

EcoloPharm



WOMEN
OWNED

2023 SUSTAINABLE DEVELOPMENT REPORT

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ABOUT THIS REPORT

THIS INAUGURAL SUSTAINABILITY REPORT PROVIDES AN OVERVIEW OF ECOLOPHARM'S OPERATIONS AND ACTIVITIES FOR YEAR 2023.

Our organization's size limits resources available for a formal external audit. However, the content of this document is inspired by GRI standards and has undergone a detailed review through an internal audit service. An external sustainability development expert was also involved in the writing process to ensure the application of best practices.

Alignment with the United Nations Sustainable Development Goals

We take our commitment to sustainability seriously. For this reason, we are prepared to be evaluated against internationally recognized standards.

By incorporating the UN's Sustainable Development Goals into this report, we enhance our ability to measure and track our sustainability performance. This alignment also makes it easier to target areas where

we may face risks so that we can implement effective corrective actions. Adopting a universal language improves the consistency of our actions and strengthens our resilience against challenges, thereby multiplying our positive impact.



Forward-Looking Information

This report may contain forward-looking statements. Generally, any statement that does not relate to historical facts may be considered forward-looking.

The use of the future tense and phrases such as “commit”, “targets”, “goals”, and other similar forms generally indicate forward-looking statements. These statements do not guarantee the future performance of our company and are subject to risks and uncertainties. However, the targets mentioned in this report have been set considering their feasibility, and we are confident in achieving them within the prescribed timeframes. If this is not the case,

EcoloPharm commits to disclosing any failures to meet these targets in its next report.

For any questions related to the content of this report, please contact Évelyne Rojas-Benoit, Sustainable Development Coordinator, at erojasbenoit@ecolopharm.com

OUR COMPANY

Headquarters

Chambly, QC

Expertise

Eco-design

Certifications

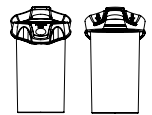
B Corp, Women Owned,
Eco-designed Product Certification

Sectors of Activity

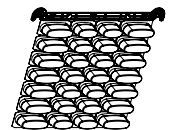
Pharmacies, veterinary clinics and hospitals,
medical cannabis dispensaries, senior residences,
long-term care facilities, correctional institutions

Annual
Production (2023)

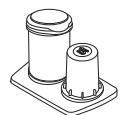
58 629 906 EcoloVial vials



4 364 311 EcoPill blister packs



559 811 EcoloJar ointment jars



OUR IMPACT

CUMULATIVE

2023

2010

Less Energy:
48 million kWh

Enough to heat
480 homes
for a year

Less Plastic:
1,787 tons

Equivalent to
13 blue whales

Less Cardboard:
206 tons

Equivalent to the
weight of 21 buses

No Plastic Bags:
2 million fewer bags

Enough to cover almost
4 times the distance from
Montreal to New York

Less Greenhouse
Gas Emissions: 5,645 tons

Equivalent to 9 round trips
from Montreal to Vancouver
by plane

OUR IMPACT

ANNUAL

2023

Less Energy:
516,911 kWh

Enough to heat
52 homes
for a year

Less Plastic:
187,389 tons

Equivalent to
27 African
male elephants

Less Cardboard:
206 tons

Equivalent to the
weight of 21 buses

No Plastic Bags:
223,240 fewer bags

Enough to cover
39 soccer fields

Less Greenhouse
Gas Emissions: 551 tons

Equivalent to 280 round trips
from Montreal to Vancouver
by car

MESSAGE FROM THE PRESIDENT

AND CEO



Dear stakeholders,

I am honored to present EcoloPharm's very first Sustainable Development report. Our company's purpose is deeply rooted in sustainability.

The publication of this report comes at a time marked by an increasing urgency to implement measures to curb the advance of climate change, whose devastating effects are felt globally. Fully aware of our duty to act significantly to reduce our environmental footprint, our organization remains more committed than ever to sustainable development.

As you read this report, I am delighted to share the tangible progress made in 2023. As a B Corp certified company, social responsibility is a crucial

differentiating element of our organization. In this respect, this report becomes a valuable tool to formalize our commitments, measure our progress, and communicate with transparency, year after year.

EcoloPharm has always aspired to provide concrete solutions to help Canadian pharmacies reduce their environmental impact and emphasize their role as agents of change. Our vision is that of an environmentally respectful company working for a greener, more sustainable future surrounded by partners who embrace this same vision and desire to act promptly. In this regard, I would like to salute the various movements taking place in the industry to hold companies accountable for taking concrete actions to accelerate the ecological transition that is becoming necessary.

With this perspective, my team and I aspire to realize great ambitions, notably achieving net-zero emissions by 2030. This major goal for the coming five years demonstrates our willingness to adopt a proactive

approach by strengthening our internal initiatives, investing in sustainable solutions, and collaborating with local partners to meet upcoming challenges.

I am optimistic about the coming years of innovation and commitment at EcoloPharm. I am also convinced that we will be able to turn challenges into opportunities and thus continue to generate positive and lasting impacts.

Together, we can undoubtedly build a sustainable and prosperous future for future generations.

A handwritten signature in black ink, reading "S. Milante".

Sandrine Milante,
President and CEO, EcoloPharm

2023 HIGHLIGHTS

ENVIRONMENT

Highlights of the report

Sustainable Development Goals (UN)

Between 2021 and 2023, EcoloPharm increased its packaging production while reducing its energy consumption by 11%.



By the end of 2024, we aim to reduce our consumption of virgin raw material by 10% by increasing the percentage of post-industrial recycled material in our product manufacturing.

From 2024, the EcoloJar will be entirely made of recycled material, making it the first fully recycled EcoloPharm product.

Between 2021 and 2023, no EcoloPharm product was subject to a recall.

In our operations, 100% of the discharged water is directed to our municipality's hydrographic basins, and its quality remains the same as at the time of collection (quality confirmed through tests conducted every two weeks).



SOCIAL

Highlights of the report

Sustainable Development Goals (UN)

Gender Parity Ratios:

- Overall: 57%
- Executive Committee: 66%
- Plant Personnel: 35%
(Quebec average: 29.6%).

5 GENDER EQUALITY



An internal survey revealed a high satisfaction rate among our employees:

- 96% of employees indicated that
they feel comfortable communicating
with their manager.
- 93% reported that their ideas
and comments are listened to
and considered.

8 DECENT WORK AND ECONOMIC GROWTH



All of our workforce receives a
minimum wage exceeding the
living wage.

The ratio of disparity between
the highest and lowest salary
within the organization is 5.

A total of 7% of the payroll
was invested in training
for employees.

4 QUALITY EDUCATION



2% of our profits were donated
to various charitable organizations.

1 NO POVERTY



2 ZERO HUNGER



GOVERNANCE

Highlights
of the report

Sustainable
Development Goals (UN)

Increased collaboration
with action groups for
better use of plastic.

17 PARTNERSHIPS
FOR THE GOALS



Management of physical
and transition risks through
a SWOT audit and market analysis.

13 CLIMATE
ACTION



MISSION, VISION AND VALUES

MISSION

To generate a positive and lasting impact on people and the environment.

VISION

To engage pharmacies in an unprecedented ecological transition and be recognized as their indispensable partner in this transformation.

VALUES

EXCELLENCE

We define excellence as follows: Employees who are dependable, demonstrate great professionalism, and thrive on self-improvement. Innovative, high-quality products that exceed expectations.

RESPECT

Respect for people and the environment is at the core of our DNA. Working with integrity, showing esteem for others and their achievements, and adopting environmentally respectful behaviors are essential to our collective well-being.

TEAM SPIRIT

Creating strong bonds and valuing collaboration to achieve our common goals: this is what characterizes our company culture. At EcoloPharm, success is a team effort!



VISION DESCRIPTION

Developing products with the lowest ecological footprint is just one of the many ways we use to initiate a sustainable ecological shift. To effectively address the issues related to the climate emergency, we aim to leverage all our organizational resources and act as a transformational lever on a large scale.

To this day, we remain convinced that our business model can inspire other companies to embark on the path towards eco-industrialization and thus accelerate the “green transition” within pharmacies. Our organization is a concrete example of successful reconciliation between sustainable development and business success.

By choosing to embed sustainability at the heart of our mission, we have ensured to go beyond the requirements of our sector. Proactivity, awareness, and education are valuable tools that allow us to achieve our vision. Thanks to these tools and the path we have traveled since 2010, we believe we are well-positioned to better meet the needs of a society that is still learning to understand the impact of traditional business models.

Above all, we rely on an approach of increased collaboration and intersectoral exchanges on circular economy, as well as on research and development. Beyond our own success, we aspire to impart to our

collaborators, clients, and partners the values of social change, openness, and the desire to make a significant difference for future generations.

At the end of achieving our vision, we envision a world where eco-responsibility is not just a competitive advantage but a mandatory condition for product distribution.

INNOVATION

AS A CATALYST FOR PROGRESS

WE AIM TO POSITIVELY INFLUENCE THE PLASTIC PACKAGING INDUSTRY AND HELP EVOLVE THE CONVENTIONAL — SOMETIMES OUTDATED — BUSINESS MODELS OF OUR SECTOR. TO ACHIEVE THIS, WE MAKE IT OUR DUTY TO STAY AT THE FOREFRONT OF TRENDS AND FOCUS ON THE FOLLOWING FOUR PILLARS OF INNOVATION:

1. Process

Our value chain guides the selection of our partners, influences technical processes, and inspires innovative employment conditions.

Eco-design is a strategic approach inseparable from sustainable development, particularly in packaging manufacturing. Opting for eco-design allows us to:

- Minimize the quantity of inputs needed for product manufacturing (plastic, water, and energy).
- Reduce the emission of pollutants potentially harmful to the environment and human health (greenhouse gas emissions and waste from over-packaging).

- Continuously measure each stage of our operations to identify opportunities to reduce the consumption of plastic material and the amount of waste generated. By choosing eco-design in our packaging manufacturing, we commit to creating sustainable solutions that preserve natural resources while meeting our clients' needs and ensuring our company's long-term viability.

2. Product

Thanks to audacity and innovation, we can design packaging solutions that meet our customers' specific needs while surpassing sustainability standards. In this regard, we advocate for smart design, i.e., creating products designed to perform multiple functions.

This results in numerous operational benefits for our clients: optimized workflow, increased productivity, space savings in laboratories, and reduced time spent on inventory management.

These significant advantages allow our clients to allocate their resources where they have the most value—integrating new professional practices and patient care. This results in increased profitability and enhanced customer satisfaction for their establishments.

Thanks to ergonomically designed and well-conceived products, adherence to treatments is facilitated, and the lives of patients are improved: this is how we contribute to the well-being of the community and the environment.



3. User Experience

Our organization is currently undergoing a comprehensive digital transformation.

This digital evolution aims to:

- Enhance the experience and satisfaction of our clients
- Amplify the impact of our actions
- Continue our growth
- Optimize the measurement processes to continuously improve our operations
- Increase our productivity

We continuously improve our human, operational, and digital ecosystems to engage and retain our clients in adopting sustainable practices.

Thanks to the B Corp certification, we can provide the highest level of accountability and measurement to protect our stakeholders from greenwashing risks.

The various platforms and technological tools we have implemented allow us to manage environmental parameters and provide our clients with an annual and cumulative environmental management certificate. This unique feature of our company offers an enviable positioning to our clients, who must also cope with the growing expectations of their patients towards businesses and the environment.

4. Brand Image

Investing in managing our brand image reinforces our position as a leader and influencer in sustainable development within the pharmacy sector. A strong brand image is not just an asset to attract and retain clients; it is a guide that aligns our resources, enhances the coherence of our actions, and facilitates strategic decisions.

Integrating brand management into all aspects of our business fosters a culture that resonates with our stakeholders, enables sustainable growth, amplifies our visibility, and increases the impact of our actions.

ENVIRONMENT

Since its foundation in 2009, EcoloPharm has been driven by strong environmental values. Protecting the environment and promoting sustainable development are at the core of our company's values, driving all our actions and at the forefront of our business strategy.

Concretely, we make continuous efforts to reduce our ecological footprint, minimize our consumption of natural resources, and adopt environmentally friendly practices at every stage of our value chain.

We also believe it is our duty to preserve the health of the planet—and of individuals—while helping to create a future where harmony between humans and nature is preserved.

2024 TARGETS

Objectives

United Nations Sustainable Development Goals

By the end of 2025, reduce our Scope 1 and 2 emissions by 80% by producing our own renewable energy.



Achieve net-zero emissions for Scopes 1 and 2 emissions before the end of the 2025 fiscal year.

For 2025, reach carbon neutrality for Scope 1 and 2 emissions.

Reduce Scope 3 emissions by 10% by the end of 2026.



By the end of 2024, reduce our consumption of virgin raw materials by 10% by increasing the percentage of post-industrial recycled material in the manufacturing of our products.



ENERGY CONSUMPTION

OUR ENVIRONMENTAL LEADERSHIP IS DEMONSTRATED IN VARIOUS WAYS, NOTABLY THROUGH THE ECO-DESIGN OF PRODUCTS RESULTING FROM OPTIMIZED OPERATIONAL PROCESSES.

- Examples of environmental innovations and production optimization of our products:
- Efficient manufacturing process: consumes 44% less energy than a conventional process.
 - Consistency: same energy efficiency since 2011.
 - Efficient equipment: 100% electric, low energy consumption, powered by clean energy (hydroelectricity).

Unique design and optimized production:

Vials: By molding our vials in a single piece (a unique design feature of EcoloPharm), we use only one production line instead of three as per industry standards

Ointment Jar: Adjustable and multi-size, meaning that one jar can accommodate three sizes, requiring only one production line instead of two for a conventional product

Blister packs: An analysis of production allowed us to eliminate certain manufacturing steps and combine others, resulting in enhanced environmental performance.

Between 2021 and 2023, our organization increased its packaging production (see chart below) while reducing its energy consumption by 11%.

Carbon emissions per 1000 units (tCO₂/1000 units)

	2021	2022	2023
Number of units manufactured*	58,655,739	62,190,145	63,554,029
Carbon emissions per 1000 units (tCO ₂ /1000 units)	0.02210	0.02105	0.01965
Percentage of emission reduction	-	-4.75%	-6.65%

*Vials and blister packs.

GREENHOUSE GAS EMISSIONS*

SCOPES 1 AND 2:

- Scopes 1 and 2 represent our direct emissions, totaling 651 tons for the year 2023.
- Our operations are entirely powered by hydroelectricity. However, we use natural gas to heat our factory, which accounts for 80% of our direct emissions (scope 1). For 2025, we aim to achieve carbon neutrality for scope 1 and 2 emissions.

Scope 1: Factory emissions (tCO₂ from natural gas)

2021	2022	2023
4.03	10.30	8

Scope 2: Emissions from electricity consumption (tCO₂)

2021	2022	2023
1.69	1.70	1.62

2023 Energy consumption details (tCO₂)

Total Consumption	Renewable Consumption	Non-renewable Consumption
9.62	1.62	8

REDUCTION OF OUR GHG EMISSIONS (SCOPES 1 AND 2)

One of the key objectives of our sustainable development plan is to achieve net zero emissions from scopes 1 and 2 by the end of our 2025 fiscal year. To succeed, we are reducing our GHG emissions from scopes 1 and 2 year after year.	The year 2024 marks an important milestone in our growth as we are planning the expansion of our plant. In this project, we are considering the installation of solar panels to produce our own renewable energy. For the current year (2024), by	eliminating gas heating, we estimate we can reduce our GHG emissions (scopes 1 and 2) by 80%.
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SCOPE 3

<p>Scope 3 emissions are indirect emissions resulting from our entire value chain. They encompass five categories:</p> <ul style="list-style-type: none">- Purchased goods and services- Transportation of goods- Business travel- Employee commuting- End-of-life treatment of products	Like many organizations, our most significant challenge lies in reducing Scope 3 emissions. For this reason, we collaborate with our suppliers to raise awareness about the importance of optimizing their logistics and enhancing their GHG strategy in the long term.	<p>Since Scope 3 emissions depend on other entities and can therefore be difficult to eliminate, they will be offset through carbon credits. We use carbon credits as a last resort, when cost-effective technological solutions are not available.</p> <p>Our goal is to reduce Scope 3 emissions by 10% by the end of 2026.</p>
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Scope 3: CO₂ Emissions (tCO₂)

2021	2022	2023
1980.38	2034.26	2139.64

SUSTAINABLE MOBILITY (SCOPE 3)

To achieve our previously mentioned 10% reduction goal, one of our actions involves implementing sustainable mobility initiatives.	and collective responsibility within our team by providing tools and resources that encourage active participation in our efforts to reduce GHG emissions.	In 2023, our employees traveled a total of 227,708 km for commuting, generating 33.71 tCO ₂ . By 2026, we aim to reduce this to 30.34 tCO ₂ .
Work-related travel, such as commuting and business trips, constitute a significant portion of our GHG emissions. For this reason, we aim to enhance both individual	We are also in the process of evaluating the best incentive measures to prioritize in order to meet our objectives.	In addition to sustainable mobility initiatives, we are optimizing our delivery logistics, promoting local sourcing initiatives, and utilizing carbon offsets.

CARBON OFFSET

From 2019 to 2023, business travel emissions were annually offset through Carbone Scol'Ère, an educational program that encourages young people to adopt environmentally friendly behaviors. In 2023, 23.64 tons of CO ₂	were offset through this organization. In 2024, we will offset our GHG emissions through another organization, this time on a nationwide scale. By 2025, the offset program will be expanded to cover all	business-related transportation: in addition to business travel, we plan to offset the transportation of our products and employee commutes.
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CO₂ Emissions from Business Travel (tons of CO₂)

2021	2022	2023
13.58	17.14	23.64

*Includes air travel and mileage by all employees.

WATER RESOURCES MANAGEMENT

EFFECTIVE WATER RESOURCES MANAGEMENT IS ESSENTIAL TO ACHIEVING OUR SUSTAINABLE DEVELOPMENT GOALS.

Our production chain utilizes a closed-loop water recycling system: an internal water tank provides the necessary cooling for our manufacturing equipment. Our water treatment process uses non-toxic chemicals to ensure optimal water quality. This method eliminates

potential contamination, allowing the water to be recovered, treated, and reintroduced into our operations, ensuring minimal loss.

Although our system generates very little water loss, bi-monthly quality tests are conducted to ensure that 100%

of the discharged water is returned to our municipality's watersheds with the same quality as when it was extracted.

Annual Water Consumption (in liters)

2021	2022	2023
6,619,000	8,057,000	Missing data - to be published in the 2024 report.

*Water stress: occurs when the demand for water exceeds the available amount during a certain period or when its quality restricts its use for human and environmental needs. This often results from factors such as drought, overconsumption, or water pollution.

Because we operate a closed-loop water system and use no toxic or hazardous chemicals in our manufacturing process, we have eliminated the risks of non-compliance incidents related to permits or water quality regulations. Additionally, our

operations are not located in an area where baseline water stress* is considered high or extremely high.

Finally, as part of the expansion project for our headquarters and plant in 2024, we will conduct an analysis to

determine how we can increase our production capacity without increasing water consumption.

RECYCLING AND WASTE RECOVERY

PLASTIC WASTE FROM OUR OPERATIONS IS REPROCESSED WITHIN THE PRODUCTION CHAIN AND REINTEGRATED INTO THE MANUFACTURING OF CERTAIN PRODUCTS.

For example:

- The EcoPill blister pack contains 30% recycled plastic.
- The adapter for our EcoloJar ointment jar is made entirely from recycled material.

By the end of 2024, we aim to reduce our consumption of virgin raw materials by 10% by increasing the percentage of post-industrial recycled material in our products. To achieve this, we plan to manufacture the EcoloJar entirely from post-industrial recycled material within

our closed-loop production system, making it EcoloPharm's first product to be 100% made of recycled material.





Over the Course of 2023:

59,393 kg

of plastic material were reintroduced into our manufacturing process (representing 7.95% of the raw material purchased).

7,250 kg

of reprocessed material and 675 kg of plastic waste were sold to a partner to create new plastic material, representing 1.07% of our purchased material.

Our manufacturing process generates no waste: all residues are either reintegrated into our products or repurposed through an external partner.

COMPOSTING

The year 2023 marked the integration of composting within our office administrative facilities. According to our sorting analysis, the inclusion of composting in our administrative offices allowed to divert approximately 42 kg of organic matter from landfills.

For 2024, we plan to extend organic waste collection to the cafeteria in our plant, aiming for a savings of 65 kg per year for this part of the company alone. To maximize employee participation, two information and awareness sessions on waste recovery were held.

END-OF-LIFE MANAGEMENT

ECO-DESIGN DICTATES THAT FROM THE VERY CONCEPTION STAGE OF OUR PRODUCTS, WE CONSIDER SCENARIOS THAT MAXIMIZE THEIR VALUE UP UNTIL THE END OF THEIR USEFUL LIFE. IN OTHER WORDS, OUR RESPONSIBILITY IS TO EXTEND THE LIFESPAN OF OUR PRODUCTS, WHILE ENSURING THEIR QUALITY AND RECYCLABILITY.

To ensure the quality of our products, we rely on a series of initiatives:

- We work with single-material raw materials (without any contaminants). Polypropylene is our material of choice because it is in high demand by recyclers.
- The design of our products directly contributes to their recyclability (for example, the vial molded in a single piece and the individual identification of the blister pack cavities).
- Eco-design mandates that the product ensures optimal quality and fully performs its primary function. The design of our products allows for reuse beyond what the standards require.
- We have chosen to design and manufacture product formats (vials) that meet the requirements of sorting centers.

From 2021 to 2023, no EcoloPharm product has been subject to a recall.

SOCIAL

Our success as a company is closely tied to the well-being of our staff and the health of our communities.

In our pursuit of sustainability and social responsibility, we recognize the crucial importance of a thriving and engaged workforce.

Our commitment to the well-being of our employees goes beyond merely implementing policies: we strive to create an inclusive work environment

where everyone is encouraged to flourish. This commitment is evident in initiatives such as training and development programs, advancement opportunities, and measures to facilitate work-life balance.

EcoloPharm is also actively engaged in the community. We understand the importance of giving back to society and supporting initiatives that aim to enhance community well-being.

This involvement may take the form of partnerships, volunteer work, or investments in projects that have a positive impact on health, education, or economic development.

2024 TARGETS

Objectives

United Nations Sustainable Development Goals

- Implementing the community involvement program for staff members.
- Ensuring a minimum community engagement of 16 hours per year per employee by 2026.

1 NO POVERTY



2 ZERO HUNGER



- Completing the training on nonviolent communication for all administrative staff.
- Renewing the Health and Wellness program.
- For the current year: no serious workplace injuries.

3 GOOD HEALTH AND WELL-BEING



2024 TARGETS

(CONTINUED)

Objectives

United Nations Sustainable Development Goals

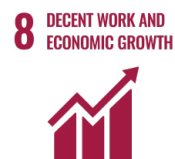
- Increase training investments to 8% of the payroll.



- Maintain our gender parity ratios.



- Obtain the Concilivi certification.
- Maintain a job satisfaction rate of 90% at EcoloPharm.



- Provide all staff with two training sessions: equity, diversity, and inclusion, and inclusive and gender-neutral writing.
- Gradually increase the donation rate to 3% of our profits by 2026.



CORPORATE CULTURE

Our organization comprises 32 positions: 15 in administration and 17 in the plant. Depending on the time of year, six to eight people hold permanent positions working four days a week, a significant benefit that supports work-life balance, which is important to us.

The leadership of our organization is characterized by openness and kindness. Regardless of their position, our employees are encouraged to think

outside the box, challenge the status quo, and explore new ideas.

We have always advocated for an “open door” culture with a flexible hierarchical structure. We ensure that every staff member has access to open communication channels to facilitate dialogue and communication. This enables them to freely ask questions, provide feedback, and share their concerns.

This culture positively influences our daily operations. Twice a year, we conduct a staff satisfaction survey. This survey measures various aspects, including manager leadership, work environment, professional development, and working conditions.

Highlights from the Internal Survey Conducted on August 24, 2023:

96%

of our staff indicated they feel comfortable communicating with their manager.

93%

indicated that their ideas and comments are heard and considered.

80%

of employees indicated that their manager regularly communicates with them both formally and informally.

83%

mentioned that the openness of communication between management and staff is adequate.

90%

Between 2021 and 2023, the overall employee satisfaction rate with their employer increased from 82% to 90%.

EQUITY, DIVERSITY, AND INCLUSION (EDI)

AS A CERTIFIED B CORP AND WOMEN OWNED ENTERPRISE, WE PLACE GREAT IMPORTANCE ON GENDER DIVERSITY AND THE FEMALE-MALE RATIO ACROSS ALL SPHERES OF THE COMPANY.

In 2023, our overall gender parity ratio was 57%. For the plant alone, this ratio was 35%, while the average percentage of female employees in Quebec's manufacturing sector is 29.6%*.

Ensuring a healthy, fair, and equitable environment for everyone requires openness and a demonstrated ability to welcome and integrate newcomers. Our HR practices are focused on these aspects, and we have successfully integrated a diverse range of

candidates: pre-retirees, young students, newly arrived immigrants to Canada, etc. Every new hire is presented with the code of ethics, which they must sign, as a commitment to our EDI values.

PARITY RATIOS

Global:

57%

Management Committee:

67%

Plant:

35%

The representation of diversity within our organization reflects the demographic pool in which we operate. Given the limited number of candidates from diverse backgrounds, setting a target for increasing this percentage is a significant challenge: out of the 31,462 residents in Chambly, only 10% are from immigrant communities and 3.4% from Indigenous communities**.

To facilitate the integration and attraction of diverse personnel, we have adopted an inclusive recruitment strategy: job descriptions have been thoroughly revised to better reflect our commitment to diversity and inclusion.

In terms of communications, an inclusive and gender-neutral writing charter was introduced in 2023, aimed at promoting inclusion, equality, and non-discrimination.

*Latest data available, from 2021.

**<https://ville.chambly.qc.ca/municipalite-ville-de-chambly/a-propos-de-chambly/>



PAY EQUITY

As stipulated by the Act respecting labor standards, companies with 10 to 49 employees must conduct a pay equity validation exercise every five years, an obligation we comply with. To maintain fair and equitable compensation at all levels, we go beyond this obligation by annually reviewing our salary structure. This

annual analysis is based on studies by third-party specialists in compensation, including the Economic Research Institute of Canada.

The internal wealth distribution has also been evaluated according to B Corp criteria. The exercise revealed that the ratio of wealth disparity between the

highest and lowest salaries in the company is 5, which corresponds to an exceptional level according to B Corp standards.

EcoloPharm ensures equitable access to enrichment by offering all its workforce a salary above the living wage.

FINANCIAL WELL-BEING

Retirement planning is a crucial aspect of financial stability. For this reason, we offer various savings options to promote the financial peace of mind of our staff and their families:

- Registered Retirement Savings Plan (RRSP)
- Deferred Profit Sharing Plan (DPSP) with employer contributions
- Opportunity for employees to contribute a percentage of their salary

to a retirement savings account, with EcoloPharm matching a predetermined amount

- Option for staff members to invest in a responsible investment fund

*Living wage: A salary that allows a person working full-time not only to meet their essential needs and those of their dependents but also to purchase other necessities, handle unforeseen events, engage in leisure activities, and receive healthcare, among other things.

HEALTH, SAFETY, AND WELL-BEING

ENSURING A HEALTHY AND SAFE WORK ENVIRONMENT IS, IN OUR VIEW, THE MINIMUM STANDARD THAT EVERY ORGANIZATION SHOULD MEET.

Beyond this, we are committed to the well-being of our workforce. For this reason, we have implemented various programs and initiated collaborations that continuously enhance the well-being of our staff.

PREVENTION PROGRAM

Our prevention program is part of our commitment to providing a healthy and safe work environment through proactive risk management. The program, which serves as a safety

audit, includes several areas of action. For example, we regularly measure sound exposure and decibel levels for plant positions and consistently update personal protective equipment.

The prevention program includes various policies (drugs, alcohol, and medications, prevention of violence and psychological harassment, etc.). However, beyond these policies, we firmly believe in the importance of second chances. We actively support team members going through difficult times. Our approach is characterized by particular attention to the issues

they may face, especially concerning challenges related to drugs, alcohol, or other personal difficulties.

Thus, when our employees face difficulties, we are committed to providing them with active support and the opportunity to bounce back. Every individual in such a situation benefits from our guidance and openness, and our managers provide the necessary assistance and encouragement for recovery and success.

PREVENTION MUTUAL

Due to its excellent risk management in the manufacturing environment, EcoloPharm is a member of a workplace prevention mutual. This commitment allows us to stay

ahead of upcoming standards, remain proactive in implementing measures, and adequately raise awareness among our staff about risks and the need for vigilance. The mutual is also an

excellent source of information, enabling us to proactively implement best practices in terms of safety.

Number of Work-Related Injuries, 2021-2023*

2021	2022	2023
2	0	0

For the current year, our goal is to maintain zero serious work-related injuries.

*Source: Annual audits conducted by TELUS Health.



WORK-LIFE BALANCE

OUR PRODUCTION CHAIN OPERATES CONTINUOUSLY, TWENTY-FOUR HOURS A DAY, FIVE DAYS A WEEK. ALTHOUGH THIS SCHEDULE REQUIRES FIXED HOURS, WE HAVE TAKEN MEASURES TO ENSURE EMPLOYEE SATISFACTION BY OFFERING SOME FLEXIBILITY WHEN NEEDED.

To this end, several adjustments have been made to allow our staff to work a four-day week, demonstrating our commitment to the well-being of our teams. Additionally, we have implemented a disconnection policy, encouraging employees to avoid checking their emails outside of working hours or during vacation periods.

In late 2023, we began the process of obtaining Concilivi certification to further our commitment to work-family balance. This initiative aims to

recognize our efforts to go beyond traditional standards of work-family balance in a manufacturing environment. These initiatives reflect our unwavering commitment to the well-being of our employees and our constant effort to promote a balanced and respectful work environment.

In addition to our telework policy, which allows administrative staff to enjoy flexibility by working from the office two days a week at their convenience, we regularly remind

employees of the importance of disconnecting. Some tools, such as our phone system, have been designed to encourage disconnection outside of office hours.

HUMAN DEVELOPMENT

LEADERSHIP DEVELOPMENT

EcoloPharm is at a pivotal point in its growth, experiencing significant transformations in operations, IT, and human resources. In this context, self-awareness and emotional regulation among managers play a decisive role.

In 2023, our administrative staff participated in a personalized, high-level training program titled

“The Courage to Be Yourself.”

This series of nine training sessions, an unusual initiative for a company, aimed to provide a space for introspection, mindfulness development, and connection to one’s true and authentic self. The program, which combined personal development and leadership development, was built on openness, sharing, curiosity, and respect. The trainer, Louis Roy –

a coach, trainer, and organizational development advisor – developed this program after undergoing numerous high-level trainings himself, including Marshall Rosenberg’s Nonviolent Communication and various advanced courses in Europe and the United States.

Highlights from the Training Evaluation Survey

91%

were satisfied with the learnings acquired.

82%

felt that the training contributed to their professional or personal well-being.

“

Since the beginning of the training, I have matured a lot and become aware of some of my communication habits that were harming my relationships. Today, I am able to manage frictions with friends, family, colleagues, or relatives gently, without confrontation, and most importantly, feeling capable of addressing these delicate situations.

I am also more comfortable expressing my emotions and understanding my needs arising from them.

”

- Testimonial from an employee who participated in the “The Courage to Be Yourself” training.

To further their personal and professional development, management members also receive private coaching sessions based on their specific skills and needs.

PERFORMANCE MANAGEMENT

Our performance management program is based on our values (excellence, respect, and collaboration) and an openness to others. Our goal is to ensure both the achievement of organizational objectives and the individual development of our members. This process includes an annual formal meeting, supplemented by two to four follow-up meetings throughout the year. These meetings

between team members and their manager offer a valuable opportunity to review ongoing projects, set goals, and address challenges. They also highlight the tools and resources available to facilitate project progress.

In line with our culture of openness and transparency, our teams are encouraged to regularly exchange and adjust their trajectory as needed, without waiting

for these formal meetings.

This approach promotes collaboration and proactive problem-solving, thereby enhancing our ability to achieve excellence in our activities and fostering a work environment where everyone feels supported and valued.

INTERNAL TRAINING

Year after year, we exceed the minimum requirements for continuous training of our employees. While Quebec's Skills Act mandates a minimum training equivalent to 1% of the payroll, we allocated nearly 7% in 2023.

Our internal training aims to provide the knowledge and skills necessary to integrate environmentally friendly practices and socially responsible behaviors into our professional activities. Within the administrative team, each member has a dedicated training budget, allowing them to choose relevant programs based on their individual needs, previously

identified with their manager.

For all employees—in both the plant and administration—continuous training is prioritized, covering various aspects such as protective equipment, ergonomics, best health practices, and stress management related to work. We also regularly communicate on development issues to enable all employees to understand their impact on our company and actively engage in finding solutions.

Additionally, we initiate a series of actions aimed at health, well-being, and personal development: outdoor training programs, online courses

provided by professionals, etc. Finally, all employees can use the Employee and Family Assistance Program (EFAP) available to them. This program provides quick access to qualified professionals offering a range of advice and tools: mental health support, physical health optimization, legal advice, and more.

COMMUNITY INVOLVEMENT

Our desire to generate a positive social impact goes beyond financial contributions. After reflection and consultation with our internal teams, we decided to take our community involvement a step further: in 2024, we will implement the first phase of our employee community involvement program.

This program includes two components:

- Individual: A predetermined number of hours is granted to each employee to volunteer with an organization of their choice (while being paid by EcoloPharm).
- Collective: Our teams will identify social causes they care about. We will then organize two team volunteer days per year.

While this first phase is dedicated to the administrative teams, we will extend the program to plant employees in 2025. Ultimately, by 2026, we aim for each staff member to volunteer 16 hours per year.

DONATIONS AND SPONSORSHIPS

Non-profit organizations play an essential role in improving community living conditions. By making donations, we amplify the positive impact we wish to have on society. In 2023, 2% of our profits were donated to various organizations, all of which share the goal of improving community health or well-being.

This 2% rate is significant, given certain peculiarities of our market, including rebates and volume discounts given to some clients. With the collaboration of CanaDon, we coordinate the issuance of these rebates and discounts as donations, allowing our clients to support causes and organizations of their choice.

By 2026, we commit to gradually increasing our donation rate to 3% of our organization's profits.



GOVERNANCE

As a B Corp certified company, our commitment to sustainable development goes beyond mere compliance with standards: sustainability and social responsibility are embedded at the heart of our governance structure and directly influence our strategic decisions. We ensure that our choices positively

impact our stakeholders and take care to select suppliers and partners who share our vision and values. Consequently, we exert influence across our entire network, encouraging the elevation of environmental, social, and governance standards. Our goal is to drive continuous improvement within our ecosystem by promoting

sustainable practices at all levels. For us, maintaining sound governance means acting according to our values, unequivocally and at all times. This firm guiding principle allows us to operate in a universe where our stakeholders play a crucial role in our sustainability efforts.

2024 TARGETS

Objectives

United Nations Sustainable Development Goals

In 2024, conduct a materiality analysis to identify ESG issues deemed important by our stakeholders.



By the end of 2026, incorporate the achievement of ESG goals into the directors' bonus structure.



GOVERNANCE STRUCTURE

THE IMPORTANCE OF TRANSPARENCY AND SOCIAL RESPONSIBILITY WAS HEIGHTENED WITH THE UNILATERAL ADOPTION OF OUR CODE OF ETHICS IN 2021.

Signed by all our employees, this code reinforces our commitment to promoting ethical and sustainable business practices. Our governance structure ensures that environmental, social, and governance (ESG) considerations are integrated at all

levels to create long-term value for all stakeholders and contribute positively to society and the environment.

To ensure comprehensive management, EcoloPharm has established several committees and working groups

dedicated to specific mandates. Generally composed of employees, these committees enhance engagement, foster skill development, and increase the level of knowledge within the organization.

PRESIDENCY

While the role primarily involves overseeing the growth and profitability of the organization, its responsibilities encompass a wide range of areas, from strategic vision to operational management.

For example, the President:

- Evaluates risks and opportunities, considering financial and operational implications.
- Ensures sound financial management.
- Actively contributes to business development by identifying new opportunities and maintaining strategic partnerships.
- Guides and supports operations to ensure efficiency and optimization.

- Ensures the proper implementation of management processes and systems.
- Creates a positive and motivating work environment.
- Represents the company to stakeholders, as well as in various public and media forums.
- Ensures compliance with current laws and regulations.
- Encourages innovation in products, services, and processes.
- Promotes ethical values and ensures that the company's core values are respected in project execution.

To achieve these successfully, the President surrounds herself with committees of experienced individuals.

To ensure the continuous development of her skills—and as the company's primary sustainability expert—she engages in:

- Continuous training processes
- Participation in several co-development groups
- A series of individual and executive coaching sessions (60 hours per year)

She also participates in numerous discussion panels and conferences, for which she must keep her knowledge up to date.

ADVISORY BOARD

In 2016, EcoloPharm established an Advisory Board. This board consists of three experienced individuals from the fields of finance, law, and business management. Given the size of the company and the shareholding structure, no directors other than the sole shareholder have been appointed. The Advisory Board substitutes for a Board of Directors with a similar mission and powers.

The Advisory Board sits at the top of the governance structure and is tasked with:

- Providing advice;
- Proposing ideas;
- Bringing specific expertise to help our organization make informed decisions.

Before their status as directors is formalized, and because they are

external members, committee members are required to voluntarily disclose any potential conflicts of interest due to their other activities.

Ultimately, the board is a valuable management asset that offers a fresh external perspective on certain situations and supports our team in tackling significant challenges.

EXECUTIVE COMMITTEE

Since its creation in 2017, the Executive Committee has always been gender-balanced. To date, the committee consists of six members: two men (33%) and four women (67%). The Executive Committee is responsible for defining the company's vision and overall strategy. It assesses opportunities and risks, sets short and long-term goals, and evaluates the potential impacts of physical and transitional risks associated with climate change on the company's

activities and its ability to create long-term value.

Committee members are also tasked with overseeing the organization's ethical and legal practices and ensuring compliance with current regulations. Ultimately, their role is one of facilitation, prioritizing collaboration, promoting information exchange, and ensuring that internal stakeholders are aligned with the predefined goals.

Each year, Executive Committee members undergo a formal, written evaluation regarding their performance in achieving the company's objectives.

By 2026, achieving ESG objectives will be integrated into the directors' bonus structure.

SUSTAINABILITY COMMITTEE

The Sustainability Committee is tasked with promoting the implementation and monitoring of sustainable development practices within the organization. It consists of nine members, including the directors of each department, the sustainability manager, the internal

sales representative, and the production coordinator. In addition to implementing and monitoring projects, committee members are responsible for evaluating the environmental, social, and economic impact of the organization's activities and proposing

measures to reduce negative impacts. Their role also involves raising awareness and promoting sustainable practices to adopt. Finally, committee members are accountable for reporting progress on the initiatives implemented.

HEALTH AND SAFETY COMMITTEE (HSC)

The role of the HSC is to promote and maintain a safe and healthy work environment for all individuals in the company. It acts proactively to prevent risks that may affect the quality or climate of the workplace.

In addition to identifying hazards, committee members are responsible

for implementing appropriate preventive measures and ensuring that safety policies and procedures are established, respected, and evolving.

Several workplace well-being initiatives have been implemented to enhance team members' productivity and satisfaction. Workshops focused

on stress management, mental health, leadership development, adopting healthy lifestyles, and work-life balance are integrated into the company's activities to ensure that everyone feels fulfilled at work.

RESEARCH, DEVELOPMENT, AND INNOVATION COMMITTEE

Composed of the President, the operations director, a mold maker, and an industrial designer, this committee plays an essential role in promoting and implementing sustainable design practices. Its objective is to push the

boundaries of innovation while placing environmental protection at the forefront of its priorities. Annually, the committee analyzes the life cycle of products to assess their environmental impact. It regularly

collaborates with external stakeholders (suppliers, material transformation experts, universities, and industrial partners) to stay abreast of the latest advances in technology and eco-design.

MATERIALITY

TO IDENTIFY THE PRIORITY ISSUES TO ADDRESS IN THIS REPORT, WE CONDUCTED A MATERIALITY ANALYSIS IN 2023. THIS ANALYSIS ALLOWED US TO BEGIN PRIORITIZING AND VALIDATING THE IMPORTANCE OUR STAKEHOLDERS PLACE ON ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) ISSUES.

The exercise was conducted via an extensive survey sent to numerous stakeholders (employees, suppliers, distributors, and financial partners). An expert from the FTQ financial group verified the compliance of the survey questions. The response rate was 57%,

demonstrating a certain level of engagement from our partners. After analysis, we consider the materiality exercise inconclusive, mainly because the majority of issues were identified as priorities. Given that players in our sector (packaging) are

under significant pressure to improve sustainable development practices, we are not surprised by this outcome. Nevertheless, we are committed to conducting a new annual materiality survey starting in 2025.



POLICIES

OUR ORGANIZATION HAS ESTABLISHED POLICIES THAT UNDERPIN ITS ENVIRONMENTAL, SOCIAL, AND TRANSPARENCY COMMITMENTS TO ALL STAKEHOLDERS. THESE POLICIES ARE REGULARLY REVIEWED, AND UPDATED.

1

Code of Ethics

EcoloPharm’s Code of Ethics is the foundation of our commitment to ethical and deontological excellence. It also reflects our core values and

is addressed to our employees, volunteers, and interns.

- This document:
- Promotes transparency.
 - Encourages responsibility.
 - Cultivates respect and fairness.
 - Guides professional behavior.

In 2024, this initiative will be extended to suppliers.

2

Occupational Health and Safety Policy

Health and safety are integral pillars of our operational integrity. Thus, EcoloPharm is committed to creating a work environment conducive to the health and well-being of its personnel

while ensuring safe working conditions. The policy endorses our promise to be proactive in deploying preventive measures, providing the tools and resources necessary to maintain a safe environment, and diligently planning awareness, responsibility, and training activities to achieve our occupational health and safety goals.

Ensuring a safe work environment: We implement rigorous protocols to prevent accidents and occupational diseases, ensuring that our work environment meets the highest safety standards.

3 Harassment and Violence Prevention Policy

This policy reflects a firm commitment to ensuring a professional environment where respect, dignity, and the protection of each person's physical and psychological integrity are paramount. Aligned with the principles of the Charter of Human Rights and Freedoms, it recognizes that harassment in any form is unacceptable as it violates fundamental rights.

The policy aims to prevent all forms of violence or harassment and to intervene effectively when a situation arises. Intervention principles are established in advance to ensure that every report is taken seriously and necessary measures are taken to quickly and effectively stop any harassment or violence, maintaining a work environment conducive to personal development.

4 Responsible Procurement Policy

EcoloPharm is committed to promoting ethical business practices throughout its supply chain. We encourage all our suppliers to adhere to high ethical standards and respect the company's core values.

This policy serves as a tool for reflection and commitment to the local economy, in line with our company's values and governance. It promotes responsible sourcing to maintain a dynamic local economy and contribute to local economic development.

This policy is available on our website.

5 Sustainable Development Policy

This sustainable development policy aims to specify how we integrate the development approach into our business model and confirms the importance placed on it within our governance.

This policy is available on our website.



COLLABORATIONS AND CERTIFICATIONS

AS CHANGE AGENTS IN THE PHARMACEUTICAL PACKAGING INDUSTRY, WE RECOGNIZE THE ENVIRONMENTAL AND SOCIAL CHALLENGES POSED BY PLASTIC MANAGEMENT AND USAGE. OUR COMMITMENT TO SUSTAINABLE INNOVATION HAS LED US TO JOIN FORCES AND SHARE KNOWLEDGE WITH LEADING PARTNERS TO CREATE A LASTING POSITIVE IMPACT ON OUR INDUSTRY.

SUSTAINABLE PACKAGING COALITION



The Sustainable Packaging Coalition is a North American association that leverages the industry's power to make packaging more sustainable. As advocates for sustainable packaging, the association aims to create packaging that benefits both

people and the environment. As a coalition member, we attend two annual meetings focusing on the latest industry trends and use these opportunities to share our knowledge with other members.

PLASTICOMPÉTENCES



Plasticompétences is a Quebec-based non-profit organization that reflects the needs and aspirations of the plastic and composite product manufacturing industry. Its main objective is to promote and coordinate training and human resource development in the plastics and composites sector,

reinforcing employment-related partnerships. As a member, we benefit from quality training tools for our employees and contribute to the exchange of expertise among industry players.

SUSTAINABLE INDUSTRIES COUNCIL (CID)



The CID is a non-profit organization whose certification program is validated by ECOCERT. The Sustainable Industries Council is a Canadian group dedicated to helping business leaders implement sustainable development

initiatives. The goal is to strengthen leadership in their respective fields using sustainable development as a lever for business development. EcoloPharm has obtained the “Eco-designed Product” certification

from the organization. Our President, Sandrine Milante, serves as vice-president on their board of directors.

VALLÉE-DU-RICHELIEU CHAMBER OF COMMERCE AND INDUSTRY (CCIVR)



The CCIVR is a group of specialists committed to promoting the development of healthy businesses and strengthening the social fabric within the Vallée-du-Richelieu territory. The group's commitment is manifested through organizing business meetings, providing support and tools for

companies and organizations, coordinating socioeconomic and political players, and taking concrete actions on entrepreneurial issues. EcoloPharm is an active member of the CCIVR and supports the region's economic development through an annual partnership with the

organization. Our President, Sandrine Milante, serves as an administrator on the organization's board of directors.

B CORP



EcoloPharm has been B Corp certified since 2019. B Corp's mission is to promote positive and lasting change within the business world. Certified B companies commit to balancing profit with social and environmental objectives. As a B Corp certified company, EcoloPharm is dedicated to creating sustainable value by meeting the highest verified standards of

performance, transparency, and social and environmental accountability. This social responsibility is integral to our value proposition. Besides the high level of credibility the certification provides, access to the B Corp community allows us to connect with other change agents and be inspired by innovative companies with strong social values.

WOMEN OWNED



In 2023, EcoloPharm obtained the Women Owned certification, which attests that our company is owned and managed by a woman. Women Owned is an organization dedicated to empowering women in the business world. Its mission is to support, certify, and promote women-owned and -led businesses. By highlighting these businesses, Women Owned helps

increase their visibility and access to new market opportunities. For a company with strong social values, associating with or being recognized by Women Owned represents a commitment to gender equality and demonstrates a willingness to promote diversity and inclusion within the entrepreneurial ecosystem.

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EcoloPharm



WOMEN
OWNED

THANK
YOU

