and careers that are impressive by any standard. Over 97% of Shanti Bhavan high school graduates go on to graduate from college and are fully employed. Shanti Bhavan children go on to help hundreds, creating a powerful multiplicative effect throughout society.

GOVERNANCE AND COMPLIANCE

Bluefish compliance framework covers both Compliance and Governance aspects. It is essential to us to govern our sustainability work and potential risks to secure compliance with necessary rules and regulations. Responsibility for the overarching sustainability strategy, goals, actions, and follow-up rests with the CEO. The Board monitors the work through updates at least twice a year, which also include discussion about sustainability trends, risks, and developments. Day to day progress and follow-ups are delegated to functions within the company. Each area of sustainability, with appropriate key measures, has functions or individuals with overarching operational responsibility for follow up and reporting.

Code of Conduct as a driver

Our corporate Code of Conduct (CoC) serves as a central policy for all other policies and is based on legislation, corporate values and recognised international standards. It covers areas such as Labour Rights, Human Rights, Anti-discrimination, and Anti-corruption. The company operates in locations that offer good business opportunities, but operations can also be in markets with exposure to serious risks of corruption. Bluefish has a zero tolerance for bribery and corrupt practices and our Code of Conduct applies to all directors, managers, employees, consultants and temporary staff at Bluefish and its subsidiaries. The companies' additional policies are all very important aspects of our business, and they outline how these aspects need to be managed.

Figure 8 Code of conduct



Our sustainability work is followed up through internal audits covering sustainability issues and we also have a whistle blower function that our employees can use to report any subject anonymously without the risk of retaliation. The company has had 0 incidents reported in 2020, 1 incident reported 2021, and 0 incidents reported in 2022. All incidents are managed by our Compliance Committee consisting of employees from different functions lead by HR. As described earlier, we are auditing our suppliers through the Safety Health and Environment program, making sure our suppliers commit to our Code of Conduct. We have a compliance training program where all new employees are inducted on CoC in their Induction Program. All employees need to pass a test in order to complete their training not only at the time of joining but also as an annual refresher training every year.



STATEMENT BY THE CEO

I am pleased to express our continued support for the UN Global Sustainability Goals, 2023 and onwards. We have seen good results from the work so far, especially in reducing our carbon footprint, our collaboration with the Shanti Bhavan school in India, and our governance audit programme within Safety, Health and Environment.

Bluefish principles of compliance are implemented through our daily business internally and through our partners, and we will continue to focus on our targets and opportunities that contribute to our sustainability goal fulfilment. We also believe that a clear speak-up culture is a crucial element for the company's success and progress of our work.

As the world faces new challenges, the war in Ukraine and even as the COVID-19 pandemic continues, we must not lose sight of the importance of acting on climate change wherever possible. By collaborating with our value-chain partners, we can create greater social-, economic-, and environmental value.

Stockholm, 30 April 2023

Erik Ekman
President and CEO

Gunilla Spongh
Chairman of the Board

Gerald Engström
Board member

Berit Lindholm
Board member

Eva Sjökvist Saers
Board member